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The Empire at Sunset: Production, Finance, and British Grand Strategy 1941-42

by

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ABSTRACT

The year following the collapse of France was a dark one for Britain. It had become the sole great power resisting the Axis. Whilst lucky to have escaped from Dunkirk with its army, Britain had to leave most of its land-based military equipment behind on the beaches. It found itself fighting not only alone, but starting almost from scratch.

The nature of this period of the war, and Britain's leading role in it, is overshadowed by subsequent British decline and the debate over it. The traditional narrative of the Second World War holds that during 1940-41 Britain was out-produced by Germany and by superior American industrial capacity, allowing America to save the day by supplying its allies and its own forces, with Britain playing an important, secondary role.

In fact, Britain's 1941-42 is a success story—though one with high costs. It was the last time Britain harnessed its strength as the world's greatest power. Britain knew well that to defeat Nazism, its place in the world must decline, the only question being, how far? To finance the war, Britain liquidated its own assets before Lend-Lease. It passively acquiesced when Canada moved away from the Imperial system. Production from the U.S. was not forthcoming and, even so, Britain sent aid to Russia, which it correctly calculated was the critical theatre of the war. This decision, in turn, damaged the strength of Britain's own forces in North Africa, and indirectly in Singapore, and sullied its relationship with Australia. Britain's 1941-42 is, then, a key moment when Britain made bold, costly and ultimately effective sacrifices for the greater good.

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Introduction

Addressing an acrimonious session of the House of Lords in late January, 1942, Robert Gascoyne-Cecil, Lord Cranborne, bluntly explained the causes of Britain's repeated setbacks in 1941. "To provide really enough for this country, for the Middle East, for Russia, and for the Far East was really beyond our power last year. It was beyond our power to provide adequately for all."¹ Although at times during the prior 18 months it had seemed possible that adequate supplies to achieve these aims might materialize from North America, they did not arrive in time to prevent humiliation in the Far East and setbacks in North Africa. Even as Cranborne spoke, more than a year after Britain nearly bankrupted itself with orders for planes and tanks from the U.S., he described American production only in the future conditional tense. "We were delighted to read and to hear of the magnificent and colossal programme which has been put forward by the United States. It is a tremendous contribution, and it should, I think, make successful outcome of the war absolutely certain. The fact remains, that we did not have that great flow of weapons last year, and we had to a great extent to do all that we could to provide for ourselves."² Unexpectedly having to make do with its own inadequate production, Britain's planners had to choose which areas to supply and which to starve, knowing that the consequences even of the best choices would leave important areas of the Empire weakened. It was not an accident that the Dominions Secretary illuminated the nexus of production, strategy, and the Empire, for the Dominions Office had been

¹ *Lords Hansard Parliamentary Debates*. January 29, 1942. Series 5, Volume 121: 572.

² *Lords Hansard Parliamentary Debates*. January 29, 1942. Series 5, Volume 121: 572.

immersed with the Services and the Ministry of Supply in the struggle to divide Britain's deficiencies, and mitigate the fallout.

The year following the collapse of France was a dark one for Britain. It had become the sole great power resisting the Axis. Whilst lucky to have escaped from Dunkirk with its army, Britain had to leave most of its land-based military equipment behind on the beaches. Britain found itself fighting not only alone, but starting almost from scratch. Yet there was a silver lining to Britain's dogged resistance, described by the German Official History as the turning point of the war.

The strategic dilemma in which Hitler, after his victory over France, found himself owing to Britain's uncompromising attitude, and which he was determined to overcome by a rapid systematic subjection of the Soviet Union, led to a strategic turning point in the war. Germany had lost her strategic initiative vis-à-vis the continental power of the Soviet Union and the Anglo-Saxon naval powers. The further development was marked by the gradual transformation of the military and economic potential of the Allies and the Soviet Union into the strategic offensive, to which the Germans could do no more than react and which eventually resulted in the collapse of the Reich.³

In its euphoria after the fall of France, Germany formulated "completely inaccurate" estimates of British aircraft production in 1940, which led it also to estimate British production in 1941 inaccurately, expecting Britain to produce a paltry 180 fighters per month—fewer than Britain spared for Russia.⁴ German fighter production over the critical period from June-December 1941 was only 1660, or 276 per month—less than half of what Britain produced, notwithstanding U.S., Canadian and Soviet

³ Ed. Bernhard Kroener. Et.al. *Germany and the Second World War. Volume V. The Global War.* Oxford: Oxford University Press, 2000. P. Viii.

⁴ Ed. Meier, Klaus. Et.al. *Germany and the Second World War. Volume II. Germany's Initial Conquests in Europe.* Oxford: Oxford University Press, 1991. P. 404.

production.⁵ Thus, Germany erred precisely at the moment when British production and grand strategy emerged from catastrophe.

The nature of this period of the war, and Britain's leading role in it, is overshadowed by subsequent British decline and the debate over it. British economic weakness after the war regularly is projected back in time by historians, to the 1920s, or even the 1890s. The traditional narrative of the Second World War holds that during 1940-41 Britain was out-produced by Germany and by superior American industrial capacity, allowing America to save the day by supplying its allies and its own forces, so that they could overwhelm the tactically superior Germans. This narrative was implicit in Roosevelt's imagining of the U.S. as the "Arsenal of Democracy" in December 1940. The reality, however, was much more complex. When Britain went to war in 1939, it did so as a fully industrialized country—unlike Germany—with huge capabilities in production and resources, and the greatest empire the world had yet seen. Furthermore, it took years for American industrial production to emerge from Depression era stagnation and also to switch from civilian to military production. Not until late 1942 could America deliver the quantity of supplies it optimistically had promised long before to Britain, the Commonwealth, the Soviet Union, Latin America, and the Guomindang in China through direct purchase and Lend-Lease.

Meanwhile, in the two years from June 1940 Britain increased its production dramatically, produced more and better munitions than Germany, mobilized the

⁵ Ed. Boog, Horst. Et. al. *Germany and the Second World War. Volume IV. The Attack on the Soviet Union.* Oxford: Oxford University Press, 1998. P. 819.

Commonwealth for war, and financed the bulk of America's initial war mobilisation, while meeting its strategic needs in a way that defied the odds and frustrated its foes. Britain and the Empire's contributions in material during this period defended the British Isles, slowed the Axis in Africa, and helped the Soviet Union stop the Nazi advance at the Battle of Moscow in December 1941. Despite its desperate situation and the challenges of working with sometimes antagonistic allies, Britain devised strategies which allowed it to increase its production of armaments and to get them to the front or the ally which British leaders believed would have the greatest effect on the war, even to the detriment of their own forces or their relationship with the dominions.

The consequences of these decisions were serious. While the British economy raised war production after June 1940, it started from a mixed position. Despite efforts to preserve foreign reserves and gold, British finances were not strong enough to pay for the importation of the equipment necessary to fight Germany alone. British production was outstanding in warships and promising in aircraft, but dismal in land armaments. After the fall of France, "the British Army was practically disarmed; its losses included nearly 700 tanks and 850 anti-tank guns."⁶ Moreover, Britain had to ensure the absolute security of the home islands, the only place where it could lose the war, and to make the equipment of land and air forces in the United Kingdom its top priority. It was reluctant to send large quantities of equipment, especially good material, out of the United Kingdom. This decision was the fundamental limit to Britain's ability to

⁶ Playfair, I.S.O. *The Mediterranean and Middle East Volume III: British Fortunes Reach Their Lowest Ebb*. London: Her Majesty's Stationary Office, 1960. p. 435.

supply forces in active theatres, much more than any problems in production. Thus, from June 1941 to November 1941 Britain produced 3,856 fighters, of first rate quality. Of these, 66% remained in Britain. In hindsight, Britain over-insured the U.K. where it had far more forces than necessary, and would have done well to send more of them abroad. Such a decision also would have reduced some of the agonizing choices Britain had to make in the autumn of 1941 and the spring of 1942 about which theatres should receive reinforcements. Yet this is a judgment purely from hindsight, which contemporary British decision-makers rejected as optimistic.

Britain's deficiencies in the Middle East, Far East and other lesser theatres might easily have been reduced had the British Isles been less heavily defended. By late 1941 it was highly unlikely, if not impossible, that Germany could have attempted to invade Britain before the spring of 1942, although the possibility would have risen had Russia been defeated. Yet British leaders dared not risk leaving Britain inadequately defended, for reasons of politics, strategy and morale. On January 29, 1942, Cranborne addressed those critics who argued that more should have been transferred to the Far East from Britain's own defenses. "This is, in fact, I believe, a case of being wise after the event. Suppose invasion had been attempted—and it might very easily have been, if we had not been sufficiently protected—then we should have been told that the Government had been guilty of criminal folly and negligence in allowing too many armaments to leave this country."⁷ Unable to denude

⁷ *Lords Hansard Parliamentary Debates*. January 29, 1942. Series 5, Volume 121: 572-573.

the base, only one, simple, explanation remained: “The real truth, as noble Lords will recognize, is that there was not, at that time, quite enough to go round.”⁸

With the Home Islands atop Britain’s strategic priorities, two fundamental questions remained: how Britain could increase the materiel available for its armies—which meant securing both financing and production; and where such materiel would be dispatched. United States production was the only realistic source of modern weapons in the quantities Britain required. To augment this source, and maximize the Empire’s capabilities, Britain also would need to rely on the Dominions, especially Canada and Australia. Canadian production, economic strength, and connections with the U.S. offered the hope of effecting dramatic production increases in North America. Australia was needed to provide soldiers to fight in North Africa, and to accept a British strategy which left Australians exposed to danger. While Britain asked different things of each dominion, in the process both became dramatically more independent than they had been. Britain’s policies as it fought for its life accelerated the processes already underway in the Dominions, against Britain’s wishes to retain closer ties with, and leadership over them.

In June 1941, Operation ‘Barbarossa’ turned British strategy on its head. The invasion followed Britain’s successful domestic increases in production during the previous 12 months, a moderate recovery of armoured strength, and the mass deployment of newer models of aircraft. Britain was ready to reinforce the Middle East in strength or to reduce its astonishing weakness in the Far East. ‘Barbarossa’,

⁸ *Lords Hansard Parliamentary Debates*. January 29, 1942. Series 5, Volume 121: 572-573.

whilst assuring a temporary respite from the Nazis, was a mixed blessing from the supply standpoint. Any serious aid to the USSR must come at the direct price of strength in Singapore and North Africa. Britain's response to this strategic dilemma illuminated its decision-making process and priorities. In choosing to aid Russia at the expense of the Middle-East and Far East, Britain exercised for the last time one of the greatest of its grand strategic techniques: the use of economic aid to an ally, to increase the damage it inflicted on the enemy, in a synergistic fashion. Britain's leaders focused on what they believed to be the most effective means to beat Hitler, even at a high cost to the British Empire.

Although many of the areas addressed in these pages have rich individual historiographies, this dissertation breaks new ground in linking Britain's production, finance, the Dominions, Russia, and strategy during 1940-42. Despite the close integration of the Commonwealth and its impact on British industrial capacity—and strategy—these nations have separate historiographies of the war, as do the United States and the Soviet Union. Several authors have combined some of these areas, especially Joan Beaumont and Brian McKercher. Beaumont's *Comrades in Arms*,⁹ however, was written during the Cold War. She had no access to Soviet archival sources, and could only make conjectures about the Soviet Union, which limited the scope of her conclusions. McKercher's *Transition of Power* illustrates the process by

⁹ Beaumont, Joan. *Comrades In Arms: British Aid to Russia, 1941-1945*. London: Davis Pointer, 1980.

which the United States superseded Britain as the world's greatest power, but omits the impact of Russia and aid to Russia in this process.¹⁰

Until recently, both Western and Russian historiography assumed that Lend-Lease had little impact on the Soviet war effort at the start of the war. Particularly during the Cold War, it was widely accepted that this period of Lend-Lease to Russia was wasted, and therefore that equipment should have gone elsewhere. This view stemmed from several factors. Soviet historiography stated that early Lend-Lease was meaningless. For example, Admiral Kharlamov, the Soviet naval attaché in London, stated in his memoirs that "Soviet troops suffered from an acute shortage of aircraft and tanks. We are yet to see that in the days of the Battle of Moscow the deliveries existed only in protocols, never reaching the battlefields, and that the great battle was won by the Soviet Union wholly and totally through reliance on its own resources."¹¹ Western historians took that claim for granted.¹² The handful of scholars who assessed the topic failed to assess what was sent against what was available to the Soviet Union. One of the best attempts of this sort was Mark Harrison's *Soviet Planning in Peace and War*, although it focused on operational military history.¹³

¹⁰ McKercher, Brian J. *Transition of Power: Britain's Loss of Global Preeminence to the United States, 1930-1945*. Cambridge: Cambridge University Press, 1999.

¹¹ Kharlamov, Admiral N. *Difficult Mission: War Memoirs*. Moscow: Progress Publishers, 1983. p. 68.

¹² Even Beaverbrook's biographer, A.J.P. Taylor, falls in this trap, noting that as of February 1942 "nothing [had been] done to aid Russia." Taylor, A.J.P. *Beaverbrook*. London: Hamish Hamilton, 1972. p. 506.

¹³ Harrison, Mark. *Soviet Planning in Peace and War, 1938-1945*. Cambridge: Cambridge University Press, 1985.

Another historiographical school even argued that aid to Russia stemmed essentially from Soviet spies influencing British leadership, including Eden and Beaverbrook.¹⁴

Nearly every author on Lend-Lease fell into one of two camps. On the Western side, the traditional argument was: “[In 1943] the war was still to be won; the Germans were still deep in Russia; the Lend-Lease supplies were still an absolute necessity for Russia to win the victory.”¹⁵ Thus, the contention was that Lend-Lease initially was insignificant, but critical for later victory. On the Soviet side the argument was simpler and politicized. Not only did Lend-Lease provide an insignificant four percent of Soviet production throughout the whole war, but in the early period it was worthless. This statistic of 4%, applied in the late 1950s to prove how paltry was the impact of Lend-lease on the Soviet economy, has since been proven false by Mark Harrison.¹⁶ Nonetheless, most Russian scholars of Lend-Lease still believe that it had little value.¹⁷

Both sides have tended to assume that in the early stages, Lend-Lease was ineffectual. This view is incorrect.¹⁸ Although the overall tonnage of Lend-Lease aid sent during the first protocol was much smaller than later shipments, its timing and type was critical. In the latter part of the war, aid primarily took the form of food,

¹⁴ For a summary of this theory see, Folly, Martin F. *Churchill, Whitehall, and the Soviet Union, 1940-45*. London: Macmillan, 2000. p.2-7.

¹⁵ Jones, Robert H. *Roads to Russia: United States Lend-Lease to the Soviet Union*. Norman, OK: University of Oklahoma, 1969. p. VII.

¹⁶ See Harrison, Mark. *Accounting For War: Soviet Production, Employment, and the Defense Burden, 1940-1945*. New York: Cambridge University Press, 1996. p. 128-154.

¹⁷ Vorsin, V.F. “Motor Vehicle Transport Deliveries Through Lend-Lease.” *Journal of Slavic Military Studies*. 10.2: (1997). pp. 154-175.

¹⁸ Hill Alexander. ‘British Lend-Lease Aid and the Soviet War Effort, June 1941 June 1942’. *Journal of Military History*. 71, 3 (July 2007), pp. 773–808. And Hill, Alexander. “British Lend-Lease Tanks and the Battle of Moscow, November–December 1941 — Revisited.” *Journal of Slavic Military Studies*. 22:574–587, 2009.

trucks, and raw materials.¹⁹ In its early stages, British aid consisted almost entirely of munitions: tanks, planes, and ammunition. Research by Alexander Hill has shown that not only did British tanks reach Russia in the fall of 1941, they were distributed to armoured units and fought at the Battle of Moscow. At a critical moment British tanks were “a meaningful, morale-boosting British contribution to the war on the Eastern Front.”²⁰ By the end of December 1941, they comprised 25% of the medium and heavy tank strength of the Red Army.²¹ The quality of these Matilda and Valentine tanks, moreover, matched that of most Soviet equipment in action. Though the KV and T-34 tanks were much better vehicles, they were not numerous at the front in 1941.²² Furthermore, more than 650 British fighters were shipped to Russia by December. By December 5, British supplied Tomahawks and British built Hurricanes comprised 15% of the Soviet 6th Fighter Air Corps defending Moscow.²³ These fighters, particularly the Hurricane, were well suited to the Soviet front. They were mechanically reliable and performed well in interceptor and escort roles, for which the Soviets lacked superior aircraft in any quantity.²⁴ In the autumn of 1941, Russia’s initial holdings of weapons were nearly annihilated, and its production capacity was at the lowest ebb, and recovered slowly. From September 1941 to June 1942, British

¹⁹ The First Protocol was the first official agreement on the type and amount of Lend-Lease aid to go to the Soviets. It was signed and took immediate effect on October 1, 1941 and concluded on June 30, 1942.

²⁰ Hill, Alexander. “British Lend-Lease Tanks and the Battle of Moscow, November–December 1941 — Revisited.” *Journal of Slavic Military Studies*. 22:2009. P. 587.

²¹ Hill, Alexander. “British Lend-Lease Tanks and the Battle of Moscow, November–December 1941 — Revisited.” *Journal of Slavic Military Studies*. 22:2009. P. 581.

²² ‘British Lend-Lease Aid and the Soviet War Effort, June 1941 June 1942’, in *The Journal of Military History*, 71, 3 (July 2007). P. 785.

²³ Hill Alexander. ‘British Lend-Lease Aid and the Soviet War Effort, June 1941 June 1942’. *Journal of Military History*. 71, 3 (July 2007), p. 796.

²⁴ *Ibid.* p. 796.

aid to Russia helped the Red Army fundamentally in the early stages of the war, at great cost to British forces. To know that British aid was not wasted in Russia allows Britain's strategic decisions in 1941 to be re-assessed. That is the aim of this dissertation.

This dissertation examines British decision-making in 1940 and 1941 through the lenses of three interrelated issues: equipment financing, production, and allocation. The first chapter explores the financial relationship between Britain and the United States surrounding Britain's gold and dollar crisis of late 1940. Britain neared, and then reached bankruptcy in gold, U.S. dollars, or assets that could be liquidated to produce either. Most of the Empire was within the Sterling Area, and Britain could have carried on with empire autarky, which could produce enough armaments to defend the British Isles and probably one other theatre, but no more. Barring a dramatic change to U.S. law, to be bankrupt in gold and U.S. dollars was to know that Britain could not win the war. The only hope of eventual victory was the United States' industrial base. Yet Britain risked losing its ability to order desperately needed military equipment from the United States. The U.S. was slow to accept that Britain's reserves were depleted, with some believing that gold and dollars were hidden elsewhere. U.S. domestic politics further hampered a timely resolution to Britain's financial dilemma. A presidential election combined with fears of perfidious Albion either swindling the U.S. or entangling it into the war, meant that little could be done until 1941, although Britain probably would be broke by then. In December 1940, however, following his electoral victory, President Roosevelt developed the

idea for the Lend-Lease programme, a long term solution which solved Britain's financial troubles in the United States, at significant future costs.

These problems necessarily involved Canada, whose economy was closely linked to both powers. Britain needed a stable and productive Canada, which was threatened by the advent of Lend-Lease. Chapter II explores the novel and clever response by the Mackenzie King government to the problems of finance. As a significant middle-man in the Anglo-American production system, Canada was exposed to danger in event of British bankruptcy. From late 1940 Canada actually financed Britain's purchases in the U.S. with Canada's own dwindling supply of U.S. dollars. So too, Canada was at the mercy of Britain's salvation: Lend-Lease would leave Canada desperately in debt to the United States. The Canadian Government found a third way through its dilemma, playing a bold game of bluff and intrigue, enabled by Britain's affection for Canada. The result, the Hyde Park Agreement, solved Canada's imbalance of payments with the U.S., without leaving it in either moral or monetary debt, and substantially enhancing its national independence. Needing U.S. Lend-Lease aid, and wanting a productive Canada, Britain had to watch its senior dominion take irreversible strides away from the Empire, which could neither be fixed nor halted, considering Britain's primary strategic objective of financing and producing enough materiel to win the war.

Chapter III moves from problems of finance to those of production. Financing in the U.S. proved easier to fix than chronic production shortages. This chapter analyzes the persistent disconnection between what the U.S. thought it could produce and what it actually was able to deliver. From the earliest tentative British orders in

1939, to the massive schemes for thousands of planes paid for by dollars and gold in 1940, and through the Lend-Lease orders of the first protocol in 1941, U.S. commitments to deliver materiel to Britain routinely were unmet or delinquent. This failure had serious knock-on effects for British strategy around the world, exacerbated by America's inability to meet its promised aid to Russia, which Britain promised to—and did—make good. Systemic inefficiencies in industrial production and government procurement contributed to these shortcomings, as did exuberant optimism at the top of the Roosevelt Administration. Too late did British planners learn to expect much less than was promised by the 'arsenal of democracy'.

Delivery shortfalls from the U.S. became especially problematic after 'Barbarossa', the subject of chapter IV. The Axis invasion of the Soviet Union proved a difficult test for British strategists. Expecting Soviet resistance to crumble in a matter of weeks, British planners initially hedged on aid to Russia. While promising to do their utmost they sent little aid. As the summer progressed, however, the ranks of British strategists began to divide; the services preferred sending platitudes, fearing that substantial material aid could simply mean another Dunkirk; meanwhile Lord Beaverbrook, the Minister of Supply and Sir Stafford Cripps, His Majesty's Ambassador to the Soviet Union, urged concrete material assistance. For their part, the Russians begged for material aid and an impossible second front. In this case, Brian Farrell's 'rolling seminar' of British decision-making was in full operation, and ground the cabinet to a halt. Stalin and his ambassador to the United Kingdom, Ivan Maisky, finally prodded Churchill into a decision, albeit a rash one, promising Russia deliveries of 400 planes and

500 tanks per month on a specific schedule. This promise had effects which cascaded throughout the Empire.

Britain made concrete promises to Russia for the delivery of planes and tanks that were sorely needed elsewhere. Churchill made the strategic decision that Russia was the best place to stop Hitler, a hard but true judgment. In North Africa, however, as Chapter V will show, Britain was planning a major offensive, Operation Crusader. Aid to Russia significantly weakened its offensive strength. Saddled with poorly trained personnel and informed by intelligence that he could not postpone the offensive, the British commander in the Middle East, General Claude Auchinleck's, best chance for success was more equipment, especially RAF fighters. Instead, most of Britain's available planes and tanks were sent to Russia, dramatically reducing the air reinforcements reaching North Africa, and cutting off tank shipments entirely for over two months. The Middle East, however, retained just enough kit for its commanders to avoid defeat. Elsewhere, they were not as fortunate.

Chapter VI explores the effect of Russian aid and American shortages on the defence of Singapore, the ugly step-sister in Churchill's strategy. Behind the home islands, Russia, and North Africa in priority, Britain's material weakness and America's recurring shortages of deliveries left Singapore virtually without modern air defense and with no armour whatsoever. Even without the impact of Russian aid, Singapore probably would not have had much more strength than it did when Japan attacked, because Churchill would not allow it, but had planes that were sent to Russia been in North Africa instead, they would, at least, have been free to transfer east at the outbreak of hostilities, saving not the day but at least face—a key component of Britain's imperial strength.

Finally, Chapter VII examines how Britain and Australia's relationship was affected by Britain's strategic decisions made in the wake of over-commitments elsewhere. Australia, beset by political instability and with a different strategic hierarchy than Britain, responded angrily to the collapse of Singapore, blamed Britain for ignoring the antipodes in order to aid Russia—even as Japan surged toward the Australian mainland—and fed a narrative that the Australians had been undersupplied and over-fought in earlier British setbacks in the Middle East. When Australian orders for tanks and planes for its home defence and training needs were postponed or cancelled in 1941, it was more evidence against Britain. These actions stemmed from the substantial shortages in promised deliveries from America, and, second, from Britain's decision to aid Russia. When Japan advanced to New Guinea, Britain still could do nothing to help Australia in its hour of darkness, further reinforcing a sense of betrayal.

1941 was a hard year for Britain. It made risky strategic decisions that it believed necessary to win the war, knowing well that to have even a chance to save the world from Nazism, Britain's place in it must decline, the only question being, how far? To finance the war, Britain liquidated its own assets before Lend-Lease solved its financial problems. It passively acquiesced when Canada moved away from the Imperial system. Production from the U.S. was not forthcoming and, even as it faced serious equipment shortages, Britain sent aid to Russia, which it correctly calculated was the critical theatre of the war. This decision, in turn, damaged the strength of Britain's own forces in North Africa, and at least indirectly in Singapore, and sullied its relationship with Australia. Britain's 1941 is misleadingly remembered as a series of blunders and misfortunes, overcome by the sweat of Americans and the blood of Russians. In fact, it was a year

when for the last time Britain harnessed its strength as the world's greatest power, making bold, costly and ultimately effective sacrifices for the greater good.

Chapter I

United States Supply and British Bankruptcy, 1940-41

The passage of H.R. 1776, better known as the Lend-Lease Act, is a key moment in the myth of the Anglo-American 'special relationship'. To contemporaries, Lend-Lease meant that a nearly broke and dangerously exposed United Kingdom was rescued from its plight by the might of United States industry. In Roosevelt's words, the United States would be "the arsenal of Democracy." To others who worked in the Lend-Lease programme, it was a *Weapon for Victory* and to Churchill, in his exuberance, "the most unsordid act in the history of any nation."²⁵ Even after time for reflection, one British Official History termed Lend-Lease an instance "of unexampled generosity on the part of the American nation."²⁶ Indeed, the initial tranche of \$7 billion U.S. dollars, covering less than a year of purchases, was primarily earmarked for airplanes for Great Britain, and exceeded in dollars the combined orders of both Britain and France in the United States over the first year and a half of the war. From late 1942 to the end of the war, the United States Lend-Lease programme provided tens of billions of dollars in food, armaments, and raw materials to Britain and its Empire.

The events which led to Lend-Lease and the first eighteen months after its passage were a different story. H.R. 1776 was aptly, if coincidentally, named; it was the final act of an American policy which brought the British Empire to its financial knees, begging help from its erstwhile subjects. For British planners during 1941-1942, Lend-

²⁵ Churchill, Winston. *Their Finest Hour*. Houghton Mifflin: Boston, 1949. P. 569. Edward Stettinius Jr., the head of the Lend-Lease Administration titled his memoirs *Lend Lease: Weapon for Victory*.

²⁶ Sayers, R.S. *Financial Policy, 1939-45*. Her Majesty's Stationary Office: London, 1956. P. 375.

Lend-Lease was typified by a series of undelivered and under-delivered American promises. From the start, British orders dramatically exceeded U.S. production capabilities—though to acknowledge this fact publicly would have been unthinkable. Furthermore, Lend-Lease became necessary only because the United States consumed nearly all of Britain's gold and U.S. dollar reserves in materiel orders through 1940, leaving the Sterling Area in danger of a currency collapse. Unlike the case in the First World War, Britain could not borrow money (or goods) in the United States due to two laws: the Johnson Act and the Neutrality Act. The Johnson Act of 1934 prohibited nations that were technically in default on their debts to the United States—as Britain and France were—from borrowing money in the United States. This ruling was augmented by the Neutrality Act of 1939, which prohibited belligerents from borrowing money in the United States. Thus, Britain was doubly prohibited from credit in the United States. Even Britain's cash orders exceeded U.S. capacity, so through the most critical years of the war Britain gained little for its exhausted gold and dollar reserves. America, conversely, gained much, as British and French money financed most of America's expansion of its armaments production capacity for the first two years of the war. Britain was promised—and paid for—tens of thousands of planes, among other essential items. Yet American deliveries were a mere trickle even by the end of 1941. The United States did not intend to fleece Britain; Franklin Roosevelt's administration intended to meet America's promises, and support the Allies. Nevertheless, within the Government and among the public, Americans assumed that Britain had more money and power than it did, and possibly ulterior motives, such as luring the U.S. into the war. In practice, these attitudes caused delays in the passage of the Lend-Lease Act, ruthless insistence on extracting as many dollars as

possible from Britain, and public displays of economic impotence by the British. Because Britain must have more money squirreled away, more must be extracted in order to be sure Albion did not pull a fast one.

Britain did all it was asked, because the war against Hitler was existential. It borrowed South African gold to the limits politically possible, further stretching an already fraught relationship. Britain sold what realizable investments it could in Latin America at bargain prices, in the process losing forever its substantial influence in Argentina. In the United States a system was set up to extract British securities in exchange for dollars, again at low prices. In one example a British corporation, American Viscose, was sold to United States investors so cheaply that the British Government was sued, and had to reimburse the original British owners double what they had received in dollars.²⁷ Dollars had to be found to secure the fruits of America's industrial capacity. Lend-Lease was to be the reward for these demonstrations of good faith.

A tweak to the Neutrality Act in November 1939 allowed Britain, its Dominions, and France to buy armaments on a cash and carry basis, meaning that belligerents must pay in gold and U.S. dollars for any armaments purchased in the U.S., and ship them from U.S. shores. These purchases had to be accompanied by a hefty down payment, and the British/French purchasers often had to pay for the construction of the factories to build the armaments. This remained the policy until it was replaced by Lend-Lease in March 1941. Until that time, significant British capital was required in advance to place orders for materiel that might materialize two years hence. For example:

²⁷ This example is covered in detail below.

Figure I: British Purchasing Commission Order from November, 1940²⁸

Programme	Initial Order (Excluding Capital Amortization)	Capital Investment Required to Create New Production Capacity
Scheme to Produce 12,000 Aircraft	\$1,075,000,000	\$400,000,000
Armaments and Ammunition for above	\$125,000,000	\$50,000,000
Arms for 10 Divisions	\$600,000,000	\$200,000,000
Other Ordnance	\$75,000,000	\$25,000,000
Tanks and Tank Guns	\$100,000,000	\$15,000,000
Total	\$1,975,000,000	\$690,000,000

Not only did Britain have to purchase this equipment with gold or dollars, it had to pay on average an additional premium of 35% in order to build factories to produce them. This situation was like paying General Motors \$10,000 now, for the chance to pay it full price for a \$30,000 Chevy two years hence. Nevertheless, the desperate British accepted this system. Furthermore, many Americans regarded it as a generous concession. When Britain neared bankruptcy in gold and dollars in late 1940, it suggested that its remaining orders might, on this occasion, only be required to cover the costs of the actual munitions. Henry Stimson, the Secretary of War, was so shocked by this request that he called Morgenthau immediately to see if he was behind it. "The British apparently expect to escape all expenses for capital investment if new facilities are built for their work. At first we did not know where they could have got this idea and I called up Phillip Young to find out whether the Treasury had given them that idea and he said no."²⁹ Only the expenditure of great political effort by Roosevelt overcame isolationist opposition to

²⁸ This purchase increased the total wartime expenditures of the British Government in the U.S. to \$4.6 billion, half of it on aircraft. British Purchasing Commission Order from November 28, 1940. NARA. RG 107, Entry 74A, Box 7.

²⁹ Entry of November 14, 1940. Henry Stimson Diaries. Yale University Library. Reel 6.

these changes. Isolationists, believing that that the U.S. had been tricked into joining the First World War because of its addiction to war purchases, continued to oppose selling armaments to belligerents. They also argued that the U.S. was geographically isolated from any possible danger and so ought to be very wary of any slippery slopes toward a war it need not fight.³⁰

From the outbreak of war, the British Government knew that its exchange position with the U.S. could become problematic in a long conflict. It took immediate steps to catalogue and protect its gold and U.S. dollar position. So serious was this issue that the entire War Cabinet addressed the ramifications of matters like reducing apple imports from North America.³¹ More prosaically, British purchasers hesitated to place large orders in North America in the early months of the war, not merely to conserve dollars, but because the lack of plant in the United States meant long delays in deliveries, in addition to the expense of paying to build them. British strategists also doubted the need to place broad purchase orders in the U.S. Since France would do most of the fighting on the ground, Britain would do its part by building a large air force, ruling the seas, and remaining rich.³² France, however, placed massive orders in the U.S. from the early months of the war.³³ It needed great numbers of planes and tanks immediately and did not have the domestic ability to build sufficient numbers. Until the spring of 1940, Britain did well in reducing its purchases of non-essential goods from the U.S., and

³⁰ Stettinius, Edward. *Lend-Lease: Weapon for Victory*. New York: Macmillan, 1944. P. 20.

³¹ Memorandum for the Cabinet by the Chancellor of the Exchequer. October 19, 1939. CAB 67/1/45.

³² Memorandum on the British Gold Position by Kingsley Wood. August 21, 1940. PRO. CAB 66/11/4.

³³ Stettinius, Edward. *Lend-Lease: Weapon for Victory*. New York: Macmillan, 1944. P. 18.

limiting its purchases of war materiel. Britain actually increased its holdings of gold and U.S. dollars in the first nine months of the war.

At the outbreak of war our holding of gold and dollars was roughly £450 million. We requisitioned from residents in this country their balances of useful foreign currencies and obtained returns of their foreign securities, with a view to their subsequent requisition. These returns disclosed American securities readily marketable in the United States to an amount of about £275 million. Some of the holders of these securities proceeded, with the approval of the authorities, to sell them for dollars, which were surrendered to the Government. Owing partly to this, partly to the requisitioning of dollar balances, and partly to Canadian help, the gold and dollar holding rose in the early months of the war, touching its highest point at the end of November at about £530 million. At the 1st January, 1940, our total resources, gold, balances and securities, were about £775 million (gold £m. 525 and securities £m. 250).³⁴

This success, and Britain's gold and dollar position, collapsed with the fall of France. The British Empire now alone was fighting Hitler and Mussolini, after losing most of its best equipment at Dunkirk and anticipating imminent invasion. In order to ensure continued work on armaments in the U.S. and in the hopes of getting combat planes as soon as possible, Britain took over all French contracts in the U.S. at one go, dramatically expanding the scale of its own orders there. Although France had made substantial down payments for its orders, the balance still had to be paid. Arthur Purvis, head of the British Purchasing Commission in the U.S., committed Britain to 125 million pounds (~\$500 million) in French contracts in one night.³⁵

By August, just two months after absorbing French commitments and expanding Britain's own, alarm bells sounded in the Cabinet about the hemorrhaging of gold and dollars. As the Chancellor of the Exchequer, Sir Kingsley Wood, explained the situation:

I am seriously perturbed by the rate at which our gold and exchange resources are now disappearing. At the 1st January, 1940, our total resources, *i.e.*, gold

³⁴ Memorandum on the British Gold Position by Kingsley Wood. August 21, 1940. PRO. CAB 66/11/4.

³⁵ Sayers, R.S. *Financial Policy, 1939-45*. Her Majesty's Stationary Office: London, 1956. P. 367.

(including balances) and United States securities, were about £775 millions [\$3.1 billion], a figure which by mid-August has shrunk to £490 millions [\$1.96 billion]. The collapse of France greatly changed the situation, particularly by the assignment to ourselves of French contracts with American manufacturers for aeroplanes, &c. The position at the end of June was that we might have expected to lose, as a minimum, £410 millions [\$1.64 billion] of gold and exchange before June 1941.³⁶

Even having absorbed French contracts, Britain might have expected its reserves to last until the summer of 1941, when £80 million (\$320 million) might remain, and the threat of a German invasion had passed—one way or the other. However, further factors were draining gold and dollar reserves:

Repeat orders for aeroplanes are proposed, costing an additional £50 millions before June 1941. *(b)* The programme for the purchase of munitions and tanks by the British Purchasing Commission costing some £60 millions before that date, apart from projected additions which may run to high figures. *(c)* A further projected scheme for the large scale purchase of aeroplanes in the United States, which might also involve many tens of millions by that date. Unless these schemes, when formulated, assume less formidable dimensions during the period in question than at present appears likely, the adverse balance of the year to June 1941 might grow from £410 millions to a figure in the region of £800 millions.³⁷

All told, these expenditures would leave a net negative of £310 million (\$1.24 billion) by June 1941. Economies or fundraising could not meaningfully offset the runaway spending of dollars and gold. Britain already had found every significant source of realizable dollars and gold. Two key questions emerged: when would Britain be broke; and what would America do when Britain's money ran out?

Britain clearly warned the U.S. of its declining gold and dollar position by June 30, 1940. Lord Lothian, the British Ambassador to Washington, informed Morgenthau that:

³⁶ Memorandum on the British Gold Position by Kingsley Wood. August 21, 1940. PRO. CAB 66/11/4.

³⁷ Memorandum on the British Gold Position by Kingsley Wood. August 21, 1940. PRO. CAB 66/11/4.

So long as the gold and other foreign assets at our disposal permit, we shall, of course, continue to pay cash for essential armaments, raw materials, and food-stuffs, but we desire to impress upon the Administration in the clearest possible manner the utter impossibility of our continuing to do this for any indefinite period in view of the scale on which we shall need to obtain such resources from the United States.³⁸

Either ordering must end, or a new system be developed that did not require the payment of gold or U.S. dollars, so altering the Neutrality Act, and running the gauntlet of isolationists in both houses of Congress.

This situation was exacerbated by the timing of the U.S. presidential election in November. Since avoiding a ‘European’ war was a major campaign issue, no major challenge to the Cash and Carry provision of the Neutrality Act could occur before the election. Even a best case scenario—a Democratic victory—offered no hope for change in the purchasing system until at least November. A Republican victory would mean a delay until at least January when the new President was inaugurated, and with little guarantee of help from him. The Republican candidate, Wendell Willkie, supported aid to Britain, but he would have incurred debts during the election to the isolationist wing of the Party. All Kingsley Wood could suggest was that the Treasury “watch” British dollar expenses. Yet military exigencies meant that curtailing costs could be suicidal. Dangerous too would be to make purchases that would knowingly lead to default, which would have disastrous effects on American opinion. The Chancellor was emphatic, “*A mere continuance of losses at the rate we have experienced in the last six weeks would run us out of gold by the end of December. It is not safe to reckon on a slower rate of*

³⁸ “The Munitions Situation”. Memorandum by Herbert Morrison. August 29, 1940. PRO. CAB 66/11/19.

*loss, and unless steps are taken it may prove higher.*³⁹ As on the battlefield, the autumn of 1940 was a close run thing for Britain. It faced a real quandary. Money mattered, but no more than maximum armaments. Yet to get the maximum armaments over the long term would require money, so long as America remained neutral.

Although British plans included the desperate assumption of substantial American aid in some form, strings were expected to be attached. Even worse was the possibility that American aid might not materialise, after Britain had exhausted its gold and dollar reserves, leaving the pound without credibility in international markets and threatening Britain's ability to purchase raw materials from other neutrals. With a Republican victory, this possibility would be real. Churchill remained confident that the Americans would come around, and held that Britain must "gamble to some extent on the willingness of the United States to give us financial help on an extended scale."⁴⁰ He also trusted in Britain's ability to shape American public opinion. If America dragged its feet, Britain could requisition gold wedding rings and other ornaments from its public "if we wished to make some striking gesture for the purpose of shaming the Americans."⁴¹ This trust may have been overly optimistic. In March 1941, Roosevelt instructed Morgenthau on how to process British antiques and manuscripts, should the U.S. decide to collect those as payment in kind. "I approve giving consideration to British library holdings of rare books in connection with trade or financial terms to be worked out under the Lend-Lease Bill. Such manuscripts or books—or even paintings or prints—should, of course,

³⁹ Emphasis in the original. Memorandum on the British Gold Position by Kingsley Wood. August 21, 1940. PRO. CAB 66/11/4.

⁴⁰ War Cabinet. Confidential Annex. August 22, 1940. PRO. CAB 65/14/23.

⁴¹ War Cabinet. Confidential Annex. Author unstated. August 22, 1940. PRO. CAB 65/14/23.

inure to the benefit of the Smithsonian, the National Museum or to the Library of Congress.”⁴² Despite the dangers of running out of dollars, Churchill saw the bigger picture: “After all, the greatest economy would be to shorten the war. Nothing could be more extravagant than to shape our course in such a way that we had to fight a prolonged war in a broken-backed condition.”⁴³

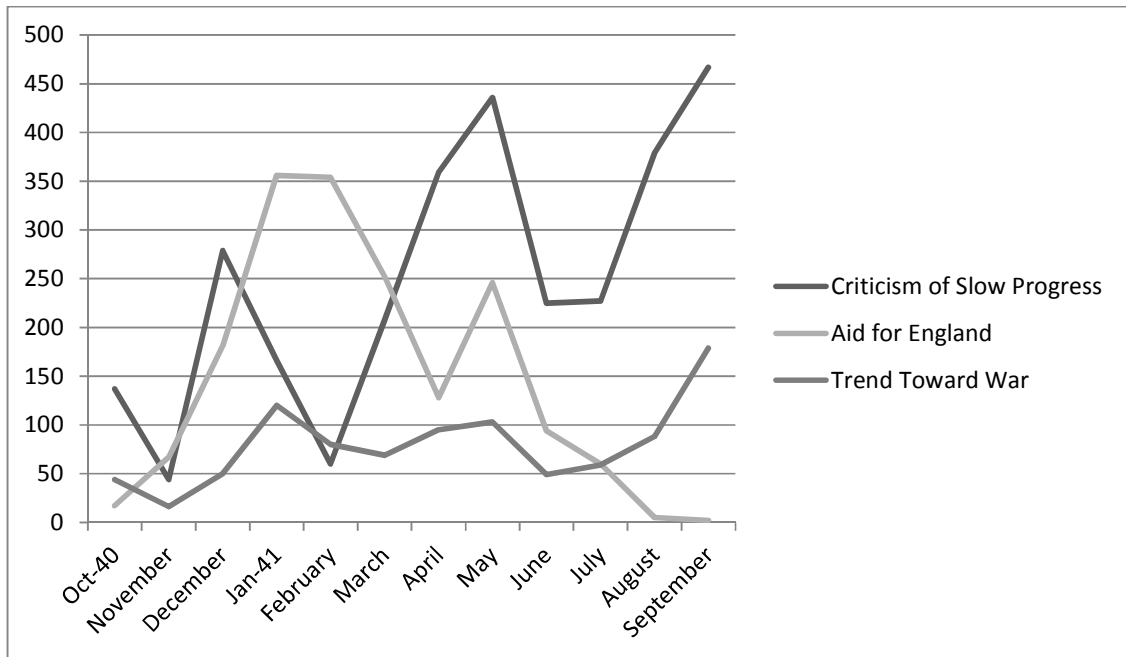
Churchill left British departments free to focus on getting the most from the United States, without regard to finance. The supply departments, in particular the Ministry for Aircraft Production, must encourage and exploit U.S. production, especially aircraft, where thanks largely to French orders, American productive capacity had expanded. Nevertheless, output disappointed the expectations of the British planners who sought to maximize deliveries as soon with as possible.

By November 1940, Britain’s gold and U.S. dollar situation was approaching emergency status, yet Roosevelt and Morgenthau believed that little could be done to alter the financial situation even after the election, unless it was absolutely clear to the public that Britain was broke. Roosevelt’s interest in public opinion is well known. Opinion about aid for Britain, war production, and the trend towards war particularly concerned him. The Government Statistics Branch kept a weekly index tracking these issues. This chart of the interaction of the three issues

⁴² From FDR to Morgenthau. March 17, 1941. NARA. RG 56, Entry 198, Box 196.

⁴³ War Cabinet. Confidential Annex. August 22, 1940. PRO. CAB 65/14/23.

Figure II: Instances of Editorial Commentaries on in U.S. Newspapers



shows each instance of an article on the respective topics in an index of major U.S. newspapers, and demonstrates that Roosevelt’s fear that aid for Britain would make people think they were closer to war, was inaccurate. There was a negligible increase in the “trend toward war” following Morgenthau’s December announcement that Britain needed aid.⁴⁴ Concern about slow progress, however, was a leading issue, except for the height of the Lend-Lease battle in Congress.⁴⁵ Nevertheless, public opinion moves quickly, and Administration officials focused on it. Ferdinand Kuhn of the Office of War Information suggested that Morgenthau could win public support by explaining how many jobs and factories had been built by the British. He was shot down.

⁴⁴ See Below.

⁴⁵ The chart also illustrates the decline in criticism of slow progress during the euphoria over the passage of the Lend-Lease Act. Many, perhaps within the Administration too, conflated intent with action. (Number of Editorial Articles from Major Newspapers in the 12 Main Federal Reserve Zones Statistics Branch, weekly reports. NARA RG 107, Entry 36, Box 1287.)

Kuhn: Isn't it also a selling point with the public to show what the British have put in here in cash, in orders, to expand plants to give employment and so on and so forth?

Morgenthau: I think it is a dead turkey. I think it was all very good when the airplane industry employed a few thousand people, but I think today the thing has changed so fast—I used that for all it was worth two years ago, but I don't think they are interested today. I mean they read every day, 80 millions dollars for this plant and a hundred million dollars for this. I think it is past that.

Kuhn: It has never been told.⁴⁶

Administration officials were not convinced that Britain was as poor as it claimed to be. On December 1, Morgenthau and Roosevelt discussed Britain's financial position. "Secretary Morgenthau said that he had another statement with him showing what the British say they have for money and also what we think they have. The Secretary handed it over to the President who said ... 'Well, they aren't bust—there's lots of money there.'"⁴⁷ To assuage his concerns that Britain was holding back, "the Secretary has purposely taken the position of pushing the British as far as possible. That is, he wanted it to be known that he was calling upon them to put forth their best efforts and was demanding from them a frank and full expression of their financial and economic situation."⁴⁸ Thus, Morgenthau encouraged Britain to liquidate its holdings in dollars, particularly securities and direct investments, in the Western Hemisphere.⁴⁹ Unfortunately, this aim was difficult to accomplish. The autumn of 1940 was a poor time to sell investments except for pennies on the dollar, as the markets were depressed by

⁴⁶ Transcript of a meeting at the Treasury Department. Conversation extract between Ferdinand Kuhn and Henry Morgenthau. January 13, 1941. The Henry Morgenthau Diaries. Part II. Reel 34.

⁴⁷ Notes on a meeting at the White House with the President. December 1, 1940. The Henry Morgenthau Diaries. Part II. Reel 30.

⁴⁸ From Mr. Cochran to Morgenthau. Treasury Office Interdepartmental Communication. December 12, 1940. The Henry Morgenthau Diaries. Part II. Reel 32.

⁴⁹ Report of a conference between the British and U.S. Treasury Officials. November 2, 1940. NARA. RG 59, Entry 360, Box 20.

Hitler's successes and worries about a Republican victory in the election. Morgenthau also was confused by the heavy British investment in insurance companies, which had large paper values that were inextricably linked to their London based headquarters and could not be sold to American investors because they were too interwoven with international programmes. Morgenthau warned the British that they must be very obviously—and publicly—at the bottom of the barrel.

The President had this attitude too because he was present when the President spoke to Sir Frederick Phillips about the Argentine securities and about the slow rate at which the British were liquidating them...The Secretary returned to his theme about the need really for the British to get down to the bottom of their resources before they asked for our help. He said he knew the British had in this country numerous substantial direct investments which there had been no serious effort to liquidate, although it would be possible to do so.⁵⁰

Britain's huge financial influence in Argentina, in particular, had long been a source of envy to the commercially and Monroe Doctrine minded American officials. In a sense, however, this pressure indicated that the U.S. was planning a concrete financing scheme, and anticipating the public relations steps that would be necessary to effect it.

Armand Hammer, an eccentric Republican businessman and adviser to Roosevelt, thought along the lines of Morgenthau, or perhaps the other way around, though even more ambitiously in favour of America. He urged the President to create a panel that would determine the value of all British investments in the Western Hemisphere, and how they might be sold or used as collateral. This idea was benign enough. He then added, ominously, "What are the factors to be considered in connection with the various proposals to acquire possessions in the Western Hemisphere from Great Britain in return

⁵⁰ Report of a conference between the British and U.S. Treasury Officials. November 2, 1940. NARA. RG 59, Entry 360, Box 20.

for all possible financial help?”⁵¹ Trading bases for 50 obsolete destroyers had been expensive enough; to exchange larger swathes of the empire for planes that were not built would be another matter.

With Roosevelt’s reelection on November 5, 1940, the moment of reckoning arrived for Britain and America. The election victory, along with huge majorities in the House and Senate for Roosevelt’s Democrats, reflected an implicit shift in public opinion toward helping Britain, but Americans were not ready for actions that risked war. As the *New York Times* wrote, Americans “are facing calmly the dark abyss and have girded spirit and arm beyond what seemed possible to the sleeping democracy of 1939. They are facing it calmly, but they have not apparently abandoned their resolution neither to be pushed nor descend into it if they can safely keep their footing on the rim.”⁵² Many Americans wanted to have it both ways.

Roosevelt’s administration had to satisfy contradictory American desires by finding a way to aid Britain while convincing the public that Britain was broke and the U.S. never would enter the war. The answer struck Roosevelt in early December while on a fishing trip to Florida and, according to his closest advisor, Harry Hopkins, without any outside advice.⁵³ This idea was the kernel of the Lend-Lease system: to solve the financial problem by removing the dollar sign from British war purchases. This meant that the U.S. Government would take responsibility for financing British purchases, and indicated that Roosevelt had come to believe Britain was approaching bankruptcy. He

⁵¹ Memorandum by Armand Hammer. November 28, 1940. FDR Library. FDR Official Files 48, Box 2.

⁵² Krock, Arthur. “Will we Stay Out?” *The New York Times*. January 12, 1941. Page SM3.

⁵³ Sherwood, Robert. *Roosevelt and Hopkins an Intimate History*. Harper: New York, 1948. Pp. 224-225.

was not sure about the finer points of the programme, or how to get it through Congress, but he knew his mandate, his opportunities, and his limits. He would first need to win over public opinion, which would require convincing proof that Britain was broke.

While the President and Hopkins were fishing, Morgenthau, Stimson and their staffs met several times to discuss Britain's deteriorating financial position. They were not aware of Roosevelt's imminent epiphany and sought to develop a programme to finance British purchases which might be able to pass Congress.

No great power engaged in a life or death struggle has been more dependent on benevolent and drastic action by a non-belligerent country than Great Britain is now dependent on action by the United States. Willy-nilly, the United States holds one end of the Scales of Fate on which balances precariously the future of the British Empire. This is, of course, well understood by the ruling group in Great Britain (though not by the British people as a whole). The British Government is aware that it is not in a position to resist *quid pro quo* demands from the United States. Concessions by the British Government in connection with financing British supply requirements in the United States will ultimately be accorded, though in some cases reluctantly, for the British are not ready givers and they are even now conscious of post war political, economic and strategic implications of a drastic liquidation of British overseas assets. But the fact remains that they will in the last analysis stand and deliver.⁵⁴

At another meeting Stimson noted with understatement that "On a blackboard the Treasury had chalked up the resources of the British Government as they had been revealed by the British...They were rather discouraging. The orders of the British wanted in all over 5 billions of dollars and their available resources as revealed by themselves are considerably smaller than this amount."⁵⁵

Some on Morgenthau's staff felt that the British were hiding assets. "After one year of war [at August 13, 1940] British Empire holdings of gold, balances, and readily

⁵⁴ Report for the Treasury by R.L. Buttersworth. December 13, 1940. The Henry Morgenthau Diaries. Part II. Reel 32.

⁵⁵ Entry of December 10, 1940. Henry Stimson Diaries. Reel 6.

marketable American securities may be estimated at somewhat around \$4,000,000,000, or nearly \$1,500,000,000 below the level at the start of the war.”⁵⁶ The very high—and inaccurate—figure meant that “the resources which were available to the British Empire for its essential purchases abroad at the end of last August can hardly last beyond the early part of 1942.”⁵⁷ Stimson dismissed this suggestion as baseless, adding “it is not at all unlikely that they may feel shy about revealing weakness in so large an audience as we had and with the possibility of leaks as to that weakness getting back to the enemy.”⁵⁸ Morgenthau wanted to know, if the U.S. accepted British orders, that, in the event they could not pay and the U.S. repossessed the munitions, these would benefit the U.S. military. Stimson hurriedly assured that they would, “Already we have been delaying over these negotiations for two months and they desire a fixed time for the munitions to be ready.”⁵⁹

Just a week later, on December 16, 1940, the public finally were informed of Britain’s dire financial status when Eleanor Roosevelt and Henry Morgenthau addressed the matter. Mrs. Roosevelt let it be known that she supported giving gifts to Britain in the form of cash or whatever else was needed.⁶⁰ This view prompted reporters to pressure Morgenthau for information. When asked directly if Britain had requested a loan at any

⁵⁶ Federal Reserve of New York report by L.W. Knoke for Morgenthau. December 12, 1940. The Henry Morgenthau Diaries. Part II. Reel 32.

⁵⁷ Federal Reserve of New York report by L.W. Knoke for Morgenthau. December 12, 1940. The Henry Morgenthau Diaries. Part II. Reel 32.

⁵⁸ Entry of December 10, 1940. Henry Stimson Diaries. Reel 6.

⁵⁹ Entry of December 10, 1940. Henry Stimson Diaries. Reel 6.

⁶⁰ “The International Situation” *New York Times*. Dec 17, 1940. P. 1.

time over the last week, Morgenthau replied that his watch had stopped.⁶¹ This flip answer satisfied reporters for several minutes, until one guessed what it really meant; “Going back to this clock business, it was pretty funny, but it was also pretty serious. Our inescapable conclusion is that they have asked for a loan.”⁶² This revelation led to a barrage of questions about whether Morgenthau planned to sneak something by Congress, or if Britain would be stripped of Caribbean territories before aid was rendered. The point that came through was that Britain needed aid.⁶³

This led, the following day, to Roosevelt’s famous fire-hose speech which defined the concept of Lend-Lease. In addition to the well-remembered fire-fighting analogy were several other statements that suggested a misunderstanding of Britain’s finances. Roosevelt stated that the British “have plenty of exchange, you know. There doesn't seem to be very much of a problem about payment for existing orders, but there might be a problem about paying for additions to those orders or for replacement of those orders now.”⁶⁴ While that statement may have been meant to allay concerns about a British default, nothing suggests that this was a motivation. Rather, it appears to have been stated and taken as a fact. The speech aimed to prepare public opinion for aid to Britain. Roosevelt had concocted a scheme just odd enough to provide an opening salvo in a public opinion contest with the isolationists in Congress.

⁶¹ Transcript of a Press Conference by Morgenthau. December 16, 1940. FDR Library. FDR Official Files 48, Box 2.

⁶² Transcript of a Press Conference by Morgenthau. December 16, 1940. FDR Library. FDR Official Files 48, Box 2.

⁶³ Transcript of a Press Conference by Morgenthau. December 16, 1940. FDR Library. FDR Official Files 48, Box 2.

⁶⁴ “Franklin Roosevelt’s Press Conference.” December 17, 1940. Accessed on October 3, 2013 at <http://docs.fdrlibrary.marist.edu/odllpc2.html>

To make the sale, Roosevelt emphasised how the Lend-Lease system would be to America's advantage. British orders were "a tremendous asset to American national defense; because they automatically create additional facilities. I am talking selfishly, from the American point of view--nothing else. Therefore, from the selfish point of view, that production must be encouraged by us." The goal of his new system was "to eliminate the dollar sign. That is something brand new in the thoughts of practically everybody in this room, I think--get rid of the silly, foolish old dollar sign."⁶⁵ This novel argument, which went against both the Johnson and Neutrality Acts, threw the isolationists off long enough to give Roosevelt a head start.

Administration officials were thrilled by the results of the speech. "The scheme is universally praised, nearly all [press] comments emphasizing the fact that the statement revealed a determined effort for speeding up production as the primary problem eclipsing any technical considerations of finance or foreign exchange."⁶⁶ Stimson found the idea to be "a clever scheme and may be useful and may be a way of getting through the authority through Congress quicker than it would be to tackle the thing head on by an attempted repeal of the Johnson Act."⁶⁷

A great speech does not guarantee the passage of a law, however, and the War Department prepared for a British bankruptcy. If the Bill failed in Congress, Britain really was out of gold and dollar resources. Britain's ability to place new firm orders in the U.S. already had been suspended by Morgenthau in October. Stimson was not pleased

⁶⁵ "Franklin Roosevelt's Press Conference." December 17, 1940. Accessed on October 3, 2013 at <http://docs.fdrlibrary.marist.edu/odllpc2.html>

⁶⁶ Report on Press Reaction to FDR's Fire-hose speech. Author unstated. December 19, 1940. NARA. RG 169, Entry 4, Box 39.

⁶⁷ Entry of December 18, 1940. Henry Stimson Diaries. Reel 6.

at this decision, though it was out of his area. “Apparently the British had been forbidden by the Treasury Department quite a long time ago, in October last, to place any orders at a time when it appeared that they did not have any resources themselves to do more than pay for the orders they already had in. If this is allowed to drag on, why it will mean that there will be a big lag in the final deliveries just at the time when they need them most.”⁶⁸ The failure of the Bill would extend this suspension, which risked a major slowdown in U.S. production, with the potential for layoffs. Even with a successful passage, Morgenthau’s delay still would hurt British deliveries “because it will take at least six weeks before we can get the Bill of the President through.”⁶⁹ Here, the War Department stepped in, commanding that orders be placed at once “for many critical Ordnance and Air Corps items in order to have on hand or in process of manufacture materials to meet our own and known British requirements.”⁷⁰ Anticipating resistance from Morgenthau, Stimson added, “These items will be useful to our Army if not made available to the British.”⁷¹ This act proved the truth of Britain’s assumption that the U.S. would follow through on unfunded British orders, though had Lend-Lease failed in Congress, Britain probably would not have received the planes, only the U.S. Army Air Corps.

