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ANGLO-FRENCH ECONOMIC COORDINATION IN WORLD WAR II:

THE ANGLO-FRENCH CO-ORDINATING COMMITTEE,

1939-1940

by

Alan Lee Schadler

A Dissertation

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of Lehigh University

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Upon the outbreak of war in Europe on September 1, 1939, France and Britain found themselves locked in a struggle with Germany, as they had twenty-five years before. Immediately after the start of hostilities the two allies began a search for an organization to coordinate their economic policies for the duration of the conflict. After extensive consultations the French and British Governments announced, in November, 1939, the formation of the Anglo-French Co-ordinating Committee. Composed of representatives from both nations and chaired by Jean Monnet, a confidant of the French Premier Édouard Daladier, the Co-ordinating Committee tried, with a mixed degree of success, to establish a common economic policy. Then, with the surrender of France in June, 1940, the work of the group abruptly ceased.

Tracing the activities of the Co-ordinating Committee has been made possible by the opening of the papers of the Committee. Held at the Public Record Office in London, the files contain all of the official papers of the Committee. The files also house interdepartmental and personal correspondence between concerned British government officers and between French and British officials. These letters and notes have been particularly helpful in piecing together the behind-the-scenes maneuvers of those people involved with the Committee.

Documenting the French contribution to the Co-ordinating Committee has been more difficult because of the lack of information.

Of course, the decisions of the French members of the Committee are documented in the official papers available in London. However, what is missing is the correspondence between French officials. This gap has been partially filled by the papers of Jean Monnet, who graciously made his collection available to the author in the summer of 1974. These papers provided a large fund of information about the French attitude toward allied economic cooperation.

Study in Europe was made possible by a grant from the Moses Fund, given to the author by the History Department of Lehigh University. In addition, the author thanks those faculty members who supported this study: R. G. Cowherd, G. M. Ellis, J. M. Haight, L. H. Leder, J. B. Owens of the History Department and H. B. Brad-dick of the Department of International Relations. In addition, each member of the committee carefully read the manuscript and improved the text with their suggestions.

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To Bedelia

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Abstract

On September 1, 1939, the armies of Adolf Hitler crossed the boundaries of Poland. Shortly thereafter the western democracies, Great Britain and France, honored their commitments to the violated nation and declared war on Germany. At the outset of hostilities the two western allies possessed only the Supreme War Council to coordinate their economic war efforts. Realizing the gravity of the situation, a few individuals began to advocate closer economic cooperation between the two nations. Several people played a role in bringing the Allies together: Jean Monnet, Edouard Daladier, Sir Edward Bridges, and Neville Chamberlain, for example.

In particular, Monnet and Bridges were interested in bringing Britain and France together. In the fall of 1939 they were instrumental in persuading the Allies to create an Anglo-French Committee charged with control of the production, purchase, and distribution of war material in both nations. Later, as chairman of the committee Monnet continued to lead the Allies toward coordination of the economic war effort until the fall of France.

The dissertation analyzes this committee's origins, development, function and significance, with some emphasis placed on the role of Jean Monnet. It sheds light on the preparation of the Allies for war and explores the links between the committee and the foreign production of material for the Allies. It also comments on the degree of economic unity between

France and Great Britain. Because a study of the committee has never been done, this work fills an important gap in the history of the early period of the Second World War and Anglo-French relations.

The primary sources available for investigating the topic are extensive. The papers of the Anglo-French Co-ordinating Committee form the key collection of documents. They are in the Public Record Office in London. The publication by the British government, The Second World War: A Guide to Documents in the Public Record Office, lists their extensive holdings.

The papers of Jean Monnet comprise the most important private source of French information and complements the holdings of the Public Record Office. M. Monnet opened his files to the author in the summer of 1974. Other French papers which deal with the French contribution to the Co-ordinating Committee are not available at this time.

Chapter I

Preparations for War

On September 1, 1939, the armies of Adolf Hitler invaded Poland. Three days later the western democracies honored their commitments to the violated nation and declared war on the Third Reich. Following the collapse of Polish resistance, Europe entered that phase of World War II popularly known as "the phoney war." During that time little or no military activity occurred, but for that period the same cannot be said of Allied economic preparations for war. Almost immediately after hostilities commenced, both England and France took joint steps to prepare their nations for the struggle ahead. What had been a weak area of concern in pre-war planning quickly became, by September 13, a field of intense activity.

This study will focus on the movement to coordinate the Allied economies and the resultant organization created by Britain and France. Led by the Frenchmen Jean Monnet, Edouard Daladier, Premier of France, and other French leaders, and the Secretary to the British War Cabinet, Sir Edward Bridges, their efforts culminated in the creation of the Anglo-French Co-ordinating Committee. Given the responsibility by the two prime ministers

for creating a common economic policy for both nations, this group, under the direction of Monnet, helped to cope with the new demands and pressures of the war. From its inception on November 17, 1939, until the collapse of France on June 22, 1940, he and the Co-ordinating Committee directed Allied Economic policy in their quest for Allied unity. However, the idea for an Allied economic coordinating body was not new, it had its origins twenty-one years before, when France and Great Britain first struggled with Germany.

Within a year of the start of World War I the Allies, Great Britain, France, and after 1915, Italy, discovered that to effectively prosecute the war it was necessary to coordinate their economic policies. During the course of the war the Allies developed increasingly sophisticated machinery to sponsor a joint economic war effort. A leader in this trend was Jean Monnet, from the French Ministry of Commerce. The apogee of the movement came when Allied representatives, plus those of the United States, which had entered the war against Germany in 1917, met in 1919 as participants in the Supreme Economic

Council.

In 1914 no common organization existed to handle economic matters, and until 1916 none was created. By then the financial situation became acute enough to warrant the construction of a joint "gold pool" which temporarily eased French and British credit difficulties. But the major breakthrough came as a result of increasing shipping losses, which developed after the German declaration on unrestricted submarine warfare in 1917.

To solve the tonnage shortage, Britain, France, and Italy engaged in two series of negotiations, the first in August 1917, and the second in October and November 1917. Both succeeded. In the second, more significant session they reached an agreement of far-reaching import. At that meeting the London representative of the French Ministry of Commerce, Jean Monnet, suggested that all shipping be pooled and placed under the direction of a single inter-allied group. Never before had such a thing been seriously contemplated. Previously, each nation looked after its own needs. This new idea contained the principle of submitting national import

programs to an international organization for approval. Initially, the British recoiled from that thought. Nevertheless, this proposal was adopted.

The Allies quickly established an Inter-Allied Maritime Transport Council . Beneath the council the Allies erected a very important Inter-Allied Maritime Executive composed of representatives from France, Britain, and Italy. In practice the Council laid down policy, but the Executive put it into practice. The latter adopted strict operating procedures. Each nation made a periodic list of needs and forwarded it to the Executive. The three members of the Executive met almost daily to defend the import programs of their nations. Because of the deteriorating shipping situation, national representatives had to agree on allocations of all types of materials to each country and make the most effective sensible use of the tonnage at their disposal. They then reported back to their governments to defend the plans they had fashioned. Given an almost total control of shipping, the Executive wielded great power and influence in determining the degree of cooperation achieved by the alliance. It worked well; Monnet's proposal had proved successful. No better example of this could be cited than to point to the equipping of American forces, which flowed into Europe in 1918 with all the supplies and equipment necessary to a field army.¹

¹Jean-Baptiste Duroselle, "Strategic and Economic Relations During the First World War," in Troubled Neighbors: Franco-British Relations in the Twentieth Century, Neville Waites, ed., London: 1971, pp. 40-66. For a complete study of efforts to coordinate Allied shipping, see Sir Arthur Salter, Allied Shipping Control. Oxford: 1921.

Twenty-one years later, in 1939, when Europe appeared on the verge of plunging into another holocaust, it would be to this structure that British officials turned to as an example of what could be done to construct an effective, victorious partnership (See end of chapter for Appendix A).² The date of the paper on which the diagram in Appendix A was attached, July 3, 1939, serves only to substantiate the importance to British leaders of those earlier experiences.

Contingency planning for a conflict with Germany was started in the 1930s by both the French and British Governments. Great Britain's insular position required advance planning because almost all commodities had to be imported. Consequently, shipping was the major concern in pre-war plans. This proved a difficult problem to solve, for several reasons: first, lack of accurate statistical information about the availability of allied and anticipated neutral tonnage precluded any inter-departmental agreement of shipping schedules,⁴ and, second, the British merchant marine had since World

²
CAB 66, War Cabinet Memoranda, "Inter-Allied War Organization, November, 1918." Annex to a July 3, 1939 C.I.D. Committee of Imperial Defence paper.

³
See, for example, a letter written to Daladier by Chamberlain which agrees with the necessity to recreate the supreme command structure of World War I.

Letter, Neville Chamberlain to Edouard Daladier, July 26, 1939, PREM 1, File 311, Defense Organization.

⁴
C.B.A. Behrens, Merchant Shipping and the Demands of War, London:1955, pp. 4-5.

War I suffered from a lack of capital along with high operating costs. These factors lowered their relative position in world shipping tonnage. The following comparison graphically demonstrates the change in Britain's world position between 1914 and 1935.⁵

Table 1

Changes in World Steam and Motor Tonnage of 100
Gross Tons and Over (Excluding United States
Lake Tonnage), Tankers and Dry-Cargo Ships

Country	1914		1937		Percentage Increase or Decrease be- tween 1914 and 1937
	Thousand Gross Tons	Percentage of World's Fleet	Thousand Gross Tons	Percentage of World's Fleet	
United Kingdom	18,392	43.2	17,436	27.8	- 7.7
Domin- ions	1,632	3.8	2,962	4.7	+81.5
British Empire	20,524	47.6	20,398	32.5	- 0.6
U.S. (sea)	2,027	4.7	9,347	14.9	+361.1
Belgium	341	0.8	420	0.7	+23.2
Denmark	770	1.8	1,118	1.8	+45.2
France	1,922	4.4	2,844	4.5	+48.0
Germany	5,135	11.9	3,928	6.2	-23.5
Greece	821	1.9	1,855	2.9	+125.9

⁵Behrens, p. 17

Table 1 (cont.)

Changes in World Steam and Motor Tonnage of 100
Gross Tons and Over (Excluding United States
Lake Tonnage), Tankers and Dry-Cargo Ships

Country	1914		1937		Percentage Increase or Decrease be- tween 1914 and 1937
	Thousand Gross Tons	Percentage of World's Fleet	Thousand Gross Tons	Percentage of World's Fleet	
Holland	1,472	3.4	2,631	4.2	+ 78.7
Italy	1,430	3.3	3,174	5.0	+121.9
Austria/ Hungary	1,052	2.4			
Japan	1,708	4.0	4,475	7.1	+162.0
Norway	1,957	4.5	4,347	6.9	+122.1
Russia	852	2.0	1,254	2.0	+ 47.2
Spain	884	2.0	1,044	1.7	+ 18.1
Sweden	1,015	2.4	1,494	2.4	+ 47.2
Other Countries	1,234	2.9	4,501	7.2	+264.7

The British decline did not spell disaster, but it meant that shipping would be a problem in any conflict; it would have to be judiciously employed in order to make maximum use of it. Plans were required but, as noted above, agreement proved difficult. Consequently, no acceptable directives from British Departments emerged before 1939.⁶

⁶ J. Hurstfield, The Control of Raw Materials, London: 1953, p. 88.

Co-ordination also had to be established in every area where Britain needed imports: raw materials, timber, and food supplies. For example, in food alone the United Kingdom imported 75% of her needs in 1938.⁷ Pre-war negotiations were held with the Dominions and with the French for bulk purchases of these items.⁸ Plans in 1933 encouraged the establishment of a food department in peace time to deal with the needs of the nation in war,⁹ but regardless of the commodity, all of the demands had to be passed on to the shipping authorities for final consideration. But shipping and imports represented only one aspect of Britain's plans; in other vital fields, such as finance, England also moved to prepare for war.

Defense spending in Britain from 1920-1934 averaged about £115,000,000 per year, but from 1935-1939 Parliament increased that amount five-fold in its effort to rearm: 1935 - £135,000,000; 1936 - £186,000,000; 1937 - £262,000,000; 1938 - £400,000,000; 1939 - an estimated £630,000,000.¹⁰ For approximately the same years, defense allocations in the summer of 1939 appeared as follows.¹¹

⁷J.C. de Wilde et al, "Europe's Economic War Potential," Foreign Policy Reports, October 15, 1939, p. 181.

⁸Hurstfield, p. 58.

⁹R.J. Hammond, Food, Vol. 1, London: 1951, p. 8.

¹⁰James F. Green, "Economic Mobilization of Great Britain," Foreign Policy Reports, July 1, 1939, p. 90.

¹¹Ibid., p. 91.

Table 2

Defense Spending (Thousands of Pounds)

[Figures solidly underlined indicate the portion covered by current revenue.]

	1936-1937	1937-1938	1938-1939	1939-1940 (estimates)
Navy	80,976 <u> </u>	101,892 <u>77,892</u>	127,295 <u>95,945</u>	149,399 <u>69,399</u>
Army and Ordnance	55,015 <u> </u>	79,019 <u>64,152</u>	121,361 <u>85,661</u>	165,087 <u>83,087</u>
A.R.P.*and essential commodity reserves	681	3,459	17,783	51,191
*Air Raid Precautions	<u> </u>	<u>3,459</u>	<u>17,783</u>	<u>8,681</u>
Margin for supplementary rates [monies]	<u> </u>	<u> </u>	<u> </u>	20,000
Total defense (from above) rates added from loans	(total) 186,668 (loans) <u> </u>	201,302 64,867	272,189 128,050	247,738 382,500
Total	186,668	266,169	400,239	630,500*

*This sum includes the £30,000,000 additional borrowing which the budget provided, to cover the enlarged Territorial Army and other requirements, but not specifically allocated to the four categories listed above.

Thus, British defense spending almost tripled between 1936 and 1940 in a drive to rearm.¹² However, the rearmament program was not expected to be completed until late 1939.¹³ The British Government clearly had used the period immediately prior to August 31, 1939, to

¹²Ibid., p. 93.

¹³Ibid., p. 95.

make preparations for a war since financial expenditures grew markedly in all military areas.

Like their World War I ally, France also strove to meet the challenge of the new and difficult international situation in the years 1936-1940. Unfortunately, her reaction to events met with little success. Wracked with such internal problems as a fragmented political system prior to 1938, France later stabilized as the regime of Édouard Daladier exercised progressively greater internal control. In answer to steadily worsening diplomatic conditions, particularly in the aftermath of the Munich agreement, Daladier's government effectively clamped down on leftist dissension. This "turn to the right," so-called because of Daladier's obvious dependence upon rightist political circles, and the resulting majority in the Chamber of Deputies allowed the French Prime Minister to pursue a vigorous rearmament program and thus close the gap between the military readiness of France and Germany.¹⁴

French preparations for a future conflict began in earnest on July 11, 1938, when the government passed a "Law for the Organization of the Nation in War-Time." Basically, it called for the mobilization of French manpower, financial, and material resources in the event of a national emergency.¹⁵ The passage of this law

¹⁴See Chapter IX, "The Shift to the Right," in The Daladier Administration, 1938-1940, by Albert Carl Gay, Jr., unpublished Ph.D. dissertation, University of North Carolina, 1970, pp. 268-299.

¹⁵Gay, p. 172.
See also Roger Parkinson, Peace for Our Time, London: 1971, p. 223.

reflected a basic fear in French political circles that the nation, in its present state, could not cope with the threat of Nazi Germany. There were substantial reasons for that feeling. Though her industrial capacity had increased since 1913, thus enabling her to produce more material,¹⁶ it remained insufficient for all French needs.

In other areas Daladier also moved to prepare to withstand the German threat. Expressions of labor discontent receded into the background as the Daladier government systematically proceeded to alter the social reforms of the Popular Front. The most sacred of those reforms, the forty hour work week, was modified after government resistance to labor demands.¹⁷ After that Daladier's administration met little effective leftist opposition to its programs. Yet the haunting fear of a radical leftist or Communist reaction never left the thoughts of French leaders.

Financially, the French faced severe problems. Their resources were not so great as in 1914, and they found themselves unable to mobilize their security holdings effectively. until 1938.¹⁸ On November 12 of that year Daladier's new Minister of Finance, Paul Reynaud, inaugurated a new financial policy. Designed, as he declared, to put profit back into the capitalist

¹⁶ deWilde, p. 183.

¹⁷ Gay, pp. 280-285.

¹⁸ deWilde, pp. 184-185.

system, his program represented conservative economic doctrine at its best. In general it called for heavy tax increases, reduction of state spending, and measures to stimulate industrial production.¹⁹ To an extent it succeeded as the French economy improved in the ensuing months.²⁰

France was also concerned about her international finances. Hoping to make large purchases of war material in the United States, Daladier could not overlook the fact that his nation owed the United States \$1,970,000,000 in war loans.²¹ Without a settlement of debt, the Johnson Act prohibited French purchases in America, except for cash. In the spring of 1939 the Premier sent Jean Monnet to the United States to discuss repayment of the war debts, but nothing concrete emerged.²²

Meanwhile, in France, between February and April of 1939, there circulated a proposal in high political circles which strikingly resembled the later bases-for-destroyers deal between Britain and America. In a February discussion, American Ambassador William Bullitt and French Financial Minister Paul Reynaud agreed that some

¹⁹ Gay, pp. 277-279.

²⁰ Ibid., p. 318.

²¹ Thomas A. Bailey, A Diplomatic History of the United States, New York: 1964, p. 657.

²² John Haight, American Aid to France, 1938-1940, New York: 1970, p. 114.

sort of initial payment on the war debt plus the transfer of some French colonial possessions to the United States might soothe the conscience of the American Congress, at least enough to lift the restrictions of the Johnson Act.²³ This idea emanated directly

from the office of Édouard Daladier.²⁴ It emerged again in April, but was never formally proposed to the Roosevelt Administration.²⁵

Though this French plan never became government policy, it nevertheless demonstrated the direction of French thought and its search for a solution to the French dilemma.

As the European system disintegrated beneath the growing power and influence of Germany, Britain and France reevaluated their positions in regard to each other and their material strength for war with the Third Reich. Both concluded that more coordination between themselves was necessary in order to stop Hitler. On the military plane, Britain and France achieved the desired level of integration. Basing their thoughts on an Anglo-French v. German-Italian war, Anglo-French military leaders, after a series of joint discussions, arrived at several conclusions by the spring of 1939. They envisaged a war against Germany to cover three stages: first, the Allies would defend the vital interests and territories of their

²³ William Bullitt to Franklin D. Roosevelt, February 22, 1939, The Bullitt Papers, PSF 41 France.

²⁴ William Bullitt to the Secretary of State, for Franklin D. Roosevelt, March 23, 1939, Ibid.

²⁵ William Bullitt to Franklin D. Roosevelt, April 4, 1939, and a Memorandum for the President, April 4, 1939, Ibid.

nations, with the economic blockade to commence immediately; second, a holding action against Germany would be adopted while their armies eliminated Italy from the war and meanwhile build up their strength for a major offensive activities; and, third, defeat Germany.²⁶

Talks on a wide range of military issues continued throughout 1939. By June of that year, officials of both nations supported centralized control of their war policies.²⁷ Discussions by Britain and France thereafter centered around the need for the re-establishment upon the outbreak of hostilities of the Supreme War Council, the supreme command organization of the First World War. By mid-August Édouard Daladier and Neville Chamberlain agreed on its revival and also on its composition.²⁸ At this point, Anglo-French military preparations reached their pre-war conclusion.

To implement their military policy, and to allow them to challenge Germany effectively on the diplomatic level, both France and England had been engaged in a comprehensive rearmament policy from

²⁶ Sidney Aster, 1939: The Making of the Second World War, London: 1973, pp. 143-144.

²⁷ See the letter from H. Ismay to A.N. Rucker, July 31, 1939, in which they discuss the degree of inter-allied control necessary for a wartime situation. PREM 1, File 311, 1939, Defense Organisation.

²⁸ See the following letters: Neville Chamberlain to Édouard Daladier, July 26, 1939, and August 17, 1939, and Édouard Daladier to Neville Chamberlain, August 3, 1939, ibid.

1935 through 1939. In Britain the government concentrated expenditure on the Navy, Air Force, and Army in that order. In France, on the other hand, emphasis was placed on the Army, Navy, and last of all the Air Force, at least until 1938. In this period, the two democracies had not planned a systematic, comprehensive, joint program, which would have better prepared them as Allies to face the German menace. Despite their good intentions, neither country pursued rearmament with the speed which they had planned and neither achieved their expectations.²⁹ The French attempt to expand their Air Force by purchases in America may be taken as a case study.

As the French rearmament program expanded after Daladier's assumption of power, several French purchasing missions proceeded to the United States in 1938 and 1939 in order to obtain warplanes.³⁰ The second and most important was under the direction of Jean Monnet, who enjoyed close political contact with Daladier and other French leaders. He had the unique experience of having served on French economic missions in England during World War I. In that capacity he became deeply involved in coordinating the Allied

²⁹ Viscount Chilston, "The Rearmament of Great Britain, France, and Germany Down to the Munich Agreement," Survey of International Affairs, 1938, Vol. III, V.M. Toynbee, ed., London: 1953, pp. 460-603.

³⁰ Haight, American Aid to France, 1938-1940.
See also Richard Mayne, The Recovery of Europe, 1945-1973, Garden City, New York: 1973, p. 211.

economic war effort, as previously noted, and also in negotiating with the United States to link Allied efforts with United States industrial potential after her entry into the war. Appreciating American productive capacity, he looked to that country as the great industrial producer for the Allies.³¹ After Munich he approached his government and stressed the need for a comprehensive plan of aircraft manufacture. Because French industry alone could not meet military requirements, the Premier agreed with Monnet's evaluation. Sent to the United States as the head of an official mission, he worked secretly because of American isolationist strength. Monnet's contact in the United States Administration, Secretary of the Treasury Henry Morgenthau, agreed to engage in talks behind closed doors.³² Monnet's mission succeeded, and in January 1939 France purchased 555 American aircraft, not as much as originally intended.³³ More important, he left behind him a fund of goodwill for France.

At the completion of his mission Monnet met with Morgenthau to express his gratitude for the Secretary's help in the plane negotiations. Commenting on the American's role, the Frenchman stated:

³¹Merry and Serge Bromberger, Jean Monnet and the United States of Europe, tr. by Elaine Halperin, New York: 1969, pp. 23-24.

³²This contact was made with the knowledge and help of President Franklin D. Roosevelt. See a note by Morgenthau, October 21, 1938, The Morgenthau Diaries, Vol. 147.

See also a record of a telephone conversation between Morgenthau and Admiral Peoples, October 24, 1938, and the record of an October 22, 1938 meeting of Morgenthau, Monnet, and Ambassador Bullitt, written on October 24, 1938, ibid.

³³Haight, American Aid to France, 1938-1940, p. 69.

...I appreciated very much the confidence and support you gave me personally and gave us in this French plane affair and that I do think the result of it, mainly due to the support that was given³⁴ here by you, has had a very great effect in France.

Monnet's statement underlined the position of the Secretary of the Treasury as the most important link in the efforts that crowned the French mission with its success. This was no accident, for Morgenthau acted with the support of President Franklin D. Roosevelt. He depended heavily upon the President for support in carrying out the negotiations with the French and he received that support.³⁵ His ability to aid foreign missions was great because he had under his direction the Procurement Division of the United States Treasury Department, the most versatile of government purchasing agencies. His help, he hinted, would also be available in the future, if needed.³⁶

Anglo-French discussions of economic affairs also took place and, despite the realization that coordination in this field meant just as much to a successful war effort as military operations, both nations found it difficult to reach any firm conclusions. The

³⁴ Meeting between Morgenthau, Monnet, and Mr. Lochhead, March 23, 1939, The Morgenthau Diaries, Vol. 174.

³⁵ John M. Blum, From the Morgenthau Diaries: Years of Urgency, 1938-1941, Vol. II, Boston: 1965, p. 42.

³⁶ Ibid., p. 44.

Supreme War Council controlled military-political problems and, though a similar organization, the Supreme Economic Council, was erected immediately after World War I, Britain and France chose not to authorize its resurrection. Successful talks, however, occurred on an individual departmental basis. For example, on August 30, 1939, members of the British Petroleum Department and the French Direction des Carburants discussed Anglo-French liaison in London to ensure adequate oil supplies under wartime conditions.³⁷ Subjects such as shipping also occupied considerable time in negotiations, basically because it was an area of acknowledged critical shortages.³⁸ The Allies, then, recognized the importance of these areas to any war effort. The Chamberlain-Daladier correspondence during the summer of 1939 admitted as much; always there was the assertion that there should be tighter controls and more cooperation.³⁹

By August 31, 1939, France and Britain had arrived at a limited degree of cooperation, but failed to provide for centralized direction of Anglo-French economic policy during a war. A schematic

³⁷Proposals for the Co-ordination of British and French Organisations for the Control of Oil Supplies in Wartime, August 30, 1939, CAB 21, File 1277, Anglo-French Liaison: Oil (Correspondence).

³⁸On potential Allied shipping problems, see: Notes of a Meeting Held at the Board of Trade, August 29, 1939, CAB 21, File 1275, Anglo-French Liaison: Coal, Meetings, Memoranda, and Reports. Behrens, pp. 72-73, and 77.

³⁹For example, see the following letters: Chamberlain-Daladier, July 26, 1939, and Daladier-Chamberlain, August 3, 1939, PREM 1, File 311, 1939, Defense Organisation.

diagram shows just how well organized they perceived themselves to be.⁴⁰ (See Appendix B at the end of the chapter).

Given the projected elaborateness of the organization, the western democracies felt they could swiftly organize and prosecute a victorious war. For justification of these measures they could turn to past experience and point to those joint efforts in World War I which had been so successful.

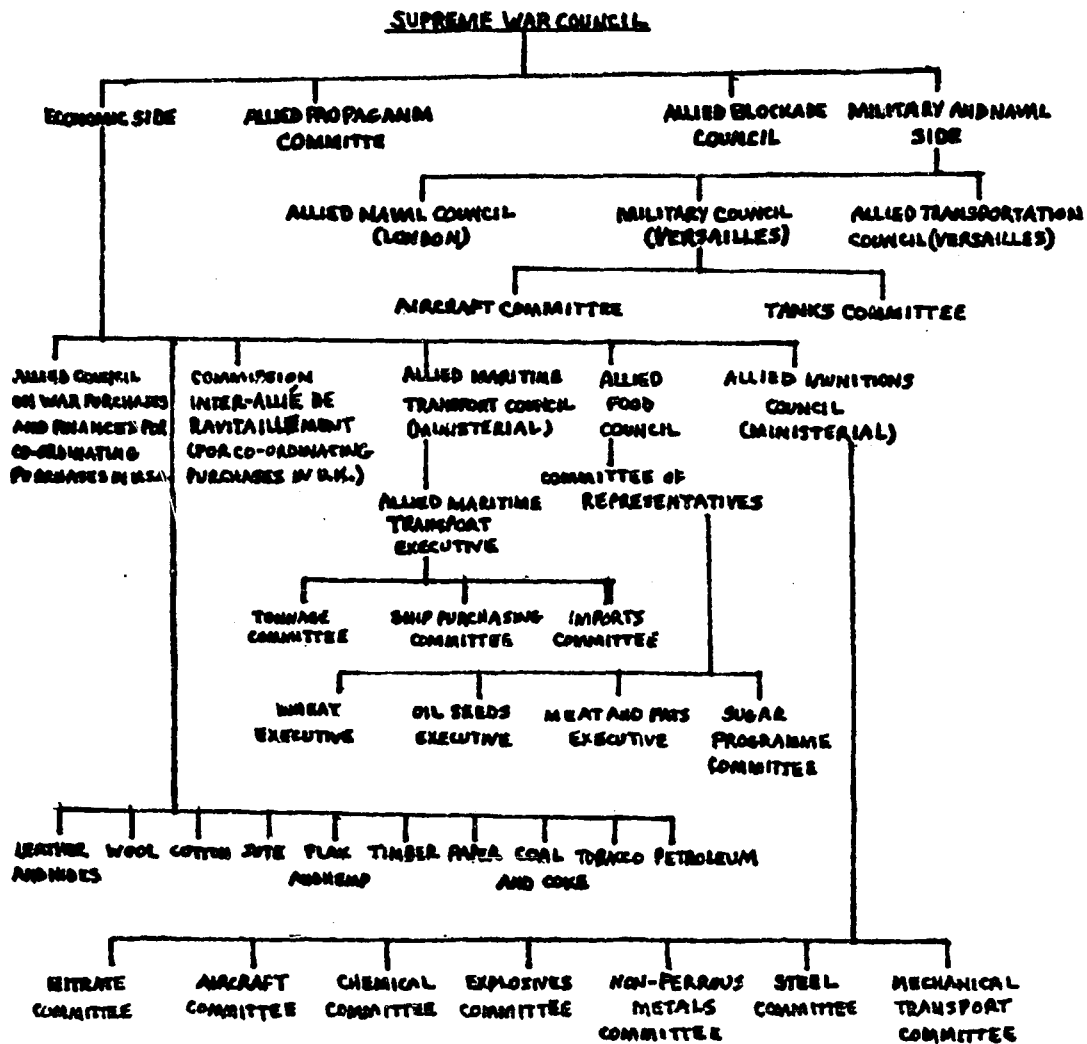
Anglo-French war supply preparations in the 1930s took place mainly on the national level. In Britain the major concern centered around shipping, a problem in the First World War. Concomitant with that were the imports that had to be guaranteed for her to prosecute a war. Food, raw materials, and many other items were all on Britain's list of critical imports. France, on the other hand, faced similar, yet different, difficulties. The French, too, had to insure the import of vital goods, such as coal. But Paris encountered obstacles which London did not have to take into account. A severe political polarization, which wrought havoc on the French political scene throughout the interwar period, precluded the successful completion by France of any long-term plans.

On an inter-allied plane the two countries spent a great deal

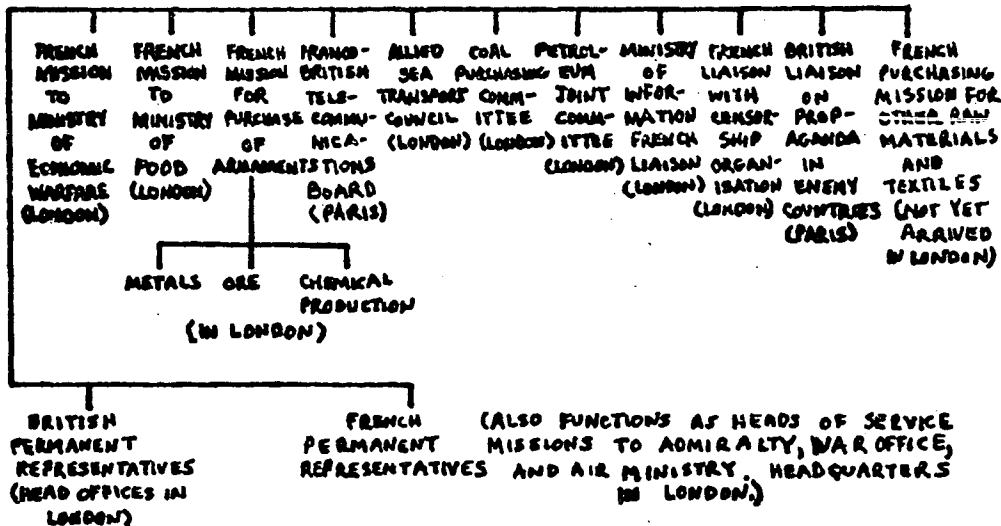
⁴⁰"Diagram of Anglo-French Liaison on Military and Civil Matters. Supreme War Council." N.D. (The document appears to be representative of affairs at the start of the war or shortly thereafter.) CAB 21, File 746. Anglo-French Economic Cooperation; Co-ordination of British Activities.

of time attempting to coordinate their efforts. Of course, military staff talks comprised a large part of this. In that sphere they achieved a significant measure of progress as each committed specific forces to particular geographic areas. On the economic side they accomplished much less. No formal agreements had been reached and by August 31 relations were still in a state of flux. Nevertheless, groundwork had been established upon which working wartime relations could be based, as the diagram showed. But it remained theoretical as both nations waited for war to erupt before calling the various committees to action.

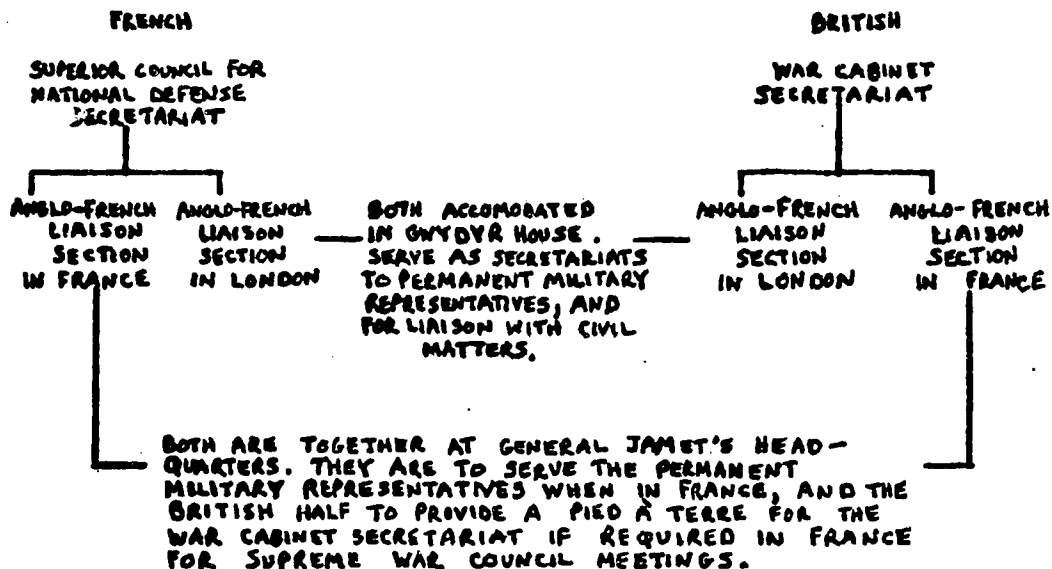
Appendix A



Appendix B



SECRETARIAT



Chapter II

In Search of Economic Cooperation

In the initial three weeks of September 1939 the machinery for economic coordination, noted earlier, failed to function efficiently. Consequently, the system disappointed individuals in both England and France as inadequate to prosecute the war successfully. Several of them offered corrective suggestions. On the British side H.L. d'A. Hopkinson, a member of the Anglo-French Liaison Section of the War Cabinet Secretariat, and Sir Edward Bridges, Secretary to the War Cabinet, pointed the way to further cooperation. Hopkinson produced on September 13 a memorandum which scathingly criticized the system. Based on this, Sir Edward Bridges carried the message to the most important members of the various British supply departments, the Permanent Under Secretaries. They all agreed the situation demanded action; a new organization for Anglo-French coordination had to be created. To some extent they looked upon the proposed body as a means to control French demands. Nevertheless, the main idea emerged clearly; British officials wanted a group to direct Allied economic policy. However, no concrete proposals emanated from official circles, only vague expressions of need.

The French also appreciated the need for a common economic policy, and Jean Monnet cited two factors in its support. First, his World War I experience indicated to him that sooner or later some

kind of controlling Allied body would have to be created in the area of economic policy; the sooner the better. Second, as a result of his missions to the United States in late 1938 and again in 1939, he became convinced of the need to coordinate Anglo-French purchases in America so as not to swamp its industrial capacity by competitive Allied purchases. For these reasons Monnet succeeded in getting the cooperation of Édouard Daladier, Premier of France.¹ The French were perhaps less selfish than the British; they were actually interested in cooperation as it affected the common war effort.

War activities acted as a spur to these thoughts as it soon appeared that Allied economic planning fell short of required levels. Critical shortages quickly emerged which threatened to hamper the Allied effort, especially in shipping. Economic cooperation contrasted sharply with the smoothness with which the Allies established military liaison. Despite the hope for cooperation in the economic field, success was limited because England and France failed to work together. To an extent, and the analogy cannot be pressed too far, it resembled anarchy, with each nation going its own way, having scant consideration for the other.

Both nations experienced some immediate supply difficulties after the declaration of war on Germany. Shipping, oil, wheat,

¹ Haight, American Aid to France, 1938-1940, pp. 143-144.

timber, iron ore, and coal fell short of anticipated needs.² In these cases each nation sought some national solution to the shortages. Britain, in one instance, eased her large timber deficit by purchasing supplies from Russia.³ France, for her part, proceeded to the United States in the fall of 1939 where she placed orders for some 1,000 American airplanes.⁴ This procedure characterized Allied relations in those early days; however, there were limited areas where more cooperation existed.⁵

In the case of the British and French Air Ministries, both tried to establish machinery to coordinate their resources.⁶ Though it never was realized, the attempt resulted in closer contact between the two Departments. But this was only a limited effort, and much remained to be done to foster closer relations. Lack of coordination

²Numerous authors support this approach: W.K. Hancock and M.M. Gowing, British War Production, London: 1952, pp. 184, 188, 189; Behrens, pp. 55, 56, 72, 76-77; Hurstfield, p. 246, 247.

³Consignment of timber from USSR and Machine Tools for USSR, September 16, 1939, CAB 67, Vol. 1, War Cabinet Memoranda.

⁴Haight, "France's First War Mission to the United States," Airpower Historian, Vol. IX, No. 1, January, 1964, pp. 11-15.

⁵For more examples of such problems and national solutions, see: Merchant Ship Construction. Memorandum by the President of the Board of Trade, September 19, 1939, and Restrictions of Imports from United States and Canada, September 19, 1939, CAB 67, Vol. 1, War Cabinet Memoranda.

⁶Letter, British Air Ministry for Air Marshal Barratt, September 13, 1939, CAB 21, File 750, Anglo-French liaison: Armaments and Raw Materials.

led to problems since no one knew what other groups were planning because no method existed to dispense information. This led to needless repetition and competition.

Out of the welter of confusion each of the Allies began to formulate some positive concepts about organizing the war more efficiently. Unfortunately for the joint war effort, these ideas, in part, concerned only national efforts. Remarkably, they dealt with the same topics, such as the purchasing missions in North America, thus indicating that both France and England accorded those subjects priority treatment.

In Britain, the War Cabinet discussed and approved of creating a purchasing mission in the United States under the command of Colonel J.H. Greenly. They did so despite the warning by the Chancellor of the Exchequer, Sir John Simon, that it would be "substantially in excess of our dollar assets."⁷ However, their program only envisaged a coordinated British procurement organization. The British did not contemplate extending an invitation to the French to join them.

France entertained similar thoughts. In Monnet's pre-war talks with American leaders, both Roosevelt and Morgenthau impressed upon the French that their orders could not conflict with the demands of the American rearmament program. To avoid any clash, the French hoped to coordinate their efforts with those of the British. In a con-

⁷September 7, 1939, CAB 65, Vol. 1, War Cabinet Conclusions.

versation with William Bullitt, Daladier stated that he had recommended to Chamberlain, at the first Supreme War Council meeting, that a unified Anglo-French purchasing mission be created in America. The British Prime Minister, Daladier asserted, accepted this. Bullitt thus informed the President:

As you may remember, it was Jean Monnet who, during the last war, set up the inter-allied purchasing agency and also the inter-allied shipping pool. Daladier intends to try to have Monnet appointed as the representative of both the French and the British Government for purchases in the United States.

Bullitt felt the British might accept the appointment because numerous people in Great Britain knew of Monnet's work in World War I and his achievements as first Under Secretary of the League of Nations. In the event that the British rejected him, Daladier wanted to appoint Monnet as Ambassador to the United States. However, the American Ambassador counselled the French Premier to keep Monnet in a capacity to deal with supply, where he could perform the most valuable service.⁸

Daladier's allusion to appointing a director of a joint Anglo-French Purchasing Commission came as a direct result of pressure from Jean Monnet. That Frenchman particularly appreciated the need for some sort of Supreme Economic Council and led the way in demanding a new approach to Allied relations. He had already begun his efforts on September 3, the day war was declared, when he

⁸ Letter, William Bullitt to Franklin D. Roosevelt, September 13, 1939, The Bullitt Papers, PSF 41 France.

urged coordinating efforts for additional purchases of American aircraft.⁹ To support his position, he prepared a memorandum that established the lines on which his thought apparently evolved.

Harking back to his World War I experience, Monnet reviewed those efforts to effect joint purchases. He placed great stress on the November 3, 1916, Anglo-French agreement which recognized the identity of Allied needs. He pointed out that only by adopting a comprehensive system of supply in 1917 were they able to fulfill civilian and military needs in 1918. Now, in 1939, the Allies ought to copy the 1917 organization. He recommended four steps: negotiate an allied agreement similar to the one of November 3, 1916; the composition of a French import program; the creation of Anglo-French councils to establish policy, with executives to implement that policy in aviation, transport, and finance; and a gradual elaboration of the rest of the November 3, 1916, agreement.¹⁰ These proposals urged the creation of machinery like that of the First World War, and would place control of economic policy in the hands of powerful allied councils.

⁹ Haight, American Aid to France, 1938-1940, p. 143.

¹⁰ See the paper, "Organisation des approvisionnements de guerre franco-britannique," September 3, 1939, Monnet Papers, File 2A, Cr  ation de L'Organisme de Guerre Franco-Anglais, Septembre-Octobre, 1939.

This paper was marked "Confidential".

Monnet went on to express to Guy La Chambre, the French Minister for Air, interest in two aspects of Anglo-French supplies: purchases in the United States and an Allied organization to acquire other materials. Concerning the purchases in America, he viewed the aid of the American administration and the President as absolutely necessary. However, that aid would not be forthcoming until the repeal of the existing neutrality legislation. To negotiate effectively with American industry, the Allies had to await the repeal of those laws, and then they needed the agreement of the administration to conduct talks with business leaders. This Frenchman also asserted that Anglo-French activities must not be limited to the purchase of planes in the United States, but extended to their total supply needs (...mais s'étendre à la totalité de leurs approvisionnements). This required immediate attention in view of the fact that British and French industrial plants lay within range of enemy bombard-
11
ment.

Maximum success in America demanded the construction of an Allied organization. Monnet recommended the immediate establish-

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Letter, Jean Monnet to Guy La Chambre, September 3, 1939, Monnet Papers, File 2A, Création de l'organisme de guerre Franco-Anglais, Septembre-Octobre, 1939.

ment of a "Conseil Franco-Britannique de l'aviation" composed of the French and British Ministers for Air as well as the Chefs d'Etat Major.¹² Beyond that, he envisaged the creation of additional groups for food, fuel, textiles, finance, and merchant shipping. This Anglo-French organization would have two goals: insuring the best use of raw materials and productive capacity in both nations, and organizing the import of vital materials. Once completed, this body would be the same as the one which Monnet pioneered¹³ in World War I.

These ideas gained rapid acceptance by the French Government. By September 14 Daladier had decided to send Monnet to London to discuss such plans with the British. Monnet drafted for the Premier two letters, one introducing Monnet to the French Ambassador in Great Britain, Charles Corbin. The second for the Ambassador to present to Chamberlain, and urging Corbin to introduce Monnet to the British Prime Minister as well as to the various French missions in order for him to gather information on the progress of coordination. Interestingly enough, Daladier did not reveal to his Ambassador the complete

¹²

Ibid.

¹³

Organisation franco-anglais du service des armaments (Approvisionnements), September 18, 1939, Ibid.

nature of the mission which dealt with Allied cooperation, thus indicating that the French Foreign Office, the Quai d'Orsay, ¹⁴ played a small part in its development. Thus, as Monnet prepared to leave for London, he had in mind a complete plan for coordinating Anglo-French economic policy. His proposal emanated from two sources: his World War I experience and his official missions to the United States in 1938 and 1939. Armed with the approval and support of the Premier of France, Monnet's plan would demand consideration in Britain.

In England, a movement in support of improving economic cooperation between the Allies had already developed. Led by H.L.d'A. Hopkinson, a member of the Anglo-French Liaison Section of the War Cabinet Secretariat, and Sir Edward Bridges, the Secretary to the War Cabinet, they too searched for corrective measures to alter the lack of cooperation. Hopkinson dealt on a daily basis with the problems caused by the lack of liaison with France and, before the war started, had initiated inquiries into economic

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This had been planned somewhat earlier as Bullitt noted in his September 13 letter to Franklin D. Roosevelt, cited in Footnote 8 of this chapter.

15
cooperation. He understood the deficiencies of the system and proceeded to prepare a report on the state of Allied economic relations. That study, which appeared on September 13 and was known as the Hopkinson Memorandum, had a profound effect upon the
16
British evaluation of relations with France.

Hopkinson described existing Anglo-French groups which were meeting and planning separately: Economic Warfare, Food, Chemical Products, Coal, Petroleum, Textiles and Hides, and Shipping. He wanted more French specialists to settle other problems, such as armaments. Generally, talks proceeded well between the British and French members of these seven groups; in some cases they established joint boards or committees, and he asked for reports and records of their meetings. Because the talks were held only between the individual departments, no coordination developed between these groups. Hopkinson pointed out that this caused overlapping and inconsistency in economic policy. Also, questions dealing with priorities in supply and economic warfare demanded attention which departmental committees could not give. An inter-Allied organization existed to deal with supplies of war materials, the

15
Letter, R.D.Fennelly to H.L.d'A.Hopkinson, September 2, 1939, and a letter from Hopkinson to Fennelly dated September 11, 1939, CAB 21, File 750, Anglo-French Liaison: Armaments and Raw Materials.

16
Letter, H.L.d'A.Hopkinson to D.J.F. Morton et al, September 13, 1939, CAB 21, File 746, Anglo-French Economic Co-operation: Co-ordination of British Activities.

Allied Demands Committee. No group guided financial policy.

Hopkinson further pointed out that no committee existed to coordinate the policies of the British members of these Anglo-French bodies.

To correct this he suggested the establishment of a body with representatives of the concerned British departments, including the Treasury. That group could then decide questions of finance and priority when they arose and coordinate the work of the British committees. It would also possess the power to review all economic questions related to the war, and would be responsible for supplying the appropriate Chiefs of Staff Subcommittee with the latest information on defense and economic questions, and remain available for consultation with the War Cabinet.

Hopkinson knew the French had already erected a group to coordinate their economic missions in Britain with the exception of the mission for economic warfare which received its instructions directly from France. In England this coordination was achieved through the Commercial Secretariat of the French Embassy. In this way the French missions in London maintained a unity of outlook on all issues. Yet, Hopkinson felt that this body, along with the proposed British group, did little to further Allied cooperation:

There is also, as I see it, a need for the establishment of some form of joint Anglo-French body, with its own Secretariat, which would be responsible for keeping in general touch with all Anglo-French discussions in the economic sphere and acting as a Higher Economic Advisory Committee to the Supreme War Council. I am not quite clear how the Supreme Economic Council functioned in the last war, but I imagine that something of that character is required now.¹⁷

Despite the apparent preciseness of this suggestion concerning an Anglo-French body similar to the Supreme Economic Council, many questions remained unanswered. Who would serve on such a committee, what would its instructions be, how much authority would it have, who would lead this body?

Nevertheless, this memorandum set the tone for British thought on cooperation. Though not adopted as British policy, officials pursued the twin goals identified by Hopkinson: more coordination between British departments as a prelude to some arrangement for better Anglo-French cooperation. To sum up¹⁸ his idea, Hopkinson diagrammed his proposed coordination plan. (See Appendix C at the end of this chapter.) Failure to establish an exact scheme for Allied cooperation would plague the British for some time, even though strenuous efforts were made to correct this problem.

17

Inter-Allied Co-operation, note by H.L.d'A. Hopkinson, September 13, 1939, CAB 21, File 746, Anglo-French Economic Co-operation: Co-ordination of British Activities.

18

This was attached to Hopkinson's September 13 note.

Sir Edward Bridges, the Secretary to the British War Cabinet, arrived at conclusions similar to those of Hopkinson. However, Bridges arrived at his recommendations independently. A September 4 note, initialled by the War Cabinet Secretary, referred to a secret report of July 3, 1939 by the Committee of Imperial Defence entitled "Supreme Command in War," which stressed¹⁹ the need for a controlling body in such matters as supply. It made no mention of a supreme body to direct economic policy. On September 14 Bridges sent a memorandum to the representatives²⁰ of several departments. He recommended that the British set up some sort of body to coordinate the work of their officials that served on the various Anglo-French bodies that were talking about joint planning. In this connection he noted that he had just received a copy of the Hopkinson Memorandum but did not wish to²¹ be committed to its contents. Nevertheless, from that day forward Hopkinson and Bridges grew progressively closer in their ideas about British and Allied economic cooperation.

Both received support for their proposals from the first Supreme War Council meeting held at Abbeville, France, on September 12. There Chamberlain noted the steps Britain had taken to further

¹⁹ Inter-Allied Control-Supreme War Council, September 4, 1939, CAB 66, Vol. 1, War Cabinet Memoranda.

²⁰ The letter was sent to Sir William Brown, Board of Trade; Sir H. French, Ministry of Food; Sir F. Leith-Ross, Ministry of Economic Warfare; Sir Arthur Robinson, Ministry of Supply; Mr. F. C. Starling, Petroleum Department; Sir A. Wilson, Treasury.

²¹ Note by Sir Edward Bridges to Brown et al, September 14, 1939, CAB 21, File 746, Anglo-French Economic Co-operation: Co-ordination of British Activities.

its economic efforts: mobilizing industry, doubling aircraft production, and increasing the production of munitions for Great Britain and her Allies. The British Prime Minister suggested the need for consultation with the French about the best use of their joint resources. Daladier of France agreed, and expressed the hope that talks might be extended to cover supplies from the United States.²² From this point on, the British became increasingly favorable towards cooperation.

To justify their support for an Anglo-French body and a corresponding British group, Hopkinson and Bridges turned to the Allied experience in World War I. Both favored the revival of a body similar to the Supreme Economic Council. Established at President Woodrow Wilson's request after the war, it met initially on February 17, 1919, and remained in existence until February 1920. This council absorbed or replaced other existing bodies and coordinated the work of several groups: the Allied Maritime Transport Council, the Supreme Council of Supply and Relief, the Programme Committees, and the Blockade Council. Previously no agency had performed that function. Hopkinson in particular believed that

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Record of the First Meeting of the Supreme War Council
September 12, 1939, CAB 66, Vol. 1, War Cabinet Memoranda.

the Allies needed such a body in September 1939. With historical precedent to support his contentions, Bridges used his influence in the British government to spread the ideas which he and Hopkinson supported.

In part, Bridges also supported this movement for better Allied cooperation because of a fear that the French would make some unacceptable suggestion. He did not want the British government to be placed in the position of having to acquiesce in some proposal which might be harmful to British interests. However, he knew that the French had made several inquiries about British feelings on an economic coordinating body. The War Cabinet Secretary supported the idea but cautioned that "...it appears to be preferable for us to settle beforehand what sort of organization we [the British] really require." He suggested, on September 20, that if the French suggested creating an Allied body, the British ought to propose setting up a committee with several representatives from each side. The French delegation would probably consist of the French Commercial Attaché, someone from their Economic Warfare Mission, a representative of the Superior Council of National Defense,

Note, H.L.d'A. Hopkinson to Sir Edward Bridges, September 14, 1939, CAB 21, File 746, Anglo-French Economic Co-operation: Co-ordination of British Activities.

See another letter from Hopkinson to Bridges, September 22, 1939, *Ibid.* Here Hopkinson expressed similar ideas to those mentioned in his September 14 letter.

one from the military mission, and some other person. On the British side senior representatives would attend from the Treasury, the Ministry of Supply, the Ministry of Economic Warfare, the Board of Trade, and possibly one outsider. The organization required a joint Secretariat, to be provided from the Anglo-French Liaison Section and their French counterparts. If this proved acceptable, a formal meeting could be held. Later they would meet only after the Secretariat failed to solve a
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problem.

The War Cabinet Secretary was aware that an Allied body would put the two nations on an equal footing. However, Bridges wanted to control French requests as much as possible in order to preserve British interests, so in suggesting the creation of such a body he fell back on national sovereignty:

...His Majesty's Government must always retain the last word in deciding what we can supply to the French, just as the French Government must have the last word in deciding what they can spare for us. But subject to this, it is clearly desirable to go as far as we can in meeting the French requests without giving way on points of principle.²⁵

However, before Bridges' proposals could be put into effect, he

24

Draft letter, Sir Edward Bridges to Sir Horace Wilson, Sir Frederick Leith-Ross, and others, n.d. (probably written about September 20, 1939), Ibid.

25

Letter, Sir Edward Bridges to Sir William Brown et al, September 21, 1939, Ibid.

had to determine the extent of his colleague's support.

He notified the Permanent Under Secretary in the Foreign Office, Sir Alexander Cadogan, of his and Hopkinson's work in attempting to establish some type of Anglo-French coordinating body and requested Foreign Office approval of these efforts.²⁶ Although Cadogan failed to reply immediately, the fact that Bridges sent the letter indicated that he tried to build as broad a base of support as possible for his proposals. Should Prime Minister Chamberlain or any department reject them, it could end his efforts. Bridges appreciated that fact and moved to circumvent it by building support for his proposals. But before the British could go any further in creating an Anglo-French body, they had to arrive at a consensus on their position so as to enter negotiations with the French as a united group. To achieve that, meetings were needed to ascertain the attitude of department officials, though several days would pass before conferences could be scheduled.

Several factors spurred British officials to favor the creation of an Anglo-French organization to establish a common economic policy. It would ensure that the prosecution of the economic aspects of the war would be a joint effort, rather than

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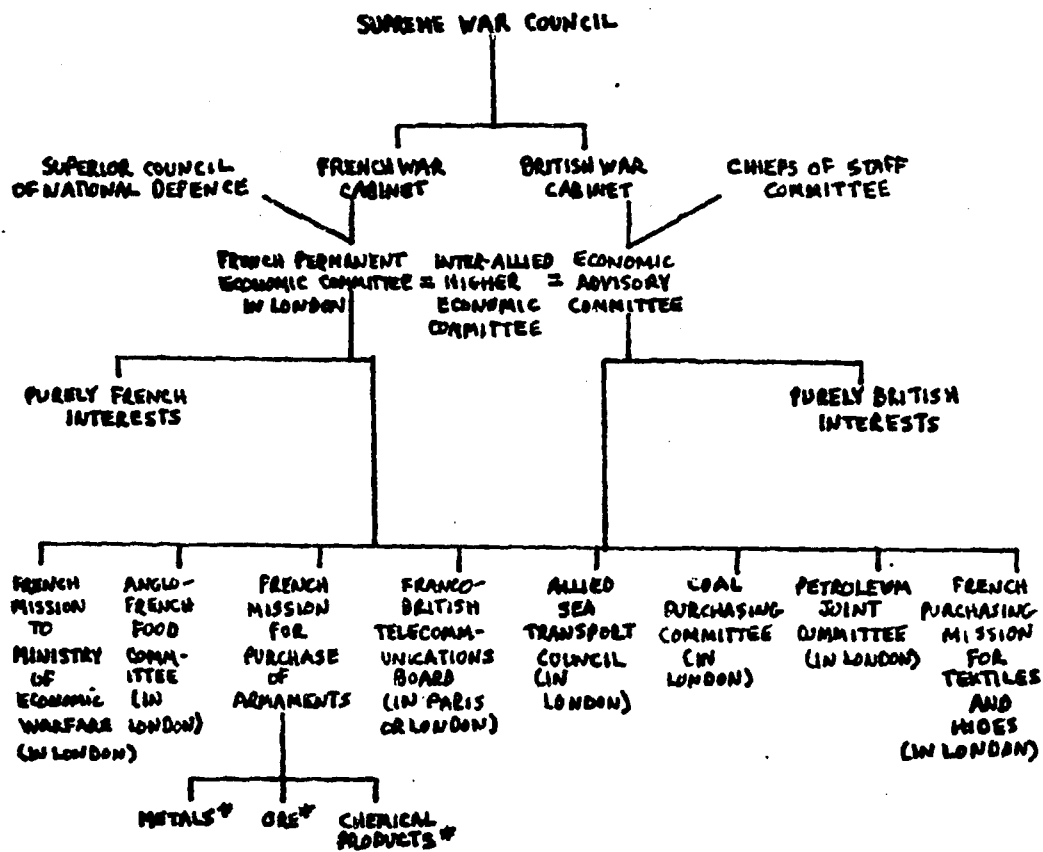
Letter, Sir Edward Bridges to Sir Alexander Cadogan, September 21, 1939, Ibid.

separate English and French endeavors. As noted above, discussions between Anglo-French groups had taken place only on a departmental level. The creation of an Allied body to establish policy would end the confusion which had permeated the Allied economic effort in those early weeks of September 1939. Yet, in these initial three weeks of September no concrete British proposal emerged with which to counter any French proposal that might be made.

Thus, on both sides of the English Channel two separate, yet somewhat similar ideas about Allied economic coordination had developed. Carried on independently of each other, they both concluded that Anglo-French economic policy had to be coordinated. The French had arrived at specific ideas in that time. They knew what type of organization they wanted and they had formulated exact proposals about how to implement their program. On the other hand, the British had not gone beyond merely expressing a general need for a coordinating body; they had not drawn up any detailed proposals. The Daladier-Corbin letter of September 14 stated that Monnet would arrive in Great Britain and that he was to be introduced to the leading officials of the British government. It would be the first time that the two nations would discuss the creation of an economic policy-making body.

Appendix C

PROPOSED SCHEME FOR INTER-ALLIED ECONOMIC LIAISON



* NOT YET ARRIVED

Chapter III

Monnet and Bridges: First Contact

Before any resolution on Anglo-French economic issues could be arrived at, several factors required attention. Monnet, though he had formulated his ideas in the weeks prior to departing for London, still had to obtain British approval for his proposals. As he looked forward to his mission, the thought must have occurred to him that he might be rebuffed. He had the support of Daladier, but if the British chose to be difficult, they could place all sorts of obstacles in the way of implementing his ideas. On the other side of the English Channel, confusion reigned. Those officials concerned with Anglo-French cooperation agreed that something had to be done, but what? No one idea enjoyed sufficient support to call it the government's policy. They would have to resolve that problem before they could effectively negotiate with Monnet. With this in mind, Britain chose to delay any talks on Anglo-French affairs until they agreed on a specific program between themselves.

As British officials looked forward to the creation of an Anglo-French body, support for the construction of such a body gathered from a variety of sources. Colonel Redman of the Anglo-French Liaison Section in Paris, the Board of Trade, and the Ministry of Supply approved. Hopkinson felt those recommendations in favor of an Allied Committee illustrated "...the need for the creation of

some higher inter-allied co-ordinating body."¹ Similar opinions were expressed by Sir William Brown, Sir H.L. French, and Sir Arthur Robinson. All of them shared Robinson's feeling that "...the sooner we get an Anglo-French Commission...set up the better."² Bridges outlined the form of an Anglo-French body, but his proposed group lacked the strength to make decisions of a far-reaching nature;³ hence, it was rejected by his colleagues. Unfortunately, no other ideas emerged at this time, so for the lack of an acceptable program the British representatives reached no agreement on the form the organization should take.

The other tack in British thought, the erection of a commission to coordinate only British activities, continued to find expression in the letters and notes to and from Hopkinson and Bridges. Though the ideas varied greatly in content, all concerned British officials lamented the lack of such a body. In general, they agreed with Bridges on:

¹Letter, H.L.d'A. Hopkinson to Sir Edward Bridges, September 24, 1939, CAB 21, File 746, Anglo-French Economic Co-operation: Co-ordination of British Activities.

²Letter, Sir Arthur Robinson to Sir Edward Bridges, September 26, 1939, Ibid.

In addition, see the following letters: Sir William Brown to Sir Edward Bridges, September 27, 1939, and Sir H.L. French to Sir Edward Bridges, September 28, 1939, Ibid.

³Anglo-French Co-operation in Economic and Supply Matters, etc., September 29, 1939, CAB 21, File 747, Anglo-French Economic Co-operation: Co-ordination of British Activities.

...the need for some kind of body to coordinate the work of the British representatives on the various Anglo-French bodies which are at present conducting conversations or formulating joint plans.⁴

Summarizing developments, Bridges called for the establishment of such a committee.⁵ Unless this problem were resolved, no agreement on an Anglo-French body would be reached because in their minds the two were intertwined; it would not be possible to have the one without the other.

For several days Sir Edward Bridges continued talks with his colleagues concerning the form of such an Anglo-French body, but arrived at no conclusions. Besides, the War Cabinet Secretary realized that even if his fellow officials reached a unity of views, he lacked the authority to change the British economic organization. Someone was needed who enjoyed influence with the Prime Minister. Therefore, on September 27 Bridges again informed Sir Horace Wilson, Neville Chamberlain's adviser, of developments in the field of coordination. He described the situation to Wilson and indicated why he contacted him:

All this is pretty high-up stuff, and it has ramifications beyond matters which can properly be dealt with from this office.⁶

⁴Letter, Sir Edward Bridges to Sir Alfred Faulkner, September 27, 1939, Ibid.

⁵Anglo-French Co-operation in Economic and Supply Matters, etc., September 29, 1939, Ibid.

⁶Letter, Sir Edward Bridges to Sir Horace Wilson, September 27, 1939, CAB 21, File 746, Anglo-French Economic Co-operation: Co-ordination of British Activities.

Bridges claimed that general agreement existed among the British on the need for an Allied coordinating body; however, specific arrangements remained to be established. He felt the intervention of Wilson was necessary because further meetings were needed to determine future policy.

Within British circles pressure moved officials rapidly toward some resolution of their differences. Bridges, concerned about the French ideas then being circulated by Monnet, shrank from recommending a body with vast powers. However, events moved him in that direction. Sir Alexander Cadogan, Permanent Secretary of the Foreign Office, welcomed Bridges' general principles about the need for closer Allied cooperation, but he regretted the limitations of those proposals. The Permanent Secretary appreciated the dangers of moving too fast, yet he did not regard that as a consideration in those matters. Cadogan advised going further "...to meet the more radical ideas of the French." Bridges' idea, according to Cadogan, covered more than mere supply problems, but exercised less authority than the one suggested by the French. The body contemplated by the War Cabinet Secretary would serve as a communications center, without any permanent leadership. Cadogan urged stronger measures:

I don't see why it should be impossible to give a higher committee powers of decision where deadlock has arisen in lower committee. In order to give the higher committee the sufficient authority it might be necessary for it to be constituted of persons with ministerial authority on both sides. Might this not be done? At all events I do feel that

this form of solution ought to be further examined in the interests of speed if nothing else.⁷

Clearly, this more daring approach from an official of such an important department as the Foreign Office must have acted as a spur to Bridges. Because he had this type of support from his colleagues, the Secretary had more room to bargain with France, thus placing him in a better position to extract concessions.

These conversations between British officials were carried on with the knowledge that France had already decided to press for closer economic cooperation in the form of a strong organization, and that a French envoy had arrived in Great Britain to negotiate such an arrangement. On September 22, Jean Monnet brought with him on his first World War II mission to Britain a definite program which he had developed from his World War I experience and had expressed in his September 3 letter to Daladier. Basically, he advised that the Allies combine:

...all information, statistics and programmes of the French and British Purchasing Departments so as to produce what he described as a common balance sheet.⁸

The balance sheet would present an opportunity for useful criticism

⁷Letter, Sir Alexander Cadogan to Sir Edward Bridges, September 29, 1939, CAB 21, File 747, Anglo-French Economic Co-operation: Co-ordination of British Activities.

⁸M. Monnet's Proposals for Anglo-French Economic Co-operation, note by H.L.d'A. Hopkinson, September 28, 1939, CAB 21, File 746, Anglo-French Economic Co-operation: Co-ordination of British Activities.

and enable the two governments to adopt a common policy by depicting their strengths and weaknesses. Monnet hoped this "... would eventually lead to a complete pooling of inter-Allied resources."⁹

Stressing that finances and transport constituted the deciding factors of the conflict, as in the First World War, the Frenchman argued for strong technical committees to deal with those two factors, as well as coal, oil, raw materials, textiles, and munitions. These purchasing committees would treat priority questions in consultation with committees for shipping and finance. They would establish and maintain an inventory of resources and requirements of both nations so as to insure the best use in the common interest of the resources of the two nations in raw materials and the means of production. The committees should formulate joint Allied import programs on the basis of national programs communicated to them by their national administrations, organize purchases made abroad via single purchasing agencies and follow the execution of those programs. To direct the technical committees he called for the erection of corresponding Anglo-French Councils. Monnet also advocated an Economic Section of the Supreme War Council, composed of one French and one British Minister, armed with all available statistics. Regarding the French representative, he added that the President of the Council, Daladier, already

⁹Ibid.

possessed the ability to delegate the necessary authority to a Frenchman.

If this organization were created, Monnet believed it would be possible to arrange joint purchasing throughout the world. This, he felt, would complement the feelings of President Franklin D. Roosevelt, an important factor since the Frenchman anticipated buying large quantities of material in the United States. Such a joint group would possess great resources and purchasing power, enough to induce all neutrals, at least in Europe, to agree to trust their buying to that organization. Monnet envisaged a time when it would constitute the largest buyer in the world with power so great that it could force suppliers, possibly even the United States, to find some means of granting credits. With this in mind, Monnet urged Britain and France to establish that organization while their resources remained intact.¹⁰

Monnet's mission began with the Supreme War Council meeting at Hove. There the French and British discussed the problems of

¹⁰Ibid.

See also a report, Anglo-French Co-operation in Economic and Supply Matters, etc., September 29, 1939, and a letter from Jean Monnet to Sir Edward Bridges, October 1, 1939, CAB 21, File 747, Anglo-French Economic Co-operation: Co-ordination of British Activities.

The letter written on 1 October was especially important because it summarized the French position on Anglo-French cooperation and provided an informal basis on which the two nations could discuss the general problem. As a basis for negotiations it would later be superseded by other documents.

Allied economic coordination. Daladier proposed pooling all means of production and of coordinating foreign purchases, especially in America. He then introduced Monnet as his personal representative to report on coordinating activities. Chamberlain, on behalf of Britain, agreed with the French Premier's proposals and promised Daladier to introduce Monnet to the proper British officials.¹¹ As the meeting dispersed, Monnet remained in England to begin his mission.¹²

Upon his return to London from Hove, Sir Edward Bridges informed A.N. Rucker of the Prime Minister's office that Monnet traveled to London with him and that the Frenchman gave him a copy of Daladier's September 20 note which introduced Monnet's mission to Chamberlain, while the original went through official channels to the Prime Minister. Monnet, however, wished to establish immediate contact with representatives of various British departments,¹³

¹¹ See the report by Neville Chamberlain on the second Supreme War Council Meeting, held on September 22, 1939, CAB 65, Vol. 1, War Cabinet Conclusions.

¹² David Dilks, ed., The Diaries of Sir Alexander Cadogan, 1938-1945, New York: 1972, pp. 218-219.
See the entry for Friday, September 22, 1939.

¹³ Letter, Sir Edward Bridges to A.N. Rucker, n.d., CAB 21, File 746, Anglo-French Economic Co-operation: Co-ordination of British Activities.

and within a week he made several appointments.¹⁴ Chamberlain in turn maintained an interest in these developments,¹⁵ and in his response to Daladier's letter he explained that he had placed Monnet in contact with these officials.¹⁶ In arranging this, Britain's Prime Minister enabled Monnet's plans for fully integrated joint organizations to spread and to be introduced to British thought.¹⁷

To Sir H.L. French, Sir Frederick Leith-Ross, Sir Frederick Phillips, S.D. Waley and others, Monnet repeated his general theme: the experience of the last war demonstrated the inadequacy of cooperation until both nations knew of the others' needs and resources. To obtain this information and make proper use of it, the Allies needed a body to work with the appropriate Ministries in both countries. That group would prepare reports for periodic meetings between Ministers in order to let them make decisions and

¹⁴ See the following letters: Sir Edward Bridges to Sir Arthur Robinson, September 24, 1939, Sir Edward Bridges to Julian Foley, September 24, 1939, Sir Edward Bridges to Sir Frederick Leith-Ross, September 28, 1939, *Ibid.*

See also Haight, American Aid to France, 1938-1940, pp. 145-146.

¹⁵ Letter, Sir Edward Bridges to A.N. Rucker, September 27, 1939, PREM 1, File 410, 1940 France.

Also a note to Bridges by an unidentified person, but written on the Prime Minister's stationery, September 27, 1939, CAB 21, File 746, Anglo-French Economic Co-operation: Co-ordination of British Activities.

¹⁶ Letter, Neville Chamberlain to Édouard Daladier, September 27, 1939, PREM 1, File 410, 1940 France.

¹⁷ Hurstfield, p. 251.

set policy. Overseas purchases, he believed, should also be conducted jointly.¹⁸ Despite his optimistic hopes for Allied relations, Monnet received a mixed reception. Some, like Waley and Phillips, questioned the value of his ideas.¹⁹ French and Leith-Ross, on the other hand, extended a very warm reception.²⁰ Yet, even if the British had completely agreed with what Monnet had to say, they could do nothing concrete about it, for at that time they still had to resolve their internal disagreements about Anglo-French relations and their own economic machinery.

After interviewing these officials, Monnet met with Sir Edward Bridges on September 30. To the War Cabinet Secretary he reported on his visits to various officials:

To all of them he had expounded the general thesis that the essential preliminary to Anglo-

¹⁸ See, for example, a letter dated September 27, 1939, written by Monnet to an unidentified person, Monnet Papers, File 2A, Création de l'organisme de guerre franco-anglais, Septembre-Octobre, 1939.

¹⁹ Note by Sir Frederick Phillips, September 25, 1939, CAB 21, File 746, Anglo-French Economic Co-operation: Co-ordination of British Activities.

See also a memorandum by S.D. Waley for Sir Frederick Phillips, September 30, 1939, CAB 21, File 747, Anglo-French Economic Co-operation: Co-ordination of British Activities.

²⁰ Letter, Sir H.L. French to Sir Edward Bridges, September 28, 1939, CAB 21, File 746, Anglo-French Economic Co-operation: Co-ordination of British Activities.

See also a letter from Sir Frederick Leith-Ross to Sir Horace Wilson, September 30, 1939, CAB 21, File 747, Anglo-French Economic Co-operation: Co-ordination of British Activities.

French co-ordination was to establish what he described as a "common balance-sheet" and proper plans for the best utilization of our joint resources .

The Frenchman admitted that at that time pooling of financial resources was unnecessary, but if it came to a question of resource exhaustion then the problem would require reexamination. Monnet continued to advocate joint purchasing agencies, especially for the United States. In general, he repeated all of his arguments in favor of Anglo-French economic cooperation. Later, in a letter of October 1, he notified the War Cabinet Secretary that he intended to discuss the entire matter with Daladier, and that upon his return he wanted to negotiate with Bridges a common plan of action to submit to the two governments for their approval.²¹

It appeared clear to Bridges that Daladier's representative had a strong position. However, he had no answer to give Monnet because the British, at that time, lacked a definite program with which to make a counter-proposal to Monnet. The best the War Cabinet Secretary could do was to enter into a very tentative agreement to draft some letters for exchange between the two Prime Ministers. Even this was done for a negative reason; Bridges believed that, if possible:

...we [the British] should...forestall M. Monnet. I undertook to prepare a draft and have something ready to show him on his return.

²¹Letter, Jean Monnet to Sir Edward Bridges, October 1, 1939, CAB 21, File 747, Anglo-French Economic Co-operation: Co-ordination of British Activities.

After the interview with Monnet, Bridges immediately contacted Chamberlain's confidential adviser, Sir Horace Wilson. He reviewed his discussion with Monnet and in particular referred to the agreement to draft a joint document. This, Bridges stated, meant that they wanted something to serve as a basis for further correspondence between Daladier and Chamberlain. Bridges explained:

I had, of course, no instructions to make any such arrangements with M. Monnet, but it seemed to me that it was better to seize the opportunity of getting the drafting of the document into our hands, rather than to leave it to them, in which case we might have found ourselves faced with something we did not like to [sic] look of at all.

In the face of the above arrangements, the War Cabinet Secretary felt it best to stimulate completion of British plans to reorganize their domestic control mechanism before tackling the Anglo-French problem.²² Faced with French demands, he realized that his government now had to present a reply. Hence, he hastened to speed his colleagues along in their reorganization.

The culmination of the British search for machinery to co-ordinate their economic efforts was a September 29 meeting of top officials.²³ This very important meeting signified several things.

²²Letter, Sir Edward Bridges to Sir Horace Wilson, September 30, 1939, Ibid.

²³See the letter from Sir Edward Bridges to S.D. Waley, September 28, 1939, CAB 21, File 746, Anglo-French Economic Co-operation: Co-ordination of British Activities.

Sir Horace Wilson chaired the meeting. Present were A. Barlow, E. Bridges, W. Brown, H. French, R. Hopkins, F. Leith-Ross, F. Phillips, T. Phillips, A. Robinson. The Secretary was H.L.d'A. Hopkinson.

Note for the most part that these were the very same people among whom the ideas of Anglo-French cooperation circulated.

Coordination on the domestic economic level required adjustment, so they advised the establishment of an Interdepartmental Committee on Economic Policy, chaired by Lord Stamp (Head of the Economic Advisory Council), and named the Stamp Committee. Second, given the "chaotic" condition of Anglo-French economic relations, they recommended an Anglo-French Supply and Purchases Committee, under the direction of Sir Arthur Robinson. Though its activities would be limited in scope, that group would have the duty of coordinating existing French supply demands and providing a forum for the discussion of Allied economic policy. Unfortunately, they possessed no far-reaching powers of decision. In effect, this Committee represented a temporary British solution to an Allied problem. However, its existence afforded the Allies an immediate place to consider joint demands. Thus it placed Anglo-French economic relations on a more organized footing and was a step towards a closer Allied relationship.²⁴

Acting on these recommendations, on October 3 Neville Chamberlain, after consultation with the Chancellor of the Exchequer, authorized the formation of the Anglo-French Supply and Purchases Committee, to be chaired by Sir Arthur Robinson of the Ministry of Supply, and the Interdepartmental Committee on Economic Policy, led

²⁴Minutes of a Meeting held at the Treasury, September 29, 1939, CAB 21, File 747, Anglo-French Economic Co-operation: Co-ordination of British Activities.

by Lord Stamp.²⁵ However, the Prime Minister felt that these two Committees were insufficient, so on October 5 he announced the construction of a Committee with functions on the Ministerial level corresponding to those of the Interdepartmental Committee on

Economic Policy.²⁶ It reviewed departmental work in relation to the entire economic war effort and supervised measures for Anglo-French cooperation.²⁷ All of these Committees fell under the

direction of the War Cabinet. Now that the British had provided for the coordination of their economic policy, they could turn at last to deal with the direction of Anglo-French economic policy.

The Interdepartmental Committee to Co-ordinate Anglo-French Supply and Purchases of War Material, or the Robinson Committee, was authorized to examine French demands for armaments, textiles, food, coal, petroleum, raw materials, shipping, and to consider how they could be met.²⁸ It had the task of establishing

²⁵ Appointment of Adviser on Economic Co-operation and Inter-departmental Committee on Economic Policy, October 3, 1939, CAB 67, Vol. 1, War Cabinet Memoranda.

²⁶ Minute, Ministerial Committee on Economic Policy, October 5, 1939, Ibid.

²⁷ Note by Frank Padmore, October 11, 1939, CAB 21, File 747, Anglo-French Economic Co-operation: Co-ordination of British Activities.

²⁸ Papers reporting this circulated throughout the departments. See, for example, CAB 67, Vol. 1, War Cabinet Memoranda. Also document C 15786/14668/49, FO 371, Political, Central, Co-ordination, 1939, 22891.

contact with the French missions in London or any committee corresponding to them which the French might erect. The committee would also supervise the missions in the United States. Some Departments objected to not being included in the committee,²⁹ but in the interest of efficiency, its size was limited by the officials involved in its operation.³⁰ This group, along with the Interdepartmental Committee on Economic Policy, represented a radical restructuring of Britain's internal organization in order to cope with the economic war effort.³¹ With this completed, London could now turn to Monnet to negotiate an Allied economic agreement.

²⁹ See, for example, a letter from the Ministry of Health to Sir Edward Bridges, October 5, 1939, CAB 21, File 747, Anglo-French Economic Co-operation: Co-ordination of British Activities.

³⁰ In a hand-scribbled note at the bottom of a letter Bridges wrote:

"We must try to keep down the size of this Committee, arranging, if necessary, to co-opt other representatives when its subject under discussion requires it."

Letter, Sir Edward Bridges to Sir Horace Wilson, October 15, 1939, CAB 21, File 748, Machinery for Co-ordination of Anglo-French Economic War Effort.

³¹ C16607/14668/49, October 13, 1939, FO 371, Political, Central, Co-ordination, 1939, 22892.

Chapter IV

The Final Agreement

With the settlement of British internal differences, the way was now clear for a resolution of the questions raised by Monnet. Since his arrival in England, events had undoubtedly moved rapidly. The primary stumbling block to closer Anglo-French relations had been differences among the British on how best to coordinate their activities. But that obstacle had been resolved with Chamberlain's appointment of the three new Committees. The path was now clear to a closer relationship with France.

The Robinson Committee assumed the task of dealing with Jean Monnet, whose October 1 letter to Sir Edward Bridges had gone unanswered until the British completed their reorganization. Once formed, the Committee immediately called a meeting to consider a reply to the Frenchman's letter, claiming they were authorized "...to make any special arrangements for Anglo-French economic co-operation."¹ Bridges' colleagues had wanted to modify the

¹Letter, Frank Padmore (Treasury) to H.M.G. Jebb (Foreign Office), C15786/14668/49, October 4, 1939, FO 371, Political, Central, Co-ordination, 1939, 22891.

See also the Report on Economic Policy, October 4, 1939, CAB 21, File 747, Anglo-French Economic Co-operation: Co-ordination of British Activities.

French version, but Monnet's letter forced them to reconsider co-operation on a wider base than they had hitherto thought desirable. However, in abandoning their earlier, more conservative position, they went beyond the 1917 organization which Monnet proposed.

At a series of meetings the British representatives agreed on a draft letter from Bridges to Monnet, which the War Cabinet Secretary sent on October 6.² This response embodied their plan for Anglo-French cooperation and henceforth served as the basis for discussion. Bridges felt that the nucleus for an Allied organization existed in London, where Anglo-French groups were already working together. They formed, he believed, the basis for Permanent Executive Committees and corresponded to Monnet's Executives. When necessary they could meet in the presence of Ministers representing the concerned British and French Departments in order to reach decisions on a higher plane. Those replaced the Anglo-French Councils proposed by Monnet. The War Cabinet Secretary also pointed out that the British had commenced the work of co-ordinating their groups in North America.

He further explained that his colleagues regarded present arrangements as insufficient. They considered that the required level of integration could not be achieved purely on a departmental level and that conditions called for some body of a wider nature.

²Letter, Sir Edward Bridges to [?] Hemming, October 3, 1939, CAB 21, File 747, Anglo-French Economic Co-operation: Co-ordination of British Activities.

Therefore, the British recommended the creation of a committee composed of a chairman and members from the concerned departments of both the British and French Governments to constitute an Anglo-French body. In this scheme they particularly stressed the role of the Chairman:

Attention should, we feel, be given to the question of the Chairmanship of the Anglo-French Committee, since our departments anticipate that its work will be so heavy as to render essential the appointment of a whole-time Chairman.

The British envisaged a great advantage in establishing a single committee because it could solve questions affecting more than one of the Anglo-French Councils and reach decisions without reference to a Higher Economic War Council.³ Only by adopting this organization, British officials believed, could Allied economic policy be efficiently directed. This was the first concrete British proposal to emerge from Anglo-French discussions. A much stronger organization than that originally put forth by Bridges in September, it surpassed even Monnet's suggestions in providing for a centralized body to co-ordinate the war economies.

Monnet objected to some features of this proposal. He did not understand how the French could constitute a joint committee similar to the Robinson Committee; French Heads of Departments could not come to London and, besides, they lacked the authority to make

³This copy of Bridges' letter can be found in a report: Interdepartmental Committee on Economic Policy. Proposed Arrangements for Anglo-French Co-operation in the Economic and Financial Spheres, October 9, 1939, Ibid.

decisions. The Frenchman believed that while such a committee might dissipate some problems, many questions remained which could be solved only by ministerial meetings, but it would be impossible to get ministers to come from Paris. Monnet also urged the establishment of a Supreme Economic Council consisting of not more than two Ministers on each side. He questioned purchases for blockade purposes, the partition of shipping requirements, and financial arrangements. Sir Frederick Leith-Ross of the Ministry of Economic Warfare, who spoke with Monnet, felt that he convinced the Frenchman of the value of much of the British program; however, he reported that Monnet insisted on a meeting with the British representatives to get a revised program to take to Daladier.⁴

Bridges arranged a meeting of British officials for October 11. Again, Sir Horace Wilson chaired the gathering.⁵ All of the important British officials, plus French representatives, attended.⁶ Significantly, it was the first time that Monnet^{formally} met with the British. The Frenchman generally agreed with the content of Bridges' letter, although he suggested several changes in the text. Those present at

⁴ Letter, Sir Frederick Leith-Ross to Sir Edward Bridges, October 9, 1939, Ibid.

⁵ Letter, Sir Edward Bridges to Sir Horace Wilson, October 10, 1939, Ibid.

⁶ Present were Sir Edward Bridges, Sir William Brown, Sir F. Leith-Ross, Sir F. Phillips, Mr. S.D. Waley, Sir H. Wilson, M. Jean Monnet and M. René Plevin. Mr. H.L. d'A. Hopkinson served as the Secretary.

the meeting discussed Monnet's comments and accepted a few of them, such as the need for a Permanent Executive Committee for Oil. Nevertheless, no major changes were made in the proposal. Concluding, they directed Bridges to prepare an initial draft based on the conclusions of the meeting, defining the composition and functions of the envisaged groups.⁷ Here again, the British retained control of the actual drafting procedure, possibly because they distrusted the French.

By October 12 a first draft of proposals for Anglo-French cooperation circulated in British circles. Haste proved necessary as they had to be ready before that evening when Bridges would officially present them to Monnet.⁸ The meeting took place as scheduled and, though Monnet negotiated some minor changes in the draft, no real alteration in the functions of the organization occurred. The main point of the meeting was to clarify some points of confusion. Monnet asked what the British meant by using vague language about the establishment of an economic section of the Supreme War Council and whether doubts existed on principle or because of

⁷Record of a Meeting between British Representatives and Jean Monnet, October 11, 1939, CAB 21, File 747, Anglo-French Economic Co-operation: Co-ordination of British Activities.

⁸Letter, H.L.d'A. Hopkinson to W. Brown, F. Leith-Ross, F. Phillips, A. Robinson, H. Wilson, October 12, 1939, Ibid.

See also a letter from Sir Edward Bridges to Sir Horace Wilson, October 13, 1939, CAB 21, File 748, Machinery for Co-ordination of Anglo-French Economic War Effort.

personal differences. Bridges indicated that there were no doubts in principle but that at the moment it might not be convenient for the British if they had to set it up immediately. Bridges requested that Monnet keep this to himself, and both concurred that his attitude in Paris would be that, because of the British "love of the practical," they felt the right plan would be to create the organization in stages and not have a meeting of the economic section until there appeared a need for it.⁹

Throughout all the negotiations Monnet remained in constant contact with Daladier. He informed the French Prime Minister that the agreement provided for an Allied organization of the Anglo-French economic war effort. It also involved acceptance by the British of a rule for the application of the total shipping tonnage at the disposition of the Allies to the achievement of a joint importation program. It also provided that in the event of a shortage of joint resources any reduction in the Anglo-French program would be made on an equitable basis between the two nations. Other points drawn to the attention of Daladier included the appointment of French personnel to the Executive Committees, the Presidency of the Anglo-French Co-ordinating Committee, measures to adopt in France to insure the coordination of the ministerial programs and the proper functioning of the Allied organization, and the constitution

⁹Letter, Sir Edward Bridges to Sir Horace Wilson, October 13, 1939, CAB 21, File 748, Machinery for Co-ordination of Anglo-French Economic War Effort.

of the joint overseas purchasing program.¹⁰

He also pressed Daladier to have President Roosevelt agree to receive an Anglo-French mission in the United States.¹¹ The French Prime Minister approved wholeheartedly of those terms and charged his representative with arranging their immediate acceptance.

In erecting this new Allied organization, both sides realized that it did not eliminate national purchasing departments. Britain and France cautioned against conceiving this joint purchasing system as being total in concept; not all purchases or communications could be done through Allied bodies. It was impossible to ignore the purchasing departments in both governments simply because of their size, and they could not be transferred into an Allied machine for the same reason:

On this vast national organization is superimposed the comparatively slight mechanism of the Executive and the Anglo-French Committee. Each of the Executives will comprise a small fraction of the officials concerned in the different commodities, and many of these will be giving a small part of their time to work on the allied bodies compared with work in their national departments.

To clarify the functions of the Allied bodies and national

¹⁰See the following letters: Jean Monnet to Édouard Daladier, October 12 and 20, 1939, Monnet Papers, File 2A, Notes du 3/9 au 2/11. Also Monnet to Daladier, October 17, 1939, Monnet Papers, File 2A, Création de l'organisme de guerre franco-anglais, Septembre-Octobre, 1939.

¹¹Haight, American Aid to France, 1938-1940, pp. 148-149.

departments the Allies divided the material they expected to purchase into two kinds: commodities and manufactured articles. Allied activities dealt with those commodities for which joint purchases were critical in order to avoid serious price increases because of competition, or whose programs had to be compressed because of a shortage of supply, shipping, or finances. The memorandum suggested the Allied group handle only those manufactured articles needed on a large scale or those which required the creation of a new plant. Where large orders were involved, the Allies were encouraged to obtain the cooperation of the government of the country. Regarding all other commodities and articles, it was enough if the Executives kept abreast of the total tonnage and finance involved, and national departments ordered all those items.

In this scheme, the Anglo-French Committee served a very important purpose. In forming a policy for purchases in a foreign country, all general questions, for example the kinds of negotiations to be undertaken, had to be settled by the Allied governments. They could not be left to the individual missions. For that purpose an Allied organization was clearly the best body, and, in that connection:

The Chairman of the Committee will most suitably represent it ... as the Committee is responsible for supervising the Missions [so far as they are "allied"] it was to be expected that he will need to visit the most important of them, especially the one in the U.S.A. If he is suitable in his personal qualifications, he would most appropriately undertake the required negotiations with the President of the U.S.A.