Part of the widespread overestimation of Britain’s wealth in America stemmed from a Federal Reserve study of 1939 which found that Britain had \$7.5 billion in gold and dollars at the beginning of the war. When Congress debated the Lend-Lease Bill, the

⁶⁸ Entry of January 19, 1941. Henry Stimson Diaries. Reel 6.

⁶⁹ Entry of January 19, 1941. Henry Stimson Diaries. Reel 6.

⁷⁰ War Department Memorandum. Author unstated. December 20, 1940. NARA. RG 107, Entry 74A, Box 7.

⁷¹ War Department Memorandum. Author unstated. December 20, 1940. NARA. RG 107, Entry 74A, Box 7.

New York Times promoted a fantastic version of British finances. A less helpful or more misleading article is hard to conceive. Adding to the Federal Reserve's estimate of \$7.5 billion, the *Times* guessed that U.S. trade and (mostly South African) gold mining provided Britain an additional \$2.5 billion in 1940. Having already spent \$2.6 billion on arms from the U.S., this left \$7.4 billion in gold and U.S. dollars at the beginning of 1941. Britain, however, would have to spend \$3.4 billion in 1941, leaving it \$4 billion for 1942 and beyond.⁷² This article appeared just after the British Cabinet had been reduced to debating the requisitioning of wedding rings.⁷³ To make matters worse, the *New York Times* was not an isolationist rag aiming to undermine support for Britain, but a neutral paper which explained that not all of Britain's vast billions were easily convertible into cash.⁷⁴

The seven billion dollar figure was not limited to the *Times*. It reflected a widespread belief that the clever British were holding out. In a press conference on January 13, Morgenthau was pressed on the matter, "the new Federal Reserve bulletin had a seven billion dollar resources figure which you may have seen written about in the papers quite a lot; and while they had warned against considering this as free money, still the impression got out fairly generally that the British had a good many more resources than they had been claiming."⁷⁵ Morgenthau replied that he "didn't want to get into that." Yet, reporters remembered he had mentioned in the past that Britain must liquidate its

⁷² "Britain's Dollar Resources." *New York Times*. January 15, 1941. Page 22.

⁷³ Nor was the Cabinet entirely off-base to do so. From FDR to Morgenthau. March 17, 1941. NARA. RG 56, Entry 198, Box 196.

⁷⁴ "Britain's Dollar Resources." *New York Times*. January 15, 1941. Page 22.

⁷⁵ Transcript of a press conference by Morgenthau. January 13, 1941. FDR Library. Morgenthau Papers. Treasury Department Papers, Box 612.

resources before it could get credit, of which the reporters reminded him. The gross overestimates of British wealth forced Morgenthau in a difficult spot, needing to demonstrate British poverty, yet to prove that Britain was less wealthy than assumed would hurt British finances. The reporters also pressed Morgenthau about money that Britain had squirreled away in Latin America and whether those assets would need to be sold too. Collateral was another suggestion put toward Morgenthau.⁷⁶ All of these questions reflected and shaped public attitudes about British wealth, wile, and protecting America's 'investment' in aid to the United Kingdom.

Also on January 13, the U.S. Treasury worked out many of the different assumptions about Britain's position and how best to pass the Lend-Lease bill. Closely tied in to Lend-Lease was British morale, which many American officials underestimated. Ferdinand Kuhn, of the Office of War Information, warned that the British:

Are confident that they will survive and stand to win in the end, if we really make ourselves the arsenal of the democracies, as this bill would have us do...The British have told me repeatedly that they have another need fully as urgent, fully as desperate as their need for the weapons of war. This is the assurance that they can get the flow of future supplies without which they cannot continue this war. I can tell you gentlemen, quite deliverately [sic] and quite solemnly, that unless the British can have such assurance, they will have to make peace.⁷⁷

Harry Dexter White, senior Treasury Department Official and later architect of the International Monetary Fund and the World Bank, also doubted Britain's resolve. "The statement that they are going to be all out of funds, that they practically have no cash

⁷⁶ Transcript of a press conference by Morgenthau. January 13, 1941. FDR Library. Morgenthau Papers. Treasury Department Papers, Box 612.

⁷⁷ Transcript of a meeting at the Treasury Department. Comment by Ferdinand Kuhn. January 13, 1941. The Henry Morgenthau Diaries. Part II. Reel 34.

now, no gold left—I don't know what the moral effect of that would be. It might be quite dispiriting with this new group demanding an end to the war on the left and on the right wanting to appease them.”⁷⁸ Morgenthau treated both men with a dose of perspective. “If half the story is true about their morale, then the fact that they are busted I don't think is going to make them quit anymore—if those fellows could go through Dunkirk and then face the Germans with nothing, the way they did for three to six months, I think they can go through this thing, only knowing that they are going to get it from here.”⁷⁹

White also continued to doubt Britain's claims of poverty. “I am positive they have got adequate assets which they can liquidate. They knew what they were getting into a long time ago. They must be amply prepared. If they are really up against it, they can borrow from their dominions, from Canada, they can dicker with the Belgians and borrow from them—I don't see on what grounds you should give yourself one moments concern as to how they raise the money that is necessary in the next six or eight weeks. It is the British Empire after all.”⁸⁰ Morgenthau seemed ambivalent on this matter, and doubted his ability to convince others that Britain was as badly off as it claimed to be. “I think that if you paint the picture as bad as it is, nobody is going to believe it. I have done that on the hill before...I have told them what the deficit was going to be, and things like that, and they said, ‘oh, Morgenthau, he is so blue. He always says it is much worse. It

⁷⁸ Transcript of a meeting at the Treasury Department. Comment by Harry Dexter White. January 13, 1941. The Henry Morgenthau Diaries. Part II. Reel 34.

⁷⁹ Transcript of a meeting at the Treasury Department. Comment by Morgenthau. January 13, 1941. The Henry Morgenthau Diaries. Part II. Reel 34.

⁸⁰ Transcript of a meeting at the Treasury Department. Comment by Harry Dexter White. January 13, 1941. The Henry Morgenthau Diaries. Part II. Reel 34.

can't be that bad.'"⁸¹ The only way to convince people was to broadside them. "I think you have got to shock the American people into the fact that England is busted financially, as far as cash goes, and then the Congress has got to decide...do we or don't we."⁸² White continued to argue that Britain was hiding a fortune, "I don't think anybody would believe it. Moreover, I think we have got to distinguish between what they claim and what we know, because this is what they say...It does seem unusually low. There are several—there is anywhere from half a billion to a billion dollars you just can't account for."⁸³ Morgenthau persevered and readied himself to testify before Congress.

On January 16, the eve of his testimony to Congress, Morgenthau released a balance sheet of Britain's dollar position, attempting to dispel the impression that billions of dollars remained hidden away. The sheet listed dollars and gold valued at \$1.775 billion. Reporters, thinking that this figure excluded the Empire, asked about dollars in that hoard. He was blunt in his reply, "you have got everything that I have got. There aren't any other dollars."⁸⁴ Even this statement did not satisfy reporters, who continued to intimate that Britain must have money hidden elsewhere, and to wonder why Morgenthau's figures differed so much from other U.S. Government estimates. Exasperated, he offered a longer explanation:

Whenever anybody is making estimates when they don't have access to the British Treasury, a great many of the figures were stopped being published as of September 3, 1939, when the war broke out, so they have sat down and projected

⁸¹ Transcript of a meeting at the Treasury Department. Comment by Morgenthau. January 13, 1941. The Henry Morgenthau Diaries. Part II. Reel 34.

⁸² Transcript of a meeting at the Treasury Department. Comment by Morgenthau. January 13, 1941. The Henry Morgenthau Diaries. Part II. Reel 34.

⁸³ Transcript of a meeting at the Treasury Department. Comment by Harry Dexter White. January 13, 1941. The Henry Morgenthau Diaries. Part II. Reel 34.

⁸⁴ Transcript of a press conference by Morgenthau. January 16, 1941. FDR Library. Morgenthau Papers. Treasury Department Papers, Box 612.

these figures...I mean, we have been studying this thing continuously for years...there may possibly be a discrepancy of several hundred million dollars where the transactions run into billions, but on the one hand, we are using official figures furnished us by the British Treasury, and I want to say in my seven years of dealing with them I have never known them to give me—to mislead me on figures...It was an estimate, and that might vary by several billion dollars from being accurate. I mean, I might perfectly well be several billion high or too low in my estimates of what their assets are in sterling outside of the United States.⁸⁵

The fact that out of 7 billion Morgenthau might be off by “several” billion dollars must have been a shock in itself.

Making public this information had its risks. Stimson explained the delicate balance the Administration had to walk in winning public support for financial aid to Britain. America must “steer between sufficient amount of scaring our own people to make them work and too much scaring, which might alarm the British and discourage them in regard to their defence. He said he appreciated it and [Halifax] intimated that he had been a little troubled by Morgenthau’s pessimistic account yesterday of the finances of Great Britain and feared its effect upon the British people.”⁸⁶

The press could not believe that Britain had used up its gold and dollars so quickly. Morgenthau had Harry Dexter White answer some specific technical questions. When White was asked where Britain might have hidden some gold, he answered in exasperated detail:

Look, the British Government had to meet—had to raise dollars for the following reasons. It had to raise dollars for the goods the British Purchasing Mission, armaments and what not, had purchased here. It had to meet dollar payments for plant expansion and advance payments, which were very substantial, which it had to pay here. It had to meet dollar payments for the merchandise, foodstuffs, iron and steel products, which they did not buy through the purchasing mission. It had to meet dollars here for the withdrawal of dollar balances by Americans

⁸⁵ Transcript of a press conference by Morgenthau. January 16, 1941. FDR Library. Morgenthau Papers. Treasury Department Papers, Box 612.

⁸⁶ Entry of January 30, 1941. Henry Stimson Diaries. Reel 6.

which they had permitted right along. It had to meet dollars in order to pay for the goods that they buy all over the world which they have to pay in dollars. They had to meet the dollars for some amount of illegal evasion or withdrawal of funds which they couldn't prevent...Does that explain what happened?⁸⁷

This explanation reveals the Treasury's determination to press for passage of the Lend-Lease Bill, and its difficulties in convincing a public which shared the Treasury's own recent skepticism that Britain did not have a secret stash.

These issues explain Morgenthau's decision publically to make a spectacle of Britain's poverty during the debate about the Lend-Lease Bill. Morgenthau's testimony to Congress was a thunderbolt to the American public, and particularly the financial writing staff at the *New York Times*. Not only were previous assumptions about Britain's finances inaccurate, they were catastrophically so. Morgenthau informed Congress that Britain had, in January 1941, not the \$7.4 billion supposed by the *Times*, but just \$1.775 billion, less than a quarter of the supposed original total. Furthermore, much of that figure either was difficult or impossible to liquidate, and if sold in a hurry would garner rather less than \$1.775 billion. As of January 1, 1941, Britain had in liquid gold and dollars only \$259 million, against obligations for 1941 of over \$3 billion. Morgenthau's testimony was effective. The *Times* concluded that "If ever cold statistics spoke with eloquence, these figures do. The message they carry is that Britain has reached the end of her rope as far as unaided purchases of war materials in the United States are concerned."⁸⁸ Internal Treasury Department analysis found public opinion shifting, though not entirely convinced of British honesty. "Many editorial writers remain unconvinced that Great

⁸⁷ Transcript of a press conference by Morgenthau. January 16, 1941. FDR Library. Morgenthau Papers. Treasury Department Papers, Box 612.

⁸⁸ "Britain's Financial Position." *The New York Times*. January 17, 1941. P. 16.

Britain is genuinely at the end of her dollar resources. There is exceedingly widespread expression of uneasiness as to the financial consequences to this country of continued deficit financing on the scale necessary to maintain the British war effort.” On the other hand, “if there is reluctance to acknowledge that England can be bankrupt, there is at least an awakening recognition that the English have been making great sacrifices.”⁸⁹ The same could be said of the Treasury.

On January 18 Stimson and Secretary of Commerce Jesse Jones called Morgenthau to find out why he continued to block British purchases, even of items the War Department also wanted. In this heated argument the Departments of War and Commerce fought for aid to Britain, and Morgenthau treated the matter as a budgetary problem.

Jesse Jones: I was wondering why you couldn't allow [Britain] to go ahead and place these orders. I think it's wrong to let these people—I don't think they would do it—place orders with American manufacturers when the money isn't in sight.

Morgenthau: Because they say they haven't got the money and they're not going to hypothecate in this situation.

Jones: Afraid you've got a higher opinion of them than I've got...

Morgenthau: I thought you were pleading with me.

Jones: I certainly am not! To hell with it. I want to help if I can and I thought I'd found some way that you could help and if you don't want to do it, that's up to you...I'm expected to violate the law and I'm not going to do it.

Morgenthau: Well, let me put it the other way around. If this was your responsibility, would you do it?

Jones: I would in a minute. Certainly would.

⁸⁹ Memorandum by Alan Barth of the Treasury Department. February 14, 1941. NARA. RG 56, Entry 198, Box 196.

Morgenthau: You would?

Jones: Absolutely! And if I were Phillips and he didn't do it, I'd fire him and get another secretary—if I were the British. These people are fighting for their lives.⁹⁰

Jones' last line reminded Morgenthau that he was dealing with a matter beyond dollar signs, and his attitude toward Britain's plight warmed.

Public opinion, however, was not moving as quickly as Britain needed. The slow pace of changing American views was reflected in Congress, with delays in the passage of Lend Lease. These extra weeks of debate furthered British difficulties. Britain had so few liquid dollars that it had to borrow them from Canada.⁹¹ On January 27, Hopkins reassured Churchill that "The President feels very confident about the Bill. He believes it will pass somewhere between the 24th and the end of February. He also wires me that he is making some adjustments through our Federal Lending Agency which should prevent undue delays in placing immediate orders. He sends his very warmest personal regards."⁹² Churchill even intervened directly with Roosevelt:

We are deeply grateful for all your understanding of the problems which will be thrown up in the interval before Congress approves your proposals. It is not only a question of total amounts but of how we are to live through a period which may extend to February 15th. What would be the effect upon the world situation if we had to default in payments to your contractors who have their workmen to pay? The idea that in the interval we shall either have to default or be stripped bare of our last resources is full of danger and causes us profound anxiety. I feel sure this will be ever in your thoughts.⁹³

⁹⁰ Transcript of a phone call between Stimson and Morgenthau. January 18, 1941. The Henry Morgenthau Diaries. Part II. Reel 35.

⁹¹ See next chapter.

⁹² Hopkins to Churchill. January 27, 1941. FDR Library. Harry Hopkins Papers. Box 136.

⁹³ Text of letter from Churchill to Roosevelt sent for Smuts personal review. January 3, 1941. PRO. DO 35/1028/7.

Shifting public sentiment and large Democratic majorities meant that passage of the Bill appeared likely. This led Britain to hope that the Act might include its massive dollar commitments through 1941. The Treasury cabled its U.S. counterpart to ask for relief:

On present information it looks as if our liquid resources will be practically exhausted early in March. Further, we shall have to provide in the year following the passage of the Lease-Lend Bill for the remainder of our existing commitments...We cannot liquidate our assets as fast as our liabilities under existing commitments become due...We, therefore, suggest that the possibility should be considered of an appropriation enabling the President to take over existing contracts...If this can be done it might put us in a position also, by temporary operations, to overcome the temporary cash difficulties of the interim situation.”⁹⁴

When making this request, Britain hoped to preserve and then rebuild enough dollar and gold deposits to protect the viability of the Sterling Area, avoid default and to increase U.S. production at maximum speed. Not only was Britain’s request denied, but Morgenthau was not yet confident that public opinion fully accepted that Britain deserved Lend-Lease.

A final casualty in the effort to demonstrate Britain’s need for credit was the American Viscose Corporation, which was publicly wrenched from its British owners as the Lend-Lease Bill was debated. This sale was inspired by Morgenthau, who told Ferdinand Kuhn at the Office of War Information, “I wonder if the English couldn’t find some way of getting out more publicity about the financial and economic sacrifices which they are making. I think it would be very helpful if they could.”⁹⁵ The sale, concluded just after the Lend-Lease Act was signed by President Roosevelt, was featured

⁹⁴ From the British Supply Council to the US Treasury. February 12, 1941. FDR Library. Henry Morgenthau Papers, Treasury Department Papers, Box 504.

⁹⁵ From Secretary Morgenthau to Ferdinand Kuhn. February 17, 1941. NARA. RG 56, Entry 198, Box 196.

on the front page of the *New York Times*. It crowed that Britain had sold for \$40 million a company valued at \$100 million,⁹⁶ allegedly the first of many such sales to pay for munitions purchases in the U.S. Such displays were intended to smooth the implementation of the Lend-Lease Bill and to convince skeptics that Britain was paying for its war. Britain had not been keen to take such a loss, but its hand was forced: “Finally matters reached the point when Mr. Morgenthau instructed Halifax that progress must be shown [on British sales of direct investments in the U.S.] immediately by the sale of at least one substantial direct investment. The result was that in spite of all the difficulties which had been conjured up previously, the British were able to sell the American Viscose Company (subsidiary of Courtaulds) at the end of last week.”⁹⁷ The *Economist* responded to the news as cheerfully as possible, spinning thus:

The fact that the passage of the Aid for Democracy Act (nee Lend and Lease) has not absolved the British Treasury from the necessity of increasing its supply of dollars by every possible means has been emphatically underlined by the news that the holding of shares in the American Viscose Corporation, owned by Courtaulds Ltd., has been sold on behalf of the treasury to an American syndicate who are to make a public issue of the shares. American Viscose is one of the earliest and most successful examples of direct British enterprise in American industry and, however good the monetary bargain, there will be a great deal of sympathy with Courtaulds over the loss of their child. It is, indeed, a sad event, though not one that is to be regretted, since it comes at a most appropriate hour to demonstrate that Great Britain is still ready for sacrifices of any kind to provide the sinews of war.⁹⁸

This scene served its purpose, as the American public witnessed a public divestiture of a British owned American direct investment. Britain hoped to limit the damage to this one company. Canadians, observing from the sidelines, worried that “there will have to be a

⁹⁶ “American Viscose is Sold by Britain to Bankers Here.” *New York Times*. March 17, 1941. P. 1.

⁹⁷ Report on Visit to Washington by Clifford Clark. Underline in the original. March 21, 1941. LAC RG 19, Vol. 3971.

⁹⁸ “Dollars, American and Canadian.” *The Economist*. March 22, 1941. PRO. DO 35/1028/7.

showdown on this matter unless public opinion changes very rapidly and makes possible a complete change in the present policy of the United States administration which seems determined to strip the British of all their assets in the United States.”⁹⁹ The lesson was not lost on Ottawa.

The sale proved educational to Americans. As a War Department analysis noted:

The confusion of editorial thinking has seldom been better revealed than in the reaction to the British sale of the American Viscose Corporation. Newspapers which had been clamoring for the liquidation of British holdings in this country were suddenly sobered by a concrete instance of what they demanded. The disposal of this direct investment was widely applauded as evidence of Britain’s willingness to go all-out in her own defense. It provided an answer to the querulous critics who have insisted that America was being swindled into paying for Britain’s war. At the same time, however, it aroused fears for the financial future of the British and strengthened the sentiment for dealing with them generously. A number of editorials advance the thought that a wholly impoverished Britain is not likely to be a substantial customer for American goods when the war is over and may, indeed, become, through the necessity to barter, a dangerous competitor. Paradoxically, the Treasury Department, but a short while ago accused of pampering the British and conniving to ease their financial problems, is now cast in the role of tight-fisted banker. The press and public are learning to be gentle.¹⁰⁰

If Morgenthau’s aim was to use the forced sale of the American Viscose Company to win over moderates, look tough, and silence the isolationists, it succeeded brilliantly. He also secured the U.S. a good deal on a successful British company.

The Administration’s main goals throughout this period, like those of many Americans, were threefold: to keep Britain in the war; to delay America’s entry; and to make money. Yet even to reach this point had taken strenuous efforts. While still basking in victory after the passage of the Lend-Lease Act, the Administration knew that the

⁹⁹ Report on Visit to Washington by Clifford Clark. March 21, 1941. LAC RG 19, Vol. 3971.

¹⁰⁰ Memorandum on the first reactions to Lend-Lease. Secretary of War’s Top Secret Safe Files. March 21, 1941. NARA. RG 107, Entry 74A, Box 9.

opponents of British aid—or any defensive preparations—were not beaten. As the Treasury noted:

[The] very anxiety for national unity eloquently discloses the absence of it...the fight against effective aid to Britain will certainly continue. Henceforth, however, it will be in the hands of the strong-stomached, full-fledged isolationists, the fanatic fringe...John L. Lewis is reported to be ready to lead the left-wing of labor into a national political alliance of crackpots. It is necessary to understand the character of this opposition to appreciate the menace it presents. It has achieved now a certain degree of homogeneity, with distinct fascist implications. Most of the leaders bear one or more of the hallmarks of fascism: opposition to labor, anti-Semitism, rampant nationalism and resistance to all organized community efforts to improve social circumstances. Even the 'respectable' supporters—the men who chipped in the funds to finance the America First movement—bear a curious resemblance to the industrialist group which financed Hitler's rise to power...The fanatics of the right and left are not at opposite ends of a straight line; they are merely the tail ends of a loop and have now joined hands to complete the circle.¹⁰¹

Furthermore, the meaning of keeping Britain in the fight, as the Administration believed it had done, was clear: "The Bill was of course of an unprecedented measure but it was at the same time an act of magnificent realism; that it ended the old folly of remaining shackled by rules which the potential enemies of the country would not recognize." The President had solved this problem; his leadership had "virtually made the warring democracies an expeditionary force of our country of which we were the base and supply of munitions."¹⁰²

British policy, by necessity, rested on three leaps of faith: gold and dollars would last until the American political situation stabilized (and produced a friendlier attitude toward Britain); the U.S. would provide some type of credit at or before the day of financial reckoning; and American production would deliver weapons in time to stop

¹⁰¹ "Evolution of the Minority" Treasury Department Internal Analysis. March 14, 1941. NARA. RG 56, Entry 198, Box 196.

¹⁰² Entry of March 17, 1941. Henry Stimson Diaries. Reel 6.

Hitler's relentless advances. To a large degree, all of these leaps fell short. Gold and dollars ran out before the President's inauguration, necessitating substantial British borrowing from Canada. U.S. credit was not forthcoming, again necessitating Canadian loans, and a major rejiggering of U.S. Army Air Force contracts to ensure that factories in the winter of 1941 did not stop production. Finally, production delays continued into 1942, affecting the British Empire directly on the battlefield, and indirectly when it had to handle late American deliveries to the Soviet Union. These failures eventually played a role in British setbacks around the world.

Chapter II

The Anglo-U.S.-Canada Relationship and Canadian Independence

Britain's gold and dollar crisis had a final victim in the form of its economic relationship with Canada. When Canada declared war on Germany in September 1939, it acted as an independent nation for the first time in its history. But what Canadian 'independence' meant in practice was not clear to Britain or to Canada. Canada remained part of the British Empire as a Dominion within the Commonwealth. Its government departments were small and inexperienced, though often staffed with able men. To its south the American behemoth, integral to the Canadian economy, was neutral in the war and restricted in its relations with a belligerent. As Britain's continental allies fell to Germany, the war became increasingly an Empire effort. Yet by the end of 1940, Britain was nearly bankrupt and the U.S., the chief beneficiary of British spending, was preparing to give Britain a credit card with no spending limit: Lend-Lease. This presented Canada with a stark choice; it could sign up to Lend-Lease, and so compromise its economic sovereignty to the U.S. during and after the war; or it could lose British orders, damaging the Canadian economy and undermining political stability during a time of war. Prime Minister W.L. Mackenzie King and his government avoided these dangers by creating a third option.

The Hyde Park Agreement of April 20, 1941 was a turning point in Canada's trilateral relationship with the United States and Great Britain. The Agreement was primarily the product of the imaginations of Mackenzie King, Minister of Munitions

and Supply C.D. Howe, and Deputy Minister of Finance Clifford Clark, who cleverly turned a confusing economic crisis into an opportunity. The King government sought to achieve a balance in its relations between Britain and the U.S. and went far to achieve that outcome. This goal fit a broader Canadian policy of independence from the Imperial goliath that dominated Canada's economic and cultural life, and the other monster to the South that threatened to take over this role; Canada sought a moderate commitment to its Allies and a limited liability in any war. King and his ministers, at the height of war, wove together skillful diplomacy, British goodwill, and American flexibility to achieve an economic and diplomatic victory at Hyde Park. The skill and assertiveness which Canada displayed in this process surprised the British and strengthened Canada's position vis-à-vis the United States. It also produced increased prosperity and stability for Canada, at the expense of Britain.

While the expanding Canadian-American relationship during the late 1930s and the first two years of the Second World War has received attention from Canadian historians, British and American scholars have largely ignored the matter. The British Official Histories ignore Canada, apart from specific military matters. So too, Churchill in his memoirs. One of the few British authors to address this issue was a member of Britain's economic negotiating team in the U.S.¹⁰³ Seeking to explain how, in J. L. Granatstein's words, "Canada was forced into the arms of the U.S", historians have tended to interpret any examples of increased Canadian-American co-operation as

¹⁰³ See Opie Redvers. "Anglo-American Economic Relations in War-time." *Oxford Economic Papers*. New Series, 9:2 (1957).

evidence of a fast, accelerating and inevitable move to the American sphere.¹⁰⁴ James Eayrs, for example, portrayed the relationship between King and Roosevelt in almost comical colours, with King the younger brother admiring his bigger sibling Franklin Roosevelt.¹⁰⁵ Even more recent work accepts the inevitability of Canada's passage from one power to another. For instance, Stephen Randall and John Herd Thomson contend that King made the best of his circumstances and doubts that any other prime minister could have done better: "the restructuring of the U.S. Canadian relationship was more the product of historical circumstance than it was of strengths or deficiencies in King's or Roosevelt's personal character." They conclude their analysis of Hyde Park by asking, "And what safer place could there have been in 1941 than in America's arms?"¹⁰⁶ These views of Canada's relationship with the U.S. are not entirely accurate. Canada had a more active—and thoughtful—role in this process than generally acknowledged, and the country's leadership was not as inept, helpless, or pro-

¹⁰⁴ The historiography has been shaped by a nationalistic paradigm in Canada, and a tendency to view effects as stemming either from inevitability, or incompetence, by Canada's leaders from 1936-1944. The history generally has been addressed from two main angles. The first, characterized by works such as George Grant's *Lament for a Nation* recognizes an active Canadian (i.e. Liberal) role in its economic realignment with the U.S., but from a damning perspective, exemplified by W. L. Morton's claim that because of Mackenzie King's policies, Canada was now "so irradiated by the American presence that it sickens and threatens to dissolve in cancerous slime." (*Canadian Historical Review* 45:4, 1964. pp. 320-321) A second view holds, for varying reasons which typically are overdetermined, that Canada had no choice but to cozy up to the U.S. because Britain was weak. Jack Granatstein, perhaps the most significant contributor to the historiography of Canadian diplomacy during the war, has a short book whose title, *How Britain's Weakness Forced Canada into the Arms of the United States*, expresses this sentiment. C.P. Stacey, the official historian of the Canadian Army in the Second World also emphasized British impotence. Ed. Stacey, C.P. *Historical Documents of Canada. Volume V: The Arts of War and Peace, 1914-1945*. New York: St. Martin's Press, 1972. And Stacey, C.P. *Arms, Men, and Governments: The War Policies of Canada, 1939-1945*. Ottawa: The Queen's Printer for Canada, 1970. Both of these Canadian paradigms view the Hyde Park Agreement as evidence of British weakness and American strength, with Canada playing a passive, or worse, role.

¹⁰⁵ Eayrs, James. *In Defense of Canada: Appeasement and Rearmament*. Toronto: University of Toronto, 1965. pp. 41-43. James Eayrs. *The Art of the Possible: Government and Foreign Policy in Canada*. Toronto: University of Toronto Press, 1961.

¹⁰⁶ John Herd Thompson and Stephen J Randall. *Canada and the United States: Ambivalent Allies*. Athens: University of Georgia Press, 1994. P. 155 and 166.

American as historians suggest. That the U.S. and Canada would become increasingly linked economically during a great war is undeniable, but the nature of this change, and the way that Canada shaped it, was not pre-determined.

The trilateral Canadian/American/British economic relationship during the Great Depression shaped the exchange imbalances which precipitated the economic crisis in 1940 that led to Hyde Park. Trade between Canada and the United States had been a troublesome issue since Confederation. Canada often found itself subject to the whims of American and British trade policy. Up to the late 1930s both Britain and the U.S. were affected by domestic policy rivalries which pitted those who supported free-trade liberalism against those who favoured protectionism. These rivalries created instability in Canada's economy as tariffs could swing substantially with changes in American and British administrations. As the Canadian economic historian Harold Innis noted in 1938, "the conflict between the two systems has cumulative effects."¹⁰⁷ These effects were increased nationalism which led somewhat paradoxically to imperial loyalty. As a result of this process, "the instability of the Canadian political and economic structure...increases the weakness of Canada as a political unit in relation to Europe."¹⁰⁸ In the middle of the Depression, Canadian-American economic relations were near their nadir, despite the interrelated economies and geographical proximity of the two countries. In 1930, the U.S. passed the Smoot-Hawley Tariff Act, raising tariffs on most imports to the U.S. In 1932, the British

¹⁰⁷ Harold Innis. *Essays in Canadian Economic History*. Toronto: University of Toronto Press, 1956. p. 236.

¹⁰⁸ Harold Innis. *Essays in Canadian Economic History*. Toronto: University of Toronto Press, 1956. p. 236.

Empire retaliated with the Ottawa Agreement on Imperial Preference, designed to create a trading block large enough to overcome the trade obstacles stemming from protectionism elsewhere, the U.S. especially. The Ottawa Agreement offended free-traders like Cordell Hull, the U.S. Secretary of State, and outraged American anti-imperialist sentiments. Despite their seeming hypocrisy, these American sentiments were not simply cant. Hull was a genuine free trader, and many Americans really did oppose imperialism and believed that their government did too. Hull called the Ottawa Agreement the “greatest injury, in a commercial way, that has been inflicted on this country since I have been in public office.”¹⁰⁹ Largely as a consequence of Canada’s failure to recover economically, in 1935 the government of Conservative Prime Minister R.B. Bennett was defeated, and replaced by Mackenzie King and the Liberals. King sought to improve trade with the U.S., as it was the only realistic way to generate growth. However, his efforts to improve Canada’s relations with the U.S. did not indicate a desire to abandon the Empire and embrace the U.S. Granatstein has argued that the, “trade agreements in 1935 and 1938 bound the two economies ever more tightly together,” but this reflected the simple desire to rationalize the economic relationship of the two countries.¹¹⁰

Despite King’s efforts, Canada’s trade balance with the U.S. remained negative, with a net loss in its American account balance of \$65 million.¹¹¹ When

¹⁰⁹ Lobell, Steven. “Second Image Reversed Politics: Britain's Choice of Freer Trade or Imperial Preferences, 1903-1906, 1917-1923, 1930-1932.” *International Studies Quarterly*. 43:4 (1999). p. 682.

¹¹⁰ Granatstein, Jack. *Canada’s War: The Politics of the Mackenzie King Government, 1939-1945*. Toronto: Oxford University Press, 1975. p. 115.

¹¹¹ Rasminsky, Louis. “Foreign Exchange Control: Purposes and Methods.” In *Canadian War Economics*. Ed. Parkinson, J. F. Toronto: University of Toronto Press, 1941. p. 96.

viewing trade in actual goods, reflecting the informal movement of material and services across a long porous border, Canada was in even worse shape vis-à-vis the Americans, losing over \$350 million during the same period.¹¹² American efficiency and geographic proximity crushed the old economic balance between Britain and Canada. Canada's trade with Britain, on the other hand, provided immense surpluses of \$600 million from 1934-1938.¹¹³ Canada sold mostly raw materials to Britain, but whereas Britain once would have sold Canada finished goods of the same value, the Americans had seized this market. The only loser in this triangle was Britain. The imbalance with the U.S. represented approximately 7% of Canadian GDP and the British surplus 12%. In peacetime, this trilateral arrangement was comfortable for Canada, which netted \$300 million. King sought to reduce the Canadian deficit with the U.S. through negotiations to reduce tariffs. But the problem was not urgent, offset as it was by the Canadian surplus with Britain. The events of 1940 upset this balance, built precariously upon Britain's ability to finance a large bilateral deficit with Canada, and Canada's ability to use those profits to buy U.S. goods.

When France fell in June 1940, Britain's U.S. dollar exchange situation lurched from strained to untenable. Already in 1939, due to U.S. isolationist legislation, all kit purchased in America had to be paid for in gold or U.S. dollars. This rule applied indirectly to Canada, which had to buy many components for its British orders in the U.S. To fulfill these orders, Canada had to import large numbers

¹¹² *Canadian War Economics*. Ed. Parkinson, J. F. Toronto: University of Toronto Press, 1941. p. 96. Canadian GDP during the interwar years peaked at \$5.5 billion in 1929, dropping of thereafter. Figures from *Canada 1943: The Official Handbook of Present Conditions and Recent Progress*. Dominion Bureau of Statistics, Department of Trade and Commerce: Ottawa, 1943. pp.60-61.

¹¹³ Louis Rasminsky. "Foreign Exchange Control..." p. 96.

of machine tools and advanced manufactures, such as engines, from the United States at the same time that the latter could no longer accept payment in sterling. Although Canada had an overall net trade surplus in 1940, it was only a paper surplus. While it earned \$463 million (CAD) in the Sterling Area, it ran a deficit of \$301 million (CAD) with the U.S.¹¹⁴ Canada's extra pounds meant nothing in the U.S.; its deficit could be paid for only with U.S. dollars or gold. While Canada could cover this difference through exports of raw materials to the U.S., and by collecting British payments in gold, Britain could not. It hemorrhaged gold and dollars through the latter half of 1940. By year's end Britain was nearly broke, but to cut spending meant risking defeat, which was out of the question. Yet Britain could not rely purely on the Empire or Sterling area for supplies, since it lacked the industrial capacity of the United States. The six month process of overcoming these problems from December 1940 to May 1941 was a period of uncertainty for Canada and peril for Britain's economy.

Unable to obtain loans from the U.S., Britain's only remaining course of action was to borrow money from Canada. These funds came in two forms: U.S. dollar loans from Canada to Britain; and British payments to Canada in sterling rather than gold, an option which undermined Canada's reserves, since Ottawa still had to pay for all kit purchased from the U.S. in gold or U.S. dollars.¹¹⁵ Britain first asked Canada for help in December 1940, and again in the New Year:

¹¹⁴ *Canada 1943: The Official Handbook of Present Conditions and Recent Progress*. Dominion Bureau of Trade and Statistics, Department of Trade and Commerce, Ottawa. 1943. P. 159.

¹¹⁵ This process is covered in detail in a well researched book by Robert Bryce, who worked in the Canadian Department of Finance during the war. Bryce, Robert. *Canada and the Cost of World War II: the International Operations of Canada's Department of Finance 1939-1947*. Montreal, QC, CAN: McGill-Queen's University Press, 2005.

We are (as we have always feared) facing a time of great difficulty during the period which must elapse before President Roosevelt's plan is put into effect. It is clear that we shall need to exhaust the last of our own gold and dollar reserves for our needs in the U.S.A. during this period. We have therefore no option but to appeal to the Canadian government for further temporary help.¹¹⁶

Canada came through with another loan which bought Britain a few weeks, as it used this money to maintain its orders in Canada. This process worked for the short term—keeping Canadians employed and Britain armed—but it was tiresome and financially unsustainable. Furthermore, once Lend-Lease passed Congress, the situation would change as Britain no longer would rely on Canadian loans and gifts. In the short term, it would be in Britain's interest either to have Canada join Lend-Lease or simply to cut Canada out of war purchases. The only logical conclusion the British could envision was for Canada to join Lend-Lease, so that it could borrow American made components for British orders. The Treasury urged taking the “first steps to bring the point home to the Canadian Government so that they may be willing, at the appropriate moment, to do everything possible to obtain such assistance from the United States of America that Canada will be able to hold Sterling and not to ask us for gold which we no longer can make available?”¹¹⁷ Some Treasury officials viewed Canada's emphasis on protecting its gold reserves as evidence of parochial self-interest at the expense of the Allied cause. “Presumably Canada is bound to ask us to cover a large part of our payments in gold so long as she has to make large United States dollar payments for raw materials and components required to carry out our orders. Canadian government may

¹¹⁶Addressed to the United Kingdom High Commissioner in Canada (For Sir Frederick Phillips). January 3, 1941. PRO. DO 35/1028/7.

¹¹⁷ For Sir Frederick Phillips. January 3, 1941. PRO. DO 35/1028/7.

not feel disposed to press very urgently for 'Lease and Loan' Bill to be applied to her needs in so far as they arise from our orders."¹¹⁸

In Britain, the *Times* noted, "the impression here is that the point of decision is drawing near about Canada's power to continue purchases on a cash-and-carry basis. If she cannot do so, the choice lies between a loan—which, since Canada is a belligerent, would involve a modification of the American statutes—and resort to the provisions of the Lease and Lend Act."¹¹⁹ The Dominions Office and the Treasury were arriving at this conclusion as well; as much as Canada hoped to avoid joining Lend-Lease, it would have to do so or be cut out of British orders in North America, since Britain could get supplies from the United States without having to pay for them.

Yet for long term political reasons, Ottawa was determined to avoid signing up for Lend-Lease, which would transform Canada's relationship with the United States. However much Roosevelt described Lend-Lease as transcending monetary value, in practice it was a loan. Ottawa's mandarins felt that a loan would have collateral, however implicit. Much of Canada's hesitation stemmed from the long term implications of accepting such a loan, particularly after the war. As Clark noted shortly after the Hyde Park Agreement, "The course of post-war events cannot now be predicted," but "the disruption of this relationship [vis-à-vis the U.S.], changing the situation from one of interdependence to unilateral dependence, not to say subservience, is not something to be

¹¹⁸ From Treasury for Phillips. Author unstated. January 19, 1941. PRO. DO 35/1028/7.

¹¹⁹ "Mr. Mackenzie King In Washington." *The Times*. April 18, 1941. p. 4.

lightly entered upon, if there is any reasonable alternative.”¹²⁰ Ottawa viewed the consequences of joining Lend-Lease as just short of existential, and worked vigorously to find Clark’s reasonable alternative.

Ottawa made quixotic and desperate attempts to rein in spending by Canadian shoppers in the U.S., but little could be done. As the Treasury observed, “despite the steps taken by Canada, the large munition orders placed by us involve additional imports of raw materials and component parts from the U.S.A. and the fact that Canadian work people have more wages to spend must to some extent tend to result in their buying more goods from the U.S.A.”¹²¹ Believing Lend-Lease was Canada’s only real alternative, Dominions Office officials worried not about whether Canada would join, but if it would be milked thoroughly by the Americans before being allowed to do so. After all, “may not the US demand that Canada should empty her own cupboard before assistance is given?”¹²² Considering Britain’s experience with the Americans, they expected no easier course for Canada.

The British knew that Canada was trapped between the working of the Lend-Lease Agreement and a deep reluctance to join it. A solution was essential, as it involved not only the present war effort but the postwar trilateral economic relationship. As one worried Dominions Office official put it, “If our extensive orders in Canada are to be fulfilled and as we can no longer transfer gold to Canada, it seems that Canada will have to incur debts in the U.S. on her own account in order to fill our

¹²⁰ Memorandum by Clifford Clark on the sales of Canadian owned U.S. securities. August 12, 1941. LAC RG 19, Vol. 3971.

¹²¹ Report by Mr. J. Beattie, February 1941. PRO. DO 35/1028/7.

¹²² Note by D. Clutterbuck on internal Dominions Office file. January 20, 1941. PRO. DO 35/1028/7.

orders, for which she will be paid at present in sterling only.”¹²³ Such a situation was unsustainable.

Canadian officials had kept in touch with their American counterparts regarding plans to grant Britain some type of credit. When the details for Lend-Lease firmed up in December, Graham Towers of the Bank of Canada asked Clark “to urge Phillips [at the Treasury] to press the Americans to grant the British use of some of the dollars to be loaned to them for payments to Canada to cover at least a portion of their Canadian requirements.”¹²⁴ From the start, Canada pursued alternatives to borrowing directly from the U.S.

When Clark went to Washington to meet Phillips later that month, he also visited U.S. Undersecretary of the Treasury, D.W. Bell. Distrustful of the British, Bell asked Clark for detailed information about Canadian and British finances and exchange balances. Ominously, he asked for specific information on “other Canadian assets ‘possibly convertible into U.S. dollar exchange.’”¹²⁵ Though Clark showed no concern, this request suggested that, as the British feared, the Americans had plans to exhaust Canadian finances in anticipation of, or as a condition for, U.S. aid. Clark gave the Americans all they asked for in a thirty page report on Anglo-Canadian finances. This report earned him a one-on-one meeting with Secretary of the Treasury Henry Morgenthau, and his trust.¹²⁶

¹²³ Dominions Office internal note by Eric Machtig. January 23, 1941. PRO. DO 35/1028/7.

¹²⁴ Robert Bryce. *Canada and the Cost of World War II...* p. 99.

¹²⁵ Robert Bryce. *Canada and the Cost of World War II...* p. 100.

¹²⁶ Robert Bryce. *Canada and the Cost of World War II...* p.100.

After this visit, Bell reported to the U.S. Treasury on the Canadian financial situation. He and Harry Dexter White assured Morgenthau that Canada would have plenty of dollars and gold for the foreseeable future. Morgenthau found this claim dubious and pressed for more information.

Morgenthau: In other words, between now and September 1 '41, Canada will not be in distress? They need 906 million dollars.

White: That is what they will spend.

Morgenthau: How are they going to get it?...Where is the peanut under this shell?

White: That is 375 million dollars which is due to Canada from U.K...Here are their assets, which presumably they will not have to touch.

Morgenthau: They won't have to touch?

White: That is by September, providing England pays them what they owe them.

Bell: They will be good for another year.

White: They should be good for another year.

Morgenthau: All right. That is Canada.¹²⁷

For the next two months, as Lend-Lease moved through Congress, the Department of Finance paid little attention to its financial relations with the U.S. C.D. Howe's Ministry of Supply, however, was busy analyzing the possible ramifications of Lend-Lease on Canadian trade with Britain, assuming that Canada remained outside that system. As one of Howe's deputies recalled, "We were all agreed that there was a grave danger to the continuity of our British orders in Canada by the fact that Britain would be able to buy in the United States on credit whereas she would have to pay cash

¹²⁷ Transcript of a meeting at the Treasury Department. December 16, 1940. The Henry Morgenthau Diaries. Part II. Reel 32.

in Canada.”¹²⁸ The Department played defense, obtaining British assurances of continued orders, arguing “This looks like the beginning of a situation which will become extremely serious if we do not tackle the problem immediately and obtain a clear understanding with Great Britain on future supplies.”¹²⁹

By mid-February, with the passage of Lend-Lease increasingly likely, Clark told British Treasury officials that Canada would not join unless it had no other option. He was “very doubtful whether it would be to Canada’s advantage to make use of the Lend-Lease Bill. His [Clark’s] present idea is to carry on while his gold lasts and then probably sell, at least some Canadian holdings of United States securities before apply [sic] for help.”¹³⁰ This, however, was not merely Canada’s problem. Its desire to avoid Lend-Lease, coupled with its temporarily strong economic position, created difficulties for Britain. As one DO official observed, “It might not be to Canadian advantage to use the lease and loan bill as long as we can give her gold. But it is undesirable for her to take gold from us if something can be done with the U.S.A. The treasury will not be satisfied with this.”¹³¹ Canada’s position appeared unsustainable. When pondering Canada’s next step, the British mixed worry for Canada’s economic fate, and annoyance that little or nothing could be done either to help Ottawa, or to make it see sense.

¹²⁸ J.B. Carswell, Liaison Officer, Department of Munitions and Supply, to C.D. Howe. January 28, 1941. LAC RG 19, Vol. 3991.

¹²⁹ Ibid.

¹³⁰ For Treasury from Phillips. February 4, 1941. PRO. DO 35/1028/7.

¹³¹ Underline in original. Note by Mr. Pitblado in the Dominions Office. February 7, 1941. PRO. DO 35/1028/7.

Britain's ability to pressure Canada was circumscribed by economic circumstances and the U.S. Government. At this point Canada was subsidizing British purchases from Canada with multiple loans. From August 1940 through February 1941, Canada had provided Britain \$265 million (USD) plus three million pounds sterling.¹³² These loans essentially kept Britain afloat with loans while Congress debated the Lend-Lease Bill. But these were not just the product of magnanimity, for Ottawa loaned London money which Britain immediately spent in Canada. The easiest solution for the British, Lend-Lease, was the most unacceptable to Canada. "If Canada were to draw upon her gold and U.S. dollar reserves and if she would also obtain everything possible from the U.S.A. under the Lease-Loan Bill, Canada should need little or no gold from us, but could accept payment in sterling and hold sterling balances or use it to repatriate her sterling debt."¹³³ This outcome was politically and economically impossible for Canada. "The position would be radically different if Canada, like Australia, New Zealand and India, kept her monetary and banking reserves in sterling. But Canada is so closely linked, geographically and economically, with the U.S.A. that this is impossible. It would involve a change in orientation more radical than Canada appears able or willing to make."¹³⁴ Britain understood Canada's predicament but unofficially still pressured Ottawa to accept what they believed was inevitable, to join Lend-Lease.

¹³² Note by Mr. Pitblado in the Dominions Office. February 17, 1941. PRO. DO 35/1028/7.

¹³³ Report by J. Beattie, February 1941. PRO. DO 35/1028/7.

¹³⁴ Report by J. Beattie, February 1941. PRO. DO 35/1028/7.

On February 19, Dominions Secretary, Lord Cranborne, pushed Britain's view in a letter combining conciliation and veiled threats. This cable shaped Canada's response to the Lend-Lease Act. Cranborne warned that it was:

clear not only that the [Lend-Lease] Bill will provide us with much needed assistance for the prosecution of the war in armaments, raw materials and food, but that in taking advantage of this assistance there are numerous points at which interests of our partners in the British Commonwealth will be involved as both consumers and producers...[Canada] will no doubt have a special interest in the use to be made by the United Kingdom Government of the financial facilities afforded by the Bill, and the distribution of our purchases between Canada and the United States.¹³⁵

It is unclear whether Cranborne intended to offer such a strong message; his Lordship may simply have been unaccustomed to communicating with the Dominions as equals.

Cranborne, however, knew munitions orders were a primary concern for the King government. The "interests of Canada are very much in our minds," added Cranborne, "it will be our constant aim to proceed in the closest and most harmonious co-operation with the Canadian Government." Yet "Canada's position as a member of the Commonwealth and an active participant in our war effort requires special consideration to ensure that her economic staying power shall not be damaged as a result of diversion of orders to United States."¹³⁶ Cranborne reassured King that "we do not contemplate that our programme of purchases in Canada should be appreciably modified [by the Lend-Lease Act]," but noted that the "extent to which we can realize

¹³⁵ Dominions Secretary to Secretary of State for External Affairs. February 19, 1941. Ed. Murray, David. *Documents on Canadian External Relations, 1939-1941 Volume 7*. Ottawa: Department of External Affairs, 1974. p. 493.

¹³⁶ Ed. Murray, David. *Documents on Canadian External Relations, 1939-1941 Volume 7*. Ottawa: Department of External Affairs, 1974. p. 493.

our hopes will inevitably depend on gold and dollars which we have from time to time available, and amount of financial assistance which it proves possible for Canada to extend to us.”¹³⁷ In other words, Britain would not cut orders to Canada only if Ottawa agreed to accept Sterling or otherwise to offset imperial expenses in Canada.

Cranborne’s threats were not lost on King, who replied repeatedly that he was glad “to receive your [Cranborne’s] assurance” that Britain was not planning to cut its Canadian orders. King reminded Cranborne that Canada already was increasing its production at great expense, in accordance with arrangements made in 1940 between London and Ottawa. “These arrangements were based on the understanding that existing plants and those in course of construction should be employed throughout the war to their fullest capacity. This understanding underlies our whole programme, under which Canada is undertaking the very difficult task of taking for all governmental purposes in 1941 more than half the entire national income.” Noting how wasteful and inefficient it would be to duplicate effort in constructing plant on both sides of the border, King concluded with a plaintive appeal: “I need not emphasize the depressing effects, political as well as economic, on Canadian war effort if this were to come about.”¹³⁸ Britain and Canada were at an impasse.

Probably around this time King began to contemplate another solution. After Cranborne’s threat, King regarded finance as one of Canada’s top priorities. He therefore met Howe and Clark to discuss Canada’s options. He had planned to send Clark to Washington, “to protect our interests and get our share of munitions under the Lend-

¹³⁷ *Documents on Canadian External Relations...*p. 493-494.

¹³⁸ From the Government of Canada. Author unstated. February 27, 1941. PRO. DO 35/1029/1.

Lease Bill, when passed. This seems to be the most critical thing at the moment.”¹³⁹ While Clark opposed joining Lend-Lease, he acknowledged that it might be inevitable. If Britain cancelled orders in Canada and transferred them to the U.S., Canada likely would have to accept whatever demands the Americans might make. But this outcome remained a worst case scenario. King had no illusions about what Lend-Lease meant for Britain, and could mean for Canada: “I have no doubt the U.S. will wipe off a good part of the obligation especially if Britain loses heavily meanwhile. If, however, she were not brought very close to her knees, the U.S. would undoubtedly keep the obligations arising under the Lend-Lease Bill hanging pretty much over her head to be used to compel open markets or return of materials etc.”¹⁴⁰ King, determined to avoid Britain’s fate of being “bankrupt, insolvent, under obligation to those who were formerly of her own household,”¹⁴¹ concluded that Canada would watch Britain’s experience with Lend-Lease, avoiding participation unless compelled.

Clark’s visit to Washington on March 16 did not resolve the trilateral exchange problem, or gain any assurances about future orders. King sent Clark in part to secure American permission for a British transfer of gold to Canada, so that Canada could spend the money on the U.S. components for British orders in Canada. Clark realised that Congress was so hostile to British aid that it would be unwise even to mention the possibility to Morgenthau, which would hurt Canada in the long term. Clark concluded that the atmosphere was too poisoned to reach an agreement with anyone but the

¹³⁹ The question of finance also consumed time in Cabinet meetings. Library and Archives Canada. W. L. M. King Papers, Diary, February 26, 1941; March 7, 1941.

¹⁴⁰ Library and Archives Canada. W. L. Mackenzie King Papers, Diary, March 13, 1941.

¹⁴¹ Library and Archives Canada. W. L. Mackenzie King Papers, Diary, March 13, 1941.

President himself, which would require a visit by the Prime Minister to the President's vacation in Warm Springs, Maryland.¹⁴²

Treasury officials, meanwhile, had tired of Canadian hesitation to participate in Lend-Lease. The British understood that, "rightly or wrongly they fear that they are in a much weaker position than we are vis-à-vis the United States and that the latter would make a hard bargain with them as to ultimate repayment."¹⁴³ Nevertheless, time and circumstance would help the Canadians overcome their pride and insecurity and join Lend-Lease, albeit broke. "Another six months is likely to force a change in Canadian government attitude."¹⁴⁴ These views, however, were fuelled by Treasury misperception of Canadian motives.

Days later, the Treasury began to come around to Canada's side. As a Dominions Office official noted, "Sir F Phillips [at the Treasury] also seems to have been impressed by the real difficulties of the Canadian position, which is also satisfactory."¹⁴⁵ The British discovered that Canada's adverse balance of payments with the U.S. was worse than they had thought. As one Dominions Office official put it, "The problem now becomes much more serious and the day when Canada will have to submit herself to the tender mercies of the U.S. correspondingly nearer."¹⁴⁶ The increasingly sympathetic British attitude would matter six weeks later.

The British also sought to reassure Canada that Britain would make new orders in Canada once old contracts had been fulfilled. "We feel that it is essential that at the time

¹⁴² Report on Visit to Washington by Clifford Clark. March 21, 1941. LAC RG 19, Vol. 3971

¹⁴³ For Treasury from Phillips. March 4, 1941. PRO. DO 35/1028/7.

¹⁴⁴ For Treasury from Phillips. March 4, 1941. PRO. DO 35/1028/7.

¹⁴⁵ Internal Dominions Office note by Pitblado, March 7, 1941. PRO. DO 35/1028/7.

¹⁴⁶ Internal Dominions Office note by Clutterbuck. March 7, 1941. PRO. DO 35/1028/7.

when a Lease-Lend expenditure programme is approved for ordnance you should give the Canadians some definite assurance with regard to continued employment of their munitions capacity.”¹⁴⁷ Indeed, the British tried unsuccessfully to persuade the Americans to let Britain borrow U.S. dollars for general use under Lend-Lease, so that it might continue to spend gold in Canada.¹⁴⁸

Another possibility existed. In late February, the Treasury had an idea which might mitigate Canada’s economic difficulties: to charge to Britain’s own Lend-Lease account the specific American made components purchased by Canada to fulfill British military orders in Canada. This idea was suggested to the Americans:

Clark and I [Phillips] saw Morgenthau yesterday...it proved as difficult as ever to get concrete decisions out of him. The suggestion that aeroplane engines and other component parts obtained in the United States of America to be worked up in Canada for our account, should be brought under the Lend-Lease Bill has been explained to Treasury officials and to Morgenthau. The latter said it was a new idea to him, that he would have to talk it over with his colleague...At a rough guess the sum involved might be between 100,000,000 and 200,000,000 million dollars.¹⁴⁹

Although Morgenthau implied he might accept the British proposal, his leisurely pace of response convinced the British it would not be approved.¹⁵⁰ Once again, the only realistic possibility seemed to have Canada sign up for Lend-Lease as soon as possible.

From the middle of March, Canada’s attitude became increasingly assertive while the British became pessimistic about Canada. The British awaited word on the intentions of the Canadians, the latter being busy making preparations to which Whitehall was not

¹⁴⁷Addressed to Supply Committee. Author unstated. March 19, 1941. PRO. DO 35/1028/7.

¹⁴⁸ From Phillips for Treasury. Author unstated. March 2, 1941. PRO. DO 35/1028/7.

¹⁴⁹ For Treasury from Phillips. March 4, 1941. PRO. DO 35/1028/7.

¹⁵⁰ From Phillips for Treasury. February 26, 1941. PRO. DO 35/1028/7.

entirely privy. Canada did inform Britain that it was working with Morgenthau to cover some U.S. components for British orders in Canada. The British thought the best way was to Lend-Lease, for example, engines, ship them to England and assemble them there to Canadian frames which would be hopelessly inefficient, as well as a probable abuse of the system. The Canadians politely told the British that they would prefer to handle the negotiations themselves, through Howe and Clark in Washington the following week.¹⁵¹ The Canadians provided cryptic indications that they were up to something, but the British did not grasp how coherent Canadian planning was. As the Canadians told to the Dominions Office:

For various reasons, we believe that there will be a far more appropriate opportunity at a later date to negotiate with the United States on this question and we are content for the moment to defer further representation to the United States Treasury. We have, however, made clear the magnitude of Canada's own exchange problem with the United States and the extent to which Canada's shortage of United States dollars is created by the purchase of components and materials in the United States for production of British war supplies in Canada and we are hopeful that the United States will take cognizance of this problem at a more opportune moment.¹⁵²

The day after the Lend-Lease Bill was signed, one of Clark's advisors suggested that Canada charge to Britain its U.S. war purchases for components on British orders. Clark urged Mackenzie King to discuss with Roosevelt a version of this plan during his coming trip to Washington.¹⁵³

On March 27 King informed the Dominions Office that while Canada understood Britain's precarious financial situation, it had its own concerns. He

¹⁵¹ James Coyne to Clifford Clark. April 6, 1941. LAC RG 19, Vol. 3991.

¹⁵² From the Government of Canada. Author unstated. March 27, 1941. PRO. DO 35/1029/1.

¹⁵³ Bryce, Robert. *Canada and the Cost of World War II*...p. 103.

offered an ultimatum: Canada would continue to accept Sterling payments, but only under certain conditions. These conditions were: “no diversion of British orders from Canada to United States sources either in respect of munitions of war, or agricultural products or raw materials...In respect of foodstuffs...the United Kingdom would procure from Canada as large a proportion of its requirements as Canada can supply.”¹⁵⁴ For the future, Canada would “take up with the United States at a more appropriate time the amount of gold or United States dollars which they would be agreeable to the United Kingdom transferring to Canada in partial settlement of the United Kingdom deficit with Canada and/or the extent to which they would be prepared to Lease-Lend to the United Kingdom the United States component of British orders in Canada.”¹⁵⁵ The British Treasury’s earlier plan to charge Canada’s production for British orders to Britain’s account was alive but out of British hands. Canada and the U.S. would tell Britain how and to what extent it would pay for its orders in Canada.

The Canadians were conducting serious business and running risks with their vulnerability in the process. In order to cover their rear, they concluded by welcoming “your assurance that the United Kingdom Government would be agreeable...to consider jointly with Canada any representations that may be received from the United States Government that the United Kingdom should make certain purchases of agricultural products from the United States.”¹⁵⁶ Canada needed to know where both America and Britain stood if it was to maximize its advantage. Canada was not asking Britain for

¹⁵⁴ From the Government of Canada. Author unstated. March 27, 1941. PRO. DO 35/1029/1.