In general, the Allied body formulated general policy, settled differences

between the Executives, and supervised and transmitted instructions to the missions concerning joint action. While the Anglo-French group dealt with major questions not solvable by the Committees, the vast bulk of detailed business remained in the hands of National Departments.¹² Within these limits, the new organization, theoretically, wielded great power in the acquisition of materials.

During the period of Anglo-French negotiations for the creation of the Co-ordinating Committee, some of the most interesting correspondence emanated from William Bullitt, American Ambassador to France. On October 4 he wrote President Roosevelt, enclosing Monnet's October 1 communication to Bridges and also some notes on French airplane orders in the United States. Bullitt remarked on the proposal for an Anglo-French organization:

You will note that it follows the lines established in 1918. It is entirely sensible, I think, and I plead guilty to getting the idea started and to getting Daladier to put the matter in Monnet's hands.

In part, Bullitt used the letter to inform Roosevelt that the British and French planned to erect a joint purchasing agency, and he asked that, if the President desired anything, to let Bullitt know

¹²Notes on Allied Joint Purchases, October 10, 1939, Monnet Papers, File 2A, Notes du 3/9 and 2/11.

The authorship of this memorandum is in doubt. Although found in the Monnet Files, and from the tenor of the report Monnet could have written it, the name "Salter" is scribbled across the front. Perhaps Monnet's friend from World War I, Sir Arthur Salter of the Ministry of Shipping wrote it. However, no firm conclusions can be reached as to who wrote this memorandum, at least at this time.

because he possessed enough influence to get it accepted.¹³

The French obviously used Bullitt to help influence the United States' attitude favorably towards Allied efforts. The idea for the creation of a group was, after all, Monnet's. Thus, Bullitt knowingly helped the French in placing their case before the United States administration. This does reveal the closeness of Bullitt's relations with French leaders and the large place occupied by the United States in the minds of those Frenchmen interested in developing Anglo-French economic relations. The French desire to effect a single purchasing agency and their pressure on Britain to participate indicated the important position France planned for America.¹⁴ Bullitt's role was, however, peripheral to the actual events in London.

With all preliminaries cared for, the final steps took place. On October 18, Daladier addressed a letter to Chamberlain and proposed a mechanism for Anglo-French cooperation. These proposals followed the lines adopted in the earlier negotiations. A slight error, however, appeared in the letter; Daladier suggested five, instead of six, Executive Committees, neglecting to include one for economic warfare.¹⁵ Hopkinson explained that the letter had already

¹³Letter, William Bullitt to Franklin D. Roosevelt, October 4, 1939, The Bullitt Papers, PSF 41 France.

¹⁴See two letters, William Bullitt to the Secretary of State, October 17, 1939, and William Bullitt to Franklin D. Roosevelt, October 18, 1939, Ibid.

¹⁵Letter, Édouard Daladier to Neville Chamberlain, October 18, 1939, PREM 1, File 410, 1940 France.

been typed when the French discovered the mistake. Monnet recommended that in Chamberlain's reply the British advocate the inclusion of the sixth Executive Committee. He also asked to have a British response by the end of the week.¹⁶ The French Prime Minister also enclosed a personal letter thanking Chamberlain for all the British aid and friendliness extended to Monnet, particularly from Bridges and Wilson.¹⁷

Upon the receipt of the Daladier letter, the British officials in the Prime Minister's office immediately drafted a reply.¹⁸ The fact that the French wanted a reply almost immediately raised no difficulties since the letter they received followed "verbatim" the document agreed with Monnet:

...we believe that the letter, which deals with Anglo-French co-ordination in Economic and Supply matters, follows verbatim the lines of a document which we agreed with M. Monnet after about a fortnight's discussion in London.¹⁹

¹⁶ Letter, H.L.d'A. Hopkinson to Sir Edward Bridges, October 19, 1939, CAB 21, File 748, Machinery for Co-ordination of Anglo-French Economic War Effort.

¹⁷ Letter, Édouard Daladier to Neville Chamberlain, October 18, 1939, PREM 1, File 410, 1940 France.

¹⁸ Letter, A.N. Rucker to Sir Edward Bridges, October 20, 1939, CAB 21, File 748, Machinery for Co-ordination of Anglo-French Economic War Effort.

¹⁹ Letter, Sir Edward Bridges to A.N. Rucker, October 20, 1939, Ibid.

See also a letter from Bridges to Sir Horace Wilson, October 21, 1939, Ibid.

Senior British officials drafted two replies to Daladier, one an official statement,²⁰ and the other a personal letter from Chamberlain. The replies to the French were sent on October 22. Chamberlain indicated his pleasure with Monnet's talks in London and his appreciation for French efforts in preparing "this most important scheme of Anglo-French war effort," and he looked forward to the success of the venture. On a more official level, the British Prime Minister agreed with the formation of an organization as suggested by Daladier, with the addition of a Permanent Executive Committee for Economic Warfare. Chamberlain concluded that "we are ready to take the necessary action to give effect to the proposals in your letter forthwith."²¹ This marked the official acceptance of the British-French accord. Established firmly in principle, it remained for the Allies to put it into practice.

²⁰Letter, Sir Edward Bridges to Sir Horace Wilson, October 21, 1939, Ibid.

This procedure served to demonstrate how much power and influence those civil servants possessed. There are various letters in the files between officials keeping each other informed of developments. See, for example, a letter from C.S. to R.M.J. Harris, October 23, 1939, and a hand-written note to Chamberlain indicating that several officials approve the replies, probably written on October 20 or 21, 1939, PREM 1, File 410, 1940 France.

²¹Letter, Neville Chamberlain to Édouard Daladier, October 22, 1939, PREM 1, File 410, 1940 France.

Chapter V

Errecting a War Committee

In a period characterized on the military front by the "phoney war," there was nothing phoney about Allied negotiations to effect closer economic relations. Indeed, in that area, controlled by civilian departments and leaders, Britain and France demonstrated great foresight, energy, and understanding. Both nations realized that to win a prolonged war they had to organize properly. The Co-ordinating Committee was a direct result of that thinking and was implemented quickly and efficiently within the space of three months, as compared with three years in World War I.

To achieve this, the western democracies compromised on almost all points of difference. Neither side took such a strong position that it could not reach some accommodation. One example was the choice of a chairman. Cooperation and the cooperative spirit manifested itself in all negotiations, partially because of the pressure of events. The realization that the war would be prolonged, and the need to solve critical shortage problems spurred both nations. Therefore, they agreed on a method by which co-ordination, not competition, ruled their economic relations. This represented a significant step forward in the prosecution of the war. Indeed, it was the most important indication of their determination to defeat Germany.

Chamberlain's acceptance on October 22 of Daladier's letter commenced a period of intense activity in the Allied camp. Both France and Britain discovered that, though they had reached agreement in principle, implementing their plans was very difficult. Numerous questions remained unanswered. Who would chair the Co-ordinating Committee, and the Executive Committees? What should their instructions be? What about relations with foreign nations? When would the initial meetings be held? To resolve these points would require a period of intense negotiations and a willingness to compromise on the part of both partners.

In France the new agreement required the coordinating of all ministerial programs prior to their integration into Allied planning schedules. France also prepared to make arrangements with Great Britain to create joint overseas purchasing missions.¹ They needed to consider candidates for the Presidency of the Co-ordinating Committee and to regulate relations between French departments and the new group. Some of these problems had to be dealt with on the domestic level, such as the coordination of economic programs; others required that Monnet return to London for further consultation with British officials. On both fronts the French moved quickly to remove

¹Projet de lettre de Monsieur Daladier à Monsieur Chamberlain, October 30, 1939, Monnet Papers, File 2A, Notes du 3/9 au 2/11.

Also a Note for the President of the Council, written by Jean Monnet, Monnet Papers, File 2A, Création de l'organisme de guerre franco-anglais, Septembre-Octobre, 1939.

any obstacles to the immediate organization of the Co-ordinating Committee.

Daladier made it clear to his associates that Anglo-French needs had to be incorporated into a joint program.² For this reason Britain and France had created the Committee. To insure that it functioned properly, the French Premier explained to his government the various sections of the new organization. In staffing these he pointed out that the British members, because the Co-ordinating Committee would meet in London, enjoyed constant contact with their administration and departments while the French suffered a disadvantage because they lacked that closeness. Therefore, French Ministers had to have complete confidence in their principle representatives and they would have to make decisions without consulting Paris. This meant that department envoys required full information of daily fluctuations in French resources and needs in order to justify their demands. To achieve the closest cooperation, he recommended that the principle French member of each Executive Committee have control over his colleagues.

Domestically, Daladier initiated several changes in his government's organization.³ To foster cooperation between the new

²Note by Daladier, November 2, 1939, Monnet Papers, File 2A, Création de Comité des programmes et des achats alliés, création des Comités exécutifs permanents - du comité de co-ordination franco-britannique, de l'Anglo-French Purchasing Board, Novembre-Décembre, 1939.

³See a note by Daladier, Report to the President of the Republic, and a decree from the President, both dated November 2, 1939, Ibid.

committee and French departments, he created a "Comité des programmes et des achats alliés," similar to the British Interministerial Committee on Economic Policy. It consisted of the President of the Council as Chairman [Daladier] and all other Ministers whose departments would have direct contact with the new Co-ordinating Committee. Their duty was:

...to co-ordinate and adopt, on the basis of proposals laid before it by the various Ministers, programmes for the purchase of goods abroad, which programmes shall then be forwarded by those Ministers to the Franco-British Executive Committees.

In the event of reductions in national or Allied projections, they decided where the cuts were made and on what scale.⁴ Thus, the Comité assumed vast control over the French economy, designating which programs to expand and which to cut. It possessed all the more authority because Daladier occupied the chair. However, this organization was loosely structured; there remained great latitude, for instance, in where and when meetings took place and who attended. Also, the Comité dictated French purchasing policy, but it was not an administrative body. The Comité had no real direction

⁴Report to the President of the Republic, November 2, 1939, Ibid.

The English received a copy for their information through H.L.d'A. Hopkinson. See a note on Anglo-French cooperation, November 7, 1939, CAB 21, File 748, Machinery for Co-ordination of Anglo-French Economic War Effort.

of daily affairs.⁵ To maximize the use of French production and national resources, Daladier appointed the High Commissioner for the National Economy to study the programs the Comité submitted.⁶ These beginnings, though smooth running at first, soon encountered domestic obstacles as the Comité tried to exercise effective control.⁷ Hence, the actual authority of that group was severely circumscribed. However, with domestic problems apparently solved, Daladier could now send Monnet to London to deal with the British.

Monnet arrived in Great Britain fully prepared to resolve all outstanding issues concerning the Co-ordinating Committee. This included assembling and assigning duties to the Permanent Executive Committees, the organization of foreign purchasing missions, and, primarily, the naming of a suitable chairman. These issues dominated talks from November 6 until December 6.

Because of the importance of the chairmanship, Monnet

⁵Conclusions provisoires des premières expériences du Secrétariat du Comité des Programmes et des Achats Alliés, November 9, 1939, Monnet Papers, File 2A, Creation de Comité des programmes et des achats alliés, créations des comités exécutifs permanents, du comité de co-ordination franco-britannique, de l'Anglo-French Purchasing Board, Novembre-Décembre, 1939.

⁶The President of the Council [Daladier] to the Minister of Finance, Agriculture, Public Works, Marine, Commerce, Air, Munitions, Merchant Marine, Blockade, November 21, 1939, *Ibid.*

For additional comments on the relationship between the Comité and the national economy, see the note from the President of the Comité to the Secretary-General of the Ministry of Finance, November 22, 1939, *Ibid.*

⁷Haight, American Aid to France, 1938-1940, pp. 151-152.

immediately initiated talks with Sir Horace Wilson, Chamberlain's confidant. In late October, Wilson had suggested to Monnet that the Chairman be appointed by both governments as an Allied official. Preferably, he should have ministerial experience to endow him with the qualifications to guide and advise British and French ministers at the Supreme War Council. Monnet, in November, informed Wilson that Daladier believed relations would be easier for him, in the present as well as the future, if a Frenchman held the chair.⁸

Under the proposed arrangement, the Executive Committees met in London. If shortages should occur, Daladier feared there would be criticism of French ministers who would in turn blame the Co-ordinating Committee. Those ministers would say that French interests were not properly considered, which would mean that French ministers might not work well with the system. To insure French cooperation, Daladier proposed Jean Monnet for the chair.⁹ The French Premier believed this absolutely necessary because whoever they appointed "...should be able to handle French Ministers."¹⁰

⁸Arrangements for Anglo-French Economic Co-ordination, November 12, 1939, CAB 21, File 748, Machinery for Co-ordination of Anglo-French Economic War Effort.

⁹Ibid.

Also, see Monnet's report of the meeting with Wilson. Letter, Jean Monnet to Edouard Daladier, November 8, 1939, Monnet Papers, File 2A, Création de Comité des programmes et des achats alliés, création des comités exécutifs permanents-du comité de co-ordination franco-britannique, de l'Anglo-French Purchasing Board, Novembre-Décembre, 1939.

¹⁰Conversation between Sir Horace Wilson and Jean Monnet, November 7, 1939, CAB 21, File 748, Machinery for Co-ordination of Anglo-French War Effort.

The British recognized and accepted the validity of that argument. However, they did not regard Monnet as an acceptable candidate. Controversy centered, therefore, not on which nation deserved the chairmanship, but on who was acceptable to the British. To the British Ambassador in Paris, Sir Ronald Campbell, Wilson explained:

It is felt here that while we should naturally prefer an Englishman, there is considerable force in M. Daladier's arguments that the Chairman should be a Frenchman. On the other hand, M. Monnet for various reasons, is not regarded here as altogether suitable for the post. Apart from any personal consideration we are not sure that he is the type of person who would be entirely acceptable to British Ministers and it also appears to be doubtful whether he carried the necessary weight in France. On the other hand you will appreciate that as he is the candidate proposed by M. Daladier it is difficult to oppose his candidature except on very strong grounds. I should therefore be glad of your views and those of your Financial Adviser as to the suitability of M. Monnet for this post from the point of view of French ministerial and official opinion.

Wilson also requested that Campbell suggest alternative candidates who possessed the necessary qualifications, though he realized it might be difficult to find someone acceptable to Daladier.¹¹

¹¹Telegram, Foreign Office to Sir Ronald Campbell (probably drafted by Sir Horace Wilson), November 9, 1939, CAB 21, File 748, Machinery for Co-ordination of Anglo-French Economic War Effort.

See also a letter from H.L.d'A. Hopkinson to Mr. Balfour, November 9, 1939, FO 371, Political, Western, Co-ordination, W/16523/14781/49, 1939, 23927.

Campbell responded quickly. If the heads of the Departments sought to reject Monnet, his response must have surprised them. Admitting Monnet's lack of ministerial status, the British Ambassador nevertheless declared that "...his reputation in French official circles is high." He suggested some possible alternatives, M. Francois Piétri, M. André Siegfried, and M. Baumgartner, none of whom met all the required standards. Returning to Monnet, Campbell advised that the concerned British officials discuss Monnet's qualifications with Paul Reynaud, the French Finance Minister, during his forthcoming visit to London. If necessary, Reynaud might be able to recommend someone else.¹² Campbell's reply clearly reaffirmed Monnet's high standing in France, and turned British attention to the Reynaud visit. Indeed, Wilson and others looked to the French Finance Minister as a last chance to find a replacement for Daladier's candidate.

In late October, the Chancellor of the Exchequer, Sir John Simon, had invited Paul Reynaud to London.¹³ Upon his arrival on November 14, the French Minister met with Sir Horace Wilson and dis-

¹²Telegram from Sir Ronald Campbell to the Foreign Office, November 11, 1939, FO 371, Political, Western, Co-ordination, W/16542/14781/49, 1939, 23927.

¹³Letter, Sir John Simon to Paul Reynaud, October 31, 1939, CAB 21, File 748, Machinery for Co-ordination of Anglo-French Economic War Effort.

cussed the question of the chairmanship.¹⁴ Reynaud knew of the matter and, Wilson felt, had discussed it with Daladier. The Finance Minister repeated all of the arguments in favor of a French chairman. The Treasury representative agreed, and asked whether Reynaud might help "... with any view as to M. Monnet's suitability." The Frenchman unhesitatingly indicated that Monnet enjoyed Daladier's complete confidence, but that, if the British objected on personal grounds, he would convey this fact to his Prime Minister. Wilson sensed the strength of the Monnet nomination and relented:

... it seemed to me the only course open was to say that I felt sure that you [the Chancellor of the Exchequer] would be willing to accept Monsieur Monnet as Chairman.

But Wilson cautioned Reynaud on the appointment. He explained that in Britain war appointments were made on the understanding that changes would be made if circumstances required. He asked that Daladier make it plain to Monnet that his appointment was also sub-

¹⁴The British prepared very thoroughly for that visit. See: Note by S.D. Waley, November 9, 1939, FO 371, Political, Central, France, C18266/332/17, 1939, 22929. Also, Arrangements for Anglo-French Economic Co-ordination, November 12, 1939, CAB 21, File 748, Machinery for Co-ordination of Anglo-French Economic War Effort.

Wilson asked Sir Edward Bridges for a memo on the visit at least as early as November 10. The War Cabinet Secretary in turn contacted H.L.d'A. Hopkinson and asked him to prepare such a document. See the letter from Bridges to Hopkinson, dated November 10, 1939, Ibid.

ject to review. Reynaud agreed.¹⁵

Despite British acceptance of the nomination, suspicion of Monnet by British officials lingered. As late as November 20 Bridges commented:

Although he is perhaps not in every respect the ideal choice, he will have the advantage of having been engaged in the actual preparations of the arrangements, and will know, and, it is hoped, appreciate the difficulties with which our Departments are in some respects faced.¹⁶

Nevertheless, the appointment went through. On November 29 Chamberlain offered the post to Monnet and Daladier followed suit on December 2.¹⁷ Monnet immediately accepted.¹⁸

Another major stumbling block proved to be the organization of overseas purchasing missions, especially the one proposed for the

¹⁵ Note for the Chancellor of the Exchequer on Anglo-French Economic Co-ordination, by Sir H.J. Wilson, November 14, 1939, Ibid.

¹⁶ Letter, Sir Edward Bridges to Sir W. Brown, Sir H. French, Sir C. Hurcomb, Sir F. Leith-Ross, Sir A. Robinson, Sir A. Street, November 20, 1939, Ibid.

¹⁷ Letter, Neville Chamberlain to Jean Monnet, November 29, 1939, and a letter from Édouard Daladier to Jean Monnet, December 2, 1939, Monnet Papers, File 2A, J.M. Nomination and Resignation as Chairman of the Anglo-French Co-ordinating Committee.

¹⁸ Letter, Jean Monnet to Neville Chamberlain, December 4, 1939, PREM 1, File 410, 1940 France.

In addition, see Monnet's reply to Daladier, December 21, 1939, Monnet Papers, File 2A, Création de Comité des programmes et des achats alliés, création des comités exécutifs permanents-du comité de co-ordination franco-britannique, de l'Anglo-French Purchasing Board, Novembre-Décembre, 1939.

United States. Promptly after October 20, talks began to specify the type of organization. The French had expressed a clearer idea of what they wanted than the British; they proposed a unified purchasing mission in the United States.¹⁹

That position evolved out of both of Monnet's missions to the United States and his prior talks with President Roosevelt. It was strengthened after the Chamberlain-Daladier accord when Ambassador Bullitt told Monnet of a message from the President that indicated a very strong preference for dealing with a single Allied purchasing organization upon the repeal of the arms embargo.²⁰ Consequently the Frenchman felt certain that his suggestion coincided with the preference of America's leader. However, Monnet had to take into account the British position, discussed below, which did not favor a unified mission. He, therefore, proposed two separate missions with a small joint board composed of the heads of the two missions and an Allied chairman appointed jointly by the two governments. He urged an early settlement of this problem for fear that if the Allies could not agree between themselves, then Roosevelt might have to

¹⁹See, for example, a draft of a telegram to the French Ambassador in Washington, October 31, 1939, Monnet Papers, File 2A, Création de l'organisme de guerre franco-anglais, Septembre-Octobre, 1939.

²⁰The author has not found a copy of the letter Monnet wrote to Bridges containing this information.

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intervene.

To overcome British reluctance, Monnet hinted that if the British agreed to Daladier's wishes on the chairman of the Co-ordinating Committee, the French would raise no objection to an Englishman heading the organization in the United States.

The British disagreed with Monnet's insistence on a single Allied head of the purchasing mission to guarantee maximum co-ordination of the Anglo-French effort. The two missions, Wilson felt, should be separate but work very closely together, and each should be headed by people acceptable to their governments. He appreciated the advantages of a single head, but expected no difficulties in coordination from having joint heads. If the situation changed in the future and a single head appeared necessary, changes would be made then.²² The British fear of a single head might have been indicative of a British fear that the French would insist

²¹Arrangements for Anglo-French Economic Co-ordination, November 12, 1939, CAB 21, File 748, Machinery for the Co-ordination of Anglo-French Economic War Effort.

These considerations did not affect the Canadian mission as France had already agreed to buy through the British Mission. There the Canadian War Supply Board (CWSB) handled all purchases. See a letter from Sir John Simon to Paul Reynaud, October 31, 1939, Ibid.

²²Letter, Sir Horace Wilson to Jean Monnet, November 7, 1939.

This document was annexed to the minutes of a November 8 meeting. See Minutes of a Meeting held of the Anglo-French Supply and Purchases Committee, November 8, 1939, CAB 21, File 748, Machinery for Co-ordination of Anglo-French Economic War Effort.

on one of their countrymen being appointed to that post. Nevertheless, he fully examined Monnet's position in order to ascertain its validity.

The British contacted their Ambassador, Lord Lothian, with instructions to speak to Morgenthau about creating an Allied purchasing mission in the United States. Lothian's reply indicated that the American Government exhibited no negative feelings and, after consulting Colonel Greenly and Sir James Rae of the British Purchasing Mission in North America, Lothian "...expressed a strong preference for separate British and French missions working closely together." Informed of this, Monnet replied that he:

...did not understand this apparent change. [He]...felt that he had had a direct intimation from President Roosevelt that he favoured the other arrangement and he gave it as his personal view that there should be one Head.

Monnet did not care whether there were two missions, provided they worked closely together under one leader. Besides, each national mission would assume responsibility for contracts resulting from negotiations with American producers.²³ He was, therefore, willing to compromise when the British suggested that:

²³ Conversation between Sir H. Wilson and J. Monnet, November 7, 1939.

This document was annexed to meeting minutes for November 8. See Minutes of a Meeting held of the Anglo-French Supply and Purchases Committee, November 8, 1939, CAB 21, File 748, Machinery for Co-ordination of Anglo-French Economic War Effort.

If ...the French Government are prepared to agree that the Head of both the British and French missions should be of British nationality, we need not press our objection to a single Head.²⁴

This settled the issue, since Monnet accepted this proposal. Though it represented a combination of both views, the resulting organization was acceptable to Britain and France.²⁵ Thus, the Frenchman achieved his primary objective: leadership of the purchasing mission was vested in one man.

The British suggested that Arthur B. Purvis of the British Purchasing Mission chair the group, with F. Bloch-Lainé, the leader of the French mission, acting as Vice-Chairman.²⁶ Daladier informed President Roosevelt of this agreement on November 25,²⁷ and meetings between the American administration and the Anglo-

²⁴ Note by S.D. Waley, November 9, 1939, FO 371, Political, Central, France, C18266/332/17, 1939, 22929.

²⁵ Minutes of a Meeting held of the Anglo-French Supply and Purchasing Committee, November 8, 1939, CAB 21, File 748, Machinery for Co-ordination of Anglo-French Economic War Effort.

²⁶ Note for the Chancellor of the Exchequer, Anglo-French Economic Co-ordination, written by Sir Horace Wilson, November 14, 1939, Ibid.

²⁷ Draft message from Ambassador Bullitt to President Roosevelt, November 25, 1939, Monnet Papers, File 2A, Création de Comité des programmes et des achats alliés, création des comités exécutifs permanents-du comité de co-ordination franco-britannique, de l'Anglo-French Purchasing Board, Novembre-Décembre, 1939.

Also, see the reply, dated November 28, 1939, which scheduled a meeting with Henry Morgenthau, FO 371, Political, America, United States, A8295/6041/45, 1939, 22838.

French Purchasing Board began almost immediately.²⁸ The speed with which the Roosevelt administration accepted the Allied mission indicated American approval of that approach. Credit for United States approval must also be given to Ambassador Bullitt, who kept the President well-informed of events leading up to the establishment of the joint purchasing mission.

On November 1, even before Britain and France agreed to appoint Monnet chairman, Bullitt wrote to President Roosevelt:

Monnet is to leave for London...to have himself appointed head of the Joint French-British organization to handle all war supplies, shipping, etc., and later to visit the United States, accompanied by some Englishman who will head the Joint Purchasing organization in the United States.²⁹

The President congratulated Bullitt on this development, and boastfully, but falsely, commented that up to September the French and British had no definite ideas about action until finally "...we (the United States) had to tell them what to do." The President

²⁸ See a letter from the British Ambassador in Washington, Lord Lothian, to the Foreign Office, December 2, 1939, CAB 21, File 1269, Machinery for the Co-ordination of Anglo-French Economic War Effort.

The Americans seemed quite pleased with these developments, see Blum, p. 110.

Morgenthau was particularly impressed with Purvis, especially as he had worried about Monnet being appointed as the Head of the Anglo-French mission. He was not "...crazy to have Monnet come over here...", because "...heaven only knows what all his connections are!" Blum, pp. 102-103.

²⁹ Letter, William Bullitt to Franklin D. Roosevelt, November 1, 1939, The Bullitt Papers, PSF 41, France.

admitted his readiness to help anyone from the Allied side, his only goals being not to let the Allies interfere with United States rearmament and to prevent a domestic price rise. He ordered Bullitt to inform the proper authorities that he would aid in the export of all types of American industrial and agricultural products, and that his administration would give all aid "...so long as no wires were crossed."³⁰ The American administration, then, was concerned about Allied efforts for economic coordination and sought to insure that allied purchasing efforts benefited America.

At the November 8 meeting of the Anglo-French Supply and Purchases Committee, British officials discussed the instructions to be given to the Co-ordinating Committee. They decided to improve them in substance and form. Several amendments were suggested, as well as Monnet's request for a complete redraft, but the group preferred to wait for the observations of the other British departments, especially shipping. Bridges, the War Cabinet Secretary, could then redraft those instructions in light of other comments, and then seek Monnet's concurrence.³¹

On November 24, little more than a fortnight later, the British heads of departments met to consider final arrangements

³⁰ Letter, Franklin D. Roosevelt to William Bullitt, November 23, 1939, Ibid.

³¹ Minutes of a Meeting held of the Anglo-French Supply and Purchases Committee, November 8, 1939, CAB 21, File 748, Machinery for Co-ordination of Anglo-French Economic War Effort.

for Anglo-French cooperation. At this time they discussed the Permanent Executive Committees and their Chairmanships. The French, they observed, took great pains to get the right people to come to England as Committee heads. Despite this, these British officials feared that French chairmen would not impartially consider allied economic needs. Those attending the meeting agreed, nevertheless, that their ally deserved some Chairmen positions, but those for shipping, economic warfare, aviation and food must be British. They recommended compensation for the French with other posts created in the future. The British wanted those positions because:

It was necessary to decide in which cases the least harm would be done by entrusting the Chairmanship to a Frenchman.

The proposals for compensation were probably made with the knowledge that two additional Executive Committees would be set up, one for textiles and leathers and another for timber.³² Another problem emerged, however: the old Anglo-French Food Committee, chaired by Sir H.L. French, was to be assigned, by earlier agreement, to a Frenchman, but the British did not wish to let it go. These two issues demanded immediate treatment, else no committee would be formed.

³² Record of a Meeting Held to Discuss Further Arrangements for Anglo-French Co-operation, November 24, 1939, CAB 21, File 749, Machinery for Co-ordination of Anglo-French Economic War Effort.

Regarding the creation of new Executive Committees, René Plevén had informed the British that textiles, hides, skins, and raw materials other than minerals, assumed by Great Britain to fall under the control of the Executive Committee for Armaments and Raw Materials, remained outside of the control of the French Ministry of Armaments. He believed that Armaments and Raw Materials was sufficiently burdened just dealing with those specific commodities. Plevén's conclusion was to create two new Executive Committees concerned with the other goods, especially because they involved two French Departments.³³ Britain raised no objection to this solution and authorized two new committees, one for timber and one for textiles and hides. The Allies then assigned the chair for timber to France and that for textiles to Britain.³⁴

Though the British had agreed that ultimately the Executive Committee chairmanship for food would go to the French, they later changed their mind because their food imports amounted to more than those of France. They passed this on to Monnet, who told them that unless they agreed, at least in principle, to sharing chairmanships equally, he envisaged strong opposition from the French.³⁵ Bridges,

³³Note of a call from René Plevén, November 24, 1939, Ibid.

³⁴Letter, Sir Edward Bridges to Jean Monnet, November 29, 1939, Ibid.

³⁵Letter, Sir Edward Bridges to Sir Horace Wilson, November 28, 1939, Ibid.

in turn, made it clear that for internal political reasons the committee had to be British, but that in return for this concession his colleagues recognized the unequal distribution of chair positions and consented to do their best to adjust matters.³⁶ The French accepted; they had no choice.

Though the Allies adopted these procedures with little difficulty, some people disagreed with them. Sir Frederick Leith-Ross pointed out that by custom the country which hosted the meeting received the Chairmanship, so all the Chairmen should be British. He did "...not think a French Chairman...likely to conduce to the efficiency of the machine."³⁷ Nevertheless, he admitted the difficulty of persuading the French not to have any. Reluctantly, the representative from Economic Warfare conceded that his thoughts were not acceptable.

In addition to appointing Chairmen for the Executive Committees, both governments also designated personnel to serve on them. The Allies completed these assignments by November 17.³⁸ To British satisfaction, Daladier extended decision-making powers to the French members of the Executive Committees. Thus, French representatives on the Executive Committees possessed the status

³⁶Letter, Sir Edward Bridges to Jean Monnet, November 29, 1939, Ibid.

³⁷Letter, Sir Frederick Leith-Ross to Sir Edward Bridges, November 21, 1939, Ibid.

³⁸Letter, H.L.d'A. Hopkinson to Sir Edward Bridges, November 17, 1939, Ibid.

which allowed them to meet their British counterparts on equal terms.

Questions would not have to be relayed between London and Paris, thus causing delays. Decisions could be immediate, thus speeding up the activities of the Committee.

By December 1 both governments completed the selection of most of the chairmen to lead the Permanent Executive Committees. On the British side the Permanent Heads of Departments led the British teams in the Executive Committees.³⁹ Sir Cyril Hurcomb and Sir Frederick Leith-Ross received the chairs for the Committees on Shipping and Economic Warfare respectively. Sir Henry French chaired the Food Executive. Sir Cecil Kisch and Sir Arthur Robinson were the principle British representatives in Oil and Armaments and Raw Materials. The chairmanship of the Executive for Air Production and Supply remained unfilled, as did those for Timber and Textiles and Hides.⁴⁰ The French designated René Mayer as Chairman of the Executive Committee for Armaments and Raw Materials. The French section in Shipping was led by Hypolite Worms, Jean Laurent led the Food delegation and Paul Morand had charge of the Economic Warfare contingent. The other posts re-

³⁹Letter, H.L.d'A. Hopkinson to Sir Edward Bridges, December 1, 1939, CAB 21, File 1269, Machinery for Co-ordination of Anglo-French War Effort.

⁴⁰Letter, Sir Edward Bridges to H.L.d'A. Hopkinson, November 21, 1939, CAB 21, File 749, Machinery for Co-ordination of Anglo-French Economic War Effort.

mained to be filled.⁴¹ All of these names, plus others to be added later, formed a panel from which to draw the actual participants in the Co-ordinating Committee meetings. With the exception of a minor problem of getting the French Head of the Oil Executive to reside in London, no outstanding problems remained.⁴²

Though the Allies settled most differences by December 1, a note of concern appeared. It had no effect on negotiations concerning the Co-ordinating Committee but it indicated events had not gone as smoothly as thought. Concern in British liaison circles grew when Colonel Redman in Paris notified Bridges that the Secretariat of the Supreme Council for National Defense in France had been left out of these affairs.⁴³ This opened a huge gap in the French effort to coordinate their domestic organization. Redman stated that in France:

It is apparent that up to the present no steps have been taken to inform the Secretariat here as to the arrangements for Economic Co-ordination proposed....They are

⁴¹Telegram, Édouard Daladier to Charles Corbin, French Ambassador in London, December 5, 1939, CAB 85, File 35, Anglo-French Co-ordinating Committee: Domestic, Composition, and c., of the Anglo-French Executive Committees.

⁴²Letter, Geoffrey Lloyd, Mines Department, to Jean Monnet, December 6, 1939, Ibid.

⁴³Letter, probably written by Colonel Redman, to Sir Edward Bridges, November 17, 1939, CAB 21, File 749, Machinery for Co-ordination of Anglo-French Economic War Effort.

not aware of the machinery proposed nor of the Secretariat envisaged; in fact, they give one the general impression that they have been "carted" [uninformed].⁴⁴

The British regarded the situation in France as "deplorable":

...but it is not our fault. M. Monnet is M. Daladier's accredited representative, it was none of our business whom he consulted in the early stages of these negotiations....⁴⁵

The British, acutely conscious of the need for coordination at all levels, cornered Monnet's assistant, René Pleven, and told him of the rumors they heard. He undertook to inform the proper French officials of this problem and rectify it. In fact, Hopkinson wrote Redman:

Pleven has just informed me that he has spoken to Monnet who has undertaken to speak to Daladier himself....⁴⁶

The problem concerned the British, who sought to clear up this oversight before it could cause problems for the Co-ordinating Committee. Apparently they succeeded; no more was heard of the issue.

The Co-ordinating Committee was thus supported by nine Permanent Executive Committees, with consultations to be held to

⁴⁴Letter, Colonel Redman to H.L.d'A. Hopkinson, November 20, 1939, Ibid.

⁴⁵Letter, H.L.d'A. Hopkinson to Sir Edward Bridges and General Ismay, November 22, 1939, Ibid.

⁴⁶Letter, H.L.d'A. Hopkinson to Colonel Redman, November 24, 1939, Ibid.

break any deadlocks that might emerge. The Executives resembled those which Monnet worked with in the First World War. They were responsible to the Anglo-French Co-ordinating Committee, set up as a controlling body. Made up of from six to eight members drawn from the appropriate national committees on each side, the Co-ordinating Committee personnel varied according to the topics discussed. The full-time chairman, Monnet, directed its activities. The Supreme War Council controlled the entire organization. The Allies further contemplated the establishment of an Economic Section to settle broad policy issues.⁴⁷

On December 4, W.L. Gorell-Barnes, newly appointed Secretary to the Co-ordinating Committee, circulated the official instructions, or Terms of Reference, to the British and French sections of the Permanent Executive Committees. Based on the letters exchanged between the two heads of government, and also Monnet's October 1 letter, it defined their functions as follows:

1. to establish a program of requirements in each field and, where possible, create an ad hoc inventory of resources.
2. to secure the best use in the common interest of the resources of each country in raw materials and means of production, and provide, as much as possible, for a fair allocation of cuts needed to restrict programs.
3. to formulate a joint import program.
4. to avoid all competitive purchasing, which meant the establishment of a single purchasing

⁴⁷Machinery for Co-ordination of Anglo-French Economic War Effort, PREM 1, File 410, 1940 France.

agency adapted to the conditions in different countries.

5. to carry out the programs.

The Executive Committees would meet in London whenever requested by the head of either section of the Committee. Each committee had a Chairman and joint secretaries who received all communications, called meetings, and handled correspondence. The Executives had the authority to create sub-committees to administer particular products, but any decisions taken by those groups had to be approved by the Executive Committee. Also, the secretary of each Executive Committee was required to send fortnightly progress reports to the Co-ordinating Committee and concerned British and French ministers. Monnet's Committee reviewed any differences of opinion about the supply and purchase of munitions, coal, and other goods which affected more than one Executive Committee on questions of principle or priority.

The immediate duty of the executives was to supply the Permanent Executive Committee for Shipping and the Co-ordinating Committees with a list of all outstanding orders that required an allocation of tonnage. The executives were also required to establish a three-month joint import program for the period commencing on December 1, 1939. To compile these lists the British and French representatives had to obtain from their ministries an estimated import program for that period, thus underlining the fact that the Co-ordinating Committee depended a great deal on the national administrative machinery of England and France for their

information. These also had to have the approval of the treasuries because of the necessary foreign exchange considerations. After a review of the schedules submitted, the Shipping Executive could order changes if the necessary tonnage was unavailable.⁴⁸

On December 4 the Co-ordinating Committee received its constitution. The instructions confirmed the appointment of Monnet as chairman and Sir Arthur Robinson, of the Ministry of Supply, as vice-chairman. The Co-ordinating Committee would consist of people drawn, on the British side, from the Interdepartmental Committee for Anglo-French Supply and Purchases of War Material, and on the French side from the heads of the French sections of the Permanent Executive Committees. It met in London, but both governments expected Monnet to return frequently to Paris for consultations with French Ministers. Monnet had to see that the organization functioned as described in the agreement, which meant co-ordinating the work of the Executive Committees, settling differences of opinion, and directing the Allied purchasing missions. As chairman he called meetings, brought matters to the attention of the two governments which the committee had failed to solve, insured that the Executive Committees interpreted their instructions in such a way as to make sure they functioned

⁴⁸ Instructions to the British and French Sections of the Permanent Executive Committees, December 4, 1939, CAB 85, File 35, Anglo-French Co-ordinating Committee: Domestic, Composition, and c., of the Anglo-French Executive Committees.

Although circulated on the above date, the Terms of Reference were actually written on November 15, 1939.

in the prescribed manner, and submitted any necessary changes in the Executive Committee's instructions to the two governments. In addition Monnet had two immediate duties: submission to the Executive Committee for Shipping and to the Co-ordinating Committee of a list of outstanding orders that required allocation of shipping, and formulation of joint import programs to cover the three months from December 1, 1939.⁴⁹

The British had charge of making the preparations for the initial meeting of the Co-ordinating Committee. They felt that two alternatives existed; either to have one immediately, or to wait for about a week. If they chose the first, it would only be a meeting to become acquainted, rather than transact business. By holding the meeting at a later date, Monnet would have had extra time to visit ministers and make contacts.⁵⁰ The British decided on the latter course. They also arranged for Monnet, upon his arrival from Paris, to meet the Prime Minister, although they decided to keep the conversation general and not allow the Prime Minister to go into specifics on the new Anglo-French organization. They limited Chamberlain's talk to general congratulations to Monnet

⁴⁹Letter, Neville Chamberlain to Jean Monnet, November 29, 1939, PREM 1, File 410, 1940 France.

⁵⁰Letter, Sir Edward Bridges to Sir Horace Wilson, November 28, 1939, CAB 21, File 749, Machinery for Co-ordination of Anglo-French Economic War Effort.

This note was marked "urgent" in view of Monnet's imminent arrival.

and wishes for the success of the Committee.⁵¹ This was probably done to prevent the Prime Minister from making some commitments before his advisers discussed them. Everything was now ready for the first meeting of the Co-ordinating Committee to take place.

The period of negotiations at an end, the Allies prepared to enter upon their most ambitious cooperative effort to date. While the military aspect of the war remained quiet, the economic, civilian-controlled war effort blossomed from virtually nothing into a well-constructed organization. Both governments regarded it as necessary to the successful prosecution of the conflict and felt that from an economic and military standpoint they needed joint programs to avoid competitive efforts.⁵² The French exhibited much more enthusiasm about the committee, probably because of their desperate need for war material, than the British, who, though they supported the group, perhaps felt as one member stated: that "... the thing may as well get itself kicked off as soon as may be."⁵³

⁵¹Note, W.L. Gorell-Barnes to A.N. Rucker, November 30, 1939, PREM 1, File 410, 1940 France.

⁵²See a report dated November 28, 1939, and a paper on the coordination of the war effort, of the same date, Monnet Papers, File 2A, Création de Comité des programmes et des achats alliés, création des comités exécutifs permanents-du comité de co-ordination franco-britannique, de l'Anglo-French Purchasing Board, Novembre-Décembre, 1939.

Hurstfield, pp. 258-259.

⁵³Letter, Sir Arthur Robinson to Sir Edward Bridges, December 2, 1939, CAB 21, File 1269, Machinery for Co-ordination of Anglo-French War Effort.

Chapter VI

Initial Steps

On December 6, 1939 the Anglo-French Co-ordinating Committee convened for the first time. During basically an organizational meeting, Monnet aired his views on the functions of both the Chairman and the Committee. He stressed his position as an Allied official, doing his best to serve the interests of both countries. Concerning the work of the committee, Monnet believed it premature to outline precise methods of operation because of its experimental nature. Time would show it how best to work. But, he pointed out, two things appeared clear: the Executive Committees formed the cornerstone of the Co-ordinating Committee, and because the members of the committee had many other duties, few plenary sessions would be held. Of his role and those of the Chairmen of the Executive Committees:

. . .M. Monnet felt that the action. . .should be so far as possible preventive. . . .¹

Stressing^{an} essentially negative interpretation of their duties, Monnet perhaps committed a blunder by not being more positive about his and the committee's work. However, it must be remembered that he had to move cautiously because of the uncertain British attitude. Proof of this emerged when Sir Arthur Robinson, leader

¹Record of the First Meeting, December 6, 1939, CAB 85, File 10, Anglo-French Co-ordinating Committee: Meetings.

of the British delegation, agreed with this latter observation.

Monnet also noted that both governments had decided to establish two additional Executive Committees: Timber as well as Textiles and Leather. The British section concurred and Robinson added that he had already nominated the British members. The Chairman also indicated that the personnel of the Executive Committees for Air Production and Supply and for Oil remained unappointed but that this would be rectified shortly. He added that he hoped the Executive Committees would meet as soon as possible to compile their joint import programs. The only exception to the three-month import program was the Executive Committee for Economic Warfare, whose leader, Sir Frederick Leith-Ross, explained the difficulty of making pre-arranged purchase plans when most cases required quick decisions.

Monnet also discussed several other subjects, mainly of an administrative nature. Concerning overseas purchasing missions the Committee decided to gather all available information about existing groups and their activities before determining its course of action. It also directed the Secretaries of the executive committees to list all personnel of their committees and send copies of their minutes to the Chairman of the Co-ordinating Committee. The participants directed W. L. Gorell-Barnes, the Secretary of the Co-ordinating Committee, to draft a minute regarding the form and frequency of progress reports. Concluding the meeting, the Chairman reviewed the division of the Committee Chairmanships: Armaments

and Raw Materials, Oil, Timber, to the French; Food, Air Production and Supply, Shipping, Textiles, Economic Warfare to Britain. Sir Henry French of the Food Executive was expected to be replaced by a Frenchman at some unspecified point in the future.²

What did this first meeting signify? Certainly it accomplished very little. All the decisions affected only routine administrative matters. It did, however, indicate that the Co-ordinating Committee would not, at least at this time, play a dominant role in directing the economic aspects of the war. Monnet did make it clear that the Permanent Executive Committees formed the keystone of the Co-ordinating Committee's operations. The main Committee served only as a forum where disputants could meet to solve disagreements, only after other methods failed. The Executive Committees conducted the bulk of their work by means of informal discussions between the heads of sections. Their Chairmen acted as mediators and initiated discussions. In the case of the overseas missions, the role of the Chairman of the Co-ordinating Committee remained undefined. The organization, then, appeared somewhat different in practice than the scheme which had been negotiated in October and November. Gone were Monnet's councils and Ministerial meetings. Instead, the primacy of the executive

²Record of the First Meeting, December 6, 1939, CAB 85, File 10, Anglo-French Co-ordinating Committee: Meetings.

Committees appeared, and with them the as-yet unsettled role of Monnet. Only experience would tell what Monnet might make of his new position.

In the course of December the shape of the Co-ordinating Committee changed, as Monnet indicated it would when tested by war-time conditions. Representatives of the Foreign Office and the Quai d'Orsay were allowed to attend as advisers. Though Monnet initially opposed this, Hopkinson pointed out that members of the Committee possessed the right to bring any advisers they thought desirable.³

December and January 1940 also witnessed some administrative adjustments as experience pinpointed weaknesses and called for corrections. Monnet decided to limit the distribution of the papers of the Co-ordinating Committee because too many departments received information for which they had no real need. This also applied to telegrams between Monnet and the chief of the Anglo-French Purchasing Board in the United States, Arthur Purvis.⁴ Monnet made some changes in the Co-ordinating Committee as he gained experience. He chose a very limited staff to aid him, believing it would enable him to remain in close contact with both

³Letter, H.L.d'A.Hopkinson to Mr. Ronald, December 29, 1939, CAB 21, File 1269, Machinery for Co-ordination of Anglo-French War Effort.

⁴Letter, W.L. Gorell-Barnes to I.A.D. Wilson-Young (Foreign Office), January 12, 1940, Ibid.

governments as well as the executive committees. This would allow Monnet to work informally and to hold the number of meetings of the Co-ordinating Committee to a minimum. To complete the central office staff, Monnet requested from Britain a personal assistant with a statistical and economic background to study "specific general problems", a secretary to the committee, a clerk and possibly one assistant, shorthand-typists, and a telephone operator.⁵ With these and their French counterparts, Monnet hoped to form the core of the Committee's administration. During that time the Permanent executive committees established fixed residences and began to function.⁶ Thus, by the end of January 1940, Monnet and his Committee had dealt with initial administrative problems and smoothed out the organization to promote maximum efficiency in operations.

The Allies, meanwhile, worked out a budget for the Co-ordinating Committee staff. Monnet received a salary from both governments as an Allied official, while the rest of the personnel received payment from their respective governments. The chairman also possessed an expense account, because both governments expected him

⁵ Memo, Chairman's Office, Organization of Staff. This was enclosed under a covering note from Jean Monnet to Sir Edward Bridges, January 15, 1940, CAB 85, File 32, Anglo-French Co-ordinating Committee: Domestic, Staff Organization of the Chairman's Office.

⁶ Note by the Secretary, January 23, 1940, CAB 85, File 35, Anglo-French Co-ordinating Committee: Domestic, Composition, and c., of the Anglo-French Executive Committees.

to travel frequently between London and Paris. Since London was the home of the committee, the British government assumed responsibility for its accommodation.⁷

Monnet also used this period to construct lines of communication. He stressed that according to normal administrative procedure he would receive all information of use to the Co-ordinating Committee. In addition, the committee had been erected to:

...substitute the machinery for co-operation and joint action of the responsible French and English authorities for a liaison between independent national authorities.

That machinery made previous liaison arrangements unnecessary and dangerous to the success of Monnet's group. Therefore, problems were not to be discussed outside its channels. He especially referred to the Anglo-French Liaison Section as having no coordinating function.⁸ These directives clarified the position of the Co-ordinating Committee in communications channels and established it as the sole organization in charge of economic coordination.

Almost immediately the various executive committees proceeded to work. Some experienced less difficulty than others

⁷ Note on the Budget of the Co-ordinating Committee, December 13, 1939, and a letter from Edouard Daladier to Jean Monnet, December 16, 1939, Monnet Papers, File 2A, Création de Comité des programmes et des achats alliés, création franco-britannique, de l'Anglo-French Purchasing Board, Novembre-December, 1939.

⁸ Memorandum from Jean Monnet, December 20, 1939, Ibid.

in organizing because they were in existence since the start of the war. When they came under the Co-ordinating Committee, the older groups merely changed their name, such as the Anglo-French Food Committee, not their functions. This committee arranged to hold its first meeting on December 22, but considered procedure prior to the formal meeting. Its members decided to carry out its tasks by working through a standing committee and appropriate sub-committees. The full Executive Committee would meet once a month to review the work of the sub-committees, consider outstanding problems, and approve periodic reports for submission to the Anglo-French Co-ordinating Committee. The standing committee, designated as the hub of activity, compiled joint import programs and examined problems within its "Terms of Reference." This mode of organization followed the lines of the earlier Food Committee.⁹

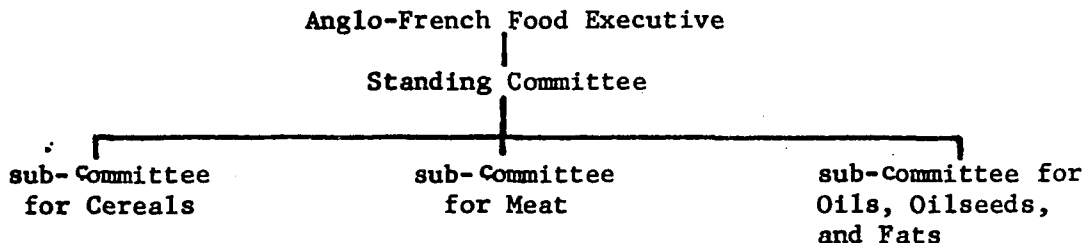
The new Executive Committee met on December 22 and reviewed the efforts of its predecessor. In addition to preventing competitive buying, that group had served other functions as well. For example, it had promoted cooperation by arranging for a loan of French wheat for Britain. The Ministry of Food and various French departments also had used it as a channel of communication in

⁹ Note on Procedure for Consideration at the First Meeting, December 21, 1939, CAB 85, File 43, Anglo-French Co-ordinating Committee: Food.

See also a review of the activities of the Anglo-French Food Committee since the outbreak of the war, dated December 22, 1939 (this document was circulated under a covering note by W. L. Gorell-Barnes on January 18, 1940), Ibid.

connection with problems not directly involved with foodstuffs, such as those involving French and British colonies. The new Executive Committee adopted a similar organization and method. Although an Allied group, the new Committee retained its national connections. It collaborated on purchases, but each nation remained responsible for paying for its own acquisitions, and provided its own shipping, except in special circumstances.¹⁰

Their organization, then, appeared as follows:



The Executive, however, contemplated an early change as they planned to merge the Meat sub-Committee with the Standing Committee.¹¹ Each sub-Committee met weekly while the Standing Committee submitted monthly reports to the Executive Committee, which met at that time.¹² In no sense did it dictate policy; rather it established itself as a review board. On the lowest formal level, the sub-Committees,

¹⁰Anglo-French Food Executive, Minutes of the First Meeting Held at the Ministry of Food, December 22, 1939, Ibid.

¹¹In fact, that was done shortly thereafter. The author has no exact date, but it occurred before January 16, 1940.

¹²Anglo-French Food Executive, Note on Organization, January 10, 1940, CAB 85, File 43, Anglo-French Co-ordinating Committee: Food.

basic programs were discussed and information collated. Their recommendations then proceeded to the Standing Committee for review. Any disagreements reverted to the Executive Committee. It was a flexible, workable organization.

Following its instructions, the Executive Committee for Food forwarded early in January the required three months import program. The Standing Committee also decreed that in the future the Shipping Executive would receive a six months program. To accomplish this, it requested an eight month plan from the Ministry of Food and the Ravitaillement Général. The Executive Committee requisitioned all statistical information on stocks, production, imports and consumption.¹³ They urged that shipping limitations be considered because previous experience in World War II indicated that it proved difficult to meet the total needs of the two nations. In the case of frozen meat from South America, for example, France needed 10,000 tons in the first month of the war and 20,000 tons per month thereafter. The Food Committee conducted negotiations to fill this gap with the South American Governments of Argentina, Brazil, and Uruguay. But, due to delay in the Argentine negotiations, France received only 13,800 tons in the second month. Later purchases sufficed to meet their requirements from November until at least the end of January. In this instance their needs were almost met.

¹³ Anglo-French Food Executive, First Progress Report, December 23, 1939 to January 20, 1940, n.d. (probably January 21, 1940), CAB 85, File 10, Memoranda.

The shortage problem in oils, oilseeds, and fats was much worse. The Allies regarded these goods as vital food material, and very early in the war the French submitted their requirements to the Food Committee. However, they could not be fulfilled.

Table 1.
T=Tons

French Requirements	Purchases on French Account, or Quantities Allocated to France Out of U.K. Purchases up to December 14, 1939
50,000 T Groundnuts	36,450 T
20,000 T Copra	7,948 T
5,000 T Indian Rape Seed	300 T
1,000 T Indian Mustard Seed	- T
22,000 T Argentine Linseed	19,500 T
- T Roumanian Nouvettes	300 T
800 T Tallow	300 T*
*Including 100 T from the United Kingdom and 200 T from New Zealand.	

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In each case the French demand clearly exceeded supply, and illustrated the serious crisis faced by the Allies in the provision of some foods. By entering into joint programs, they hoped to avert future crises.

Other executive committees organized easily enough, but encountered very serious supply difficulties. This was certainly true in lumber where France enjoyed self-sufficiency, but Britain experienced shortages. They desperately needed large quantities of such building material for military uses. To speed up acquisitions, the Allies agreed to coordinate overseas purchases, especially in Canada and the United States. The British lumber shortage demanded immediate treatment. For example, in France they needed all

the hardwood for the trenches of the British Expeditionary Force (BEF) and 58,000 cubic meters of softwood. Then, for the second quarter of the first year of the war, projected British requirements reached huge proportions.

Table II

UK Requirements for Timber During the
Second Quarter of the War, Based on Statement of
Purchases Requiring Shipment, Dated 8th January 1940.¹⁵

Type of Product	Unit	Country of Origin	Quantity from each Country	Total Quantity from British Empire
Softwoods	Standards	W. Canada	212,000	281,000
		E. Canada	69,000	
		Roumania	6,000	
		Yugoslavia	1,000	
		Sweden	2,000	
			<u>390,000</u>	
Hardwoods and Silver Spruce	Loads of 50 cubic feet	E. Canada	24,000	say 75,000
		W. Canada and U.S.A.	15,000	
		Burma and the Far East	21,000	
		Africa, West Coast	22,000	
		Africa, East Coast	1,000	
		Central America	6,500	
		Northern Europe	5,000	
		Yugoslavia	16,000	
		Black Sea Ports	9,600	
		USA (East Coast and Gulf)	19,000	
		Australia	3,000	
		Brazil	16,000	
			<u>158,100</u>	

¹⁵ Permanent Executive Committee on Timber. Minutes of the First Meeting Held at the Ministry of Supply, January 13, 1940, CAB 85, File 48, Anglo-French Co-ordinating Committee: Timber.

Table II cont.

UK Requirements for Timber During the
Second Quarter of the War, Based on Statement of
Purchases Requiring Shipment, Dated 8th January, 1940.

Type of Product	Unit	Country of Origin	Quantity from each Country	Total Quantity from British Empire
Pitprops	Cubic Fathoms	Norway	9,000	9,400
		E. Canada	9,400	
		Portugal	4,750	
		USA	<u>10,000</u>	
			33,150	
Pitwood	Tons* *4 Tons = 1 Fathom	France and Belgium	12,500	say 20,000
		W. Canada and U.S.A.	27,500	
		E. Canada and U.S.A.	400	
		Japan and Australia	9,000	
		Mediterranean Ports	3,000	
		Finland	<u>2,000</u>	
			54,400	
Pulpwood	nil until open waters			
Cork	Tons	Portugal	6,250	
		Spain	<u>2,250</u>	
			8,500	
Charcoal	Tons	India	4,000	
		Ceylon		
		Malay		
		Sweden		
		Belgium		
		Netherlands		
Wood Pulp	Tons	Baltic and Norway	351,000	
		Canada and U.S.A.	23,000	

Note: Owing to the difference in tariff headings the British and French requirements cannot be classified under the same headings.

The extent and explicitness of the projections indicated the existence of a sophisticated level of planning. The above list further demonstrated that purchases of the Co-ordinating Committee would be world wide. Despite the critical lack of timber, no steps were taken in December or January towards a solution.

As will be noted later, other executive committees faced difficulties of supply equally as serious as those encountered by the Timber Committee. The Oil Executive, for example, designated the tonnage shortage as the most difficult problem and that it "...led Great Britain and threatens to lead France to draw on stocks to a considerable extent."¹⁶ The French experienced a coal shortage, and:

...insisted that, so serious was the shortage of coke for the French Metallurgical Industry, [that] arrangements had been made with the French Transport Mission ensuring absolute priority in regard to shipping in respect of coal cargoes for works producing metallurgical coke.

They desperately needed more coal and, though Britain attempted to make up the difference, the effort attained only limited success.¹⁷

The Allies experienced other problems in meeting a few of

¹⁶ Letter, Chairman of the Anglo-French Executive Committee for Oil to the Chairman of the Anglo-French Co-ordinating Committee Jean Monnet, December 21, 1939, CAB 85, File 38, Anglo-French Co-ordinating Committee: Oil.

In addition, see a letter from the Executive Committee for Shipping to the Executive Committee for Oil, January 5, 1940, *Ibid.*

¹⁷ Anglo-French Coal Requirements Committee, Agreed Minutes of a Meeting, December 14, 1939, CAB 85, File 58, Anglo-French Co-ordinating Committee: Coal.

There were some comments made in the House of Commons about this situation, see the Parliamentary Debates, 356 H.C. Deb. 5s, London: 1940, Cols. 1-2.

the immediate demands, such as the French application for additional boots.¹⁸ Some requests were postponed for study, like the French proposal to increase oil supplies from Iraq.¹⁹ Nevertheless, the cooperative fever spread quickly. Discussions considered more commercial cooperation,²⁰ international exchange cooperation,²¹ industrial mobilization cooperation,²² and liaison in inventions and research.²³ Cooperation was in the air, and various officials moved to capitalize on it.

The most important of the Executive Committees, Shipping, directed the other Committees to submit their import programs to it in order to make final tonnage allocations. By January 15 it

¹⁸ Anglo-French Permanent Executive Committee for Textiles and Hides, Minutes of the Second Meeting, January 10, 1940, CAB 85, File 47, Anglo-French Co-ordinating Committee: Textiles and Hides.

¹⁹ Note, Essential factors concerning the advantages to France and England of drawing supplies from Iraq, and the desirability of increasing its production, December 30, 1939 (This particular note was located under a covering letter dated January 22, 1940), CAB 21, File 1278, Anglo-French Liaison: Permanent Executive Committee for Oil.

²⁰ Draft letter, from Édouard Daladier to Neville Chamberlain, January 2, 1940, and a note for the President of the Council, January 2, 1940, Monnet Papers, File 2A, Fonctionnement du comité de coordination Franco-Britannique, de l'Anglo-French Purchasing Board, de Janvier 1940-Mai 1940.

²¹ Letter from Sir Ronald Campbell to the Foreign Office, January 4, 1940, C 211/9/17, FO 371, Political, Central, France, 1939-40, 24296.

²² Letter, Sir Edward Bridges to Sir Alexander Cadogan, January 5, 1940 (This referred to the first Supreme War Council meeting on September 12, 1939, but it indicated that people were thinking about industrial cooperation), C 373/9/17, Ibid.

²³ Fifth Monthly Report by the Minister of Supply, December, 1939, January 17, 1940, CAB 68, Vol. 4, War Cabinet Reports.

received reports from Food, Armaments and Raw Materials, Coal, Oil, Textiles and Hides, and Timber. The efforts of those groups allowed the Shipping Executive to make reductions in the Anglo-French programs and adopt more practical shipping methods, especially to avert future shortages.²⁴ Thus, that committee mechanism began to assign tonnage to fulfill the import programs submitted by the Executive committees. This activity was indicative of the work of the entire Co-ordinating Committee as it began its drive to sustain the Allied war effort.

The Co-ordinating Committee was not only concerned with the problems facing their Executives, but also with the overseas purchasing missions of which they had charge. Monnet was especially interested in the Anglo-French Purchasing Board in the United States. In December, 1939 the French government sought to utilize the Co-ordinating Committee and the Purchasing Board to prosecute a program of great importance to them: the purchase of American combat planes. This was done with the assistance of Jean Monnet.

On December 8, Monnet prepared a letter for René Plevén which informed Arthur Purvis, the Chairman of the Anglo-French Purchasing Board, of Plevén's formal mission, entrusted to him by the Co-ordinating Committee, and of his confidential task to investigate American

²⁴ Note for the President of the Council and the Minister of Finance, January 15, 1940, Monnet Papers, File 2A, Fonctionnement du comité de coordination Franco-Britannique, de l'Anglo-French Purchasing Board, de Janvier 1940-Mai 1940.

airplane productive capacity, assigned to him by the French Government.²⁵ The Co-ordinating Committee and Monnet chose Pleven because his financial and industrial expertise would be a valuable asset to his secret assignment.²⁶

Later, December 12, 1939, under a covering letter from Monnet to Bridges, Daladier wrote a letter to Prime Minister Chamberlain about the need for American planes. He told the British leader of the American mission, under René Pleven, and attached his instructions. Daladier hoped that the British would participate, for he felt that air superiority would hasten the end of the war. Though he praised the efforts of both French and British Air Ministers to increase plane production, the French Premier cautioned that enemy bombardment could render those efforts useless. He wanted to amplify national production by exploiting the potential of American industry as quickly as possible. Because his information indicated that British and French orders absorbed the existing capacity of the American industry, the only way to get more out of the American

²⁵ Letter, Jean Monnet to Arthur Purvis, December 8, 1939, CAB 85, File 59, Anglo-French Co-ordinating Committee: Anglo-French Purchasing Board in the U.S.A. and Relations Between the Board and the United States Administration.

See also a letter from Jean Monnet to Arthur Purvis, December 10, 1939, Monnet Papers, File 3A, Avions: de Septembre 1939 à Février, 1940.

²⁶ Letter, Jean Monnet to Colonel Paul Jacquin, December 11, 1939, Monnet Papers, File 3A, Avions: de Septembre 1939 à Février 1940.

aircraft industry was to invest in its expansion.

Daladier wanted to know how long it would take to increase American aircraft manufacturing industries in order to obtain a specific number of frames and motors. Hence, he dispatched the mission to the United States. The French government believed it had to know by January 15, 1940, if it could obtain the required number of airplanes and what production methods to follow. The investigation, the Premier stated, was being done with the cooperation of the American Administration. Although France's leader insisted the mission be confidential, he indicated to Chamberlain that Pleven had received instructions to inform Purvis and Bloch-Lainé in order to achieve the necessary coordination with Purvis and the Anglo-French Purchasing Board.²⁷

Chamberlain concurred with his counterpart about the necessity for air superiority, but disliked the idea of investing in American industry. He judged it possible to gain control of the air by increasing the manufacturing capacity in England and the dominions. However, that increase depended on the purchase of machine tools in the United States and any large plane order could interfere with their delivery. Besides, he anticipated no effect from enlargement of the American aircraft industry until 1941,

²⁷Letter, Édouard Daladier to Neville Chamberlain, December 12, 1939, Ibid.

See also Haight, American Aid to France, 1938-1940, pp. 158-163.

while such plants created would not be able to produce until 1942. In addition, the foreign exchange position prohibited large foreign expenditures such as that contemplated by France.²⁸ Though Chamberlain objected to the mission, his government decided not to let the French investigate alone. Thus, he assigned Colonel J. Greenly, chief of the British Purchasing Mission in the United States, to serve with it. However, Sir Arthur Street of the British Air Ministry instructed the Colonel not to commit Britain to any expenditure ". . .in the way either of creation of productive capacity or of follow-on production orders in U.S.A."²⁹ Nevertheless, they did agree to participate in the mission.

To support the Pleven Mission, Monnet and other Allied figures discussed compiling a study on the German Air Force which, Daladier noted in a letter to Chamberlain, ". . .Lord Halifax a suggerée a M. Monnet dans une récente conversation." Monnet enlisted the aid of La Chambre, Bridges, Daladier and Chamberlain to accomplish this because, in order to have Pleven's Report make any sense, the allies needed a study to demonstrate comparative air strength. Daladier suggested the appointment of two competent

²⁸ Letter, Neville Chamberlain to Édouard Daladier, December 20, 1939, Ibid.

²⁹ Letter, Sir Arthur Street to Colonel J. Greenly, December 28, 1939, CAB 21, File 1395, United States: Air Supplies From.

people to conduct the study with Monnet to oversee the inquiry.³⁰

This, Monnet's first balance sheet, was designed to demonstrate the need to use American industrial strength to achieve air superiority.³¹

Its effectiveness, however, could only be determined after Pleven delivered his report.

Though the Co-ordinating Committee was not initially assigned control of the Pleven mission, both governments ultimately placed its direction in the hands of Monnet and other elements of the committee, such as René Pleven and the Anglo-French Purchasing Board.³² Monnet was personally involved from the beginning. For example, before he officially proposed the balance-sheet, he possessed a format for a report on German air potential.³³ Also, he prepared the letter

³⁰The Daladier to Chamberlain letter as well as a Memorandum by Guy La Chambre are contained in a package of letters under a covering note from Monnet to La Chambre, January 15, 1940, Monnet Papers, File 3A, Avions: de Septembre 1939 à Février 1940.

³¹For the importance of this balance-sheet, see Haight, American Aid to France, 1938-1940, pp. 187-188.

³²For example, the Permanent Executive Committee for Air Production and Supply made no mention of the mission in their first meeting of 1940. See the minutes of their first meeting, January 1, 1940, CAB 85, File 55, Anglo-French Co-ordinating Committee: Air Production and Supply.

³³German War Potential, Aviation, General Program of Study, January 9, 1940, Monnet Papers, File 3A, Avions: de Septembre 1939 à Février 1940.

which proposed the balance sheet for Daladier to send to Chamberlain.³⁴ Thus, the Co-ordinating Committee Chairman was in the middle of the effort to use the American aircraft industry and therefore could be counted on to use the Co-ordinating Committee to attain his goals. In this way it was heavily involved in the entire mission to capitalize on American aviation production potential.

While the French busily prepared for the Pleven Mission and moved to involve the British, they also sought to influence the proper people in America. The first person they approached was Ambassador Bullitt. After being briefed on the Pleven mission, he wrote a very strong letter of recommendation directly to President Roosevelt. Bullitt described Pleven as ". . .an old and close friend of mine." He also discussed the confidential nature of his mission:

It is. . .vitally important that you should help him to carry out the mission on which Daladier is sending him to Washington.

Daladier. . .believes that the war can not be won unless France and England can obtain in the United States ten thousand airplanes with engines during the year 1940. He is sending Pleven to Washington to see if it may be possible to organize such a production.

³⁴Letter prepared by Jean Monnet for Daladier to send to Neville Chamberlain, January 13, 1940, CAB 21, File 1396, Comparison of Air Strengths and Rate of Aircraft Production of the Allies and Germany.

The actual letter was sent to Chamberlain on January 18, 1940. There is a copy in PREM 1, File 410, 1940 France.

Bullitt stressed the investigative aspect of the mission as a preparation for future orders and pushed very hard for the cooperation of the Administration.³⁵ This preparation was effective and by December 22 Purvis and Plevén met with Morgenthau, who agreed to lend his complete cooperation.³⁶ Upon request, the Allied representatives released detailed information of their requests, which the President approved.³⁷ Both the President and the Secretary continued their support throughout the course of the mission, the Secretary by obtaining the release of the latest American fighters, the P40, and the President by ordering the United States Army to cooperate.³⁸

The climax of this effort, the Plevén Report, technically the Plevén-Jacquín-Greely Report, appeared on January 25.³⁹ It concluded that if the two governments decided in favor of larger orders and notified American industry before February 1, those manufacturers would deliver, for the period of October 1, 1940 to September 30, 1941, above existing orders, a total of 8,400 airframes,

³⁵Letter, William Bullitt to Franklin D. Roosevelt, December 11, 1939, The Bullitt Papers, PSF 41, France.

³⁶Telegram from René Plevén (to Monnet?), December 23, 1939, Monnet Papers, File 3A, Avions: de Septembre 1939 à Février 1940.

³⁷Telegram from René Plevén (to Monnet?), December 31, 1939, Ibid.

³⁸Blum, pp. 115, 116.
Haight, American Aid to France, 1938-1940, pp. 178-179.

³⁹Plevén had been pressed to make his report as quickly as possible. Note, Jean Monnet to Arthur Purvis, January 16, 1940, CAB 21, File 1399, Purchasing Missions: In Canada and the U.S.A.

13,650 engines, and 14,000 propellers. After considering the problems involved, Pleven felt they could be surmounted. An important part of their report concentrated on an evaluation of the political climate of America. Pleven found it very favorable; the President and Morgenthau ". . . have both expressed and shown their desire to assist us" He also reported positively on the aid from Captain Collins, the Director of the Treasury Procurement Division. The Frenchman referred in similar terms to the American industrialists ". . . goodwill. . . [was] shown by all the firms consulted. . .," and that:

The attitude of the industrialists in the face of this risk, whose serious danger has not escaped their attention, is characteristic of their intentions. One aircraft firm, represented at the meetings, having asked what would happen in the case of a delay or failure due to a source of supply or sub-contractor being on strike, itself replied that, at all costs, the failing firm would have to be replaced.⁴⁰

The report concluded that the program could be achieved, especially in light of the expressed attitude of the administration and manufacturers. The decision to go ahead or not rested in the hands of the Allied governments.

This report concluded the activities of the Co-ordinating Committee for the period from December 6 to January 25. It was an eventful one for the new Allied economic organization. In particular, negotiations with United States industry proved of great importance. Of course, other events of importance to the development of the

⁴⁰ The Pleven Report, January 25, 1940, Monnet Papers, File 3A, Avions: de Septembre 1939 à Février 1940.

Co-ordinating Committee took place. The executive committees submitted their programs to the Shipping Committee and they moved to allocate the necessary tonnage. Final organizational touches had been put to the Committee. The work had begun, but there remained a great deal to do.

Chapter VII

The American Connection

While Pleven's mission to the United States for planes during December and January comprised the most significant activity of the Co-ordinating Committee, initial Allied contacts with President Roosevelt and his Administration came in the area of economic warfare planning, where the President showed that he was prepared to act closely with the Allies. To transpose his good will into action, Roosevelt exploited the Morgenthau-Purvis channel of communication, thus giving Monnet's group easy access to the highest political circles. Fully aware of the importance of this entrée, Monnet and the Co-ordinating Committee sought to capitalize on American friendship.

Of all the overseas missions, the Anglo-French Purchasing Board in New York City occupied center stage because of the immense productive capacity of the United States. Monnet understood this, and had quickly moved to establish close relations with Purvis. Daladier had sent René Pleven across the Atlantic early in December with instructions to meet Purvis and to explain to the Board the events which led to the establishment of the Co-ordinating Committee. This drive for close contact between the main group and the Purchasing Board characterized December and January, and resulted in effective cooperation between the Allies and America.

Ties between the Co-ordinating Committee and the Purchasing Board were of critical importance to the successful working of the organization because part of the functions of the committee included the control of the overseas purchasing missions. Monnet believed it was necessary to maintain close relations with Purvis. Further, Purvis had instructions to consult with Bloch-Laine about the best procedures for good communications because Monnet wanted close cooperation between all concerned so that the organization performed properly.¹ Monnet recommended that all information be sent directly from Purvis to himself so that he could circulate it and take the necessary steps to ascertain the views of the two governments.²

The Co-ordinating Committee, after it began to meet in December, took an active interest in the organization and composition of the Purchasing Board. Purvis notified the committee of the arrangements he envisaged,³ but the London group objected. It

¹Letter, Jean Monnet to Arthur Purvis, December 8, 1939, Monnet Papers, File 3A, Avions: de Septembre 1939 à Février 1940.

²An "alternative last paragraph," December 21, 1939, Monnet Papers, File 2A, Création de comité des programmes et des achats alliés, création des comités exécutifs permanents-du comité de coordination franco-britannique, de l'Anglo-French Purchasing Board, Novembre-December, 1939.

This information is cited, even though attached to no formal letter, because it accurately described developments in the origins of the PURCO communications series.

³Unfortunately, the author has found no copies of that telegram. However, the Committee's reply certainly indicated the gist of Purvis' message.

felt that Purvis's suggestions provided nothing more than liaison between the French and British missions, each acting separately, and therefore was far from meeting the instructions of the two governments. The Co-ordinating Committee demanded arrangements for joint action in several fields: organizing contract negotiations and talks with the United States administration, and formulating policy and submission of reports concerning important problems of interest to both governments. Wherever possible the Co-ordinating Committee expected the Purchasing Board to negotiate actual purchases with American industries. The committee objected to changing the name from the Anglo-French Purchasing Board to Co-ordinating Committee because the former had already received publicity. Finally, they urged the importance of meeting more than once a month.⁴

Purvis accepted all of these recommendations. However, he indicated that joint action in negotiating most orders had existed for several weeks, but now should be immediately extended to cover everything. For this, the Board needed complete information on all Allied purchases in the United States. When procuring supplies, Purvis proposed to:

. . . proceed jointly on negotiations for the buying of common products, leaving for independent action after buying negotiations are completed only such matters as minor contract clauses; as could be controlled where necessary during manufacture;

⁴Telegram, Jean Monnet to Arthur Purvis, December 23, 1939, CAB 85, File 13, PURCO: Monnet-Purvis Telegrams.

inspection when necessary, and actual payment.⁵

Since purchasing supplies in the United States was its primary purpose, the Board needed to synchronize its efforts with President Roosevelt's desires, because it required American cooperation to make purchases. As a prerequisite, the United States asked for a joint statement of all war orders placed or pending, their delivery status, quantity and value. The Americans also wanted weekly statements of new Allied orders given to Captain Harry Collins of the United States Treasury Procurement Division, who would forward them to Secretary Morgenthau and President Roosevelt. Purvis recommended this as an essential aspect of communications needed to insure agreement on both sides of the Atlantic.⁶

Monnet supported Purvis' suggestions, and further recommended that the principal members of both British and French missions occupy a single set of offices in the same building and maintain a joint secretariat to foster common action. He informed Purvis that all official communications had to go through the New York British

⁵Telegram No. 2, Arthur Purvis to Jean Monnet, December 29, 1939, CAB 85, File 59, Anglo-French Co-ordinating Committee: Anglo-French Purchasing Board in the U.S.A. and Relations Between the Board and the United States Administration.

⁶Telegram No. 3, Arthur Purvis to Jean Monnet, December 29, 1939, CAB 85, File 10, Anglo-French Co-ordinating Committee: Memoranda. See also a telegram from Sir Horace Wilson to Arthur Purvis, January 17, 1940, CAB 21, File 1399, Purchasing Missions: In Canada and the United States.

Consulate-General, that both embassies should receive copies of the message, and that any note of a confidential nature be sent in a separate telegram should receive restricted circulation.⁷ Monnet, in addition, told Purvis that he would not be assigned a coding machine solely for the Purchasing Board, but that the Board would be dependent upon Foreign Office communications channels.⁸ The Purchasing Board put all of these orders into practice by January 12. Some problems remained, however, since Purvis continued to request full information on Allied purchases in America.⁹ He reported that:

The main problem before us, now that Captain Collins' synchronizing committee has been set up and formally notified to us as functioning, is to obtain as quickly as possible information as to what is being bought by each of our countries in the United States: this so we can fulfill the pledge given to the U. S. Administration that such information will reach them regularly every week.

He also assured Monnet that they had established contact between the

⁷Telegram No. 2, Jean Monnet to Arthur Purvis, January 4, 1940, CAB 85, File 10, Anglo-French Co-ordinating Committee: Memoranda.

For further confirmation of this method of using Foreign Office facilities see the telegram from Jean Monnet to Arthur Purvis, January 5, 1940, Ibid.

⁸Telegram No. 2, Jean Monnet to Arthur Purvis, January 4, 1940, Ibid.

⁹Note, Arthur Purvis to Jean Monnet, January 12, 1940, CAB 21, File 1400, Purchasing Missions: In Canada and the U.S.A.

French and British heads of missions to insure full cooperation and avoid competitive purchasing.¹⁰

On the 17th of January the Purchasing Board held its first meeting,¹¹ and six days later the Allies formerly announced the existence of the Board.¹² Shortly thereafter, they settled on a method of circulating documents within the Board and to the Co-ordinating Committee.¹³ It had taken approximately one month to organize the new Board, but given its vital task, it was time

¹⁰Letter, Arthur Purvis to Jean Monnet, January 12, 1940, CAB 85, File, 59, Anglo-French Co-ordinating Committee: Anglo-French Purchasing Board in the U.S.A. and Relations Between the Board and the United States Administration.

¹¹Present were Arthur Purvis, Chairman, and J. Frédéric Bloch-Lainé, Vice-Chairman.

Attending for the British: Frederick Johnson, Director of Administration for the British Purchasing Commission (BPC), Edgar S. Bloom, Director of Purchasing, BPC, Sir Ashley Sparks, Representative in the United States for the Ministry of Shipping, Air Vice-Marshall Cove-Brown-Cove, Representative of the British Air Ministry, and Mr. G. Miller Hyde, Secretary General.

Attending for the French: M. Eugène Gentil, Assistant to the Director-General of the French Purchasing Mission (FPC), Colonel Jean Francis de Curieres de Castlenau, Director of the Armaments Mission, FPC, Henri Moris de Linclays, Director of Shipping, FPC, Lieutenant Colonel Paul Jacquin, Director of Aviation Mission, FPC, M. André Forget, Assistant Secretary of the Board.

See the Record of the Meetings of the Anglo-French Purchasing Board in the United States, Minutes of the First Meeting, January 17, 1940, CAB 85, File 12, Memoranda.

¹²H. Duncan Hall, North American Supply, London: 1955, p. 83.

¹³See the paper on the communication of documents of the Anglo-French Co-ordinating Committee, January 24, 1940, CAB 85, File 36, Anglo-French Co-ordinating Committee: Domestic Office Procedures.

well spent. The Allies could now proceed on their mission of cultivating close relations with America.

The Roosevelt administration had had extensive contacts with both French and British purchasing missions as early as 1938. The task of creating the Purchasing Board had been eased by the sympathetic attitude of the United States; Roosevelt and Morgenthau knew of British and French needs to an extent and expressed a willingness to help. Upon the outbreak of war Franklin Roosevelt had designated Secretary of the Treasury Henry Morgenthau as his agent for dealing with Anglo-French purchasing missions. Morgenthau insisted that Britain and France coordinate their buying in the United States. He would aid them as much as possible so long as their acquisitions did not interfere with the American economy or the military rearmament program which began in the autumn of 1938. The Allies had taken this into account when they constructed their Purchasing Board. With that organization in mind, Morgenthau suggested to the President the formation of a liaison committee to work with Allied representatives. The United States placed the liaison committee under the direction of Captain Harry Collins, Acting Director of the Treasury Procurement Division, to handle Allied requests for material and remain in touch with the President. Oddly enough, the date of its first meeting, December 6, corresponded to the first meeting of the Co-ordinating Committee.¹⁴ Once in operation the

¹⁴Blum, pp. 45, 109-112.

liaison committee rapidly delved into matters of economic strategy.

Allied-American talks about economic warfare plans commenced December 8, 1939, when Morgenthau first approached Purvis about collaboration on halting shipment to Germany, Russia, and Japan of strategic raw materials.¹⁵ In part, President Roosevelt must assume responsibility for American interest in economic warfare because, after the Russian invasion of Finland, he called for a "moral embargo" of all nations guilty of bombing and strafing civilian populations from the air. This applied to the three nations mentioned above, although he specified no country by name.¹⁶ The Allies, of course, concurred with this due to their interest in economic warfare directed towards Germany.¹⁷ Subsequently, the United States made it clear that it was interested in restricting the supply of molybdenum, used to produce steel alloy for the armament industry, to Japan and Russia as well as Germany. The American government could exercise control over it because that country produced 15,000 metric tons of a world supply of 16,500 metric tons. At the direction of the President, Morgenthau sought to curtail shipments of that ore to Russia and Japan and to persuade the Allies to make good the

¹⁵Hall, p. 80.

¹⁶Blum, p. 125.

¹⁷Hall, p. 81.

loss of sales.¹⁸

Roosevelt's aide discussed molybdenum as an essential commodity when he revealed to Purvis communications which the United States had entered into with M. André Jaoul of the Compagnie d'Electro Metallurgique concerning molybdenum control. Again, the spectre of Ambassador Bullitt appeared behind the scenes, for as Purvis reported:

[He] had evidently urged the use by the Allies of control of the Molybdenum supply as a means of winning the war and in answer to objections as to the cost for the Allies of any course which obligated them to take over all the United States molybdenum output, had urged that it would be cheap compared with the cost to the Allies of continuing to wage the war over an extended period. . . .

Purvis received the distinct impression that Morgenthau ". . . was very enthusiastic. . . and I understand. . . the same applied to the President."¹⁹ He indicated that Roosevelt had been influenced by the Russo-Finnish war, which began on November 30, 1939, when Russia invaded Finland, as well as the war between the Allies and Germany. As noted, he also stated that the fertile mind of that American diplomat, William Bullitt, suggested the scheme.

Given the Ambassador's close connections with Daladier, Monnet, and other prominent French leaders, could it be possible

¹⁸Blum, pp. 126-127.

¹⁹Memorandum by Arthur Purvis, December 11, 1939 (It was circulated under a covering letter on January 5, 1940), CAB 85, File 44, Anglo-French Co-ordinating Committee: Armaments and Raw Materials.

that some of these men used him to leak information to the President in an effort to influence his decisions? Did Monnet have any direct connections with such a scheme? This seems possible as M. Jaoul, mentioned in Purvis' memo, later received an appointment to the Permanent Executive Committee for Armaments and Raw Materials. Was it all a Monnet scheme? In other messages Bullitt recounted to the President other French ideas to counter Germany. Regardless, the Allies jumped very quickly on the Morgenthau suggestion. Perhaps they anticipated it.

The Secretary of the Treasury indicated that Purvis had to be the channel of communication in this matter, not the Foreign Office. He wanted answers to three questions: would Britain and France increase their orders of American molybdenum, what were their stocks of molybdenum and consumption estimates for 1940, and would the British government be willing to place an embargo on nickel exports to Russia and Japan?²⁰

The British government quickly agreed on the desirability of United States cooperation concerning the re-export of essential raw materials.²¹ It also tried immediately to expand the discussions from molybdenum to other strategic materials and decided to offer the

²⁰Hall, North American Supply, p. 88.

²¹Telegram, Foreign Office to Lord Lothian (British Ambassador in Washington), December 23, 1939, CAB 85, File 13, PURCO: Monnet-Purvis Telegrams.

United States the opportunity to buy tungsten and tin from them in
order to prevent their shipment to Russia.²² Morgenthau, however,
believed in the need to control other essential raw materials, but in
such a way that no one producer possessed any advantages.²³

The Co-ordinating Committee attached great importance to
these talks,²⁴ acknowledging "the helpful attitude of the United
States Administration. . .," and notified the Americans of their
plans to give all necessary information and assist in any talks.
Britain and France also instructed Purvis to ascertain whether the
United States contemplated a complete embargo against Germany,
Russia, and Japan, especially as the Allies enforced a complete
embargo only on Germany.²⁵ However, the United States shrank from
a total legal embargo, hedg^{ing} about in terms of a moral embargo.²⁶
Nevertheless, the resulting efforts had proved that the Allies and

²² Telegram, Jean Monnet to Arthur Purvis, January 2, 1940, Monnet Papers, File 2A, Fonctionnement du comité de coordination Franco-Britannique, de l'Anglo-French Purchasing Board, de Janvier 1940-Mai 1940.

²³ Telegram, Arthur Purvis to Jean Monnet, January 2, 1940, Ibid.

²⁴ Blum, p. 128.

²⁵ Possibility of U. S. Co-operation in Preventing Certain Vital Commodities from Reaching Germany, Russia, Japan, R. H. Cross and Edward Halifax, January 19, 1940, CAB 67, Vol. 4, War Cabinet Memoranda.

²⁶ Blum, p. 129.

the United States could fruitfully cooperate. Though neither achieved its ultimate goal, each got some of what it wanted. The Allies settled for partial control of raw materials and America achieved some direction over critical raw material shipments to Russia and Japan. Relations between the Co-ordinating Committee and the Roosevelt administration now rested on a firm footing. Such an effort would return great dividends in other British and French efforts to gain the cooperation of America.

Unfortunately, the road to complete cooperation was not always smooth. The Secretary of the Treasury soon complained that too many people had access to Purvis' messages concerning Allied-American discussions, and that these messages were being relayed back from Ambassador Bullitt in Paris, paraphrased but complete. This, he complained, caused him some embarrassment; America was supposed to be neutral. Thus Morgenthau demanded that Purvis keep this information confidential because the secretary had been criticized for being "unneutral." The information leak cooled relations as Roosevelt's aide felt unable to go further in extending his help, particularly in view of the fact that Congress was meeting.²⁷

Purvis supported the Secretary's position in the following terms:

The President, using his famous "quarterback" technique and finding in the State Department (as

²⁷Letter, Arthur Purvis to Jean Monnet (marked "Strictly Personal"), January 12, 1940, Monnet Papers, File 3A, Avions: de Septembre 1939 à Février 1940.

See also Haight, American Aid to France, 1938-1940, pp. 170-171.

might be expected) a reluctance to take as open action in the Allies' favor as he would like, has turned to Mr. Morgenthau as the best channel for getting done what he wants done. Mr. Morgenthau is only too happy to play the role, but the President has from time to time to regulate the degree of help he can give through Mr. Morgenthau by the extent to which he can avoid State Department caution which might be translated quite easily into political opposition. Therefore to take advantage of the evident desire to help, we have to protect the channel through which help is being given from too much knowledge on the part of the State Department as to what is going on. I think this estimate is a correct one and I can see very clearly the difficulties-at both ends-of achieving the desired protection when obviously cables must go through many hands. If it be a condition precedent however, I know you will do your best at your end; and I must hope that our communication system here will also hold water.

Mr. Morgenthau is as friendly as ever in his attitude and I am sure the same condition applies elsewhere. Different types of men in different Departments have, however, different ideas as to how far they can go in translating into action their friendly feelings.²⁸

Both men quickly moved to close any leaks and restore the closeness of the Purvis-Morgenthau link.

So vitally important had Purvis' work and position become by the end of January that he and the Co-ordinating Committee occupied a very peculiar place in Allied-American relations. No longer merely functioning as the Chairman of the Anglo-French Purchasing Board, he now served as the main channel of communication for important and delicate matters that normally would

²⁸Letter, Arthur Purvis to Jean Monnet, January 12, 1940, Monnet Papers, File 3A, Avions: de Septembre 1939 à Février 1940.

have gone through the Foreign Office and the Quai d'Orsay. In fact, the extreme sensitivity of Purvis' position had important ramifications for relations between Britain, France and the United States, and forced a review of it by the Allied foreign offices. They questioned whether affairs ". . . of the nature of those which have been under consideration should continue to be dealt with through the Co-ordinating Committee and yourself [Purvis]."