¹⁵⁵ From the Government of Canada. Author unstated. March 27, 1941. PRO. DO 35/1029/1.

¹⁵⁶ From the Government of Canada. Author unstated. March 27, 1941. PRO. DO 35/1029/1.

permission to negotiate this agreement with the Americans; it was telling Britain to pay for Canadian production itself. King noted in his diary how difficult this letter had been to write.¹⁵⁷ This attitude is understandable; his decision was a watershed in the trilateral relationship.

Britain's response to this cable was mixed. The DO was pleased to know for once in clear language what Canada really wanted, noting "This is a very important telegram and the line taken by the Canadian Government is very satisfactory."¹⁵⁸ As for Canada's demands, "So far as the UK is concerned...this goes further than anything we have been asked for before," and Britain could do little with the specifics of the Lend-Lease agreement still to be determined. Philips thought the Canadians had gone too far, particularly their demands that Britain buy from Canada first. He also objected to issuing the Canadians an exchange guarantee which would peg sterling to the value of the U.S. dollar at the time any sterling Canada accepted as payment was made, ensuring no Canadian loss after the war. Afterwards, "Playfair [Sir Frederick Philips' assistant] looked it up and found that it was an agreement that Philips himself had negotiated, but has not yet told him this."¹⁵⁹ The Canadian cable, however, revealed a clear vision of its interests and a plan for action: "The Canadians are in fact maneuvering for position vis-à-vis the U.S. whose reactions so far have not been altogether satisfactory or indeed realistic. They...feel that the 'more appropriate opportunity' will occur when the U.S. try and unload their surpluses on us under the lease-lend arrangements"¹⁶⁰ The British

¹⁵⁷ Library and Archives Canada. W. L. Mackenzie King Papers, Diary, March 27, 1941.

¹⁵⁸ Internal Dominions Office note by Pitblado. April 1, 1941. PRO. DO 35/1029/1.

¹⁵⁹ James Coyne to Clifford Clark. April 6, 1941. LAC RG 19, Vol. 3991.

¹⁶⁰ Internal Dominions Office note by Clutterbuck. April 1, 1941. PRO. DO 35/1029/1.

accepted that Canada was waiting on events while Britain focused on the specifics of Lend-Lease. Meanwhile, King took a proactive version of waiting, planning to have the Americans adopt a Canadian means to solve North America's trade imbalance.

King arranged to take a short 'vacation' to Washington DC in April, and had Clark prepare a proposal for Roosevelt. This plan was entirely Canadian, as a senior American official noted weeks later, the Canadians "drafted it as something which they hoped the Prime Minister would be able to get the President to agree to...No one in the State Department and, I am told, in our Treasury Department had any advance knowledge of the statement."¹⁶¹ In a Cabinet War Committee meeting where Canada's plans solidified, King, Howe, and Clark all agreed that it "is in the best interest of future relations between the U.S. and Canada that Canada should not come under Lend-Lease directly except as a last resort. Succeeding U.S. administrations would demand payment by Canada for such purchases, thus upsetting normal trade relations."¹⁶² The Canadian plan had two parts: first, to slap British orders in Canada on Britain's Lend-Lease account; and, second, to have the U.S. make purchases in Canada. The reciprocal element of the new plan for Canadian-U.S. trade was the latest addition to Canada's plan, appearing at a meeting on April 7. Clark informed the Prime Minister that Canada's imbalance with the U.S. the following year, if the plan failed, would be \$478 million

¹⁶¹ Assistant Secretary of War John McCloy to US Ambassador to Canada Pierrepont Moffat. April 30, 1941. Houghton Library, Harvard University. Jay Pierrepont Moffat Papers. MS Am, Volume 1407. General File H.

¹⁶² Bryce, Robert. *Canada and the Cost of World War II*...p. 104.

Canadian dollars, while Canada had gold and U.S. securities (not always easy to liquidate) totaling \$587 million.¹⁶³

The initial plans for King's trip to the U.S. involved a meeting with Roosevelt on the Atlantic Coast, but these were scuppered by an epidemic outbreak. King instead met Roosevelt briefly on the night of Wednesday April 16, but, sensing the moment was not yet ripe, "I purposely refrained from discussing financial matters, as I saw how tired he was, and did not wish to introduce this subject until we got away when we could discuss them quietly. I felt it might embarrass the conversation which we would have later, if I appeared to do other than to accept his invitation for a bit of a holiday with him."¹⁶⁴

The next morning King fortuitously met Hull, whom he knew how to handle. Hull was a passionate free-trader. Despite the U.S. not yet firing a shot in anger, he already was planning how to design the post-war world. King emphasised "what I regarded as the most serious matter affecting our countries," not the menace of Hitlerism, but "preserving normal trade relations between countries. Those were protected by the position our exchange was in." King then began his proposal: "I hope that it will be possible to have, with respect to war materials, etc., the components of materials we were producing for Britain, secured from America on the lease-lend American basis and that America would place orders with us for things that we could produce." King then explained why the U.S. should accept Canada's plan. "I stressed the part relating to war materials, pointing out that we had neither gold nor American dollars; that, if we became dependent on

¹⁶³ Bryce, Robert. *Canada and the Cost of World War II*...p. 104.

¹⁶⁴ Library and Archives Canada. W. L. Mackenzie King Papers, Diary, April 16, 1941.

American [sic] for loans and the like, we would have nationalist policies developing after the war.”¹⁶⁵ “Nationalist” was code for protectionism, which Hull found abhorrent.

With Hull on board, King next met with Morgenthau through a happy accident. While King had no appointment and it was Morgenthau’s 25th wedding anniversary, Morgenthau was working nonetheless. When King began the meeting, “It was clear that he had more or less put Canada out of his mind some little time ago, understanding that our affairs were in pretty good shape till the end of the year.”¹⁶⁶ This was news to King who said “‘till the end of last year?’ He said: ‘no, of this year.’ I said: ‘no, quite the contrary’; that we were in a very bad way, having had to repatriate securities first from Britain being pressed by her; also not getting gold we had expected to pay for American purchases.”¹⁶⁷ King took some liberties with the facts, as Canada’s gold and dollar situation was adequate over the short term, as Morgenthau thought, but an indifferent Morgenthau was a safe bet to bluff.

Their discussion turned to gold. The U.S. already had extracted nearly all the gold Britain possessed, which Morgenthau claimed was unavoidable because “to get Congress behind him, he had to make clear that Britain was bankrupt.”¹⁶⁸ Canada held a large deposit of French gold, which the Americans had tried to extract via the British. Morgenthau (and probably many other Americans) were unclear on the extent of Canadian independence. King explained that the gold was being held under trust for France, that Britain had tried to get it from Canada for the U.S., and that King had a row

¹⁶⁵ Library and Archives Canada. W. L. Mackenzie King Papers, Diary, April 17, 1941.

¹⁶⁶ Library and Archives Canada. W. L. Mackenzie King Papers, Diary, April 17, 1941.

¹⁶⁷ This was so surprising to Morgenthau that he mentioned it again the following day in a meeting with Clark. Notes on a meeting with Morgenthau, April 18, 1941. LAC RG 19, Vol. 3971.

¹⁶⁸ Library and Archives Canada. W. L. Mackenzie King Papers, Diary, April 17, 1941.

with the Treasury over the matter. As King told Morgenthau, “Phillips [at the Treasury] had said to me that he would have to report the matter to Churchill. I had said I hoped he would. Not to think that Canada was a colony. That we were a nation administering our own affairs, and that I had refused to let the gold go.”¹⁶⁹ This news was instructive to Morgenthau, who also was won over to King’s plan.

The plan included reciprocal trade arrangements with the U.S. to offset Canada’s dollar exchange imbalance, above and beyond that involved with British orders in Canada. For example, Canada would manufacture aluminium and exchange it with the U.S. for aeroplane engines. Morgenthau, seemingly amenable to this barter system, asked to discuss the specifics with Clark. Morgenthau said that he found Clark easy to work with.¹⁷⁰ They agreed that King would resume his vacation, returning to Washington on Monday, when Morgenthau would accompany him, if necessary, to take the jointly completed plan to the President.

Leaving the meeting in high spirits, King gave Clark his assignment for the rest of the week. Howe was to meet with Hopkins while Clark worked on Morgenthau. King would lay low at the beach until it was time to see the President. They agreed that it would be best to say nothing to the British Ambassador, Gerald Campbell or Phillips about these issues. The British would be excluded from negotiations, despite the fact that the talks would determine what Britain must pay for. As King put it, “Morgenthau had really wanted to work alone with Clark. He so expressed it this morning, and everything in regard to war material production definitely settled with Morgenthau up to the point of

¹⁶⁹ Library and Archives Canada. W. L. Mackenzie King Papers, Diary, April 17, 1941.

¹⁷⁰ Library and Archives Canada. W. L. Mackenzie King Papers, Diary, April 17, 1941.

the agreement that he and I were to place before the President and would be sure of getting his acceptance on it.”¹⁷¹ Everything was falling into place for King. He would wait to act while others put the details in order.

As he did so, King worried about the future, reflecting on Morgenthau’s acknowledgement that the U.S. had bankrupted Britain for domestic political purposes. He “could not but wonder what the nemesis might be some day, in this great country (the U.S.), waxing in wealth as it is, but not prepared to give her blood to help in such a great cause for freedom as the present. That after all the Lease-Lend measure was a selfish thing compared to what Greece and Britain were doing.”¹⁷² Trapped between the two great English speaking powers, King’s sympathies were with Britain. “While I believe strongly in keeping English speaking peoples together, I was stronger than ever for the British connection as far as Canada was concerned. Lord Halifax said he thought a good many of their people were feeling the same way about the U.S. piling up wealth etc. at this time.”¹⁷³

When Clark met with Morgenthau, he picked up where King had left off.

Morgenthau: I told [Mackenzie King] that I hadn’t—going back, I didn’t know a month or two—we had agreed a month or two ago that Canada would be all right until about December 31, but that since then due to the fact that the English for the last number of months have not paid you in gold, that that upset the apple cart. I think that that, in a very broad way, is true, isn’t it?

Clark: Yes, and then on top of that, our estimates of their purchases in Canada have gone up, and our own military program has gone up so that the deficit is larger than we anticipated.

¹⁷¹ “Notes dictated by the Prime Minister after his meeting with Morgenthau.” LAC. W. L. Mackenzie King Papers, Diary, April 17, 1941.

¹⁷² “Notes dictated by the Prime Minister...” LAC. W. L. Mackenzie King Papers, Diary, April 17, 1941.

¹⁷³ “Notes dictated by the Prime Minister...” LAC. W. L. Mackenzie King Papers, Diary, April 17, 1941.

Morgenthau: I just don't know how far you have gone on lend-lease, how much you are going to do.

Clark: Well, we haven't gone any distance there yet. I think perhaps Mr. Howe is perhaps seeing Mr. Hopkins about that this morning.¹⁷⁴

Britain inadvertently helped the Canadians throughout this process. The Treasury and Dominions Office carefully denied the Americans specific data on their imbalance with Canada or the ratio of British orders in the U.S. to those in Canada—despite repeated American requests for this information (and Clark's report of 1940). This policy was intended to prevent the Americans from using such knowledge to dump surplus goods on Britain, or upsetting Britain's efforts to have the Canadians finance British purchases in Canada. This hampered the Americans' ability to check King's and Clark's assertions. Dominions Office analysis (on the day King met Morgenthau) noted

That the hesitations of the Treasury [to share export information with the U.S.] were well justified. Our position vis-à-vis Canada under the Lend or Lease Act was still somewhat delicate. We were engaged with them in discussion on the question of Canada financing our adverse balance in return for assurances that we should not divert purchases from Canada or appreciably modify our purchasing programme there. It appeared to me that to give our programme of prospective imports and their distribution between Canada and the U.S. might prejudice the course of our rather difficult three-sided negotiations and might give the U.S. an unfair advantage in such matters as trying to force upon us the sale of commodities which were surplus in the U.S.¹⁷⁵

On Sunday morning King met Clark and E.P. Taylor from the Department of Munitions and Supply to finalise the draft statement which was assembled after Clark's meeting on the 18th.¹⁷⁶ "We spent two hours going through the particulars of the supplies Canada could manufacture for the U.S. Also getting statistics on Canada's financial

¹⁷⁴ Transcript of a meeting at the Treasury Department. Transcript of a meeting between Morgenthau and Clifford Clark. April 18, 1941. The Henry Morgenthau Diaries. Part II. Reel 46.

¹⁷⁵ Internal Dominions Office note by Liesching. April 17, 1941. PRO. DO 35/1075/1

¹⁷⁶ Clark and Morgenthau discussed Canada's excess capacity in several areas, particularly aluminium, zinc ore and shipbuilding. Notes on a meeting with Morgenthau, April 18, 1941. LAC RG 19, Vol. 3971.

position vis-à-vis Gr. Britain and vis-à-vis the U.S. As a result of the discussion I suggested raising the figure of \$200,000,000 to \$300,000,000.”¹⁷⁷ The matter rested in King’s hands, and he confidently hoped to get as many U.S. dollars as he could to finance Canadian purchases in the U.S.

At their meeting, Roosevelt brought up his talks with Morgenthau about King’s plan.¹⁷⁸ The President “thought perhaps it might be going a little too far to have something manufactured in Canada for the U.S. to lease-lend to England.”¹⁷⁹ Roosevelt seemed to be rejecting a main tenet of the Canadian plan. King, nonplussed, replied that the U.S. could buy things from Canada to Lend-Lease elsewhere. Roosevelt’s top advisor, Harry Hopkins noted that “it was very difficult to say, once things were assembled, where some things had been manufactured or to decide what part should go someplace and where another. That that perhaps might be just as well left to be thought of later on. The thing was to get the things made.”¹⁸⁰ Clark and Morgenthau had already discussed this problem in March, noting, for example, that “it would be hard to separate the iron ore and limestone used by the Canadian steel industry in making shell casings from the iron ore and steel entering into the manufacture of steel used for a hundred domestic uses.”¹⁸¹ Roosevelt and Hopkins, fully briefed, generally supported King’s plan and agreed to postpone haggling over details. Hopkins asked about Canadian shipping

¹⁷⁷ Library and Archives Canada. W. L. Mackenzie King Papers, Diary, April 20, 1941.

¹⁷⁸ Clark indicated the day earlier that he was almost certain there had been a full Cabinet meeting about the Canadian situation, presumably later in the day on April 17. Notes on a meeting with Morgenthau, April 18, 1941. LAC RG 19, Vol. 3971.

¹⁷⁹ Library and Archives Canada. W. L. Mackenzie King Papers, Diary, April 20, 1941.

¹⁸⁰ Memorandum on Clark’s meeting with Morgenthau. March 12, 1941. LAC RG 19, Vol. 3971.

¹⁸¹ Memorandum on Clark’s meeting with Morgenthau. March 12, 1941. LAC RG 19, Vol. 3971.

capacity and announced that he wanted to run all orders through Howe, rather than create another feeding frenzy for lobbyists in Washington.

King presented a completed draft of an agreement to Roosevelt. After personally reviewing the proposal, Roosevelt accepted it completely, excepting one line referring to other Lend-Lease recipients. “I confess that I was never more surprised in my life than when he accepted the statement as a whole without a word.”¹⁸² Rather than haggling over wording, Roosevelt simply ordered his stenographer to prepare several copies of the agreement. “The President then said: ‘Why don’t you give them this statement yourself when you go to the train.’ I said I would be delighted to do that, if that were agreeable to him. He said: certainly. He thought that would be the thing to do, not to waste a minute in giving it out. I said: could I say this is a statement you and I have agreed upon and just hand it as it was? He said: that was the thing to do.”¹⁸³ As the meeting ended, the President said “now we will each go our own way for the present...We will pass each other on the way.”¹⁸⁴ His comments suited their nations, as well.

King had scored a complete victory, not over America or Britain, but for Canadian independence and interests. The Agreement had two parts. First, the U.S. agreed to buy as much material from Canada as Canada bought from the U.S. in terms of price, thus ending Canada’s hemorrhaging of dollars. Secondly, Canada received exactly what it hoped for, being added to Britain’s account without having to sign up

¹⁸² Library and Archives Canada. W. L. Mackenzie King Papers, Diary, April 20, 1941.

¹⁸³ Library and Archives Canada. W. L. Mackenzie King Papers, Diary, April 20, 1941. For a full text of the Hyde Park Agreement and Mackenzie King’s subsequent address to Parliament see Ed. Norman Hillmer. *Partners Nevertheless: Canadian-American Relations in the Twentieth Century* (Toronto: Copp Clark Pitman, 1989) 103-107.

¹⁸⁴ Library and Archives Canada. W. L. Mackenzie King Papers, Diary, April 20, 1941.

as a Lend-Lease client itself. Canada got Lend-Lease aid for free. Canada's bilateral imbalance in trade with the U.S. was to be eliminated. Even more, Canada could import expensive components from the U.S., assemble them and send them off to Britain—and a few months later, to Russia—collecting money immediately from the Americans and charging the difference to Britain. This was a recipe for prosperity, though its impact was impossible to gauge at the time.

The importance of the Hyde Park Agreement was apparent to contemporary commentators. According to *The New York Times*, “It constitutes an acceptance of the economic interdependence of Canada and the United States as the foundation of the program of war production in both countries.”¹⁸⁵ The *Toronto Daily Star* wrote that “the motive of friendly co-operation with Canada was never before so strong in the U.S.”¹⁸⁶ King, somewhat overheatedly, asserted that “The Hyde Park declaration is, I believe, further convincing demonstration that Canada and the United States are indeed laying the foundations of a new world order; an order based on understanding, on mutual aid, on friendship and good will.”¹⁸⁷ Louis Rasminsky, later a governor of the Bank of Canada, commented that Hyde Park was a “common-sense approach to the problem of obtaining an integration and co-ordination of the Canadian and American economies.”¹⁸⁸ Nor, were its benefits one sided, “for the United States will

¹⁸⁵ Philip, P. J. “Canada Retaining Curb on Exchange.” *The New York Times*. April 29, 1941.p. 10.

¹⁸⁶ “U.S. Desire to Co-Operate ‘Never So Strong’-King” *Toronto Daily Star*. April 22, 1941.p. 13.

¹⁸⁷ “More Effective Aid For Britain” *New York Times*. April 29, 1941. p. 10.

¹⁸⁸ Rasminsky, Louis. “Foreign Exchange Control: Purposes and Methods.” In *Canadian War Economics*. Ed. Parkinson, J. F. Toronto: University of Toronto Press, 1941. p. 127.

receive full value.”¹⁸⁹ Rasminsky’s comment implies that the Canadians thought that they might even have taken advantage of the Americans.

The British response to Hyde Park combined disappointment with helplessness. This was, in part, their own fault too, as they did not realise how Cranborne had terrified the Canadians when he suggested moving orders from Canada to the U.S. if Canada did not find some way to finance the British, i.e. joining Lend-Lease. In fact, the British were having to struggle internally to keep orders being switched away from Canada. Such attempts were usually the Treasury’s doing, and were thwarted by the Dominions Office, and occasionally by the Admiralty who preferred, respectively, loyalty and quality to immediate savings.¹⁹⁰ Canada’s fear led to the exclusion of Britain from the Hyde Park negotiations, which took them by surprise. The British had been preparing a formal response to the Canadian demands of March 27 which would state, testily, that British intentions were unchanged, but “‘Wherein’ enquiries ‘to’ Canada involving variation in the quantities of new orders actually placed ‘in’ recent months called for act of fortitude.”¹⁹¹ In the monthly DO report to the War Cabinet for March, delivered on April 17 as Clark and Morgenthau were meeting in Washington, under the heading of “Economic Activities”, Cranborne reported “Nothing of importance to record.”¹⁹²

The British responded as well to the Canadians as they could. After heaping praise on Canada for its generosity in war, Cranborne wrote, “We recognize the great

¹⁸⁹ Rasminsky, Louis. “Foreign Exchange Control...” p. 127.

¹⁹⁰ Internal Dominions Office note by Clutterbuck. April 17, 1941. PRO. DO 35/1075/1

¹⁹¹ From Lord Cranborne to Canadian Consulate General. May 5, 1941. LAC RG 19, Vol. 3991.

¹⁹² Monthly Report by the Dominions Secretary to the War Cabinet. April 18, 1941. PRO. CAB 68/8/28.

significance resulting in your discussions with President Roosevelt on coordination of productive capacities of Canada and the United States, and on the method of meeting the greater part of Canada's adverse balance with the United States. We have learnt with much satisfaction of arrangements concluded."¹⁹³ Internally, the British response was less enthusiastic, starting with envy and bitterness, followed by spin to make the best of a situation beyond British hands.

Malcolm MacDonald, Britain's High Commissioner to Canada, offered the first report on the news. Unusually, it was delivered directly to the War Cabinet in London. His analysis began by describing how an excited King:

Told me the story of his conversations, first with Mr. Morgenthau and then with Mr. Roosevelt, which ended in what the Prime Minister keeps inviting future historians to call the Declaration of Hyde Park. When I think somewhat irreverently of all the declarations which have been made by one person to another under the trees in that Hyde Park which comes first into the mind of a Londoner, I feel that the new pronouncement is in some ways quite in keeping with those others. This is a declaration of love between Canada and the United States, and the bachelor Prime Minister, who acted as proxy for the Dominion which is already married into the family of the British Commonwealth, is as proud and smiling as any infatuated swain.¹⁹⁴

Having not quite exhausted his sarcasm, Macdonald added "the Declaration contains the announcement of a quite handsome exchange of dowries between the two parties, which is a valuable contribution to the problems of war production and dollar exchanges

¹⁹³ Dominions Secretary to Secretary of State for External Affairs. May 10, 1941. Ed. Murray, David. *Documents on Canadian External Relations...*p. 499.

¹⁹⁴ Cranborne reporting Malcolm MacDonald's view of Hyde Park to the War Cabinet. May 9, 1941. PRO. CAB 67/9/48.

here.”¹⁹⁵ At this point, the British attitude evolved from bitterness to acceptance of the positive consequences of the Agreement:

Each of the principal partners in this love affair seems to have played his part with skill. One result is a considerable strengthening of Mr. King's reputation as a Statesman in Canada, where this latest achievement is deservedly greeted by the press and the public as something of a triumph. Though this development undoubtedly marks a further step in the close drawing together of Canada and the United States, it will not mean any loosening of the tie of devoted loyalty binding Canada to the United Kingdom...A ‘rapprochement’ between the two North American countries is natural and inevitable, and is at present entirely consistent with the other relationship between the Dominion and the British Commonwealth.¹⁹⁶

Macdonald was right; the Agreement removed much of the friction which had affected the Anglo-Canadian relationship.

The real threat discerned by British leaders, and expressed clearly by MacDonald, was the possibility of Canada breaking its psychological ties with Britain, and essentially becoming American. Two weeks after his initial report, MacDonald added a follow-up:

I expect you are a bit exercised about the long-term political effects of these comings and goings between Mackenzie King and Roosevelt...It is natural and inevitable that Canada and the United States should come closer and closer together, on account of their geographical situation; it is to the general advantage of the English-speaking peoples and of the world that they should do so; nevertheless, it is undesirable that the effect of this should be any weakening of British sentiment in Canada and of her links with the British Commonwealth; the real danger of this comes from the propinquity of a small nation of 11 million people with an enormously powerful nation of 130 million, whose ideas and culture keep slopping over every day into Canada; this process must be countered by the deliberate keeping alive of British ideas and culture.¹⁹⁷

¹⁹⁵ Ibid.

¹⁹⁶ Ibid.

¹⁹⁷ Lord Cranborne reporting Malcolm MacDonald's view of Hyde Park to the War Cabinet. May 9, 1941. PRO. CAB 67/9/48.

One way to achieve this aim was to accept the Hyde Park Agreement with good grace, which Britain proceeded to do, after getting in one last word to Ottawa, “We have no doubt that the Canadian Government have not failed to realize our own position.”¹⁹⁸

In Ottawa, Finance and Supply went right to work to maximize Canada’s benefit from Hyde Park—and to establish precedents to ensure the duration of its benefits. Indeed, the Canadians pushed so hard that “Hopkins had been rather querulous about our scheme using up his 7 billion.”¹⁹⁹ Having soothed Hopkins, Coyne informed Clark that once again, “our fellows are putting the heat-on—telling the U.S. ordnance people that they must buy from us or we shall run out of dollars.”²⁰⁰

Fuelled by the urgency with which Canada carried out the Hyde Park Agreement, it had an even greater and swifter economic impact than many had expected. By May 20, 1941, the *Toronto Daily Star* reported that “one phase of the Hyde Park declaration already is in effect—the extension of the Lend-Lease Act to American-made components of war supplies made in Canada on British account. Under it Britain takes title to the goods, for instance aircraft engines, before they leave the U.S. and they are shipped to Canada without Canada having to pay for them,” saving Canada between \$200,000,000 and \$250,000,000 a year.²⁰¹ In fact, the deficit was more than covered. In July, the DO reported that Canada was having

¹⁹⁸ To the Government of Canada. Author unstated. May 10, 1941. DO 35/1075/1.

¹⁹⁹ \$7 billion was the initial Congressional allocation of funds to the Lend-Lease programme. Roosevelt had sought unlimited funds but Congress chose initially to give him a spending limit. James Coyne to Clifford Clark. May 19, 1941. LAC RG 19, Vol. 3971.

²⁰⁰ James Coyne to Clifford Clark. May 19, 1941. LAC RG 19, Vol. 3971.

²⁰¹ “U.S. Will Spend Millions on Munitions in Canada.” *Toronto Daily Star*. May 20, 1941. p. 12.

record exports.²⁰² By the end of 1942, Canada had not just saved the \$200 million (U.S.) of earlier estimates, but had acquired a surplus of \$275 million.²⁰³ The Canadian economy was humming. Over the longer term, with the exception of a hiccup at the end of 1941²⁰⁴, the Hyde Park Agreement produced comfortable surpluses in Canada's foreign exchange balances—partly at Britain's expense.²⁰⁵

In summing up Britain's role in the evolution of the trilateral relationship, Granatstein asserts that "Britain's immediate and only intent in the world wars and after was to do everything it could to keep itself out of enemy control and its economy functioning. A great power that properly put its own interests first, and one of utter ruthlessness *in extremis*, Great Britain did only what it had to do."²⁰⁶ Granatstein interprets this period as one of Britain bullying a helpless Canada. King's response to Cranborne showed that, "the Canadian government had been blackmailed, not too strong a word, into agreeing to finance Britain's deficit before arriving at a settlement of her own financial troubles with the United States."²⁰⁷ This argument is not borne out by the evidence. King conceded nothing to Britain but platitudes. While the official announcement of the Hyde Park Agreement would not occur for another

²⁰² Internal Dominions Office note by Clutterbuck. July 12, 1941. PRO. DO 35/1075/1.

²⁰³ Lingard, Cecil and Reginald Trotter. *Canada in World Affairs, September 1941 To May 1944*. Toronto: Oxford University Press, 1950. p. 215.

²⁰⁴ The hiccup occurred because it took some months for Canada to deliver the promised increase in production to the U.S. This resulted in a temporary increase in Canada's deficit with the U.S., as machines and some raw materials had to be purchased from the U.S. before Canada could add value and resell the finished products to the U.S. Report on Canada's dollar exchange situation by the Department of Finance. Author unstated. December 29, 1941. LAC RG 19 Vol. 3971.

²⁰⁵ 1942 saw a net increase in Canada's reserves almost as large as the loss had been in 1941. Report for Ministry of Finance by Knox. May 24, 1944. LAC RG 19 Vol. 3973.

²⁰⁶ Granatstein, Jack. *How Britain's Weakness Forced Canada into the Arms of the United States*. Toronto: University of Toronto, 1988. p. 4.

²⁰⁷ Granatstein, Jack. *Canada's War: The Politics of the Mackenzie King Government, 1939-1945*. Toronto: Oxford University Press, 1975. p. 141.

month, King told the British that he had already been talking with American representatives about these issues.²⁰⁸ Canada was not being bullied. While Britain had tried to sound tough about finance, Canada actually got tough. In the case of Hyde Park, he is mistaken. Canada was neither a pawn nor a helpless victim of British desperation. The King government used a moment of apparent Canadian vulnerability, the passage of the Lend-Lease Act, to dictate terms to Britain which were tremendously advantageous to Canada. Britain reacted with resignation to this independent and calculated Canadian decision, while the United States paid little attention to Canada. Although Canada increasingly has relied on the U.S. economically since 1941, it has not been crushed by its larger neighbor. By allowing Canada to place major expenditures on Britain's account, Britain freed Canada from the burden of holding immense debts to the U.S. after the war. Nor did the U.S. take maximum advantage of Canada. King played a brave and far sighted game which secured the best possible outcome for Canada during and after the war without hurting the Allied cause. This success was only possible due to Britain's near bankruptcy in seeking to maintain its war effort with North American supplies.

²⁰⁸ From the Government of Canada. Author unstated. March 27, 1941. PRO. DO 35/1029/1.

Chapter III

United States Production, 1940-42

With the difficult questions of North American finance settled by the Hyde Park Agreement and the passage of the Lend-Lease Bill, Britain could focus on a second problem—its long term objective in North America—one much harder to overcome than writing cheques: actually to produce weapons. The United States was to be the ‘arsenal of democracy’, in President Roosevelt’s term, and produce so many advanced weapons that, when combined with British and Canadian production, the Axis would be overwhelmed. American opinion, however, remained fearful of war and hoped to avoid U.S. involvement. Furthermore, although the fight to pass Lend-Lease was fraught, it was a massive fiscal stimulus which pumped billions of dollars into the economy and improved employment prospects nationwide. Efficiently and swiftly increasing output, however, proved more difficult to achieve, as it required the U.S. to move closer to a war economy footing. To do so would require some form of rationing and greater government control of the economy, which the U.S. did not yet have the bureaucratic apparatus or public support to execute. As a consequence, well-intended U.S. promises of production repeatedly and consistently fell short of deliveries until late 1942. These delays followed previous failures to deliver on time those direct purchase orders placed by Britain, the orders which had bankrupted it in the first place. The timing of these disappointments seriously affected British capabilities, particularly in 1941. Britain often was left scrambling to juggle unexpected shortages in a fight where it already was dividing its own deficiencies. The Roosevelt administration had every intent to meet its promises to

Britain. The shortages were the product of a combination of factors—political, military, bureaucratic—which surprised and embarrassed Roosevelt and Hopkins almost as much as they imperiled Britain.

The difference between American promises and production emerged by the summer of 1940, even before the gold and dollar crisis. Britain proposed to purchase 3,000 planes per month from the U.S. The latter suggested that it supply 1,250.²⁰⁹ Neither number could be achieved without significant changes in American production, and Britain faced the possibility of receiving only 700 planes per month—and even that not until the winter of 1941-42, at least a year away.²¹⁰ The Chancellor’s commentary shows how far the supply departments had been given a free hand, “There is no prospect of our having dollars to pay these sums, nor of our ever repaying those amounts, if lent to us by the U.S.A. Production under either scheme depends on the willingness of the American Administration to pay for it.”²¹¹ When these orders would be produced was unclear, but they were pursued vigorously.

The Cabinet still pushed for the 3000 plane a month scheme. Expecting the Americans to cut the plan, “it would be prudent to peg out the largest area on the ‘ground floor’ of American aircraft production which we could reasonably claim.”²¹² Moreover, to place the largest orders possible, and give them public attention, would create a political and economic imperative to continue them somehow, even if British funds ran out. Sounding like wily Albion, the Cabinet gambled that “no United States Government

²⁰⁹ Archibald Sinclair to Beaverbrook. August 25, 1940. PRO. AIR 8/421.

²¹⁰ Archibald Sinclair to Beaverbrook. August 25, 1940. PRO. AIR 8/421.

²¹¹ Memorandum for the War Cabinet by Sir Kingsley Wood. September 4, 1940. PRO. CAB 66/11/35.

²¹² War Cabinet Conclusions. Confidential Annex. Author unstated. September 6, 1940. PRO. CAB 65/15/2.

would dare to call a halt to this great expenditure, once it was fairly on the way, and to assume responsibility for the ensuing economic slump.”²¹³ To lay-off tens of thousands of workers recently hired in the aircraft industry could be a political and economic disaster for the American leadership.

Even the ever optimistic Beaverbrook warned that the 3,000 plane scheme would not be achieved soon:

It is quite impossible for me, in charge of these negotiations, to say when the aeroplanes will be forthcoming, at what rate they will be delivered, in what month they will begin, or when they will reach their peak. Any statement must be pure speculation. It all depends on conditions that nobody can foresee. All we do know is that we have priority in materials, plant, tools, etc. And we could not hope for more.²¹⁴

The Air Ministry had to make concrete plans for nebulous promises. It assumed that substantial deliveries “would begin in small numbers in January 1941, rising to a steady flow by mid-1941.”²¹⁵ R.A.F. pilot training and aircraft procurement proceeded on this schedule.

Even Beaverbrook’s warning was too optimistic, however, and the highest quarters in the United States provided ample signs of danger. President Roosevelt asked the head of the British Purchasing Commission for weekly updates on Britain’s war situation, and the evolving needs “from the United States that might be caused by the changing fortunes and conditions of war; for example, it might arise that our need for bombers would become more urgent than that for fighters, or vice versa.”²¹⁶ His request revealed a misunderstanding of how production with advanced, complex and different

²¹³ Memorandum for the War Cabinet by Sir Kingsley Wood. September 4, 1940. PRO. CAB 66/11/35.

²¹⁴ Beaverbrook to Archibald Sinclair. July 28, 1940. PRO. AIR 8/421.

²¹⁵ Record of a meeting held by Archibald Sinclair on July 26, 1940. PRO. AIR 8/421.

²¹⁶ Notes on a conversation between Walter Layton and FDR. September 27, 1940. PRO. AIR 8/421.

types of aeroplanes worked. The British gently explained to Roosevelt that “the arrangements in the factory have to be made very far ahead. You could not, therefore, suitably vary your allocation from week to week. But I agreed in principle the allotment of planes in a manufacturing capacity should be based on operational considerations which should be known to him.”²¹⁷ Roosevelt’s request, of course, may have stemmed in part from a thirst for proof of Britain’s ability to survive the German bombing campaign.²¹⁸

Layton encouraged Roosevelt to find ways to stimulate production, explaining some of the efficiencies achieved in the Ministry of Aircraft Production. These structural improvements were accompanied by a publicity campaign which improved workers’ morale—and productivity—by linking their efforts with those of fighting men. It emphasised that workers were like fighter pilots, doing their bit to beat Hitler, not shirkers making money while hiding from combat. Similar efforts in America could cause faster production there as well. Roosevelt capped this discussion on systemic organizational improvements with an anecdotal example of “a case where output had increased by 10% after he had visited a factory. He hoped to do more in this respect after

²¹⁷ Notes on a conversation between Walter Layton and FDR. September 27, 1940. PRO. AIR 8/421.

²¹⁸ Nor was Roosevelt alone in fearing for Britain’s survival. Stimson, in particular, was deeply concerned and he pressed his views on the President. He felt so strongly that when Hopkins returned from his visit to Churchill in February 1941—after Britain already had survived months of the Axis’ most aggressive bombardment—Stimson commented that “Harry Hopkins has come back loaded down with the British view and I think now, in the light of what our people report, that the British are over-confident and are in for a bad time and it makes another problem that I have got to take up with the President to keep him from being too much influenced by Harry Hopkins’ report. It is quite natural for Hopkins, who has been living very close to the heads of the British Army and to Winston Churchill, to imbibe their views but I think that they are all living in a state of undue optimism.” Henry Stimson Diaries. Entry of February 27, 1941. Reel 6.

the election.”²¹⁹ Roosevelt’s folksy naiveté affected Layton, who warned the following week:

Very few people here [America] have an idea of the scale on which they must lay their armament plans. Their own programme is in the most rudimentary stage and there is as yet very little understanding of the drastic things that will have to be done to secure a really rapid mobilisation of industry. It is still too much assumed that armament production can be superimposed on a peacetime economy. In short, America as about where England was after Munich.²²⁰

Layton was right to be concerned. At the end of the month the U.S. service chiefs met with Morgenthau and came to a consensus on Layton’s requests: “Unfortunately this did not indicate that we could do anything like all that the British want and desperately need. Airplanes are particularly slow.”²²¹

Echoing these concerns, Churchill pressed Roosevelt to accelerate U.S. production. After explaining the dangers facing Britain, and its determination to continue the fight, he asked that everything be done promptly so “that deliveries may come out in the middle of 1941.” He concluded, flatteringly, that “the world cause is in your hands.”²²² On December 7, 1940 Churchill again told Roosevelt that:

It takes three to four years to convert the industries of a modern state to war purposes. Saturation point is reached when the maximum industrial effort that can be spared from civilian needs has been applied to war production. Germany certainly reached this point by the end of 1939. We in the British Empire are now only about half-way through the second year. The United States, I should suppose, was by no means so far advanced as we.²²³

The need to increase production was not lost on some members of the Administration. Stimson was concerned about the slow pace and lackadaisical attitude

²¹⁹ Notes on a conversation between Walter Layton and FDR. September 27, 1941. PRO. AIR 8/421.

²²⁰ Walter Layton to Arthur Purvis. October 8, 1940. PRO. AIR 8/421.

²²¹ Henry Stimson Diaries. Entry of October 29, 1940. Reel 6.

²²² WSC to FDR. October 27, 1940. NARA. RG 107, Entry 74A, Box 7.

²²³ Churchill to Roosevelt. December 7, 1940. Accessed on November 5, 2013 at <http://docs.fdrlibrary.marist.edu/psf/box34/t311s03.html>

toward production. “I feel that it is high time we got this country on to a basis of appreciating the danger and not wasting our energies in going ahead with ordinary construction of peace industry which cuts into our war plans.”²²⁴ He worked to increase efficiency and output, but it was a struggle even to get minor improvements, though as U.S. production potential was so immense, and its current status so inefficient, these minor improvements could produce significant outcomes.

[I got] a decision that there should be no more annual models by the automobile industry and that their spare strength and time should be spent in making tools for munitions. As the situation is now, a large number of skilled tool makers spend half the year idle and the other half in making large sums of money in devising new models for automobiles...a similar check put on the building of commercial planes needed only for extending commercial business...That alone would give us some more than 200 good bombers in place of an equivalent number of new commercial planes for each year.²²⁵

American production was not aided by an attitude among some leading military figures that the war would not last beyond 1941. In October 1940 General Hap Arnold, Commander of the U.S. Army Air Corps, for example, forecast peak wartime Anglo-American aircraft production hitting 4,100 planes a month in September 1941, and dropping precipitously to less than 500 per month by September 1942.²²⁶ He worried that a British proposal to increase peak production to 4,250 per month would overtax American production, “retarding progress that is now being made.”²²⁷ This view reflected gross over-optimism about the impact of bombing and the survivability of bombers.

²²⁴ Entry of October 1, 1940. Henry Stimson Diaries. Reel 6.

²²⁵ Entry of October 4, 1940. Henry Stimson Diaries. Reel 6.

²²⁶ “Estimates of Situation” Memorandum for the Secretary of War by General Arnold. October 26, 1940. NARA. RG 107, Entry 74A, Box 7.

²²⁷ “Estimates of Situation” Memorandum for the Secretary of War by General Arnold. October 26, 1940. NARA. RG 107, Entry 74A, Box 7.

With politics and the isolationist movement retarding the expansion of American industry, Britain and France had kick-started American war production, though they received few planes before 1941. The U.S.A.A.F. was in an even worse position. In November 1940, for example, Stimson lamented that “we had gotten almost nothing as against over 400 planes for foreign export—6 for us I think.”²²⁸ Its state of ‘peace’ enabled the U.S. to sell abroad the few planes it produced. However, few thought the U.S. could escape war indefinitely. Stimson described his dilemma: “It involves very deep and basic questions such as whether or not we can afford to take this risk—that is, whether the planes will probably be more valuable to American national defense in the hands of the British now than later in our hands...It was again a proposition in which the Army had to make the sacrifice if it is done at all.”²²⁹ General Arnold warned of the weakness of his force in the event of war, though he confused cause and effect, blaming British purchases for his weakness:

The proportion of the output of our aviation industry being shipped abroad and that which is earmarked for foreign delivery creates a critical situation for our own air defence establishments. The Army GHQ Air Force must be depended upon for the defence of the continental United States as well as for furnishing any expeditionary forces required, since the air units in our foreign possessions cannot be reduced in case of war, but on the contrary might require prompt reinforcement. In the GHQ Air Force there were 479 combat airplanes of all types as of August 15, 1940. Four months later, as of December 15, 1940, there were 478 airplanes. The majority, while useful for combat training, are unsuitable for war operations against an enemy equipped with modern combat airplanes. At the present there are approximately three pilots for each airplane in the GHQ Air Force and our training schools are turning out additional pilots at a constantly increasing rate.²³⁰

²²⁸ Entry of December 14, 1940. Henry Stimson Diaries. Reel 6.

²²⁹ Entry of November 7, 1940. Henry Stimson Diaries. Reel 6.

²³⁰ General Arnold to Lovett. January 6, 1941. NARA. RG 107, Entry 74A, Box 1.

Britain, too, had a surplus of pilots. In July Britain dramatically increased the efficiency of its pilot training programmes, allowing autumn graduation forecasts to increase by 30-40%/month from October through December.²³¹ This surplus was rushed from the Commonwealth training academies in anticipation of the 3,000 plane a month scheme from America.

Nor did the Lend-Lease Act streamline production. Though presented to the public as something novel and American, in practice it continued British attempts to harness American production, particularly in aeroplanes. Production delays from Lend-Lease orders exacerbated existing ones in British direct purchase orders, the difference being that the U.S. Government was more directly involved in appropriations, and handled finance. The actual organisation of production remained similar. This fact might have given pause for concern, based on the poor track record for meeting British paid contracts:

Figure III: Deliveries on British Contracted Orders²³²

	Contracted Through June 30, 1940	Delivered Through June 30, 1940	Contracted Through Sept. 5, 1940	Delivered Through Sept. 5, 1940	Contracted Through Dec. 5 1940	Delivered Through Dec. 5 1940
Bomber	735	14	1085 (4542)	48	4503 (4613)	40
Fighter	815	49	1223 (4913)	150	4699 (5071)	257
Trainer	1395	408	3282 (10014)	561	9920 (9970)	1057
Transport	11	6	31 (780)	11	769	2
Total	2956	477	5621 (20,249)	770	19891 (20,423)	1356

To compare December deliveries to the recently expanded orders of autumn would be unfair and inaccurate. The June orders, however, were placed before the fall of France

²³¹ Archibald Sinclair to WSC. July 1, 1940. PRO. AIR 19/162.

²³² Statistics Branch, weekly reports. July 5, 1940, September 12, 1940, and December 12, 1940. Author(s) unstated. NARA RG 107, Entry 36, Box 1286.

and did not require the stupendous expansion of production it triggered. By December, more than six months after these orders were placed, barely 5% of the contracts for bombers were filled. For fighters, the most critical need in Britain, the figure was better, at 31%. Yet these planes were among the oldest orders and paid for, along with the factories to produce them, built with British and French capital.

The U.S. production system had other problems which were hard to surmount for a nation not quite at war, and determined not to *look* like it was at war. The U.S. attempted to produce armaments for war with a peace-time economy. Stimson saw that this attitude was a problem. “Industry was not working at the rate it should work, and that I did not believe it would work as hard as we needed it to work in time to be useful with our airplanes next summer until the Commission has reached a war psychosis—until the people of the country and the people in industry in particular realize that they are up against a great danger just as much as if they were in war and were willing to buckle down and meet it.”²³³ Stimson urged the President to drive home “the fact that we couldn’t conceal from ourselves that we are up against warlike measures in case we were going to try to save Great Britain.”²³⁴

Stimson was unable to surmount this problem. By November 1941, when the U.S. was seriously lagging in deliveries to Britain—and missing its first protocol promises to Russia, too—the War Production Board reflected on the causes of America’s persistent production setbacks:

²³³ Entry of December 14, 1940. Henry Stimson Diaries. Reel 6.

²³⁴ Entry of December 14, 1940. Henry Stimson Diaries. Reel 6.

Under the present system, a lump sum of money is appropriated to be spent within a specified period, either to buy a specified number of airplanes, or possibly to buy the maximum number of airplanes within this cost. It then becomes necessary to make hurried arrangements with manufacturers to produce the corresponding number of airplanes and in most cases they are urged to produce them in the minimum possible time. Since the number of airplanes is designated, the manufacturer then makes his factory plans, buys materials, and adjusts his schedules to produce this fixed number just as though that were specified as the last order he were to receive. He then must not build up to a production rate unduly high, which would mean he would have to hire a large number of men and train a good many for them for a short period of operation and then discharge them when the order is completed or start discharging them after the peak production has been reached. We may give him a second order before this order is completed, but in both cases the number of employees is reduced and then again increased together with a great deal of factory shifting and replanning. Our normal factory production curves have a saw-tooth appearance and the height of the teeth is in all cases less than the maximum possible production rate. The space between these teeth and a considerable space above them is a total production loss.²³⁵

Thus, the American Government incentivized inefficiency.

An added factor in inflating British hopes was the braggadocio of the businessmen running American aircraft companies. Their confidence in their ability to work miracles made it difficult for the American administration to differentiate what actually was being produced, from what might be. The War Department reminded the Treasury Department “to avoid the possibility of any misunderstanding arising as a result of the loose talk so frequently indulged in by the aircraft manufacturers in an effort to answer questions for which they are not prepared during their Washington visits...I hope that you and I, by comparing notes frequently, can dig the truth out of the mess of approximations in this guess work industry.”²³⁶ If Americans at the top with authority and

²³⁵ Memorandum by Lt. Col. Grandison Gardner to Col. B.E. Meyers of the War Production Board. November 4, 1941. NARA. RG 179, Entry 3, Box 26.

²³⁶ Robert Lovett, Special Assistant to the Secretary of War to Philip Young, Special Assistant to the Secretary of the Treasury. January 16, 1941. NARA. RG 107, Entry 74A, Box 7.

access to information felt befuddled, the British were even more vulnerable to the fog of confusion.

In addition to the problems with production, U.S. public opinion still hoped that America might avoid direct fighting in the war. Immediately after the passage of the Lend-Lease Act, a Treasury Department analysis captured the contradictory wishes of the U.S. public. Having passed Lend-Lease and seen Wavell crush the Italians in North Africa and Britain survive the Luftwaffe's onslaught, some Americans felt real optimism:

The British victories during March, in Africa and in the Ionian Sea, together with the Yugoslavian revolt, gave rise here to a buoyant feeling that the war had reached a turning point. While they were restrained in the expression of their optimism, many commentators, as well as a large segment of the general public, permitted themselves the private hope that the Nazi war machine might crumble as readily as had the Italian. They clung tenaciously to the notion that the panzer divisions were no more than a papier-machier nightmare conjured up by Nazi bluff and bluster; and they daydreamed of popular uprisings inspired by the magic of America's Lend-Lease law.²³⁷

This statement demonstrated an unrealistic hope that somehow Hitler might just go away, and Lend-Lease work without America having actually to build anything.

U.S. Government agencies were under no such illusion, though they were limited by public opinion. The Treasury Department welcomed a dose of reality after Yugoslavia's collapse, which awoke public opinion to the Nazi danger. A principal lesson learned was that "the good will of the United States was of small avail to the Yugoslavs; real aid must be delivered to be of value."²³⁸ Indeed,

Behind the continuing popular support of aid for Britain there still lies a twofold motivation: the American people desire to defeat the Axis. And they desire to stay out of war. These motives are now so comingled that they cannot be

²³⁷ Memorandum by Alan Barth of the Treasury Department. April 12, 1941. NARA. RG 56, Entry 198, Box 196.

²³⁸ Memorandum by Alan Barth of the Treasury Department. April 12, 1941. NARA. RG 56, Entry 198, Box 196.

separated and weighted with accuracy. Proponents of the Lend-Lease law presented it to the public as an instrument for the joint accomplishment of both objectives. But a study of the development of American opinion about the war suggests strongly that the desire to avoid involvement was certainly the dominant consideration in the early stages, and perhaps is so even at the present time.²³⁹

Given that reality, it was even more important to avoid taking steps to put the U.S. economy on a war footing; to do so could create the appearance of deception by the Administration, undermining those very efforts to increase production.

The U.S. Government was trapped. Officials knew that production must be increased but could not take the steps necessary to effect immediate improvements. With the fear of a German onslaught in spring 1941, however, delivering British orders became a matter of greater urgency. Some in the U.S. Government supported Stimson in advising the politically unpalatable step of moving toward a war economy:

It is today clear that the number of weapons available for Great Britain in 1941, while sufficient to enable her to resist, will not enable her to conquer. The number of weapons which Great Britain will have to carry on the war during 1941 is known and though their production can be accelerated, it cannot be greatly increased because it is the result of the capacity of production laid down in England and the United States during 1939 and 1940...Since British production is already geared toward its maximum, she must obtain from the United States the balance of the supplies that will enable her to top the German strength in 1942. To achieve this, an immense effort is necessary here. To result in effective supplies in 1942, this effort must be decided, planned, and made now...neither human will nor genius can change during 1942 the process of production based on decisions taken now.²⁴⁰

Stimson had sober expectations about the impact of Lend-Lease. “Whatever benefit Britain would derive during that period from the passage of Bill 1776 would be mainly in the increased morale which such passage would undoubtedly give to the British

²³⁹ Memorandum by Alan Barth of the Treasury Department. April 4, 1941. NARA. RG 56, Entry 198, Box 196.

²⁴⁰ Report on Great Britain. Author not stated. February 19, 1941. FDR Library. The President’s Secretary’s File. Great Britain 1941. Accessed on November 5, 2013 at <http://docs.fdrlibrary.marist.edu/psf/box34/t315f01.html>

people...The immediate material advantages would, in my opinion, be far from sufficient to greatly increase her defensive power.”²⁴¹ The U.S. was too new at re-armament to increase output before 1942. The President should be informed that the U.S. Government’s policies thus far “will not probably secure a British victory.”²⁴²

On the front lines of the air war, the U.S. Embassy in London wondered how Britain might handle another defeat, accompanied by delays in supplies from America:

I still believe the British can resist invasion. It will be a hard, bloody business, but what has occurred so far in Crete does not alter my opinion. By some error or lack of judgment the R.A.F. withdrew its planes. Even a few fighters would have wrought havoc amongst the German troop carriers at the outset and would have been well expended...At the same time I have never believed and cannot see how the British Empire can defeat Germany without the help of God or Uncle Sam... From here our steps in aid of Britain appear to follow along well behind the development of events. The lag is great and may prove too much. It seems already to have had its effects in the slow and discouraged crumbling of France. There was some chance that this might have been much slower otherwise. As it is there seems to be no more sense of resistance among the French than there is in a wet dishrag... One may question now, a year later, whether the decision to try to defend the whole empire was a practical one. Nevertheless, any other decision at that time (after the French collapse) would have been unthinkable militarily, as well as directly opposed to the British character and tradition.²⁴³

In this analysis Britain had the advantage of geography and a stouter character than the French. The constant was American support lagging behind events on the ground. But this diplomatic office could not bolster American production, which remained disorganized, despite the efforts of many within and outside the Administration.

Averill Harriman understood that American production delays were linked to the political and cultural desire to avoid war, no matter what was happening elsewhere. After

²⁴¹ “Resume of Situation Relative to Bill 1776.” Author unknown. Henry Stimson’s Top Secret Safe Files. January 22, 1941. NARA. RG 107, Entry 74A, Box 9.

²⁴² Secretary of War’s Top Secret Safe Files. “Resume of Situation Relative to Bill 1776.” Author not stated. January 22, 1941. NARA. RG 107, Entry 74A, Box 9.

²⁴³ Colonel Raymond Lee, U.S. military attaché at the U.S. Embassy to Ambassador John Winant. May 27, 1941. FDR Library. Harry Hopkins Papers, Box 304.

the Lend-Lease Bill he expressed his frustration with America's insistence on avoiding war:

Why can't people in America understand that every day we delay coming into the war at le[a]st multiplies our difficulties when we finally do. Country after country has waited until it was too late to be of value to the fight, and then overrun in the end anyway. Incidentally, if we act now we can still save a few—Turkey, Iraq, Iran, Spain, Portugal—perhaps Russia, and even stop Japan's further aggression. These countries will probably give in without a struggle unless we do move soon—think of the effect on South America, where things are none too happy for us at best—when the Gallup poll shows 19% for war now and 68% for war if necessary to save the British, America must be a nation of ostriches. Don't they read the newspapers and listen to the radio?²⁴⁴

Fuelling Harriman's frustration was the slowness of American production to catch up with the promises of Lend-Lease, or the backlog of British cash purchases. In London at the height of the Blitz, Harriman sensed a dangerous detachment from America. "My days are filled with analyzing problems of supply here and then trying to find words to convey the urgency to Washington so that they will wake up to the fact that 'Business as usual' is not possible if we want to be of help here." Frustration bred contempt, "Hasn't the country any pride? Are we to continue to hide behind the skirts of these poor British women, who are holding up the civil defence here? If the British women give in, we will be in for it without a friend left."²⁴⁵ His disgust likely was exacerbated by his awkward position as the representative of the U.S. Government to explain delays in supplies about which he was embarrassed, or contrasting isolationist arguments in U.S. newspapers with the nightly bombing of civilians in England.

The top of the Administration was slow to address America's unfilled promises, despite efforts by departments and officials to encourage immediate action. The delays

²⁴⁴ Averill Harriman to his wife. May 6, 1941. FDR Library, Hopkins Papers, Box 304.

²⁴⁵ Averill Harriman to his wife. May 6, 1941. FDR Library, Hopkins Papers, Box 304.

were fueled by systemic problems. Stimson grew wary from his fruitless advocacy for improving efficiency in order to aid Britain and increase America's own military strength. He complained that Roosevelt's "mind does not follow easily a consecutive chain of thought but he is full of stories and incidents and hops about in his discussions from suggestion to suggestion and it is very much like chasing a vagrant beam of sunshine around a vacant room."²⁴⁶ The President continued to shroud himself in optimism. In April, Stimson reported,

The subject of getting munitions, particularly planes, to Great Britain, both by the northeast and the southeast was discussed but there were no concrete suggestions or decisions that I can remember and the ground that was covered could have been covered in very much shorter time. It was an example of the President's weak side as an administrator. He has flashes of genius but when it comes to working out a hard problem in a short time and with the aid of expert advisors, well, he just doesn't quite connect and it doesn't work. However, he has done well enough this past year to be entitled to the confidence of the world...Our job is to fill in the shortcomings of his lack of administrative regularity.²⁴⁷

The Aircraft section of the Office of Production Management illuminated the dynamic which contributed to President Roosevelt's rosy forecasts: "In an effort to please the President and all others who are interested we may make the mistake of being too optimistic about deliveries."²⁴⁸ So serious were the pressures, and so eager for deliveries were the British, that staff were constantly under pressure to give dates and quantities for deliveries. The Aircraft Section urged the need to avoid impossible promises:

There are so many things over which no human being can have complete control, which enter into the meeting of a schedule, that I hope we are going to be conservative and not go on record for delivery schedules for anything that we are not very sure we can meet. Someone quoted me the other day as having made a promise on something I had never heard of. My policy has always been to write

²⁴⁶ Entry of December 18, 1940. Henry Stimson Diaries. Reel 6.

²⁴⁷ Entry of April 2, 1941. Henry Stimson Diaries. Reel 6.

²⁴⁸ Letter from Merrill Meigs, Chief of the Aircraft Section, War Production Board, to his staff. May 9, 1941. NARA. RG 179, Entry 3, Box 27.

anything which is a definite promise. I think it is a good policy for all of us to follow. We are asked to make commitments about things every day over which we have no control. Give the facts, give the policy, but when pinned down to a promise let's put it in writing. Promise to try and emphasize the word 'try'—to help carry out a program but don't promise unless we are sure.²⁴⁹

Politicians, alas, easily could conflate the escape clause 'try' as a synonym for 'will'.

Roosevelt brought in the influential and wealthy businessman, Bernard Baruch, chairman of the War Productions Board during the First World War, to advise the Administration on industrial expansion. He informed Hopkins:

I am sorry to find myself in disagreement with what has been done...We are improperly organized. It has cost us 20% more in money (which is comparatively unimportant) but also 33 1/3 percent in time which cannot be measured except by success or failure. Unless this organization is changed, and immediately, I do not believe we are going to be able to get the things in time. The matter of machines in this highly mechanized war ought to be duck soup for America because no nation can be so highly geared to the production of these things as this country. The United States Steel Company is said to be producing as much steel as Germany. What is the matter that we do not get out the things?...I am sorry I cannot be more encouraging but if my opinion is wanted, no one knows better than you that we must look grim realities in the face.²⁵⁰

The Administration had not yet learned how to assess what could be built, how much and when.

The President received much advice about how to improve the situation, not all of it helpful. One former 'dollar-a-year' man, Thomas Hewes, suggested a solution like that proposed by Beaverbrook: a production czar. One man should be empowered to overrule the squabbling departments and control all U.S. actions in international exchange. Then, any "decision to act would be felt immediately throughout the world and might well be a

²⁴⁹ Letter from Merrill Meigs, Chief of the Aircraft Section, War Production Board, to his staff. May 9, 1941. NARA. RG 179, Entry 3, Box 27.