Purchasing programs involving the United States, the Allies concluded, had to take into account its neutrality, and thus Britain and France believed that, for the President to take action on issues of Allied interest, such matters had to be handled as much as possible from a technical angle. This afforded the advantage of allowing Allied opinion to be obtained and transmitted to Morgenthau and the President by way of the Co-ordinating Committee.

However, certain issues involved general policy in which the foreign offices of both nations needed to make observations and, in some cases, give instructions. For this purpose representatives of the Foreign Office and the Quai d'Orsay received seats on the Co-ordinating Committee. Some affairs, of course, dictated that they be handled through official channels, and in those cases, the Purchasing Board and the Co-ordinating Committee would be informed. Nevertheless, by January 22 Monnet could report to Purvis that both departments ". . . are in agreement that this is the best procedure (working through the Board and Monnet's Committee) and indeed in the existing circumstances they attach particular importance to its

continuance."²⁹ Thus, the position of the Co-ordinating Committee and that of Purvis was strengthened after the review; they would continue as a central link in the communications between the Allies and the United States.

On this note the initial period of contact between Britain, France, and the United States closed. It had been an important time. The Allied mission had received a warm welcome from the Roosevelt administration, as well as a great deal of assistance. A significant spin-off of these developments was the budding friendship of Henry Morgenthau and Arthur Purvis. This link later made for rapid communications between the Allies and America. Both sides would use this connection to engage in some very key negotiations about economic warfare matters. But in January 1940, this was only a beginning; Monnet had other plans which involved the most industrialized nation in the world.

²⁹Letter, Jean Monnet to Arthur Purvis, January 22, 1940, CAB 85, File 31, Anglo-French Co-ordinating Committee: Domestic, Composition and Organization of the Committee.

Chapter VIII

Allied Malaise

The work of Monnet's Co-ordinating Committee had increased considerably since the first meeting in December 1939, but in the weeks between January 26 and March 2 serious problems challenged the group. During these winter months the executive committees continued their work, but obstacles to cooperation appeared. The Allies reached no agreement on the recommendations of the Pleven mission, differences of opinion about supplies arose, and the coal shortage raised serious problems in France. Plagued with recurring crises in the supply of coal and oil, cooperation sputtered.

By early February, the structure of the permanent executive committees had stabilized and W. L. Gorell-Barnes, secretary to the committees, compiled and distributed a list of its members.¹ Meanwhile, the administrative office made some adjustments because reports requested in December were being submitted. It expanded its statistical facilities to cope with this additional amount of work and, although Gorell-Barnes objected primarily on the grounds of a lack of space, the proposal to increase the office personnel went through.² The committee also revised its communications link with

¹See Appendix D at the end of the Chapter.

²Letter, W. L. Gorell-Barnes to Sir Edward Bridges, February 19, 1940, CAB 85, File 32, Anglo-French Co-ordinating Committee: Domestic, Staff, Organisation of the Chairman's Office.

the Anglo-French Purchasing Board. Because of the importance of the Monnet-Purvis connection it received its own code name, PURCO. All telegrams between those two men were sent under that code for proper identification purposes. In this way the Allies hoped to streamline communications.³ To facilitate coordination, Britain and France made sure that news of the establishment of the Co-ordinating Committee circulated through other departments.⁴ In so doing, they hoped to eliminate any competitive efforts on the part of other government sections. While these changes were being made, the work of the committee continued.

The bulk of the work was done in executive committees. Fear of competitive purchasing or production led them to examine each area with a view to eliminating any rivalry. For instance, the Executive Committee for Air Production and Supply examined the possibility of simultaneously producing the Vulture, a British-made aircraft motor, in both England and France in order to obtain larger production rates. They also arranged for an exchange of airplane instrument layouts in order to study the positive features of each. That committee also

³Memorandum from W. L. Gorell-Barnes, February 21, 1940, CAB 85, File 34, Anglo-French Co-ordinating Committee: Domestic, Communications, Procedure in Regard to.

⁴See two letters, H. L. d'A. Hopkinson to W. L. Gorell-Barnes (?), February 10, 1940, and Stephen L. Holmes to the Secretary's Office of the High Commissioner for Eire, February 21, 1940, CAB 21, File 1269, Machinery for Co-ordination of Anglo-French War Effort.

jointly examined the production plans of each nation and adopted the view that to achieve closer cooperation in these plans they had to consider the supply of raw materials, the capacity for their fabrication, available floor space, and the labor supply. England and France further agreed to a quarterly exchange of plane production forecasts.⁵

The executive committees, in addition, attempted to eliminate competitive purchasing. The chairman of the Executive Committee for Armaments and Raw Materials informed Monnet that the head of the French Purchasing Mission in Switzerland told him of certain orders placed by the British Admiralty without the knowledge of that committee. This meant that his group lacked important information. Monnet reemphasized that each committee had to have complete knowledge of the Allied effort. The armed force⁶, Monnet felt, ought to have all necessary information.⁶ Ultimately the services did appoint men to those committees.

Although the Co-ordinating Committee could not stop the original Admiralty purchases, the incident indicated how quickly

⁵See two progress reports from the Executive Committee for Air Production and Supply, the first for the period January 15-31, dated February 16, 1940, and the second for February 1-14, dated February 17, 1940, CAB 85, File 10, Anglo-French Co-ordinating Committee: Memoranda.

⁶Note by the Secretary, Gorell-Barnes: Co-ordination of British and French Purchases, February 20, 1940, CAB 85, File 44, Anglo-French Co-ordinating Committee: Armaments and Raw Materials.

Monnet moved to erase competition once he became aware of it.⁷

All members agreed that competition could quickly kill any constructive efforts; any instance had to be immediately corrected before it spread within the vast national organizations of both countries.

Although competitive purchases constituted a serious problem for the Co-ordinating Committee, they were considerably less grave than some of the shortages which came to the attention of the Allies. The deficits of material began to appear at this time because the Committee only just received status reports on vital war commodities. Important as military action was to ultimate victory, Allied economic struggles would be useless if Britain and France lacked the equipment and supplies needed to prosecute the war. This meant that all manufacturing plants and agricultural areas had to work at a level necessary to sustain the armed forces. However, in February the producers of some major items began to suffer a series of crises. The Co-ordinating Committee handled these directly and, though not always successful, managed to pinpoint at least some of the underlying causes. One of the problems which erupted, that of a shortage of coal, did not peak until a later

⁷ For another example of their desire to curb separate purchasing arrangements, see a letter, written about Toluol purchases, from Arthur Purvis to Sir Arthur Robinson, February 13, 1940, CAB 85, File 65, Anglo-French Co-ordinating Committee: Anglo-French Purchasing Board in the U.S.A.: The Financial Aspect of Purchasing in the U.S.A.

date. Nevertheless, its origins bear treatment now.

Basic to all war industries was coal. If a shortage developed, production had to be cut back to scale. In September 1939, the French informed the pre-war Anglo-French Coal Requirements Committee of a serious lack of that raw material and asked the United Kingdom to make adjustments in the schedule of deliveries.⁸ However, the British failed to make the necessary changes. The shortage worsened until finally in February of 1940 the French again felt driven to approach the British. Despite their pleas, the French were rebuffed:

Reverting to the present unusual weather conditions. . .the greatest difficulty was being experienced in maintaining supplies in the United Kingdom. The Department had been compelled to take exceptional action including the requisitioning and direction of large quantities of coal throughout the United Kingdom. The conditions were without parallel over the last 40/50 years and it was impossible to exaggerate the seriousness of the situation. It, moreover, would take some weeks to put right the damage and get back to anything like normality.⁹

The British members further explained that they, too, suffered from a serious coal shortage. Stocks stood at dangerous levels, and they had been forced to introduce rationing. The

⁸For a statement on the Allied Coal position in September, 1939, see a note from H. W. Cole (Mines Department) to H. L. d'A. Hopkinson, CAB 21, File 1275, Anglo-French Liaison: Coal: Meetings, Memoranda, and Reports.

⁹Anglo-French Coal Requirements Committee Meeting, February 2, 1940, CAB 21, File 1275, Anglo-French Liaison: Coal, Meetings, Memoranda, And Reports.

British claimed they were doing everything possible to aid France. For example, their coal officials scrutinized all exports and in some cases transferred shipments to the French account. Despite French requests, Lord Hyndley, Chairman of the Coal Requirements Committee, declared that his country could not meet French requirements for the following month. The reason for this, he stated, was due to recent dislocations in output and transport which would be felt for some weeks. In particular, the British rail system, though operating more efficiently, suffered from illness among its personnel and a shortage of locomotives as well as the heavy demands of essential domestic consumers.¹⁰

But the British offered no relief, even though French members of the Coal Requirements Committee clearly warned of an impending crisis. Clearly, the British dragged their feet on this issue. In the face of desperate French warnings, they only offered a few soothing excuses about their own difficulties. True, they had domestic problems, but it was not a domestic war.

Other executive committees experienced similar problems. At a joint meeting of the Oil and Shipping committees, it was pointed out that limited tonnage resulted in a considerable reduction in British oil stocks. The French experienced some problems but they

¹⁰See the minutes of two meetings of the Anglo-French Coal Requirements Committee, February 15, 1940 and February 29, 1940, both are in CAB 85, File 58, Anglo-French Co-ordinating Committee: Coal.

Also, see Mary E. Murphy, The British War Economy, 1939-1943, New York: 1943, p. 301.

possessed sufficient reserves; nevertheless, they sought to increase imports as soon as possible. In casting about for a solution, several recommendations were made by both allies: increase available tonnage, rearrange the sources of supply to insure an economy of shipments, reroute cargo to save time, locate supply sources closer to the continent, reduce imports of crude oil, requisition tonnage from overseas territories for oil imports, press the Norwegian government to furnish the number of tankers they had agreed to supply them, await the return of the whaling fleet when more tonnage would be available, buy neutral ships, and use double-bottomed vessels. However, no concrete decisions were reached. The Committee's representatives also discussed delays in the delivery of Rumanian oil, which they attributed to economic warfare efforts by that country.¹¹ More significantly for the future, the French suggested easing the shortage by constructing a second Iraq pipe line.

The French attached great importance to this pipe line because of their need for additional oil supplies. On the surface, at least, the British concurred.¹² Two proposals had been tendered for another pipeline. The first was a pre-war plan that had a projected

¹¹ Anglo-French Permanent Executive Committees for Shipping and Oil, First Minutes, January 26, 1940, CAB 85, File 38, Anglo-French Co-ordinating Committee: Oil.

¹² Note, L. Bagallay to H. L. d'A. Hopkinson, February 21, 1940, CAB 21, File 1278, Anglo-French Liaison: Permanent Executive Committee for Oil.

cost of £4,000,000 in material, £4,000,000 in construction costs, and would take two years to complete. The money for material would be divided between France, Britain, and the United States. However, since the formulation of this plan, material costs had risen to £6,000,000, and all of the construction material must necessarily be purchased in the United States. However, the Allies abandoned that scheme at the start of the war. The second proposal called for a completion time of 18 months to two years. It would cost £2,750,000 for materials and £2,250,000 for construction. This project would make available an additional 1,500,000 to 2,000,000 tons of crude oil per year. For a further ~~£400,000~~ output could be raised to approximately 2,500,000 to 3,000,000 tons over the 2,000,000 tons per year they had been receiving.¹³ Under French pressure the British agreed to participate in a study of these proposals.¹⁴ Only after the observations of the various involved departments were made would decisions be taken.

The coal and oil shortage highlighted another problem which the Allies had expected since the start of the war: a deficiency of merchant shipping. Indeed, the British anticipated this problem

¹³ Report, Iraq Petroleum Oil Company Ltd. to the Joint Secretaries of the Anglo-French Permanent Executive Committee for Oil, February 22, 1940, Ibid.

¹⁴ Report on the Oil Situation, February 29, 1940, Ibid.
This paper is annexed to a larger group of documents sent by Gorell-Barnes to the various British departments.

in their pre-war plans.¹⁵ A large part of this problem originated in the lack of Allied control over neutral tonnage. Contracting for it had previously been done obviously on an individual, not an Allied, basis. The rush to get as much as possible immediately led to fierce competition. Suggestions were made to eliminate this, but the head of the French delegation on the Executive Committee for Shipping refused to intervene:

I tried to see if he [M. Hypolite Worms] could make some suggestion for reducing competition between French, British and neutral for the bartering of tonnage. He was not inclined to do this. How could we eliminate such competition when we were not even able to prevent such competition?¹⁶

The chartering of neutral tonnage remained a problem for the Allies; it was not an easy one to resolve.

However, the shipping problem had to be solved in order to meet needs. To get the maximum use out of available tonnage, the Co-ordinating Committee under Monnet's direction urged all Executive committees to make available to the Shipping Committee complete information on their anticipated import programs for February to August, 1940. Monnet also requested that they scale down their programs so as to temper any further forced reductions.

¹⁵Behrens, p. 7.

¹⁶Memorandum of Conversation with M. Worms, (unsigned, but possibly by Sir Cyril Hurcomb), February 10, 1940, CAB 85, File 39, Anglo-French Co-ordinating Committee: Shipping.

Priorities should also be indicated for the Shipping Executive.¹⁷ Each report had to be as detailed as possible to alleviate the burden on shipping. The chairman realized that long-term plans were difficult and that most work had to be completed on a daily basis. In light of this he ordered all executives to maintain constant contact with the shipping authorities to monitor the progress of their programs.¹⁸

A special meeting of the British Section of the Co-ordinating Committee concurred wholeheartedly with these suggestions, but also made several recommendations. For example, it advised that the revised programs of the Executives be reduced to the lowest possible limit and that, because of the short time span which the Allies had to fulfill their requirements, the recommendations ought to avoid rigid demands. The British further recommended that full information be exchanged between them and the French, even though they anticipated problems such as establishing rates of consumption for cereals and meats in France. The British disagreed with any attempt to establish shipping priorities because they believed it beyond the capacity of the committee.¹⁹ The most remarkable

¹⁷ Import Program and Allocation of Tonnage, Note by W. L. Gorell-Barnes, February 13, 1940, CAB 85, File 10, Anglo-French Co-ordinating Committee: Memoranda.

¹⁸ Ibid.

¹⁹ Letter, Sir Arthur Robinson to Jean Monnet, February 19, 1940, CAB 85, File 40, Anglo-French Co-ordinating Committee: Shipping Requirements for Period March-August 1940: Preparation of an Estimate of Total Imports, Showing Priorities.

feature of these countersuggestions was that they did not outrightly reject Monnet's views. Rather, British members sought to moderate them in most instances so as to retain some degree of control over the disposition of ships. Responses like this made for closer working relations between the two in addition to easing the problems of the Shipping Executive. However, the British made these proposals, particularly their rejection of priorities, out of fear that they might lose some of their authority. On the other hand, their suggestions were rather mild because they recognized that France needed increased imports.

Much as the British members wanted to maintain total control of the tonnage situation, they recognized French needs as vitally important to the Allied cause. Neglect of them could result in serious damage to the war effort. Therefore, in a review of the neutral tonnage situation, they hesitated to neglect French requests:

There is one. . . point in connection with the chartering of neutral tonnage. . . It is this. Such tonnage cannot be looked upon from purely a United Kingdom angle.²⁰

Thus, the questions of shipping loomed large in the thoughts of the Allies, primarily because it was central to their survival. The British in particular were concerned with providing sufficient tonnage for their requirements. However,

²⁰ The Extent to Which Shipping Considerations Call for a Review of Our Import Programmes. Report by the Lord Privy Seal, February 23, 1940, CAB 66, Vol. 5, War Cabinet Memoranda.

both sides understood the problem and advocated methods to ease the blockage.

Viewed from a large perspective, coal, oil and shipping shortages plagued Britain and France throughout this period. They were not easy to solve and they caused some bitter feelings between the Allies. Nevertheless, they were referred to the proper committees for consideration as provided by the established system. Though no solutions emerged at that time, some would be forthcoming in the future.

One of the positive aspects of the Co-ordinating Committee's first month of operation, relations with the United States, continued to prosper. Upon his return from America, Pleven reported favorably on the progress of the Anglo-French Purchasing Board.²¹ Then, in February, the United States administration, in pursuit of its policy of avoiding a sharp price rise because of large Allied material orders, asked Purvis to supply information on all Allied purchases made through channels other than the French and British purchasing missions.²² The Co-ordinating Committee hesitated to answer until it made the necessary inquiries of all concerned departments in both countries. However, the magnitude of this request raised serious

²¹Telegram, René Pleven to Arthur Purvis, January 30, 1940, CAB 85, File 59, Anglo-French Co-ordinating Committee: Anglo-French Purchasing Board in the U.S.A. and Relations Between the Board and the United States Administration.

²²Note by Jean Monnet on Purchases in the United States, February 1, 1940, Ibid.

questions in Britain and France. It meant that all private and agricultural purchases had to be reported, and Monnet's group doubted their ability to supply this.²³

On February 2, 1940, the Co-ordinating Committee met to discuss Allied purchases in the United States and relations between the Purchasing Board and the Roosevelt administration. The main topic of discussion concerned the supply of information from the Allies to America. Reviewing Purvis' position as a communications link, Monnet regarded the request as most important:

By using this channel the Allies were able to insure that questions affecting their purchases are treated from a technical angle and thus to secure from the United States Administration a greater measure of co-operation than they could by using more formal channels.

In order to guarantee the continuance of this mode of operation, the United States Government wanted the information for two reasons: to allow them to reply to criticism, and to synchronize Allied purchases with their own.

Pleven reinforced the need to respond to the United States request. The British concurred but argued that all of their information had to go through Colonel Greenly of the British Purchasing Mission in Canada for his scrutiny. Both sides agreed, but with the proviso that for private and agricultural purchases it would be

²³Letter, Jean Monnet to Arthur Purvis, February 2, 1940, Ibid.

difficult to supply accurate statistics.²⁴

This discussion occurred during a most important meeting of the Co-ordinating Committee. It demonstrated very clearly Monnet's view of the position occupied by the United States. He obviously sought to stay on the closest possible terms with that nation in order to make the best possible use of the help it offered. Monnet was fully aware of all the issues riding on the answer to be supplied to the American administration. In the two months since the start of the Committee collaboration with the United States had clearly been of great concern. Because of all these factors, Monnet successfully pressed both governments for a release of complete information. He soon informed Purvis of that decision. As a result, the French government sent its information to Bloch-Lainé, the Vice-Chairman of the Anglo-French Purchasing Board in New York, and Britain sent theirs to Colonel Greenly, and both in turn relayed it to Purvis.²⁵

In supporting close cooperation with America at that time, Monnet had in mind Daladier's belief that air superiority could only be achieved by increasing plane purchases in the United States.

²⁴Record of the Meeting of the Anglo-French Co-ordinating Committee, February 2, 1940, CAB 85, File 10, Anglo-French Co-ordinating Committee: Meetings.

²⁵Telegram, Jean Monnet to Arthur Purvis, February 10, 1940, CAB 85, File 13, PURCO: Monnet to Purvis.

Unfortunately, this particular copy did not have a PURCO number attached.

Chamberlain had agreed on December 19 with the need to control the air but felt:

. . . obliged to add that the existing commitments of Great Britain in this respect had already reached the limit of the available foreign exchange.

However, the British Prime Minister had consented to cooperate in the investigation of American production capabilities.²⁶ The Pleven Report had been favorable about American capacity to fulfill Allied requests.

Initial British concern revolved around the cost of the program, an estimated \$850 to \$900 millions. Monnet attempted to soothe their feelings by emphasizing the positive nature of such a program. It would, by 1941, insure Allied air superiority and thus hasten the end of the war and result in a tremendous savings. The manufacturing capacity would also be there to tap in the future should circumstances make it necessary, regardless of what might happen to the domestic construction schedules of France and Britain because of enemy action. It would serve, then, as a form of insurance.²⁷ But the British remained unconvinced. From their point of view, the end did not justify the means.

²⁶ Record of the Fourth Meeting of the Supreme War Council, Held on December 19, 1939.

This particular copy was dated February 1, 1940 for circulation to the War Cabinet, CAB 66, Vol. 5, War Cabinet Memoranda.

²⁷ Letter, Jean Monnet to Sir Kingsley Wood, January 30, 1940, Monnet Papers, File 3A, Avions: de Septembre 1939 à Février 1940.

See also Haight, American Aid to France, 1938-1940, pp. 185-188 and 195-196.

In the midst of this apparent deadlock a number of factors coalesced, resulting in a reappraisal of the situation by the British. Monnet and other leaders had received in late January the balance sheet, requested earlier in the month, analyzing aircraft production in France, Britain, and Germany. It revealed an astonishingly high German production rate.²⁸ Also, the British thoroughly questioned Jacquin and Pleven about their report, and their response pleased the interrogators. Later, when Sir Kinglsey Wood, Minister of Air, outlined the plan to Chamberlain, the British Prime Minister was impressed, barring certain reservations. Consequently, Wood informed Monnet that he hoped the War Cabinet would accept it.²⁹ In this situation Monnet pushed for consideration of the plan at the next Supreme War Council meeting. Believing the British disposed to favor the plan, he prepared the proper papers for Daladier and informed Bridges of his activities.³⁰

Monnet briefed each side on the issue of American planes and arranged for some kind of agreement to be reached at the forthcoming meeting. He also drafted a note for Daladier to deliver at

²⁸The report was circulated under a covering letter from D. Morton to Jean Monnet, January 30, 1940, Monnet Papers, File 3A, Avions: de Septembre 1939 à Février 1940.

²⁹Note, Jean Monnet to Édouard Daladier and Guy La Chambre, January 31, 1940, Ibid.

³⁰These documents are enclosed under a covering letter from Jean Monnet to Sir Edward Bridges, February 2, 1940, Ibid.

the conference and had Guy La Chambre, Sir Kingsley Wood, and Sir Horace Wilson approve the text. The British Minister for Air stressed the need not to proceed independently. He suggested that the French Premier foster a joint decision to use American facilities and direct Allied experts to examine the question with a view to proper execution.³¹ Most important, Sir Kingsley Wood stated that he believed Chamberlain shared French sentiments.³² Nevertheless, a positive decision required that they spare the feelings of Sir John Simon, the Chancellor of the Exchequer, who constantly argued in favor of saving as much foreign exchange as possible. The proposal to purchase such a large quantity of American planes violated this stance; hence his stiff opposition. The British Air Minister recommended that Daladier speak privately to Chamberlain and stress his anxiety to put the plan into operation, even if he had to come to London to lend his support.³³

Without question the most persuasive argument used by the French at the meeting on February 5 was the aviation balance sheet drawn up by the Allies in January. Its figures demonstrated several important points: that Germany possessed a formidable striking force

³¹Letter, Jean Monnet to Édouard Daladier, February 5, 1940, Ibid.

³²Possibly this attitude resulted from a deal between the British Air Ministry and the Treasury, as reported to Guy La Chambre by Colonel Mény of the Executive Committee for Air Production and Supply. See the letter from Guy La Chambre to Édouard Daladier, February 15, 1940, Ibid.

³³Letter, Jean Monnet to Édouard Daladier, February 5, 1940, Ibid.

and had the ability to confront the Allies with a strong sustained effort over a long period of time; that the margin of superiority was wide in favor of Germany; and that though the Allies were reducing this margin, it would take considerable time to reverse the tables.

In these circumstances, Britain and France had several factors to consider. One was the effect of this striking force on public morale and its potential impact on Allied production facilities. Under the pressure of enemy air attack the people would be comforted, the French argued, by the knowledge that American industry supported them. If Allied leaders could not give these assurances, ". . . we shall not lightly be forgiven." On the other hand, if the Luftwaffe destroyed French and British factories, how could they ever hope to overtake the Germans and gain air superiority? American industry needed new capacity to increase their output, and the Allies had to create that potential! It would not only spread dismay in Germany, but also give the western democracies a psychological boost. Its effect on American opinion would be significant. Besides, the French leaders like Monnet believed they ought to take advantage of America, ". . . where we have such goodwill in such high quarters, let us not hesitate to harness it to our cause."³⁴ The British recognized the force of these arguments and agreed that

³⁴ This is an unsigned and undated document, but it clearly refers to the problems considered at the Supreme War Council meeting early in February. Probably it was prepared by Monnet for Daladier's use at that meeting. It is found in File 3A of the Monnet Papers, Avions: de Septembre 1939 à Février 1940.

American orders should be placed.

As presented to the Supreme War Council, the final plan followed the Pleven Report and called for delivery, by September, 1941 of 8,400 airframes plus spares, and 13,650 engines and spares. The frame production would be broken down as follows: 1/3 fighters and 2/3 medium bombers. This could reduce the costs from about \$1,400,000,000 to \$900,000,000 and possibly \$800,000,000 after negotiations. The division of aircraft deliveries would be on a 50/50 basis while the proportion of total expenditure would be about 55/45, divided between France and Britain with France paying more because of the models they wanted to order. This reduced scheme represented to Pleven the minimum effective insurance against domestic plant destruction by the Germans.³⁵

After discussion Britain and France reached no agreement on the Pleven program at that meeting. Though Daladier strenuously pleaded for its acceptance, the British agreed only in principle. They demanded a further mission to refine the plan.³⁶ The British definitely consented in principle to go along with the proposal but refused to accept it as it stood.³⁷ In a later letter to Daladier,

³⁵See the document headed "Pleven-Greenly Plan-Tentative Suggestions, February 7, 1940, Ibid.

³⁶Minutes, February 7, 1940, CAB 65, Vol. 4, War Cabinet Minutes.

³⁷Letter from Sir Horace Wilson to an unidentified person (it could have been written to Neville Chamberlain), February 9, 1940, PREM 1, File 410, 1940 France.

Chamberlain explained:

Briefly, our feeling is that, for the reasons given. . . we cannot take final decisions as to the numbers, types, etc., of aircraft to be ordered until your experts and ours have had further consultations on the spot with United States industry, we believe that these consultations will facilitate progress and that they will save much valuable time in the end.

The British government then drafted a telegram for Monnet to send to Purvis informing him of the decisions taken so as to allow him time to prepare for the forthcoming investigation.³⁸ The French and British authorized Purvis to tell the United States administration of these steps in order to obtain their cooperation. To lead the mission, they dispatched to the United States Sir Henry Self, the special representative of the British Treasury for coordinating aircraft purchases for the Air Ministry, and Colonel Paul Jacquin, the French aviator who had taken part in the former French plane purchases.

The French reluctantly concurred with the British proposal, but they became suspicious about the aims of their ally. Though Daladier modified the draft telegram somewhat, he urged that everything should be done with the least delay.³⁹ The French Premier also had René Pleven speak with Sir Arthur Street and Sir Horace

³⁸ Letter, Neville Chamberlain to Édouard Daladier, February 10, 1940, Monnet Papers, File 3A, Avions: de Février 1940 à Septembre 1941.

See also the draft telegram written by British officials for Jean Monnet to send to Arthur Purvis, probably drafted February 9 or 10, PREM 1, File 410, 1940 France.

³⁹ Letter, Édouard Daladier to Neville Chamberlain, February 12, 1940, Monnet Papers, File 3A, Avions: de Février 1940 à Septembre 1941.

Wilson about the British position. Daladier in particular wanted to know if the telegram sent to Purvis implied action, or talk. Did Britain intend to make a significant effort to increase American industrial potential, and could a statement be made about the burden of the Allied effort? To French delight, the British responded positively to all questions. Sir Arthur Street explained that for technical reasons they wanted another mission sent to North America. That was why they hesitated to establish an exact program at the Supreme War Council meeting. There were numerous possible combinations of orders for planes and motors, and they wanted their experts to review them.⁴⁰ The telegram from Monnet to Purvis was sent on February 16 reflecting French acquiescence in the British scheme.⁴¹

Once the French accepted the British position they planned to carry out the mission as quickly as possible.⁴² They sent Pleven and Jacquin to America to cooperate with the British representative, Sir Henry Self, and Daladier stressed that the report should be made

⁴⁰There are two documents which referred to this sensitive issue. See a note for the President to the Council (Daladier), February 15, 1940, and the official response of Sir A. Street after talking with Sir Horace Wilson, February 14, 1940, both were written by René Pleven, Ibid.

⁴¹Telegram, Jean Monnet to Arthur Purvis, PURCO 16, February 16, 1940, CAB 85, File 62, Anglo-French Co-ordinating Committee: Anglo-French Purchasing Board in the U.S.A.: M. Pleven's Mission (Allied Purchases of Aircraft in the U.S.A.).

⁴²See a letter dated February 17, 1940, author and recipient unknown, Monnet Papers, File 3A, Avions: de Février 1940 à Septembre 1941.

with the shortest possible delay.⁴³ Only in this way could the Allies hope to gain the air superiority that they so desperately desired. But a quick decision was not forthcoming. For the French it was a major disappointment.

The coal shortage, along with other difficulties experienced by the French in February, stimulated doubts in the minds of French officials about the value of the cooperative effort. To ascertain the degree of success experienced by French and Allied economic policy, Daladier in February 1940 ordered an analysis of the economic war effort.⁴⁴ The coal shortage helped spur the writing of the report because:

. . .in order that the conclusions that will emerge from such a survey can be placed, first before the French Government as a whole, and subsequently before the Allied Supreme War Council. My justification is the fact that the whole problem of intensifying and developing our war production turns upon the need for obtaining adequate supplies of coal and motive power.⁴⁵

French plans in 1940 had called for a gradual tapering off of large

⁴³Instructions, from Édouard Daladier and Guy La Chambre to Colonel Jacquin and René Pleven, February 22, 1940, Ibid.

⁴⁴See the comments which precede the report, which was delivered to the French Council of Ministers, February 23, 1940, CAB 21, File 1270, Co-ordination of Anglo-French Economic War Effort.

⁴⁵Note by Anatole de Monzie (French Minister for Public Works and Transport) to Édouard Daladier, February 13, 1940, CAB 85, File 58, Anglo-French Co-ordinating Committee: Coal.

imports so that by the end of that year France, with British aid, would be capable of providing for her essential needs. Imports would then be confined to those needed to support national production and maintain essential foreign production. The greatest effort would be to insure the supply of coal, as well as other essentials such as food.⁴⁶ The shortage of coal threatened this, as did the apparent British unwillingness to cooperate completely with the French.

Daladier delivered the report to his Council of Ministers on February 23. Its purpose was to:

. . . establish a judicious relationship between the efforts of France and the United Kingdom, so that the two countries can be brought to act as effectively as possible in the pursuit of common victory.

Concluding that the burden on their country was too great, the analysis advocated a balance of the economic effort on an Anglo-French plane. Daladier believed this could partially be achieved by establishing priorities for the acquisition of materials. He suggested the following order: coal, aircraft, armaments, food.⁴⁷ Since the supply of these commodities involved shipping, this latter category was an item of great importance.

The French Premier realized that if changes were to be made

⁴⁶Letter, Secrétaire Général du Comité des Programmes et des Achats Alliés au Président du Conseil (Daladier), February 15, 1940, Monnet Papers, File 2A, Fonctionnement du Comité de Coordination Franco-Britannique, de l'Anglo-French Purchasing Board, de Janvier 1940-Mai 1940.

⁴⁷Daladier's Statement to the Council of Ministers, February 23, 1940, CAB 21, File 1270, Co-ordination of Anglo-French Economic War Effort.

in Allied policies, he needed British cooperation. For example, the maximum exploitation of French resources required some troops to be reassigned for industrial labor service which would entail their replacement by British troops. This called for a more rapid English mobilization. The complex work surrounding the Pleven mission served as an example of what the French desired. The British had agreed with the mission, in principle, before agreement was reached by experts. Then a specific program was drawn up. This required preparations on the Allied level. Daladier felt that a similar approach had to be taken on other matters: a common program of munitions production had to be drawn up, an estimation of German force and their capacity for production had to be made, and plans to utilize manpower resources needed to be formulated. Complicated as such a study might be, the French Premier deemed it absolutely necessary. This "Allied balance sheet," he believed, would thus insure the maximum possible war effort.⁴⁸

Since the review involved England, Daladier planned to inform Chamberlain of the contents of the report in advance of its appearance. Monnet participated in this and drafted the letter to be sent to the British Prime Minister. The analysis, Daladier told Chamberlain, was being done to determine the repercussions of the

⁴⁸ See a note on the work needed to prepare for talks between Daladier and Chamberlain, February 27, 1940, Monnet Papers, File 2A, Fonctionnement du Comité de Coordination Franco-Britannique, de l'Anglo-French Purchasing Board, de Janvier 1940-Mai 1940.

war on French life and allow France to establish an equilibrium of contribution between the Allies and a maximum effort to prosecute the war.⁴⁹ This message was reemphasized in an address on Anglo-French cooperation by M. Serruys at the British Embassy in Paris on February 19. There he stressed the total character of the war and the need for concentration on a united effort of all Allied resources.⁵⁰ However, no conversations between the French and British leaders took place at that time.

The period from January 26 to March 1 had not been an easy one for the French. The British agreed to participate in expanding American aviation production facilities but delayed it until the report of another mission. Other problems were more serious: the coal, oil, and shipping shortages. What compounded the difficulties was the apparent British refusal to understand the French position. Considering the initial period of work for the Co-ordinating Committee, it seemed as if the British did an about-face. The cooperative spirit appeared to have rapidly waned. Something had to be done, the French believed, to stimulate a new cooperative effort designed to bring the Allies even closer together. To foster a more comprehensive relationship they suggested tightening Allied economic relations.

⁴⁹ Draft letter written by Monnet for Édouard Daladier to send to Neville Chamberlain, also a letter was sent to the French Ambassador in London, Charles Corbin, February 18, 1940, Ibid.

⁵⁰ Address by M. Serruys, February 19, 1940, FO 371, Political, Central, France, C2727/8/17, 1940, 24294.

In Britain, the problem was not one of lack of cooperative spirit but merely being sure about the value of a project. In the case of American planes, what was the sense, they argued, of adopting a program unless it were technically sound. The same applied to the French efforts to double the Iraq pipe line. Why do it unless it was thoroughly studied and analyzed? They agreed to spend money, but not on every scheme that came along. They needed time to determine the efficiency of those proposals.

These difficulties faced by Monnet and the Co-ordinating Committee were not of a destructive nature. The proper channels of communication functioned well; problems were referred to the appropriate group for consideration. Nevertheless, agreement on several issues proved difficult. To a large extent those insoluble problems stimulated the French evaluation of the Allied economic war effort. As a result of that, Daladier called for increased co-operation as a way out of the impasse in which they found themselves. But the problems continued unsolved through February, and it remained to be seen whether the new Co-ordinating Committee could cope with serious issues as they arose, whether it had sufficient authority to resolve conflicting opinions, or whether it was just a liaison group. The issues were serious, the challenge great; the prestige and authority of Monnet and the Co-ordinating Committee hung in the balance.

Appendix D-Personnel List

British Section	OIL	French Section
Address: Mines Department Cromwell House Dean Stanley Street		French Petroleum Mission Kings Building Dean Stanley Street
Sir Cecil Kisch		M. Pineau (Chairman)
Sir Ronald Graham		M. Filhol
	Joint Secretaries	
Mr. K.L. Stock		Lieut. J. Bouchendhomme
	SHIPPING	
Address: Ministry of Shipping Berkeley Square House Berkeley Square		Same
Sir Cyril Hurcomb (Chairman)		M. Hypolite Worms
Sir John Niven		M. Henri Cangardel
Mr. T. G. Jenkins		
	Secretary Mr. F. A. Griffiths	
	FOOD	
Address: Ministry of Food Great Westminster House Horseferry Road		French Food Mission Eggington House Buckingham Gate
Sir Henry French (Chairman)		M. Laurent
Mr. E. M. H. Lloyd		M. L'Intendant-General
Mr. M. J. Hutton		Diederich
	Joint Secretaries	
Mr. E. I. James		M. Morhange
	ARMAMENTS AND RAW MATERIALS	
Address: Ministry of Supply The Adelphi John Street		French Armaments Mission Westminster House Dean Stanley Street
Sir Arthur Robinson		Lt.-Col. René Mayer
Mr. W. Palmer		(Chairman)
Mr. G. W. Turner		M. Thibault
Col. D. R. D. Fisher		Commandant Pierrot
	Joint Secretaries	
Mr. W. C. Costin		M. Picard

Appendix D-Cont.

British Section

French Section

TEXTILES AND HIDES

Address: Ministry of Supply
The Adelphi
John Street

Eggington House
Buckingham Gate

Mr. G. R. Rice (Chairman)
Mr. H. J. Hutchingon
Col. D. R. D. Fisher

M. Laurent
M. L'Intendant-General
Diedrich
M. L'Intendant Tisseraud

Joint Secretaries

Mr. W. C. Costin

M. Morhange

TIMBER

Address: Ministry of Supply
The Adelphi
John Street

Eggington House
Buckingham Gate

Mr. H. J. Hutchinson
Captain E. Maxwell Fry

M. Laurent (Chairman)
M. Raboville

Secretary
Mr. D. F. Eades

ECONOMIC WARFARE

Address: Ministry of Economic Warfare
Houghton House

Same

Sir Frederick Leith-Ross (Chairman)
Sir George Mounsey
Mr. T. T. A. Ashton-Gwatkin

M. Morhard
M. Berard

Joint Secretaries

Mr. E. Sutton

Prince J. Fanagny-Lucinge

AIR PRODUCTION AND SUPPLY

Address: Air Ministry
Ariel House
The Strand

Same

Sir Arthur Street (Chairman)
Air Marshall Sir Wilfred Freeman
Mr. E. J. H. Lemon

Lt. Col. J. Meny
Commandant J. Valpert
Capitaine R. L. Varin

Secretary
Mr. N. Munro

Appendix D-Cont.

British Section

French Section

COAL REQUIREMENTS COMMITTEES

Address: Mines Department
Cromwell House
Dean Stanley Street

French Coal Mission
Westminster House
Dean Stanley Street

Lord Hyndley (Chairman)
Mr. L. G. Lowry

M. Thibault
M. Vieux

Joint Secretaries

Mr. R. Hope Hawkins

M. Dupuy

Source: Note by W. L. Gorell-Barnes on Personnel and Their
Addresses. February 12, 1940, CAB 85, File 35, Anglo-French
Co-ordinating Committee: Domestic, Composition, + c. of the
Anglo-French Executives Committees.

Chapter IX

The Resurgence of the Alliance

The winter of 1939-1940 had been the coldest in 40-50 years. As a result, many activities came to a halt. Coal pits in England had to close because of it. Railroad absenteeism rose dramatically. In general the domestic economies of both France and England were upset by this unexpected quirk of nature. For the Allied field armies stationed in France that winter was a veritable hell. This was especially true because of the inactivity of the war. An attack by Germany had been expected as early as the autumn of 1939, yet it had not materialized. As autumn stretched into winter it became clear that nothing would happen until at least the spring of 1940.

Not that Britain and France cared when an attack came. Military officers felt confident that they could repulse any thrust by Nazi forces. General Gamelin, commander of the Allied forces, devoutly believed the German advance would be reminiscent of the World War I Schlieffen Plan, so he mustered the finest elements of his army to meet that threat. As the phony war seemed to become phonier, both English and French military forces were subjected to increasing pressures to do something, anything, to beat the Germans to the punch. Out of this exasperation and the desire to cut off raw material supplies, Britain and France planned the Narvik

operation in Norway.¹ However, the Germans anticipated that action in April 1940 and invaded Norway first. British and French military units were quickly defeated, or contained, and the entire operation was a disaster. The initial confrontation was a complete Nazi victory.

On the non-military level as well, the Allies experienced several difficulties. Daladier encountered growing opposition to his leadership, centered around a growing demand for a reorganization of the War Cabinet, and resigned March 20, 1940.² The new man in power, Paul Reynaud, had been the Finance Minister under the former Premier. His abilities to cope with the pressures of being the leader of France were unknown. In addition, the action in Norway placed new strains on the political-economic activities of both governments. As the fiasco of the Norwegian expedition became more apparent, Neville Chamberlain suffered the most bitter criticism. This caused a debate in Parliament about the operation of the war and this eventually resulted in Chamberlain's downfall. On the economic level, the Narvick operation had mixed effects. On the one hand, it placed a strain upon Allied shipping capabilities as the demands for supplies increased, and on the other it released extensive amounts of coal, normally shipped to Norway, for use in

¹Henry Pelling, Great Britain and the Second World War, Glasgow: 1970, pp. 62-68.

²Gay, pp. 381-385.

France.³

All of these developments affected the Co-ordinating Committee. For example, the cold winter forced a curtailment of coal production which resulted in smaller amounts of coal being shipped to France, and this necessitated a cutback in French production, especially in the armaments industry. Thus, production in that crucial industry lagged months behind schedule and worked to the detriment of the entire war effort of Britain and France.

By March 1, 1940, the Co-ordinating Committee was faced with a number of other issues. Daladier's new policy, which demanded more equitable division of the total economic war effort in order to prosecute it more efficiently, was one. The question of American plane purchases also loomed large in Allied Councils. Both governments had tentatively authorized large expenditures in February, but failed to agree on an exact purchasing plan at that time. Final decisions remained to be taken.⁴ And in the midst of this, Britain and France began to plan for the second year of war. From March 2 to May 10 the Committee experienced their most active period to that date.

³ Letter, Jean Monnet to Sir Cyril Hurcomb, April 17, 1940, CAB 85, File 58, Anglo-French Co-ordinating Committee: Coal.

⁴ Note, Jean Monnet to M. Champetier de Ribes (Ministère des Affaires Étrangères, March 26, 1940, Monnet Papers, File 2A, Fonctionnement du Comité de Coordination Franco-Britannique, de l'Anglo-French Purchasing Board, de Janvier 1940-Mai 1940.

To cope with the additional work the Co-ordinating Committee underwent expansion. First the British members of the committee suggested that the Ministère du Commerce and the British Board of Trade join the committee because of their close connections with the import of supplies,⁵ and according to his instructions Monnet had to obtain the consent of both governments. The French readily agreed and appointed representatives and their replacements.⁶ The British quickly followed suit.⁷ The obvious benefit of this augmentation was that it further involved both governments even more in the work of the Co-ordinating Committee and led to a corresponding expansion in the influence of the committee.

In addition to increasing the members of the Co-ordinating Committee, Monnet also added to its permanent staff as the growing amount of work threatened to overwhelm its administrators. Its secretary, Gorell-Barnes, noted that the staff was overburdened because of the additional work.

⁵Letter, H. L. d'A. Hopkinson to W. L. Gorell-Barnes, March 13, 1940, CAB 21, File 1269, Machinery for Co-ordination of Anglo-French War Effort.

This proposal actually came from Sir Arthur Robinson as a result of a meeting of the British Section of the Anglo-French Co-ordinating Committee.

⁶Letter, Louis Rollin (Ministère du Commerce) to Jean Monnet, April 4, 1940, CAB 85, File 31, Anglo-French Co-ordinating Committee: Domestic, Composition, and Organization of the Committee.

⁷Letter, Jean Monnet to Sir Arthur Robinson, April 18, 1940, Ibid.

He worried that conditions ". . .are likely to give rise to further work." In addition to staff, he requested more space for them to operate. Reflecting on the total picture, Gorell-Barnes speculated on the potential importance of the committee and the need to foster its development:

I realize the difficulties of these requests and am sorry to have to make them. But the work of the Committee is developing rapidly and may be said to be at a turning point; and, if importance is attached to its successful development, I feel strongly that it must be adequately equipped⁸ - or at any rate more adequately than at present.

This important requisition indicated how vital it was for space and staff to stimulate growth and to allow the Co-ordinating Committee to function properly. The extra assistance was absolutely necessary and demonstrated the malleability of the committee in changed circumstances.⁹ Monnet hoped that in making these alterations the Committee would be in a better position to handle the crises which confronted them.