²⁵⁰ Letter from Bernard Baruch to Harry Hopkins. May 7, 1941. FDR Library. Hopkins Papers. Box 304.

turning point in the war and possibly forestall the use of arms [by the United States].”²⁵¹ The only man for the job, however, would be the President. This suggestion was impracticable, as the transparent Lend-Lease Bill itself had provoked hysterical accusations that Roosevelt aimed to become a dictator.

Surprisingly, interference from the U.S. Services did not cause delays in production and deliveries, despite reasonable concerns about their meagre supplies. Fortunately for Britain, Stimson fully supported supplies for Britain. In December 1940, the entire U.S. military received a paltry 21 fighter planes. Over the first half of 1941, distribution of combat plane production was as follows:

Figure IV: Distribution of Actual Total U.S. Combat Plane Production²⁵²

1941	Delivered to British	to America & all others	Total	Percentage to Britain
January	308	125	433	71%
February	267	183	450	59%
March	186	336	522	36%
April	236	398	634	37%
May	366	201	567	65%
Total	1363	1243	2606	52%

Britain received more than half of all U.S. combat plane production during this period, including 71% in the months when it most needed aircraft—after receiving nearly 100% in December 1940. Yet even these percentages reflected a failure of U.S. production. As of January, fighter deliveries to U.S. services were hundreds of planes in arrears. According to the Office of Statistics, “Labor, financial and production difficulties of the

²⁵¹ Thomas Hewes to Harry Hopkins. June 18, 1941. FDR Library. Hopkins Papers, Box 301.

²⁵² Attachment to Memorandum for the Chief of Staff. Author not stated. June 25, 1941. NARA RG107, Entry 39, Box 147.

various manufacturers may be relegated to a secondary position so far as this situation is concerned until there is a complete revision of contract schedules, giving the agreed priority to British orders. Only then can the true bottlenecks in our own Army production be determined.”²⁵³ That is, even in 1941 the U.S. Government did not know the causes for its own production delays.

By the early summer of 1941, deliveries of tanks also were in arrears, and Roosevelt issued an urgent instruction:

I am very anxious that we substantially increase our output of tanks and that we do it as promptly as possible...I am particularly anxious that the program include as much increase as possible in the planned production for the balance of the year. As you know there is an immediate and urgent need on the part of the British for tanks. I know how difficult it is for anyone to try to indicate the exact number of tanks which are needed by the British and ourselves and it seems to me, therefore, that the criterion should be, for the next year or so at least, that the only limiting factor should be the ability of industry to produce the tanks.²⁵⁴

This order, however, was misleading. Roosevelt ordered tank production to be increased without determining what other programme must decline so to make available raw materials, factory space, machine tools and skilled labourers.

Roosevelt’s advisors’ reply to his tank ‘order’ revealed a frustration with being told to make so many things their “number one” priority. “We feel obligated to state that [the newly agreed tank production program] does not literally meet your directive, ‘that the only limiting factor should be the ability of American industry to produce the tanks.’ If more medium tanks are vitally needed they can be produced, but not without considerable industrial dislocation and some interference with other phases of the defense

²⁵³ Statistics Branch, weekly reports. February 8, 1941. Author not stated. NARA RG 107, Entry 36, Box 1287.

²⁵⁴ FDR to Hillman and the Office of Production Management. July 9, 1941. FDR Library. Official File 4488.

program.”²⁵⁵ Stimson offered a more detailed explanation of what was possible, stating that U.S. industry could achieve a maximum output of 1000 medium tanks a month by the end of 1941.²⁵⁶ However, this dramatic increase of 2/3 over the previous goal, to be achieved over a very short period of time, was not met.

Already dealing with inefficiency and delays, the Anglo-American production system was shaken by operation Barbarossa. Once the Soviet Union survived beyond initial estimates, it became clear that substantial aid from Britain and the U.S. was necessary to help Russia survive. This realisation prompted a British assessment of its joint production efforts with North America. The results were worrying. The report discovered that both Britain and Canada were constructing more military equipment than the U.S. The Ministry of Supply found that the “production of Army equipment by Britain and Canada during the eighteen months [through the end of 1942] will exceed that of the United States by about 15%. In the current quarter Britain and Canada will be producing approximately twice as much army equipment as the United States.”²⁵⁷ The COS hoped to use this report to embarrass the Americans into producing more kit, “to show the production men that a nation of 140 million was apparently only able to produce the same as two nations totaling 45 million,” which “was a situation which they could surely not sit down under.”²⁵⁸ By September, British estimates of U.S. fighter deliveries to the U.K. for June, 1942 noted a deficiency of 25 squadrons, causing a 15% reduction in British strength, even worse if Britain failed to achieve an improbable

²⁵⁵ Office of Production Management to FDR. July 11, 1941. FDR Library. Official File 4488.

²⁵⁶ Secretary of War to Roosevelt. July 11, 1941. FDR Library. Official File 4488.

²⁵⁷ Note on the Anglo-American consolidated Statement of the Position at June 30, 1941. Author not stated but file held in the Stacey May Papers. September 1, 1941. PRO. BT 87/34.

²⁵⁸ Note of an informal meeting held in General Ismay’s Office. August 28, 1941. PRO. BT 87/34.

surplus in its own production by June.²⁵⁹ The Ministry of Supply summed up Britain's position as follows:

It is perfectly clear that British-Canadian production alone will not be sufficiently large to meet British minimum requirements for aggressive warfare. Still less will it be sufficient to allow Great Britain to make substantial contributions in military equipment to other actual and potential combatants against the Axis powers—Russia, China, the Dutch East Indies and such uprisings as might occur upon the European continent. American production must be relied upon to supplement, in important measure, Britain's armament programme, and in addition to provide the implements needed to make the efforts of other anti-Axis forces effective. Furthermore, this must be accomplished while the United States is attempting to bring its own forces to a wartime footing with the least possible delay.²⁶⁰

This dire analysis revealed Britain's reliance on the United States to enable offensive warfare. While the Empire could produce sufficient planes to defend the British Isles, American production was necessary to do anything more. America, moreover, had promised to make good British needs, as well as Russian, Chinese and Dutch requirements, in addition to dramatically expanding its own weak air forces.

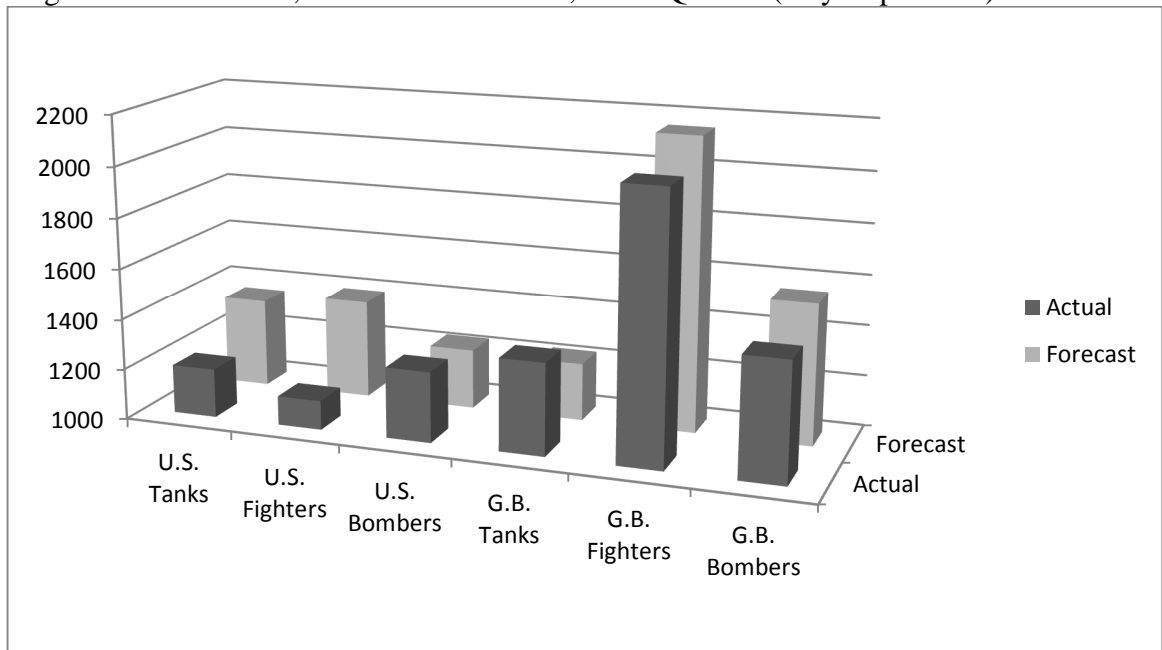
The slow growth in American production rates was exacerbated by the undersupplied condition of the U.S. military. When Lend-Lease was signed in March 1941, the U.S. possessed barely enough munitions to train its small army.²⁶¹ The need to equip the army, combined with the inefficiencies in American manufacturing and the President's political desire to avoid all-out production, meant that the U.S. could not meet its forecasts. As the following comparison of British and American production in the 3rd quarter of 1941 shows:

²⁵⁹From Arthur Harris to Charles Portal. September 18, 1941. PRO. AIR 8/420

²⁶⁰Note on the Anglo-American consolidated Statement of the Position at June 30, 1941. Author not stated but file held in the Stacey May Papers. September 1, 1941. PRO. BT 87/34.

²⁶¹Butler, J.R.M. *Grand Strategy Volume III*. p.143.

Figure V: Production, Forecast and Actual, Third Quarter (July-September) 1941.²⁶²



The U.S. missed its forecasts in tanks and fighters by hundreds of units, while its production was far less than that of Britain (excluding Canada). Furthermore, in September 1941 Russia was promised 400 planes and 500 tanks per month through June 1942. Those items were America's biggest shortfalls, missing forecasts by twenty and fourteen percent, respectively. America's shortfall of 276 fighters would have more than doubled the number of fighters shipped from America to Britain for the entire quarter.²⁶³

Piling on disappointing U.S. production in the third quarter, was more bad news, delivered on the eve of the Moscow Conference from September 29, 1941 to

²⁶² Comparison Between British and U.S.A. Production Versus Forecast. Author not stated. December 6, 1941. PRO. BT 87/34.

²⁶³ Figures from Ed. Hancock, W.K. *Statistical Digest of the War*. London: His Majesty's Stationary Office and Longmans Green and Co. 1951. p. 157.

October 2, which formalized the material aid Russia would receive from the British and Americans through June 1942. Knowing that its military desperately needed equipment, but the Soviets also had received promises, British strategic planners decided to meet the Americans before visiting Moscow. The Americans could supply some production to whomever they wished, but given their generous and diverse promises coupled with the limits of their capabilities, someone must go short. Although the Soviets did not qualify for Lend-Lease aid until November, the Americans let them purchase weapons and other materials in exchange for gold beginning in late July. On August 2, 1941 Roosevelt promised the Soviets “all economic assistance practicable.” The Americans were free to send their limited supplies to the destination of their choosing.²⁶⁴ Churchill expressed his knowledge of American capacity to Stalin, when he emphasized that most of the first nine months of aid to Russia would come “almost entirely out of British production, or production which the United States would have given us under the Lease and Lend Bill. The United States were resolved to give us virtually the whole of their exportable surplus, and it is not easy for them within that time to open out effectively new sources of supply.”²⁶⁵ Some British planners feared the Americans would offer Britain increased deliveries in the distant future, in exchange for immediate sacrifices to Russia.²⁶⁶

²⁶⁴ Overy, Richard J. “Co-operation: Trade, Aid, and Technology.” In *Allies At War: The Soviet, American, and British Experience, 1939-1945*. New York: St. Martin’s Press, 1994. p. 207. Jones, Robert H. *Roads to Russia: United States Lend-Lease to the Soviet Union*. Norman, OK: University of Oklahoma, 1969.

²⁶⁵ Letter from Churchill to Stalin. September 21 1941. PRO. PREM 3/401/7.

²⁶⁶ Gwyer, J.M.A. *Grand Strategy Volume III: June 1941-August 1942*. London: Her Majesty’s Stationary Office, 1964. p.149.

The London Conference, presented to the Soviets as an effort to determine the maximum that could be given to Russia, really was Britain's attempt to learn the most that the Americans would give anyone,²⁶⁷ so that Britain could re-allocate its production elsewhere to make up for the diversions to Russia. As Harriman and Beaverbrook prepared for the main meeting, Air Marshal Arthur Harris in Washington, warned the Air Ministry and Beaverbrook of what was about to happen: "I have just obtained confidential information which was not intended to be disclosed that the U.S.A. representatives will propose in London a scale of releases to us which will be considerably less than we require, expect, or have moral or even financial right to."²⁶⁸ The Americans would be ruthless, "We will get the output off British financed contracts (but note well that their way round this is to superimpose U.S. contracts on ours and then demand their share of output thus delaying our eventual receipts or just do a plain double cross."²⁶⁹ Tired of the repeated disappointments in American production, Harris advised a change in tack: London should "demand a numerical programme of production and releases to meet our strategical needs and not content ourselves with demand for a percentage of whatever happens to materialise. This is essential to secure the urge to accelerated production on a war economy basis and to avoid the authorities here remaining content with only what they are now doing."²⁷⁰ Such a step certainly would punish the Americans for any shortfalls, though

²⁶⁷ For more on this see Leighton, Richard M. and Robert W. Coakley. *United States Army in World War II, The War Department, Global Logistics and Strategy, 1940-1943*. Washington: Office of the Chief of Military History Department of the Army, 1955. p. 99.

²⁶⁸ Arthur Harris to Charles Portal, September 18, 1941. PRO. AIR 8/420.

²⁶⁹ *Ibid.*

²⁷⁰ Arthur Harris to Charles Portal, September 18, 1941. PRO. AIR 8/420.

also implied that American shortages were voluntary and swiftly correctable, and that Britain had the bargaining position to impose these conditions.

A full year after Layton had met Roosevelt to urge changes to the U.S. production system to improve efficiency, the President still was uninformed about how production worked. An exasperated Harris concluded:

[The] President is already dumbfounded at revelation that USA production up to end 1942 barely exceeds UK and Canadian effort and is I understand in mood for drastic action provided the howl for it from our side rings loud enough. This, I feel, is the opportunity for us to howl in no uncertain manner with the probable result that increase of supplies to us at the expense of U.S.A. forces will start the latter howling in chorus instead of remaining content as now to rob our till at every opportunity. So far the half hearted though frequent attempts to increase production have led in the main to the projection of an additional stream of orders down the same narrow old and limited channels of production into a more and more distant future.²⁷¹

Harris understood the inertia within the U.S. system and hoped that pressure from Churchill and Beaverbrook might overcome it.

While America's shortages were worse than anyone in Britain had anticipated:

The U.S. delegation submitted new production and allocation estimates which (i) provided insufficient deliveries of tanks and aircraft to Russia to match the deliveries promised by Britain to M. Stalin and (ii) provided smaller deliveries to Britain than we had previously been led to expect. The effect of the proposals, therefore, was to throw a larger part of the burden of supplying Russia upon Britain than had been expected when the promises to Russia were made. The new U.S. production estimates showed that American production was falling short of original plans.²⁷²

Britain had expected to face the diversion of 200 of its own planes a month, and a possible reduction in shipments from the U.S. Now, it learned that the U.S. was further cutting its deliveries to Britain, and Britain must make good another American

²⁷¹ Arthur Harris to Charles Portal, September 18, 1941. PRO. AIR 8/420.

²⁷² Report on the London Conference by Sir Walter Layton. September 1941 (Specific date not given). PRO. BT 87/37.

shortfall to Russia. The Americans would miss their forecast in tank production by more than 2400 units (26%). They would send Russia only 1163 of the 1800 planes promised, leaving Britain to make up the difference of 637, in addition to its own commitment of 1800 planes and the decline in American deliveries to Britain.²⁷³ The American decision eliminated most, 60%, of the 2,713 tanks which Britain had expected to receive,²⁷⁴ and 50 air squadrons, of which 15 were fighters.²⁷⁵ The British were astonished that the Americans would cut their allotments so much, in such a seemingly arbitrary manner.²⁷⁶ Britain could do nothing about the situation. Having tried for more than a year to boost U.S. production, Britain once again faced crippling and unexpected shortages, exacerbated by the promises to Russia. By December 1941, the Ministry of Aircraft Production reported that British orders in America “are now 3081 aircraft in arrears,” almost matching British and American deliveries to Russia during the first protocol.²⁷⁷ Since Britain made good America’s shortfalls in meeting its promises to Russia, even more British planes (and tanks) than initially promised by Churchill were sent to Russia. Since stripping the home islands was unacceptable to British planners, other theatres absorbed the blow.

Barely two months later, the situation got even worse when Japan entered the war. British planners thought they were ready for an American response to a Japanese

²⁷³ Report on the London Conference by Sir Walter Layton. September 1941 (Specific date not given). PRO. BT 87/37.

²⁷⁴ Report on the London and Moscow Conferences by Sir Walter Layton. October 1941 (Specific date not given). PRO. BT 87/37.

²⁷⁵ Butler, J.R.M. *Grand Strategy Vol. III...*p. 152.

²⁷⁶ For a detailed description of the entire system see Coakley, Robert W. and Richard M. Leighton. *United States Army in World War II, The War Department, Global Logistics and Strategy, 1940-1943*. Washington: Office of the Chief of Military History Department of the Army, 1955. pp.77-81.

²⁷⁷ Ministry of Aircraft Production internal memo. Author not stated. November 25, 1941. PRO. AVIA 10/132.

attack. They understood that Lend-Lease deliveries were subject to the President's approval, and could be postponed or confiscated in an emergency. Yet they were totally unprepared for the scale of Japan's initial success or of America's reaction, or the possibility that the U.S. would seize British orders placed with gold/dollar accounts, designed to specifications that were useless to the Americans. Since aid to Russia had reduced the RAF in North Africa and the Far East to the minimum, time was needed to fill any gaps made by the shuffling of resources, while the confusion of U.S. leaders produced new and critical delays. Their effect cannot be quantified, but given the centrality of timing and the complexity of moving global reinforcements, each delay had knock on effects elsewhere. The reinforcements sent to Singapore arrived too late and were too meagre and haphazard to blunt the Japanese attack, while in the Middle East Britain suffered a serious setback.

Immediately after Pearl Harbor, the RAF Delegation in Washington met the head of the Lend-Lease Administration and the U.S.A.A.F. That Delegation had been headed by Arthur Harris since the Mission was founded to streamline Lend-Lease. His experiences had left him jaded with Americans. As he put it just before Pearl Harbor and his impending transfer home,

The joke, as usual, will be on us and the laugh on them. If, in the process, the Yanks get rid of me, no doubt they'll appreciate that. If I've done nothing else I've at least got them thinking once or twice before each succeeding and blatant double cross. Yet another 'new boy' will be easier meat for them over the period of his initiation—although of course my now wary—if not weary—staff, such as Cribbet and Weldon, will give them no repetition of the 'taking candy from a kid' period when we were all new on our first arrival. The only text on ethics to be observed anywhere out here is 'there is a sucker born every minute'. Anyone new

must inevitably be a sucker—or one hell of a cad, to the danger of Anglo-U.S. relations.²⁷⁸

Harris was presented with what he interpreted as an ultimatum: Britain must surrender its rights to a certain portion of its Lend-Lease procurement, or have that production seized anyway. Harris' cable home captured the mood in the U.S. and the irritated condescension of a senior officer in his third year of existential war:

Stimson sent for me, Mcloy and Lovett present with ref. to 'the Disaster of Hawaii'. They were dazed and Stimson himself hardly able to speak. In that environment I did not anticipate much reason or reasonableness neither would argument which in any event must take place over your side have profited here. They demanded every aircraft of the foll[owing] types which in their estimate we have now available over here viz 42 B24, 52 Hudsons, 156 Kittyhawks. I asked for their considered minimum requirements but that line of argument got nowhere...It is my view that an expensive gesture by us at this juncture is vital to future relations and will do much to pull services and countries together when full extent of disaster is known...They promise to replace as quickly as poss[ible] to which Levitt added rather uncalled for threat that failing response from us they would be forced to raid Leaselend. Please reply urgently and give me priorities as to what you most desire to save from the wreck, if wreck is unavoidable, also your views on sanctity of Russian agreements.²⁷⁹

As British theatre commanders had learned, Churchill's promises to Russia were inviolable. Harris' inclination to play defence was the only practicable means to deal with the Americans; he must accept the Americans' early demands in the hopes it would avoid the bad feelings stemming from futile resistance.

On the next day, events were even worse. "Situation here is the U.S. War Dept. has frozen all supplies whether L/L or our own contract now in country and not actually on board ship. They say this is only a stock taking maneuver of no anticipated serious duration." This was a doubtful assertion, Harris added, "I foresee a hopeless game of grab with dice loaded against us unless we press for ruling now that all diversions of weapons

²⁷⁸ Arthur Harris to Vice Chief of the Air Staff. December 2, 1941. PRO. AIR 8/415.

²⁷⁹ Arthur Harris to Chief of the Air Staff. December 8, 1941. PRO. AIR 8/419.

ready for use which are proposed by U.S. services should be agreed in staff discussions on strategical justification...Today no attempt was made in the demand for all our aircraft...to argue comparative needs on strategical grounds. It was just plain panic and grab.”²⁸⁰ The creation of a consultative body with authority to determine strategy, and therefore allocations, in the light of where they really were needed, was the “only reasonable means of dealing with these people and saving ourselves from continuous spate of unreasoned and unreasonable demands.” Such a body would take time. Meanwhile, Harris suggested meeting some American demands so to buy good will in the future, despite the harm this might cause on the battlefields of the Middle East and the Far East. Harris could do little else, believing that the Americans would do what they wanted.²⁸¹ That night he sent an urgent follow-up to London, warning that “Arnold is signaling you ordering urgent release [of the British LL planes]...Must warn you Arnold says he will take if we will not give.”²⁸²

The following day the CAS endorsed Harris’ plan to Churchill. The best option was to mitigate American “panic”, adding, “I realise we must help the Americans, but the question is whether we should do what they ask without discussion, in spite of the injury we think it will do to the war effort as a whole, or whether we should make a small interim release and keep the subject in play until it can be fully discussed.”²⁸³ Portal cabled Arnold in a naked attempt to buy time, hoping that the American leadership would calm down enough to allow a more thoughtful allocation of aircraft. In a classically

²⁸⁰ Arthur Harris to Chief of the Air Staff. December 9, 1941. PRO. AIR 8/419.

²⁸¹ Arthur Harris to Chief of the Air Staff. December 9, 1941. PRO. AIR 8/419.

²⁸² Arthur Harris to Chief of the Air Staff. December 9, 1941. PRO. AIR 8/419.

²⁸³ From Chief of the Air Staff to the Prime Minister. December 10, 1941. PRO. AIR 8/419.

British and patronizing tone, he said “I fully realise and sympathise with [your] desire to make good the losses sustained...It is nevertheless my firm conviction that without full and careful examination by joint staffs of all the factors affecting rival claims for aircraft for all fronts, viz. Pacific, Russia, Libya, Malaya, Britain, it is impossible to arrive at a correct decision as to the best use of our available resources in the common cause.”²⁸⁴

On December 10 Harris met Arnold, who had even broader demands than Stimson had expressed. Arnold faced serious public pressure, in addition to his own concerns:

Overnight the tune has completely changed. Stimson's appeal to me for aircraft yesterday was based entirely on replacing losses but it now appears that he had got it all wrong Arnold and Lovitt now say that Japanese naval superiority in Pacific has altered whole basis of U.S.A. defence...Jap navy can steam where it likes (their view not mine) and carriers which previously dared not pass Hawaii are now an active and immediate threat to cities and aircraft factories on west coast. I referred to fantastic conception of sea range of carriers and low scale of attack if any but this was brushed aside on US Navy assurance that they can make it. Indeed last night San Francisco had 3 air raid alarms. U.S. R.D.F. equipment (which is anyhow useless) picked up 2 large formations and interceptors reputed to have made visual contact. This of course is nonsense similar to 1914 Russians with snow on their boots on Scotch railways, Lovett does not believe a word of it. Arnold for own purposes does and papers have it. Consequently what I said above re political and public pressure on Arnold here applies... Cities and factories on west coast and Panama must be protected and he must have equipment for reconnaissance and fighting units. If we do not give he will take etc...We can only attempt to set some limit to effect West Coast fantasy...The present alternatives [to a joint staff committee] are these unreasoned and unreasonable demands from which we hourly suffer...At present hysteria is prevalent here in all circles. Air raid warnings have just been sounded up whole eastern seaboard from New York to Boston. Probably it will be stated that they were for A.R.P. rehearsal purposes. Actually they were meant and taken seriously. The atmosphere is thus bad for rational discussion of anything.²⁸⁵

Arnold replied to Portal's earlier cable explaining that Japanese “carriers may now come within striking distance of our west coast. I must build up my combat units to

²⁸⁴ Chief of the Air Staff to Arthur Harris. December 10, 1941. PRO. AIR 8/419.

²⁸⁵ Personal for Chief of the Air Staff from Arthur Harris. December 10, 1941. PRO. AIR 8/419.

protect Panama Canal and aircraft industries on the west coast, and in addition furnish sufficient protection to satisfy the American public.”²⁸⁶ The COS acknowledged that Britain’s only recourse was to posterity, noting fatalistically that “with reference to the request from the United States War Department, it was agreed that, if the U.S.A. arbitrarily diverted the allocation, there was no more to be said but, from a military point of view, it would be wrong to say that we agreed to this transfer.”²⁸⁷ Portal had the advantage of dealing with events second hand, getting Harris’ analysis once he had absorbed the direct shocks of U.S. decisions. What Harris learned was that, in its urgency, the U.S. was losing track of strategy. This was revealed particularly in an exchange between Harris and Arnold about the U.S. Navy’s requirements for the defence of Hawaii. The Navy

Claim to need 300 pursuit aircraft. I said that although they faced only carrier borne attack from probable maximum of 5 carriers they were putting in for a first line strength equal to about a third of that with which Battle of Britain was won against the whole might of the German air force based on land 20 miles away. His astonishment betrayed that they were thinking not in terms of area to be defended and probable scale of attack but simply of the maximum number of aircraft obtainable from any source.²⁸⁸

Harris and the RAF delegation were unable to sway the Americans. On the following day, more severe measures were taken at the expense of British supplies. In addition to the fighters and bombers the U.S. had ‘requested’, they froze “even solely British equipment not used or required by them and of course all spares about to be sent forward to ME and other theatres.” Arnold assured Harris that the U.S. would make up later, and then some, for what it took, though the British needed the materials—many of which

²⁸⁶ From General Arnold to Chief of the Air Staff. December 10, 1941. PRO. AIR 8/419.

²⁸⁷ Extract from COS meeting. December 10, 1941. PRO. AIR 8/419.

²⁸⁸ Arthur Harris to Chief of the Air Staff. December 11, 1941. PRO. AIR 8/419.

were of no use to the Americans—immediately to fight the Japanese in Malaya and the Germans in North Africa. As Harris put it:

I attach no importance to such jam tomorrow promises all of which have without exception been cynically disregarded in past when day of settlement arrived although they were not then even at war. Can I have your views on sanctity of Russian undertaking in these altered circumstances. You should know that Arnold intends to rip airscrews off airacobras and if necessary Bostons now at docks for Russia to make up for U.S. Air Corps deficiencies...Can I have appreciation of foreseen effects on our immediate operations of the loss of the aircraft mentioned above and date flow must be restored short of disaster. This will at least enable me to apprise Stimson's left hand of what his right hand does which would not otherwise be apparent to him and indeed the necessity has not yet even entered his head.²⁸⁹

Four days into the war with Japan, the U.S. was ready to renege on its agreements with both Britain and Russia, without effectively strengthening U.S. defences or engaging the enemy. By the end of the day, Harris learned that the U.S. planned to seize 1161 planes, 285 of them from Lend-Lease orders which they had a right to, and 876 from long standing—and delayed—British cash orders which they did not. He also believed, based on comments by a senior U.S. general, that the order had come from Roosevelt.²⁹⁰ Meanwhile, the U.S. cabled Portal to ask for a gift of British RDF equipment to be shipped in as great a quantity as possible and as soon as practicable.²⁹¹ Portal told Harris that he was right, “Further action foreshadowed...is now being accelerated. Meanwhile you should maintain with Arnold a strong but friendly obstinacy on lines of my message to him. See *Ancient and Modern* 540.”²⁹² This reference alludes to the transformation of Saul of Tarsus, the great oppressor of early Christians, into the Apostle Paul. Portal seemed to suggest that while the Americans currently were treating British contracts

²⁸⁹ Arthur Harris to Chief of the Air Staff. December 11, 1941. PRO. AIR 8/419.

²⁹⁰ Arthur Harris to Chief of the Air Staff. December 11, 1941. PRO. AIR 8/419.

²⁹¹ Robert Lovett to Chief of the Air Staff. December 11, 1941. PRO. AIR 8/419.

²⁹² Chief of the Air Staff to Arthur Harris. December 12, 1941. PRO. AIR 8/419.

cruelly, in the long run they would be on Britain's side, and together they would win. Harris met Arnold and learned that the U.S. had reduced its demands, though they remained significant, particularly affecting the Middle East. These demands included 417 first line fighters from British contracts (not Lend-Lease); 211 Kittyhawks and 206 Airacobras (P-39's).²⁹³ The Kittyhawks were intended to go to the Middle East to replace Hurricanes, which then would be sent to Singapore. The Airacobras were to be sent to Russia, to free 200 British built fighters for North Africa and the Far East. The loss, or delay, of these fighters meant that planes purchased in the U.S. could not cover diversions from the Middle East to the Far East. Since delays of Russian aid and leaving the British Isles under-defended were out of the question, the only option was to divide the deficiency in the Middle East, leaving both it and the Far East dangerously weak until the U.S. could make good its deliveries. As Portal said, "Without the American aircraft upon which our plans are now so dependent our success in Libya would be nugatory and the north western approaches endangered. This would ease the situation for Japan. We still intend to honour our bond to Russia and to ask them for no revision until the prospects of carrying it out become hopeless."²⁹⁴

On the 13th, the War Department asked Harris for his help. Some of the British equipment the American Government sought to confiscate was in transit to ship via railroad, which would not release the shipments to U.S. Government authorities because it did not regard the seizure as legal. The War Department hoped that Harris would call the railroad and tell them to hand over the equipment. As Harris explained it, "I cannot be

²⁹³ Arthur Harris to Chief of the Air Staff. December 12, 1941. PRO. AIR 8/419.

²⁹⁴ Chief of the Air Staff to Arthur Harris. December 12, 1941. PRO. AIR 8/419.

expected to order railways to release materials which I know will be seized without further by your leave from us.”²⁹⁵ The situation seemed almost comedic, “War Dept. having knocked us down and stripped and searched us are making ad hoc polite request for whereabouts of safe key before proceeding with hold up.”²⁹⁶

Finally on the 13th, Harris reported better news to London. He believed the Americans “had been instructed from on high to revert from orgy of grab to some reasonable system of give and take based upon consideration of vital necessities of all parties dependent upon a limited pool of resources. Came away with definite impression that we shall save reasonable share of Kittyhawks and possibly some Hudsons.”²⁹⁷ This was Britain’s first inkling that it would receive its Kittyhawks, and could provide North Africa with something approaching adequate air power, and, therefore, be able to send more aircraft to the Far East as well. It also proved a false dawn. On December 17 the Commander in Chief Far East asked for the urgent delivery of Kittyhawks, which was impossible because their supply was cut off.²⁹⁸ The U.S. delays also had knock on effects with Australia, which, recoiling at Japan’s successes, was demanding serious reinforcement for the Far East as promised by the British Government. The Air Ministry hoped to divert 3-4 squadrons of Hurricanes to the theatre, but the uncertainty about replacing them made this a particularly difficult and slow decision.²⁹⁹

After a harrowing nine days of fighting to save British North American supplies, Harris struck a note of resigned pessimism:

²⁹⁵ Arthur Harris to Chief of the Air Staff. December 13, 1941. PRO. AIR 8/419.

²⁹⁶ Arthur Harris to Chief of the Air Staff. December 13, 1941. PRO. AIR 8/419.

²⁹⁷ Arthur Harris to Chief of the Air Staff. December 13, 1941. PRO. AIR 8/419.

²⁹⁸ Commander in Chief Far East to The War Office. December 17, 1941. PRO. AIR 8/944.

²⁹⁹ Air Ministry to RAF Delegation in Washington. December 23, 1941. PRO. AIR 8/518.

I am firmly convinced Lease Lend will go and is now going by the board. USA no longer arsenal of democracy but badly shaken belligerent frantically concerned with acquiring real and imagined necessities for her own defence now and offense in future...within a few hours of war not only had Lease Lend been frozen or taken but even our own aircraft manufactured to our specifications in capacity created by us and paid for in our dollars has been arbitrarily confiscated in toto until we begged a few releases. This makes it obvious to me that future relations will be conducted along similar lines...Out of the pool of production...we shall get only what (A) we can convince the US services through joint staff channels must be or should best be handed over to us in prosecution of I hope common strategy plans plus (B) Any surplus in the distant future after US services are gorged and if they consider our need or claims more imperious than those of Russians, Chinks etc. The above is my opinion...Our part will be to beg and to advise and as suppliants to accept gratefully such crumbs as fall from the rich man's table...Must reiterate that above is my own opinion but a firm one. You may agree that apart from original ride as suckers upon first arrival most of my more dismal prognostications have been borne out by events.³⁰⁰

Harris was right only in part. Lend-Lease lived on. In a year the Americans were producing stupendous amounts of war materials, much of which went to Britain, but by then the damage to the British Empire was done.

By New Year's of 1942, the situation hardly had improved. Portal and Harris' strategy of delaying the Americans was having mixed results. "Prolonged discussions...have not repeat not stopped our efforts to retrieve aircraft position prospect still bad but hope to return to attack before CAS leaves and perhaps extract more blood from stone."³⁰¹ In fact, the situation was not resolved until the Arcadia Conference on January 7, fully one month after the Japanese attack. By this time, Singapore's fate was sealed, and Portal wrote back to his Air Ministry quoting scripture which captured his mood: "I have fought a good fight, I have finished my course, I have kept the faith; Henceforth there is laid up for me a crown of righteousness."³⁰²

³⁰⁰ Personal for Vice Chief of the Air Staff from Arthur Harris. December 16, 1941. PRO. AIR 8/415.

³⁰¹ From Arthur Harris to Vice Chief of the Air Staff. January 1, 1942. PRO. AIR 8/413.

³⁰² Chief of the Air Staff to the Air Ministry. January 7, 1942. PRO. AIR 8/413.

Portal's exasperation can be understood by considering how these new delays exacerbated existing U.S. delivery delays.

Figure VI: Requisitions and Deliveries of Lend-Lease aircraft for Britain through March 31, 1942³⁰³

	Number requisitioned	Number Delivered	% Achieved
4 Engine Bombers	1,000	13	1.3%
2 Engine Bombers	3,915	503	12.8%
Fighters/Interceptors	3,087	161	5.2%
Trainers	4,155	432	10.4%
Flying Boats	387	0	----
Reconnaissance	250	20	8%
Transport	811	148	18.2%
Total Aircraft	13,605	1,277	9.4%

No one did, or could have, expected the Americans to deliver all of these requisitions within the first year and three weeks of the Lend-Lease programme. Neither did anyone expect the U.S. to lag so far behind on its promises in the most critical year of the war. Of these total figures, more than 11,000 planes had been requisitioned before June, 1941—over 80% of the total figure.³⁰⁴ The U.S. deficit was not the product of later orders inflating the shortage. The delivery figures, however, are inflated by the rapid improvement of transfers beginning in February 1942. Until then, almost no planes had been transferred to Britain under the Lend-Lease programme.

The freeze of British airplane deliveries during this critical month added to Britain's burden in juggling continuous disappointments in deliveries and in meeting its

³⁰³ "Aircraft Requisitioned and Transferred Thru March 31, 1942." Lend Lease Administration. Undated. Author not stated. NARA. RG 169, Entry 74, Box 605.

³⁰⁴ "Aircraft Requisitioned and Transferred Thru March 31, 1942." Lend Lease Administration. Undated. Author not stated. NARA. RG 169, Entry 74, Box 605.

commitment to Russia. Scholars have ignored this freeze, particularly as exacerbating the setback in North Africa and the fall of Singapore. While it is almost impossible to imagine how the reinforcement of the RAF could have saved Singapore, lessening the speed of the collapse was possible. It was the scope of the humiliation which was most painful to the British Empire, and enraged Australian opinion. The earlier arrival of RAF reinforcements might have lessened this blow. It is certainly plausible, for example, that had the British ordered 211 Kittyhawks been sent as scheduled, many Hurricanes could have left the Middle East for the Far East much sooner, notwithstanding Britain's aid to Russia or previous delays in American deliveries. Instead, the RAF could move only penny packets in ad hoc fashion for the first months of the defence in Southeast Asia. Aid to Russia left air power in the Middle East at an absolute minimum, and the freezing of the American built planes delayed reinforcements everywhere.

Chapter IV

Churchill's Great Gamble: The Decision to Aid Russia

By May 1941, for the first time in a year, Britain was on the verge of being able to reinforce the Middle East in strength and to reduce its astonishing weakness in the Far East. Lend-Lease in the United States had solved the difficult problem of finance, and America promised significant aid soon. Then, in June 1941, Operation 'Barbarossa' threatened to turn British strategy on its head yet again. Whilst Britain acquired a major ally on the continent, Russia's resistance was expected to be fleeting. It was, in any case, an 'ally' Britain did not trust, which would require serious material assistance if it was to last. Thus 'Barbarossa', whilst assuring a temporary respite from the Nazis, was a mixed blessing which presaged greater future British difficulties. How British strategists responded to 'Barbarossa', why and when they chose to substantially aid the Soviets, and how such aid affected Soviet and British material capabilities, are central questions in understanding British grand strategy during the first six months of Soviet involvement in the war. Any serious aid to the USSR must come at the direct price of British strength elsewhere.

Britain greeted the attack on the Soviet Union as a relief, believing that the Axis would be occupied in the East until it defeated the Soviets, probably buying Britain a year before facing an Axis invasion in the spring of 1942. Yet this event was not initially embraced as a greater opportunity to beat the Germans. Allied and German intelligence all thought the Axis would smash Soviet resistance in between three weeks and three months. For example, on June 11 the Joint Intelligence Committee and the

Joint Planning Staff estimated that the Soviets would last four to six weeks.³⁰⁵ German estimates were similar; they expected to defeat the Soviets in three to eight weeks. Even the most pessimistic German generals thought the Soviets would fold by the end of the year.³⁰⁶ Thus, if Britain wished to prolong Soviet resistance, the need for decisive aid was immediate; vacillation likely would mean that time ran out to help Russia. Yet Britain did little to assist the Soviets for three critical months following 'Barbarossa', save offering sincere moral support, and some symbolic aid. The first Arctic convoy, the 'Dervish' did not sail until August 21, 1941, arriving August 31. "It was unimpressively small, consisting of only six merchant ships, several of which were 'very ancient'."³⁰⁷ The convoy contained mostly raw materials such as tin and wool, along with a small complement of 15 Hurricanes in crates. HMS Argus, sailing separately, delivered another 24 Hurricanes. Their purpose was to protect the approach of future convoys, not to participate on the Eastern Front. They also were flown by British pilots. These months offered the chance British strategists seemingly had been awaiting: they obtained a continental ally able to resist the Axis for longer than several weeks. Yet Britain chose not to substantially aid the Soviets during this period.

The causes of this delay have been debated over the years, with Soviet and Russian historiography attributing it to myopic prejudice. Soviet and even recent Russian historiography has tended to emphasize the allegedly willful refusal of Britain to send meaningful aid, despite its promises to the contrary. The Russian scholar Lidia

³⁰⁵ War Cabinet Joint Intelligence Subcommittee. Author not stated. June 11, 1941. PRO. CAB 79/12.

³⁰⁶ Butler, J.R.M. *Grand Strategy Volume III: June 1941-August 1942*. (London: Her Majesty's Stationary Office 1964) p. 90. Woodward, Sir Llewellyn. *British Foreign Policy in the Second World War, Volume II*. (London: Her Majesty's Stationary Office 1971) p. 3.

³⁰⁷ Woodman, Richard. *The Arctic Convoys, 1941-1945*. (London: John Murray 1994) p. 36-37.

Pozdeeva, in her tolerably balanced post-1991 account of the Soviet war economy, notes “an unwillingness of some elements within the Allied military bureaucracies to supply weapons and materials to other countries. Nor should one forget the feelings of hostility and mistrust toward the Soviet Union on the part of certain American and British policymakers.”³⁰⁸ Soviet authors routinely leveled accusations of duplicity at the British. Ivan Maisky, argued that Britain, and Churchill in particular, strove “to display the utmost economy in spending her own resources for winning the war and, on the contrary, to transfer the maximum effort, suffering and losses in the attainment of this objective to the Soviet Union.”³⁰⁹ Despite its persistence in the historiography, this version of events is false. Albion willingly sent shipments to Russia, and the delays in that decision were not perfidious.

On both sides of the Atlantic, British and American leaders’ immediate reaction to Barbarossa was a desire to help the Russians. In the Roosevelt administration, it was felt that “our practical choice is clear: whether or not we like Russia’s internal or other policies, we will aid Russia, in our own national interest, to eliminate the far more immediate danger to our security from Hitler’s already partially executed plans to rule the world.”³¹⁰ In Britain, on June 22 Churchill made a powerful speech promising support for Russia. Many historians have assumed that Churchill’s speech shows that he was, from the start, committed to giving full aid to the USSR. As a result, discussions about changes in British grand strategy have overemphasized Churchill’s support for the

³⁰⁸ Pozdeeva, Lidia. “The Soviet Union: Phoenix.” In *Allies At War*. Ed. David Reynolds, Warren Kimball, and A. O. Chubarian. (New York: St. Martin’s Press 1994) pp. 160-161.

³⁰⁹ Maisky, Ivan. *Memoirs of a Soviet Ambassador: The War Years, 1939-1943*. Tr. Andrew Rothstein. (New York: Charles Scribner’s Sons 1967) p. 271.

³¹⁰ Oscar Cox to Harry Hopkins. June 23, 1941. FDR Library. Hopkins Papers, box 305.

inception of Lend-Lease aid to the Soviet Union.³¹¹ This misperception began the day the speech was reported, with the misleading *Times*' headline "Full British Aid For Russia."³¹² Indeed, Churchill's own reminiscences recall a commitment to Soviet aid that is not recorded in the documentary record. In 1953 Churchill wrote: "From the first moment I did my utmost to help with munitions and supplies, both by consenting to severe diversions from the United States and by direct British sacrifices."³¹³ Although his memories of sacrifices to the Soviet cause are accurate, the timing is not; the first serious direct aid to the Soviets did not occur until September.³¹⁴ Nor was the decision to give Russia material aid inherent in the speech of June 22. The statement promising aid to the Soviet Union actually states, "We have offered to the government of Soviet Russia any technical or economic assistance which is in our power and which is likely to be of service to them."³¹⁵ Rather than pledging material aid, this statement betrayed Churchill's hesitation to do so. It was a public relations statement and a vague policy announcement. The clause stating "any technical and economic assistance which is in our power" implied that aid to Russia would hinge on the availability of material and money, both in short supply. The second clause stating "and which is likely to be of service to them" is an even larger loophole. As the British leadership believed the

³¹¹ Gilbert, Martin. *Winston S. Churchill, Vol. IV: Finest Hour, 1939-1941*. (London: Heinemann 1983) pp. 1117-1136. Leighton, Richard M. and Robert Coakley. *United States Army in World War II, The War Department, Global Logistics and Strategy, 1940-1943*. (Washington: Office of the Chief of Military History Department of the Army 1955) p.97.

³¹² "Full British Aid For Russia." *The Times of London* June 23 1941: p. 4.

³¹³ Churchill, Winston S. *The Second World War Vol. III 'The Grand Alliance'*. (London: The Reprint Society 1953) p. 311.

³¹⁴ *Ibid.*

³¹⁵ "Full British Aid For Russia." *The Times of London* June 23 1941: p. 4.

USSR could not hold out for more than six-to-eight weeks,³¹⁶ while almost that length of time would be needed to deliver aid if it left immediately, Britain could have given nothing at all to the Soviets and still technically have honoured Churchill's promise; if the Soviet government did not exist, then aid was unlikely to "be of service to them." Churchill's speech reflected an early consensus within the British Government. It was a statement of moral support and strategic hedging. Britain sought to make the most of the respite in the west given by Barbarossa, and if possible, to extend it with British effort. Britain would offer public support and diversionary military effort to prolong Soviet resistance and to demonstrate to the public that if Russia was defeated, Britain had done what it could to help.

Before Barbarossa the COS had assessed the probable effects of a German invasion of Russia, emphasising the probable outcome of such a campaign (a quick 3-6 week German victory) and the impact on neutrals and Japan. A Joint Intelligence sub-committee report produced on June 11 1941 simply considered how long a German invasion of the Soviet Union would postpone the invasion of the UK.³¹⁷ After Barbarossa, the COS, aware of new strategic possibilities and requirements, commissioned a study of how Britain might shore up its position and prolong resistance. The Joint Planning Staff (JPS) replied that raids on the French and Norwegian coasts, coupled with carefully timed leaks to the Germans of plans for larger operations, would have a successful diversionary effect on the Eastern Front. In order to

³¹⁶ Woodward, Llewellyn. *British Foreign Policy in the Second World War. Vol. II.* (London: Her Majesty's Stationary Office 1971) pp. 2-5.

³¹⁷ War Cabinet Joint Intelligence Sub-Committee. Author not stated. June 11 1941. PRO. CAB 79/12.

help the Soviets, and to deny advantages to Germany after a swift victory, the JPS advocated increased bombing of German industry in the West, and infiltrating agents into the Caucasus, Central Asia, and Persia, and bombing of the Baku oilfields, in case of German victory.³¹⁸

Any available army force or equipment would most profitably be employed in the ME. Nevertheless this country is by no means fully secured, and the Germans can switch their forces in a shorter time than we can. As a quick conclusion of the Russian Campaign would give Germany time to attempt invasion before winter weather sets in, we cannot at this stage afford to increase the program for the dispatch of men or equipment overseas.³¹⁹

This statement illustrates Britain's hesitancy to aid Soviets unconditionally; urging action on the French coast, which would prove impossible to execute, noting needs in other theatres, while recommending that no men or equipment be sent to Russia. One week later, the War Office expressed its opposition to direct aid in any form to the Soviet regime in a telegram to the Commander-in-Chief, Far East, "our co-operation [with the Soviet Union] will not extend to military alliance nor are there any plans for dispatch of military forces or supply of war material."³²⁰ Instead, "we plan indirectly to assist Soviet by large scale air operations."³²¹

Large scale air operations had the advantages of helping the Soviets while retaining control of weapons. Any material aid sent to Russia was unlikely ever to be seen again, whereas indirect aid left Britain controlling its assets, and able to redeploy

³¹⁸ War Cabinet Joint Planning Staff Aide Memoire by C.S. Daniel, W.F. Dickson, and G.S. Thompson. June 23 1941. PRO. WO 193/666 .

³¹⁹ Ibid.

³²⁰ War Office to Commander-in-Chief Far East. Author not stated. June 29, 1941. PRO. WO 193/666.

³²¹ Ibid.

them when and where necessary. The R.A.F. began a significant air offensive over France.

	Sorties	Own Losses
January 5-June 15	2558	42
June 15-October 31	14,722	302
Increase	12,164	260

Air power was expected to be a decisive factor in the East, and the Americans too were glad that Britain was attempting to ease Russia's air inferiority, "In all probability the result will depend upon air power. If Hitler dominates the air, it is likely that the same thing will occur in White Russia and the Ukraine that occurred in Flanders and in France, namely the inability of land forces, without air protection, to resist the combined attack by air, mechanized forces and infantry."³²³ Over this period British sorties against Germany increased by nearly 600%, with increased R.A.F. casualties of more than 700%. British intelligence

estimated that these operations have affected German policy to some considerable degree: for example:- a) Reserve units of first line units on the Eastern Front had to be retained for operational duties on the Western Front, thus slowing up the number of crews and aircraft to first-line operations units operating against the Russians; b) the reinforcement of German fighters was prevented in sectors of the Russian front where existing fighter forces are known to be inadequate. In the Southern sector Rumanian, Hungarian and Italian fighters had to be used to make good this deficiency.³²⁴

³²² "Note on operations undertaken by Fighter Command to assist the Russians." F.O.1. October 20, 1941. PRO. AIR 19/288.

³²³ Memorandum by Joseph Davies for Harry Hopkins. July 8, 1941. FDR Library. Harry Hopkins Papers, Box 305.

³²⁴ "Note on operations undertaken by Fighter Command to assist the Russians." F.O.1. October 20, 1941. PRO. AIR 19/288.

Given how quickly Russia had been expected to succumb, its continued resistance swiftly disproved the pre-invasion expectations of Allied intelligence. As the Americans noted only 16 days into the campaign, “The resistance of the Russian Army has been more effective than was generally expected.”³²⁵ The Russians indicated that they would not buckle quickly. “Intelligence officers in Russia reported that General Zhigarev, Commander in Chief Soviet Air Forces, “expressed same confidence as other Soviet commanders have consistently disclosed to us. He stated German bombers and fighters consistently refused to battle with Soviet Fighters. Soviet Air Force operation very successfully against German tanks and aircraft on ground. Zhigarev agrees that German first line strength is about 2,000. He emphasized that Russians would continue to attack oil targets in Roumania remorselessly. You will know better than I whether Zhigarev’s confident picture well founded.”³²⁶ Zhigarev’s dubious claims of German cowardice aside, evidence of Russian determination was mounting.

Such evidence indicated that some form of direct aid to Russia would be needed. What form that aid would take provoked much debate within the British leadership, and, later, within the alliance. Throughout July and August, Britain’s leadership became plagued by indecision and conflicting strategic visions. The result was inertia. Some aid was promised—but not sent—to Russia, while the COS pushed to retain its precious and precarious supplies. America meddled but did not have the production to support its interference. Within the British leadership, this debate created stress between the Chiefs

³²⁵ Memorandum by Joseph Davies for Harry Hopkins. July 8, 1941. FDR Library. Harry Hopkins Papers, Box 305.

³²⁶ For the Air Ministry from the Head, Air Mission Moscow (For Medhurst from Collier). July 14, 1941. PRO. AIR 40/2106.

of Staff Subcommittee of the War Cabinet and the civilian Ministry of Supply; Churchill and his close friend Beaverbrook, the Minister of Supply; and, eventually, between Stalin and Churchill. This stress had several causes, among them: resistance to a change in strategy by the COS, British distrust of the Soviet Union (and Russia), a continued belief in some quarters that the USSR would not survive long enough for direct aid to matter, a dearth of military supplies in the Empire, and the lack of clear priorities within a strategic framework. This stress built until it reached a breaking point on September 4, when the Soviets called what they perceived to be a British bluff, giving Churchill the impression they would seek a separate peace with the Nazis. This impression spurred Britain's leadership to action and forced it to adopt a strategy of substantially aiding Russia.

The British leadership had an odd structure in the summer of 1941. Churchill stood at the top, with remarkable autonomy over military issues. He led the War Cabinet, which consisted of political leaders from all three parties. Few politicians, however, tried to exercise influence over military issues. The greatest limit to Churchill's power came from the fighting services. The COS, the official voice of the military, was made up of Sir John Dill, the Chief of the Imperial General Staff; Admiral Sir Dudley Pound, the First Sea Lord; Sir Charles Portal, the Air Chief Marshall; and Major General Sir Hastings Ismay, a close advisor to Churchill. This group shaped military planning, coordination with the commanders-in-chief in the theatres of war, and the making of strategy in complex ways. Churchill termed Dill "Dilly Dally", yet he had an important influence on strategy making, differing with Churchill on key questions

such as favouring the Far East over the Middle East.³²⁷ The Foreign Office under the Secretary of State, Sir Anthony Eden, a member of the War Cabinet, had some influence on strategic issues. Outside the British government, but possessing a powerful influence on strategy making, was the United States government. American opinion mattered both for its present contributions and its expected future role. The supplies sent to the U.K. by the U.S. were critical for the economy. It was also widely believed and hoped in the British leadership that the Americans eventually would abandon military isolationism and join the war against the Axis. Each of these groups and individuals had fluctuating influences on strategy-making over time, and on the key leadership: Churchill, the War Cabinet, and the COS.

Leading historians such as Brian Farrell and Alex Danchev have argued that British strategy was unchanged after Barbarossa. Farrell contends that Barbarossa ignited a debate about grand strategy, which served to reaffirm the extant grand strategy rather than altering it.³²⁸ This unshakeable “wear down” strategy was in place from the fall of France until mid 1943, when the strength and momentum of their American and Soviet allies pushed Britain to take a more direct approach. Danchev also views May 1943 as the point when British strategy finally changed.³²⁹ Ample documentation

³²⁷ Danchev, Alex. “Dilly-Dally’, or Having the Last Word: Field Marshal Sir John Dill and Prime Minister Winston Churchill.” *Journal of Contemporary History*, 22:1 (1987), pp. 21-44.

³²⁸ Farrell, Brian P. “Yes Prime Minister: Barbarossa, Whipcord, and the Basis of Grand British Strategy, Autumn 1941.” *Journal of Military History*, 57.4 (1993).p. 599. His monograph on British grand strategy restates his theory, “none of this [Barbarossa] was enough to affect the basis of Grand Strategy; the issues which formed the perpetual dialogue all stemmed from the policies and choices already well established.” Farrell, Brian. *The Basis and Making of British Grand Strategy, 1940-1943: Was There a Plan? Vol. I.* (Queenston, On: The Edwin Mellon Press 1998) p. 154.

³²⁹ Danchev, Alex. “Great Britain, The Indirect Strategy.” In *Allies At War.* (New York: St. Martin’s Press 1994) pp. 2 and 21.

seems to support Farrell's thesis of unchanging strategy. For example, a War Office report from August, 1941 stated:

We are doing quite nicely against Germany, particularly in view of ever increasing American aid and the practical certainty that USA will sooner or later come into the War. All our forces are now being devoted to the accomplishment of a definite strategy for winning the war without having allowed for Russian aid. If we are to divert forces from this major strategy in order to give Russia direct assistance, then we must be quite sure that these forces are not going to be wasted. In other words, we want more than assurances that Russia will not be rapidly defeated by Germany: we want concrete evidence. If we get this evidence, then we can plan accordingly.³³⁰

Yet the tone of this report is one of resistance by a staff officer to a change of policy in favour of Russia, which suggests that British strategy already was moving in that direction. Instead of proving the idea of a static maintenance of strategy, this document demonstrates the growing friction among planning personnel and a debate between strategic decision makers.

While Farrell's claims that British strategy was unchanging are dubious, his arguments about Britain's style of war planning are convincing. Farrell writes that the COS worked as a 'rolling seminar,' in which every member could express his ideas. This let the leadership "air and reconcile all involved views," so that highest common denominator decisions could be arrived at by committee.³³¹ A prominent feature of the 'Rolling seminar' was its ubiquity. It occurred in "conversation, over the phone and telegraph wires, on paper, in conference, at dinner, long after dinner, at weekend

³³⁰ Lt. Col. General Staff reporting to the Chiefs of Staff Committee. Minuted by four other officers with the recommendation that it be sent to the CIGS and VCIGS. M.O.I. July 10, 1941. PRO. WO 193/666.

³³¹ Farrell, Brian P. "Yes Prime Minister: Barbarossa, Whipcord, and the Basis of Grand British Strategy, Autumn 1941." *Journal of Military History*, 57.4 (1993). p. 602.

retreats, in formal and informal settings.”³³² This theory has merit. It explains much of the indecision that racked British leadership during this critical period. One British leader stands out in Farrell’s account because he was willing to break the rules to further his ideas. Lord Beaverbrook vehemently opposed extant British grand strategy; or rather, the policy of waiting to see what would happen. He was the loudest proponent for Lend-Lease aid to the Soviet Union, arguing that given the lack of British effectiveness on any front, and the COS’s lack of enthusiasm for any decisive activity in the near future, the only alternative was to send every available weapon to the Soviet Union. Beaverbrook’s argument saps Farrell’s concept of the democratic consensus. Farrell states that “the argument that the sum of Beaverbrook’s actions amounted to a substantial and comprehensive challenge to overall policy is borne out by the record.”³³³ Beaverbrook’s opponents argued that aid to the Soviet Union would squander resources. In fact, that aid inflicted significant damage on Axis forces. It was his finest hour.

The Foreign Office’s position regarding aid to the new Soviet ally was one of glacial change, because of the attitudes of its leadership, and the influence of the Ambassador to Russia, Sir Stafford Cripps. To the Foreign Office, Russia was a traditional rival and the Soviet Union a particularly untrustworthy entity.³³⁴ On June 26 1941, Anthony Eden wrote, “As regards the general question of promoting better understanding between our two countries [UK and USSR], I thought that we must

³³² Farrell, Brian. *The Basis and Making of British Grand Strategy, 1940-1943: Was There a Plan? Vol. I.* (Queenston, On: The Edwin Mellon Press 1998) p. 48.

³³³ Farrell, Brian P. “Yes Prime Minister...” p. 622.

³³⁴ Brobst, Peter J. *The Future of the Great Game: Sir Olaf Caroe, India's Independence, and the Defense of Asia.* (Akron, OH: University of Akron 2005).

proceed most carefully.”³³⁵ This view initially was shared by Cripps and the Foreign Office establishment. As Cripps aptly wrote, “our new relations had only existed since last Sunday and it was better to wait until we had learnt to trust each other over a period of military and economic co-operation.”³³⁶ The Foreign Office was a cautious department and a radical change in outlook required time. But time, according to professional estimates, did not exist.

The Foreign Office’s animosity towards the Soviet Union, and the slow pace of its decisions, were so well known that when Maisky requested a second front in the first days of the war, he bypassed it and went straight to Beaverbrook, whom Maisky believed could grasp the new strategic situation with less prejudice than Eden and also had direct access to Churchill. As Maisky recalled, “after careful consideration I came to the conclusion that probably it would be most expedient to make the first approach to Lord Beaverbrook. He was a bold and independent personality. He easily accepted new ideas and original methods of action...Beaverbrook might accept the idea of a second front with greater sympathy than Churchill or Eden.”³³⁷ This was a severe breach of diplomatic protocol, but “an unusual situation naturally demanded unusual methods.”³³⁸ Maisky received a sharp rebuke for this act, but his request for a second front was heard at the highest levels.³³⁹ Eden assured Maisky that he could speak to him on any issue and his requests would be heard by Churchill. After this incident, Maisky resumed

³³⁵ Anthony Eden to Mr. Baggallay (Moscow) June 26, 1941. PRO. FO 371/29466.

³³⁶ From Stafford Cripps in Moscow to Foreign Office. June 28, 1941. PRO. FO 371/29466.

³³⁷ Maisky, Ivan. *Memoirs of a Soviet Ambassador, The War: 1939-43*. Tr. Andrew Rothstein. (New York: Charles Scribner’s Sons 1968) pp. 160-161.

³³⁸ *Ibid*, p. 161.

³³⁹ *Ibid*, p. 163 and June 24 1941. PRO. FO 371/29471. The request by Maisky for second front was heard by Eden and Churchill.

proper diplomatic protocol. By late August, Maisky told Eden about “a growing dissatisfaction due in the main to our failure to give the Soviet Government any important measure of help.”³⁴⁰ He feared “that, unless some remedy were applied, this Soviet feeling must grow deeper.”³⁴¹ When told why a second front was impossible, “Maisky said that no doubt this was so (though from his manner he indicated that he was not so completely convinced that our reasons had been good ones)...he thought the feeling in Moscow to be: ‘if you cannot establish a second front, at least give us more liberal aid in armaments.’”³⁴² Yet this was not happening, nor would it occur until the Soviets became even more aggravated.

Public opinion played an important role in pressuring Britain to aid Russia. Organised labour pressed for fast and substantial aid to the Russians. Workers expressed solidarity with their Soviet counterparts in packed meetings. Unions pressed the government directly, sending letters to the Ministry of Labour and sometimes direct to the War Office, urging “that all possible military aid & economic assistance be given to the U.S.S.R. in their gallant stand against hittler [sic].”³⁴³ By August they protested “against the apparent non-co-operation of the British and Soviet military authorities and [were] urging immediate joint action against the common enemy.”³⁴⁴ Although the unions had no idea about the dynamics within

³⁴⁰ Anthony Eden to Stafford Cripps. August 26, 1941. PRO. FO 371/29489.

³⁴¹ Anthony Eden to Stafford Cripps. August 26, 1941. PRO. FO 371/29489.

³⁴² Ibid.

³⁴³ Letter from the Amalgamated Engineering Union addressed to Ernest Bevin. July 10, 1941. PRO. WO 208/1776.

³⁴⁴ Letter from the Hull Discussion Group. Author’s name not legible. August 6, 1941. PRO. WO 208/1776.

government decision making, British survival rested on the continuous production of weapons, especially aircraft, and the workers had to be heard.

Nor, broadly speaking, were union demands fuelled by Soviet agents or the British Communist Party. The Trades Union Congress (T.U.C.) distanced itself from the British Communist Party. As the President of the T.U.C. explained on September 1, for example,

We welcome Soviet Russia as an ally. We pay homage to the bravery and resolution of the Russian fighting forces and of the Russian people, who are also fighting, every man and woman of them, in resistance to the invading Hun. I should make it clear that what I have said about Russia implies not the least sympathy with the leaders of the British Communist Party. The astonishing gyrations of these people have placed them in the lowest category in the esteem of the British working-class. For them, the war ceased to be an imperialist war at 4 a.m. on Sunday, June 22, 1941, and became a righteous one.³⁴⁵

The T.U.C. urged greater co-operation with the Soviet Union despite communist agitation, rather than because of it.

The War Office increasingly was concerned by the tone taken in left-leaning newspapers, some with large circulations, which distorted the reality of the struggle on the Eastern Front. Initial enthusiasm for the resistance of the Soviet people was turning into a dangerous combination of optimism about Soviet victory and annoyance at the failure of Britain to help the Russians. As intelligence officers in the War Office complained:

The Press continues to report the progress of the Soviet-German campaign in such a manner that the general public is firmly of the belief that the defeat of the German offensive is only a matter of weeks and that the day when the Soviet armies will be on German soil is not far distant. In certain newspapers and journals this pep-talk is accompanied by thinly veiled suggestions that the

³⁴⁵ "Labour's part in the war. T.U.C. President on Supplies. Good Will in Factories." *The Times*. September 2, 1941. p. 2.

Imperial General Staff is not doing its best to assist our new allies in the defeat of the common enemy... One has only to listen to uninformed civilian and even military comment on the course of operations to realise that the views voiced by the press and the B.B.C. are producing an impression of the campaign, which by no means corresponds with the actual facts.³⁴⁶

These misleading press reports were fuelled by misinterpretations of Soviet releases, where minor victories were reported as having major effect. There would be dire consequences on morale if another ally were defeated—the falls of Norway, France, and Greece all had been shocks—and the implication that it was Britain’s fault would exacerbate a new wound. The consequences were not purely hypothetical either. After meeting his Canadian counterparts, one British intelligence official reported that “it was the general feeling amongst the Canadian officers and troops that the Russians had well nigh won the war...and metaphorically they were looking forward to packing their kits and returning home.”³⁴⁷ As a result Canadians were treating training with laxity. The public pressure from these newspapers and their working-class readers was an additional motive for Whitehall to help the Soviets. Even more pressure came from the Soviets themselves.

Over the first ten weeks of the war, the Soviets attempted constantly to secure any form of aid from the British. They began to request a second front or some other type of aid as early as June 24, barely 24 hours after the Germans had attacked. Their requests for aid frequently were met by assurances of deep sympathy, and vague promises of future aid. For example, on July 7 Churchill cabled his “general admiration

³⁴⁶ Comment by M.I.3. Officer. Name illegible. August 12, 1941. PRO. WO 208/1776.

³⁴⁷ Note by M.I.3. Officer. Name illegible. August 13, 1941. PRO. WO 208/1776.

of the bravery and tenacity of the soldiers and people [of the USSR].”³⁴⁸ He assured Stalin that Britain would continue to bomb Europe while he hoped the Admiralty would prepare a serious operation in the north. Absent from the cable was any reference to material aid or direct military cooperation. By July 21 the Soviets, growing weary of the chances of military action, asked if there were to be no second front, could not the British send them military supplies instead?³⁴⁹

The Soviets also angled for planes in America, working both the Roosevelt administration and the British supply mission in Washington. In late June Ambassador Oumansky told the Americans that the Soviets had no need for tanks but desired 6,000 aircraft, split evenly between fighters and bombers.³⁵⁰ To the Americans, the Soviets belittled the R.A.F.’s air effort in the west as a serious aid to Russia:

The Soviet Government felt that it is Russia at the moment which is carrying the burden of the war for all the democratic count[r]ies, and that the widest possible view ought to be taken by the United States and Great Britain. It was not a sufficient answer to say that bombers could be sent more effectively and with less delay from the west than from the east to bomb factories. Russia required bombers to attack the enemy front line, communications, depots and troop concentrations, and without this possibility the day might be lost. Speed was essential.³⁵¹

After pressing the Americans for as yet non-existent levels of production, Oumansky pressed Arthur Purvis to give up a greater share of British purchases in the U.S. in favour of Russia, pointing out that “Germany had put 90% of her whole strength on the Russian front, and if this front could be held it might mean a complete change in the

³⁴⁸ Foreign Office to Moscow. From Prime Minister to Stalin. July 7, 1941. PRO. PREM 3/401/1.

³⁴⁹ Ivan Maisky to Anthony Eden. July 21 1941. PRO. FO 371/29471.

³⁵⁰ Lord Halifax to the Foreign Office. July 31, 1941. PRO. AIR 8/1000.

³⁵¹ Lord Halifax to the Foreign Office. July 31, 1941. PRO. AIR 8/1000.

strategic situation.”³⁵² Purvis, as with the rest of the British leadership, understood Russia’s potential to affect strategy, but refused to commit to specific aid that would weaken Britain, with no benefit, in the event of a Soviet collapse.

Russia’s relentless pressure for aid, and signs that it might be able to survive, began to have their effect in London. On July 25, in a quintessential example of goodwill thwarted by delayed action, Churchill promised to send “as soon as possible” 200 Tomahawk fighters to northern Russia.³⁵³ Thirty-four days later he told Stalin that he was now “expediting the 200 Tomahawks about which I telegraphed in my last.”³⁵⁴ Given the tenuous situation of the Russians, this delay is surprising, but indicative of the indecision in the “rolling seminar” and the profound shortages of aircraft. This delay was not intentional, nor due to the inability to gather aeroplanes; the Tomahawks existed and were ready to be sent somewhere. Rather, it happened because the initial consensus to hedge on aid to Russia was beginning to fracture. The COS wanted to use the aeroplanes elsewhere, but could not force Churchill’s hand. Beaverbrook and Eden wanted to aid Russia, but they could not win either. The ‘rolling seminar’ was real, and had an impact: paralysis. The Tomahawks were a sign of things to come.

August witnessed increasing divisions over the extent that Britain should aid Russia, and consequent indecision. In early August, Russian efforts paid dividends in Washington, when Roosevelt decided to send material aid to Russia. The President, however, ran into the limitations of skeptical staff officers and shortages in production.

³⁵² Lord Halifax to the Foreign Office. July 31, 1941. PRO. AIR 8/1000.

³⁵³ Foreign Office to Moscow. Churchill to Stalin, July 25 1941. PRO. PREM 3/401/1.

³⁵⁴ Foreign Office to Moscow. Churchill to Stalin, August 28, 1941. PRO. PREM 3/401/1.

“The President wanted quick action, though it was realised that any immediate aid could be only on a very small scale... Decisions about the diversion of U.S. production to Russia should be reached on the basis of strategical factors. The joint requirements of the U.S.A., U.K., and Russia far exceeded the present U.S. production, and what had to be divided was a deficit.”³⁵⁵ This development was particularly worrying for Britain as it threatened British supplies in two ways: either through the President forcing diversions of American production to Russia, or the American services protecting themselves from paying that price.

Fearing a grand gesture by the President, the American services reorganized the supply system to shore up their own weak position. Harris cabled a worrying warning to London that the Slessor Agreement was in danger.³⁵⁶ The latest activities of the American Services were troubling, “effect is that larger allocation is made to U.S. Army contracts at expense of our lease lend contracts which are somewhat deferred.”³⁵⁷ Harris also aimed to mitigate any urges toward unilateral action by the White House:

Continuing discussion on aid for Russia...Briefly effect of Russia entering and remaining in war has determined USA opinion that whole basis of future USA allocation must now be reviewed. Effect of this and of future appropriations...is that total pool of American production will pass into army hands as our contracts finish. US administration will then regard themselves as free to allocate to USA forces, Britain and Russia out of this pool in accordance with their own decision on strategic needs of any given occasion. That decision will only be influenced by our highest level arguments succeeding or otherwise in impressing our need upon them as greater than that of our US or Russian competitors. Bearing in

³⁵⁵ Notes on a meeting between U.S. Officials, Soviet Ambassador Oumansky, and Lord Halifax. August 2, 1941. NARA. RG 169, Entry 15, Box 206.

³⁵⁶ The Slessor Agreement called for a majority of the 50,000 planes expected to be produced in the United States by the end of 1942 to go to Britain, including a minimum of Britain’s 26,000 contracted aircraft (14,000 cash purchased and 12,000 Lend-Lease. Bailey, Gavin. *The Arsenal of Democracy: Aircraft Supply and the Anglo-American Alliance*. Edinburgh: Edinburgh University Press, 2013. P. 112.

³⁵⁷ From Chief of the Air Staff to Air Chief Marshall Freeman. August 8, 1941. PRO. AIR 8/420.

mind of course that for a year or more it must remain a case of dividing up what is a deficit for even 1 of 3 clamorous parties. I urgently represented that the offer of any definite programme of future releases to Russia should be avoided. Ad Hoc decision would produce the necessary psychological result while leaving the US free to alter ideas to suit individual occasions.³⁵⁸

Harris, then, supported one-off acts of aid, such as Churchill's promise of 200 Tomahawks. Not only did these acts avoid long-term commitments, they could be sent when—or if—necessary, avoiding the pressure of fixed schedules. This was a classic example of the hedging strategy, which Harris explained clearly: Britain ought “to keep promises and outgoings down to the minimum possible in the foregone conclusion that future will take care of itself when Russia is either knocked out or proves herself a horse worth further backing.”³⁵⁹ If his policy failed in Washington, Britain could face a serious loss in the planes it had been promised, and in many cases, already paid for in gold. Failure would subject Britain to “the arbitrary halfcock decisions of the few amateur strategists who decide such things in a country with no staff or war planning organisation and, at present no firsthand experience of or direct implication in war. Therefore at all costs we must pressure the few powers that be here to our way of strategical thought.”³⁶⁰

Britain's delicate position vis-à-vis American production was exacerbated by Churchill's promise of 200 Tomahawks. Despite Roosevelt's enthusiasm to send aid to Russia, Churchill's decision to promise 200 Tomahawks frustrated the American services, which were less excited about aiding Russia than was their Commander in Chief. Furthermore, Harris believed that the American services viewed Churchill's

³⁵⁸ From Arthur Harris for Charles Portal. August 10, 1941. PRO. AIR 8/417.

³⁵⁹ From Arthur Harris for Charles Portal. August 10, 1941. PRO. AIR 8/417.

³⁶⁰ From Arthur Harris for Charles Portal. August 10, 1941. PRO. AIR 8/417.

promise of the American planes as proof that Britain did not seriously value them. Moreover, the 200 Tomahawks would comprise around 40% of the frontline fighters which the USAAC could wield, if they were retained in the U.S. “Thus for us to release 200 Tomahawks to Russia is objectionable because we think it a waste of potentially useful aircraft. For them it would be to strip themselves of a very considerable proportion of their available fighter strength.”³⁶¹

At this point Harris made the connection between politics, production and strategy:

There remains the problem of the politicians. It is quite clear that U.S. Defence Production cannot go on even at its present tempo without interfering quite seriously with civilian amenities. To increase that tempo as they must do to supply themselves and possibly the Russians as well as the British will involve war conditions here. The politician will not face this unless public opinion is clearly on our side, and public opinion will not be there unless it is convinced that we really have a plan and are not simply asking for more.³⁶²

He understood the necessity for the hedging policy, namely that to appear irresponsible by sending aid to Russia could undermine future supplies for Britain--in addition to the immediate danger of giving away scarce weapons. In this quintessential example of Clausewitz’s trinity, the politicians, military and populace all had to digest the possibility of aid to Russia, and the knock-on effects it would have on each other.

By late August, Britain was considering a second one-time offer of material support. This time the gift would be 200 Hurricanes (though the 200 Tomahawks still had not been shipped). The discussions surrounding this gift illuminate the attitudes of the services, the cautious nature of the offer, and their close timing with intense displays of

³⁶¹ To Charles Portal from Arthur Harris. August 13, 1941. PRO. AIR 8/417.

³⁶² To Charles Portal from Arthur Harris. August 13, 1941. PRO. AIR 8/417.

Soviet frustration. Brainstorming for the Hurricane gift envisioned a two staged delivery, with the first 100 Hurricanes to be shipped within about a fortnight of the approval, and arrival in Archangel 10 days later. Once in Russia, the planes would be assembled near Archangel by Soviet personnel who worked alongside British technicians in Murmansk, learning the intricacies of correct Hurricane assembly and maintenance.³⁶³ Soviet pilots would be flown to Murmansk and given training in the safe operation of Hurricanes by British pilots of the two Hurricane squadrons scheduled soon to arrive there on the Dervish Convoy on August 21. The second 100 Hurricanes would be shipped at an unknown later date, once the implications of the gift could be determined in other theatres—North Africa and the Home Forces in particular. For the Air Ministry, even the loss of the first 100 Hurricanes was worrying, and “how rapidly this loss can be made good depends on the extent to which the flow from production can be stimulated and what further commitments arise in the meantime.”³⁶⁴ The shipping of a second 100 Hurricanes was contingent on a boost in production or a decline of need in North Africa; Russia was not likely to see more than 100 Hurricanes for some time.

The COS’ reply to this proposal demonstrated a continued commitment to the hedging strategy and a thorough grasp of Russia’s place in Britain’s grand strategy:

The views of the Chiefs of Staff are as follows. The despatch of 200 Hurricanes to Russia is unobjectionable from the point of view of depleting our stocks at home. Nevertheless the direct military value to us of Russia having these aircraft, only a proportion of which would reach the first line, is not high. It is not possible to assess the indirect military value to us of the despatch of these aircraft to Russia, but clearly if their arrival puts heart into the Russians and keeps them fighting the Germans a little longer, we benefit. On purely military grounds,

³⁶³ From Secretary of State for Air to the Prime Minister. August 27, 1941. PRO. AIR 19/287.

³⁶⁴ From Secretary of State for Air to the Prime Minister. August 27, 1941. PRO. AIR 19/287.

however, the Chiefs of Staff consider that these aircraft would pay a better dividend if sent to the Far East and to the Middle East and/or Turkey. On the other hand the Chiefs of Staff realise that political considerations may be overriding.³⁶⁵

Keeping Russia fighting was the main goal, but Britain could not offer enough material aid in time to help Russia on the battlefield. Morale boosting token aid that did not hurt Britain's own military strength, however, was a sound investment, even if it had no direct impact in combat. In the event, the 200 Hurricanes became moot when the Soviets lost patience with Britain's hedging policy.

The examples of the promise of 200 Tomahawks, the Dervish Convoy, and the slow pace of British actions, exasperated the Soviets. Ambassador Maisky recalls saying, in another instance, "just think, our Air Ministry asked yours to let it have urgently sixty big bombs—but what has happened? There has been a long exchange of correspondence, as a result of which we have been promised six bombs!"³⁶⁶ The combination of bureaucratic inertia and the lack of direct British assistance for two months caused a clash in the Anglo-Soviet relationship. The initially wise policy of hedging on the Russians until they proved their ability to fight, had given way to two mutually supportive reasons to delay action: the consistent shortage of deliveries from America, causing deficiencies everywhere; and a convenient falling-back on stereotypes to excuse delays in aid to Russia. Combining both reasons, South African Prime Minister Jan Smuts cabled Churchill on September 2 that:

³⁶⁵ Draft Annex by the Secretary of State for Air for the Prime Minister. August 27, 1941. PRO. AIR 19/287.

³⁶⁶ Maisky, Ivan. *Memoirs of a Soviet Ambassador: The War Years, 1939-1943*. Tr. Andrew Rothstein. (New York: Charles Scribner's Sons 1967) p. 186.

Russia's present contribution is most valuable, but will not last, as the Russians are never good stayers...With our difficult lines of supply in the Middle East and our shipping shortage added to our manpower difficulties, we may be hard put to hold our own in the Mediterranean area. Meanwhile, our main forces will have to be prepared to deal with a possible attack on Great Britain... I fear that we are all relying too much on continued Russian resistance, and disillusion may overtake us when America is still out of the war and unprepared and we have to face the storm alone.³⁶⁷

Russian impatience over further delays over-ruled Smuts and those of his views.

On September 4, the Soviets lost patience with Britain. Sensing that they had nothing to lose, they gave Churchill the impression they would seek separate terms. Stalin informed Churchill that without a second front and material aid, the USSR “will either suffer defeat or be weakened to such an extent that it will lose for a long period any capacity to render assistance by its active operations on fronts of the struggle against Hitlerism.”³⁶⁸ This statement, and Maisky’s comments as Eden and Churchill read Stalin’s message, gave Churchill the impression that the Soviets were threatening a separate peace. Churchill was so alarmed that he cabled Roosevelt the next day: “although nothing in his language warranted the assumption, we could not exclude the impression that they might be thinking of separate terms...I feel that the moment may be decisive.”³⁶⁹ Stalin’s cable and Maisky’s impassioned speech shocked the British leadership from its inertia, and forced it to act on material aid. Above all, Churchill reached a key strategic decision. He concluded that the Soviets need not be crushed, and if allied to Britain could become a formidable foe to Germany, but only if provided

³⁶⁷ Jan Smuts memorandum to the War Cabinet on the American situation. August 30, 1941. PRO. CAB 66/18/32.

³⁶⁸ From Stafford Cripps to Anthony Eden September 4 1941. PRO. FO 371/29490.

³⁶⁹ Churchill, Winston. *The Second World War*, Vol. III. *The Grand Alliance*. (London: The Reprint Society 1953) pp. 365.

large and immediate material aid. Having made this decision, bureaucratic resistance from staff officers, and the objections of theatre commanders in the Middle East, Far East, and India, immediately were overcome. Before the end of the month the first convoy of fighters was on its way to Russia, before the first official protocols were agreed at the Moscow conference, which took place from September 29 to October 1.

The swiftness of this shipment in the wake of the separate peace scare proves that, as Brian Farrell's theory of the "rolling seminar" suggests, Britain's leadership did work in a consensual manner. In this case, however, the "rolling seminar" did not help British decision making, but hindered it. Having to respond to the demands of different interests paralyzed the British leadership for two months, after the initial consensus began to erode. When Britain did act, it leapt into a massive and unalterable commitment of resources that had to come from British theatres elsewhere. By forcing Churchill's hand, the Soviets also made Britain choose a risky and costly strategy. Aid to the Soviet Union became a major British priority, consuming essential war material that otherwise would have gone to the Middle East and, perhaps, the Far East. Not until the summer of 1942 did Allied production reach the point that all theatres could receive anywhere near the necessary war material. Thus, Britain had to make up the loss of thousands of tanks and planes from its forces around the world.

Chapter V: Aid to Russia and the Campaign in North Africa

Churchill's promise to Russia in September 1941 shook Britain's strategic hierarchy, replacing the Middle East with Russia as the second priority for armaments, behind only the home islands. The promise was a commitment of a specific, large and continued amount of Britain and America's production of key armaments to an unknown ally, made under pressure, without fully assessing whether Britain and the U.S. could even fulfill that promise, how it might hurt the build-up for offensive operations in the Middle East, or whether the aid would be used effectively. In Churchill's mind, there was no other option. Whitehall and the Chiefs of Staff must find the equipment to meet their promises, whilst domestic British and diplomatic Soviet pressure for ever more aid intensified. In meeting their promises to Russia, British planners learned that they had, and would receive, much less equipment from their own and U.S. production than originally expected. The only remaining option was to limit the buildup in all other theatres, in favour of Russia. The consequences in all theatres were serious, even in North Africa, the site of Britain's planned autumn offensive, and central to Churchill's strategy. The Dominions were cut off from tanks and fighters for months, while the build-up for Crusader was weakened. The Far East theatre was left prostrate as war with Japan loomed. Britain, however, was trapped by its promise to Russia. Indeed, all Britain could do was try to mitigate the military and political damage caused by diversions to the Eastern Front, by parrying Russian demands for more aid, assuaging the Dominions with tokens of help and gambling on which theatres could survive being starved.

Since 1940 British and Axis forces had been waging a see-saw battle in North Africa. It was the only area where large British forces could fight the Axis directly on the ground, and the closest Britain could come to a second front in late 1941. Operation 'Crusader' was, therefore, to begin in November 1941. Unfortunately, 'Crusader' was initially a limited success, soon followed by disaster. The Eighth Army offensive intended to clear Axis forces from Cyrenaica, allowing Britain to attack Italy in force, create a real second front, and show the world that British soldiers could fight. Crusader did not achieve any of these goals, though it was a success in other areas: it ruined Rommel's planned attack on Tobruk; inflicted heavier losses on his forces than the British absorbed; and forced his army to abandon offensive operations for several months. The reasons for the inconclusive outcome of 'Crusader' are numerous and interwoven. The direct causes stemmed mainly from shortages of crucial weaponry and training, and from being forced into battle before such problems could be overcome. 'Ultra' showed that the operation could not be delayed any further, because Rommel was on the verge of attacking Tobruk, which the British rightly feared would fall quickly.³⁷⁰ Lack of training, a fundamental factor in British weaknesses, was beyond the direct control of Whitehall given the time constraints of the operation, but Whitehall did govern the supply of equipment to the Middle East. Aid to the Soviet Union was a major cause for the inadequate supplies to British forces in North Africa, exacerbated by the shortages of supplies from America promised in Lend-Lease. British strategists knew that the Middle East needed

³⁷⁰ Bennett, Ralph. *ULTRA and Mediterranean Strategy*. New York: William Morrow and Co., 1989. p. 85.

equipment, and that much of the kit sent to the Soviets could have arrived in North Africa in time to be incorporated into the ‘Crusader’ offensive, and the rest used to bolster the British position afterward.

The concrete commitment to the Russians, specific in quantity, quality, and schedule, left no wiggle room for the Allies; either they shipped the goods on time, or betrayed their promise to Stalin. The fulfillment of these promises and the build-up of arms in the Middle East for Crusader also relied on the ability of the Americans to meet their production forecasts, an eventuality that Churchill optimistically continued to anticipate, despite repeated disappointments. Already dividing a deficiency, Britain had no ability to offset any production shortages at all. The Air Ministry put it bluntly, “To maintain the Middle East and to send 200 Hurricanes a month to Russia is an impossibility.”³⁷¹ Yet for reasons of morale, military strategy and domestic politics, Churchill felt compelled to meet his promise to Stalin. When American production failed to meet promises, not only to Britain but also to Russia, Britain made good the difference from its own supplies, further weakening its preparations for the Crusader offensive. Churchill placed his bet on Red.

Many pressures weighed on British planners as they adapted to the decision to aid Russia—and not to renege on solemn promises. Soviet leaders and diplomats viewed the aid they received as being far below British capabilities. Admiral Kharlamov, head of the Soviet naval mission in London, recalled his bitter disappointment that after two months of war all they had acquired were 200

³⁷¹ D.W.O. to V.C.A.S. September 16, 1941. PRO. AIR 19/302.

Tomahawks. “We failed to convince the British government to do something that would really count.”³⁷² Nor, to British annoyance, did promises and aid quell Soviet demands for active military assistance, which swelled and diversified precisely as Britain struggled to meet its new obligations and significant Axis advances.³⁷³ This increased pressure came in the form of telegrams from Stalin and personal requests from Maisky, Kharlamov, and Cripps. Whereas Stalin and Churchill exchanged only one personal telegram from June 22 to 31 August, they exchanged a series of letters in September and October.

The Soviets constantly pressed for more, emphasizing the need for a second front. They never accepted, or at least never admitted to accepting, British explanations for their inability to form an immediate second front. After a meeting with Maisky, Eden reported, “the ambassador had also emphasized that in the years before the war there were many people in this country who advocated allowing Germany a free hand in the East...As a result when, maybe for very good reasons, we did not form a second front, these suspicions were to a certain extent revived.”³⁷⁴ Joan Beaumont suggests that this attitude stemmed from skepticism that the Allies, particularly the United States, ever would deliver on their promises.³⁷⁵ Yet however

³⁷² Kharlamov, *Difficult Mission*. P. 65.

³⁷³ War Cabinet Memorandum, Assistance to Russia. September 18, 1941. PRO. PREM 3/401/1. And “Exchanges between His Majesty’s Government and the Soviet Government on the subject of British military assistance to Russia.” Ending November 12, 1941. PRO. FO 371/29471.

³⁷⁴ Record of a conversation between Mr. Eden and the Soviet Ambassador, November 12, 1941. PRO. FO 371/29470.

³⁷⁵ Beaumont, Joan. *Comrades In Arms: British Aid to Russia, 1941-1945*. London: Davis Poitner, 1980. p. 52.

skeptical the Soviets were, they never stopped asking for aid. Not entirely convinced that the Allies would deliver, the Soviets had nothing to lose by making them try.

Maisky understood and exploited Churchill's frustration at British military impotence. He recommended that Stalin always press for a second front, fully expecting Britain to refuse, but striking the exposed nerve so to secure more material aid. "I addressed to Stalin a request...raising two points: one on the opening of a second front in France, the other on supplying the Red Army with arms and war materials. I warned Stalin that on the first question there would be no practical results, but it was important constantly to remind the British of the need for a second front."³⁷⁶ Stalin's requests for a second front led to extra pressure both to mount an operation in North Africa and to make additional promises of aid at the Moscow conference.

Stalin then upped the ante. Desperate for military assistance, as the Germans began another offensive in mid-September, he suggested that 25-30 British divisions be sent to fight on the Eastern Front, through Archangel or the Persian corridor. Churchill's immediate reaction was incredulous, "It seemed hopeless to argue with a man thinking in terms of utter unreality."³⁷⁷ The COS argued that to send two divisions to Russia would reduce shipments to the Middle East by 25,000 men and 400 thousand tonnes, with their maintenance needs posing additional future costs.³⁷⁸ Nonetheless, the increasingly dire situation on the Eastern Front led the Department

³⁷⁶ Maisky, Ivan. *Memoirs...* pp. 187-188.

³⁷⁷ Churchill, *The Grand Alliance...* p. 367.

³⁷⁸ Chiefs of Staff to General Mason-Macfarlane, September 30, 1941. PRO. WO 193/666.

of Military Intelligence to warn that “the Russian forces in the Caucasus do not appear to be strong enough to ensure the defense of Trans-Caucasia and we cannot rely on large intact Russian forces being able to withdraw to aid in the defense of Caucasia.”³⁷⁹ Russian armies in the south were nearing collapse, the passes into Iran from the Caucasus were passable during winter, and Britain might consider sending troops to the area.³⁸⁰ The COS and Churchill rejected many of these pessimistic conclusions, yet still shared some of the concerns. On September 29, Maisky suggested sending a smaller force, noting that “even a few British troops in uniform would have an excellent effect on Russian morale.”³⁸¹ The COS would have none of it, nor would Churchill. Refusing to send British troops on a hopeless mission, London cabled General Noel Mason-Macfarlane, head of the British Military Mission in Russia, “to say no and emphasize the greater benefit to be derived from material deliveries to the Soviet Union.”³⁸² Churchill and the COS agreed that material aid to Russia coupled with an offensive in North Africa would be the best practicable ‘second front’.

Neither was Britain’s decision to send materiel aid to Russia made in blind faith. Britain already had stood by once, offering only token aid while building-up its own strength through the initial 10 weeks the Soviets were expected to be able to resist. The War Office admitted this policy to Commander-in-Chief Middle East, Claude Auckinleck in July:

³⁷⁹ “Danger to the Caucasian Oilfields.” DMI War Office. Report by “P.S.W.” September 15, 1941. PRO. WO 208/1779.

³⁸⁰ Ibid.

³⁸¹ Ivan Maisky to Anthony Eden. September 29, 1941. PRO. FO 371/29471.

³⁸² Chiefs of Staff to General Mason-Macfarlane, September 30, 1941. PRO. WO 193/666.

[On July 4] you said that an offensive in Western Desert could not be contemplated until you had at least two and preferably three properly trained armoured divisions. Until Germany attacked Russia it was impossible for us to contemplate sending any considerable reinforcement of cruiser tanks from here since we had to regard invasion in August or September as a distinct probability. We cannot say this probability has now disappeared altogether since Russia might crack quite soon, but we are prepared to take a chance...In our estimation there is every chance of our relative air strengths improving up to September, and possibly even continuing to improve even after that, but this of course depends on the outcome of the Russian campaign.³⁸³

Lip-service would no longer keep the Russian war effort going. With Churchill's commitment of aid came an intelligence apparatus which sought to maintain real time estimates of the Russian ability to fight, and implicitly, of whether British aid was being wasted. Russian paranoia made the collection of intelligence difficult, and their obsessive security and obstructionism soured the attitudes of British officials.³⁸⁴ Russian techniques included denying British observers visits to the front, air transportation, or meetings with Russian officials of senior enough rank to be able to make any concrete statements. A typical example occurred in mid-October. Mason-MacFarlane told the DMI,

Have just seen Col. Klopof the only General Staff Representative in Kuibishev. He is entirely ignorant and out of touch. Last night [British] ambassador had asked Vishinsky who has arrived here to get permission for a small embassy and mission party to return to Moscow. I told Klopof that I must have an aeroplane this afternoon. Klopof refused and said that his information was that Panfilov and others would probably arrive here to-day. We are completely in the hands of the Russians here and there is nothing to be done except to go on trying. I told

³⁸³ War Office to Commander in Chief, Middle East. July 19, 1941. PRO. AIR 8/517.

³⁸⁴ To DMI from General Mason-MacFarlane. October 21, 1941. PRO. AIR 8/564. These activities continued into November. General Mason-MacFarlane to the Air Ministry. November 1, 1941. PRO. AIR 8/564.

Klopof exactly what I thought of my mission being ordered out of Moscow by Molotof in my absence.³⁸⁵

Nevertheless, enough information reached London to suggest that British aid was not being wasted, thereby supporting the continuance of deliveries. In late September and early October as the German advance resumed, intelligence reports developed a pessimistic tone: “Up to the present moment there seems every likelihood that the Russians will fight for Moscow to the last even if this should be unsound strategically. There is no doubt that morale has fallen considerably... Many of the population seem quite resigned to the fact that the Germans will be in Moscow in the very near future.”³⁸⁶ Yet even these reports presupposed continued resistance should Moscow fall, meaning that British aid would be used, and not fall unused into German hands. Further reports indicated that ordinary soldiers and officers, including many who had been on the retreat, were committed to the fight. British observers noted a “Considerable surplus of unattached officers. Some of these were naval officers going to be trained as Tank Corps officers. Army and especially army air force officers said they were going to join the ‘Army of the Urals’. In conversation there was a general impression that the Russian High Command intended to hold Moscow and the Donets at all costs and to build up forces during the winter to take the offensive next spring.”³⁸⁷

British military intelligence officers stationed in Russia were impressed with the capabilities of Russian soldiers, if not of their leaders. “We should not be tempted to say

³⁸⁵ To DMI from General Mason-MacFarlane. October 21, 1941. PRO. AIR 8/564. These activities continued into November. General Mason-MacFarlane to the Air Ministry. November 1, 1941. PRO. AIR 8/564.

³⁸⁶ General Mason-MacFarlane to DMI. October 11, 1941. PRO. AIR 8/564.

³⁸⁷ To DMI from General Mason-MacFarlane. October 30, 1941. PRO. AIR 8/564.

‘are we quite sure that the Russians can use our equipment?’ but rather ‘are we giving the Russians every facility which will enable them, with their peculiar efficiency in some directions and limitations in others, to get the best out of what we are sending?’³⁸⁸ Intelligence reports indicated that the Russians had plenty of pilots and ground personnel.³⁸⁹ With the arrival of severe cold the Russians continued to reward Beaverbrook’s hopes with their toughness: “Russians [sic] organisation and methods are not compatible with our own but they are hard workers and improvisers. Above all they can stand the cold. They have erected and put into operational units about 150 Hurricanes and 170 Tomahawks...Severe conditions under which aircraft are erected outside in snow and low temperatures are amazing to the British eyes.”³⁹⁰

Other officers, like Mason-Macfarlane, wanted the Russians to be accountable, to explain why they needed what they demanded, and so offer a quid pro quo by revealing their production statistics, strategic weaknesses, and tactical methods. “We have got aircraft, tanks and much other equipment arriving at Archangel and being handed over to the Russians. Unless we here know where it is going and can arrange that our instructional and technical staff are distributed and employed to best advantage we cannot hope to pull our weight, and it is obviously doubtful if anything like full value will be obtained by the Russians from our armaments.”³⁹¹ This was a reasonable request and Mason-MacFarlane took great lengths to determine what Soviet needs really were. The Russians continued to make this aim difficult. It took weeks for Mason-

³⁸⁸ Note by the Parliamentary Under Secretary of State for Air. October 6, 1941. PRO. AIR 8/1000.

³⁸⁹ For the Air Ministry from 30 Mission, Russia. October 27, 1941. PRO. AIR 8/564.

³⁹⁰ To Air Ministry from 30 Mission, Russia. December 18, 1941. PRO. AIR 8/1000.

³⁹¹ From General Mason-Macfarlane to the War Office. October 31, 1941. PRO. AIR 8/1000.

MacFarlane to be allowed a brief visit to the front, where, he warned the COS, he may have been shown a Potemkin Village.³⁹² The Kremlin also concocted unsubstantiated accusations against officers under Mason-MacFarlane's command, functionally deporting them. Since no Soviet would be seen with them, the accused could not perform their duties. Most frustratingly, Mason-Macfarlane routinely failed to get information from his Soviet counter-parts, even on the location of British personnel and equipment in Russia. In late October, he lost his temper and asked the War Office for help:

At Moscow conference the British delegation contracted to supply large quantities of aircraft to the Russians but omitted to make close technical collaboration a condition of supply. This was in my opinion a mistake which we must make every endeavor to right if we want our gift aircraft to operate effectively against the enemy. Russians are deliberately keeping information from me regarding destination of Tomahawk and Hurricane detachments. I regard this as intolerable and must demand the right to exercise my responsibility to you for the work and welfare of these detachments... I therefore consider that we should make very strong representations on highest plane. My personal opinion is that we ought to be prepared to let the Russians know that we should have to withdraw detachments and larger part of mission if position does not improve.³⁹³

Mason-MacFarlane understood the Russians well, perhaps better than his bosses in London. As he reminded the COS, "we are making a great mistake if we hope to obtain good relations with them by a policy of concession. Russians admire strength in others and despise weakness."³⁹⁴ He was overruled. Roosevelt, Churchill, and their closest advisors, especially Harry Hopkins and Lord Beaverbrook, simply dismissed complaints on these matters. Beaverbrook believed that Soviet suspicions could be overcome with

³⁹² Report of MacFarlane's visit to the front. Submitted by General Mason-Macfarlane. August 21, 1941. PRO. CAB 66/18/27.

³⁹³ General Mason-MacFarlane to Chiefs of Staff. November 1, 1941. PRO. AIR 8/564.

³⁹⁴ Ibid.

more promises of aid, explaining his view that “the one way to break down the suspicious attitude which had given rise to Russian secrecy was to make clear beyond a doubt the British and American intention to satisfy Russian needs to the utmost in their power, whether the Russians give anything or not. It was to be a Christmas-tree party, and there must be no excuse for the Russians thinking they were not getting a fair share of the gifts on the tree.”³⁹⁵ Beaverbrook’s opinions were fallacious, but influential, because he led Churchill to endorse them. Mason-MacFarlane was not opposed to aiding Russia, but simply sought to ensure that it was used effectively, even, or especially, by attaching strings to aid. Yet Churchill had made a political promise to Stalin that he did not believe could be abandoned or altered, however difficult the Russians’ behavior.

Mason-MacFarlane was not alone in demanding reciprocity from the Soviets. Even Cripps, despite his sympathy for the Soviet struggle and support for a second front, urged that aid should be contingent on cooperation with the British military mission. Whilst he passed on complaints of Soviet obstruction, Cripps also tried to explain them: “their failure to cooperate adequately with the military mission is no doubt due in part to this distrust of our intentions [regarding aid] and lack of appreciation for what we have already done.” Cripps believed that the solution was to inform Stalin of the difficulties facing the British mission, but still to supply aid.³⁹⁶ In Washington, referring to Russia’s refusal to share information, Henry Stimson told Ambassador Oumansky in Washington that “you have taken away my eyes and until I get my eyes back, I

³⁹⁵ Taylor, A.J.P. *Beaverbrook*. London: Hamish Hamilton, 1972. p. 487.

³⁹⁶ Stafford Cripps to Anthony Eden. September 20 1941. FO 371/29469. Taylor, A.J.P. *Beaverbrook*. London: Hamish Hamilton, 1972. p. 488.

cannot take the responsibility of recommending giving away our weapons.”³⁹⁷ These efforts were largely in vain, however, because Churchill’s mind was made up. The Soviets would receive 400 planes and 500 tanks a month through June 1942, half from America and half from Britain; Churchill’s *quid pro quo* was simply that the Russians keep killing Nazis. Despite the mixed news from British observers in Russia, there was enough positive information to justify British aid.

Choosing what to sacrifice from which theatre in order to send aid to Russia, however, could spell defeat for the commander doing the giving. As the Chiefs of Staff said, “the Prime Minister had made the offer to M. Stalin, and this had been agreed with the Americans, there could be no question of doing anything but acquiesce.”³⁹⁸ Alan Brooke, Commander in Chief, Home Forces, particularly feared the consequences of Russian aid on his armoured units. Given the reduction in the number of tanks available and, of those, the unreliability of the Churchills and Covenanters, Brooke urged that shipments be slowed to build reserves for the Home Forces. Churchill retorted,

All experience shows that all Commanders-in-Chief invariably ask for everything they can think of, and always represent their own forces at a minimum. I do not therefore consider that there is any inherent virtue in the sweeping claims put forward by the C. in C. (H.F.) He would like to have them met and so should I, but I do not admit that the need should be expressed in this form... There can be no question of us going back on our promises to Russia. If of course Archangel freezes up we must do our best by other routes. But it is far too soon to raise any such issues now when the ink is hardly dry on our promise, and we have been unable to do anything else to help the Russians.³⁹⁹

³⁹⁷ Beaumont, *Comrades in Arms*. p. 37.

³⁹⁸ War Cabinet. Meeting to be held on November 5, 1941. PRO. WO 193/580.

³⁹⁹ Prime Minister’s Minute. W.S.C. November 3, 1941. PRO. WO 193/580.

Brooke was not alone in pressing for the needs of his theatre. Wavell, Commander in Chief, India, had been asked to send Indian divisions to Iraq and Persia to set up a vast defensive line south of the Caucasus in case Russia collapsed and the Germans surged toward the Middle East in spring. But Wavell, now fourth in line for any tanks, warned,

Defence of Iraq impracticable without armoured troops and if none are to be available whole policy in this area must be reconsidered. We should not be justified in sending further troops from India to Iraq unless armoured troops are available. Do not consider it possible to rely on armoured formations from Middle East. Whatever result of operations in Western Desert at least one armoured division will be out of action for long period and if Syria and Iraq are threatened simultaneously armoured formations will be required in both theatres. Also factors of time and distance will prevent rapid movement of armoured formations from one theatre to another...Request therefore that policy in this area and allocation of tanks be reconsidered by chiefs of Staff and War Cabinet.⁴⁰⁰

The transfer of British and American tanks to Russia forced London to juggle with tanks, and luck. Just how drastically Wavell's resources were altered can be seen in figure VIII below:

Figure VIII: Long term Impact of Diversions to Russia on Projected Indian Armoured Strength through 1942 ⁴⁰¹				
Orders prior to Moscow	For Active Forces	For Training	For Reserves	Total
From U.S. Production	650	30	526	1206
From U.K. Production	160	10	130	300
Total	810	40	656	1506
Revised Allocation	For All Purposes	% Decline		
From U.S. Production	48	96%		
From U.K. Production	30	90%		
Total	78	95%		

⁴⁰⁰ For CIGS from General Wavell. October 23, 1941. PRO. AIR 8/970.

⁴⁰¹ "Note on effect of Tank Diversion to Russia." Author not stated. October 10, 1941. PRO. WO 193/580.

The U.S. sourced tanks were intended to supply two new armoured divisions, one to be dispatched to the Middle East by January 1942, and a second, to defend India, to be ready by the autumn of 1942. These formations both were eliminated by the transfer of tanks to Russia. The British-supplied tanks were intended to supply a heavy armoured Brigade for the defence of India by December 1941. Although the American tanks were part of its ambitious production forecast, the British vehicles were real. With a reduction of 95% of its allocations, from 1,500 to fewer than 100, India was the biggest loser in the reallocation of tanks. In order to transfer tanks to Iraq in the spring, Britain would have not only to win the Crusader Operation, but also possess enough tanks in operational condition to defend North Africa and to be shipped further east; all within a four month period. Wavell justifiably doubted the practicality of such ambitious schemes, but the best strategic choice was to plunder his theatre.

British production could not make up the shortage. Indeed, until mid 1941, it could barely replace wastage. During this period British aircraft production increased by less than 10%⁴⁰² because it was nearing its upper capacity. The production of Hurricanes averaged 59 per month in the autumn of 1939, reached 210 in 1940, and peaked at 264 in 1941.⁴⁰³ Production of the more complicated Spitfire increased more slowly, averaging monthly totals of 104 in 1940 and 210 in 1941.⁴⁰⁴ The Royal Air

⁴⁰² "Munitions Production, British Reports." LAC. RG25/27A(5) v. 5741. Pp. 3-5.

⁴⁰³ "Aircraft. Delivery, Import and Export Fig.s: 1939-1945. Undated. Author not named. PRO. AIR 19/524.

⁴⁰⁴ Ibid.

Force was seriously affected by the commitment to Russia. The planes sent to Russia were Hurricanes, with monthly production averaging 276 in the second half of 1941.⁴⁰⁵ Thus, virtually all British Hurricane production went to Russia, with the Middle East taking the remainder. Spitfire production, averaging 239 per month, had not yet achieved levels that would let them be sent anywhere but Britain. Nor were any spared to other theatres until March 1942.

Britain's modest increases in production, combined with a trickle of American planes, eventually allowed a small build-up in North Africa by summer, with the hope of more in the autumn. By the late summer, reinforcements of modern aircraft accelerated and began to arrive in encouraging numbers (See figure 3). Even if America had achieved its goals, however, combined production could not have absorbed the allocation to Russia of an additional 200 modern fighters a month, more than 40% of the total production of Hurricanes and Spitfires, without making cuts elsewhere.

Figure IX: Fighter Arrivals by Type to the Middle East									
	Jul	Aug	Sep	Oct ⁴⁰⁶	Nov	Dec	Jan 1942	Feb	Mar ⁴⁰⁷
Hurricane	82	34	186	81	60	93	186	87	71
Kitty Hawk	0	0	0	0	62	135	116	42	108
Tomahawk ⁴⁰⁸	29	87	23	16	0	0	4	0	0
TOTAL	111	121	209	97	122	228	306	129	179

⁴⁰⁵ Ibid.

⁴⁰⁶ Figures through October from Playfair, I.S.O. *The Mediterranean and the Middle East. Vol. II "The Germans Come to the Aid of Their Ally*. London: Her Majesty's Stationary Office, 1956. pp. 361-363.

⁴⁰⁷ Figures from November through March from Playfair, I.S.O. *The Mediterranean and the Middle East, Vol. III*. London: Her Majesty's Stationary Office, 1960. pp. 458-459.

⁴⁰⁸ The Kitty Hawk and the Tomahawk were American models, the former a development of the latter.

The impact of diversions to Russia is obvious, with October and November deliveries nearly halved from the September peak. The reduction in U.S. Tomahawk deliveries from a trickle to virtually nothing also is telling. These were sent to Russia at the expense of the Middle East, over the objection of Air Marshal Harris, without spare parts but with a mechanical defect. The result was embarrassment for Britain and fodder for Soviet conspiracy theorists.⁴⁰⁹

The consequences of the strategic decision to aid Russia and the shortages of American supply were felt most acutely in North Africa and the disappointing Crusader operation. Churchill's vision for success in Crusader was logical and clear, and possible regardless of what happened in Russia. If the Soviets collapsed, then the British would have strengthened their position against the next expected German move, an attack in the Middle East; if the Soviets still stood, Britain could move troops wherever they were needed to help the Russians; or launch a devastating attack on Italy. Thus, Churchill hoped to win any scenario. The only way to fail was to do nothing. As Churchill wrote,

Upon 'Crusader' and the use made of it, issues affecting the whole immediate future of the war depend. Turkey, French North Africa, and Spain will pick their steps accordingly. The struggling Russian armies will feel that our long period of inaction has been at least broken and that they are not the only people engaging the enemy. Feeling here has risen very high against what is thought to be our supine inaction.⁴¹⁰

Churchill's desire to act was reinforced by Soviet and British demands for a Second Front, or some major offensive. By October, Cripps urgently asked London for a

⁴⁰⁹ To Charles Portal from Arthur Harris. August 13, 1941. PRO. AIR 8/417.

⁴¹⁰ Butler, J.R.M. *Grand Strategy*. .p. 229.

concrete explanation to justify British inactivity to Stalin. Churchill's reply to Maisky's request for a token force to join the Russian front—that he would not send British soldiers to the Eastern front simply to be “cut to pieces,”—was so severe that Cripps could not reword it politely.⁴¹¹ Certainly, Cripps noted, it could not persuade “the Russians that there are good reasons from both our points of view why we are unable to help them by sending armed forces to this country.”⁴¹² Cripps wanted to know what Britain was doing. “We seem to be trying to carry on two relatively unrelated wars to the great benefit of Hitler instead of a single war upon the basis of a combined plan.”⁴¹³ The Soviets made similar criticisms, and needed an answer. Beaverbrook echoed Cripps' frustration when he told the War Cabinet on October 19 that “since the start of the German campaign against Russia our military leaders have shown themselves consistently averse to taking any military action.”⁴¹⁴ Churchill realized that the best answer to such questions was battle in the Western Desert. Excuses without action would carry no weight. Since action on the Eastern Front or in Northern Europe was not yet practicable, the only realistic alternative over the short term was to fight in Africa, where Churchill wanted to act anyway.

Despite Churchill's pressure to open the offensive in Libya as quickly as possible, the Commander-in-Chief Middle East, Claude Auchinleck, was not initially keen to do so. He wanted to wait until his troops had a “reasonable” chance of

⁴¹¹ Churchill, *The Grand Alliance...* pp. 374-375.

⁴¹² Stafford Cripps to the Foreign Office. October 30, 1941. PRO. PREM 3/401/7.

⁴¹³ Stafford Cripps to the Foreign Office. October 30, 1941. PRO. PREM 3/401/7.

⁴¹⁴ Taylor, A.J.P. *Beaverbrook*. p. 495.

success.⁴¹⁵ He took over his post precisely because, in June, Operation 'Battleaxe' had failed to dislodge the Axis from Cyrenaica. Churchill proved able to co-operate with his general. He let Auchinleck delay the start of 'Crusader' four times, each time on the grounds that his troops did not have the advantage in tanks and planes, or the training they needed to win, and also, some knowledge from 'Ultra' that Rommel was not ready to attack Tobruk. Not only was Auchinleck's force cobbled together from across the Empire and Dominions, it nearly doubled in size between June and November 1941.⁴¹⁶ Eventually Auchinleck relented. Intelligence convinced him that he had the "reasonable" chance he sought, and he agreed with Churchill on the merits and timing of 'Crusader'.⁴¹⁷ When Auchinleck started the operation, it was on the last possible day before Rommel planned to begin his attack on Tobruk, and with intelligence showing that Britain had greater air superiority than Auchinleck had originally thought.⁴¹⁸ He went to war with the maximum number of tanks, planes and anti-tank guns that the British Empire could send, once the Home Forces and Russia were provided for.⁴¹⁹ It was not as much as he wanted, however, or enough to win.

Anti-tank guns were central to armoured confrontations in the desert. Especially on the defense, the Germans made devastating use of their 50 millimeter anti-tank guns and their 88 millimeter anti-aircraft artillery against British tanks. German attacks also exploited British weakness in anti-tank guns. The Germans

⁴¹⁵ Ferris, John. "The 'Usual Source': Signals Intelligence and Planning for the Eighth Army 'Crusader' Offensive, 1941." *Intelligence and National Security*. 14:1 (1999), p. 112.

⁴¹⁶ Ferris, John. *Intelligence and Strategy: Selected Essays*. London: Routledge, 2005. p. 202.

⁴¹⁷ Ferris, John. "The 'Usual Source'...p. 112.

⁴¹⁸ Bennett, Ralph. *ULTRA and Mediterranean Strategy...* pp.85-86.

⁴¹⁹ From the War Office to Commander-in-Chief Middle East. July 15, 1941. PRO. PREM 3/291/1.

attacked in a style similar to that of the British; they lined up and charged. When attacking British infantry artillery firing over open sights and their two-pounder anti-tank guns, however, German armour often was repulsed with serious losses. Fully half of the Afrika Korps was knocked out through these means during just two German attacks in 'Crusader'. However, the segregated nature of British armoured units, combined with their misunderstanding of mobile warfare, enabled the integrated German armoured units to smash British armour.⁴²⁰ Not until mid 1942, when the British equipped their anti-tank regiments with six-pounder guns, which, in turn, allowed more two-pounder guns to be sent to infantry units, did Britain finally have a decent anti-tank capacity. Notably, from that moment German armoured attacks routinely failed, at great cost.⁴²¹ Although British commanders, both locally and in London, failed to appreciate fully the importance of anti-tank artillery until after 'Crusader', they nonetheless knew that it was necessary. Auchinleck in particular appreciated his weakness in anti-tank artillery. In July 1941 he requested his full allotment of anti-tank weapons. He was reassured by the War Office that more were on the way, "You have 328 available in Middle East and in addition there are 42 en route and 104 are being dispatched to you in W.S.10. This actually gives you a surplus over your establishment of 14 guns." By the time 'Crusader' started, Auchinleck's forces still were weak in that arm, but Whitehall believed that they were strong enough. In October, Britain began setting aside anti-tank guns for Russia, which started to be shipped there in November:

⁴²⁰ Ferris, John. *Intelligence and Strategy...* p. 208-209.

⁴²¹ Playfair, I.S.O. *Vol. III...* p. 215.

Figure X: Two-Pounder A/T Guns to Russia⁴²²

	Sep	Oct	Nov	Dec	Jan 42	Feb	Mar	Total
Russia	0	0	52	48	64	84	40	286

Thus, Whitehall deprived Auchinleck's forces of replacement anti-tank guns at a crucial time. Even what he possessed had taken two months of wrangling to obtain. These diversions did not weaken British forces during Crusader, but did undermine their power over the next 6 months, when Rommel recovered.

The position regarding tanks was particularly troublesome. By October 25, the Middle-East command had received over 770 tanks from British and American shipping via the Red Sea.⁴²³ While the British forces assembled for 'Crusader' were the strongest yet provided in the theatre, the Axis formations had several strengths which mitigated British superiority in numbers. They worked well together, traveling at similar speeds and in well integrated units, using combined arms tactics with infantry, anti-tank guns, and artillery. The crucial German advantage was in superior training and unit cohesion.

Auchinleck understood the inferior training of British tank crews as compared to their German opponents, though not its scale, nor the problems in British tactics and command. He sought to mitigate his known disadvantages, given the urgency of the offensive and the limited time for training, by the only means at his disposal: numerical superiority. He insisted on a large British advantage in numbers of tanks,

⁴²² Figures for November and December from monthly fulfillment reports PRO. FO 371/29582; January through March are from "LONUS MOSSY" Jan 6, Feb 9, Mar 4, and April 9. PRO. FO 371/32858.

⁴²³ Playfair, I.S.O. *The Mediterranean and the Middle East, Vol. III*. London: Her Majesty's Stationary Office, 1960. pp. 4-5.

combined with hefty reserves of 50% to address the notorious unreliability of British tanks in the desert.⁴²⁴ On the eve of the offensive the British had 738 tanks in the Middle East. The Germans, conversely, had only about 250 tanks, with no reserves, and they only managed to get to this number through excellent maintenance. They received “practically” no tank reinforcements between July and December 1941.⁴²⁵ The British based their strategy around their perceptions of Axis strength, which were askew in the summer of 1941. Thus at the end of September the British estimated that on November 1 Axis tank strength would be 336 front line with another 34 reserves, or a total of 370.⁴²⁶ Just before the attack, however, ‘Ultra’ revealed that the Axis would have only 274 serviceable tanks, much lower than the earlier estimates had indicated. This shaped Auchinleck’s decision that he had a fair chance of success.⁴²⁷

In addition to poor training, the British faced problems in the quality of their tanks. Although their equipment was not bad, the choice was “not between a good tank and a better one, but between a fairly good tank and no tank at all.”⁴²⁸ Wild variances in speed between tank types and models, along with different fuels forced these vehicles to be segregated into separate units. The main British tanks sent to the Middle East, the “I” tanks, Matildas and Valentines, served in self-contained units allocated to support infantry divisions. They were slow, and heavily armoured, with

79 See below. Playfair, I.S.O. *The Mediterranean and the Middle East, Vol. II...* p. 255.

80 Playfair. *The Mediterranean and the Middle East, Vol. II...* p. 263.

⁴²⁶ Commander-in-Chief Middle East to the War Office. September 30, 1941. PRO. PREM 3/288/8.

⁴²⁷ Bennet, Ralph. *Ultra...* pp. 85-86.