To solve the supply problems, the French, under the direction of Daladier, tried in March to spur the British on to a reevaluation

⁸Letter, W. L. Gorell-Barnes to Sir Edward Bridges (probably) April 20, 1940, CAB 85, File 32, Anglo-French Co-ordinating Committee: Domestic, Staff Organisation of the Chairman's Office.

⁹In April Gorell-Barnes issued a revised list of members of the Co-ordinating Committee. See the paper: Anglo-French Co-ordinating Committee, List of Members and Staff, April 23, 1940, CAB 85, File 31, Anglo-French Co-ordinating Committee: Domestic, Composition and Organisation of the Committee.

of their respective war efforts with a view towards a more equitable distribution of contributions to the war effort. The French Prime Minister in his new policy sought to encourage self-sufficiency in armaments and agricultural products, as well as to limit, by the end of 1941, the importation of raw materials from the British and French colonies.¹⁰ He had by March 2 made these goals the policy of the French government.¹¹ However, he realized that to succeed, this also had to be accepted by Britain. Ultimately, he hoped to discuss this new approach with Chamberlain,¹² but until then the French leader charged Monnet with introducing his ideas to the proper British officials.

Monnet immediately spoke with Sir Horace Wilson, Sir Edward Bridges, and Sir Arthur Robinson about the new French policy. He explained that it would probably require some French demobilization and a more rapid English mobilization.¹³ To support Monnet, Daladier personally called for Chamberlain to participate in this assessment in order to establish:

¹⁰This is a covering letter over two French reports, dated February 23 and February 27, 1940, Monnet Papers, File 2A, Fonctionnement du Comité de Coordination Franco-Britannique, de l'Anglo-French Purchasing Board, de Janvier 1940-Mai 1940.

¹¹Directives for French Economic Policy. Program of Production and Purchases for 1940, March 4, 1940, Ibid.

¹²Record of a Meeting at the home of M. Dautry, March 4, 1940, Monnet Papers, File 2A, Fonctionnement du Comité de Coordination Franco-Britannique, de l'Anglo-French Purchasing Board, de Janvier 1940-Mai 1940.

¹³Letter, Jean Monnet to Édouard Daladier, copy to Charles Corbin, March 16, 1940, Ibid.

. . .equilibrium in resources and to enable France to pursue her war effort with the maximum energy. . . .

The French wanted the Allies to abandon bulk purchases and switch to an "enduring war economy." This could be achieved only if the equilibrium sought by the French was fulfilled on an Allied plane. This proposal entailed more extensive coordination. However, the policy did not represent an attempt to undercut Monnet's activities. The French admitted that the Co-ordinating Committee and Purchasing Board achieved important results. They believed their position to be greatly improved in regard to price, transport facilities, and negotiations with other parties when the Allies made joint purchases. However, the French felt that ". . .joint purchases are still the exception, whereas they ought to be the rule in a great many more cases." Too often public or private bodies assumed a particular viewpoint, to the detriment of joint purchases. Private acquisitions had to ". . .be severely dealt with."

Of course, there was a way out of this dilemma: the new French approach, Britain and France had to tighten up and reduce waste. For the future:

A genuine and lasting war economy should be built up not only on the French plane but on the Allied level, so as to add to the substantial results which have already been gained as a result of close collaboration between the two countries.

The French government called for a vigorous effort to prosecute total war because it represented ". . .one of the essential prerequisites

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to victory." This implied a much more thorough application of the principle of coordination than existed or that was recommended in the October 1939 Salter Memorandum.

In the French view, shipping was the most critical problem, although they named several other potential areas of reevaluation: armaments, aviation, food, equipment, manpower, coal, and oil.¹⁵ To examine these factors on their side they had erected the Inter-Ministerial Economic Committee for the ". . . centralization and co-ordination of all questions concerning the economic side of the war."¹⁶ The French effort continued despite the fall of Daladier

¹⁴ See the French report: Report on the Policy of Purchases Abroad, March 20, 1940, CAB 21, File 1270, Co-ordination of Anglo-French Economic War Effort.

¹⁵ Projet. Premiers résultats de la Coordination Franco-Anglais, March 28, 1940, Monnet Papers, File 2A, Fonctionnement du Comité de Coordination Franco-Anglais, de l'Anglo-French Purchasing Board, du Janvier 1940-Mai 1940.

¹⁶ See the note from Sir Ronald Campbell, British Ambassador in Paris, to the Foreign Office, April 2, 1940, CAB 21, File 1281, Anglo-French Liaison: (I) French War Cabinet, (II) French War Cabinet Secretariat.

Le Temps carried a detailed explanation of the new Committee on April 1. They were to cooperate in the preparation of studies and implement their decision, all in cooperation with the relevant Ministerial departments. The Secretary of the new Committee was appointed directly by Daladier. See a translation of an extract from Le Temps in CAB 85, File 1281.

The actual decree creating the Inter-Ministerial Committee was dated March 30. The Chairman of the Committee was the Vice-President of the Council, M. Chautemps, and the Vice-Chairman was M. Lamoureux, Minister of Finances. The Secretary of the Committee was also the Secretary of the War Cabinet, Paul Baudouin. See the "Comité Interministériel Économique, April 3, 1940, Monnet Papers File 2A, Fonctionnement du Comité de Coordination Franco-Britannique de l'Anglo-French Purchasing Board, de Janvier 1940-Mai 1940.

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from power at the end of March, but it was cut short in the face of the German invasion of Norway.

The British government studied the proposed program but never fully shared the French appreciation of its importance. They shied away quite sharply from its implications; nevertheless they did conduct an investigation. They examined an aide-memoir explaining the French position, which Monnet produced. They also sent it to the Prime Minister for his personal inspection. However, Sir Horace Wilson, Chamberlain's adviser, and Sir Edward Bridges, Secretary of the British War Cabinet, reacted unfavorably. 18

Both men feared that the implications of accepting the new French policy would involve augmenting the bureaucracy and adding still more staff. Monnet expressed disappointment at this, but Bridges made it clear that no new machinery would be created.

Monnet reluctantly accepted this British decision, though he continued to feel that he and his Co-ordinating Committee could render valuable assistance by beginning various studies of the Daladier proposal. Monnet also hoped for better links with the several sections of the War Cabinet as a result of Daladier's

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On this change of government, see John M. Sherwood, Georges Mandel and the Third Republic, Stanford, California, 1970, pp. 227, 229. For an inside view, see Paul Baudouin, The Private Diaries (March 1940 to January 1941) of Paul Baudouin, tr. by Sir Charles Petrie, London: 1948, p. 1.

18

Letter probably written by Sir Horace Wilson to A. N. Rucker, March 19, 1940, PREM 1, File 410, 1940 France.

proposals. Bridges warned him not to press too hard as it might arouse some opposition, especially because it smacked of a higher level of coordination. Nevertheless, the War Cabinet Secretary felt Monnet could initiate a study, though his colleagues doubted¹⁹ the value of any attempts at further Allied coordination.

Although France's ally resisted any attempt to add to the staff, they did agree that coordination should be conducted more efficiently. To accomplish this, they called for a tightening-up of the ~~Executive Committees~~ because they believed it unwise to establish rules for the settlement of priority questions and that it would be better if the executives reviewed their programs with²⁰ a view towards the greatest possible reductions of imports.

The question came up at the March 29 meeting of the Supreme War Council. By that date the British rejected the French program, though they were aware of Monnet's strong feelings in favor of²¹ Daladier's program. Yet to say that because they rejected Daladier's plan meant a rejection of some of its positive applications would be a mistake, because through the Co-ordinating

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Note by Sir Edward Bridges on a conversation with Jean Monnet, March 21, 1940, CAB 21, File 1270, Co-ordination of Anglo-French Economic War Effort.

20

Memorandum in reply to the Memorandum enclosed in M. Daladier's letter of the 18th March, n.d. (Probably late March, 1940), Ibid.

21

Explanatory Note, written by H. L. d'A. Hopkinson, April 4, 1940, Ibid.

Committee the Allies put certain elements of that plan into action.

During the ensuing months of April and May Britain and France vigorously renewed their efforts on a broad front. The Air Executive drew up periodic balance sheets on Allied-German aircraft projections, common armament and shipping plans were proposed, both treasuries made strenuous efforts towards further cooperation.

Meanwhile the French readied reports on their manpower situation

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for transmission to the English government. France also undertook

a national inventory to determine the status of armaments, air supplies, food, and equipment, as of the end of 1940, and the re-

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sulting foreign purchasing needs for 1941. These French and British efforts stimulated the Co-ordinating Committee to work against the general malaise which permeated Allied relations. In this new atmosphere they proved highly successful.

During this period of the war the Allies increasingly turned to the United States for assistance as this was a result of the continuing need to acquire vast amounts of material. As in previous months, the Morgenthau-Purvis connection played a critical role in assuring the necessary coordination. However,

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Bilan commun des ressources Franco-Anglais, March 25, 1940, Monnet Papers, File 2A, Fonctionnement du Comité de Coordination Franco-Britannique, de l'Anglo-French Purchasing Board, de Janvier 1940-Mai 1940.

23

See a report by the French; Anglo-French Co-operation. Progress Report, March 26, 1940, CAB 21, File 1270, Co-ordination of Anglo-French Economic War Effort.

even Arthur Purvis admitted that Morgenthau could not always extend a helping hand, especially because it was an election year.²⁴ This had happened, for example, in January when information about Morgenthau's aid to the Allies leaked from British and French sources. Despite this handicap, Monnet and the Co-ordinating Committee continued to bombard the Purchasing Board with a variety of demands. That mission thus assumed a more important position in the minds of the concerned officials.

Earlier, to satisfy the demand of the American administration, Monnet had obtained the permission of the Co-ordinating Committee and of the two governments to send all information on both public purchases under "cash and carry" procedures and large private purchases to the Roosevelt administration.²⁵ Monnet also decided that Purvis had to have access to additional information on Allied purchasing activities, even though they barely concerned the Board. To give him this would provide him with a broader insight into the problems of the Co-ordinating Committee. A large percentage of the papers dealt with secret matters; therefore Monnet regarded them as strictly for Purvis, Bloch-Laine,²⁶ and Greenly. Given

²⁴ Blum, p. 129.

²⁵ Letter, Jean Monnet to Arthur Purvis, March 20, 1939, CAB 85, File 67, Anglo-French Co-ordinating Committee: Anglo-French Purchasing Board in the U.S.A.: Allied Purchases of Munitions in the U.S.A.

²⁶ Letter, Jean Monnet to Arthur Purvis, May 4, 1940, CAB 85, File 36, Anglo-French Co-ordinating Committee: Domestic Office Procedure.

the number of tasks handled by the board, Purvis needed all the information he could get to allow him to evaluate properly the thrust of the committee's work. Thus, the board chairman was drawn closer to the work of the London committee and placed in a better position to evaluate its needs.

Purchasing through the facilities of the board gave the Allies several definite advantages. The board possessed a complete picture of Allied needs, obtained better prices, and more advantageous payment terms.²⁷ Because of this it negotiated for large amounts of copper, steel, alloy products, timber, machine tools, and munitions.²⁸ This represented a huge purchasing effort in the United States, one that called for a great deal of capital. So large in fact, that the American government eased the Allied tax burden.²⁹

27

Telegram, Arthur Purvis to Jean Monnet, PURCO 103, May 4, 1940, CAB 85, File 14, PURCO Telegrams.

28

There are quite a number of telegrams to this effect. See the following: Arthur Purvis to Jean Monnet, PURCO 103, May 4, 1940, CAB 85, File 14, PURCO Telegrams; Jean Monnet to Arthur Purvis, PURCO 58, May 7, 1940, CAB 85, File 13, PURCO: Monnet to Purvis; Arthur Purvis to Jean Monnet, PURCO 75, March 29, 1940, and Jean Monnet to Arthur Purvis, PURCO 61, May 9, 1940, CAB 85, File 67, Anglo-French Co-ordinating Committee: Anglo-French Purchasing Board in the U.S.A.: Allied Purchases of Munitions in the U.S.A.

29

U.S. Tax Laws and Allied Purchases, March 16, 1940, CAB 85, File 65, Anglo-French Co-ordinating Committee: Anglo-French Purchasing Board in the U.S.A.: The Financial Aspect of Purchasing in the U.S.A.

For American interest in easing the tax burden on the Allies, see Blum, p. 111. Interestingly, Morgenthau even loaned the Allies American tax experts to help in the negotiations for contracts with American Industries.

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The most important Allied order was for the purchase of combat planes. As noted above, the February 5 Supreme War Council meeting had dispatched a further mission to America in order to study the technical problems involved. By mid-March this mission reached conclusions as to numbers and types. It recommended the purchase of 3240 single engine fighters and 2170 twin engine bombers, all at a maximum cost of \$614,000,000.³⁰ This figure included plant expansion costs of \$15,000,000 for engines and \$2,500,000 for frames. Regarding the release of the latest models, Morgenthau assured the Co-ordinating Committee there would be no difficulty provided the Allies satisfied the American request for two No. 10 Merlin Rolls Royce engines, which originally had been refused.³¹ This assurance was asked for because of earlier opposition from the armed forces of the United States, most notably from General H. H. Arnold of the Army Air Corps.³² The investigating committee recommended the acceptance of the proposal³³ to acquire the American planes and

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Telegram, Colonel J. Greenly to Sir Arthur Street, March 21, 1940, Monnet Papers, File 3A, Avions: de Février 1940 à Septembre 1941.

For a fuller account, see Haight, American Aid to France, 1938-1940, see Chapter 8.

31

Telegram, Arthur Purvis to Jean Monnet, PURCO 70, March 22, 1940, CAB 85, File 14, PURCO Telegrams.

32

For a presentation of this obstructionism, see Haight, pp. 70, 77-81, 88.

33

Telegram, Colonel J. Greenly to Sir Arthur Street, March 22, 1940, Monnet Papers, File 3A, Avions: de Février 1940 à Septembre 1941.

Monnet soon obtained the release of the Merlin engines, paving the way for final consideration of the plan.³⁴ An answer was expected no later than April 1.

On March 26 the Permanent Executive Committee for Air Production and Supply considered the purchase. It agreed that it provided a technically sound plan for the expansion of aviation production in the United States.³⁵ To back up its approval Monnet wrote in its favor directly to the French Minister for Air, now³⁶ M. Laurent Eynac, and his British counterpart, Sir Kingsley Wood. Given the support from France and Britain, the Supreme War Council on March 29 authorized the purchase of the American material. Immediately Monnet contacted Purvis with instructions to commence negotiations. He directed him to enter only into initial commitments as final ones were not necessary at that time. The Allied Governments also stipulated that the acceptance of the deal was contingent on the American release of the latest aircraft models. The Allies further requested the use of sub-contractors where economically beneficial. Arrangements for shipping and assembly of the planes were already

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Telegram, Arthur Purvis to Jean Monnet, PURCO 71, March 26, 1940, CAB 85, File 14, PURCO Telegrams.

35

U. S. Aircraft Potential: Views of the Anglo-French Executive Committee for Air Production and Supply, March 26, 1940, PREM 1, File 410, 1940 France.

36

Note by Jean Monnet, for M. Laurent Eynac, Minister of Air, and Sir Kingsley Wood, Secretary of State for Air, March 27, 1940, Monnet Papers, File 3A, Avions: de Février 1940 à Septembre 1941.

under discussion. With these guidelines in mind, Purvis quickly reestablished contact with American industry.

In the course of the next few weeks the plane contract remained a point of interest in British and French circles. They considered alterations in the original proposal, mainly some interchange of types between the British and the French. The two democracies also contemplated reducing the number of ordered models from three different types to two. Both nations pondered the possibility of constructing a special committee to influence aviation production in the United States. That thought emerged from a suggestion by Pleven and Jacquin, who desired:

A joint Anglo-French body. . . be created for the purpose of developing aircraft potential and placed directly under Mr. Purvis as Chairman of the . . . Purchasing Board.

Its function would involve the creation in the United States of a large potential for the production of frames, engines, equipment, armament in order to provide insurance against German bombs destroying similar facilities in France and Great Britain.

Draft telegram, Jean Monnet to Arthur Purvis, n.d. (probably March 20, 1940), Ibid.

The actual telegram was sent to Purvis the following day, March 30, 1940. See CAB 85, File 62, Anglo-French Co-ordinating Committee: Anglo-French Purchasing Board in the U.S.A.: M. Pleven's Mission (Allied Purchases of Aircraft in the U.S.A.).

For further information see Haight, American Aid to France, 1938-1940, Chapters 7 and 8.

Letter, Sir Arthur Street to Commandent Jean Raty, March 30, 1940, Monnet Papers, File 3A, Avions: de Février 1940 à Septembre 1941.

This candid admission by an official in the British Air Ministry clearly demonstrated that the Allies looked to the United States as the "arsenal of democracy" and that they actively sought to involve the United States in their war plans.

Finally, the Allies investigated all possible means to make the most economical plane purchases. This included proposals to set up an Allied corporation with Allied capital to do the actual buying and then resell the aircraft to the two governments, thus eliminating extra finance charges extracted by the manufacturers.

The purchase of such a large number of planes underlined the developing importance of the United States in Allied plans. This explained, for example, Allied hesitation in January 1940 to push participation in economic warfare activities. As the American

39

Note on Organization and Functions of Anglo-French Mission for Aircraft Production in the U.S.A., April 12, 1940, CAB 85, File 62, Anglo-French Co-ordinating Committee: Anglo-French Purchasing Board in the U.S.A.: M. Pleven's Mission (Allied Purchases of Aircraft in the U.S.A.).

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Telegram, Arthur Purvis to Jean Monnet, PURCO 82, April 18, 1940, and a telegram from Jean Monnet to Arthur Purvis, PURCO 46, April 26, 1940, CAB 85, File 65, Anglo-French Co-ordinating Committee: Anglo-French Purchasing Board in the U.S.A.: The Financial Aspect of Purchasing in the U.S.A.

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The question of economic warfare involving the United States came to the fore several weeks earlier. In an April 12 meeting of the Co-ordinating Committee they discussed it on a world-wide basis, and particularly in view of the recent German military activity in Scandinavia.

It had also been discussed on March 21, but only from the American point of view.

See the records of the meetings, CAB 85, File 10, Anglo-French Co-ordinating Committee: Meetings.

connection tightened, Monnet had seen increasing benefits to be obtained. He devoutly believed that:

. . .the co-operation of the United States Administration. . .is of paramount importance.

Monnet's concern also included the Allied financial position in America. Because the committee now had a clearer idea of the extent of their purchasing involvement in that country its chairman felt it time to draw up a "balance sheet" showing the cost of Allied purchases and the value of their dollar and gold resources. He urged that it be revealed to the proper officials in the American administration possibly to strengthen the Allied position.⁴² However, nothing came of that suggestions.

Though the value of American aid continued to occupy Allied thoughts, other problems facing the Executive Committees also demanded attention. This was the experience, for example, of the Executive Committee for Food. From an overall point of view, that executive now examined its import programs in perspective. The resulting analysis illustrated the successes and failures of the committee. For example, it failed to import sufficient groundnuts for the Allied program, while maize and sugar were imported in excess of expected needs.⁴³ Nevertheless, what

⁴² All of these topics were the subject of conversation at a meeting of the Anglo-French Co-ordinating Committee on March 21, 1940. See the record of the meeting, CAB 85, File 10, Anglo-French Co-ordinating Committee: Meetings.

⁴³ See two reports for the Food Executive on the import programs of the first year of war, Note on the Import Program of the Ministry of Food for the First Year of War, May 6, 1940, and Notes on the French Food Import Program, May 7, 1940, CAB 85, File 43, Anglo-French Co-ordinating Committee: Food.

characterized the program was the degree of cooperation between the two food missions. Obviously it faced the problem of competitive purchases,⁴⁴ but it never allowed competition to represent a serious threat to the Allied program. And, given the fact that the imports generally satisfied the needs of the Allies they⁴⁵ may be said to have succeeded.

Looking back over these issues, the Anglo-French Co-ordinating Committee clearly achieved some marked success. It purchased large quantities of American planes and invested huge sums of money in the expansion of American industrial capacity. By so doing Britain and France hoped to have an insurance factor against the potential destructive capacities of German air raids. The Allies also started to prepare programs for their second year of war. More important, this was a period when Britain and France began to appreciate what it meant to cooperate. Under the pressure of Daladier's drive for closer coordination, the Allies agreed that they had to work together, or face defeat at the hands of Germany. Though the British refused to accept the proposals of Daladier, his programs nevertheless had profound repercussions on Anglo-French cooperation.

And what of Monnet? His prestige and authority developed in the wake of the noticable successes of the Co-ordinating Committee.

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Letter, Sir H. L. French to M. Laurent, March 9, 1940, Ibid.

⁴⁵

See the reports of May 6, 1940 and May 7, 1940, cited in footnote ⁴⁴, for their evaluation of the programs at the end of the year.

His contacts with officials of both governments and their prime ministers served him and the committee well. His position insured that problems would receive the proper attention. Not even the change of leaders in France from Daladier to Reynaud seriously affected this. Monnet had developed his position into one of power and influence. He was indispensable to the Allied war effort. Though he ruled with an increasingly heavy hand, his contacts, such as Bridges and Wilson, gave him all the power he needed to push his goals.

Nevertheless, shortages of coal, shipping, timber, and disagreements about the acquisition of oil supplies also plagued their relationship. One issue, coal, threatened to seriously affect the ability of France to wage war. To find a solution to these problems the French and British governments turned to the Co-ordinating Committee.

Chapter X

Spring Crises

Because of the importance of coal to production it had received considerable attention since the war began, especially because Britain was a supplier and France a consumer. In September 1939 the English anticipated no serious difficulties in meeting French needs of 20,000,000 tons per year; yet they failed.¹ By March 2, 1940, as we have seen, the French had exhausted all avenues of appeal for additional supplies but one. The only recourse was a personal approach by Daladier to Chamberlain. On that date the French Premier addressed a letter to his British counterpart noting the serious coal shortage. The French, he claimed, were doing all they could to increase domestic production, but the answer to relief was the importation of more British coal.² He appealed for a review by the Coal Requirements Committee.

In addition to the French leader's approach to the British Prime Minister, the French Minister of Public Works, Anatole de Monzie, again asked the ^{Coal}Committee to study the matter. On March 11

¹Note from H. W. Cole (Mines Department) to H.L.d'A. Hopkinson, September 14, 1939, CAB 21, File 1275, Anglo-French Liaison: Coal, Meetings, Memoranda, And Reports.

²Letter, Edouard Daladier to Neville Chamberlain, March 2, 1940, PREM 1, File 410, 1940, France.

that Committee referred the question up to the Co-ordinating Committee.³ Indeed, it had no choice. The crisis was one of vast proportions, threatening seriously to hamper the entire French war effort. A review of the situation to February 1940 revealed just how much coal France had used, what they had received, and how drastically coal stocks had been depleted.⁴

The following charts indicate two facts. The first chart shows to what extent the French had to dip into their own reserves. The second demonstrates the difference between French needs and British supplies, and explains why France had to fall back on its stockpiles.

Table 1.

French Coal Stock Depletion, September-February
(In Thousands of Tons)

	Total@ Output	Net* Imports	Coal Available	Variation In Stocks	Apparent+ Consumption
Avg. 8 mo.					
Jan.-Aug. '39	4233	1637	5870	-	-
Sept. '39	3999	1130	5129	-	-
Oct. '39	4218	767	4985	+8	4977
Nov. '39	4303	1133	5436	-365	5801
Dec. '39	4273	1131	5404	-615	6019
Jan. '40	4194	1135	5319	-1078	6397
Feb. '40	4006	1068	5074	-1143	6217

³See a letter from an unknown person in the British Mines Department to Jean Monnet, March 14, 1940, CAB 85, File 58, Anglo-French Co-ordinating Committee: Coal.

⁴Report, The Coal Situation in France, April 20, 1940, Ibid.

Notes:

@The disposable output is about 10% less than the total, this difference representing coal consumed at the mines. Thus each monthly figure should be reduced by about 400,000 tons.

*Coal plus coal equivalent of coke and other fuels.

+Including Consumption by mines.

Table 2.

Coal Programs From the Start of War to May.⁵

France			North Africa	
	Agreed Program	*3 Shipments	Agreed Program	*3 Shipments
1939 September	-	508,827	-	44,232
October	778,555	620,132	52,600	20,286
November	771,555	628,560	167,730	52,600
December	801,114	700,638	96,680	73,748
1940 January	735,800	716,913	147,875	84,431
February	930,590	687,494	126,050	63,125
March	1,193,600	833,809	179,350	105,910
April	1,039,300	1,055,842	141,000	135,575
May	1,325,650	585,619*2	162,350	102,133*2

Colonies			Total	
	Agreed Program	*3 Shipments	Agreed Program	*3 Shipments
1939 September	-	149,965	No Program Submitted	568,024
October	10,000	22,278	841,155	662,696
November	16,550	5,278	955,838	686,757
December	25,000	9,327	922,794	783,713
1940 January	25,000	16,092	908,675	817,436
February	25,000	17,010	1,081,640	767,629
March	25,000	32,105	1,397,950	971,824
April	24,000	12,304	1,204,300	1,203,721
			+102,100*1	
May	30,000	34,680*2	1,545,000	822,432

*1 Represents additional coal available for France as the result of the German invasion of Norway.

*2 Shipments made during May up to the 14th May.

*3 Figure of shipments supplied by the French Coal Mission.

⁵Anglo-French Coal Requirements Committee. Progress Report for the Period 1st March to 1st May, 1940, May 1940, Ibid.

The shortage of production led to a reduction in stocks, an action which almost doubled, as the initial chart indicated, between December 1939 and February 1940. As reserves diminished, French potential to maintain high production levels waned and, in fact, raised the possibility of cutbacks in the very important steel and armaments industries.⁶ It made long-term plans impossible, because no one could be certain if fuel supplies would be available. Tables 3 and 4 show the minimum coal requirements of certain French industries, what they received, and the resultant precipitous reduction in stocks.

Table 3.

Allocations of Coal to French Industries
(In Thousands of Tons per Month)⁷

	Required	Allocated	Deficit
Railways	800	810	10
Electricity Works	222	185	37
Gas Works	335	250	85
Armaments:-			
Coke for Steel Works	580	460	120
Coking Coal for Steel Works	425	385	40
Other Coal	820	740	80
Domestic and Small Industry*	1300	1100	200
Army, Army Factories,			
Ministry of Food	590	500	90
Admiralty	50	50	-
Merchant Marine	94	65	29
Civil Industry	330	280	50
Totals	5226	4825	741

Notes:

* Those consumers using less than 20 tons a month.

⁶ Report. The Coal Situation in France, April 20, 1940, Ibid.

⁷ Ibid.

Table 4.

Stocks of Coal at End of Month
(Thousands of Tons)⁸

	Armaments Group			Railways	Electricity Works		
	Coking						
	Coke	Coal	Other		Paris	Other	Total
Sept. '39	485	321	-	1592	216	304	520
Oct. '39	443	310	-	1622	268	330	599
Nov. '39	411	296	-	1533	278	319	597
Dec. '39	386	260	730	1314	234	281	515
Jan. '40	353	185	539	927	91	213	304
Feb. '40	278	162	506	738	62	179	241
Mar. '40	-	-	-	717	51	178	229

	Gas	Bunkers	Ports	Stocks At Mines
		Merchant Marine	Importers	
Sept. '39	624	80	471	2266
Oct. '39	678	70	489	2156
Nov. '39	669	61	451	2050
Dec. '39	608	66	484	1896
Jan. '40	493	65	414	1846
Feb. '40	385	44	311	1585
Mar. '40	345	32	-	-

Note:

*15th of the month.

The shortages through March, 1940 illustrated in the preceding charts, retarded the industrial capacity of French plants, especially in the important heavy industries. For example, instead of the steel industry producing 750,000 ingot tons per month, they only turned out 631,000 ingot tons because of the shortages of coking coal. As one official noted:

⁸Ibid.

The whole steel situation is very serious. At the moment the industry is filling but little over one-half of the orders in its books, and orders now on demand are equivalent to about five months' production.

In terms of the war, this seriously affected the French armaments industry. In a March 27, 1940, letter to the Chief Engineer of Mines in France from the "Groupement des Industries de l'Armement No. 14," French industrial officials wrote:

We, therefore, feel compelled to draw your attention to the impossibility of carrying out the programme requested by the Ministry of Armaments, Ministry for Air, and the Admiralty, owing to lack of coal.

The causes of the coal shortage were accumulating since the outbreak of the war. In September the Lorraine mines, which produced the best coal in the country at a rate of 7,000,000 tons per year, were flooded by the French because of their proximity to German lines. In addition, war with Germany meant the mobilization of the army, and 15% or approximately 38,000 miners received the call to colors. To offset losses caused by mobilization, 10,000 men were transferred from the Lorraine to other mining districts within six weeks of September 1939, and retired miners aged 55-60 were brought back. The French also imported 3,000 laborers from Morocco to work as miners, 1,500 Spaniards were taken out of internment camps and 2,000 men were transferred from iron and slate mines to the coal pits.

Slowly, the French began to recover the manpower they lost

at the start of the war as illustrated by these data.

Table 5.

Workers In The French Coal Industry

	Workers Underground	Total Workers
1939 July	163,000	249,000
September	139,000	207,000
October	140,600	212,000
November	139,600	210,000
December	141,300	213,000
1940 January	142,800	215,000
February	146,600	219,000
March	160,000	245,000

To offset further losses of manpower, the French Government increased hours of work to 8 3/4 per day for 6 days or 52 hours per week. The miners received no holidays except Sundays; any holidays taken had to be made up by Sunday work.⁹ Slowly France began to recover the manpower needed to operate her mines, but output still fell short of her minimum needs.

The shortage also resulted from pre-war trade patterns. In 1938 France had imported 8,200,000 tons of coal from Germany and Poland.¹⁰ By 1940 both of these sources were closed, thus necessitating a shift of trade to suppliers from England. The British were most irritated with the French because they had warned them of the

⁹Ibid.

¹⁰Ibid.

	Total Imports	Pre-War Imports (Millions of Tons)		
		Germany + Poland	Belgium+Holland	Britain
1937	30.9(1)	13.0	7.0	9.7
1938	22.7(2)	8.2	0.6	6.5

Notes:

(1) Deduct 1,000,000 tons exports to get net figure.

(2) Deduct 1,200,000 tons exports to get net figure.

danger of trading with their neighbors to the East.¹¹ However, these warnings had not been heeded, and now British pits could not cope with the sudden demand for large amounts.

The Anglo-French Coal Requirements Committee met on March 11 to consider the situation. There the French requested coal deliveries from Britain of 1,500,000 tons per month plus an additional 500,000 tons to replenish depleted stocks. Lord Hyndley, chairman of the committee, informed the French that in principle his government agreed with that request.¹² This meant that Britain decided to try to meet the French request for 1,500,000 tons per month from their own stocks if the necessary shipping were available and if it could be dispatched to specific points for France.¹³ The possibility of obtaining coal from other sources, such as the United States, was not considered, probably because of the lack of a sufficient number of deep sea vessels to carry such a large amount of coal. The magnitude of the 1,500,000 ton program raised doubts within the

¹¹See the letter from A. Faulkner to H.L.d'A. Hopkinson, March 20, 1940, CAB 21, File 1273, Anglo-French Liaison: Anglo-French Coal Requirements Committee.

¹²Minutes of a Meeting of the Anglo-French Coal Requirements Committee, March 11, 1940, CAB 21, File 1275, Anglo-French Liaison: Coal, Meetings, Memoranda, And Reports.

¹³Supply of British Coal to France: Memorandum Received From the Anglo-French Coal Requirements Committee, March 15, 1940, CAB 85, File 10, Anglo-French Co-ordinating Committee: Memoranda.

committee as to their ability to fulfill this promise because of several practical problems.

Appropriate types of vessels were central to the shipment of coal from the United Kingdom to France. The merchant marine had from the beginning lacked a sufficient number of ships. War related issues compounded that shortage, notably safety precaution procedures. The Executive Committee for Shipping earmarked two causes of delay: those at sea, as a result of convoy safety precautions, and those in ports, a result of such things as black-outs, gun-fitting, and degaussing. It concluded that:

. . .the tonnage now allocated to the French coal trade, which, apart from the exceptional difficulties of the past winter, should have sufficed to deliver nearly a million tons a month, ought, with improved conditions at sea and in ports, with improved organisation for providing coal to suit the availability of tonnage and with the priority of shipment which has already been accorded to the requirements of France, to be capable of transporting approximately 1,200,000 tons to France and North Africa.¹⁴

To meet the 1,500,000 ton level the Shipping Executive increased the number of ships in the carrying trade from Britain to France and French colonies. They also pressed domestic producers to have the coal available when ships were ready to load.¹⁵

¹⁴Supply of British Coal to France. Memorandum Received From the Anglo-French Executive Committee for Shipping. March 28, 1940, CAB 85, File 58, Anglo-French Co-ordinating Committee: Coal.

¹⁵Ibid.

Unfortunately, there were never enough ships for projected levels to be attained, even though the number of ships in the carrying trade were increased, as Table 6 indicates.

Table 6.

SHIPS IN THE FRENCH COAL TRADE AND TONS
OF COAL LOADED FOR FRANCE AND NORTH AFRICA
FROM THE UNITED KINGDOM, SEPTEMBER 1939
TO MAY 1940.¹⁶

MONTH	FLAG	NUMBER OF SHIPS	THOUSAND TONS OF COAL
September	British	145	242
	French	88	290
	Allied and Neutral	10	<u>18</u>
			550
October	British	162	246
	French	105	350
	Allied and Neutral	25	<u>48</u>
			644
November	British	175	320
	French	86	277
	Allied and Neutral	31	<u>66</u>
			663
December	British	174	347
	French	101	333
	Allied and Neutral	39	<u>85</u>
			765
January	British	234	414
	French	100	282
	Allied and Neutral	57	<u>119</u>
			815
February	British	221	412
	French	93	252
	Allied and Neutral	42	<u>102</u>
			766
March	British	240	509
	French	93	252
	Allied and Neutral	51	<u>133</u>
			985

¹⁶ Behrens, p. 85.

Table 6. cont.

SHIPS IN THE FRENCH COAL TRADE AND TONS
OF COAL LOADED FOR FRANCE AND NORTH AFRICA
FROM THE UNITED KINGDOM, SEPTEMBER 1939
TO MAY 1940.

MONTH	FLAG	NUMBER OF SHIPS	THOUSAND TONS OF COAL
April	British	278	631.5
	French	121	357.5
	Allied and Neutral	88	217
			1,206
May	British	336	200
	French	149	387.6
	Allied and Neutral	259	525.6
			1813.2

There were other restrictions on the distribution of coal besides limited transport facilities. Coal occupied an important position in Allied economic warfare plans. A minimum amount had to be supplied to such nations as Italy, Eire, Spain, and others, or else the Germans would supply the coal and thus influence that country's diplomacy. The British Minister of Economic Warfare noted:

I fully sympathize with the needs of the French Government and I do not dispute that every effort should be made to meet them. But this cannot be done by further reducing the exports to other foreign countries without serious prejudice to the Allied war effort. The supply of coal to many foreign countries is created not only for commercial and exchange purposes but for strategic and political reasons.¹⁷

Placed in the context of the French coal crisis, it meant that, as

¹⁷This is a report given at the meeting of the Ministerial Committee on Economic Policy, compiled by the Minister on Economic Warfare, April 30, 1940, CAB 21, File 1274, Anglo-French Liaison: Anglo-French Coal Requirements Committee.

the main supplier of coal, Britain either had to increase her production or reduce home consumption to meet demands.¹⁸

The French lack of coal nevertheless required a review of the shipment of British coal to other nations with an eye towards possible reductions. The British felt it necessary to do something, in order to settle the issue. As Sir Frederick Leith-Ross of the Executive Committee for Economic Warfare put it:

The sooner we can get this settled the better as the pressure on us to get a quart out of a pint is becoming intolerable.¹⁹

To investigate the possibility of cuts, the British members of the committee prepared a new analysis of the use of coal in economic warfare.²⁰

¹⁸Memorandum by the Anglo-French Co-ordinating Committee (British Section): Supply of British Coal to France. By Sir Frederick Leith-Ross, April 19, 1940, CAB 21, File 1273, Anglo-French Liaison: Anglo-French Coal Requirements Committee.

¹⁹Letter, Lord Hyndley to Sir Frederick Leith-Ross, April 29, 1940, CAB 21, File 1274, Anglo-French Liaison: Anglo-French Coal Requirements Committee.

²⁰See two letters which pertain to this analysis: Sir Frederick Leith-Ross to H. L. d'A. Hopkinson, April 25, 1940, and a letter from Lord Hyndley to Sir Frederick Leith-Ross, April 29, 1940, Ibid.

Table 7.

Coal and Economic Warfare

	Possible Allocations/ Month On the Basis of Sir F. Leith-Ross' Note to the Committee	Alterations Suggested By Sir F. Leith- Ross on April 25	Allocations Agreed In January, 1940
Norway	nil	nil	125,000
Sweden	nil	nil	290,000
Denmark	nil	nil	250,000
Iceland	14,000	14,000	14,000
Finland and Baltic States	nil	nil	87,500
Belgium	50,000	54,000	54,000
Holland	70,000	70,000	83,000
Switzerland	110,000	110,000	125,000
Spain	25,000	(May) 25,000 (later) 55,000	76,000
Portugal	50,000	70,000	76,000
Italy	100,000	100,000	700,000
Greece	60,000	(May) 90,000 (later) 60,000	66,000
Yugoslavia	14,000	14,000	14,000
Egypt	120,000	120,000	125,000
Argentina	170,000	120,000	210,000
Uruguay	15,000	15,000	25,000
Brazil	20,000	16,000	41,600
USA	10,000	10,000	12,500
Canada	100,000	100,000	100,000
Eire	180,000	180,000	210,000
(Other Countries, including overseas bunker depots, but excluding Germany, France, and French Empire)	200,000	200,000	no allo- cation made
TOTAL	1,308,000	1,308,000	2,688,600
	Deduct for Italy not needed		<u>600,000</u>
			2,088,600
	Deduct for Scandinavia and Baltic		<u>752,500</u>
	New Total		1,336,100*

*With no provisions for "other countries", including overseas bunker depots.

Though Leith-Ross recommended some alterations in April, the most obvious answer to the dilemma would be to cut substantially some of the allocations. It thus appeared as if Britain were delaying the French. Granted, coal shipments to European neutrals such as Italy might be of immense political importance in keeping them out of the German orbit. However, it might have been possible, given the control of the seas by the Royal Navy, to cut shipment drastically to South America for the benefit of France. But the sense of urgency, which was to develop in late 1940 with the invasion threat of Germany, had not yet penetrated Allied circles. Therefore, reductions were kept to an absolute minimum.

In May British members of the Economic Warfare Committee also pointed to total British coal production to prove that economic warfare allocations were already tailored to meet French needs. Of a total output of 245,000,000 tons of coal per year, domestic requirements amounted to 215,000,000 tons per year. This left 30,000,000 for export, or 2,800,000 per month. Of that figure the British agreed to the French demands for 1,500,000 tons per month. This allowed only a maximum of 1,075,000 tons (excluding 225,000 tons for overseas bunkering depots) for export to countries other than France; any further cuts ". . . would be disastrous. . . ." To offset all the additional demands, British officials urged that British production be increased.²¹

²¹See a report to the Ministerial Committee on Economic Policy: United Kingdom Coal Exports. Memorandum by the Under-Secretary of State for Foreign Affairs, May 2, 1940, CAB 21, File 1274, Anglo-French Liaison: Anglo-French Coal Requirements Committee.

On April 22 the Anglo-French Co-ordinating Committee met to discuss the coal crisis. There the French reiterated their demand for 1,500,000 tons of coal per month, plus an additional 500,000 tons to reconstitute depleted stocks. Monnet pressed for complete acceptance of the French program. The British concurred, but expressed doubt as to their ability to fulfill the latter. In lieu of a final decision, they decided to establish a special committee composed of Monnet and Sir William Brown of the Board of Trade to investigate the situation further and to make recommendations.²² In the course of the next fortnight the study reverted to the Mines Department in Great Britain. After two weeks of waiting for a decision, Monnet contacted Brown and urged his colleague to reach a decision. If they could not decide, Monnet believed they had to ". . . submit the question for decision to the two Prime Ministers. . . ."²³

Now the last thing the British delegation wanted was to let the decision slip from its grasp. Once entrusted to Chamberlain's hands, anything could happen. They quickly resolved to meet the 1,500,000 ton minimum and to ship any additional amounts

²²Record of the Meeting, April 22, 1940, CAB 85, File 10, Anglo-French Co-ordinating Committee: Meetings.

²³Letter, Jean Monnet to Sir William Brown, May 3, 1940, CAB 85, File 58, Anglo-French Co-ordinating Committee: Coal.

that might become available.²⁴ These conclusions were arrived at because of Monnet's pressure and in light of the knowledge that the French lack of sufficient coal supplies limited almost all industrial programs.²⁵ Unfortunately, the British made no concrete provisions to replenish depleted French stocks, so necessary for long-term plans, and Monnet wanted the question reexamined.²⁶ Meanwhile, the plan to supply the 1,500,000 tons was formally adopted on May 10.²⁷

Though the British agreed to the figure requested by France, it was with reluctance. In the face of overwhelming evidence that the lack of coal critically injured vital French industries, Britain's officials equivocated. Yet they could not duck the issue, and here Chamberlain led the way. In his response to Daladier's March 2 letter, he expressed the opinion that for a long time the British had been giving priority to French coal requirements, at least until the cold weather made things impossible. He promised to do everything possible to meet French needs, and that it would be

²⁴Letter, H. G. B.(?) to Sir William Brown and Sir A. Faulkner, May 7, 1940, Ibid.

²⁵Report by the Special Sub-Committee of the Anglo-French Co-ordinating Committee Constituted for the Purpose of Reaching Final Conclusions On the Arrangements to Be Made for the Supply of Coal from the United Kingdom to France, May 8, 1940, Ibid.

²⁶Letter, Jean Monnet to Sir William Brown, May 8, 1940, Ibid.

²⁷Letter, Jean Monnet to Sir William Brown, May 10, 1940, Ibid. This was a formality since the Supreme War Council approved the 1,500,000 ton figure as early as April 23. See a War Cabinet Report, Resolution of the Meeting of the Supreme War Council, April 24, 1940, CAB 66, Vol. 7, War Cabinet Memoranda.

studied immediately.²⁸ Chamberlain's officials agreed, but hesitated to let the French handle the affair:

M. Monnet is. . .very much worked up about this subject, and unless we provide him with some guidance or suggestions, he may put forward proposals of his own to the Anglo-French Coal and Shipping Executives for dealing with this matter which would be quite impracticable.²⁹

By April 18 the British completed their examination of the coal situation and were ready to hold a meeting.³⁰ Their investigation, plus Monnet's pressure, made it clear to them that relief of the French problem was absolutely necessary.³¹ The German invasion of Norway in April had eased the British dilemma somewhat because coal destined for that country could now be sent to France.³² After the April 22 meeting it was only a question of formally

²⁸Letter, Neville Chamberlain to Edouard Daladier, March 9, 1940, PREM 1, File 410, 1940 France.

²⁹Letter, Sir Edward Bridges to Sir William Brown, March 15, 1940, CAB 21, File 1273, Anglo-French Liaison: Anglo-French Coal Requirements Committee.