⁴²⁸ Playfair, *The Mediterranean and the Middle East, Vol. II.* p. 435.

the thickest and second thickest armour by far in the theatre⁴²⁹ (an important consideration given the lack of training), and the same armament as Crusaders, and similar to Stuarts, the other main tanks in the Middle East. The American Stuart, conversely, was a light tank with appallingly bad fuel economy, but reliable. The newest British tank, the 'Crusader', having been rushed into production, was mechanically unreliable and needed time consuming upgrades just to be operational.⁴³⁰ This fact, well known months before the start of Operation 'Crusader', should have been considered by the British leadership when it was allocating supplies, but was not. After the battle, Auchinleck noted "our cruiser tanks are mechanically inferior to the German tank in so far as their reliability in battle conditions is concerned."⁴³¹ Tank maintenance was a severe and constant problem for the British. In March 1942, when enough American production came on line to begin to meet the demands of the British and the Soviets, the number of tanks in the Middle East increased to 1383. 746 of these were in the shop, being repaired; an astronomical fifty-three percent.⁴³²

Auchinleck constantly pressed for greater numbers of tank reinforcements. The need was known at the highest levels. The CIGS, Sir John Dill, told the War Cabinet just weeks before the start of 'Crusader' that the tank situation in the Middle East was grave. "The parlous state of our tank situation should be represented to the USA with the request that they should supply the Middle East with 350 cruiser tanks from those

⁴²⁹ Ibid. p. 439.

⁴³⁰ Ibid. Playfair p. 471.

⁴³¹ Claude Auchinleck to Churchill. January 12 1942. PRO. PREM 2/291/7.

⁴³² Playfair, I.S.O. *The Mediterranean and the Middle East, Vol. II...* p. 471.

now being allocated to the American Army.”⁴³³ These pleas had little effect, nor could they given the shortages in American production and their arrears to Russia.

Auchinleck’s tank difficulties were related directly to American production and Churchill and Roosevelt’s promise to Russia of 500 tanks per month from October 1, 1941 to June 30, 1942, half from British stores. This base commitment of 250 tanks per months already exceeded 100% of British Empire aggregate production of tanks, excluding promises of US production for British orders placed in America or Canadian production, which “will be fully stretched for some months in making up and maintaining their armoured division and Army tank brigade.”⁴³⁴

Figure XI: Immediate Effect of Diversion of Tank Production to Russia on British Supplies of Armour					
British Tank Production	Cruisers	I Tanks	Total		
Monthly Forecast	120	290	410		
Liabilities as of Sept. 11					
Monthly shipment to Empire and M.E.	30	70	100		
Needed for Home Forces	50	375	425		
Recurring Monthly Total	80	445	525		
Monthly Net	40	(155)	(115)		
New Russian Commitment	Mix	Mix	250		
New monthly net (deficit)			(365)		

⁴³³ War Cabinet, Chiefs of Staff Committee Minutes. November 3, 1941. PRO. CAB 79/15.

⁴³⁴ Figures from “DDMO to DMO & P” September 11, 1941. PRO. WO 193/580.

Production forecasts anticipated Empire production of only 225 Matildas and Valentines⁴³⁵ for October, and 261 for November. “The appropriation of tanks for Russia is necessarily limited to two types: Matilda and Valentine,” since Crusaders were allocated to the Middle East, whilst Churchills and Covenanters were as yet too unreliable to be shipped outside Britain. In fact, these tanks probably were the most useful for Russia, though roughly equal in value to British forces in the desert. Even worse, the Americans could not meet their quota, so Britain met that shortfall to Russia of 84 in October and 43 in November from its own production.

Figure XII: Relationship of Russian Diversion to British Tank Position		
	October	November ⁴³⁶
Promised from British Production	250	250
U.S. Deficiency to be made up from British Production	84	43
Total British Contribution	334	293
Total British Production of Transferrable Types	225	261
Balance to be withdrawn from Home Forces	29	32

⁴³⁵ Brief by the C.I.G.S. for Churchill, October 4, 1941. PRO WO 193/580.

⁴³⁶ Ibid.

Thus, in October and November 1941, 61 tanks were sent from home forces to Russia, along with the entire Empire production of Matildas and Valentines, and the whole American shipment of 373 tanks to Russia, which was originally earmarked for British units.⁴³⁷ American production was well below commitments:

Figure XIII: U.S. Tank Production and Distribution ⁴³⁸					
	Production	Distribution			
Light Tanks	All U.S. Production	U.K.	U.S.S.R.	Total Distributed	Net to U.S.A.
October	339	96	94	190	149
November	316	152	38	190	126
December	349	84	116	200	149
Medium Tanks					
October	130	52	72	124	6
November	235	20	169	189	46
December	275	120	184	304	0

Shipments to Russia during the fall, therefore, dominated British exports of armour.

Figure XIV: Distribution of British Tank Production from October 1941 through January 1942 ⁴³⁹			
Total	Overseas	Russia	Home Forces
2526	520	1127	879
% of Total Production	20%	45%	35%

Excluding the over-insurance of the British Isles, Russia was favoured over all other parts of the British Empire by more than a two to one ratio in tanks for the autumn of 1941, and through the new year of 1942.

⁴³⁷ Ibid..

⁴³⁸ "Tank Production and Distribution." October 25, 1941. NARA. RG 169, Entry 63, Box 492.

⁴³⁹ Including M.E. and all Empire forces. Figures from January 27, 1942. PRO. WO 193/539.

These deployments seriously reduced Britain's ability to reinforce the Middle East. The results of this change can be seen in figure XV:

Figure XV: Tank Allocations to The Middle East Theatre ⁴⁴⁰				
Middle East	Pre-Moscow Allocation	Revised Allocation	Difference	Percentage
October	220	148	(72)	-33%
November	240	164	(76)	-32%
Total	460	312	(148)	-32%

The War Office had planned to send more than 460 tanks to the Middle East before Operation Crusader, but actually sent only 312, a reduction of one third. During October and November, on the eve of a major offensive in North Africa, with the threats of invasion of the British Isles and Malaya acute, the British Empire gave away to Russia exactly 1000 tanks.

The Americans wished to do more than they did. When confronted with the news of British sacrifices to make good America's promises to Russia, the State Department advised that,

Please do not overlook, however, the fact that the British are insisting on shipment in October and November of 124 light tanks per month to the Middle East to complete equipment of their mechanized division there. Since the British are sending such a large percentage of their British production direct to Archangel from Great Britain and counting on the shipment of our light tanks to the Middle East, I strongly recommend that we adhere to the British request.⁴⁴¹

Once again, though, America could not ship tanks which failed to materialise in its factories.

In October, Britain revised its delivery schedule. This schedule, based on a doubling of U.S. tank production available for British use in the New Year, foresaw a

⁴⁴⁰ Brief by the C.I.G.S. for Churchill, October 4, 1941. PRO WO 193/580. PRO. WO 193/580.

⁴⁴¹ Cable from U.S. Embassy in London to Hopkins. October 11, 1941. NARA. RG 169, Entry 86, Box 697.

reduction in the percentage allocated to Russia, and a meeting of the American arrears with the Middle East and the Dominions

Figure XVI: Proposed Empire-wide allocation of all tanks produced from October 1941-March 1942 ⁴⁴²							
Oct-Dec 1941	Total	Home Forces	India	Australia	New Zealand	Russia	M.E.
U.K. and Canadian Production	1790	678	54	18	18	807	215
U.S. Production	524	12	7	20	Nil	nil	512
Sub-total	2314	690	61	38	18	807	727
% of Sub-total		30%	2.6%	1.6%	.8%	35%	31.5%
Jan-Mar 1942							
U.K. and Canadian Production	2025	746	54	18	18	750	439
U.S. Production	1035	165	180	60	30	nil	600
Sub-total	3060	911	234	78	48	750	1039
% of sub-total		30%	7.65%	2.5%	1.6%	24.5%	34%
Overall Total for Oct-March	5374	1601	295	126	66	1557	1766
% of overall total		30%	5.5%	2.3%	1.2%	29%	33%

These figures were not met, since U.S. production continued to lag and then was consumed by U.S. forces after the Japanese attack. By March 1942, the War Office reported the following deficiencies from U.S. production:

Figure XVII: Deficiencies in U.S. tank deliveries November 1941-March 1942 ⁴⁴³				
	M.E.	Dominions	Other	Total
Allocation	602	858	128	1588
Actually delivered	545	227	37	866
Shortfall	57	631	91	722
% of allocation missed	9.5%	74%	71%	46%

⁴⁴² Figures from War Office, "Production and Allocation of A.F.V's." Author not stated. October 25, 1941. PRO. WO 193/580

⁴⁴³ Statements showing allocations of American tanks compared with actual shipments. Author not stated. March 10, 1942. PRO. WO 193/539.

Although the tanks sent to Russia in November would not have arrived in the Middle East in time to participate in the opening phases of ‘Crusader’, they are relevant to an evaluation of British decision-making. The first issue is the uncertainty of Churchill’s perceptions of the readiness of British armoured forces, and therefore of the need for re-inforcements and of the speed with which they would be available. He assumed that any tanks which arrived in the Middle East could be unloaded and sent to the front with capable crews very quickly. In July, he told Auchinleck that he realized the need for extra armour “in spite of the stress which Wavell and you both lay upon the further training of these *already trained* units.”⁴⁴⁴ Auchinleck retorted, correctly, that the tank crews from England “were fully trained in their own type of tanks but lacked individual and collective training for different types of tank.”⁴⁴⁵ Again, this armour could have freed up reserves for ‘Crusader’. Auchinleck kept a reserve force of approximately 50% of his tank strength.⁴⁴⁶ While half of these vehicles were undergoing modifications, the other half were fully functional, and could have advanced sooner had fresh tanks arrived to take their place as reserves. While these vehicles could not have swayed the results of the initial aspects of ‘Crusader’, the extra 495 tanks sent to Russia in October and November certainly could have contributed to the fight against Rommel’s January counter-attack. They also would have been valuable insurance had Rommel missed his chance six days into

⁴⁴⁴ Churchill to Claude Auchinleck. July 7, 1941. PRO. PREM 3/291/1. Italics mine.

⁴⁴⁵ Commander-in Chief Middle East to Churchill. July 15, 1941. PRO. PREM 3/291/1.

⁴⁴⁶ Playfair, I.S.O. *The Mediterranean and the Middle East, Vol. III...* p. 31.

'Crusader', and destroyed all British armour in the desert, as he was well positioned to do.⁴⁴⁷ The 1500 tanks sent to Russia by March would have doubled British strength in the desert by May 1942, creating a force even Rommel might have not dared attack, and with which even the Eighth Army could not have lost, especially if bolstered by the anti-tank guns sent to the U.S.S.R.

Even more important to British success in the Middle East than armour was the strength of the RAF. The Air Force was much more efficient, effective, and better trained than British armoured forces, and during 'Crusader' caught up to and then surpassed the Luftwaffe in operations over ground forces. Where additional tanks would have reduced British weaknesses, more aircraft would have built up its strength. Furthermore, success on the ground was contingent upon strength in the air, as, in practice, the RAF worked closely with the Army and often leveraged success on the ground.⁴⁴⁸ The role played by British aid to Russia in the diminution of RAF strength in the Middle East is easier to quantify and clarify than that of tanks. Planes could be flown to the Middle East and arrive in days rather than weeks. Given the competence of RAF pilots and crews, moreover, had they arrived, they could have made contributions more swiftly. Additionally, strategists in both London and the Middle East knew how important air superiority would be to success in the desert. So important was air power in North Africa that the Navy and Army attributed their setbacks in the spring and summer of 1941 to a lack of air support. While the Air Ministry saw this

⁴⁴⁷ Ferris, John. "The 'Usual Source': Signals Intelligence and Planning for the Eighth Army 'Crusader' Offensive, 1941." *Intelligence and National Security*. 14:1 (1999), p. 113.

⁴⁴⁸ For a detailed look see, Gladman, Brad. *Intelligence and Anglo-American air support in World War Two: the Western Desert and Tunisia, 1940-43*. Palgrave Macmillan, 2009.

blame game as a symptom of the other services failure to “recognise that the war in the Mediterranean is one great combined operation,” all three services, even while squabbling, agreed on the need for more planes.⁴⁴⁹

With the inception of aid to Russia, the arrivals of aircraft to the Middle East took an immediate decline. While this reduction was not absolute like that of tanks, it lasted for much longer (See figure XVIII).⁴⁵⁰

Figure XVIII: Fighter Distribution Outside Britain ⁴⁵¹									
	Aug	Sept	Oct	Nov	Dec	Jan 42	Feb	Mar	Total
Middle East	121	209	97	122	228	306	129	183	1395
Singapore ⁴⁵²	0	0	0	0	0	51 ⁴⁵³	0	0	51
Russia	0	200	182	269	216	287	178	181	1513 ⁴⁵⁴
Total	121	409	279	391	444	644	307	364	2959

The peak number of air reinforcements to the Middle East before Barbarossa was in June, at 394. These numbers dropped immediately to 305 in July and to 168 by

⁴⁴⁹ “Official notes on the R.A.F. in the Middle East.” Undated. Appears to be July 19 or July 20, 1941. PRO. AIR 8/517.

⁴⁵⁰ The statistics for Russia are those of planes that had been shipped, but not necessarily arrived in Russia. Those for the Middle and Far East are of arrivals. The choice was made to compare different categories in order to show the point at which the British no longer controlled the aircraft, in the case of Russia, and the point at which the aircraft were usable again, in the case of the Middle East. Moreover, the time taken to box and load these aircraft for Russia would not have been necessary if they were going to the Middle East instead. 711 British planes had arrived in Russia by the end of 1941. Ed. Alexander Hill. *The Great Patriotic War of the Soviet Union, 1941-45. A Documentary Reader*. Routledge: London, 2009. P. 174. August-October figures from Playfair, I.S.O. *The Mediterranean and the Middle East, Vol. II. “The Germans Come to the Help of Their Ally*. London: Her Majesty’s Stationary Office, 1956. pp. 361-363. November-March figures from Playfair, I.S.O. *The Mediterranean and the Middle East, Vol. III: British Fortunes Reach Their Lowest Ebb*. London: Her Majesty’s Stationary Office, 1960. pp. 458-459.

⁴⁵¹ Includes Tomahawks, Kittyhawks, Hurricanes, and Buffalo (to the Far East only). In March 1942 the first Spitfires arrived in the Middle East, and have been included in the tally for that month.

⁴⁵² The only fighters in Singapore at the start of the war were Buffalos, which arrived in February 1941. Allen, Louis. *Singapore 1941-1942*. London: Davis-Poynter, 1977. p. 52.

⁴⁵³ These aircraft were Hurricanes which arrived in crates and required assembly. A further 48 were scheduled to be flown off the *Indomitable*, but arrived too late for the fighting in Singapore and so were sent to Java instead. Kirby, *Chain of Disaster*. p. 163. Another 136 were scheduled to be transferred from the Middle East to Burma to be ready For action in early February. January 1, 1942. “Reinforcement Programme For Singapore.” PRO. PREM 3/154/3.

⁴⁵⁴ Figures for November and December from monthly fulfillment reports PRO. FO 371/29582; January through March are from “LONUS MOSSY” Jan 6, Feb 9, Mar 4, and April 9. PRO. FO 371/32858.

October.⁴⁵⁵ Reinforcements did not return to near 300 planes a month until December, and even this number could not be maintained reliably until March.⁴⁵⁶ This decrease in reinforcements occurred precisely during the period when the Soviets were beginning to receive aid in aircraft from the British and Americans.

Acutely aware of the importance of air power in the Middle East and the effect of Russian diversions on the build-up for Crusader, the Air Ministry in October launched a bureaucratic rear-guard attempt to delay shipments to Russia. It was their last chance to ensure air superiority for the November operation. Their tactics were lawyerly, as they attempted to water down the numerical commitment to Russia in favour of more subjective measures of support: "I advise you very strongly to avoid, if possible, becoming involved in figures during your discussion with Lord Beaverbrook. May I suggest instead that you should try to maintain the right of the Air Ministry to decide how best to allot the available aircraft to obtain the maximum advantage for Russia compatible with the security of this country and the maintenance of the necessary strength in the Middle East?"⁴⁵⁷ The plan was endorsed at the very top of the Air Ministry, "S. o S. agreed that the essential needs of this country and the Middle East must come first in any consideration of aid to Russia. From the Russian point of view an offer of Mustangs and Aeracobras would possess certain strong attractions."⁴⁵⁸ This position was at odds with Churchill's strategic hierarchy, though the effort to shunt

⁴⁵⁵ Playfair, I.S.O. *The Mediterranean and the Middle East, Vol. II*. London: Her Majesty's Stationary Office, 1956. p. 361.

⁴⁵⁶ Playfair, I.S.O. *The Mediterranean and the Middle East, Vol. III*. London: Her Majesty's Stationary Office, 1960. p. 459.

⁴⁵⁷ Chief of the Air Staff to the Secretary of State for Air. October 18, 1941. PRO. AIR 19/302.

⁴⁵⁸ Notes of a meeting of the Air Staff. October 14, 1941. PRO. AIR 8/1000.

unreliable American deliveries off on the Soviets, buttered-up as a qualitative improvement, was laudably ruthless. The effort was doomed, as Churchill and Beaverbrook were more powerful than the Air Ministry, and public opinion backed the commitment to Russia. As Sinclair informed his subordinates of their defeat, “the proposals which we have put forward are intrinsically the best that could have been made from the standpoint of the efficient conduct of the air war as a whole. I have stood firm on them in my correspondence with Beaverbrook and I am prepared to advocate them strongly at the Defence Committee or in the Cabinet. At the same time, we shall have to take heed of the other considerations.”⁴⁵⁹

The aggregate figures of aid to Russia reveal the net impact of British assistance and of American production difficulties. British exports to Russia were timely and substantial:

Figure XIX: British Shipments to Russia as of December 31, 1941⁴⁶⁰

Item	Arrivals	Afloat	Loaded or booked	TOTAL
FIGHTERS				
Hurricanes	284	124	50	458
Tomahawks	26	4	0	30
Airacobras	11	36	15	62
TOTAL	321	164	65	550
TANKS				
Valentines	259	51	45	355
Valentines (from Canada)	0	15	85	100
Tetrarchs	20	0	0	20
Matildas	187	95	61	343
TOTAL	466	161	191	818

⁴⁵⁹ Secretary of State for Air to Chief of the Air Staff. October 20, 1941. PRO. AIR 19/302.

⁴⁶⁰ From the British Supply Council in North America to the Lend-Lease Administration. February 11, 1942. NARA. RG 169, Entry 4, Box 76.

The figure of 550 fighters shipped does not include Britain's earlier gift of Tomahawks or a separate shipment of Hurricanes which predated Lend-Lease, leading to a total number of British fighters sent of just under 1,000 before the end of 1941. Of these, 711 already had been received by the Russians as of January 1, 1942.⁴⁶¹ Looking at fighters which could definitely have been used in Crusader, by October 31 Britain and the United States combined had shipped Russia a total of 711 fighters. Of these, 92% came from British supplies; the U.S.A. supplied the remaining 8%.

Figure XX:



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⁴⁶¹ Indeed, the British gift of Tomahawks was operating in combat in Russia at least as early as October 12. Ed. Alexander Hill. *The Great Patriotic War of the Soviet Union, 1941-45. A Documentary Reader*. Routledge: London, 2009. P. 174.

⁴⁶² Report on British deliveries to Russia. Undated but internal evidence suggests a date in the first week of November, 1941. NARA. RG 169, Entry 63, Box 492.

As the extent of American under-production became clear, the Air Staff had no alternative but to send Russia exclusively Hurricanes.⁴⁶³ Air Ministry officers considered increasing the supply of American planes, but the initial 200 Tomahawks sent to Russia had serious mechanical issues and lacked spare parts, embarrassing the Allies.⁴⁶⁴ Stalin was even offered the brand new P-51 Mustang in October, for shipment in January, an offer motivated by the Air Ministry's desperate need for Hurricanes in North Africa: "S. o S. agreed that the essential needs of this country and the Middle East must come first in any consideration of aid to Russia."⁴⁶⁵ But Stalin eventually turned them down, stating "We would like as many Hurricanes as possible. I was told that besides planes of the Aerocobra type you have in mind to send us Mustang aircraft. The number of different

⁴⁶³ Neither did the Russians receive inferior types, an accusation common in the Cold War literature. (For example, see Berezhkov, *History in the Making...* p. 181.) Rather, as the below figure shows, the main fighter sent to Russia was the same as the one shown in figure 3, the Hurricane, a good fighter, and far better suited to Soviet maintenance capabilities than the skittish Spitfire, which had not yet been sent to any theatre outside Britain. Furthermore, the combined Hurricane distribution figures match almost exactly their overall monthly production numbers as shown in Figure 2. Fighters to Russia by Type (Figures For November and December from monthly fulfillment reports PRO. FO 371/29582; January through March are from "Lonus Mossy" Jan 6, Feb 9, Mar 4, and April 9. PRO. FO 371/32858.)

	Sep	Oct	Nov	Dec	Jan 42	Feb	Mar	Total
Hurricane	0	182	213 ⁴⁶³	195	260	162	181	1193
Tomahawk	200	0	19	11	0	0	0	230
Aerocobra	0	0	37	10	27	16	0	90
TOTAL	200	182	269	216	287	178	181	1513

The types of aircraft sent to Russia also were the same models that would have been sent to the Middle East (see figure 6).

⁴⁶⁴ To Air Ministry from 30 Mission, Russia. November 10, 1941. PRO. AIR 8/1000.

⁴⁶⁵ Notes of a meeting of the Air Staff. October 14, 1941. PRO. AIR 8/1000. In actuality, the U.S. production of Mustangs exported in January was 6.

types is getting too numerous.”⁴⁶⁶ As a consequence, the Air Ministry could preserve its supply of Hurricanes in North Africa only by trying to slow shipments to Russia. As it argued, “If we were to send the second 100 as soon as possible in one batch, this could only be done at the expense of Middle East and I do not consider that we should do this.”⁴⁶⁷ Beaverbrook rejected this option, intervening to hasten the shipments of Hurricanes and to ensure their arrival by the end of October.⁴⁶⁸ In fact, the Air Ministry shipped 540 Hurricanes to Russia by the end of November and had nothing to send the Middle East in their place.⁴⁶⁹ All one could do was take satisfaction in honourably meeting a promise and hope the Soviets made effective use of the equipment. On the eve of the Crusader operation, the Middle East was left to make do with the British Isles’ and Russia’s leftovers.

Over the course of the build up and execution of ‘Crusader’, eight convoys of military aid were dispatched to the Soviet Union. The first four, P.Q. 1 through P.Q.4, from September 29 to October 31, during the period of greatest intensity in the build-up for ‘Crusader’, contained 645 combat aircraft and 324 tanks, all of which arrived by November 30.⁴⁷⁰ These shipments very nearly match the numbers that would have been shipped to the Middle East had the earlier pace been maintained. While these tanks might have had little impact on the result of the ‘Crusader’ offensive, the aircraft certainly would have, and quickly. British estimates of numerical strength on

⁴⁶⁶ Lord Beaverbrook to Archibald Sinclair. December 4, 1941. PRO. AIR 8/1000.

⁴⁶⁷ D/A.M.S.O. to Mr. Wood. September 16, 1941. PRO. AIR 8/1000.

⁴⁶⁸ To Air Ministry from BRITLISTAF, Moscow. October 4, 1941. PRO. AIR 8/1000.

⁴⁶⁹ Air Ministry to 30 Mission, Russia. November 22, 1941. PRO. AIR 8/1000.

⁴⁷⁰ Convoy PQ 2 arrived after traveled direct to Russia via Scapa to Archangel. Arriving in 17 days. P.Q. 3 and P.Q. 4 stopped in Iceland, thus lengthening their trip from Iceland it took 11 days to reach Archangel. “Report of the Lord Chancellor.” PRO. PREM 3/401/4. January 31, 1942.

the eve of the offensive showed bare parity with the enemy. Estimates of October 13, October 15, and October 20 all showed the Axis as likely to have numerical superiority in the air. Even when the Italians were taken out of the tally the Germans were expected to have near parity.⁴⁷¹ It is all the more risky that reinforcements to the Middle East would be reduced at so critical a time. Furthermore, with interior lines the Germans were better positioned to reinforce their air position—and quickly—which they did by mid-December, doubling the number of single engine fighters and increasing their strength in other types by 50% in one month.⁴⁷² Even more, together these forces would have transformed British military power in the Middle East during the spring of 1942.

Indeed, when the Germans chose to place a large concentration of the Luftwaffe in Sicily from December 1941, Britain temporarily lost air superiority in the Mediterranean, specifically at the key outpost of Malta. Churchill noted the potential dangers of this loss of power, “I am sure that Tedder was not thinking only of numbers when he mentioned the loss of air ‘superiority.’ Performance is a most important factor, and so is the encouragement to enemy morale afforded by a combination of higher performance and temporary numerical superiority.”⁴⁷³ This situation was serious, and not just a passing phenomenon. Churchill telegraphed Nye, the VCIQS, who had been sent to the Middle East to ask tough questions of

⁴⁷¹ From H.Q. RAF Middle East to Whitehall, October 13, 1941; From Commander in Chief Middle East to War Office, October 15, 1941; and from HQ RAF Middle East to Whitehall, October 20, 1941. PRO. PREM 3/291/2.

⁴⁷² Cited in Cox, Sebastian. “‘The Difference Between White and Black’: Churchill, Imperial Politics, and Intelligence before the 1941 Crusader Offensive.” *Intelligence and National Security*, 9:3, 1994. P. 438.

⁴⁷³ Chief of the Air Staff Charles Portal to Churchill. March 21 1941. PRO. AIR 8/963.

Auchinleck, but appeared a Balaam when he took Auchinleck's side, "I do not wonder everything was so pleasant, considering you seem to have accepted everything they said, and all we have got to accept is the probable loss of Malta and the army standing idle, while the Russians are resisting the German counterstroke desperately, and while the enemy is reinforcing himself in Libya faster than we are."⁴⁷⁴ This loss of air superiority allowed Axis reinforcements to reach North Africa with fewer losses. Axis convoys could be sent within close proximity to Malta, and with a tiny escort.⁴⁷⁵ Malta's dire position gave the COS serious concerns that it would be invaded, or starved into submission. By mid April, the COS doubted that Malta could be held beyond June.⁴⁷⁶ Meanwhile, the large number of reinforcements which the Axis passed to Libya during this time delayed Britain's success in North Africa by some months, and threatened its entire position in Egypt.

Axis reinforcements arrived just as Allied figures declined steeply:

Figure XXI: Allied Fighter Reinforcement Arrivals in the Middle East Theatre.⁴⁷⁷

	Nov. '41	Dec.	Jan. '42	Feb.	March	April	May	June	July	Aug.	Sept.
Hurricane	60	93	186	87	71	111	13	122	78	83	163
Spitfire	0	0	0	0	35	61	77	73	81	72	50
Kittyhawk	62	135	116	42	108	11	56	51	23	79	147
Tomahawk	0	0	4	0	0	0	3	0	0	0	0
Total	122	228	304	129	214	183	149	246	182	234	360

⁴⁷⁴ Churchill, Winston. *The Hinge of Fate*. Cambridge: The Riverside Press, 1950. p. 294.

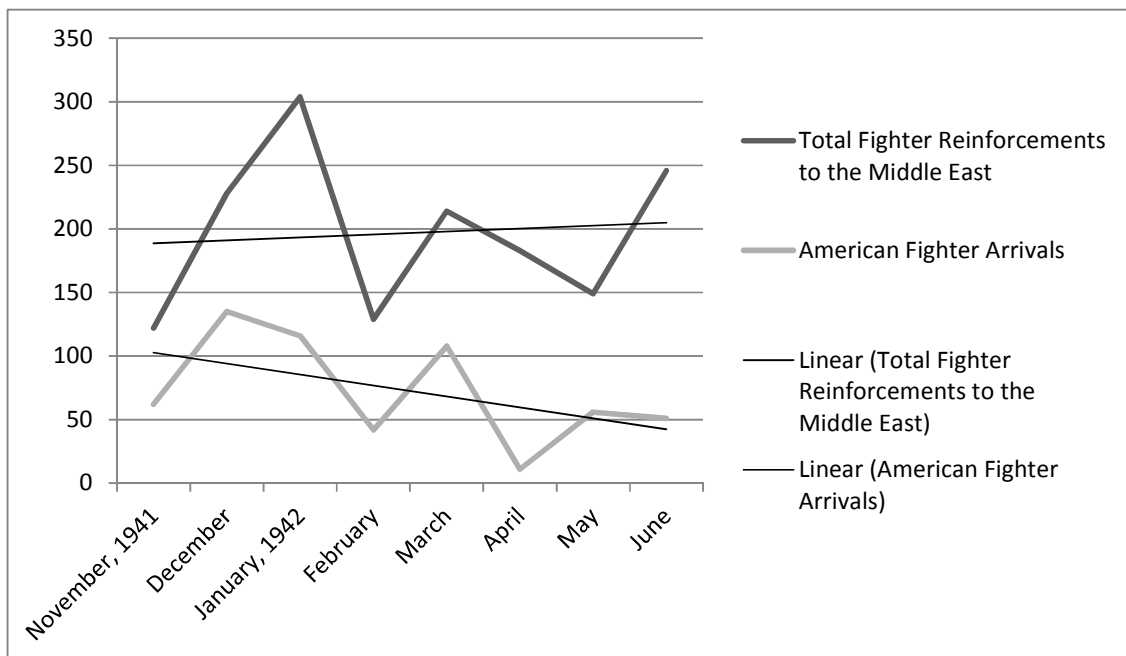
⁴⁷⁵ Playfair, I.S.O. *The Mediterranean and the Middle East, Vol. III*. p. 189.

⁴⁷⁶ Bennet, Ralph. *Ultra...* p. 120.

⁴⁷⁷ Playfair, I.S.O. *The Mediterranean and the Middle East, Vol. III: British Fortunes Reach Their Lowest Ebb*. London: Her Majesty's Stationary Office, 1960. pp. 458-459.

After a brief bump in January, reinforcements to the Middle East theatre plummeted, dropping by almost two thirds in February. The decline stemmed partly from the near collapse of U.S. aircraft shipments after Pearl Harbor. In April, U.S. arrivals reached their nadir, at a mere 11 planes. Deliveries did not recover until summer while the trend of U.S. deliveries to the Middle East was negative.⁴⁷⁸

Figure XXII: Total Fighter Reinforcements to the Middle East and U.S. Contribution



⁴⁷⁸ Playfair, I.S.O. *The Mediterranean and the Middle East, Vol. III: British Fortunes Reach Their Lowest Ebb*. London: Her Majesty's Stationary Office, 1960. pp. 458-459.

The situation of tank reinforcements was similar:

Figure XXIII: A.F.V. Position in the Western Desert.⁴⁷⁹

	Serviceable (of which, Tanks)	(of Light Tanks)	Repairable or Undergoing Modifications	Reinforcements "in Transit" ⁴⁸⁰
December 12, 1941 ⁴⁸¹	356 (180)		57 (6)	23
February 9, 1942	187 (83)		513 (109)	927
March 13, 1942	321 (80)		355 (105)	670
April 12, 1941	489 (141)		134 (33)	521
May 10, 1942	659 (132)		165 (27)	243
July 12, 1942 ⁴⁸²	517 (167)		1193 (249)	492
August 4, 1942	792 (257)		1100 (170)	379

In December, British forces in North Africa were down to 176 serviceable tanks, with an equal number of light tanks, virtually no reinforcements in transit and few vehicles in the shops. By February the number of functioning tanks declined to nearly 100, though with greater prospects of imminent reinforcement. At this time, however, the loss of air superiority in Malta allowed greater Axis reinforcements to reach North Africa too, meaning that Britain could not build the numerical advantage needed to neutralise the more effective German armour.

⁴⁷⁹ "A.F.V. Position in the Western Desert." Weekly Reports. Author(s) not stated. PRO. WO 193/565.

⁴⁸⁰ The official figures include tanks which have not actually been shipped but are expected to be arriving in convoys as much as 4 months hence. This is why the large figures 'in transit' do not necessarily appear the following month in the theatre.

⁴⁸¹ Figures missing for January.

⁴⁸² June figures are missing. July figures are for the entire 8th Army, including tanks in Iraq, Cyprus and Palestine.

Figure XXIV: Estimated Relative Tank and Weapon Strengths⁴⁸³

	British	Axis	British Advantage (Deficit)
As at June 20			
Tanks	111	130	(19)
Field and Medium Guns	246	406	(160)
Anti-Tank Guns	466	398	68
As at July 1			
Tanks	603	519	84
Field and Medium Guns	497	430	67
Anti-Tank Guns	701	582	119

After the Eighth Army was routed at the Battle of Gazala, it had a numerical inferiority in tanks which, even with repairs and reinforcements, was barely overcome by the first Battle of El Alamein.

The embarrassing setbacks in North Africa affected morale at home, where “the Libyan campaign was watched with a good deal of reserve by the public, even when official assurances were taken to be encouraging...Blame was freely distributed among a wide number of recipients, among which ‘the generals’ and ‘our leadership’ were certainly the commonest.”⁴⁸⁴ Even before the surrender of Tobruk, Britain’s failure to make good Churchill’s repeated optimistic prognostications undermined British prestige in the United States,⁴⁸⁵ despite the significant role which shortfalls in American production played in weakening Britain’s position everywhere but the Home Islands. In this case, his Russian gamble cost Britain.

⁴⁸³ The Middle East: Present dispositions, comparative strengths and reinforcements. July 1, 1942. PRO. CAB 66/26/6.

⁴⁸⁴ Report for the Cabinet by Brendan Bracken. July 17, 1942. PRO. CAB 66/26/28.

⁴⁸⁵ Memorandum to the Cabinet by Harold Butler. May 15, 1942. PRO. CAB 66/24/38.

Although 'Crusader' was not a defeat, its result was not nearly as decisive as anticipated. The Labour M.P. Emmanuel Shinwell truly described the result:

The 'Crusader' campaign has been prolonged beyond expectations. Instead of the destruction of General Rommel's forces, no more than 40,000 men were captured. This means that 80,000 are intact and are now apparently reinforced and are capable of taking the initiative...All things considered, while the Libyan campaign may not be regarded as a strategical failure, it cannot properly be described as a success. It has not liberated our forces in the Mediterranean nor paved the way for an attack on Italy and the creation of a real second front.⁴⁸⁶

The clear correlation between the inception of Lend-Lease aid to the Soviet Union and the significant drop in the reinforcements reaching the Middle East shows that Britain made real sacrifices to aid the Russians. As the M.P., and former Minister of Supply, Leslie Burgin, stated, "the British Army was fighting in Libya knowing that many tanks which would have offered a better resistance to Rommel had been sent to Russia."⁴⁸⁷ The British leadership took these steps because they had committed in September to specific aid deliveries to the Soviet Union, in other words, because they had promised to do so. But the gravity of these decisions should now be clear; the difference in potential strength for 'Crusader' by the end of December was 867 modern fighters, 495 tanks, and 100 anti-tank guns. This would have more than doubled British armoured and air strength, all before the January counter-attack. American production difficulties added to British woes, as Britain had not only to offset American arrears to Russia, but also to absorb the almost complete collapse of American supplies to the Middle East for months. Nevertheless, although Lend-Lease

⁴⁸⁶ *Hansard*. Series V, Volume 377. Jan. 28 1942. p. 791-92.

⁴⁸⁷ "Tanks That Went to Russia." *The Times* June 22, 1942: p. 3.

aid to Russia reduced British strength in the Middle East, the Eighth Army at least retained a place as the third British strategic priority. While the sacrifices in the Middle East were real, and perhaps cost a victory, they did not cause defeat; the British got just enough equipment to stymie Rommel's strategy and fight to a stalemate on the ground.

Chapter VI

From Defeat to Catastrophe in Singapore

R. K. Hardwick, a survivor of the Japanese invasion of the British Empire in the Far East, penned a fitting epitaph for the Singapore campaign, “We have completely lost face in all Malaya; we have lost face with the Dutch, and with the Chinese. We have been out-generalled, out-gunned, and out-fought. In the words of the dying Goethe when he turned his face to the wall, ‘how long, oh God, how long?’”⁴⁸⁸ The catastrophic defeat at Singapore signaled the death knell of the British Empire in the Far East. Yet the Japanese attack was not unexpected. British planners had outlined in surprising detail the direction, size, and components of a Japanese attack, which they knew was likely. Furthermore, British planners made reasonable plans to oppose it. Yet throughout 1941 British defences in Singapore remained weak, particularly air defence. Whitehall, and especially Churchill, would not make Singapore a priority for the RAF; Churchill’s Russian gamble ensured no last minute reinforcements. Greater concerns elsewhere and a lack of resources meant that Singapore’s reinforcement remained something to be done later. Had planes not been sent to Russia, it is unlikely that RAF reinforcements, would have been sent directly to Singapore. However, they would have been sent to the Middle East, from whence they could have gone to Singapore after Japan attacked. While this could not have saved Singapore it would have prevented humiliation by demonstrating British

⁴⁸⁸ Censored letter by R.K. Hardwick. March 21, 1942. PRO. DO 35/1010/3. R.K. Hardwick. Hardwick, a gentleman planter in Borneo before the war, subsequently joined the Australian military, attaining the rank of major in the Services Reconnaissance Detachment, a proto-special forces branch, and was mentioned in despatches in 1945 for his bravery leading native troops behind enemy lines. *The Straits Times*, April 29, 1947, Page 7.

commitment. Instead, the final chance even for indirect Far East reinforcement was eliminated by the decision to send British aid to Russia, where the planes were irretrievably lost from British control.

British aid to Russia has played a small role in the rich historiography of Singapore's collapse. Though often acknowledged as a factor in British weakness in the Far East—that if only Britain had not wasted weapons in Russia, things might have been better in Singapore—further investigation has been hampered by the lack of evidence from Russian sources about the efficacy of British aid there. As such, Britain's true supply priorities have been unmeasured. Raymond Callahan, for example, urged an investigation, noting that “the critical shortage in the Far East was in fighter aeroplanes...The fighters existed, but they went to the Middle East or to Russia...The question of whether the material sent to Russia might have been more profitably employed elsewhere has been little discussed. Perhaps it should be.”⁴⁸⁹ In 2002, Brian Farrell stated that “the decisions made by the British government and high command regarding the defense of Singapore and the Far East need to be seen not only in a long-term perspective, as we have been doing today, but also for the year 1941, in a global and comparative one.”⁴⁹⁰ With recent evidence from Russian sources showing that British aid mattered, a better view of Singapore's place in Britain's resource allocation hierarchy is possible.⁴⁹¹ Continuity and change in British Far Eastern strategy before and after

⁴⁸⁹ Callahan, Raymond. “The Illusion of Security: Singapore 1919-42.” *Journal of Contemporary History*, Vol. 9, No. 2 (Apr., 1974), pp. 69-92.

⁴⁹⁰ Farrell, Brian. “1941: An Overview.” In *60 Years On: The Fall of Singapore Revisited*. Eds. Brian Farrell and Sandy Hunter. Singapore: Eastern universities Press, 2002. p.180.

⁴⁹¹ See Hill, Alexander. “British Lend-Lease Aid and the Soviet War Effort, June 1941-June 1942.” *Journal of Military History*. Vol. 71, No. 3 (Jul., 2007), pp. 773-808.

Russian aid, and the strength and quality of invading Japanese air forces, set this assessment of the impact of Russian aid.

From the outbreak of the war British planning for the defence of the Far East was somewhat adaptable and usually realistic. Local military authorities in the Far East had realistic assessments of the Japanese threat and British needs to thwart it. They shared these assessments with Whitehall, which largely shared them. London, however, could not act to improve Far Eastern defence because of the need to reinforce other areas first. Furthermore, Churchill was implacably opposed to sending reinforcements to Singapore, which remained a blind spot to him. His only serious opposition on this matter came from the Chief of the Imperial General Staff, Field Marshall Sir John Dill, who was replaced as C.I.G.S. owing in part to this difference of opinion.

All these issues were exacerbated by Singapore's distance from sources of reinforcements. As Dill noted, it would take as much as three months for reinforcements to arrive in Singapore, except for aircraft. Though Japan eventually would have taken Singapore had it set its mind to it, Britain could have made that achievement far more costly to Japan. Aircraft were the centerpiece of Singapore's defence for 18 months before Japan attacked; there were plenty of pilots and crews in the Empire. Many of these were tied down in Britain as over-insurance of the base, which British planners would not have altered. However, hundreds more first line fighters would have been available without Russian Aid. They likely would have been sent to the Middle East, where they would have given Auchinleck comfortable air superiority, and enabled Britain to transfer several squadrons to the Far East when Japan attacked. However, with the advent of aid to Russia, Singapore went from third to fourth on Britain's strategic hierarchy in air

power, as India probably would have been in armoured priority, with a real consequence: with airplanes sent to Russia, there were no reserves available in the Middle East to send to Singapore when the Japanese attacked. The air-centred strategy, already on a shoestring, received no reinforcements, exposing a weakness which ultimately turned defeat into a rout that forever defaced Britain in the Far East.

Before war broke out with Germany, Whitehall hoped that the Royal Navy would deter Japan from any attack on the British Empire. Once war with Germany appeared imminent, the RAF acquired the role of deterrent to Japan. In both cases, the primary goal was deterrence, and failing that, the hope that Japan could be defeated by British forces.⁴⁹² This plan, usually called the ‘Singapore Strategy’, held that Royal Navy quickly could be dispatched in force to the Far East. The object of the Army and RAF in Singapore was to hold out briefly until help arrived. This strategy arguably was reasonable until the outbreak of war with Germany, at which time the COS lengthened the time Singapore would be expected to hold out, known as the ‘period before relief’: the “time during which the Garrison will have to hold out, beginning on the day in which the garrison is first attacked and ending on the day when the Main Fleet arrives and either defeats the enemy or forces him to withdraw.”⁴⁹³ The length of this period had been growing before the formal declaration of war. In 1937 it was 42 days, jumping to 70 in 1938 and reaching 90 at the outbreak of the war. By late September 1939, it jumped to

⁴⁹² For a detailed analysis of the Singapore strategy and a defense of British strategy in the Far East, see Christopher M. Bell. “The ‘Singapore Strategy’ and the Deterrence of Japan: Winston Churchill, the Admiralty and the Dispatch of Force Z.” *The English Historical Review*, Vol. 116, No. 467 (Jun., 2001), pp. 604-634.

⁴⁹³ War Office Report. “Notes on the problems affecting the Army in the case of an increase in the period before relief at Singapore.” Undated, but internal evidence suggests a date of late September, 1939. PRO. WO 193/997.

105. The War Office acknowledged that this figure was “optimistic” and dependent upon continued Italian neutrality and unfettered movement through the Mediterranean.⁴⁹⁴

Each increase in the period before relief had knock-on effects on British strategy in the Far East, which exposed Singapore to greater danger.

If this period is increased to six months, the defence problem is altered considerably. The Japanese, in addition to having time to establish shore bases for their attacking aircraft, would be able to mount a far larger scale of land attack...Against shore-based air attack, which will be possible if Japan has a free hand for six months, large increases on both A.A. guns and fighter aircraft will be required...The repercussions of an increase of the period before relief cannot be limited to Malaya: they affect the whole of the Far East and Australasia...Further repercussions will be felt in Australia and New Zealand, who are both vitally interested in the strength of Singapore...If they are now told that this fleet is not scheduled to arrive until six months after Singapore has been attacked, they will not be so confident about despatching formed bodies overseas, in view of their reaction on the security which this increased risk to Singapore will have. If Singapore is lost, it will result in incalculable harm to the Empire. It is also very doubtful if we would ever be able to regain it.⁴⁹⁵

Thus the defence of the Far East, of the antipodean Dominions, and even indirectly of the Middle East, through the potential recall of ANZAC divisions, was at stake in Singapore; and the answer was more anti-aircraft guns and fighter planes. But these could not be spared yet, and Japan was not an imminent threat. At the beginning of 1940, the Far East was devoid of combat aircraft. On January 24 1940, the COS told the Prime Minister that “there are, at present, no fighters in the Far East and we, therefore, propose to start forming two fighter squadrons there.”⁴⁹⁶ Even in the first month of the war British planners demonstrated an understanding of the importance of the Far East, and flexibility in the practicable ways to defend it.

⁴⁹⁴ Ibid.

⁴⁹⁵ Ibid.

⁴⁹⁶ Chiefs of Staff to Prime Minister. January 24, 1940. PRO. PREM 3/156/3.

The Far East defence strategy again was delayed in June 1940, when France fell and Italy joined Nazi Germany as a belligerent, requiring substantial reinforcements to the Royal Navy's Mediterranean fleet. The COS understood that Britain could send no fleet to the Far East for the foreseeable future. Fortunately, the War Office already had realised that the time might arrive when the period before relief would become indefinite. On June 4, as France collapsed, the immediate inclination of the COS was appeasement: "if we are not in a position to stand fast on all Japanese demands, accepting the risk of war, we must go for a sufficiently wide settlement to satisfy the Japanese...To stand fast on all points would, in fact, bring us to war with Japan and we cannot, from the military point of view, recommend this course. The alternative is to make every endeavour to clear up the situation in the Far East as soon as possible on a wide basis."⁴⁹⁷

Two months later, having had several weeks to reassess strategy, the COS determined that the solution was to give responsibility for defence in the Far East to the RAF, 'the Air Plan'. In late June, prodded by the Australian Prime Minister, the Governor of the Straits Settlements asked the War Office for immediate reinforcements. He noted a glaring contradiction in the plans for the defence of Singapore; the GOC was attempting to defend a naval base without capital ships in it, with planes operating from airfields he could not defend, forcing aircraft to concentrate in Singapore, thus leaving the Malay peninsula exposed to a land and air invasion that would wreck those air forces in Singapore.⁴⁹⁸ In response, Whitehall asked Australia to send two squadrons of fighters

⁴⁹⁷ Report by the Chiefs of Staff on the Far East situation. Written by Field Marshal Sir John Dill, Admiral Tom Phillips, and Marshall of the Royal Air Force Cyril Newall. July 4, 1940. PRO. CAB 66/9/29.

⁴⁹⁸ From the Governor of the Straits Settlements to the Secretary of State for Colonies. June 23, 1940. PRO AIR 23/3575.

to Singapore, and, after initially encouraging the Governor to initiate emergency measures, ordered him to maintain the status quo.⁴⁹⁹

A more thorough reply followed in August, when the COS reassessed Far Eastern strategy. Through its moves into South East Asia, Japan had developed the capacity to threaten British territory in the Far East by land. However, the base at Singapore was no longer sufficient; the entire Malay Peninsula must be defended with land and air forces. The primary means to deter a Japanese attack, or blunt one that occurred, would be the air force. As such, “Provision should be made for the increased air forces required in Malaya, British Borneo and the Indian Ocean, if possible by the end of 1941.”⁵⁰⁰ Japan could attack British territories in the Far East with 617-704 aircraft. To oppose them, the Empire needed 336 first line aircraft in the Far East. At that point, it had 88.⁵⁰¹

Whitehall informed the Governor of the Straits Settlement of this plan, accompanied by elucidations of capabilities of Far Eastern strategy. Reinforcements of planes and anti-aircraft guns soon would be forthcoming, including a first batch of fighters. Nevertheless, the Air Plan could not fully be met until late 1941. Logically, Japan would be mad to attack Britain—and inevitably the USA—but British and Japanese aims were in fundamental conflict.⁵⁰²

In October, the commanders of the services in the Far East, Commander in Chief, China Station, Vice Admiral Sir Geoffrey Layton, Air Officer Commanding, Far East,

⁴⁹⁹ From the Secretary of State for Colonies to Governor of the Straits Settlements. July 2, 1940. PRO. AIR 23/3575.

⁵⁰⁰ Far East Appreciation by the Chiefs of Staff. August 5, 1940. PRO. CAB 66/10/33.

⁵⁰¹ Far East Appreciation by the Chiefs of Staff. August 5, 1940. PRO. CAB 66/10/33.

⁵⁰² From the S of S for Colonies to the Governor of the Straits Settlements. Extracts of COS Far East Strategy. August 16, 1940. PRO. AIR 23/3575.

Air Vice Marshal John Babington, and General Officer Commanding, Malaya, Lt. General Sir Lionel Bond, created a tactical assessment of British forces and Japanese potential action in the Far East. They offered a prescient account of Japanese action.⁵⁰³ The commanders regarded the 336 planes offered by the COS as wholly inadequate. Far East Command covered a massive area and air power was the backbone of its defence. The RAF must: “I) Defeat Japanese Airborne Attack; II) Defeat Japanese land attack through Thailand; III) Attack any Japanese who get onshore anywhere; IV) Cut Japanese Sea Communication within range.”⁵⁰⁴ Furthermore, “in view of the weaknesses of air forces...the defence forces provided, handicapped by lack of artillery, tanks, anti-tank weapons, mortars and of A.C. aircraft, with the resulting serious effect on their morale, cannot be counted on to resist for more than a short period, nor can we replace ‘tired’ units.”⁵⁰⁵

Neither did the report underestimate the strength of Japanese air and naval forces. In addition to substantial carrier based forces in the South China Sea, Japan could bring up to 400 planes through Thailand and South East Asia, which could be reinforced easily by land. British forces were much more difficult to reinforce. This provided even more reason for strong Air Forces in the Far East. The report contrasted the Far East Command’s estimates with those of the COS (Table 1), and both of their intelligence estimates of likely Japanese forces (Table 2). The results demonstrated how seriously the

⁵⁰³ To the Air Officer Commanding, Far East from the Air Ministry. Undated. Approximately Late October 1940. PRO. AIR 23/3575.

⁵⁰⁴ Ibid.

⁵⁰⁵ Ibid.

Far Eastern commanders regarded the Japanese threat and how inadequate was the COS' offer.

Figure XXV: Present and Potential Far East Strength⁵⁰⁶

	I) Present Strength in Far East	II) Present Units Re-equipped Plus 4 Squadrons	III) Strength As Estimated by COS	IV) Full Strength as Recommended by Far East
GR Flying Boat	4 (obsolete)	6	18	18
GR Land Based	24	84	126	168
Fighter	Nil	32	64	144
Bomber (or T/B)	60 (24 Obsolete)	80	128	192
Army Coop.	6 Spotters	6 Spotters	Nil	44
Total	54 (First line)	208	336	566
Deficiencies at each stage:				
GR Flying Boat	14	12	Nil	Nil
GR Land Based	144	84	42	Nil
Fighter	144	112	80	Nil
Bomber (or T/B)	132	112	64	Nil
Army Coop.	38	38	44	Nil
Total	472	358	230	Nil

Even the Far East Command's plan accepted a deficit of overall planes vis-à-vis Japan, though a small one.

⁵⁰⁶ "Tactical Appreciation of Defence Situation in Malaya" by the Air Officer Commanding, Far East, General Officer Commanding Malaya, and Commander in Chief, China Station. October 16, 1940. PRO. AIR 23/3575.

Figure XXVI: Comparative Potential Strengths⁵⁰⁷

GRAND SUMMARY	British Far East Command's Plan	Anticipated Japanese Strength (Min/max)	British Advantage (Deficit)
Reconnaissance Planes	186	50/70	136/116
Fighters	144	175/195	(31/51)
Bombers ("striking force" for British)	192	406/446	(214/254)
Army Co-operation	44	Nil	44
Total	566	631/711	(65/145)

The Far East commanders possessed a solid grasp of Japanese intentions and capabilities.

The COS' reply was disappointing, if not unexpected. There could be no shipments of tanks or anti-tank guns through the end of 1941, and the request for 566 aeroplanes was impossible. The COS was "fully alive to the weakness in land and air forces, particularly the latter, and we are doing all that can be done to remedy this situation having regard to the demands of theatres which are already the scene of war."⁵⁰⁸

This inescapable fact affected supplies to the Far East; as aggressive as Japan looked, it was not yet at war with Britain. At the end of 1940 there just was not enough equipment to go around. The choice between fewer fighters in Britain or Egypt, where the Luftwaffe daily engaged the British, or sending them to the Far East, where the policy was deterrence, was easy to make. The COS agreed "that 582 aircraft is an ideal, but consider that 336 should give very fair degree of security, taking into account experience in Middle East (where our air forces had 3 to 1 inferiority at start of present campaign),

⁵⁰⁷ Ibid.

⁵⁰⁸ To Air Officer Commanding, Far East from the Air Ministry. Undated. Approximately Late October 1940. PRO. AIR 23/3575.

Malta and air defence Great Britain. Japanese should not be overestimated.”⁵⁰⁹ Taken out of context, the last sentence might confirm a blasé attitude toward the Japanese threat—and the COS certainly did underestimate the Japanese—but at least they were compared to Italians, a second rate European air force.

After the fall of France, British commanders in the Far East, planners in Whitehall and the Australian Government, accepted that the Singapore Plan was indefinitely postponed and Britain’s Far Eastern defence rested on deterrence, or victory through air power. The commanders in the Far East accurately assessed Japanese capabilities and British defence requirements. Unable and unwilling to meet these ideals, London accepted the necessity for dramatic increases in Far Eastern air power by the end of 1941.

Through the early part of 1941, as expected, reinforcements were slow to arrive in the Far East. The Joint Planning Staff in June 1941 produced a very accurate assessment of Japan’s attitude and capabilities, as well as when it would be best positioned to act aggressively: soon.

The expansionist policy of Japan is likely to be pursued in the future, as it has been in the past, by opportunist methods... she would always be prepared to resort to war with us, if her peaceful penetration was definitely checked, if we were in extreme difficulties elsewhere, or if she were convinced of USA indifference to her action. Japan has adequate forces and shipping available, and although her resources are severely limited, she has at present sufficient stocks for a year of war. Owing to British and American economic pressure, which is being increased, her economic capacity for war will progressively deteriorate. If, therefore, Japan should decide to run the risk of war with us, it would be to her advantage to take that risk sooner rather than later.

In the event of war, her probable course of action is an immediate attack on Singapore, both by land through Thailand and by sea, combined with the occupation of British and Dutch Borneo. We conclude that the effect of Japan’s entry into the war will depend upon the fate of Singapore. If we lose Singapore,

⁵⁰⁹ To Air Officer Commanding, Far East from the Air Ministry. Undated. Approximately Late October 1940. PRO. AIR 23/3575.

the strategic consequences are disastrous, if we hold it, Japan's intervention, though it will add greatly to existing naval commitments and economic difficulties, should have no decisive effect on the war in the West.⁵¹⁰

Furthermore, the Far East received a new Commander in Chief, Sir Robert Brooke-Popham, at the end of 1940. As an Air Chief Marshall, he was inclined to support the Air Plan. At the beginning of summer, several months into his tenure, he cabled London, only three days after Barbarossa, to ask when reinforcements could be expected, "Our establishment in the Far East laid down by the Chiefs of Staff is 336 first line aeroplanes; at present we have 150 and I am unable to obtain complete information from the Air Ministry as to how the balance will be made up."⁵¹¹ The entire Far East, as of June 30 1941, possessed 32 fighter and 30 reconnaissance planes.⁵¹² For one year, British defence of Malaya had centred on a policy of air power, which meant the identification of a Japanese fleet by reconnaissance planes, and its elimination by fighters and bombers. Although fighter numbers were expected to improve, reconnaissance planes were to remain at 30. Furthermore, there were few to no reserves. Thus, the fundamental premise of the Air Plan, to defend Malaya indefinitely, was hollow. As Brooke-Popham put it simply: "squadrons will do good work so long as they last but casualties will be heavy in war and reserves insufficient to keep them operationally efficient for long."⁵¹³ In the months when the Far East was expecting its turn at reinforcements, the Commander in Chief made sure London knew that planes were needed.

⁵¹⁰ Joint Planning Staff Future Strategy Review. June 14, 1941. PRO. AIR 9/141.

⁵¹¹ From Air Chief Marshal Robert Brooke-Popham to the Air Ministry. June 25, 1941. PRO. AIR 23/3575.

⁵¹² Commander in Chief Far East to Air Ministry. June 30, 1941. PRO. AIR 23/3575.

⁵¹³ Commander in Chief Far East to Air Ministry. June 30, 1941. PRO. AIR 23/3575.

In August, Brooke-Popham again cabled London and had changed his tone. He no longer expected to receive reinforcements before the outbreak of war. Indeed, he knew it was impossible to expect scarce planes to be sent to Singapore when in other theatre British troops were fighting. Instead he hoped to formulate a plan to deliver planes once hostilities were underway. He reported a deficiency in August of 184 planes (of the 336 allotted by the COS); by the end of the year his deficiency would be 168. "It would be helpful if I knew what is the Air Ministry policy for meeting this deficiency."⁵¹⁴ The delay in meeting the promised reinforcements before the end of the year would be very dangerous, because "with the situation as it stands today it is probable that we shall receive not more than a small percentage of our deficient aircraft before war breaks out with Japan."⁵¹⁵ Furthermore, he proposed erecting planes in India, so that they could move easily between the Middle East and Far East when necessary. "I feel the time factor may not be fully appreciated in England. From the time when an order is given for aircraft to be sent to this country from the U.K. until these aircraft are ready for issue to squadrons out here is between 4 and 5 months. Similarly, to form a new squadron out here with pilots trained only up to the FTO [Flight Training Organization] stage is a matter of some three months from the time when the pilots arrive in this country assuming aircraft are ready for them."⁵¹⁶ These warnings were prescient but ignored. This request arrived just as the Soviets were surviving defeat, the COS were furiously

⁵¹⁴ "From Commander in Chief Far East to Air Ministry. August 14, 1941. PRO. AIR 23/3575.

⁵¹⁵ Ibid.

⁵¹⁶ Ibid.

reinforcing the Middle East, American contracted deliveries still lagging, and the first steps toward sending military aid to Russia were being taken.

Far East command had only thirteen squadrons: four of Blenheims, two of Buffalos, two of Vildebeasts, two of Hudsons, and one of Catalinas.⁵¹⁷ All of these aircraft, save for the Blenheim, which was not a fighter, were second rate, or defenseless. Only the Buffalos were fighters, slower and less maneuverable than the Japanese Zero, though still rated at or above its level, the rest of the airplanes being bombers, torpedo bombers, or flying boats. No further reinforcements were expected until October, a handful of Blenheims, contingent upon the government of Australia releasing them.⁵¹⁸ The British expected the Japanese to outnumber them.⁵¹⁹

On September 15, Far Eastern Command estimated that if the Japanese invaded they could immediately “operate 72 heavy bombers, 24 light bombers, and 36 fighters from southern Indo-China.”⁵²⁰ Shortly thereafter, they could throw 240 shore based aircraft against Malaya.⁵²¹ While these figures were rather smaller than the size of Japanese air forces on December 8, 1941, they were good estimates for the time, and the warnings issued by the JPS, in concurrence with the C-in-C Far East, were clear. “Owing to the absence of a fleet, the Chiefs of Staff decided to rely primarily on air forces to harass an approaching enemy expeditionary force. The present numerical weakness of the

⁵¹⁷ Annex III—Air Forces. No date, but internal evidence suggests a date between August 10 and 13. PRO. CAB 79/13.

⁵¹⁸ Annex III—Air Forces. No date, but internal evidence suggests a date between August 10 and 13. PRO. CAB 79/13.

⁵¹⁹ Production Requirements. Joint Planning Staff. September 11, 1941 PRO. CAB 79/14.

⁵²⁰ War Cabinet, Joint Planning Staff Malaya Tactical Appreciation. September 15 1941. PRO. CAB 79/14.

⁵²¹ War Cabinet, Joint Planning Staff Malaya Tactical Appreciation. September 15 1941. PRO. CAB 79/14.

air forces accentuates the difficulties of guarding against sea-borne attack; in fact, our ability to attack shipping is deplorably weak.”⁵²² The decision to strip the Far East of air power was not due entirely to misconceptions, racial or strategic. As the JPS noted,

The Commander in Chief points out that, owing to the absence of a fleet, the Chiefs of Staff decided to rely primarily on air forces to harass an approaching enemy expeditionary force. The present numerical weakness of the air forces accentuates the difficulties of guarding against sea-borne attack; in fact, our ability to attack shipping is deplorably weak. He adds that our air forces lack reserves of personnel and aircraft and that as our air effort dwindles, so will the enemy’s chances of landing increase.⁵²³

Local commanders correctly warned Whitehall that they lacked the air strength needed to defend Singapore, and would lose if Japan attacked. Their description of how they would lose was accurate, though they grossly underestimated the speed with which this would happen. The COS and Churchill received this report, but again nothing was done, because they outstripped British resources, given Whitehall’s definition of priorities. The COS:

Fully appreciate your anxiety about the smallness of the air forces at your disposal... Appreciation gave end 1941 as our target date was subject to progress of war and rates of production of aircraft. Since that target date was fixed we have had to face disappointments in production both at home and in USA and to undertake accelerated programme of expansion in the Middle East. At present we are having to reinforce Mideast still further to meet probable scale of attack in Spring. Necessity to provide aircraft to support Russia and offset her loss of production capacity likely to impose further strain on British and American resources. In these circumstances it is not possible to give you firm programme of air force reinforcements but it is clear that we shall not be able to complete target programme nor indeed to give you any substantial reinforcements before the end of this year.⁵²⁴

The general issue of resources and priorities is illuminated by the Royal Navy fleet arm, the one other means by which Britain might have delivered air opposition

⁵²² War Cabinet, Joint Planning Staff Malaya Tactical Appreciation. September 15 1941. PRO. CAB 79/14.

⁵²³ Ibid.

⁵²⁴ Chiefs of Staff to Commander in Chief, Far East. September 17, 1941. PRO. AIR 23/3575.

shortly after Japan's attack. It too was victim to Churchill's other priorities. Not until late 1941 was he awakened to its weakness and moved to act. To his surprise, in September 1941, he learned that H.M.S. Indomitable was equipped mostly with obsolescent fighters, Albacores, Fulmars and a handful of first generation Hurricanes. Staff officers described this complement of planes as "ancient and out of date."⁵²⁵ On September 30 he ordered that the Fleet Air Arm be upgraded with "only the finest aeroplanes" and given "supreme priority" in procurement.⁵²⁶ This prompted a bemused explanation from the Ministry of Aircraft Production, "Believe me, I am fully alive to the urgency of getting the best procurable fighters for the fleet...if the P.M. will say - 'give the best fighters to the Fleet rather than send them elsewhere' - the matter would be settled very quickly. Unfortunately, 'elsewhere' at the moment, has priority."⁵²⁷ This statement exposed the fundamental limit to Britain's ability to defend the Far East. For some time, Churchill and his staff let the matter lapse. On December 6, however, as war loomed in the Pacific, Churchill was, at last, prepared to adequately equip the Fleet Air Arm, at the direct expense of 10% of the bombers being built under Lend-Lease in the United States. Three days later, after war began, he issued an order for the delivery of 225 fighters per month.⁵²⁸ It was too late.

When the Japanese attacked Malaya on December 8, it was defended by 158 obsolescent aircraft, less than half of the minimum of 336 which were deemed necessary

⁵²⁵ Letter addressed to Colonel Harvie Watt by R. Brabner of the R.A.F. November 13, 1941. PRO. PREM 3/171/3.

⁵²⁶ Prime Minister's Personal Minute. September 30, 1941. PRO. PREM 3/171/3.

⁵²⁷ From Mr. John at the Ministry of Aircraft Production to Captain Morse of the Indomitable. October 3, 1941. PRO. PREM 3/171/3.

⁵²⁸ Prime Minister's Personal Minute. December 6, 1941. And Extract from D.C. (S). Meeting of December 9, 1941. PRO. PREM 3/171/3.

for success.⁵²⁹ Even this figure does not reveal the true picture of British weakness. Many of these planes were so poorly armed and slow as to be almost as much a sitting duck in the air as on the ground.⁵³⁰ Only 91 obsolescent Buffalo fighters stood a chance.⁵³¹ Britain had just 5 reconnaissance aircraft, which was fundamental to their failure to track a Japanese invasion force which they knew was at sea.⁵³² The Japanese attacked with a four to one advantage in aircraft,⁵³³ including around 200 fighters, approximately half of them Zeros. The Japanese crushed British air forces in December, but with few good fighters. The entire invasion force of first line fighters equals the number of Hurricanes Britain sent to Russia in a single month.

When Japan attacked, the War Office realised the urgent need for the fighters which it had not been sending to the Far East. It cabled the Commander in Chief, Far East to reassure him that “we are doing everything possible to sustain your day fighter force and your short range bombers, and are also expediting A.A. reinforcements.”⁵³⁴ Unfortunately, precious few planes could be moved. The CAS wondered whether more than one squadron of Blenheims could be sent immediately.⁵³⁵ The only other fighters which could arrive in the near term were in the Middle East, which was dangerously thin in fighter strength itself. Nevertheless, by December 13, 1941 the Air Ministry diverted 11 squadrons of combat aircraft from the Middle East to the Far East and India,

⁵²⁹ Kirby. Woodburn. *The War Against Japan...* p. 251.

⁵³⁰ The Vildebeest, for example, was a bi-plane, first built in the 1920's, with a top speed less than 150 mph.

⁵³¹ Kirby. Woodburn. *The War Against Japan...* p. 511.

⁵³² Ibid.

⁵³³ Ferris, John. “Student and Master...” p. 115.

⁵³⁴ War Office to Commander in Chief, Far East. December 9, 1941. PRO. AIR 8/944.

⁵³⁵ Minutes of a meeting at the Air Ministry. December 10, 1941. PRO. AIR 8/944.

amounting to over 20% of the combat aircraft in the Middle East, though including no Hurricanes.⁵³⁶ Had more Hurricanes been available in the Middle East instead of Russia, probably they would have been sent to Singapore immediately.

Instead, owing to the fragile state of British air power in the Middle East, not until Christmas did Churchill tell Auchinleck to *prepare* to send 4 squadrons of Hurricanes to the Far East. Time was of the essence. If the fighters could meet the aircraft carrier *Indomitable*, they might arrive in Singapore by late January.⁵³⁷ The same day, the COS decided to postpone its planned follow-up offensive in North Africa, *Acrobat*, and to shift all available resources to the Far East, optimistically believing that fighters and bombers could be transferred to Singapore “without undue risk to the Middle East.”⁵³⁸ Auchinleck correctly retorted that “We are not in a position to assess the minimum requirements for security in the Far East. But in the Middle East we are already deficient of our minimum requirements of naval, land and Air Forces for security in the Spring of 1942.”⁵³⁹ He urged foot dragging. More study was needed—in an existential emergency in the Far East—though it was easy to move planes east quickly. “It is possible to reinforce [Singapore] with aircraft by air but we recommend that no decision be taken to divert squadrons at present.”⁵⁴⁰ The COS response was logical. Had the Middle East possessed more Hurricanes, probably this transfer could have been ordered more quickly and against less resistance from the Middle East Command.

⁵³⁶ “Middle East Expansion.” Author not stated. February 4, 1942. PRO. AIR 8/509.

⁵³⁷ Prime Minister to Claude Auchinleck. December 25, 1941. PRO. AIR 8/518.

⁵³⁸ War Cabinet Joint Planning Staff. December 25, 1941. PRO. AIR 8/942.

⁵³⁹ Claude Auchinleck to the War Office. December 28, 1941. PRO. AIR 8/518.

⁵⁴⁰ Claude Auchinleck to the War Office. December 28, 1941. PRO. AIR 8/518.

The arrival of the first squadron of Hurricanes was expected to rally the British, and to stall the Japanese attack. When the first Hurricanes had been erected and were ready to join the fight in Singapore, the Far East Command cabled home that “232 fighter squadron Hurricane 11 arrived Singapore 13/1 and first flown 15/1 most heartening to all of us.”⁵⁴¹ When the Hurricanes performed poorly, genuine shock reverberated all the way to London. On January 25 Japanese bombers raided Singapore with 27 heavy bombers which were met and dispersed by an understrength squadron of 8 Buffaloes. Meanwhile, 11 Hurricanes failed to find the enemy, while two crashed on their own.⁵⁴² By January 27, when 51 Hurricanes had been delivered and put into operation in the Malaya campaign, Far East Command had only eight operationally serviceable fighters, just one Hurricane--most were either seriously damaged (9) or destroyed (17).⁵⁴³

Three weeks were needed to discover the cause for the poor performance of Hurricanes in the Far East, a series of mistakes and misfortune that, combined, proved disastrous. The first 51 Hurricanes had pilots who were a “great majority from O.T.U.’s who could not shoot and not [sic] well trained in fighting tactics.”⁵⁴⁴ Against direct orders from the COS, the 48 planes brought from the Middle East by the Indomitable “had majority experienced pilots withdrawn before sailing and replaced by O.T.U. trainees.”⁵⁴⁵ Thus, virtually all the pilots of Hurricanes flown into action in the Far East against Japanese veterans were rookies. Their inexperience exacerbated the way they were sent out, one-at-a-time as each plane was assembled, “Squadrons had to be thrown into fight

⁵⁴¹ To Air Ministry from Air HQ Far East. January 16, 1942. PRO. AIR 8/612.

⁵⁴² To Air Ministry from AHQ Far East. January 26 1942. PRO. AIR 8/612.

⁵⁴³ Chief of the Air Staff to Prime Minister. January 29, 1942. PRO. AIR 8/612.

⁵⁴⁴ From WES group (Air Vice-Marshal Maltby) to Air Ministry. February 17, 1942. PRO. AIR 8/612.

⁵⁴⁵ From WES group (Air Vice-Marshal Maltby) to Air Ministry. February 17, 1942. PRO. AIR 8/612.

on arrival with little opportunity to prepare for action as only alternative to being eliminated on ground by very heavy and constant bombing. They thus had little chance to get together in strange terrain and monsoon conditions in face of greatly superior numbers enemy flushed with previous success in conditions they understood.”⁵⁴⁶ Finally, morale already had begun to collapse by the time the Hurricanes arrived, due to the poor discipline of RAF ground personnel and ineffective leadership by junior officers and NCO’s.

None of this meant that the Hurricanes were destined to be ineffectual. Even accounting for the surreptitious replacement of experienced pilots by Middle East Command, the “efforts to turn from defensive to offensive and to stem [decline in] morale and discipline were producing results but came too late.”⁵⁴⁷ Indeed, as one British official history explained of an engagement in Sumatra,

When the sun set on 15th February, the day on which the fortress of Singapore surrendered unconditionally, the greatest success up till then scored in the Far Eastern War had been achieved, and achieved by the Royal Air Force and the Royal Australian Air Force. The landing of the enemy at the mouth of the Palembang River had been completely arrested, thousands of his men had been killed or wounded, and his plan of invasion brought temporarily to naught. The action fought that day on the coast of Sumatra shows only too plainly what might have been accomplished on the coasts of Siam and Malaya had an adequate Air Force been available.⁵⁴⁸

The delay in getting Hurricanes from Egypt to Singapore in the opening weeks of the war, due to the RAF’s tenuous position in the Middle East, was important. Defeat probably would not have been as severe or rapid had many of the Hurricanes sent to

⁵⁴⁶ From WES group (Air Vice-Marshal Maltby) to Air Ministry. February 17, 1942. PRO. AIR 8/612.

⁵⁴⁷ From WES group (Air Vice-Marshal Maltby) to Air Ministry. February 17, 1942. PRO. AIR 8/612.

⁵⁴⁸ Richards, Denis and Hilary Saunders. *The Royal Air Force, 1939-1945, Volume 2: Fight Avails*, London: HMSO, 1953. P. 44.

Russia been in the Middle East instead, where they could have been diverted east within days—even if none were directly sent to the Far East before 8 December, 1941, despite its consistent requests for modern planes.

In desperation, by early January the Air Ministry even considered asking Beaverbrook to help Britain invoke the escape clause from the Moscow Protocol, to send reinforcements to the Far East. It painted a bleak picture of the results of Russian aid for the Far Eastern situation.

I would ask you to consider with Prime Minister, whether the time has not come to invoke the final paragraph of the Moscow Protocol and ask Russians to consider disposition of our available air forces to meet needs of present situation, which is as follows: Russo-German Front. Strength of German Air Forces 1500 aircraft against 3400 Russian aircraft. Western Front and Mediterranean. 3500 British aircraft (including 300 mainly engaged in Battle of Atlantic) against 2800 German and Italian aircraft which are being reinforced by 300 aircraft from central Germany after re-equipment following service in Russia. Far East and Burma. 300 British and Dutch aircraft plus American aircraft against 2700 Japanese aircraft. Stalin told Eden that Russian production was already 70 to 80 a day—say 2100 a month...Let me know whether you do not agree that we should now ask Russians to forego Hurricane deliveries during January and February in order to expedite reinforcement of Far East.⁵⁴⁹

Although the Air Ministry chose not to send this telegram, understanding the futility of asking Beaverbrook to kill his baby, the cable reveals how far British aid to Russia had strengthened Russia, weakened Britain in the Middle East and left the Far East bare.

The RAF was the basis for British strategy in Singapore, which was woefully undersupplied in air power. The planes sent as Lend-Lease aid to Russia obviously could have helped its defense. British fighters began to be shipped to Russia in September. Had they been flown straight to Singapore, they would have begun to arrive in September.

⁵⁴⁹ Draft telegram from Archibald Sinclair to Lord Beaverbrook. Never sent. January 7, 1942. PRO. AIR 19/288.

Even if boxed and shipped, they would have arrived in time to fight the Japanese attack. Excluding the November shipment to Russia, 382 modern fighters from the September and October Lend-Lease allotments remain, excluding the 200 Tomahawks given to Russia at the expense of the Middle East. Coupled with the 91 Buffalo fighters already present in Singapore, this force would have nearly tripled the strength of RAF fighters on 8 December in Malaya, though in order to be useful the air intelligence system in Malaya also would have had to be boosted. Such a force might have stalled the initial Japanese attack on Malaya, or forced them to send more forces there, which was possible.

However, that is a best case scenario. Britain was unlikely to have shipped any planes directly to the Far East had they not gone to Russia, but instead, sent them to North Africa. Instead of being gone forever, however, as with the aeroplanes sent to Russia, these Hurricanes would have been close at hand and easy to transfer to the Far East. This reinforcement might have slowed the Japanese success in South-East Asia, probably by just a matter of weeks—perhaps longer—but enough to reduce British humiliation. Indeed, when Japan did attack, fighters eventually were transferred East, resulting in loss without gains because they arrived piecemeal, in numbers too little and too late.

The potential impact of sending tanks or anti-tank guns to Malaya is harder to assess. Ong Chit Chung has dispelled the cliché that the guns were ‘pointing the wrong way’ in Singapore. He proves that the British were not taken by surprise when the Japanese landed in Thailand and moved south through Malaya. British planners had recognised the dangers of such an attack and planned accordingly. This awareness culminated in the concept of Operation ‘Matador’, which was hatched by the JPS in

October 1940. Knowledge that the British were not surprised by the idea of a landward invasion in Northern Malaya shapes any assessment of their strategic planning before the war. If the British expected an invasion from the north, their decision not to send tanks to Malaya was informed, not accidental. British tanks were better than those of the IJA, though some historians argue that, given the low quality of the military leadership in Singapore, these weapons would not have been utilized effectively. The long series of bungled decisions in the Singapore campaign supports this stance. So too, Brian Farrell argues, it was not just the numbers of weapons which mattered, but the cohesive trained units to operate them.⁵⁵⁰ Yet when the Japanese did attack, they employed only 179 weak tanks, against no British ones and no anti-tank guns.⁵⁵¹ Whilst Farrell probably is correct from the standpoint of the value of tanks on the battlefield, he ignores the morale boost tanks offered to infantrymen. The Japanese tanks substantially affected the campaign. Even a few British tanks might have had a positive effect on morale, thereby aiding the delaying campaign in Malaya.

The British defeat in Malaya was swift, completed 30 days faster than the Japanese planned. “By the evening of the 9th December the combined British fighter and bomber force...was unable to muster more than 10 serviceable aircraft.”⁵⁵² After the war, General Pownall summarized British strategy at the time, in a way which supports the fatalistic appreciation of the British position in 1941:

⁵⁵⁰ Farrell, Brian. “1941: An Overview.” In *60 Years On: The Fall of Singapore Revisited*. Eds. Brian Farrell and Sandy Hunter. Singapore: Eastern universities Press, 2002. p. 179.

⁵⁵¹ Kirby, Woodburn. *The War Against Japan, Volume I: The Loss of Singapore*. London: Her Majesty’s Stationary Office, 1957. p. 522.

⁵⁵² Kirby, Woodburn. *The War Against Japan Vol. I...*p. 201.

But suppose we'd made a better shot and got the Jap at his true worth, would it have made any real difference? I very much doubt it. Our policy was to avoid war with Japan as long as we could (or to make America cause it, if it was to happen) and we gambled on that policy succeeding (or if it didn't succeed on America bearing the brunt). With all our other commitments I don't believe that however highly we had rated the Japs as fighters we would have been caused thereby to improve the condition of our services in the Far East. We just hoped it wouldn't happen. And it did.⁵⁵³

Churchill's reminiscences were similarly fatalistic, "I am sure that nothing we could have spared at this time, even at the cost of wrecking the Middle Eastern theatre or cutting off supplies to the Soviet, would have changed the march of fate in Malaya."⁵⁵⁴ This statement is false. Churchill rationalized his strategic decisions in the Far East, given the weakness of the attacking Japanese air forces and the difference that even one month of Russian aid could have made, had it been sent instead to the Far East. The broader question is of the best use of existing resources, whether the Russians could have done as well from December 1941 to February 1942 without the 15% of their fighter strength which was provided by Lend-Lease is uncertain, but the loss of some or all of that strength likely would have harmed them. Could these same fighters have saved Singapore from such an embarrassing defeat? Probably they could have avoided embarrassment, though not prevented defeat. On this issue, Raymond Callahan states a common view, "here it is fair to fault Churchill. Even within the framework of his strategic priorities he could have done much more to see that Malaya got some modern aircraft."⁵⁵⁵ Given the howling for reinforcements by senior officers in the theatre and the CIGS, combined with the weakness of attacking Japanese air forces, this assessment seems compelling. But that

⁵⁵³ Pownall, Henry. *Chief of Staff: The Diaries of Lieutenant General Sir Henry Pownall*. Ed. B. Bond. Volume 2. London: Leo Cooper Ltd, 1973. p. 92.

⁵⁵⁴ Churchill, W. S. *Grand Alliance*. p.460.

⁵⁵⁵ Callahan, Raymond. *The Worst Disaster...* p. 272.

is to judge by hindsight. Russia was where the Germans were defeated. That is where Churchill placed his bet, and generally it paid off.

Reflecting in April on the winter setbacks in both the Middle East and Far East, the Air Ministry observed fatalistically that:

We were fully aware of the fact that our air forces in the Far East would be totally inadequate to cope with a Japanese onslaught. Had we been able to establish the air forces considered necessary by the Air Staff, and adequate scales of anti-aircraft weapons, we would probably have been able to check the Japanese. However, every aeroplane sent to the Far East would have been at the expense of the Middle East and it was in the latter theatre that it had been decided to concentrate our resources. Events have shown that we did not over-ensure in the Middle East. As in Greece, once the retreat started, our aerodromes were so quickly over-run that we lost a large number of aircraft on the ground and had no bases from which to operate effectively with the aircraft that were left, in the face of greatly superior enemy air forces.⁵⁵⁶

This view overlooks the primary reason for the inability to provision both theatres adequately. Shipping Hurricanes to Russia had a snowball effect on the British Empire, reducing Middle Eastern defences to the minimum and leaving Malaya defenseless. Nor was the damage caused at Singapore limited to London or the battlefield. One lasting casualty was the Anglo-Australian relationship.

⁵⁵⁶ Draft report by the Air Ministry. Author not stated. April 25, 1942. PRO. AIR 9/141.

Chapter VII

Aid to Russia and the Anglo-Australian Relationship

As Japan advanced toward Australia in winter 1942, so too did a popular narrative of a ruthless, duplicitous Britain that lied to a credulous Australian government. This view, while not universal, was widely held across political and social groups. The response is understandable, as Australia was a significant victim of Churchill's gamble on aid to Russia. Yet the implicit assumption of Australian naiveté is inaccurate. The Australian Government could sense its danger, differed with Britain's strategic hierarchy, and worked consistently to boost the position of the Far East. The Australian Government's abilities to shape strategy, however, were limited. This promoted escalating moves toward Australian independence and antagonism with London. When Australia's efforts failed and Japanese bombers reached the Australian mainland almost unopposed, the Australian parliament and virulent Australian press rightly blamed Britain for abandoning Australia; Churchill had picked Russia over Britain's own Dominion.

While the repercussions of Churchill's gamble were clear in the Middle East, its side-effects were muddled in Australia by multiplying contingencies. Britain's ability to defend the Antipodes depended primarily upon timely U.S. deliveries of armaments, deterring Japan, and on the success of operations in North Africa. Had even one of these succeeded, some supplies would have been available for Australia. When all three failed, Australia was abandoned to its fate. The effects of aid to Russia had moved all other theatres down a notch in the strategic hierarchy. This meant that the mother country could do nothing for Australia in its hour of darkness. Yet the nature of this betrayal has long

been misinterpreted, permitting a simplified version of complex events to dominate popular discourse and the historiography. The wartime and post-war Australian move away from the U.K. did not boil down to simple 'abandonment'; without Russian Aid, Britain's actions might otherwise have been very different. Australia still would have been menaced by Japan, but it would not have had to face it alone and unarmed for months.

David Day's revealingly titled *The Great Betrayal*, argues that Australia was hurt by a colonial mentality, helpless in the face of Britain's soothing promises of help and unable or unwilling to assess its own interests in a calculated way. "What stands out immediately...is the persistence of Australia's colonial mentality. Nothing could have highlighted this more dramatically than the Dominion's remarkable readiness to place the interests of her protecting power above that of her own."⁵⁵⁷ If Australia was affected by youthful credulity, Britain was guilty of worse, "There was no compulsion on [Britain] virtually to ignore the Japanese challenge and leave Australia to her fate. That she did so was a dramatic illustration of the fact that great powers will usually pursue their national interests regardless of treaties and understandings." Worse, still, was Britain's treason "in the Anglo-Australian case, despite the closest Imperial ties with their racial, historical, economic and political aspects."⁵⁵⁸ Australia was naive, but Britain was duplicitous, feeding on its daughter's innocence. Australia's Official History wondered whether more vigorous efforts by Australia in the summer and autumn of 1941 might have convinced

⁵⁵⁷ Day, David. *The Great Betrayal: Britain, Australia & the Onset of the Pacific War, 1939-1942*. New York: Norton, 1989. P. 353.

⁵⁵⁸ Day, David. *The Great Betrayal...P. 355*.

“the British leaders of the dangers and the lack of forces in the Far East”, or had an Australian Prime Minister remained in London, Australia might have been better able to “participate in higher policy decisions in the Pacific.”⁵⁵⁹ This comment implies that Britain was unaware of its weakness in the Far East and had the resources to make good those shortages. More recently, Graham Freudenberg, a one-time speech writer for the Australian Labor Party, argues that the British military were worried about the Far East, but Churchill “never regarded Singapore as more than a step-daughter of the Cinderella kind.”⁵⁶⁰ His Churchill is a wicked stepmother who exploited Australian naivety to leave Singapore undefended—and in so doing, Australia defenseless. Such widely accepted versions of the causes for the Anglo-Australian conflict in early 1942 are unsatisfactory because they understate Australia’s role in formulating strategy, while misinterpreting British goals, conflating impotence with intent.

Australia’s attitude to British strategy was shaped by its place in the hierarchy of the British distribution of production. While Australia always was below active theatres, it could reassure itself that only Britain and the Middle East were above Australia and its interests—the Far East and India, which were in the neighbourhood. Domestic politics also affected the Australian-British relationship. Although a quarrel with Australia probably was unavoidable given the conflicting strategical aims of Australia and Britain, Australia’s inexperience as an independent nation did not help, nor did Britain’s determination to buffer itself from the side-effects of Australia’s strategic and political

⁵⁵⁹ Hasluck, Paul. *Australia in the War of 1939–1945*. Series 4 – Civil Volume I – The Government and the People, 1939–1941. Page 533. Brian Farrell not only endorses the betrayal narrative, but views it as a cold-blooded gamble by Churchill that happened to blow up in his face. Farrell, Brian. *The Defense and Fall of Singapore, 1940-1942*. Tempus: Gloucestershire, UK, 2006. P. 424.

⁵⁶⁰ Freudenberg, Graham. *Churchill and Australia*. MacMillan, 2008. P. 308.

immaturity. When war broke out Australia had not yet even signed the Treaty of Westminster—and would not do so until 1942. Nor had it signed the Visiting Forces Act, which created a legal arrangement for the employment of Commonwealth troops under British command, while ensuring they remained answerable to their national government. Constitutional rights and dominion-mother country prerogatives remained theoretical until proved in real time during war. The Dominions Office and Churchill were but half informed about Australian politics, which seemed frustratingly lively. Prime Minister Robert Menzies operated with a minority government, ever at the mercy of the Country Party, a provincial, rural party. If the government fell, the Labor Party might come to power, a situation which worried Menzies' United Australia Party and the Dominions Office. As Dominions Secretary, Anthony Eden told the Cabinet, "From the beginning the Labour [sic] policy has been open to the gibe of being, in the words of an article in the 'Sydney Morning Herald' one of 'cheering on the Allies from the sidelines'...Since then it has developed into what the same paper describes as 'a near neutrality policy of keeping Australia out of active participation in the war'."⁵⁶¹ Fringe elements of the Labor Party, including later Minister of External Affairs H.V. Evatt, were known to have anti-imperial views. Labor leader John Curtin was more moderate, but beholden to his neutralist base.⁵⁶² The Australian Official History noted this regrettable situation, but also that political strife even during wartime was "among the hard facts of Australian political

⁵⁶¹ Report on the Political Situation in Australia by the Dominions Secretary, Anthony Eden, to the Cabinet. January 17, 1940. PRO. CAB 67/4/12.

⁵⁶² Ibid.

life and the characteristics of the Australian people.”⁵⁶³ Furthermore, even if Curtin contained the pressures within his party, Menzies and Eden worried that a Labor victory would undermine Australian unity and hurt the Allied cause.⁵⁶⁴

With his tenuous hold on government Menzies had to exert caution in his public announcements. Public opinion shaped his approach to Australian military and inter-allied decisions. The Dominions Office noted that “Australian public opinion attaches great importance to the retention of national identity,”⁵⁶⁵ though what this actually meant was difficult to understand. Joan Beaumont describes an Australian dual identity, which illuminates the complications that could emerge in a catastrophe.

Australian citizenship was positioned within a wider ‘imperial citizenship’. Loyalty to Britain and the British Empire was axiomatic for the majority of the population, who saw no contradiction in having dual loyalties or multiple allegiances. They considered themselves ‘independent Australian Britons’, linked to Britain not only by blood, but also by history, language and tradition. In fact, imperial sentiment did allow for a sense of distinctive nationalism — the British often providing the foil that threw into relief positive ‘Australian’ characteristics — but membership of the empire ultimately transcended and was superior to that of the nation.⁵⁶⁶

Condescending, arrogant, and decadent—Britain as the foil for brave and hearty Australians. The dual identity contained a powerful contradiction; when Japan attacked and Britain proved too weak to defend the Malayan Peninsula, the basis of the dual identity—empire over nation shattered, producing a rift between the British and Australian Governments, and an Australian re-alignment with the United States.

⁵⁶³ Hasluck, Paul. *Australia in the War of 1939–1945. Series 4 – Civil Volume I – The Government and the People, 1939–1941*. Page 564.

⁵⁶⁴ Report on the Political Situation in Australia by the Dominions Office Secretary, Anthony Eden, to the Cabinet. January 17, 1940. PRO. CAB 67/4/12.

⁵⁶⁵ Note by Clutterbuck on Dominions Office file. January 23, 1940. PRO. DO 35/1083/2.

⁵⁶⁶ Beaumont, Joan. “Australian Citizenship and the Two World Wars.” *Australian Journal of Politics and History*. (53:2) 2007. Pp. 171-182. (this quote on p. 172)

Parallel to, or perhaps even reflecting, Australia's dual identity was a divided approach to strategy. In the Middle East the Australian government focused on national identity, leading it to emphasise appearances over strategy. Australian aims in the Middle East were to engage the enemy with a cohesive, visibly Australian, corps. Menzies and Curtin cared less about where the Australians were stationed, than that they never were divided under British command.⁵⁶⁷ Australian press attacks were relentless until Japan attacked, including machinations by the Australian Army in North Africa to wrest control of some RAF squadrons on the grounds that they had not co-operated enough with the Aussies. These efforts were supported by articles with titles such as "Our army-air collaboration points way to hidebound British tacticians."⁵⁶⁸ Another article claimed "When our Air Forces were withdrawn from Crete, squadron after squadron, it was stated, flew back to Egypt. Actually at the withdrawal we had seven Hurricanes facing 1000 German planes."⁵⁶⁹ The Australians took this lesson from the Greek and Crete campaigns, believing that splitting Australian Divisions had undermined them, and resulted, indirectly, in the surrounding and besieging of the 9th Division at Tobruk. General Blamey, Commander of Australian forces in the Middle East, captured the Australian mood in mid-November, 1941, when he told the press, "In future Middle East campaigns the A.I.F. will fight together as an Army Corps...I do not believe in spreading any force. We will not have a repetition of the position when we had one force fighting in

⁵⁶⁷ Ian Hamill discusses these views from a strategical perspective, with less, though still some, emphasis on national motives. Hamill, Ian. "An expeditionary force mentality? The despatch of Australian troops to the middle east, 1939-1940." *Australian Outlook*. 31:2 pp. 319-329. P. 327.

⁵⁶⁸ Macalpine, E.W. "Our army-air collaboration points way to hidebound British tacticians." September 7 1941. *The Sunday Telegraph*. NAA: A5954, 260/12.

⁵⁶⁹ "Seven Hurricanes faced 1000 Nazis at Crete" *Examiner* [Launceston] August 23, 1941. P. 1.

Greece and another in Libya. It is much better having two Australian divisions fighting together than one Australian and one British or New Zealand.”⁵⁷⁰ Blamey’s public complaints were disingenuous, as he had privately told his government that “I am continually urging on G.H.Q. Middle East, the need for completion of the A.I.F. in war equipment, but the plain fact is that supplies from England are not arriving as rapidly as desired...Under the circumstances bound to agree to the participation of Australian troops in a defensive role seeing that they are generally better equipped than the remainder of the British Forces available.”⁵⁷¹

Australian Middle East policy contrasted markedly with that of the Far East, which successive Australian governments emphasised as a strategic lynchpin to their own national defense. In 1940, for example, Menzies stated that "the extent of Australian co-operation in overseas theatres is dependent on the Australian public's impression of the degree of local security that exists".⁵⁷² That these Australian concerns (and, sometimes, demands) typically produced British reassurances about Britain’s ability to defend the Far East contributed, then and afterwards, to a strong belief that Britain intentionally misled Australia. However, Australia’s own insistences that Britain reinforce the Far East eliminate this version of events; the Australian Government understood that Far Eastern—and therefore Australian—defenses were exposed, and strengthened them consistently and to the limit of its ability. British planners largely agreed with the Australians about theatre requirements, and a schedule for reinforcements, but events

⁵⁷⁰ “With the A.I.F. Will Fight as Army Corps. *The Central Queensland Herald*. November 20, 1941. P. 12.

⁵⁷¹ To the High Commissioner in London. November 2, 1940. NAA A2671/1.

⁵⁷² Hamill, Ian. “An expeditionary force mentality? The despatch of Australian troops to the middle east, 1939–1940.” *Australian Outlook*. 31:2 pp. 319-329. Quote p. 328.

elsewhere blocked timely shipments of first rate equipment, to the consternation of Australians. This difference in priorities did not mean that Australia refrained from trying to boost the Far East's importance in London.

Upon the fall of France, the Menzies Government requested a revised COS appreciation of the situation in the Far East. Failing to receive a timely reply, in late July the Australian Government prodded the British into action by unilaterally halting deliveries of British orders of small arms weapons and ammunition. Britain initially assumed that this blockage was related to the supplies of the Australian Imperial Force in North Africa, but soon learned that it applied to British orders, "owing to the changed international situation" and Australia's need to hoard deliveries "until supplies in Australia are much improved."⁵⁷³ This demand hinted at a quid pro quo, at a time when the British desperately needed all types of armaments.

The Australians achieved their aim. On August 11 the COS appreciation arrived in Canberra. Its estimate, despite subsequent Australian assertions to the contrary, recognised Japan's capacity to attack. Indeed, the estimate of Japanese capabilities was higher than what Japan used for its invasion 16 months later. In addition to fielding six to ten divisions, 10 battleships and 3-7 aircraft carriers, the COS estimated that Japan already could spare the following air forces for future "adventures":

⁵⁷³ Draft telegram from the DO to the British High Commissioner in Australia. August 1, 1940. PRO. DO 35/1068/3.

Figure XXVII: Forces available to Japan for a move South ⁵⁷⁴	
Type	
Carrier borne fighter	75
Carrier borne bomber	206
Shore based fighter	96-120
Shore based bomber	192-240
Shore based reconnaissance	48-72
TOTAL	617-713

Neither the air nor naval forces in the Far East were substantial enough to defeat, or deter, the Japanese force.

Figure XXVIII: Existing and Required Air Forces for the Defense of Australia and New Zealand, August 1940 ⁵⁷⁵		
Location and Type	Existing	Required
Malaya & Singapore		
Fighter	Nil	96
Bomber	60	64
Reconnaissance (land & sea based)	28	48
Island and Sea:-		
Fighter	Nil	Nil
Bomber	Nil	32
Reconnaissance	Nil	96
Total (raw)	88	336
Total (adjusted combat effective)	36	192

This imbalance of forces was “large enough to give Japan a very wide choice of objectives.”⁵⁷⁶ Like the Australians, the COS recognized that Singapore was the key to the defense of Australia, and given the fall of France and the inability to dispatch a fleet to the east, “our policy should be to rely primarily on air power.”⁵⁷⁷ While a Japanese threat was not imminent, its intentions and capabilities were significant, and unfriendly.

⁵⁷⁴ Far East Appreciation by the Chiefs of Staff. August 5, 1940. PRO. CAB 66/10/33.

⁵⁷⁵ Ibid.

⁵⁷⁶ Ibid.

⁵⁷⁷ Ibid.

The Australian War Cabinet, misconstruing one of the main points of the British appreciation, believed that “the dominant factor in regard to the defence of Australia was still the security of the naval base at Singapore and its availability for use by the main fleet.”⁵⁷⁸ The entire programme of air reinforcements was to be completed by the end of 1941.⁵⁷⁹

By November 1940, Menzies grasped the meaning of this assessment and the shift to a focus on air defence. In the three months since the COS’ report was issued, however, no RAF planes yet reached to Singapore—only two squadrons sent from the miniscule R.A.A.F. Fearing that British commitments elsewhere were consuming Singapore’s air defence, Australia suspended deliveries of a year-long British order for 50 3.7 inch anti-aircraft guns until Britain reinforced Malaya with at least four anti aircraft guns. This action repeated Australia’s earlier suspension of deliveries so to force the COS’ Far East assessment. The complexity of the situation is illustrated by the fact that this naked *quid pro quo* took more than two months to resolve, through the involvement of three British ministries, the intervention of the Prime Minister, and a constitutional precedent being set by the Australians.

As the Ministry of Supply told the Dominions Office, “the Australian authorities accepted this and other orders for us, and after all the acceptance of the orders had certain advantages from their point of view...When the orders were placed, there was certainly no question about where the stores were to be used.” He “should be very sorry to see

⁵⁷⁸ Paul Hasluck. *Australia in the War of 1939–1945*...Page 224.

⁵⁷⁹ Far East Appreciation by the Chiefs of Staff. August 5, 1940. PRO. CAB 66/10/33.

Australian supplies...be made conditional.”⁵⁸⁰ The War Office and Dominions Office rejected this view on pragmatic grounds. The Dominions Office, always friendlier to the Dominions than other departments, “put the point” of principal to the Ministry of Supply “as clearly as possible”.⁵⁸¹

It would be undesirable for us to encourage the Australian authorities to make deliveries on our orders conditional on their being used in the Far or Middle East. On the other hand we should find it rather difficult to object to the Commonwealth Government taking into account the destination of such supplies in reviewing the priority of allotment of deliveries as they come forward. In the United Kingdom delivery priorities are reviewed from time to time in the light of the strategical situation and these considerations control our deliveries to Australia on the Commonwealth Government’s orders with us, as they are well aware. We do not treat the Commonwealth Government’s orders on a commercial basis, and we can hardly be surprised if they take the same line in respect of our orders placed with them, though we need not expect that the Commonwealth Government will, in fact, in most cases take a different view from ours on questions of priority.⁵⁸²

The Dominions Office appreciated that Australia was acting, like Britain, in its national interest, and legitimately reassessing the strategic situation in the Far East. The Dominions Office did not deem this instance to be worth fighting over. Instead, it might be better to tell the Australians where their weapons would be allocated. On November 26 the War Office announced its decision to send the guns to the Far East,⁵⁸³ and asked the Dominions Office to intervene with the Ministry of Supply, which was still balking on the issue. Stephen Holmes, in charge of this case, “was not particularly anxious to get

⁵⁸⁰ Note from Mr. Turner at the Ministry of Supply to Stephen Holmes at the Dominions Office. November 13, 1940. PRO. DO 35/1068/4.

⁵⁸¹ Internal Dominions Office note by Mr. Clutterbuck. November 18, 1940. PRO. DO 35/1068/4

⁵⁸² Stephen Holmes to Mr. Turner. November 20, 1940. PRO. DO 35/1068/4. Emphasis in the original.

⁵⁸³ From Mr. Courtney at the War Office to Stephen Holmes at the Dominions Office. November 26, 1940. PRO. DO 35/1068/4.

mixed up in this difference of opinion,”⁵⁸⁴ but nonetheless called the Ministry of Supply to press the joint War Office/Dominions Office case.

The Ministry of Supply was unhappy. Though resigned to the Australian “victory,” it was determined to mask that fact from them, so not to set an offensive precedent. “I see no objection to the use of these equipments in the Far East being brought in as an added argument in favour of the resumption of deliveries. That is rather a different thing from making it a condition.”⁵⁸⁵ The Ministry of Supply requested that the Dominions Office press the High Commissioner in Australia to push the Australian government along these lines.

As these agencies struggled to determine a unified British response to Australia, the latter sweetened its offer, revealing the Antipodean view of what Malaya needed to bolster its meagre defences.⁵⁸⁶ This proposal marked an escalation by Australia, which had heard nothing in reply to its suspension of deliveries, except nagging by the High Commissioner in Canberra. The Dominions Office noted that Australia’s latest offer “was clearly not the kind of message which should be communicated in toto to the Ministry of Supply.”⁵⁸⁷ Furthermore, although the Dominions Office consistently had agreed with the War Office about Britain’s best response—acquiescing—the matter had reached the

⁵⁸⁴ Note by Stephen Holmes. November 26, 1940. PRO. DO 35/1068/4.

⁵⁸⁵ From Mr. Turner at the Ministry of Supply to Stephen Holmes at the Dominions Office. November 29, 1940. PRO. DO 35/1068/4.

⁵⁸⁶ Extract from Australian Cypher Cable. December 1, 1940. PRO. DO 35/1068/4. Britain’s success in shielding its debate about this quid pro quo from the Australians can be seen in Australia’s Official History, which devoted several pages to Australia’s concerns in November–December 1940, including Australia’s cables to Britain. In this version, Australia’s messages were not answered until Churchill’s cable at Christmas, which brushed Australia off, claiming that “the danger of Japan going to war with the British Empire had lessened and that the growing naval and military advantages in the Mediterranean would also have their effect on Japanese conduct.” Hasluck, Paul. *Australia in the War of 1939–1945. Series 4 – Civil Volume I – The Government and the People, 1939–1941*. Page 297-299.

⁵⁸⁷ Note by Stephen Holmes. December 7, 1940. PRO. DO 35/1068/4.

Chiefs of Staff. Holmes expressed his exasperation with the situation, “I feel that it is quite unfair that we should be dragged into a domestic dispute between the War Office and the department created to maintain military supplies.”⁵⁸⁸ His superior, Sir Eric Machtig, noted that the Ministry of Supply forgot that Australia was a sovereign state, “There are far too many delays and suspensions of delivery...of goods ordered by them in this country to justify us in taking such a rigid stand as is suggested by M. of Supply:- apart from the constitutional concerns which justify [the Commonwealth authorities in this last resort] in doing anything they like with the output of their ordnance factories according to the circumstances as they (not we) see them at any given time.”⁵⁸⁹

By this point, the issue reached the Prime Minister. Given his old-fashioned views on Dominion matters, Churchill likely sympathized more with the Ministry of Supply’s point than with the Dominions Office and War Office. His decision met the Ministry of Supply’s desire to mask Britain’s climb-down, while separating it from the issue: “I am most grateful for your promised help at Singapore, in respect both of troops and of equipment and ammunition...I am arranging for details as regards shipping and equipment etc., to be taken up direct between the War Office and Army headquarters, Melbourne.”⁵⁹⁰ Whitehall had taken two months to answer a seemingly simple demand from Australia. This case demonstrates that Australia understood the deficiencies in air

⁵⁸⁸ Ibid.

⁵⁸⁹ Note by Sir Eric Machtig. December 9, 1940. PRO. DO 35/1068/4. Emphasis in the original.

⁵⁹⁰ Internal Dominions Office note. Author’s name illegible. December 19, 1940. PRO. DO 35/1068/4. The Ministry of Supply was so adamant in its views that no one wanted to be the one to tell them they had lost the struggle and been removed from the issue. The Dominions Office asked the War Office to tell Supply, which it neglected to do. As late as January 1, 1941, the Ministry of Supply asked for an update on the now well concluded situation.

defenses in the Far East, and was willing to act assertively to improve it, in opposition to British wishes.

This event led the War Office to hold a meeting with the Dominions Office focused on supplies and their relationship with the dominions. The War Office noted Australia's dissatisfaction, and a rise in the Japanese danger. It confessed that, until now, "London has regarded the Dominions equipment questions much as Pandora regarded her box, but unlike Pandora has not had the courage to lift the lid."⁵⁹¹ While "we could not meet Dominion requirements by any foreseeable date even if we were to ascertain what they amounted to."⁵⁹² After 16 months of war no British agency had yet attempted to organise, or even track, Empire production! The Dominions were, de facto, more independent than anyone had imagined, including themselves. There was no easy solution to the problem, since the production which the Dominions demanded did not exist. The War Office and Dominions Office resolved to ask the Dominions about their production goals and capacities. Even this request took two months to prepare, from fear that using the wrong phrases might lead the Dominions to think Britain had extra production to share. Finally, in April, the Dominions Office, War Office and Ministry of Supply were ready to discover what the Dominions actually were producing, and needed. In May detailed questionnaires on these lines were sent to the Dominions.

It was not enough, however, for Britain simply to talk about reinforcements. Internally, the Australians complained that British promises to reinforce the Far East as

⁵⁹¹ "Dominions-Memorandum for discussion. Prepared by the War Office." February 1941. Specific date not given. Author not stated. PRO. DO 35/1077/9.

⁵⁹² Ibid.

soon as practicable were wholly insufficient; after all, “other theatres are not devoid of both naval and air protection, as would be the case in a war with Japan, should a re-disposition not be made.”⁵⁹³ This is where Australian and British strategic views were irreconcilable. Britain would not send fighters to an inactive theatre, despite the danger that war might happen there, since it was expecting a German invasion and had just been thrown out of Greece and Crete. Australia, however, viewed the Far East as its highest strategic priority. If there was a silver lining, “we certainly know where we stand, the degree to which we must rely on our own efforts, and the necessity for expanding them to the utmost extent.”⁵⁹⁴

By late summer, there was a temporary respite from concern about Japan. Churchill took the opportunity to assure Australia that Japan was not an imminent danger, while a proper deterrent of a strong fleet would be dispatched to the Indian Ocean later in the year.⁵⁹⁵ While this assessment was overly optimistic about the prospects of avoiding war with Japan, its tone was the product of a temporary moment of unity: Roosevelt indicated that the U.S. finally would act in concert with Britain; the Germans halted their eastward advance temporarily; and plans for the Crusader Operation convinced Churchill that the Axis would be defeated there. His assumption was that Japan would not dare to attack, so long as Britain fought well and the Russians were not losing.

⁵⁹³ War Cabinet Submission by Robert Menzies. June 4, 1941. *Documents on Australian Foreign Policy. Volume IV.* Document 484.

⁵⁹⁴ War Cabinet Submission by Robert Menzies. June 4, 1941. *Documents on Australian Foreign Policy. Volume IV.* Document 484.

⁵⁹⁵ The Prime Minister to Prime Minister of Australia and Prime Minister of New Zealand. September 2, 1941. PRO. CAB/66/18/35

Neither did Churchill's reassurances coax Australians into complacent apathy. Following this cable, the new Prime Minister, Arthur Fadden, representing the tiny Country Party in a fragile minority government, re-stated his predecessor's demand that the Australian forces surrounded at Tobruk be relieved and reunited with other Australian forces. The request was forced by the political situation in Australia, where Labor politicians railed against supposed British short-changing of Commonwealth troops. It also hinted at the re-emergence of Australia's *quid pro quo* tactics aimed to pressure Britain into re-enforcing Singapore. In asking Fadden to reconsider that demand, Churchill emphasised the upcoming Crusader Operation and how Australia's request would damage the Allied position on the eve of the battle.

As Whitehall knew, "the agitation for the relief of the Australian troops was largely political. The Australian Labour [sic] Party had always been mildly isolationist, and was apt to argue that Australian troops should be kept for the defence of Australian soil."⁵⁹⁶ Unfortunately for Fadden, "It was in any case clear that the relief could not be completed by the middle of September, so that no announcement to this effect could then be made in the Australian Parliament, as desired, by Mr. Fadden."⁵⁹⁷

The Fadden Government fell less than a month later in early October, replaced by John Curtin's Labor party, with a razor thin majority. At this time the British War Cabinet received the results of a fact finding mission by Duff Cooper, dispatched to the Far East in July. He elucidated the extraordinary inefficiencies of the colonial and dominion administrations in the Far East, suggesting they were Victorian, which was

⁵⁹⁶ From Prime Minister to Prime Minister of Australia. September 9, 1941. PRO. CAB 65/23/21.

⁵⁹⁷ *Ibid.*

true. The first two years of the war had done little to streamline the co-ordination of British Far East defense; a profusion of uncommunicative ministries often pursued contradictory policies to the detriment of British defense. He also emphasised a point the Cabinet had seen many times over the last few years about the importance of Singapore to Australian defense, namely that:

It is not too much to say that the security of Singapore is of greater importance for Australia than the security of Gibraltar is for Great Britain. Thoughtful Australians are well aware of this fact, and the number of thoughtful Australians is increasing. With that increase comes the desire and the demand, more often and more clearly-expressed, to be consulted with regard to—and to be allowed to influence any political or military decisions which may affect—that part of the world which lies closest to the Antipodes.⁵⁹⁸

This observation reveals in nascent form the subsequent Australian belief that they were not consulted or given influence over strategic planning in the Far East, despite the role they had played in that effort over the preceding two years.

It also came at the time that what little equipment might have been sent east was sailing north. While the commitment to aid Russia had hurt reinforcements to the Middle East, it crippled those to India, Australia and New Zealand.

Figure XXIX: Dominion Tank Deficiencies Arising from Diversion of Production to Russia ⁵⁹⁹			
	India	Australia	New Zealand
October	44	16	10
November	54	20	10
TOTAL	150 ⁶⁰⁰	56 ⁶⁰¹	20

⁵⁹⁸ Report by Duff Cooper to the War Cabinet on the Far East in British Strategy. October 29, 1941. PRO. CAB/66/20/9.

⁵⁹⁹ The deficiency is the difference between what had been allocated to each Dominion before the Moscow Conference and had been eliminated afterwards. Figures from October 15, 1941. PRO. WO 193/580.

⁶⁰⁰ The figure includes an additional 52 American made Stuart tanks which had been allocated earlier but were delayed due to American production not meeting expectations. These tanks now had to be sent to the

These figures do not give the entire picture, as they exclude large standing orders which were cancelled, in India's case, or consistently pushed back, in Australia's. Nor were these deficiencies a result of the Dominions already having received healthy allotments of armour. By January 1942, in 28 months of war, the Dominions had been sent a combined 105 tanks.⁶⁰²

In Australia the lack of tanks was a serious concern. They were needed both for training and defense of the continent. British planners understood Australia's position, noting after the Moscow Conference that "the political situation in Australia is so tricky that we must not run the risk of a withdrawal of the offer of the Armoured Division or of discouraging their war effort which has been considerable in spite of political difficulties."⁶⁰³ Nothing could be done, however, since any diversions to Australia must come directly from shipments to the Middle East.⁶⁰⁴

Australia's deficiencies were greater than just those stemming from delayed orders in Britain. At the beginning of 1941, they had placed a large order in the U.S. for tanks to be delivered later in the year. By mid October, "Out of an order for 400 American Light and Medium tanks for Australia, 8 have been shipped and 30 were to

Middle East. The figures for India vary from 147-150 in the WO files. The Home Forces also had 61 tanks removed from their theatre and transferred to Russia during these two months.

⁶⁰¹ The additional 20 missing tanks were also American Stuarts which were lost from Australia's allocation for the same reason that those of India were lost.

⁶⁰²

Total tanks shipped to all Empire theatres from Britain since beginning of war to January 1942					
	India	Australia	New Zealand	Middle East	Total
TOTAL	35	20	50	1646	1751

Excluding B.E.F. January 27, 1942. PRO. WO 193/539.

⁶⁰³ Note by DMO & P. October 15, 1941. PRO. WO 193/580.

⁶⁰⁴ To CIGS from DMO & P. October 16, 1941. PRO. WO 193/580.

have been shipped this week.”⁶⁰⁵ After the Moscow conference, they were told—for they had no input in the process—that their orders for British and American tanks would be late. As the High Commissioner in London reported:

War Office advise as result of policy of affording maximum aid to Russia not now possible to allocate to Australia any tanks coming from production either in this country or United States during the months of October, November, December, 1941. Dislocation thus caused in plan for training and equipping of Australian Armoured forces fully realised and much regretted. Shipments will be resumed at earliest possible moment. The War Office add that they feel you will appreciate the overriding, consideration so important, that temporary inconvenience will be accepted.⁶⁰⁶

The Australians responded as well as the British might have hoped, resigned to the delay in these orders. They instead focused on mitigating the losses. The Australian minister in Washington understood “that the principal urgent Russian necessity is tanks and that as large a diversion as possible is being made from America and British supplies and production. In the circumstances I do not believe representations here will alter the above situation in our favour.” However, “representations in London might be effective. I am confidentially advised here that if representation made on grounds of urgent training necessity you might get 10 or even 20 released.”⁶⁰⁷ The Australians did not even know how the allocation process worked, or where decisions were made. Curtin had to be informed by his minister in Washington that the final allocations actually occurred in London.⁶⁰⁸

British assurances that tank orders eventually would be fulfilled were made in good faith. Though the exigencies of war necessitated delay, American reassurances

⁶⁰⁵ From Australian Minister in Washington. October 27, 1941. NAA: A5954, 505.

⁶⁰⁶ From High Commissioner’s Office, London. October 11, 1941. NAA: A5954, 505.

⁶⁰⁷ From Australian Minister in Washington. October 27, 1941. NAA: A5954, 505.

⁶⁰⁸ From Australian Minister in Washington. October 27, 1941. NAA: A5954, 505.

about their production shaped British estimates that the dominions would receive their backlog soon. In October, Britain estimated the following delivery schedule:

Figure XXX: Proposed Empire-wide allocation of all tanks produced from Oct. 1941-Mar. 1942 ⁶⁰⁹							
Oct-Dec 1941	Total	Home Forces	India	Australia	New Zealand	Russia	M.E.
U.K. & Canadian Production	1790	678	54	18	18	807	215
U.S. Production	524	12	7	20	Nil	nil	512
Sub-total	2314	690	61	38	18	807	727
% of Sub-total		30%	2.6%	1.6%	.8%	35%	31.5%
Jan-Mar 1942							
U.K. & Canadian Production	2025	746	54	18	18	750	439
U.S. Production	1035	165	180	60	30	nil	600
Sub-total	3060	911	234	78	48	750	1039
% of sub-total		30%	7.65%	2.5%	1.6%	24.5%	34%
Overall Total for Oct-March	5374	1601	295	126	66	1557	1766
% of overall total		30%	5.5%	2.3%	1.2%	29%	33%

This schedule assumed a doubling of the U.S. tank production available for British use in the New Year, a reduction in the percentage allocated to Russia, and fulfillment of the American arrears with the Middle East and the Dominions. These figures were not met since U.S. production continued to lag, and then was consumed by the U.S. after the Japanese attack.⁶¹⁰ Thus it became another piece of evidence in the argument for British betrayal.

⁶⁰⁹ Figures from War Office. Production and Allocation of A.F.V's. October 25, 1941. PRO. WO 193/580

⁶¹⁰ By March, the War Office reported the following deficiencies from U.S. production:

In early November Churchill received renewed Australian requests to boost Far Eastern defenses immediately. The Australians provided information purporting to show that Japan had dramatically altered its plans. Having gone to the Americans for intelligence, the Australians also monitored British defenses. They contrasted the situation in late October—130 frontline aircraft—with the stated and agreed upon minimum requirements from nine months earlier—336 frontline aircraft.⁶¹¹ Churchill summarized the Australian position as follows, “if we had adequate air and naval forces at Singapore, Japan would not act against us, at any rate for many months.”⁶¹² The Australian representative, Earle Page, also believed that imperial aircraft dispositions could be rejigged without weakening the British position elsewhere. He did not offer any factual evidence or clear suggestions about where to find the resources needed to do so. Perhaps he simply overestimated British strength, or assumed that the British were holding out on Singapore’s (i.e Australia’s) defense.

Churchill’s response to the Australian request was straightforward and honest:

The development of our Air Force had not proceeded as fast as we had hoped. We had now to meet the demands of Russia to whom we had promised to send 200 machines a month. Rather, it was essential to obtain and keep air superiority in the Middle East. Above all we had to keep a sufficient air force in this country to assist in repelling any invasion Germany might make next spring. Hitler had great need to invade this country. It would be possible for him to contain the Russian front, and to move sufficient forces to the West and stage an operation

Deficiencies in U.S. tank deliveries November 1941-March 1942				
	M.E.	Dominions	Other	Total
Allocation	602	858	128	1588
Actually delivered	545	227	37	866
Shortfall	57	631	91	722
% of allocation missed	9.5%	74%	71%	46%

Statements showing allocations of American tanks compared with actual shipments. March 10, 1942. PRO. WO 193/539.

⁶¹¹ War Cabinet Conclusions. Confidential Annex. November 5, 1941. PRO. CAB 65/24/2.

⁶¹² Ibid.

on such a scale as had never been attempted before, and regardless of losses. The key to repelling such an attempt lay in fighter superiority over the enemy. Once the fighter command of the air was lost, Germany could invade this country.⁶¹³

Churchill explained the hierarchy of allocations: the home islands; Russia; the Middle East; and only then the Far East.