In this same letter Bridges mentioned that Monnet had invited him to lunch. He accepted before he realized the ". . . true inwardness of the situation!" Therefore, the War Cabinet Secretary wanted to talk to Brown before the luncheon so that he could give an acceptable "line" to the Co-ordinating Committee Chairman. This very interesting tale illustrates the British concern with not being pushed too far in an undesired direction.

³⁰Letter, Sir A. Faulkner to Jean Monnet, April 18, 1940, CAB 85, File 58, Anglo-French Co-ordinating Committee: Coal.

³¹See a note by Monnet summarizing the preliminary investigations, dated April 19, 1940, Ibid.

³²Letter, Jean Monnet to Sir A. Faulkner, April 18, 1940, CAB 85, File 11, War Cabinet Memoranda.

approving those measures to aid France.³³ Although the coal crisis had occupied the attention of the Co-ordinating Committee for two months, its members did not ignore other shortages which worked to the detriment of the Allied war program.

As always, shipping constituted the major stumbling block in the supply of essential commodities. Improper usage could damage the Allied war effort. To foster as much efficiency as possible in the handling of goods, the Shipping Executive lumped commodities together. Oil and coal did not compete with other material for tonnage because of the peculiar type of vessel required for their transport. Other imports were carried in interchangeable vessels. This system had worked relatively well because all import programs from the executive had almost been completed by April. If the shipping schedules were fully completed, Allied imports would amount to 63 million tons.³⁴ However, given the amount of tonnage at their disposal, they could expect to import a maximum of 57 million tons, approximately 90% of their total needs. The Allied operations at Narvik seriously affected these estimates, but the Shipping Executive had no immediate idea of the extent of Allied shipping

³³ Several pieces of evidence prove British acquiescence, especially in the period following April 22. See the following documents: United Kingdom Coal Exports, May 4, 1940, CAB 67, Vol. 6, War Cabinet Memoranda; The Supply of Coal to France by Britain, May 8, 1940, CAB 85, File 58, Anglo-French Co-ordinating Committee: Coal Allied Coal Position, May 8, 1940, CAB 85, File 11, War Cabinet Memoranda.

³⁴ Report by the Anglo-French Permanent Executive Committee for Shipping, April 30, 1940, CAB 85, File 39, Anglo-French Co-ordinating Committee: Shipping.

involvement. If prolonged, military action in Norway could siphon massive amounts of tonnage into hauling supplies. If ended quickly, the naval operation could amount to a momentary diversion. These intangibles weighed heavily upon the Allies, but Britain and France could do little, only react to daily events.

At the same time the Permanent Executive Committee for Shipping tried to exert some control in plans for the future. It requested in April all other executives to prepare the best possible program for the second year of the war, September 1, 1940, to August 31, 1941. The Shipping Committee anticipated tonnage availability and efficiency would be conditional upon several factors: whether the Mediterranean remained open, and if the rate of shipping loss remained constant. With this in mind, it asked that each executive establish priorities for its imports, agree on an equitable allocation of commodities, avoid stock depletion, and restrict total demands so as not to exceed existing tonnage capacity.

To arrive at this result the whole of the Allied organisation will of course need to be used; separate action by each Executive will not suffice.

If the work arrived unfinished or the appraisals were unrealistic, then the Shipping Executive would have to adjust them.³⁵ However, they cautioned against limiting programs ". . . of imports by budgeting for a reduction of stocks of imported commodities, the

³⁵Ibid.

aim should be to increase essential stocks. . . ."³⁶ The outlook, they admitted, was poor, and as projected import tables could not be agreed upon, reduction seemed the only alternative.

Timber was another of those commodities which depended heavily on imports in Britain because it lacked adequate natural forestation. The French were in a better position as they had extensive domestic timber reserves. As indicated earlier, Allied timber consumption exceeded supply. By mid-April the situation in England had deteriorated even further as supplies dwindled. Until that time no permanent arrangements had been made in the United States to guarantee joint purchases. Now Britain and France decided that purchasing had to be conducted more efficiently, therefore they placed joint purchasing in the hands of the British Paper Control because of their extensive contacts, especially in the United States. However, Monnet insisted that Purvis be kept informed of all the latest developments in order to insure the best possible coordination. To correct the shortage both nations urged further domestic consumption reductions to conserve stocks. Yet they agreed the only solution to their dilemma would be to get more timber somewhere. A comparison of import totals between 1938 and 1940 for Great Britain indicated that in the former year it imported

³⁶Allied Imports, May 4, 1940, CAB 85, File 40, Anglo-French Co-ordinating Committee: Shipping Requirements for Periods March-August 1940: Preparation of an Estimate of Total Imports, Showing Priorities.

1,070,706 tons of lumber products at a price of £14,841,996. In 1940, if all went according to plan, they could import approximately 945,440 tons at a cost of £21,645,056.³⁷ The English expected that additional measures to secure more timber would end the shortage. However, the Co-ordinating Committee took no positive steps at that time.³⁸ Much to their dismay, the shortage continued.

On one issue disagreement was sharp and prolonged: the proposal to double the Iraq pipe line. Fortunately the incident did not damage relations. The proposal originated in January 1940 from French desires for oil supplies closer to the continent. The French deeply believed in doubling the line and pressed for British acquiescence through the Foreign Office and the Permanent Executive Committee for Oil. Early in March Daladier asked Monnet to take an interest in the issue. He agreed. The French cited several advantages to constructing an additional line: it would save money on the cost of oil, the Allies would conserve exchange currency by not buying oil in other hard currency nations, they anticipated saving 13 to 14 tankers

³⁷These estimates were based on incomplete figures of totals representing only the first quarter of activity in 1940.

³⁸See a report of the minutes of a meeting of the Anglo-French Co-ordinating Committee, May 3, 1940, CAB 85, File 10, Anglo-French Co-ordinating Committee: Minutes.

See also a telegram explaining these arrangements, Jean Monnet to Arthur Purvis, PURCO 57, May 7, 1940, CAB 85, File 48, Anglo-French Co-ordinating Committee: Timber.

The timber questions proved difficult to solve. See, for example, J. Hurstfield's Comments on the timber problem, pp. 248-249.

per year and, on the basis of total Allied requirements for crude, it would not damage Iranian imports, which were so critical for economic warfare purposes. In early March British views were in the embryonic stage, but upon further investigation strong opposition developed.³⁹

On March 20 the British Petroleum Department hosted an interdepartmental discussion of the French proposal. Those present at the meeting exhibited great suspicion of their ally's motives:

The French Government were pressing the matter very strongly and if it were established that the proposal would be of real benefit as a contribution to winning the war it ought to be accepted. But there was a suggestion that the French might not be viewing the project only from its value to the Allied war effort; the only substantial French interest in world oil production was in Iraq, as the tanker haul from Iraq to France, particularly Mediterranean ports, was relatively a short one. The scheme was, therefore, attractive as a long term commercial proposition.

However, the Foreign Office indicated that French pressure for acceptance of the proposal was strong, and that if the British opposed the scheme sufficient reasons were required to show the French their error.⁴⁰ While objecting to the commercial advantages France would gain, the British put forth other reasons for their opposition. If

³⁹Letter, W. L. Gorell-Barnes to Sir Edward Bridges, March 12, 1940, CAB 21, File 1278, Anglo-French Liaison: Permanent Executive Committee for Oil.

⁴⁰Note of a meeting held at the Petroleum Department, March 20, 1940, Ibid.

French refineries were damaged, the scheme would be useless as it envisaged importing only crude oil. As Iraq production increased, Britain envisaged a reduction in Venezuelan imports, which could have political effects. Besides, they obtained large amounts of high-quality aviation gasoline from Venezuela and hesitated to change to another source of supply. Further, any additional Iraq output would have to go to Atlantic or Channel ports, only slightly less of a haul than from Venezuela and the Gulf. The scheme was not so attractive, therefore, from a tanker-saving point of view. Last, the entire value of Iraq depended upon the future, uncertain attitude of Italy. If the Italians declared war and closed the Mediterranean, expenditure on the line would be for naught.⁴¹

The French, however, continued to request a favorable solution. To increase the pressure, Paul Reynaud, the new French Prime Minister, raised that subject at the March 29 meeting of the Supreme War Council,⁴² but received no favorable reply, only a promise to check into the matter.

A meeting of the Executive Committee for Oil, scheduled for April 4, was postponed following sharp exchanges of opinion

⁴¹Note by the Petroleum Department. Proposed Doubling of the Iraq Pipe Line, March 29, 1940, Ibid.

See also a memorandum by the Petroleum Department, dated March, 1940, and a memo by the British Department, April 1, 1940, Ibid.

⁴²Letter, Sir Edward Bridges to A. N. Rucker, March 30, 1940, Ibid.

between British and French representatives.⁴³ This conflict arose after the French Chairman of the Executive, M. Pineau, discovered that the British members of the Committee had changed the wording of a memoir without informing the French. Later the issue was remanded to the Co-ordinating Committee.⁴⁴ However, the Supreme War Council meeting had stirred Chamberlain's interest in the matter, and he continually urged British officials to resolve all differences.⁴⁵ As a result, Sir Cecil Kisch, head of the British delegation to the Oil Executive, noted:

I don't know what the next step is going to be about the Iraq pipeline case, but I suggest that it would be a good thing if the British side has a whack at the subject before it gets to the Joint Committee.⁴⁶

Even with pressure from the Prime Minister the British attitude remained firm.⁴⁷ However, after the beginning of the German attack

⁴³Letter, W. L. Gorell-Barnes to Sir Edward Bridges and H.L.d'A. Hopkinson, April 11, 1940, Ibid.

⁴⁴Letter, Anglo-French Executive Committee for Oil to the Secretary of the Anglo-French Executive Committee, May 4, 1940, CAB 85, File 38, Anglo-French Co-ordinating Committee: Oil.

⁴⁵Letter, Sir Edward Bridges to Sir Cecil Kisch, April 17, 1940, CAB 21, File 1278, Anglo-French Liaison: Permanent Executive Committee for Oil.

⁴⁶Letter, Sir Cecil Kisch, to H.L.d'A. Hopkinson, May 4, 1940, Ibid.

⁴⁷Letter, H.L.d'A. Hopkinson to W. L. Gorell-Barnes, May 5, 1940, Ibid.

on France in May, the scheme ceased to be an immediate consideration.⁴⁸ Despite the difference of opinion concerning the value of the scheme, that difference never threatened the continuance of Allied cooperation because Germany remained the common enemy. An answer to this might lie in that fact that the Oil Committee was also interested in other operations such as methods of conserving tanker space. Also, failure to double the line would not seriously affect the French war effort. Oil could be obtained elsewhere ; Rumania, for example.⁴⁹

⁴⁸For the growing importance of the military situation, see a letter from Sir Frederick Leith-Ross to Jean Monnet, May 7, 1940, CAB 85, File 38, Anglo-French Co-ordinating Committee: Oil.

Leith-Ross also reported in this letter a difficult situation in the handling of Rumanian oil. The main problem seemed to originate from a failure to remove oil stocks from that country. In addition, the matter was complicated by the economic warfare battle waged there. The Germans made some gains in controlling Rumanian oil companies. The British charged that:

"It is significant, however, that in the case of two of the companies, Petrol Block and I.R.D.P., there was a substantial French interest, while in the case of the third, Foraky, the interest was Belgian. It appears doubtful whether the French, even without incurring additional expenditure, have exercised that degree of control which their shareholding interest made possible. . . ."

That was tantamount to saying that the French allowed these companies to be controlled by the Germans, a very serious charge!

For a further view of the Rumanian oil situation, although not from the view of the Co-ordinating Committee, see William A. Hoisington, Jr., "The Struggle for Economic Influence in Southeastern Europe: The French Failure in Rumania, 1940," The Journal of Modern History, Vol. 43, No. 3, September 1971, 468-482.

⁴⁹See the article by Hoisington, "The Struggle for Economic Influence in Southeastern Europe: The French Failure in Rumania, 1940."

Nevertheless, differences of opinion about the value of an additional pipe line in Iraq caused friction in Anglo-French relations. For that reason it merits some comment. The French proposal obviously caused a great deal of consternation in the British camp. Their objections to the French plan were based on several considerations. From one point of view, Britain feared the post-war commercial value to France of an additional oil-carrying pipe line. Yet it would be extremely difficult, if not impossible, to prove that Britain based their attitude on this factor; many other issues came into play. If the Allies constructed the pipe line, then the oil would have to be shipped through the Mediterranean at some future date. British officials hesitated to approve of this route because of the strategic problem it would create should Italy enter the war on Germany's side. The Italians, they felt, could easily close the central Mediterranean to Allied sea traffic. If that happened then the pipe line would be useless. Also, if additional oil were imported from Iraq the British would have to reduce their acquisitions from Venezuela. Because they purchased high-grade aviation fuel from that South American country they were reluctant to switch from a tested source of supply to an unknown source. These are only two possible explanations seeking to account for British motivation in rejecting the French idea. It was a complex issue, and other reasons for British

intransigence might be put forth. However, the significant aspect of the clash over the Iraq pipe line was not that a difference of opinion erupted; rather, that this problem did not damage Anglo-French relations and that it was handled by the appropriate Allied Committees.

The various shortages encountered by Britain and France in the period from March 2 to May 10 seriously threatened to affect their war effort. To solve them, both governments turned to the Co-ordinating Committee, thus indicating faith in its ability. Generally speaking, that trust was not misplaced. The most serious crisis, that of coal, was settled, the Allies hoped, by May 10. Although the solution did not meet French expectations, French industry could exist on the amount allocated to them. In the case of oil and timber problems, no answers were reached. Both sides understood the causes of their lumber difficulties, but had not been able to formulate a definite policy. As for oil, though the British refused to agree to double the Iraq pipe line because of their suspicion of French motives, they did cooperate in other aspects of that committee's work. With the possible exception of coal, then, these problems remained unsolved. May 10 would bring new pressures which would stimulate the Allies to seek answers to these and other issues.

Chapter XI

The Peak of Coordination

On May 10 the long-awaited attack on the western front commenced. For the first time since the start of the war the Allied military forces engaged the German army in large numbers. As French and British commanders viewed initial activities, they experienced no sense of alarm. General Maurice Gamelin, Commander-in-Chief of the Allied forces, looked forward to the battle with confidence. The Germans, it appeared, had done exactly as he anticipated and attacked through Belgium.¹ However, it soon became clear that the main thrust was not at Belgium, but the Ardennes region. The situation changed rapidly in the following days. Not only did Allied armies and military cooperation deteriorate, but those political ties that cemented Britain and France together loosened.² Yet it would be a grave mistake to assume that all aspects of Allied relations suffered from the quickening tempo of war, for Jean Monnet and the Co-ordinating Committee feverishly

¹For one of the latest in a long line of studies on this phase of the war, see the article by Don Alexander, "Repurcussions of the Breda Variant," French Historical Studies, Spring, 1974, pp. 459-488.

²An in-depth analysis of these developments is the subject of a Ph.D. dissertation (unpublished) by Thomas Resovich, France in Transition: Pre-Vichy Diplomatic and Political Realignments May 10-June 25, 1940, The University of Wisconsin, 1966.

worked to fulfill Allied needs in a more unified fashion than had ever been the case.

With the rush of requests for materials, the work and size and demands of the Co-ordinating Committee grew in intensity. To insure closer coordination with the proper French officials, Monnet applied for telephone service between London and Paris.³ Even as the German army triumphed in northern France, Monnet announced that he had to shuttle more often between Paris and London.⁴ The chairman also asked for additional personnel to handle the extra work.⁵ The committee itself experienced some important internal changes. As the work of the British Ministry of Supply increased, Sir Arthur Robinson, Vice-Chairman of the Co-ordinating Committee, found it difficult to keep up with its work. ~~Monnet~~ ^{Monnet} asked that Sir Arthur Salter, Parliamentary Secretary to the Ministry of Shipping and his friend from World War I, be appointed the new vice-chairman.⁶

³Note from the Foreign Office, May 13, 1940, CAB 85, File 36, Anglo-French Co-ordinating Committee: Domestic Office Procedure.

⁴Letter, Sir Edward Bridges to Sir Horace Wilson, May 20, 1940, CAB 21, File 1271, Co-ordination of Anglo-French Economic War Effort.

⁵Letter, Sir Edward Bridges to Sir Frederick Leith-Ross, May 29, 1940, Ibid.

In this particular letter, Bridges relayed Monnet's request for the use of Mr. Thomas Brand. Leith-Ross refused. See the letter from Leith-Ross to Bridges, May 30, 1940, Ibid.

⁶See the letter from Sir Horace Wilson to the Minister Without Portfolio, May 31, 1940, Ibid.

The British granted this request.

During May and June the work of the Co-ordinating Committee also quickened. In the course of those two months delays were eliminated as much as possible, especially in communications.⁷ Because of the "...further increases in the Administrative Staff of the Anglo-French Co-ordinating Committee. . ." Gorell-Barnes requested more typists.⁸ The secretary found himself saddled with additional work as Monnet directed him to maintain contact with various sections of the committee to insure continued effective coordination.⁹ The importance of the committee in these last days before the collapse of France cannot be underestimated. The Allies increasingly turned to it for additional material. Its work expanded in other ways, too. As the war developed, Britain and France were joined in the struggle against Germany by other European nations, such as Belgium and Holland, whose entrance into the conflict affected the committee's position.

In September 1939, when Monnet had come to England to negotiate the creation of the Anglo-French body, he envisaged a

⁷Letter, W. L. Gorell-Barnes to N. B. Ronald (Foreign Office), June 5, 1940, CAB 85, File 34, Anglo-French Co-ordinating Committee: Domestic, Communications, Procedure in Regard to.

⁸Letter, W. L. Gorell-Barnes to Major Rawlins, June 10, 1940, CAB 85, File 32, Anglo-French Co-ordinating Committee: Domestic, Staff, Organisation of the Chairman's Office.

⁹Office Notice, by W. L. Gorell-Barnes, June 14, 1940, CAB 85, File 36, Anglo-French Co-ordinating Committee: Domestic Office Procedure.

time when that group would act as the sole purchasing agent for all the then neutral nations of Europe. Now, as Hitler made his bid for European domination, Monnet's dream came to fruition. The Germans attacked not only France and England, but Norway in April 1940 and Belgium and Holland in May 1940. These nations now joined hands in the fight against Hitler. England and France welcomed this cooperation, partly out of fear that if left alone they might compete in the purchase of war commodities, particularly from the United States. Their fears were soon justified; Belgium, Holland, and Norway moved to quickly purchase additional American combat planes.¹⁰ Purvis recommended that each of the new allies appoint a representative to the Anglo-French Purchasing Board in order to have his views and needs properly represented.

Monnet appreciated these problems and promptly discussed them with Lord Halifax, the British Foreign Secretary, and Paul Reynaud, now Premier of France. The Co-ordinating Committee chairman believed:

. . .the question. . .to be of some urgency, both because it is important that the purchases in neutral countries of our new Allies should be co-ordinated with our own with the least possible delay, and also because an immediate invitation to our new Allies to participate in the machinery for the co-ordination of supplies and purchases, if given proper publicity, would, in my opinion, be liable to have an excellent effect in neutral countries and particularly in the United States of America.

¹⁰Telegram, Arthur Purvis to Jean Monnet, May 10, 1940, CAB 85, File 14, PURCO Telegrams.

Monnet suggested that after the appropriate officials agreed with the terms, a note should be sent to the Belgian, Dutch, Norwegian and Polish governments offering them membership on the Co-ordinating Committee.¹¹ The Frenchman regarded this as a matter of extreme urgency.¹² Further, he tendered a specific proposal describing the form their cooperation would assume.

Each of those four governments would nominate to the Co-ordinating Committee a representative who should make contact with Monnet. They would attend meetings of the committee when their interests were involved. The chairmen of the various executive committees also had the authority to call representatives of those governments into consultation when necessary. Regarding arrangements with the Anglo-French Purchasing Board, each government would be requested to nominate an individual to sit on that committee. In that way all purchases would be coordinated.¹³

Those governments would not, however, have any control in the Co-ordinating Committee. Monnet would never let any authority slip from his fingers into other hands, thus he wrote:

It is the intention that the Anglo-French Co-ordinating organisation should remain an Anglo-French organisation. While the advantages of the

¹¹Letter, Jean Monnet to (?)Strang, May 12, 1940, CAB 85, File 37, Anglo-French Co-ordinating Committee: Domestic, Participation In the Anglo-French Co-ordinating Machinery of the Other Allies.

¹²Letter, Jean Monnet to Mr. Ronald, May 14, 1940, Ibid.

¹³Proposal to Invite Belgian, Dutch, Norwegian, Polish Representatives to Participate in Anglo-French Co-ordinating Machinery, note by Jean Monnet, May 14, 1940, CAB 85, File 11, War Memoranda.

organisation would be extended to the Belgian, Dutch, Norwegian and Polish Governments, their representatives would not participate in all the discussions of various Committees. . . or of the Anglo-French Purchasing Board, but would only be called into consideration when their interests were affected.¹⁴

Their positions would be that of carrying out orders, while the British and French made the decisions, thus placing them in a subservient position. However, the overriding consideration for Monnet was that these lesser allies must be controlled, else their need for material could upset the delicate balance of the Allied economies. Hence, his rapid movement to harness them to the committee. Both the British and the French governments approved; all that remained, after the formal invitation, was for those four nations to accept.¹⁵

From the start of German military activities those four governments had cooperated with Britain and France. For example, Belgium agreed to the transfer of Belgian-owned goods from the continent to Britain to avoid capture.¹⁶ On May 17 all of them were

¹⁴Telegram, Jean Monnet to Arthur Purvis, May 15, 1940, CAB 85, File 37, Anglo-French Co-ordinating Committee: Domestic, Participation in the Anglo-French Co-ordinating Machinery of the Other Allies.

¹⁵Note, Jean Monnet to Mr. Strang, May 15, 1940, Ibid.

¹⁶Letter, Hugh Dalton to the Belgian Ambassador in Great Britain, May 17, 1940, CAB 85, File 41, Anglo-French Co-ordinating Committee: Shipping: Belgian Shipping and Disposal of Belgian Cargoes.

formally invited to join the Co-ordinating Committee.¹⁷ Each quickly responded with a positive reply.¹⁸ By early June they named their representatives and contacted the proper people. Thus, within a short period of time they had fully joined in the workings of the Co-ordinating Committee.¹⁹ Monnet's dream was fulfilled. Here was a large organization, representing all of the nations combating Hitler's Germany, with considerable purchasing ability and endowed, in the case of Belgium's and Holland's extensive colonial holdings, with vast resources. It had taken eight months

¹⁷Note to the Belgian, Dutch, Norwegian and Polish Governments by the British and French Governments, May 17, 1940, CAB 85, File 11, War Memoranda.

¹⁸See the following documents, Telegram, Jean Monnet to Arthur Purvis, PURCO 77, May 20, 1940, CAB 85, File 13, PURCO: Monnet to Purvis; letter, E. Michiels Van Verdeynen (Netherlands legation) to Viscount Halifax, May 29, 1940, CAB 85, File 37; also a telegram from Monnet to Purvis, PURCO 107, June 1, 1940, CAB 85, File 13; Netherlands Participation in the Anglo-French Co-ordinating Machinery, June 1, 1940, CAB 85, File 37; letter, Erik Colban (Royal Norwegian Legation) to Viscount Halifax, June 4, 1940, CAB 85, File 37.

Unfortunately, the author has found no reply from the Polish Government-in-exile. I assume that, given the position they occupied, they participated as much as possible.

¹⁹See the records of two meetings, Anglo-French Co-ordinating Committee: Record of an Informal Meeting, May 22, 1940, and Anglo-French Co-ordinating Committee: Record of an Informal Meeting, June 3, 1940, CAB 85, File 10, Anglo-French Co-ordinating Committee: Meetings.

The former meeting dealt with Belgian problems, the latter with Dutch.

to build up such an organization, yet its accomplishments were to be limited. Too little time remained; within weeks France would collapse under the weight of the German attack.

In many aspects the Co-ordinating Committee worked together to deal with Allied war requirements. The French requested English uniforms to outfit the extra classes of recruits called to colors.²⁰ On the other hand, the British expressed deep gratitude for the supply of hides received regularly from the French.²¹ It also contemplated extending its coordinating activities. For example, a suggestion to create a Civil Aviation Executive, to promote Allied coordination as well as to create war-time propaganda routes into neutral countries, circulated within Allied circles.²² Although nothing of this latter developed, obviously the idea of coordination still thrived. In addition to this, the burden of the Anglo-French Purchasing Board in the United States grew to such proportions that the London group considered making it independent of the

²⁰Letter, Sir Edward Bridges to Sir Arthur Robinson, June 4, 1940, CAB 85, File 47, Anglo-French Co-ordinating Committee: Textiles and Hides.

²¹Letter, H. J. Hutchinson to Jean Monnet, May 13, 1940, Ibid.

²²See two letters which deal with this proposal: Sir Arthur Street to Jean Monnet, May 12, 1940, and another from Jean Monnet to Sir Arthur Street, May 30, 1940. Both are located in CAB 85, File 57, Anglo-French Co-ordinating Committee: Suggested Co-ordination of the Air Resources of the Allies.

the British Supply Board in Ottawa.²³ In these months of May and June, then, Allied economic relations grew ever closer as they sought to cope with the German onslaught.²⁴

Some issues were aggravated by the German invasion. The coal shortage, apparently alleviated early in May with the allocation of large amounts of fuel to France, revived after the German attack on Belgium and Holland, which cut off a large Allied supply source. It made Britain's 1,500,000 tons per month allocation for France inadequate. The Allies considered reallocations and decided that shipments to France should receive priority over all other coal exports, except for bunker depots.²⁵ Even the War Cabinet agreed it was an urgent matter.²⁶ This decision should have been made earlier. It took the end of the phony war to force Britain to put French needs before all else.

²³Letter, Jean Monnet to René Mayer, Jean Raty, Sir Arthur Robinson, A. Rowlands, and Sir Arthur Street, June 11, 1940, CAB 85, File 59, Anglo-French Co-ordinating Committee: Anglo-French Purchasing Board in the U.S.A. and Relations Between the Board and the United States Administration.

²⁴Hurstfield, pp. 249-250.

Hurstfield presents an excellent discussion of the improvement in Allied economic relations during the spring of 1940. He, too, sensed the cooperative spirit present in those days.

²⁵Report of the Special Sub-Committee of the Anglo-French Co-ordination Committee Constituted to Consider the Supply of Coal From the United Kingdom to France, by Jean Monnet, May 13, 1940, CAB 85, File 58, Anglo-French Co-ordinating Committee: Coal.

²⁶See the Minutes dated June 1, 1940, CAB 65, Vol. 5, War Cabinet Minutes.

The timber shortage, meanwhile, continued to plague the Allies. Both sides concurred that additional imports were not the answer. The Shipping Executive reported imports as not making ". . .the maximum economy of shipping,"²⁷ and urged that French production be stepped up because harvesting rates could not satisfy the minimum essential requirements of the two countries. The situation reached such critical proportions that Monnet personally intervened on May 21, urgently communicating with both prime ministers. He suggested that the rate of timber production be increased from 5½ million tons per year to 11½ million tons. This would reduce the gap between native supplies and essential requirements from 10½ to 4½ million tons per year. Both war cabinets, he warned, had to approve maximum domestic timber production and a specific felling program. Sufficient labor and equipment must be applied to the timber gathering. Control of this had to be vested in a special committee.²⁸ The British and French war

²⁷Letter, Sir Cyril Hurcomb to Jean Monnet, May 16, 1940, CAB 85, File 40, Anglo-French Co-ordinating Committee: Shipping Requirements for Period March-August 1940: Preparation of an Estimate of Total Imports, Showing Priorities.

²⁸Allied Timber Requirements, A Note to the British and French Prime Ministers by the Chairman of the Anglo-French Co-ordinating Committee, May 21, 1940, CAB 67, Vol. 6, War Cabinet Memoranda.

The program recommended was large. For example, the total amount of labor required amounted to 27,000 skilled and 56,000 unskilled men. The majority of those 27,000 skilled laborers could only come from Canada, New Zealand, and Australia.

cabinets approved of these measures.²⁹ The Allies thus hoped that the timber problem, along with that of coal, could be solved. Although these programs resulted in close cooperation, the factors which placed those commodities in short supply had been present for some time. They should have been handled earlier. Had the alliance lasted longer, they probably would have continued to plague Allied relations, at least in the short run, until the new program could take effect.

On the other hand, some executive committees, like Food, collaborated extremely well. For the first year of the war, total food imports into Great Britain amounted to 20,306,000 tons, while 7,000,000 went to France.³⁰ Over the course of that period French requirements for human food exceeded pre-war levels, not only in quantity but in kind, owing to the needs of the expanded French army under war conditions. So, for example, frozen meat, not normally consumed, was required but not imported in sufficient quantities. The British agreed that more foodstuffs had to be

²⁹Letter, Sir Edward Bridges to Jean Monnet, June 5, 1940, CAB 85, File 48, Anglo-French Co-ordinating Committee: Timber.

³⁰Progress Report for the Executive Committee for Food, April 4 to May 18, 1940, May 18, 1940, CAB 85, File 11, War Memoranda.

The figures of imports between April and May became more complete. See the report: Food Situation in the United Kingdom, May, 1940, CAB 68, Vol. 6, War Cabinet.

supplied to their ally. They also recommended that additional shipping be made available to France for transporting groundnuts, rice and linseed. For their part, Britain experienced difficulty in maintaining supplies of essential stocks. This was especially true in the case of cereals for human food, sugar, oilseeds, and oil cakes; any reduction of earlier programs would cause a diminution of

³¹ stocks. To help compensate for these shortages, Monnet proposed to coordinate Anglo-French food purchases in the United States through the Purchasing Board in New York. This had previously not been done.³²

Though engaged with pressing problems, the Food Executive made plans for the future. Following Monnet's orders it compiled import programs for the second year of war.³³ Considering only the British program, the resulting partial comparison between the first and second year (at least the first half of the second year) programs indicated just how they hoped the situation would develop. Purchases amounting to 6456.1 tons and costing ~~£125,263,000~~ ^{\$125,263,000} were contemplated. The fact that these imports were to be made world-wide demonstrated

³¹French and British Food Import Programs. Memorandum to the Anglo-French Shipping Executive from the Anglo-French Food Executive, May 11, 1940, CAB 85, File 43, Anglo-French Co-ordinating Committee: Food.

³²Letter, E. M. H. Lloyd (Ministry of Food) to Jean Monnet, May 20, 1940, CAB 85, File 43, Anglo-French Co-ordinating Committee: Food.

See also a letter from the Ministry of Food to W. L. Gorell-Barnes, June 12, 1943, Ibid.

³³Anglo-French Food Import Programs for the Second Year of War, May 21, 1940, Ibid.

how much the Allies depended on imported food stuffs. Concerned about the war effort of Britain and France, the executive began early preparations on a very large scale. However, the future could only occupy a portion of the Co-ordinating Committee's time; the increasingly desperate military situation continued to exercise in late May more and more influence over events.

Almost immediately after the German attack commenced, the Allied military command demanded massive amounts of material. Because their domestic production was already strained to capacity, they had to turn elsewhere. To Monnet's mind only one industrial complex could supply everything requested - the United States. The Co-ordinating Committee immediately took charge and attacked the problem on several levels. To streamline purchasing procedure for the benefit of efficiency, Monnet immediately corrected some deficiencies. For example, steel purchases were brought under the control of the Purchasing Board.³⁴ Massive investments were considered, especially in the American munitions industry.³⁵ In these efforts

³⁴Monnet moved in this direction after Morgenthau informed Bullitt that the Allies had to order steel through Purvis' Board. See the letter from Jean Monnet to Sir Arthur Robinson and Rene Mayer, May 13, 1940, and a telegram from Jean Monnet to Arthur Purvis, PURCO 67, May 14, 1940. For further documentation, see a warning from Arthur Purvis to Jean Monnet, PURCO 142, May 24, 1940, and a letter from Jean Monnet to Sir Arthur Robinson, May 27, 1940. All of the above are located in CAB 85, File 67, Anglo-French Co-ordinating Committee: Anglo-French Purchasing Board in the U.S.A.: Allied Purchases of Munitions in the U.S.A.

³⁵See two telegrams, Jean Monnet to Arthur Purvis, May 16, 1940, PURCO 71, and Arthur Purvis to Jean Monnet PURCO 145, May 26, 1940, Ibid.

Included in these telegrams were a breakdown of expected orders.

it was aided by a sympathetic administration. The National Defense Advisory Board, created on May 28, 1940, by President Roosevelt to supervise American industrial production, rendered all possible assistance, even extending financial aid to domestic manufacturers. The American Board also emphasized the need for speed in placing³⁶ orders. Britain and France did not need much prodding in that direction. They, too, appreciated the time factor in purchasing material.

By the end of May, Monnet and Purvis were literally asking for everything the Americans could offer. This included raw materials, machine tools, weapons of all kinds, and ammunition.³⁷

³⁶Telegram, Arthur Purvis to Jean Monnet, June 14, 1940, PURCO 209, and June 15, 1940, PURCO 211, CAB 85, File 77, Anglo-French Co-ordinating Committee: Anglo-French Purchasing Board in the U.S.A.: Effort to Create U.S.A. Increased Productive Capacity for War Material.

For additional information about the Defense Advisory Board, or National Defense Advisory Commission, see Blum, pp. 147-148.

³⁷The list would be extensive. The requests are numerous. See, for example, Instructions to the French Armaments Mission, May 27, 1940, CAB 85, File 77, Anglo-French Co-ordinating Committee: Anglo-French Purchasing Board in the U.S.A.: Effort to Create in U.S.A. Increased Productive Capacity for War Material. Telegram, Arthur Purvis to Jean Monnet, PURCO 157, May 29, 1940, CAB 85, File 14, PURCO Telegrams. Note by Jean Monnet, June 4, 1940, and a Note for the Information of Prime Minister Churchill and Reynaud, written by Monnet, June 5, 1940, both documents are in CAB 21, File 1404, Purchasing Missions in Canada and the U.S.A. Record of an Informal Meeting Held in Monnet's Room, June 16, 1940, CAB 85, File 12, Memoranda.

Secondary information available includes Blum, pp. 152, 154, 155, 160, 161, 174. Also, Hall, pp. 129, and 146-147.

Because of these vast requirements, Monnet and Purvis considered altering their organization to cope with the changed circumstances. Specifically, this involved making the Anglo-French Purchasing an independent body. Monnet agreed with this because he believed a more complete picture of Allied needs would emerge if all orders went through a single organization. The Allies would also be in a position to get better terms from a buyer due to their contacts with individual manufacturers. Finally, it would be possible to use its influence to obtain the cooperation of American industrialists in other Allied problems, such as the blockade.³⁸ The project, however, died for lack of time. Had it been put into operation, perhaps Allied-American relations would have become much closer.

While Britain and France rushed to order all sorts of material from the United States, they particularly wanted combat planes.³⁹ However, President Roosevelt held ". . . out little hope of delivering aeroplanes ex stock or of granting. . . additional aeroplane

³⁸ See a note by Monnet, dated June 3, 1940, CAB 85, File 59, Anglo-French Co-ordinating Committee: Anglo-French Purchasing Board in the U.S.A. and Relations Between the Board and the United States Administration.

³⁹ Telegram, Jean Monnet to Arthur Purvis, PURCO 64, May 12, 1940, CAB 85, File 62, Anglo-French Co-ordinating Committee: Anglo-French Purchasing Board in the U.S.A.: M. Plevén's Mission (Allied Purchases of Aircraft in the U.S.A.).

See also a note by Monnet, written after consultation with Sir Arthur Street, May 15, 1940, *Ibid.*

John Haight had some excellent material on this in his work American Aid to France, 1938-1940, p. 234.

priorities over and above those already given. . . ."⁴⁰ Despite this rebuff the Allies continued their pressure. The French in particular believed that America "owed" them assistance and asked for planes ordered by the United States military forces.⁴¹ They succeeded in getting a number obsolete fighters diverted from United States stockpiles, but wanted more. As the military contest in France entered its blackest hours, the Co-ordinating Committee tried everything:

. . .to accelerate the supply of aircraft and equipment from the U.S.A., and to obtain, if possible, ⁴² immediate supplies additional to the Allied programmes.

They hoped to obtain airplanes from those ordered by the American military or from available stocks. But important as planes were, they represented, as noted above, only a part of an expanded

⁴⁰Telegram, Arthur Purvis to Jean Monnet, PURCO 140, May 22, 1940, CAB 85, File 62, Anglo-French Co-ordinating Committee: Anglo-French Purchasing Board in the U.S.A.: M. Plevén's Mission (Allied Purchases of Aircraft in the U.S.A.).

⁴¹Note for Paul Reynaud by René Plevén on the Question of Immediate Aircraft Aid By the United States, May 24, 1940, Monnet Papers, File 3A, Avions: de Février 1940 à Septembre 1941.

Monnet supported this note by his assistant. See a letter from Jean Monnet to Paul Reynaud, May 26, 1940, Ibid.

⁴²Anglo-French Executive Committee for Air Production and Supply. Progress Report For Jay, 1940, June 11, 1940, CAB 85, File 55, Anglo-French Co-ordinating Committee: Air Production and Supply.

program of American production envisaged by Monnet. Moreover, these orders were not part of a comprehensive approach to buying by Britain and France. Then, in mid-May, the Allies came forth with a plan to develop American industry systematically, on a broad scale, to support their war effort.

On May 15, 1940, the new Prime Minister, Winston Churchill,⁴³ cabled the President and requested all American aid short of war. However, no one was exactly sure what that meant. Then, two days later, Morgenthau informed Purvis that the American administration intended to build plants complementing Allied industries.⁴⁴ Monnet immediately seized upon these points to expand them into something of much wider import. On May 20 he wrote to Reynaud and Churchill and referred to the Allied plans to increase American plane production. He now urged that the allies:

. . .should try to make similar arrangements on the widest possible scale for the types of munitions and armaments which are most essential for the continuance of the war.

The time was ripe, he declared, because of the attitude of President Roosevelt. Beyond that, the Allies had to cooperate in the creation of safe industrial centers beyond the range of German bombers. Of course, this demanded the abandonment of the tight fiscal policy

⁴³Winston S. Churchill, Their Finest Hour, New York: 1949, pp. 20-21.

⁴⁴Hall, pp. 159-160.

hitherto adopted.⁴⁵ Previously the Treasury Department, under the direction of Sir John Simon, had followed a strict policy of conserving foreign exchange. Monnet received a quick response; by May 24 both governments consented.⁴⁶ Immediately thereafter Monnet asked numerous questions of Purvis about American industrial capacity.

Monnet and his group viewed the United States as a vast productive machine supporting Allied field armies with inexhaustible amounts of material. It looked indeed like a bright future had not the reality of German military successes intervened.

Given the deteriorating situation on the western front, the Co-ordinating Committee sought to tighten Allied cooperation, especially in reorganizing shipping schedules. Before formally joining the committee, the Belgian, Dutch, Norwegian and Polish governments had cooperated in that endeavor.⁴⁷ Anglo-French shipping authorities, of course, reviewed their effort to make

⁴⁵Letter, Jean Monnet to Paul Reynaud and Winston Churchill, May 20, 1940, CAB 85, File 77.

⁴⁶Telegram, Jean Monnet to Arthur Purvis, PURCO 86, May 24, 1940, CAB 85, File 13, PURCO: Monnet-Purvis.

⁴⁷Inter-Allied Shipping, written by Sir Cyril Hurcomb, May 12, 1940, CAB 85, File 37, Anglo-French Co-ordinating Committee: Domestic, Participation in the Anglo-French Co-ordinating Machinery of the Other Allies.

the maximum use of tonnage, particularly in those areas where shortages continued to appear.⁴⁸ Though the committee planned, as best it could, to alleviate the lack of tonnage, this never ceased to be a problem.⁴⁹ It was a heavy burden, and the Allies bore it with resignation.

In view of the successes of the German army it must have been difficult for the Frenchmen serving in London to concentrate on supply matters while their country tasted bitter defeat. This was especially true of Monnet. Nevertheless, he continued to perform his duties. After the Dunkirk evacuation he contacted Churchill about replenishing the equipment lost by the Allied armies.⁵⁰ Yet his fears for the defeat of his country progressively led him to delve into political matters. He obtained permission, through Sir Edward Bridges, to see Prime Minister Churchill in order to plead for maximum British assistance to his

⁴⁸For an insight into the consideration of these issues by Shipping, see Allied Import Programmes, May 15, 1940, CAB 85, File 40, Anglo-French Co-ordinating Committee: Shipping Requirements for Period March-August 1940: Preparation of an Estimate of Total Imports, Showing Priorities.

See also a letter from Jean Monnet to Sir Cyril Hurcomb, May 15, 1940, CAB 85, File 48, Anglo-French Co-ordinating Committee: Timber.

⁴⁹Hancock and Gowing, p. 191.

⁵⁰Letter, Jean Monnet to Winston Churchill, June 6, 1940, Monnet Papers, File 2A, Lettres de J. M. à Churchill en tant que Presidente de Coordination Franco-Britannique.

country.⁵¹ To Churchill and others he pleaded for his country in person and by letter, arguing that:

I feel the gravest danger in the present situation is that while Germany concentrates her full strength on her immediate objective, our strength to resist may be inadequate because it is not similarly concentrated.

He attacked the suggestion that France was on the verge of total defeat, an idea that had begun to permeate the British Government. The idea of harboring strength for a "second blow" was alien to him. He advocated putting combined Allied strength on the line :

In a word, the issue of the war may depend upon an immediate decision to use our combined strength, both of aircraft and pilots, as one force in the present battle; and if this should require the unification of command of our two Air Forces, in my view this issue should be faced and faced now.⁵²

His efforts, however, accomplished nothing. Nevertheless, this foray into the military-political arena indicated his apparent drift away from the affairs of the Co-ordinating Committee. As France fell beneath the weight of German occupation, Monnet increasingly ignored the Committee, which he must have felt could not affect the military outcome of the war, trying to use his influence in the political field where it might have a good effect.

⁵¹Letter, Sir Edward Bridges to Mr. Seal, June 6, 1940, CAB 21, File 1271, Co-ordination of Anglo-French Economic War Effort.

⁵²Letter, Jean Monnet to Winston Churchill, June 6, 1940, Monnet Papers, File 2A, Lettres de J. M. à Churchill en tant que Predisente du Comite de Coordination franco-britannique.

As a French collapse in early June seemed imminent, Monnet among others became involved in a scheme to unite Great Britain and France.⁵³ Monnet, Pleven, Sir Robert Vansittart, L. S. Amery, General Charles DeGaulle, Sir Arthur Salter and others were involved. By June 15, members of this hastily constructed coterie produced a "Declaration of Liberty," the precursor of the actual proposal that emerged later.⁵⁴ This manifesto was written with the knowledge of the British Foreign Secretary, Lord Halifax.⁵⁵ Based on this document the British proposed, on June 16, an Anglo-French Union. Though the French rejected the offer, Monnet's role demonstrated

⁵³There are a number of works which deal with the Union proposal. See: Max Beloff, "The Anglo-French Union Project of June, 1940," Publications De La Faculté Des Lettres Et Sciences Humaines De Paris, 1966; Avi Shlaim, "Prelude to Downfall: The British Offer of Union to France, June 1940," The Journal of Contemporary History, July, 1974, pp. 27-63; David Thomson, The Proposal for Anglo-French Union in 1940, Oxford: 1966.