Soon after Japan attacked, urgent messages arrived at the Dominions Office from Curtin, mixing panic and anger. He warned Britain finally to take seriously the defense of the Far East.⁶¹⁴ He emphasized the importance of air power and the fact that Singapore had none, “We are particularly concerned about reports reaching us regarding the inadequacy of air-strength and anti-aircraft defenses.”⁶¹⁵ Curtin’s lawyerly tone and angle of criticism was obvious. He directly asked what Britain would do to address the air defence shortages. Britain replied with a cable direct to Curtin from the British Defence Committee, explaining the circumstances and implicitly asking Australia not to blame Britain for a lack of preparations. Their eloquent description of the situation elucidates how constrained British planners were, and how they had agonised in allocating supplies in the Empire.

Any judgment of the adequacy of our preparations in the Far East prior to Japanese attack must have regard not only to what was desirable but to what was possible in the light of the limitation of our resources and the demands made upon them. It would have been strategically unsound to deprive theatres in which active operations against our principle foe were actually in progress, in order to reinforce a theatre which was not at that time in the active war area.⁶¹⁶

⁶¹³ War Cabinet Conclusions. Confidential Annex. November 5, 1941. PRO. CAB 65/24/2.

⁶¹⁴ Prime Minister of Australia to Prime Minister. December 21, 1941. PRO. DO 35/1010/3.

⁶¹⁵ Prime Minister of Australia to Prime Minister. December 21, 1941. PRO. DO 35/1010/3.

⁶¹⁶ British Defence Committee to Government of Australia. December 23, 1941. PRO. DO 35/1010/3.

Curtin was not satisfied with this explanation, or excuse, “It is in your power to meet the situation...Singapore must be reinforced.”⁶¹⁷ This stance stemmed largely from Australia’s independent analysis of the situation. The Australian Government increasingly doubted that Singapore could be held, largely due to the lack of air defence. Australia’s representative in Singapore—the unfortunate Vivian Bowden—informed Canberra with some understatement, “that [Singapore’s] impregnability was in grave doubt.”⁶¹⁸ Indeed, collapse was imminent.

I must emphasise that the deterioration of the war machine in Malayan defence is assuming landslide collapse of the whole defence system. Expected arrival of modern fighter aircraft in boxes requires weeks of assembly under danger of destruction cannot save position.

The renewal of military reinforcements expected will be absorbed in relief of tired front line troops and will make little difference. British defence policy now concentrating the greater part of the fighter and A/A defence of Malay on Singapore Island to protect naval base starving forward troops of such defences, including A.I.F.⁶¹⁹

Even the planes and reinforcements in transit were too little, too late. Only one thing could save the situation: “In my belief the only thing that might save Singapore would be the immediate dispatch from the Middle East by air of powerful reinforcement of large numbers of the latest fighter aircraft with ample operationally trained personnel. Reinforcements should be not in brigades but in divisions... Need for decision and action

⁶¹⁷ Prime Minister Curtin to Churchill and Roosevelt. December 24, 1941. Report by Bowden, Australian Minister at Singapore. December 24, 1941. NAA: A5954, 571/4.

⁶¹⁸ Bowden was captured by the Japanese and executed as, or because, he attempted to explain his diplomatic status to his captors. Dedman, John. “The return of the A.I.F. from the Middle East” *Australian Outlook*. 21:2, 151-164. Quote p. 152.

⁶¹⁹ Report by Bowden, Australian Minister at Singapore. December 24, 1941. NAA: A5954, 571/4.

is matter of hours not days.”⁶²⁰ This might have been possible only if the planes sent to Russia had gone instead to the Middle East.

Bowden’s information fuelled the Australian Government’s increasingly urgent calls for reinforcements to the Far East. Perceptions in Australia quickly turned sour. The public had not been privy to the Australian Government’s efforts to reinforce Singapore. Instead, to keep up morale, newspapers had carried frequent stories about the strengthening of the Singapore base. The closer the Japanese approached Singapore, the more positive these stories became. Showy headlines touting reinforcements appeared frequently, sometimes daily, throughout Australia from September through November. A typical example read “Reinforcements for Singapore: Further strong reinforcements have arrived from Britain to-day. They include R.A.F. Personnel.”⁶²¹ As a consequence, the collapse in Malaya came as a greater surprise to the public, giving Curtin a reason to pursue the narrative of British betrayal. After all, had Curtin expected a large Japanese attack and failed to achieve a build-up in Singapore, then he either was incompetent or Australia was a pawn.

Nor was Singapore the only hope for Australia’s defense. Between it and Australia lay the Dutch East Indies and the Philippines. They too were quickly endangered by Japan’s attack, which already in mid-January threatened Australian territory. Heavy Japanese attacks on Rabaul, northeast of the main island of New Guinea, showed Japan’s probable next aim to be Port Moresby, where 5,500 Australian troops

⁶²⁰ Naval Cypher from Australia. Report by Bowden, Australian Minister at Singapore. December 24, 1941. PRO. DO 35/1010/3.

⁶²¹ “Reinforcements for Singapore: Further strong reinforcements have arrived from Britain to-day. They include R.A.F. Personnel.” *Sydney Morning Herald*. November 7, 1941. P. 7.

were stationed with virtually no air defenses. From there, Japan could attack Australia by air. Curtin cabled London to demand air reinforcements to defend Australian troops and territory.

Urgent necessity for fighter aircraft immediately. Japanese methods make it clear that without fighter protection for our aerodromes, there is every prospect of carrier borne enemy air attack destroying our extremely limited striking force on the ground by low attack, designed to search out individual aircraft. These tactics may be practised with impunity by the enemy against our mainland aerodromes as well as at the advanced bases, owing to the lack, of fighter protection and the almost complete absence of gun defences. A request is made for immediate allotment to the R.A.A.F. of 250 fighter aircraft of the-Tomahawk, Hurricane 2 or similar type.⁶²²

Yet Britain did not have planes to spare. Once again, British weakness exposed Australia to danger, which remained the case throughout 1942. Curtin warned of a rise in “public feeling of grave uneasiness at Allies impotence to do anything to stem the Japanese advance.”⁶²³

Thrashing about for answers, the Australian public found complicated and diverse explanations for the weaknesses in the Far East. Whilst British perfidy was one explanation, popular on the political left, and cold-blooded necessity a common explanation offered among British loyalists, more nuanced explanations also appeared. For many commentators, aid to Russia clearly had shaped British weakness in the Far East. A sophisticated analysis appeared in mid January:

The general tendency is to lay the blame on the broad and patient shoulders of the British Government: nor has the British Government attempted to disavow the part it played in the development of those defensive measures based on Singapore which have admittedly proved inadequate in face of Japanese aggression. Mr. Churchill said originally, and Mr. Attlee has since repeated, that we were relatively weak in Malaya because it was deemed vital to be strong in

⁶²² From Curtin to Churchill. January 24, 1942. PRO. CAB 66/21/14.

⁶²³ From Curtin to Churchill. January 24, 1942. PRO. CAB 66/21/14.

Libya, and to divert war supplies of all kinds to Russia, even to the limit of safety. It was beyond our capacity, as Mr. Attlee explained, and as everyone [of] every veil knew, to be strong everywhere. Nothing has yet happened to prove, or even to suggest to the minds of dispassionate people, that it was or is a mistake to fight this war in accordance with the firm conviction that the principal enemy of mankind is Hitler.⁶²⁴

Having linked Russian aid to the place of Malaya in the British strategic hierarchy, the author reminded readers of their own recent views “When, as Mr. Churchill has implied, one of the problems which confronted his Government was the allocation of supplies as between Malaya and Russia, no voices were more clamorous for ‘all aid to the Soviet’ than some of the voices which, in Australia and elsewhere, have since been loudest in protest about the shortage of warlike equipment in Singapore and its approaches.”⁶²⁵

These views were echoed elsewhere. Another editorial made an even stronger argument that aid to Russia was a direct cause of weakness in Malaya, and it could not have been avoided:

Russia was calling for supplies of equipment from Britain and America, and some shipments that would otherwise have gone to Malaya were diverted to our sorely-pressed Soviet ally. These decisions were warmly acclaimed. All agreed that no other policy was possible in the circumstances. Even then the critics accused the Government of not doing enough to help Russia, and it is quite possible that if the British War Cabinet had ordered the diversion to Russia of the nation's war resources then lying idle in Malaya the action would have been hailed as one full of wisdom and courage. ‘All aid to Russia’ was, at that time, the insistent cry, and if there had been any suggestion then of sending anything to Malaya at the expense of Russia there would have been a terrific wail. It is all too easy to forget that in those days Germany seemed likely to overrun Russia—a victory that would have made her almost invincible. It was generally believed—and there seemed to be the best of reasons for the theory—that Japan's course would depend almost entirely upon events in Russia...The unpreparedness in Malaya cannot be denied, but the difficulty there is fundamentally identical with that which has hampered the Empire's prosecution of the war from the very outset and will continue to do so, according to recent statements by Mr. Churchill and President Roosevelt, for the best part of another year. That is shortage of the

⁶²⁴ “What the Critics did for Singapore.” *The Advertiser* [Adelaide]. January 15, 1942. P.6.

⁶²⁵ “What the Critics did for Singapore.” *The Advertiser* [Adelaide]. January 15, 1942. P.6.

implements of war. Our troubles in the Pacific to-day are primarily attributable, not to the Empire's present leaders, but to the blind and inept men who, in spite of warnings by Mr. Churchill and others, idly watched for years while Germany, Italy and Japan armed themselves to the teeth. We have not yet overcome the lag in war production, and we can only hang on grimly, and perhaps at considerable cost, until we do.⁶²⁶

Explaining Russian aid as the cause for British weakness in the Far East was not limited to efforts to defend British planners. An influential socialist newspaper in Brisbane hammered British planners for betraying Australia so to help the Soviet Union:

When help was given to Russia by Britain, Australians were given to understand that this assistance to Russia was at Britain's expense. Therefore, the excuses that have been made in Britain over the Malayan defence weaknesses would indicate that this assistance to Russia was given at the expense of the South-west Pacific. Australians can put no other construction on these excuses than that equipment meant for the defence of the Dominions, particularly Australia, was either kept at Home or sent to Russia. This ultra carefulness or good fellowship at Australia's expense might find favour with those 'Aid to Russia?' advocates who just now are remarkably silent in view of the aid that Australia badly needs, but the situation is perplexing to Australian families who are wondering what next...Australia has made a wonderful contribution to the Empire's war effort. It is outrageous for anyone to think that the Australian homes of the soldiers fighting in the Middle East and Malaya can be ravished by the Japanese because of the adoption of a stupid policy that Germany must be smashed first.⁶²⁷

This fascinating analysis correctly observed Britain's over-insurance of the home islands—apparently expecting Britain to risk its own defence in favour of a theatre not then at war—and linked Russian aid to the nascent British betrayal argument. Another commentator viewed America's production shortages and its failure to deliver protocol promises to Russia, as proof that Russian aid was *not* a cause of weakness in the Far East: “The New York Times expresses grave concern at the revelation that during the last three months less than half the war supplies promised to Russia have been delivered. It is

⁶²⁶ “Being Wise After the Event.” *Launceston Examiner* [Tasmania]. January 16, 1942. P. 4.

⁶²⁷ “Sit Down Strike by the ‘Singapore Blimps’.” *The Worker* [Brisbane]. January 27, 1942. P. 1.

pointed out that apologists for the lack of assistance to the Philippines and Malaya have said that aid to Russia has been the reason. This is now disproved.”⁶²⁸

Others were less inclined to consider Britain’s grand strategic needs when assessing the weakness in the Far East. Probably echoing the assumptions within the Australian command, a military correspondent told the Australian Press ten days after the Japanese landings in Malaya about the critical importance of air defence. Without it, all was lost. He implored the shuttling of air reinforcements from the Middle East to Malaya, explaining that, “one of the great arguments behind our aerial policy in Asia was that war craft could be speedily shuttled from one part of the continent to the other in accordance with changing strategical necessities.”⁶²⁹ One week later, another paper reported with surprising nuance about the strategic decision-making leading up to Singapore, while still containing a kernel of the narrative of British betrayal.

The man in the street is at last beginning to realise that he has been let down, Malaya has been let down, and Australia has been let down by men who have committed the same mistake that Britain has committed so many times in this war. The enemy has again been under-estimated. For months past service leaders in this part of the world questioned Japanese ability to do things which in the first fortnight he has proved beyond doubt that he can do.

The Japanese were not good pilots, their eyesight was bad, they were textbook pilots with no originality, the Japanese were unable to use mechanized equipment in Malaya's rice fields, jungles, and rubber plantations, the Japanese would be unable to land troops on Malaya's east coast before March because the monsoon would prevent them, the Japanese would be unable to send a strong air force against Malaya—these were the stories fed to correspondents. Some swallowed the stories and wrote about clouds of aeroplanes over the jungles, others did not. Some who had seen the Japanese in action in China expressed contrary views and fears that Malaya had insufficient air force.

In fairness to Air Chief Marshal Sir Robert Brooke-Popham, he is reported to have declared before the war that he was not satisfied with the

⁶²⁸ “Less than Half Promised Aid.” *Northern Standard* [Darwin, NT]. February 6, 1942.

⁶²⁹ “Fighter Strength in Malay: Need to Shuttle Planes There.” *The Advertiser* [Adelaide]. December 17, 1941. P. 8.

number of aeroplanes at his disposal. In that case, the blame may be laid at some London door.⁶³⁰

Obviously that door was 10 Downing Street. The author states British views of Japanese prowess with some accuracy, including his mention of the diversity of opinions available.⁶³¹ But this version, though nuanced, was not entirely accurate, overstating the degree to which Britain mis-assessed the Japanese threat, and understating Australia's own grasp of events.

By the second week of January, the battle for the Malay Peninsula was nearing its conclusion. The Japanese swiftly approached the Johore Strait, which separated Singapore from the mainland. Wavell planned a major stand spearheaded by the Australian Eighth Division, commanded by Major-General Gordon Bennett. British forces still outnumbered the Japanese by a significant margin, and Japanese supply lines were severely stretched. But Japan had complete air superiority. After a good start, the Australian Division quickly was beaten on the ground. The Australian press, however, was accustomed to bludgeoning Britain with the stick of inadequate air support, blaming the defeats in Greece, Crete and Malaya on that alleged failure. On January 13, the eve of Great Britain's stand, Curtin cabled Churchill warning:

It is naturally disturbing to learn that the Japanese have been able to overrun so easily the whole of Malaya except Johore. It is observed that the 8th Australian Division is to be given the task of fighting the decisive battle...I urge on you that nothing be left undone to reinforce Malaya to the greatest degree possible in accordance with my earlier representations and your intentions. I am particularly concerned in regard to air strength as a repetition of the Greece and Crete

⁶³⁰ "Failures of Strategy". *The Mercury* [Hobart]. December 23, 1941. P. 2.

⁶³¹ Ferris, John. "Worthy of some Better Enemy: The British Estimate of the Imperial Japanese Army 1919-41, and the Fall of Singapore" *Canadian Journal of History*. Vol. 28 Issue 2 (1993). Pp. 222-255.

campaigns would evoke a violent [public] reaction and such a happening should be placed outside the bounds of possibility.⁶³²

At this point, the outcome of the battle was in little doubt. Curtin's cable, therefore, essentially was a statement for the record; Britain yet again was sending the Australians into battle without air cover for the second time in as many years. This implicit blaming of Britain for any consequences in Australia amounted to a threat to Churchill.

Curtin's efforts in the press also had a salutary effect. Public opinion came to an inescapable conclusion that Britain had exploited Australia. Censorship reports in January were loaded with accusations "that Churchill is only an orator or an old fogey, that England has neglected Australia, that England has sent Australians overseas to fight and is now telling Australia to wait until Germany is beaten, that there are plenty of troops idle in England, that Britain was responsible for all the bungling in Malaya, which was run by 'incompetent social fools' or wearers of the 'old school tie', that the British had not fought in the war but had left it to the Australians and the Indians."⁶³³

With defeat imminent at Singapore, a brief window of time existed while public discussion of failures in the Far East was possible. The battle had gone badly, but Singapore remained under British control. Once Singapore fell, the possibility of recriminations arising from controversies about the causes of disaster would become too dangerous to Allied harmony. Recriminations in the press were only one danger of discussing weaknesses in the East. Once Singapore fell, the danger to morale and allied cohesion made public discussion of the causes too potentially damaging to be worth the

⁶³² Prime Minister of Australia to Prime Minister. January 13, 1942. NAA: A5954, 571/4.

⁶³³ Hasluck, Paul. *Australia in the War of 1939–1945. Series 4 – Civil Volume II – The Government and the People, 1942–1945.* P. 746.

negligible benefit of being able to have Britain's side heard. On January 28 and 29, a public debate in the House of Lords linked the strategical implications of the role of the Dominions, aid to Russia, and interservice rivalries. At its conclusion Lord Cranborne offered a detailed and searching answer to the questions brought up by the impending defeat:

Recent events in the Far East have also brought to the fore another line of criticism...the assumption that the question of the Far East has been neglected by the War Cabinet and that the eyes of Ministers have been concentrated rather nearer home, on the Middle East and so on. But that in fact is not true; the Far East has never been neglected by the War Cabinet...The difficulty for the Cabinet was not whether they should discuss one area or another, or whether they should say, 'Is there a risk in one area and no risk in another?' but to assess priority of risks. There were risks in all areas. What they had to do—and it was a very difficult job—was to assess priority of risks, and send the materials which they had to the areas that needed them most.⁶³⁴

This statement echoed Churchill's view, and the fact that there had been no fighting in the Far East after the Fall of France. Exacerbating Britain's position, yet lending greater hope to thoughts of victory, was Barbarossa, which further eroded the Far East's claim to resources,

When Russia was attacked by Germany there were most violent appeals from the Press and the public, both here and in the Dominions, with regard to assistance for Russia... Throughout the Empire, as in this country, the universal view was that Russia must be helped, and that, in fact, the successful outcome of this war depended on the assistance given... This is the fact which, even if noble Lords do not have to face it, the Government must face. They have to face the fact that there is only a certain amount of armaments, and they must be sent where they are needed most. These places must be the places where at the time there is actual danger as against places where at the time there is only potential danger. I would commend that particular point to noble Lords who have suggested, yesterday and to-day, that more ought to have been done for everybody. To provide really enough for this country, for the Middle East, for Russia, and for the Far East was really beyond our power last year. It was beyond our power to provide adequately for all.⁶³⁵

⁶³⁴ *Lords Hansard Parliamentary Debates*. Series 5, Volume 121:569-570.

⁶³⁵ *Lords Hansard Parliamentary Debates*. Series 5, Volume 121. Pp. 571-572.

Cranborne linked aid to Russia and the absence of modern kit in the Far East, and the Australian accusations that Britain could have done more than it did, “His Majesty's Government and the British people sympathize with these two Dominions [Australia and New Zealand] in their present anxiety. We speak with experience. We have ourselves been threatened with invasion now for over two years. We are threatened with it still at the present moment, and we know what an extraordinarily unpleasant sensation it is.”⁶³⁶ Cranborne succinctly noted the inherent contradiction between the needs of Britain and Australia. It was the same difference that had caused friction over the last year and a half. He repeated the same arguments—intensely irritating to the Australians—that Britain had been in danger since 1939, whereas Australia had been far from the fighting; patronisingly praising Australia's contributions in men and material to that point. Thus Cranborne was factually correct, strategically sound, and enraging to the Australians. In Australia, his speech and the House of Lords debate was presented as a British admission that it had conceived of the Singapore Campaign “in the old way” and overlooked the defence of the Far East, ignoring Cranborne's central point.⁶³⁷

In Australia the political aftermath of Japan's military success was ugly. The Dominions Office had the unenviable job of mitigating its fallout. This included the impossible task of preventing the spread of rumours or witness accounts throughout the Empire.⁶³⁸ Since censorship was of limited use, the Dominions Office settled on explaining what most likely would result from the spreading of witness accounts, in

⁶³⁶ *Lords Hansard Parliamentary Debates*. Series 5, Volume 121. Pp. 577-578.

⁶³⁷ “Air Strength Must Dominate War Strategy” *The Advocate* [Burnie]. January 31, 1942. P. 7.

⁶³⁸ Dominions Office note by Godfrey Eccleston Boyd Shannon. May 23, 1942. PRO. DO 35/1010/3.

particular the common view of English evacuees from Singapore about bad Australian behavior.

It is no disgrace to troops to be defeated by a superior force, but it is only a very short step from this statement to the charge that 'if the Australians had held, we should not have lost Singapore.' Embittered evacuees who have lost, perhaps, their families, homes and fortunes there, will not hesitate to go this much further. The further allegations about the Australians throwing away their arms and crashing on to the ships is also discreditable, if true. As these stories spread throughout the Empire, they will inevitably lower the opinion in the Empire of Australians in general and Australian troops in particular. Whether or not they are true this result can only be damaging to Anglo-Australian relations. I cannot suggest a remedy, but it seems as well to recognise that these relations, which have already been strained at various times in the last six months, are likely to be still further strained in the coming months.⁶³⁹

Britain stifled arguments in its own defence because they would do more harm than good.

In Australia, however, with Japan advancing closer every day, Britain's silence about the causes for collapse at Singapore was interpreted as a sign of guilt. The British Empire could not defend the approaches to Australia in its hour of danger. Worse still, as Japan advanced, ever fewer aircraft remained to defend Australia. The inability quickly to transfer fighters from the Middle East added to this problem. Immediately after the surrender of Singapore, ABDACOM's fighter strength had "been reduced to twenty-five Hurricanes, of which eighteen were serviceable. The bomber and reconnaissance squadrons were in equally desperate case. At Semplak airfield, twelve Hudsons, and at Kalidjati, six Blenheims, sought to sustain the war."⁶⁴⁰ Everything had been in the shop window when Japan attacked. Furthermore, Australia's orders for planes from the United States, already seriously delayed, were subjected to yet more of them.

⁶³⁹ Dominions Office note by Godfrey Eccleston Boyd Shannon. May 23, 1942. PRO. DO 35/1010/3.

⁶⁴⁰ Richards, Denis and Hilary Saunders. *The Royal Air Force, 1939-1945, Volume 2: Fight Avails* London: HMSO, 1953. P. 46

The development of a fighter command in Java, around the nucleus of the small, ill-equipped Netherlands Air Force, which had sought but had not received modern equipment from the United States and Great Britain, depended on the early arrival of reinforcements...The only hope was that the American pilots and the crated P-40's that arrived in Australia could be moved, by one means or another, to Java. The attempt to move these planes to Java took precedence over the fulfillment of the urgent needs of the Royal Australian Air Force (RAAF), which was quite inadequate to defend Port Darwin and the northeastern approaches to Australia.⁶⁴¹

Already weak and frightened, the Australians were dealt another blow to their defenses as Japan neared.

Despite the growing danger to Australia, no help was forthcoming from Britain. Newspapers announced that "No British Help Forthcoming For Australia," and sought to explain that, while "Britain wished to send her own men to fight in Australia...help from England must be indirect," i.e. American.⁶⁴² The following month, the Australians learned precisely how low was their place in Britain's supply hierarchy. Clement Atlee announced that "'We have to hold on until we can regain strength in the air, on the sea, and on land. We are doing all we can to strengthen our forces in India. Ceylon has also been reinforced. The Battle of the Coral Sea has inflicted a severe check on the Japanese.' He assured the House that Britain was keeping up her programme of aid to Russia, although it was not very easy to do so."⁶⁴³ All but Australia were to receive reinforcements.

Meanwhile, Allied air forces were crushed in Burma. On March 21, the last Allied air offensive in Burma saw ten Hurricanes and nine Blenheims attack Japanese air strips.

⁶⁴¹ Matloff, Maurice and Edwin M. Snell. *U.S. Army in World War II: The War Department. Strategic Planning for Coalition Warfare*. Pp. 131-132.

⁶⁴² "No British Help For Australia" *Recorder* [South Australia]. April 24, 1942. P. 1.

⁶⁴³ "Ready to Run Risks for Australia" *Barrier Miner* [New South Wales]. May 21, 1942. P. 3.

Japan retaliated the following day with 230 bomber and fighter aircraft.⁶⁴⁴ After this attack, Burma's air defences consisted of six Blenheims and eleven Hurricanes. On March 27, Japan "attacked in waves for seventy-two hours and destroyed seven Hurricanes and a Valentia. These two disasters virtually wiped out the air force in Burma."⁶⁴⁵ Japan threatened India and Ceylon, which also were weak in air defence because everything available had been sent forward piece-meal over the prior four months. The Japanese attack made more distant the prospects of reinforcements there, exacerbating Australian feelings of abandonment. Moreover, with the fall of Malaya and Burma, Britain rushed large and modern air forces to India. None reached Australia. Meanwhile, during spring 1942, while Japanese planes bombed Darwin in Australia and Japan's forces threatened India, British deliveries to Russia continued, outnumbering air reinforcements to India, the Far East and the Antipodes by more than two to one.

Figure XXXI: British Fighter shipments to Russia and to the Far East, 1942

Fighters sent from Britain to Russia, January 1-May 31, 1942 ⁶⁴⁶	British Fighter Reinforcements to India and the Far East, January 1-May 1, 1942 ⁶⁴⁷
1060	432

At the end of May, Britain was transporting 165 Hurricanes and 35 Airacobras to Russia.⁶⁴⁸ By the end of June, another 176 Hurricanes and 39 Airacobras were in transit to Russia, with a further 157 Hurricanes and 54 Airacobras loading.⁶⁴⁹

⁶⁴⁴ Richards, Denis and Hilary Saunders. *The Royal Air Force, 1939-1945, Volume 2: Fight Avails* London: HMSO, 1953. P. 65

⁶⁴⁵ Richards, Denis and Hilary Saunders. *The Royal Air Force, 1939-1945, Volume 2: Fight Avails* London: HMSO, 1953. P. 65

⁶⁴⁶ Supplies to Russia, Position as on 31.5.42. June 2, 1942. PRO. AIR 8/1000.

⁶⁴⁷ "Reinforcements to India-Far East. (415 Hurricanes, 15 Beaufighters) April 24, 1943. PRO. AIR 23/1071.

In the press, explanations were mixed. Australian Press baron Keith Murdoch, for example, argued that “One must agree that the Libyan campaign has had its value. The diversion of hundreds of planes and tanks to Russia probably was vital to Moscow, and the arrival of capital ships at Malaya theoretically was in time... But let us take our share of the blame. What interest in Singapore have any of our governments taken?”⁶⁵⁰ As a former Minister of Information and member of the Australian Cabinet, Murdoch knew that this claim was not true, while Australia had pressed repeatedly for more forces in the Far East. The readers of his papers had no such inside information to check against Murdoch’s statements. Murdoch continued to condemn Curtin’s Government and the British, accusing both of ignoring the danger, on one occasion even calling Allied defeat a political rather than a military one.⁶⁵¹ By June, his criticisms began to lean heavily toward British fault, and reached London. They were presented to the Deputy Prime Minister, Clement Atlee, on the floor of the House of Commons. Not for the last time, an Australian Murdoch found a useful conduit in Britain’s Labour Party, as MP Richard Stokes asked “Are you aware that Sir Keith Murdoch, of Melbourne, reported that the demands [for equipment in Malaya] were whittled down by Whitehall officials? Are those responsible for this whittling down still in office?”⁶⁵² There was little doubt who were the guilty men.

⁶⁴⁸ Supplies to Russia, Position as on 31.5.42. June 2, 1942. PRO. AIR 8/1000.

⁶⁴⁹ Supplies to Russia, Position as on 30.6.42. July 1, 1942. PRO. AIR 8/1000.

⁶⁵⁰ “Share Blame in Malaya: Sir K. Murdoch’s View” *The Sydney Morning Herald*. January, 27, 1942. P. 6.

⁶⁵¹ “Malayan Debacle” *Kalgoorlie Miner*. April 14, 1942. P. 3.

⁶⁵² “Whittled Down?” *The Mercury* [Hobart] June 4, 1942. P. 2.

In March, Gordon Bennett informed the media that he had not been invited to submit a report of his experiences to the British, implying the possibility of a cover-up.⁶⁵³ Bennett's credibility was nowhere near Murdoch's, due to the nature of his escape from Singapore, leaving his men behind. Indeed, the Australian Government could not find him employment due to the likelihood of "insubordinate incidents" and the daily arrival of "a large number of letters from private persons abusing Bennett."⁶⁵⁴ Nevertheless, not everyone despised him; he carried the rank of Lt. General and had the authority of an eye-witness and an Australian. The British invited General Bennett to provide a comprehensive report on the Singapore campaign, which he speedily delivered. In his view, Singapore fell through the fault of everyone but the Australians and himself, particularly on the Indians for losing morale, but also a lack of air support, offensive spirit, and superior enemy equipment. The Dominions Office noted sardonically, "it is to be assumed from the report that General Bennett does not consider that [the lack of offensive spirit] applies to the Australians under his command."⁶⁵⁵

By summer 1942, as the threat of a Japanese invasion of Australia's mainland subsided and the presence of Americans on Australian soil expanded dramatically, both popular and governmental feelings toward Britain improved—though from a low nadir.

As the British High Commissioner reported with overstatement, there was

A steady improvement in the feelings toward the United Kingdom. A stranger landing here would not, I think, notice any ill-feeling. We, who have been pricked into sensitiveness on the subject and who are consequently not inclined to take things for granted, have a pleasurable sensation of basking in the sunshine of restored amity. I feel that a barrier has been removed between myself and

⁶⁵³ "Report on Malaya." *Manchester Guardian*. March 14, 1942. PRO. DO 35/1010/3.

⁶⁵⁴ Ronald Cross to Clement Atlee. March 28, 1942. PRO. DO 35/1010/3.

⁶⁵⁵ Dominions Office Analysis. Author's name illegible. April 4, 1942. PRO. DO 35/1010/3.

some Ministers who in the past were far from friendly to the United Kingdom. All this does not mean that improvements have permeated everywhere but rather that war consciousness and a friendly feeling are so established in important and less important quarters that they look like penetrating widely and deeply.⁶⁵⁶

The fact that it took eight months for a British high commissioner to be able to feel relieved that a Dominion minister might speak to him without visible contempt indicates both the wisdom of not hammering the Australians and the damage already done to relations.

Australia still not only differed with Britain on strategy, but assertively informed the COS and Cabinet that London was saying one thing and doing another. The COS' view on strategy "appears to me to be a most unsatisfactory and illogical...It has all the appearance of a compromise between sharply divergent points of view."⁶⁵⁷ The correct strategy, and the one British planners would pursue if they were following their own requirements would mean that the use "of Bomber Command for the offensive on Germany must be regarded as subsidiary to the protection of our sea communications."⁶⁵⁸ Instead, "the Chiefs of Staff have not followed the priorities laid down, but make additional action for the defence of sea communications subsidiary to the requirements of Bomber Command."⁶⁵⁹ Once again, London's decision would expose Australia to danger by weakening defences in the Indian Ocean.

In dealing with the Indian Ocean area the Chiefs of Staff 'recognise the importance of meeting the requirements for reconnaissance and striking force in the Indian Ocean as soon as possible, as on this will depend our ability to transfer the Eastern Fleet to the Pacific or elsewhere.' Nothing could be more important 'for securing our vital communications and interrupting those of the enemy' in

⁶⁵⁶ Letter from Sir Ronald Cross to Clement Atlee. September 16, 1942. PRO. DO 35/1010/3.

⁶⁵⁷ Memorandum by the Accredited Australian Representative to the Cabinet. July 31, 1942. PRO. CAB 66/27/6.

⁶⁵⁸ Ibid.

⁶⁵⁹ Ibid.

these waters than such transfer. Nevertheless the Chiefs of Staff do not propose to start sending long-range reconnaissance aircraft to Ceylon until October. The reason for this delay appears to be a reluctance to permit even a temporary weakening of Bomber Command...This is a complete reversal of the priorities upon which the Chiefs of Staff say they are working.⁶⁶⁰

The Australians concluded by advising that the COS begin its strategic assessments anew. When it did so, it would find that any delays in the bomber offensive were minor compared to their value in the East. The same, however, had been true in 1941.

Britain's public discretion about Australia allowed a one-sided version of events to fill the vacuum of information, particularly in Australia, and to colour the historiography. Anti-British feelings became so strong that a backlash emerged in some newspapers and from the Returned Services League of Australia (RSL). In early July RSL issued a strong public criticism of Australian hypocrisy.

Returned men are not fair weather friends, nor do they readily forget services rendered. Australia has past debts to redeem—debts to kinsmen who have borne the cost, in blood and money, of defence of the Empire—a defence which has stood Australia in good stead until now... Threading the recent criticisms of Britain was a suggestion of decadence. The heart of the Empire was on the wane, and virility was a quality found only in the Dominions. Decadent! If the men of England are decadent, then it must have been from the very gods themselves that they have descended.⁶⁶¹

Echoing the RSL was an editorial accusing the Australian government of being either willfully misled or incompetent in not demanding more aid for Singapore. This accusation was inaccurate, but the editorial clearly explained why Singapore had not the kit it needed.

Britain is mothering the world of freedom. To Russia she is sending the planes guns and tanks she sorely needs herself. Even to American troops a constant stream of munitions is flowing. Bishop Booth recently related how, in the Middle East, the A.I.F., after losing the bulk of its equipment in Greece and Crete, was

⁶⁶⁰ Ibid.

⁶⁶¹ "British—And Proud of It." *The Benella Ensign*. July 3, 1942. P. 4.

re-equipped with the most modern guns, tanks, etc., which came in a constant stream of boats from England, via the long perilous submarine infested route around the cape. Britain delivers the goods; but few understand the colossal nature of the task, and the magnitude of her commitments... Every attempt to belittle the Mother Country depresses our friends, feeds the East with doubts, and our enemy with encouragement.⁶⁶²

The editorial paralleled Churchill's policy and justified his decision to suppress Wavell's report.⁶⁶³ Britain was in a lose/lose situation, in which to tell its side or to suppress it both damaged its image.

Britain's impotence in the Far East and its inability to send reinforcements even as Australia itself was attacked, encouraged a lasting anti-British sentiment in Australia. Indeed, a full 50 years later, in a debate about tax policy, Prime Minister Paul Keating belittled his Liberal opponents for having any British affinity, "I was told that I did not learn respect at school. I learned one thing: I learned about self-respect and self-regard for Australia—not about some cultural cringe to a country which decided not to defend the Malayan peninsula, not to worry about Singapore and not to give us our troops back to keep ourselves free from Japanese domination."⁶⁶⁴ The use of such an argument as a cudgel demonstrates how widely held remain the beliefs it expresses.

⁶⁶² "British—And Proud of It." *The Benella Ensign*. July 3, 1942. P. 4.

⁶⁶³ This was Wavell's official report on the causes of the catastrophe in the Far East. The conclusions of the report emphasised elements of British planning: British assumptions that the Japanese would not be foolish enough to attack the U.S. and Britain simultaneously, assumptions that the East of Malaya could not be landed upon during the December-February rainy season, and local assumptions that the Japanese were simply not good enough flyers to pose a credible threat to the Straits. None of these assumptions could have been anticipated and overcome without the Japanese actions which disproved them. Crucially, one of Wavell's key causes of the collapse was a lack of air power. Of all the reasons stated for the collapse, air power is the one that was foreseen, but impossible to fulfill. As Wavell noted early in his report, "it was, in fact, officially announced that an attempted Japanese invasion from the sea would be frustrated by air action." "Operations in Malaya and Singapore" By General Wavell and Major H. P. Thomas. July 27, 1942. PRO. CAB 66/26/44.

⁶⁶⁴ House of Representatives, *Parliamentary Debates*. February 27, 1992. p.373.

Throughout 1940 and 1941, Australia knew of the deficiencies of Britain's Far Eastern defense and worked with it to craft a policy of air defense, sustain the deterrence strategy, or to defeat a Japanese invasion. Australia pressed its case to the point of blackmail. The Air Plan was a realistic assessment of Japan's aims and capabilities, and a reasonable strategy to oppose them. Aid to Russia left these plans hopeless. While few if any planes would have been sent to the Far East before December, many would have gone to the Middle East, from whence they could have been moved east. Even in defeat they would have demonstrated Britain's good faith. A couple of hundred Hurricanes shuttling across the sub-continent from the Middle East to Malaya and going down in flames would have undermined the emerging narrative claiming that Australia had been hoodwinked. Moreover, by defending the ABDA area and perhaps surviving to help the defence of Australia in spring 1942, these aircraft would have been a direct expression of Britain's commitment to its Dominion. Instead, with Britain having given those planes to Russia, when Japan attacked the Australians were asked to defend themselves without air power. Though British planes began to arrive in May, the damage was already done to relations. As with Canada, the war pressed Australia toward greater independence and pursuit of its own interests, because those differed in many ways with Britain's own. The defeats of early 1942 accelerated that trend, and it was not restrained by a British brake.

Conclusion

Churchill's disappointment in early 1942 was bitter. "The reputation of the British Army now lies unhappily very low. We do not seem to be able to fight the enemy on even terms or man for man. I was looking to the 8th army, on which everything we have has been lavished, to repair the shame of Singapore."⁶⁶⁵ While these sentiments were genuine, not all of the facts were so. Everything Britain had was *not* lavished on 8th Army. Rather, most of the tanks and aeroplanes destined for service outside the U.K. went to the Soviet Union. From August 1941 to March 1942, Russia received 1513 modern fighters, almost 100 more than the Middle East and Malaya combined, and nearly 50% more tanks.

Britain also was losing a public relations battle, where defeat jeopardized not the present, but the future. Despite Britain's lonely year-long fight against the Axis from June 1940 to June 1941, its military setbacks in 1941 and 1942 risked leaving Britain irrelevant after the war. As Harold Butler, Head of the British Information Service at the British Embassy in Washington, warned the Cabinet in May,

The future political relations between Britain and the United States largely depend upon the extent to which Americans can be brought to understand the nature and magnitude of the British war effort. If they regard our contribution to victory as having been secondary, and second rate, they will consider our views on the peace settlement as of secondary importance. After the last war, as I learnt by personal experience in 1919, the average American had no conception of what we had done. If this happens again, the political consequences will be much more serious.

During 1940 British prestige stood very high in America. In the last twelve months it has greatly declined. The Battle of Britain is forgotten. With the cessation of bombing the admiration for British fortitude gradually waned, the

⁶⁶⁵ Churchill to Claude Auchinleck. March 1 1942. PRO. AIR 8/963.

more so as the bombing of civilians became a commonplace elsewhere (Chungking, Singapore, Manila, &c)...The second Libya Campaign was only a partial success, while Hong Kong, Singapore and Burma have been signal failures. On the production side the American has been taught that the United States is the arsenal of democracy. He does not know that until now Britain has, in fact, been the main arsenal. Still less does he know what an effort in planning, building, adaptation of plant and man-power is represented by the fact that our total war output is equal to that of the United States or that for the years 1940 and 1941 we produced 50 per cent more military aircraft than the United States.⁶⁶⁶

Despite its inaccuracy and injustice, this narrative was the prevailing American view. Britain's poverty was the exacerbating factor implicit in Butler's warning. Having nearly bankrupted itself, Britain had much less of a say after 1941 than 1918. The increasingly independent dominions weakened Britain's position further.

If America's false self-image as the 'arsenal of democracy' in 1941-42 endangered Britain's post-war standing, so too did the false equivalence it used when comparing its production to that of Britain. As Butler explained,

Britain has had little or no credit for having achieved a more rapid and radical transformation than either while actually at war. The whole of our vast expansion of production, with the enormous number of new factories and buildings which it has entailed, many of which have been built underground, has been carried out in spite of the fact that the whole country was subjected to an intensive aerial bombardment at a critical time. Americans, on the other hand, can plan their industrial expansion without much regard for the dangers and consequences of air attack. It is essential that Americans should understand what we have accomplished.⁶⁶⁷

Butler did not even point out where America got the money to pay for its expansion: the United Kingdom.

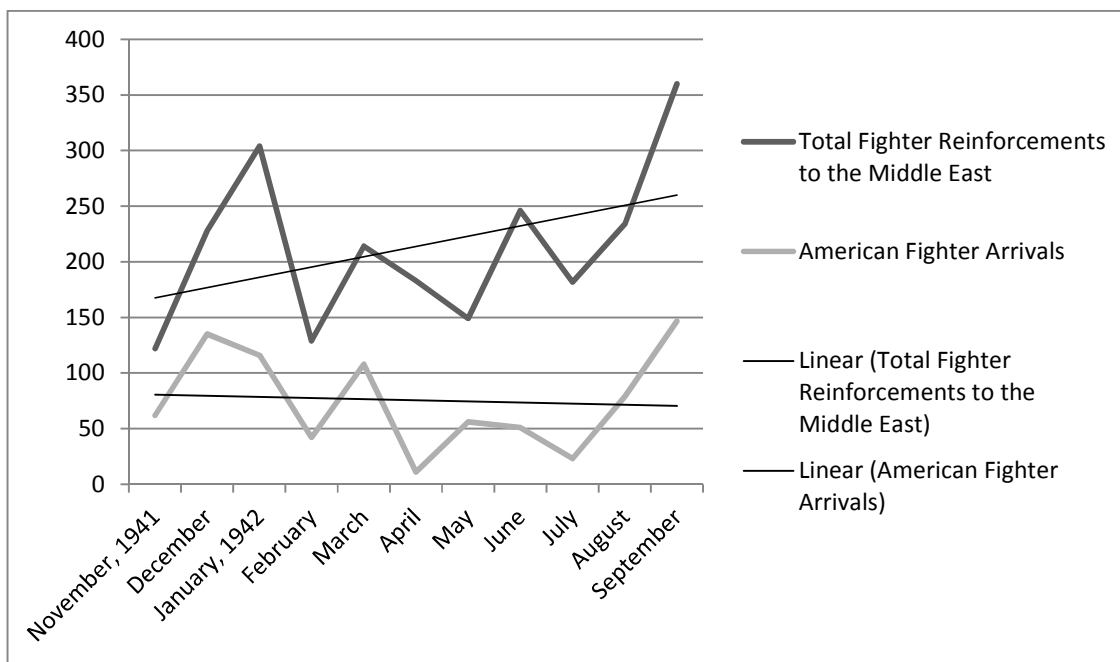
In the sphere of production, not until late 1942 did U.S. deliveries begin to outpace British production, and to approach the promises offered since 1940. During the

⁶⁶⁶ Memorandum to the Cabinet by Harold Butler. May 15, 1942. PRO. CAB 66/24/38.

⁶⁶⁷ Memorandum to the Cabinet by Harold Butler. May 15, 1942. PRO. CAB 66/24/38.

air superiority crisis over Malta in March, American deliveries to the Middle East almost disappeared.

Figure XXXII: U.S. Versus Total fighter reinforcements to the Middle East, 1942



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By the summer of 1942 American commitments to Britain still were in arrears. The delivery even of direct purchase combat types, which were placed and paid for in 1940, still was short by nearly 10%.

⁶⁶⁸ Playfair, I.S.O. *The Mediterranean and the Middle East, Vol. III: British Fortunes Reach Their Lowest Ebb*. London: Her Majesty's Stationary Office, 1960. pp. 458-459.

Figure XXXIII: U.S. Production Performance

	Orders			Performance Against Orders ⁶⁶⁹			
	Lend Lease	Direct Purchase	Total	Lend Lease	Direct Purchase	Total	Total Achieved Thru June 30, 1942
Bombers	9,942	5,355	15,297	3,027	4,717	7,744	5,187
Fighters	7,433	4,402	11,835	3,280	4,200	7,480	5,373
Others	1,986	285	2,271	587	280	867	628
Trainers	5,849	2,495	8,344	2,259	2,304	4,763	3,576
Total	25,210	12,537	37,747	9,153	11,701	20,854	14,764

Lend Lease orders, many of which had been placed more than a year prior, were only 35% fulfilled.

Through the summer of 1942, U.S. deliveries still were problematic. Commitments had grossly exceeded production capacity, though Britain did relatively well in terms of the percentage of promised deliveries which actually arrived; other Allies were even worse off.

⁶⁶⁹ "Summary of Foreign Airplane Requirements as of December 31, 1942." NARA RG 179, Entry 3, Box 28.

Figure XXXIV: U.S. Production Performance by Contract and Purchaser

	Lend Lease ⁶⁷⁰	Direct Purchase	Combined Total	Deliveries	Deficiency (%)
British Empire					
Bombers	7667	4978	12,645	6147	6,498 (51%)
Fighters	4832	4154	8968	5593	3,375 (38%)
U.S.S.R.					
Bombers	1766	0	1766	1156	610 (35%)
Fighters	1650	0	1650	1328	322 (20%)
China					
Bombers	366	2	368	29	339 (92%)
Fighters	369	3	372	266	106 (29%)
Netherlands					
Bombers	38	258	296	263	33 (11%)
Fighters	0	149	149	167	18 12%
Other					
Bombers	105	100	205	149	56 (27%)
Fighters	82	96	178	122	56 (31%)
Total					
Bombers	9942	5339	15,281	7744	7,537 (49%)
Fighters	6933	4402	11,335	7476	3,859 (34%)
All Combat Planes	16,875	9741	26,616	15,220	11,396 (43%)

Britain's allocations slightly exceeded the average allocations, while Russia's share was well below them. Britain could scarcely point out this fact without undermining allied harmony.

To do so would have been pointless too. By late 1942 it was clear that American production soon would deliver the long awaited dividends Britain had sought since the fall of France. American munitions output grew dramatically through 1942. U.S. munitions output approximately doubled in 1941—from its very low base—and doubled again in the first half of 1942, and once more in the second half, for an annual increase of

⁶⁷⁰ "Analysis of Foreign Airplane Requirements on the United States by country as of December 31, 1942." War Productions Board, Statistics Branch. February 9, 1943. NARA. RG 179, Entry 3, Box 28.

nearly 400%.⁶⁷¹ In combat aircraft, American production more than doubled in 1942, from 925 per month in 1941 to 2,072.⁶⁷² Tank production grew almost by an order of magnitude, from a monthly output in 1941 of 350 to almost 2,000 per month in 1942.⁶⁷³ The British investment in U.S. production and capital expansion during 1940-41 perhaps hastened the start of this process by twelve months, but once the juggernaut began to roll its power was immense.

Furthermore, by mid-1942 Britain was able to create a huge expeditionary force in North Africa, and beginning to create another in the Far East. It had reached a full and mature level of production, far above the Germans in quantity and quality. Germany clearly was caught in a two-front war for at least the next year, while Britain now had the U.S. as a fighting ally. Britain, moreover, finally could send large quantities of kit out to the empire without risking the base. By May 8th 1942, Australia had been reinforced with more than 100 fighters, the majority of them British, and more on the way, while domestic production was expected imminently to provide a minimum 50 combat planes per month.⁶⁷⁴ Between January 1 and May 1, the R.A.F. also dispatched 692 combat planes to India, Ceylon and the Far East, including 417 Hurricanes.⁶⁷⁵ They played a crucial role in protecting Ceylon from a concerted Japanese air attack in April, and were followed by increasing reinforcements. In the Middle East, March 1942 was the nadir of

⁶⁷¹ Ed. Alan Gropeman. *The Big "L": American Logistics in World War II*. Washington DC: National Defence University Press, 1997. P. 65.

⁶⁷² Ed. Alan Gropeman. *The Big "L": American Logistics in World War II*. Washington DC: National Defence University Press, 1997. P. 89.

⁶⁷³ Ed. Alan Gropeman. *The Big "L": American Logistics in World War II*. Washington DC: National Defence University Press, 1997. P. 92.

⁶⁷⁴ Gillison, Douglas N. *Australia in the War of 1939–1945. Series 3 – Air. Volume I – Royal Australian Air Force, 1939–1942*. Canberra: Australian War Memorial Press, 1962. P.484

⁶⁷⁵ "Reinforcements to India-Far East." Author not stated but held the rank of Wing Commander. April 24, 1942. Air 23/1071.

British air power, it was the moment after which it suddenly surged, as increased production and the minimal threat of a German invasion of Britain allowed for the first despatches of Spitfires to the Middle East. By August, 379 Spitfires had arrived, along with increased supplies of Hurricanes and Beaufighters.⁶⁷⁶ British air production lagged strategic necessity by mere months. Churchill very nearly got away unscathed from his gamble on Russian aid. These facts illustrate what a near run thing were the outcomes of these decisions on the allocations of military force.

The British decision to aid Russia significantly affected the Soviet war. At the end of 1941, British tanks made up 25% of the medium and heavy armour in service with the Red Army.⁶⁷⁷ On the fronts where the great Soviet counter-attack occurred, “British-supplied tanks made up in the region of 30 to 40 percent of the heavy and medium tank strength of Soviet forces before Moscow at the beginning of December 1941, and that they made up a significant proportion of such vehicles available as reinforcements.”⁶⁷⁸ Britain delivered the maximum force it could to the decisive front of the war, at the moment of greatest Soviet weakness.

The impact of aircraft is less clear. According to Hill, the Soviets received 699 Lend-Lease aircraft from Britain by the beginning of December 1941.⁶⁷⁹ By January 1, 1942, the Soviet Air Defense Forces had only 99 Hurricanes and 39 Tomahawks in

⁶⁷⁶ Playfair, I.S.O. *The Mediterranean and the Middle East, Vol. III: British Fortunes Reach Their Lowest Ebb*. London: Her Majesty's Stationary Office, 1960. pp. 458-459.

⁶⁷⁷ Hill, Alexander. “British Lend-Lease Tanks and the Battle of Moscow, November–December 1941 — Revisited.” *Journal of Slavic Military Studies*. 22:2009. P. 581.

⁶⁷⁸ Hill Alexander. ‘British Lend-Lease Aid and the Soviet War Effort, June 1941 June 1942’. *Journal of Military History*. 71, 3 (July 2007). pp.790-791.

⁶⁷⁹ Hill Alexander. ‘British Lend-Lease Aid and the Soviet War Effort, June 1941 June 1942’. *Journal of Military History*. 71, 3 (July 2007). p. 792.

service.⁶⁸⁰ The Soviet Air Defense Forces, however, were not the only branch of the Soviet Military to use British fighters. The Navy and Army air wings also received some Lend-Lease aircraft. For example, 14% of the fighters on the Leningrad Front were British supplied Tomahawks.⁶⁸¹ Furthermore, the Russians, whether to deliberately conceal or to disperse for safety, spread the Hurricane erection depots for British aircraft widely, so that British observers did not know how many planes were being used or where.⁶⁸² Nonetheless, Lend-Lease aircraft were put into service a month before British tanks, and were distributed amongst the various fronts, with an emphasis on the north. Another factor affecting the number of planes available in Russia was the need to train the pilots in flying them. In a debriefing report, the RAF commander of the Hurricane Erection Party in Kineshma, Russia, described how the Hurricanes were used, and showed how 700 planes might quickly be reduced:

Our first four squadrons consisted chiefly of novice pilots who were lavish in their callow criticism of the Hurricane II...and admitted, fatuously, that it was too easy to fly to be an effective fighter. They even nicknamed it after their appalling biplane trainer, though they had to moderate this particular attitude when they had stalled a few into the ground from fifty feet or so...This sort of criticism from pilots who taxied fairly consistently with flaps down and broke many an aircraft through inattention to detailed cockpit drill and commonsense precautions was most trying. They seemed...to be inordinately fond of the half roll and dive out, which they repeated again, frequently much too near the ground for safety...Whilst the Russians do not lack courage, enthusiasm and determination, it is a deficiency rather of common sense that in many cases would place them at a disadvantage in the execution of their duties. We heard very little news of how the squadrons we were sending to the Moscow Front were faring. We were told, however, that the first squadron to leave had destroyed four Me 109's. This was very shortly after it had left. A few days later

⁶⁸⁰ Hill, Alexander. *The Great Patriotic War of the Soviet Union, 1941-45. A Documentary Reader*. London: Routledge, 2009. P. 175.

⁶⁸¹ Hill Alexander. 'British Lend-Lease Aid and the Soviet War Effort, June 1941 June 1942'. *Journal of Military History*. 71, 3 (July 2007). Ibid. p. 797.

⁶⁸² To the Assistant Chief of Staff for Intelligence, Air Ministry, from Flying Officer W.A.A. Read, Commander of the Hurricane Erection Party in Kinsehma. April 10, 1942. PRO. AIR 46/21.

we learned that in the first squadron there were only eleven machines left out of the original twenty.⁶⁸³

The impact of British fighter aircraft in Russia is more difficult to assess, but they probably were less important than British armour.

None of this was clear to Britain in 1941, when the transfers of equipment to the Soviet Union came at great risk to Britain's security, and ultimately at great cost. Britain gave most of its available tanks and fighters to Russia. Doing so cost an earlier victory in North Africa and shaped humiliation at Singapore. Britain eventually needed American help to win in North-Africa, and the campaign in Burma was overshadowed by American efforts in the Far East. All this has left the enduring impression of Britain as weak, dependent on American wealth and Soviet sacrifice. In fact, from June 1940 until September 1942, Britain gave far more in Lend-Lease than it got. Indeed, it gave more than even the U.S. did. The fact that in July 1942, Britain depended on supplies of American tanks to restore its position in Egypt often is taken as a symbol of British impotence: rather, it meant that the United States finally had the capacity to deliver the kit which it had promised long before, to replace equipment Britain had sent to Russia because the U.S. had reneged on its promises to do so. Britain was cash-strapped, largely because it financed U.S. rearmament. It lost influence in the Dominions through the decisions it made to beat the Axis at any cost. It harnessed its last strength as the world's greatest power and won.

⁶⁸³ To the Assistant Chief of Staff for Intelligence, Air Ministry, from Flying Officer W.A.A. Read, Commander of the Hurricane Erection Party in Kinsehma. April 10, 1942. PRO. AIR 46/21.

This raises the question, how good was British strategy at this time? It certainly got the key decisions right, which was hard to do. Financing U.S. rearmament accelerated the painstaking process of mobilizing the U.S. for war. Despite the disappointments in U.S. production, even the deficient shipments were of use; Britain was at or near maximum capacity in its own production. That money could have been spent more effectively on modern armaments nowhere else, and Britain's investment paid off spectacularly in 1943. The positive morale boost brought by America's repeated grandiose promises also is not to be overlooked. Since it was politically impossible to proclaim America's missed promises, the public had to assume that 'the arsenal of democracy' was keeping Britain afloat in 1941—as, to a large extent, it still believes.

Sending every possible tank to Russia at the crucial time was the best use of British armour. The British share of 35% of all medium and heavy tanks before the Moscow counter-offensive was all that Beaverbrook could have hoped for when he sought to convince Churchill to overpower the 'rolling seminar', and initiate early aid to Russia. British tanks fought in the infantry-support role they had been designed for, in one of the decisive moments of the war, at a small opportunity cost. British tanks would not have been sent to Malaya in 1941. While extra armour would have been sent to the Middle East, along with substantial numbers of two-pounder anti-tank guns, these forces likely would, at best, have mitigated the poor training of British armoured forces there. On their own, they could not have transformed the outcomes of the battles fought in the Western Desert between November 1941 and June 1942.

Fighter aircraft were another story. While Lend-Lease planes helped the Soviet air forces, they did not play the significant role of British armour in that theatre and the

opportunity cost of sending them was substantial. Furthermore, many of the planes sent to Russia apparently were poorly utilized. These planes would have made a real difference in the Middle East, where Britain had the pilots, ground crews, and tactics needed to use them effectively. A comfortable air superiority in North Africa would have multiplied the strategic gains made from Crusader and also have enabled safe and swift transfer of fighters to the Far East after 8 December, 1941. In Singapore, tanks never were envisioned as a major part of British strategy but the RAF was its centerpiece. Yet when the Japanese attacked they were met by a vintage force of only 91 Buffalo fighters. This weakness stemmed not from ignorance, but because Lend-Lease aid to Russia meant shortages everywhere else but Britain.

Britain made good strategic decisions under difficult circumstances, but not perfect ones. In hindsight, it would have been better to send Russia fewer or no planes, or to have reduced Home Forces substantially, thus allowing them both to aid Russia and to reinforce Egypt and Singapore adequately, or, if not, to send far more Hurricanes east instead of north. Instead, Britain chose absolutely to ensure the safety of the base, and to dedicate those resources which remained to supporting their second leading priority, bolstering the Red Army. Under the circumstances this was a good, and bold, decision, but a costly one.

Had all the material sent to Russia instead been dispatched to the Middle and Far East, Britain would have more than doubled its strength in tanks and fighter aircraft, which would have increased its chances of victory there. Instead, Britain at a tremendous cost to its own strength decided to bankrupt itself in 1940, and later to send its precious equipment to Russia. It did so because Britain's leaders felt they had to gamble if they

were going to win and they thought these decisions would give the Allies the best chance to do so. Having committed itself to aid Russia, Britain honourably fulfilled those commitments—including making good American shortfalls on its pledges—at the probable cost of a clear victory in ‘Crusader’ and its aftermath, and a humiliation in Singapore. British strategists correctly determined that Germany must be beaten. Until June 1941, this meant surviving while mobilizing Dominion and U.S. production. In the case of Canada, this meant paying to usher them away from the British Empire, toward economic independence and closer ties with the U.S. After Barbarossa, and against much bureaucratic inertia, Churchill correctly decided that the Soviet front was where Germany would win or lose. British armour helped to stop the German advance at Moscow, and drive it back, in one of the key campaigns of the war. Was it decisive? British aid, while helpful, probably was not a life-saver for Russia. Assessment of these issues, however, leads to consideration of the difference between an image of British power and one of weakness and bumbling. Existential war is not a beauty contest and British planners did not have the benefit of hindsight. Through their decisions they demonstrated that if the Empire was the price of victory, it was a price they were willing to pay.

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