See also Henry Pelling, Britain and the Second World War, Glasgow: 1970, p. 85; Sir Llewellyn Woodward, British Foreign Policy in the Second World War, Vol. 1, London: 1970, p. 277.

The very best personal account is found in Major-General Sir Edward Spears, Assignment to Catastrophe: The Fall of France, June, 1940, Vol. 2, London: 1954, pp. 291-315.

⁵⁴Declaration of Liberty, June 15, 1940, Monnet Papers, File 4, Declaration d'Union Franco-Anglais.

⁵⁵This was definitely indicated in Sir Arthur Salter's letter to L.S. Amery, June 15, 1940, Monnet Papers, File 4, Anglo-French Unity.

his widening separation from the activities of the Co-ordinating Committee.⁵⁶

In the midst of the crisis engendered by the stunning German successes in France, the realization grew that France might be totally defeated. British officials pondered this possibility and what role the committee would assume under such circumstances. They readily admitted that it had performed some very valuable functions, especially in fostering coordination between departments and with the Purchasing Board in the United States. If the group did not exist, then a purely British organization, they felt, would have to take its place.⁵⁷ If France survived and continued the war, some provisions would have to be made to take Monnet's committee into account. The British group put forth four hypotheses: France could accept the "Union" proposal, the French government could transfer to North Africa or Britain, or France could surrender. In any of those cases, but particularly the first three, they felt it

⁵⁶A further indication of his drift was the fact that he did not attend the final two meetings of the Co-ordinating Committee. See the records of the meetings for May 22, 1940 and June 3, 1940, CAB 85, File 10, Anglo-French Co-ordinating Committee: Meetings.

⁵⁷This Memorandum was written on June 19, 1940, and circulated under a covering note from B. W. Gilbert of the Treasury, CAB 21, File 1271, Co-ordination of Anglo-French Economic War Effort.

See also Note of Conclusions Reached at a Meeting at the Treasury on the Anglo-French Co-ordinating Machinery, June 20, 1940, Ibid.

important to maintain some aspect of the Co-ordinating Committee machinery. This was especially important to help those French colonies who refused to support Vichy.⁵⁸ However, these contingencies were never made official policy. When France collapsed, so did the Co-ordinating Committee.

The increasing polarization of the French government into "softs" and "hards" forced Monnet to make a decision: he chose resistance.⁵⁹ To encourage it, he went to France on June 18, shortly before the armistice, in the hopes of convincing the French government, which had moved from Paris to Bordeaux in June, to accept the British offer of ships to transport the government and as much of the French army as possible to North Africa.⁶⁰ His mission failed, and Monnet returned to Britain. There he continued to work for the Co-ordinating Committee, even after the Franco-German Armistice of

⁵⁸Anglo-French Liaison in the Future, by A. W. Clarke, H.L.a'A. Hopkinson, W. L. Gorell-Barnes, June 21, 1940, CAB 21, File 1280, Anglo-French Military and Economic Liaison: General File.

⁵⁹For an in-depth analysis of the breakdown of government in France in May and June, see the dissertation by Thomas Resovich, France in Transition.

⁶⁰See a statement probably made by René Pleven describing events in the days before the capitulation of France, June 22, 1940, Monnet Papers, File 4, Rapport sur Juin 1940 (signé . . . Pleven).

Also, John Harvey, ed., The Diplomatic Diaries of Oliver Harvey, 1937-1940, London: 1973, pp. 395-396. Harvey's entry for June 19, 1940 refers to Monnet's mission.

June 22, in support of developing United States industrial potential.⁶¹ However, with the collapse of France, the alliance died.⁶²

It was a profound Allied defeat. Monnet subsequently advocated an independent French government in North Africa,⁶³ and also tried to rally the French colonies around a resistance government.⁶⁴ These efforts also ended in failure.

With the death of the Anglo-French alliance, Monnet tendered his resignation to both the Vichy and British governments on July 2, 1940.⁶⁵ During the next several days he contacted the Permanent

⁶¹See two letters, Jean Monnet to Herbert Morrison, Minister of Supply, June 23, 1940, and Herbert Morrison to Jean Monnet, June 26, 1940, CAB 85, File 77, Anglo-French Co-ordinating Committee: Anglo-French Purchasing Board in the U.S.A.: Effort to Create in U.S.A. Increased Productive Capacity for War Material.

⁶²P. M. H. Bell, "The Breakdown of the Alliance in 1940," in Neville Waites, ed., Troubled Neighbors: Franco-British Relations in the Twentieth Century, pp. 200-227.

⁶³Letter, Jean Monnet to Charles DeGaulle, June 23, 1940, Monnet Papers, File 2A, General DeGaulle.

⁶⁴Letter, probably written by Jean Monnet to Sir Edward Bridges, June 25, 1940, Ibid.

Although it is not clear whether Monnet actually wrote this letter it certainly advocated what Monnet stood for and it would have been logical for Monnet to use his influence to get things accomplished.

⁶⁵Jean Monnet to Marshal Pétain, July 2, 1940, and also Monnet to Winston Churchill, July 2, 1940, Monnet Papers, File 2A J. M. Nomination and Resignation as Chairman of the Anglo-French Co-ordinating Committee.

Executive Committees and informed them of the committee's dissolution.

⁶⁶ In his resignation letter to Churchill, he offered his services to the British government. It accepted this offer and agreed to send him to the United States to work with Arthur Purvis.⁶⁷

Thus, Monnet ended his work with the Co-ordinating Committee and entered a new phase of his career: the coordination of Anglo-American supply matters.

The war had ended in total defeat for the Anglo-French alliance. But during May and June the work of the committee had not begun in gloom. On May 10 the Allies had every reason to believe that they could parry the German blow. Certainly the Co-ordinating Committee operated on that basis. Plans were laid for the distant future of the economic war, and problems affecting the Allies were solved in a spirit of cooperation. The committee grew in size to cope with the heavy burden placed upon them, thus indicating a growing reliance upon their services.

As the war turned against the Allies, the committee retained its positive outlook while its activities hastened. Plans for a

⁶⁶ For example, see Dissolution of the Anglo-French Co-ordinating Committee Machinery, Note by the Chairman, July 3, 1940, CAB 85, File 31, Anglo-French Co-ordinating Committee: Domestic, Composition and Organisation of the Committee.

⁶⁷ Letter, Arthur Greenwood to Jean Monnet, July 12, 1940, Monnet Papers, File 2A, J. M. Nomination and Resignation as Chairman of the Anglo-French Co-ordinating Committee.

systematic and comprehensive expansion of industry were made, and Monnet assigned Purvis the task of investigating all possibilities in that respect. Until the collapse of France the committee continued its work on present and future planning. However, the steadily worsening crisis in France profoundly affected Jean Monnet. As defeat appeared ever more possible, he gradually turned away from the committee to more political matters.

A sense of "suddenness" surrounded the French surrender. On June 16th Britain proposed union with France, but within days the entire political make-up of Europe changed. The committee continued to work up to the last, and then went out of existence. But its work did not disappear with it: for example, all French contracts were signed over to Britain. In the future these products previously destined for France would serve Britain's cause. Thus, in a sense, the Co-ordinating Committee's achievements lived on after them.

Chapter XII

Conclusion

Sometime prior to March 20, 1940, W. L. Gorell-Barnes, Secretary to the Anglo-French Co-ordinating Committee, analyzed that group and its contribution to the Allied war effort.¹ Significant because this report was the only contemporary attempt to evaluate the work of Monnet's Committee, it also provided a necessary perspective from which to assess its degree of success up to that time. The secretary took a very critical view of the Committee, perhaps too critical. Nevertheless, his review provides a base upon which to appraise its work.

The Permanent Executive Committees, Gorell-Barnes claimed, were immeasurably strengthened by the French ability to make decisions without reference to Paris, which had delegated that authority to its representatives. This had been a "striking" feature of those groups. He was much more critical of the useful work they had done, believing that only the Air Executive had been very

¹Memorandum Regarding Arrangements for the Co-ordination of the Economic War Efforts of the United Kingdom and France, written by W. L. Gorell-Barnes, n.d. (probably mid-March, 1940), CAB 21, File 1269, Machinery for Co-ordination of the Anglo-French War Effort.

Other British officials felt this memo was "too gloomy." See the letter from H.L.d'A. Hopkinson to R.W.A. Leeper (Foreign Office), March 20, 1940, Ibid. See another letter which refers to the memo, from Sir Edward Bridges to W. L. Gorell-Barnes, April 4, 1940, CAB 21, File 1270, Co-ordination of Anglo-French Economic War Effort.

successful. However, he named the Timber Executive as the only total failure. The others were somewhat successful:

. . .but have failed to arrive at a mutual British and French disclosure of resources, stocks, means of production, etc., without which it is not possible for them to undertake any serious planning and discussion of import programmes.

All had produced joint import programs, though they were merely British and French orders tacked together, but the Executives were making efforts to correct that. The Committees did, however, succeed in significantly reducing competition.

Gorell-Barnes devoted a lengthy part of his analysis to the Co-ordinating Committee and the Chairmanship. He praised the organization, feeling that the panel system on which it was based was advantageous because the considerable amount of work each member did outside of the Committee precluded frequent meetings. This method allowed the proper people to focus on problems of interest only to them. He reserved his most critical comments for Monnet, though apparently not for any personal reasons.

During the negotiations for its creation, the British had envisaged the Committee as a regular interdepartmental Committee, and as Gorell-Barnes wrote, ". . .had no idea of assigning a very active role to its Chairman." The British only agreed to a full-time Chairman because, he claimed, Sir Arthur Robinson could not handle another committee of such importance. However:

(The French) think of the Chairman of the Committee as a kind of organiser of Allied action

with an office and with British and French fulltime staff of his own, and with power to take a certain amount of action, after the necessary consultation, etc., on behalf of the two Governments. So far as organization is concerned, the result of this (perhaps unconscious) conflict of views has been a compromise.

Gorell-Barnes admitted that the chairman and the Co-ordinating Committee had done a great deal of useful work and the meetings were successful. Although some confusion resulted from the unclear relationship between the committee and the executives, Monnet succeeded in keeping all of them in contact with each other. However, if his duty and that of the Co-ordinating Committee was to establish a general policy on which to base the work of the Executive Committees, then it had failed, for no policy had been forthcoming.

The Secretary commented favorably upon the Anglo-French Purchasing Board, which communicated with the Allied governments through Monnet. He felt that this arrangement produced a most unexpected result—a communications link between President Roosevelt and the Allies. This was especially true of contacts concerning economic warfare, where the obvious advantage was the close relationship which Britain and France enjoyed with the United States. Other than this Gorell-Barnes made no comment about the value of that mission and the relationships it established.

Reflecting on the benefits of the Co-ordinating Committee, he believed that frequently it and the chairman were used as a rapid channel of communications between the British and French governments.

Sometimes Daladier used Monnet on missions that had little to do with the Committee, such as expanding American productive capacity. Generally, Gorell-Barnes was critical of its achievements:

In fact the organisation has so far failed to provide the necessary machinery for economic planning and co-ordination on a wide scale such as is provided in the United Kingdom by the three Economic Policy Committees and in France by the "Comité des Programmes et Achats" - a Ministerial Committee which is inevitably tending to exceed the function implied in its title.

Nevertheless, he foresaw potential growth for the Committee as its links expanded, but that lay in the future.

In evaluating this memorandum certain factors must be kept in mind. Gorell-Barnes wrote it only four months after the Committee started its work. His criticisms were a bit premature. In addition, the analysis was written immediately after February, a relatively unsuccessful period in the workings of the Allied organization, and this might have colored his judgments. His comments about the lack of a general policy were somewhat unfair as the Co-ordinating Committee received no authority to establish policy freely. All decisions had to be approved by the two governments so that in effect the Committee had no control.

Nevertheless, Gorell-Barnes' memorandum provided at the time a needed review of the Committee's activities. Someone had to take stock of its part in the war in order to determine its future. The problem with the report was not its criticism, but the fact that it was based on incomplete evidence. It raised many more questions than it answered. For example, how successful was Jean Monnet as Chairman of the

committee? There were other questions, of course, but Gorell-Barnes could not answer them at that time. After the demise of the Committee, and from the vantage point of 1975, one can look back and make some judgments about its work.

Jean Monnet did play the key role in the activities of the Co-ordinating Committee; his position must be seen as the hub around which all else revolved. After all, as chairman he was responsible for seeing that everything worked properly and that everyone received the latest information. The successful operation of the Co-ordinating Committee was thus a measure of his ability to do the job. The capacity to direct such a complex operation stemmed, no doubt, from his background.

Monnet was a man possessed of vast experience in the field of international cooperation. Dating back to World War I, he was frequently involved in some sort of cooperative venture in war or peace. It might well have been difficult to find a more qualified individual for the position. This worked in his favor for a number of reasons. He appreciated the intricacies of getting two sovereign nations to make sacrifices for the sake of each's ally. Monnet was very familiar with the nuances of inter-Allied negotiations, which did not always proceed as if they were between friends. The chairman's ability to compromise as an Allied official undoubtedly benefited Committee operations.

One of the truly remarkable features of Monnet was the breadth of his personal contacts. During his lifetime he had been

and had worked throughout the world: France, Britain, the United States, China, Russia, Poland, to name a few. While doing whatever job was involved, he amassed an amazing number of friends and acquaintances. Their most important asset was that they ranged from second level bureaucrats to prime ministers. Conspicuously lacking were military men, but then he really never had a need to deal with them. He could and did, however, call upon them freely.

His influence served the growth of the committee well. In the negotiations which led to its formation, Monnet's connections with Daladier proved effective in helping to sway Neville Chamberlain. Until Paul Reynaud became the Prime Minister in ~~March~~ ^{March, the} committee had a unique position in Anglo-French communications. Contrary to the normal procedure of breaching topics through diplomatic channels, the British and French members of the committee could go with any request straight to the top through Monnet. This was especially true of the Daladier-Monnet link. This means was used, for example, in bringing to light the French desire to utilize American productive capacity. On a slightly lower echelon, Monnet's connections with men like Bridges, Wilson, Purvis, Bullitt, Jacquin, Pleven, and Bloch-Laine certainly provided the committee with extensive influence. After Daladier and Chamberlain fell from power, Monnet's authority waned. The links with the top leaders were gone.

Monnet's relations with the leaders of several world powers deserves additional comment. He was closest of all to the Premier of his own country, Édouard Daladier. The two men enjoyed a similarity

of outlook that encouraged very close relations. Monnet could take any problems to Daladier and know that the French Premier would give it his attention. This was how the Co-ordinating Committee got its start; Monnet explained his ideas to Daladier, who approved. Monnet also enjoyed access to Neville Chamberlain, the Prime Minister of Britain. Chamberlain evidently agreed with Monnet on several issues. Several times during the life of the committee it was plagued by unsolved problems, such as the crisis over coal. In each case, Monnet threatened to take the problem to Chamberlain. When that happened a solution to the problem was quickly found. Why? Apparently, the British members of the committee feared that if Monnet saw Chamberlain he could convince the British Prime Minister of the correctness of his solution. Britain's officials chose not to let decisions like that slip from their grasp. Monnet also enjoyed entrée to one other nation's leader: Franklin Roosevelt. He had had several discussions with him 1938 and again in the spring of 1939. After Roosevelt designated Henry Morgenthau as the man through whom he could be contacted, Monnet often went to Morgenthau with Allied problems, knowing that the President would soon be fully informed. This connection was strengthened by the friendship between the Secretary of the Treasury and Arthur Purvis. The purchase of American planes was handled through Morgenthau as were discussions about Allied-American cooperation in controlling strategic raw materials. Thus, Monnet had access to these three men. He knew that if an issue arose in which help was needed he could turn to one of them for assistance. This gave him

great prestige, authority and influence, and the members of the Co-ordinating Committee knew it. Thus, Monnet's contacts could be used, and were, to further the interests of the committee or to remove any obstacles to his programs.

Monnet's role changed noticeably during the course of his tenure as chairman. Initially he viewed the position in negative light, preferring merely to prevent problems. However, increasingly he assumed larger responsibility and control within the Co-ordinating Committee. Eventually, Monnet became more of a director. This does not mean that he dictated policy. Rather, he used his authority carefully to sway the attitudes of the members, unless forced by events to take a stronger hand. This was the case in the timber crisis. Both sides procrastinated until May 1940, when he intervened to offer solutions. However, as it increasingly appeared that France would fall to Germany, he progressively divorced himself from the committee and its work to delve into political-military affairs. By the time France surrendered, he had little to do with the committee's work. This drift did not adversely affect the committee because of the short amount of time involved. Had the war continued for a longer period, then perhaps the work of the group might have suffered from Monnet's absence.

Most of Monnet's suggestions were based upon his past experience. He was not a particularly original innovator. For example, in World War I he helped pioneer the way for the large influx of American aid. Now, in the Second World War, he restated his

appreciation of the vast productive potential of America. To make use of their industry he continually stressed the need to work closely with that country. Monnet stimulated contact between Purvis and Morgenthau, which resulted in the establishment of a very unusual link between the Allies and the United States. Eschewing normal diplomatic channels, the American administration often utilized the Co-ordinating Committee as a means of communications in very important matters, but especially economic warfare topics. After the German invasion of France the chairman moved to expand American productive facilities to serve the British and French cause. Though it had no effect on the military result in France, his total efforts undoubtedly helped prepare the American industrial plant for the coming of war.

There are several explanations for the close relations between the Co-ordinating Committee and the United States. Monnet personally had close connections with American financial circles as well as with President Roosevelt and Secretary of the Treasury Henry Morgenthau. So close were the relations between these people that the committee served as a link between America and the Allies for many important and sensitive issues. Monnet personally supported this method of communications because he was interested in opening the American arsenal for the benefit of the Allies. Thus, he planned for Britain and France to make the best possible use of American airplanes and in May they made even larger plans to tap American industrial resources. But what effect did this have on America? For

one thing, it made them more aware of the pressures placed on Britain and France in trying to cope with the German menace. The fact that the Roosevelt administration allowed large purchases in the United States drew the American government closer to the Allied point of view. In a sense they were not strictly neutral. By circumventing normal diplomatic channels and working through the Co-ordinating Committee Roosevelt could avoid the objections of Cordell Hull and the United States State Department about cooperating with belligerents. In allowing the purchase of war material by the Allies in America, Roosevelt helped to prepare American industry for the large war orders which his government would place after December 7, 1941. Thus, the Co-ordinating Committee was very instrumental in preparing American manufacturing for war and bringing the administration closer to the Allied point of view.

Monnet's role was central to the success of the Co-ordinating Committee. Subtle, intelligent, and experienced, he occupied a very difficult position. As the British warned in November, they could have requested his recall if they objected to his activities. Yet they never did, and that is a tribute to Monnet as a capable, determined leader. He did not wait for the war to move from Sitzkrieg to Blitzkrieg. Urging his Committee on, he moved to prepare the Allies for the long war they expected. But he could not have done it without the aid of the rest of the Co-ordinating Committee. It was to them that he turned, in most cases, to accomplish his goals.

The Allies designed the committee to be a forum for those issues not solvable by the executive committees, or those of great importance to the war effort. A glance at the content of the meetings indicates economic warfare as the subject most discussed, especially as it related to the United States. This was understandable because of the ad hoc nature of economic warfare; no long-term plans could be made and its work affected all of the executive committees. The Co-ordinating Committee really was the only place where their discussions could occur because of the independent nature of Leith-Ross' group. The United States, of course, enjoyed a position of prime importance, not only for the Economic Warfare Executive, but also for Monnet personally. He was the most interested in stimulating contact between America and the Allies. This reflected itself in his drive to obtain combat planes, munitions, tanks, guns, and other war material from that country.

As a unit the committee functioned well. They handled some of the most difficult supply problems encountered in that first year of war, such as the shortage of coal. Although not successful in all of their efforts, they at least tried to find solutions. Why they reached the solutions they did is a questions that can never be satisfactorily answered. Why a particular position was adopted is rarely explained in the documents. There are, however, certain ways in which policy was established, and it might be helpful to describe them. The Co-ordinating Committee, of course, had no authority to create policy. Nevertheless, to some extent they were important in influencing the

direction in which the Allies moved; their recommendations and reports could be instrumental in making decisions. Policy decisions could be made in other ways. It could be agreed upon at Supreme War Council meetings, or the Prime Minister could recommend the adoption of a particular approach. Decisions could also emanate from the national departments whose representatives sat on the Co-ordinating Committee. Having decided on a solution to a problem, individual departments could instruct their representatives to present it for general acceptance at a full committee meeting. Thus, by these means Britain and France created economic policy.

However, the most striking feature of the economic aspect of the war was the fact that the Allies never agreed on any single method by which they could establish policy. Consequently, this aspect of the war was confused. Monnet had suggested the creation of a Supreme Economic Council but the British refused to go along with that proposal. The confusion that permeated the Allied economic war effort was avoidable, but it would have required a decision by the British to subject their economy to the direction of an Allied body and this they would not do. The Co-ordinating Committee was an attempt to do this, even Daladier's new economic policy which he put forward in February and March of 1940 was an attempt to control the economic direction of the war. But it was to no avail. Britain could not agree to such an all-powerful body. To that extent, then, the British must be seen as responsible for the confusion in the Allied nations for not going further along the lines of establishing closer

economic relations. Their refusal to do so resulted in a failure to create an economic policy that controlled the direction of the economic war. The Allies had no overall goals toward which they could aim. Most of the decisions of the committee were of an ad hoc nature; decisions had to be taken immediately in order to alleviate some shortage that cropped up. The lack of an overall policy to which they could refer, and their lack of an authority to create policy, definitely hampered the Co-ordinating Committee in their effort to prosecute the war.

Its success depended, in part, on the ability of the participants to cooperate. Although some sharp disagreements occurred, the committee generally worked well on the personal level. There was some general suspicion, as demonstrated in the clash over the Iraq pipe line, between the French and British representatives, but it was of a minimal nature. However, the cautious approach taken by both sides make it possible to infer an underlying wariness of the other's demands. Did the Co-ordinating Committee succeed in overcoming Anglo-French distrust? Indeed, how widespread was that trust to begin with? In September 1939 there was a great deal of ill feelings between Britain and France, as indicated by the British distrust of French ideas about economic cooperation. The British and French leaders were definitely wary of each other. Nevertheless, they realized that if they were to win the war they would have to put aside those feelings in favor of a closer relationship. Yet, suspicions did not die easily. The negotiations for the establishment of the

Co-ordinating Committee were protracted and difficult. The British did not trust Monnet and objected to his appointment as chairman of the committee. Sir Frederick Leith-Ross objected to the French receiving any of the chairs of the permanent executive committees. Some of the Frenchman appointed to the executives initially refused to go to London to serve on the committee. However, once the group began to function it appeared that relations become progressively closer. Evidence of disagreement is limited, although there were instances where British and French committee members clashed. Significantly, no disagreement damaged the Co-ordinating Committee; it continued to adequately perform its duties. However, this rosy view must be tempered somewhat as it should be pointed out that the members of the committee were a limited group. They cooperated well but that does not account for the feelings of the larger national departments. However, within its confines the committee made a significant contribution to better Anglo-French understanding.

Ranking next to the Co-ordinating Committee, but more important, were the executive committees. There the basic work was carried on; the daily negotiations and the compilation of programs. Allied relations were closest at that level, and the potential for friction was, consequently, greater there than anywhere else. It was also where the finest examples of cooperation could be found. The group had a difficult job which required tact and skill on both sides. France and Britain took great care to appoint appropriate officials to the committees in order to make those groups as efficient as

possible and, generally speaking, they were not disappointed.

The men named to the posts had sufficient authority in both governments to obtain acceptance for the programs of the Co-ordinating Committee. All major programs approved in the executives were accepted by the governments of the two nations. Of course, this was partially due to the fact that government departments had to pass on a national program before it went to the permanent executive committees. Those which they received back from the executives were, therefore, similar. However, changes often had to be made in original schedules for necessary reasons, such as to remain within tonnage limitations. The recommendations of the executives also received ready acceptance because of both governments' faith in their representatives. Within the total scheme of things, national departments were aware that cuts would have to be made, and their representatives had the duty of controlling them. Thus, faith in the integrity of these men played an integral role in the success of the executives and, from the point of view of all involved departments, it was justified.

Of course, the compiling of a program necessitated a great deal of cooperation between the executive committees. Much of this had to depend upon the personal relations between the members. On the whole they were very good. After the demise of the committee, most expressed pleasure with having worked together. However, those expressions could have been merely formal observations, with no real meaning behind them. However, that is doubtful in light of the relationships they enjoyed. They cooperated very well, although

nothing is known of their personal contacts outside of their work. Some differences did occur, for example, between Sir Cecil Kisch and M. Pineau of the Oil Executive, but that did not hamper the work of that committee. Without question, their closeness was a remarkable aspect of their work, especially in view of the large and difficult task in which they engaged.

The activities of the executive committees were carried on world-wide. The most obvious center of their over-seas activities was North America simply because of their need not only for sophisticated materials and equipment but also because of their business ties. Combat planes were the most desired item, but they also purchased valuable ferro-alloys, such as molybdenum. The United States willingly extended a helping hand to the British and French, especially by making financial advantages available. However, the committee purchased in many other areas of the globe: the Far East, the mid-East, South American, Scandinavia, Australia, Africa, and Europe, all in their quest to supply Britain and France with those commodities needed to prosecute the war.

As a group the Co-ordinating Committee performed some very valuable services for the Allied war effort. In terms of amounts of material which it acquired its contribution was vast. The thousands of tons of food so necessary to maintain England and France originated in the plans of those executives. The thousands of airplanes purchased by the Anglo-French Purchasing Board later went on to serve the British in war and encourage the expansion of American industry. If the goal

of the Co-ordinating Committee was to establish a coordinated economic war effort, to what degree was it successful in doing so? When the war began in September 1939, Monnet, Bridges, and others realized that the Allies were ill-prepared in terms of economics to prosecute a lengthy war. They had no policy to control the French and British economies and they had no body to establish policy. Competition characterized the relations between Britain and France. The uncontrolled scramble for goods could only retard the war effort. It was to correct the chaos in Allied economic relations that the Co-ordinating Committee was formed. Even after its formation the obstacles to its successful operation were severe. The fact that Monnet wanted to control all purchases meant that he would have some opposition to his control from the national purchasing departments. After all, they had always done their own buying and the Co-ordinating Committee asked that they change their ingrained habits. Despite opposition both French and British sources, it must be recognized that Monnet's group was largely successful in their efforts to eliminate competition. By June 1940 rivalry no longer plagued the economic war effort as ^{it} had in September 1939.

This is not to say that the Co-ordinating Committee completely succeeded in coordinating the Allied economic war effort. There were areas in which it tasted failure. For example, the committee never solved the problem of whether or not to double the Iraq pipe line to the satisfaction of the French; the committee did

not ease the French coal shortage until very late in life of the alliance; the lumber problem in Britain was so severe that Monnet finally had to intervene personally in order to get an agreeable solution. However, in each of these cases the committee was involved in attempting to reach a solution to a very difficult problem. The question of how far each ally should go to help the other to meet their needs was a questions that was never answered. Monnet, of course, raised the issue and even suggested an answer; all supplies ought to be pooled and then the Allies could draw on them as they had need. This solution was not accepted as policy. Yet, the overwhelming impression remains that the Co-ordinating Committee was involved in trying to solve these issues. That they failed to supply an answer to them is of secondary importance. After all, they were only in existence for seven months and in that time they managed to have all departments submit their programs to them for evaluation. Perhaps if it had had more time, the committee would have been able to exert sufficient control over the economies in both nations so as to make them truly unified.

The Anglo-French Co-ordinating Committee was in the process of organization from early September until December. Once in operation it experienced fluctuating periods of success. On the whole, however, this group represented Anglo-French cooperation at its best. It was an efficient, powerful, and successful war committee. Had it not existed, the competition between British and French efforts might well have had more serious consequences. The group was an

important link in the struggle against Germany, an indispensable one at that. Looking back, the Co-ordinating Committee was the finest example of Allied cooperation. Even more than military liaison it represented what could have been achieved had contacts been closer. However, its accomplishments are of even more significance in light of the total war effort.

In the limited time that it was in existence its contributions were necessarily limited but were nevertheless, significant. It was also instrumental in ending competition between the Allies for the purchase of war material. In the course of its existence Monnet's group negotiated the purchase of large amounts of goods: planes, raw materials, food, and manufactured articles. It also tried to systematize and rationalize the import and use of the materials they purchased. In some areas the committee was not successful, their failure to provide adequate shipping for Allied imports was one such case. Yet for the most part it provided the direction necessary to the economic prosecution of the war. The Co-ordinating Committee served, in effect, as the high command over the economic prosecution of the war. By June 1940, Monnet's committee exerted increasing amounts of control over the economic aspects of the war. Perhaps if the French had managed to stave off defeat the Co-ordinating Committee might have achieved total direction of the economic aspect of the war. However, that is speculation. What is certain is that the Co-ordinating Committee functioned well and was getting better.

The Co-ordinating Committee was a civilian-run body, influenced

by the leaders of both nations, but especially by Chamberlain and Daladier. Later, Churchill and Reynaud did not have the same degree of interest in the Committee. That was only natural since they were faced with a major German offensive in the West. Their predecessors did not have to pay quite as much attention to military matters as it was an inactive aspect of the war. In addition, Daladier and Chamberlain were much more divorced from the military aspects of the war than their successors. Their governments were so organized as to allow the military full freedom of action with little or no interference from the civilian political leaders. This was particularly true of the French situation where Gamelin practically locked himself up at his Vincennes headquarters.² This separation of military and civilian matters thus restricted, generally, the activities of British and French leaders to those areas not of direct concern to the armed forces. One of those areas was economics, and here the Co-ordinating Committee filled a distinct need.

Since the collapse of the alliance in June 1940, Chamberlain and Daladier have received much criticism for their actions both prior to and during the war. Part of this stemmed from Munich and the appeasement era. In addition, criticism also resulted from their apparent inept handling of the war. After all, both had to be replaced in mid-course, and in June the alliance suffered a mortal blow. Yet

²Alistair Horne, To Lose A Battle: France 1940, pp. 116-122, 376-377.

their roles must be evaluated in view of their total contribution.

Chamberlain and Daladier greatly contributed to the formation of the committee. Though neither actually suggested it, both pressed for its incorporation. Chamberlain put Monnet in contact with all the right people and followed his progress. Daladier actively supported Monnet, even to the extent of contacting the British Prime Minister and advocating courses of action. In fact, the Monnet-Daladier-Chamberlain relationship served an important purpose in the war effort. It brought issues before the proper officials in the shortest possible time. Thus, the Co-ordinating Committee handled problems knowing that the leader of either nation might have a direct interest in the solution. These men demonstrated a great deal of energy, poise, and foresight in their dealings with Monnet's group. They certainly did not conduct themselves in an incompetent manner. Neville Chamberlain and Edouard Daladier were definitely a positive influence on the economic war effort. Without them the Allies would never have reached such a high degree of coordination in so short a time, nor would they have been able to handle the serious crises in supply.

The overwhelming impression that one receives from the work of Monnet is the direction in which he was pushing the war economy. Britain and France were being seriously challenged by Germany. Monnet believed that in order to defeat the Nazis, Britain and France had to cooperate completely; all competition between the Allies for materials and goods had to be eliminated. If Britain and France

continued to compete with each other in the requisition of war material, it would only be harmful and cause wasted effort. Looking back to his experience in the Ministry of Commerce in World War I, Monnet found the answer he was looking for. He thus advocated the creation of Allied bodies similar to those which he had served on twenty years earlier. What he was trying to achieve in 1939 and 1940 was a state direction of the economies of France and Britain. This he planned to do through the Co-ordinating Committee. He was, in a sense, a technocrat, similar to those with which he associated in World War I. His plans called for machinery, staffed by technical experts and armed with all the relevant facts and figures, to direct the economies in an impartial fashion. Thus, as the Co-ordinating Committee succeeded, so did his visions for a rationalized economy. Approached on a larger scale, Monnet sought to move the Allies beyond nationalist economies into the sphere of international planning. After the war many of Monnet's ideas would be accepted by France and Britain, but in 1939 and 1940 his concepts were resisted in Britain and France.

Cooperation on the economic level must thus be viewed in a positive light. The work of the Co-ordinating Committee made a significant contribution to the war effort. Indeed, in a tale of dismal Allied failure, it stands out as a success. So important had it become that the Allies discussed the potential in May 1940 of the Co-ordinating

Committee in terms of post-war developments.³ Under the tutelage of Monnet, it was the best example of what the alliance might have been.

³ Anglo-French Economic Co-ordination During and After the War, from the Interdepartmental Committee on Post-War Anglo-French Collaboration, May 9, 1940, CAB 21, File 1271, Co-ordination of Anglo-French Economic War Effort.

Chapter XIII

Bibliographical Essay: World War II, The Anglo-French Phase

Since the start of World War II a flood of literature has appeared which deals with various aspects of that conflict: its prelude, start, organization, military activity, leaders, winners, losers, plans, conduct, misconduct, diplomacy, conclusion and aftermath. This has been done in dissertations, articles and books. Much of it has been repetitive; still attention has^s not abated. In part, this is indicative of the quantity of material available for study as well as the complexity and size of the topic. The archives are brimming with documents relating to the war. Professional and amateur historians have lost little time in delving into this mass of material, with mixed results. This has, of course, been aided by the relaxation of those laws covering the release of official papers. For example, Great Britain has adjusted its policy and since 1968 their archives are opened thirty years after the actual date instead of fifty. France has adopted a similar policy with regard to their archives. However, many of the individual French departments of government have yet to open for inspection their documents relating to World War II. Consequently, study of French policy remains very difficult.

Anglo-French relations immediately before the outbreak of war and during its initial year have been accorded extensive coverage. General studies of the interwar years include Arnold Wolfer's Great

Britain and France Between Two Wars: Conflicting Strategies of Peace Since Versailles. Though published in 1940 it continues to command scholarly respect. J.C.Cairn's "A Nation of Shopkeepers in Search of a Suitable France: 1919-1940," published in The American Historical Review, is a shorter, but very recent, treatment of the problem. Both stress the difficulties in Anglo-French relations in that period and its effect on the European international system.¹

However, outside of studies concerning military liaison, historians have not studied the performance of the Anglo-French alliance during the war. Its political aspects have received some attention; yet to date no book-length analysis has appeared. D.W.J.

Johnson has written "Britain and France in 1940," expressing surprise at the degree of Allied cooperation. P.M.H.Bell has treated the demise of the alliance in "The Breakdown of the Alliance in 1940."

Bell has also written a thesis on the subject, Anglo-French Relations, May to December 1940. In general, there is a more limited amount of information about the political machinations of the Anglo-French alliance; how it worked and how decisions were arrived at remain cloudy areas. An explanation for this neglect might lie in the fact that politics is less exciting than war. Another might be that until recently government papers covering the politics of the alliance

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Arnold Wolfers, Great Britain and France Between Two Wars: Conflicting Strategies of Peace Since Versailles, New York: 1940. J.C.Cairns, "A Nation of Shopkeepers in Search of a Suitable France: 1919-1940," The American Historical Review, Vol. 79, No. 3, June, 1974, pp. 710-743.

unavailable for study. Yet, the politics of the alliance raise some interesting questions: what were the implications of the alliance, particularly in post war terms, in what direction was the alliance moving in 1940, and how close had the political connections between Britain and France become?²

A considerable amount of information about the alliance deals with its collapse at the end rather than its character in earlier months. In particular, the proposed Anglo-French Union has attracted considerable attention. Three article-length studies have recently been published: Max Beloff, "The Anglo-French Union Project of June 1940,"³ Avi Shlaim's "Prelude to Downfall: the British Offer of Union to France, June, 1940,"⁴ and David Thomson's The Proposal for Anglo-French Union in 1940. All stress the unusual nature of the offer and the circumstances surrounding it, specifically the impending surrender of France and its ramifications for Britain's strategic position. Only Beloff views the offer as a culmination of the political goals of the alliance, which is a more interesting approach that needs to be expanded in order to assess the status of the alliance.³

²D.W.J. Johnson, "Britain and France in 1940," Transactions of the Royal Historical Society, 5th ser., 22, London: 1972, pp. 141-157; P.M.H. Bell, "The Breakdown of the Alliance in 1940," in Troubled Neighbors: Franco-British Relations in the Twentieth Century, Neville Waites, ed., London: 1971; P.M.H. Bell, Anglo-French Relations, May to December 1940, Oxford Thesis, B.Litt., 1957.

³Max Beloff, "The Anglo-French Union Project of June 1940," Publications De La Faculté Des Lettres Et Sciences Humaines De Paris, 1966; Avi Shlaim, "Prelude to Downfall: the British Offer of Union to France, June 1940," The Journal of Contemporary History, Vol. 9, No. 3, July, 1974, pp. 27-63; David Thomson, The Proposal for Anglo-French Union in 1940, Oxford: 1966.

In comparison, recent studies about the economic direction of the war are few in number. Shortly after the alliance collapsed, Joseph J. Matthews published "The Anglo-French Alliance and the War" and placed heavy emphasis on its economics. In the years since then a few articles which deal with those matters have appeared, but they are nationally oriented, not concerned with the Anglo-French response in this important area. Studies concerning economics during the pre-war period include Alfred Sauvy's "The Economic Crisis of the 1930's in France" and H.W. Richardson's "The Economic Significance of the Depression in Britain."⁴

Historians have ignored Anglo-French economic policy in that first year of war. The United Kingdom Civil Series, published after the war and written with access to official British documents, is an exception; but these volumes deal with Anglo-French relations from a British viewpoint and the authors did not utilize French documents. The series, however, is excellent and includes, for example, W.K. Hancock and M.M. Gowing's British War Economy, J. Hurstfield's The Control of Raw Materials, and H. Duncan Hall's North American Supply. This extensive series is extremely well done, and of vital importance in any effort to assay the economic situation. Since its publication in the decade after World War II, literature on this

⁴Joseph J. Matthews, "The Anglo-French Alliance and the War," Southwestern Social Science Quarterly, Vol. 21, March, 1941, pp. 351-359; Alfred Sauvy, "The Economic Crisis of the 1930's in France," The Journal of Contemporary History, Vol. 4, No. 4, October, 1969, pp. 21-35; H.W. Richardson, "The Economic Significance of the Depression in England," The Journal of Contemporary History, Vol. 4, No. 4, October, 1969, pp. 3-19.

subject has been extremely scarce. Margaret Gowing has continued her interest with the publication of "Manpower in Britain During the Second World War"; however, this study barely mentions French contributions. American Aid to France, 1938-1940, the work of John Haight, deals with some of the economic aspects of the war, but his studies are limited to combat planes and Allied interest in the United States. William A. Hoisington also studied this area, and has produced "The Struggle for Economic Influence in Southeastern Europe: The French Failure in Rumania ." Unfortunately, it fails to account for British interests there, does not make use of the CAB series of British papers, and consequently takes a very narrow approach to the important issue of the supply of Rumanian oil. In all fairness, it must be stated that his purpose was not to investigate the entire problem, only the role of one French businessman.⁵

The most important papers for a study of Anglo-French economic policy are the primary documents in England and France. The CAB series (War Cabinet Papers), FO papers (Foreign Office papers), and PREM papers (Prime Minister's papers) are indispensable. All of the records of the Anglo-French Co-ordinating Committee, the group

⁵W.K. Hancock and M.M. Gowing, British War Economy, London: 1949; J. Hurstfield, The Control of Raw Materials, London: 1953; H. Duncan Hall, North American Supply, London: 1955; Margaret Gowing, "Manpower in Britain During the Second World War," The Journal of Contemporary History, Vol. 7, Nos. 1 + 2, January-April, 1972, pp. 147-167; John M. Haight, American Aid to France, 1938-1940. New York: 1970; William A. Hoisington, "The Struggle for Economic Influence in Southeastern Europe: The French Failure in Rumania, 1940," The Journal of Modern History, Vol. 43, No. 3, September 1971, pp. 468-482.

which directed Allied economic policy, are available for study, having just been opened since 1970. The collections are composed of meeting minutes, reports, memoranda, letters between British officials and British and French officials, and diplomatic dispatches. Transcripts of the meetings and most of the reports are written in French and English, thus indicating that the system for distributing information to the English and French Governments was very thorough. There are, however, some problems involved in utilizing the CAB and PREM papers. They are not centrally located in one file. Rather, the papers are spread over a number of indexed files, and are broken down into numerous sub-files which are not catalogued. Because the value of the sub-file cannot be ascertained without inspecting its contents, leafing through the documents requires a great deal of time which is often fruitless. Nevertheless, it is the only way to extract the best information.

On the other hand, the FO papers are well indexed and easy to use. These diplomatic documents contain some information about Allied economic policy, but since the Foreign Office had little to do with its direction the number of useful documents are smaller than in the CAB or PREM series. Yet, some are valuable for their evaluation of the state of Allied economic coordination. The Foreign Office also served as a channel of information about events in France for British officials. Consequently these papers provide excellent data for a British view of French affairs. The British papers, then, are indispensable to any study of Anglo-French economic policy. Yet, they

present only a partial view of Allied economic policy; for a complete picture of events, French documents must be utilized.⁶

The French documents are not nearly as voluminous as those of the British simply because government documents are not available at the present time. Therefore, a study of Anglo-French economic policy must be done with private sources. Fortunately, the former chairman of the Anglo-French Co-ordinating Committee, Jean Monnet, has opened his papers to scholars. Many of the documents are similar to those held by the British Government because, as chairman, Monnet received copies of all papers relating to the work of his committee. However, his papers are most valuable for the correspondence between Monnet and members of the French Government. Those letters help to explain French economic policy goals and their assessment of the value of the Co-ordinating Committee. The Monnet Papers are not very extensive for that period because in World War II many of his papers were destroyed. The remaining ones are divided into folders and kept in Monnet's Paris office. Access to his files is difficult; it requires the personal approval of Monnet. But these documents are extremely valuable, not only for a study of the Co-ordinating Committee, but also for French attitudes about the Anglo-French Alliance. With-

⁶The documents relating to Anglo-French economic policy are located in CAB 21, 65, 66, 67, 68, 85, PREM 1, and FO 371. The useful files are far too numerous to be listed here.

out these papers any study of Allied economic policy would be inadequate.⁷

There exists a need for further studies of Anglo-French economic relations. If, as J.J. Matthews asserted, war is conducted on three levels, military, economic, and psychological, then surely the economic policy of the war in that first year has^s been ignored. If a total understanding of World War II is to be achieved, it will only be after all phases of the war have been thoroughly examined.

Anglo-French economic relations, then, remain a neglected area. But, if studied, what insights into that first year of war can a historian expect to gain? There are several. The twentieth century has seen the first of the "total wars"; no other century prior to this has experienced such a complete and dedicated approach to the prosecution of war. All classes of society are involved. Until a picture of the economic policy has emerged, understanding of that effort will be incomplete. In addition, that study would also illuminate the leadership factor in 1939-1940. The Anglo-French Co-ordinating Committee was, after all, a group situated just below the French and English War Cabinets, where it enjoyed a position of prestige and authority, with easy access to the top Allied leaders. How those men, especially Chamberlain and Daladier, conducted themselves in relation to the Committee would be of great value in

⁷The Monnet Papers were made available to this author in the summer of 1974.

assessing their contribution to the war effort. Finally, a study of Anglo-French economic policy would throw light on the degree of cooperation between those two nations. Quite clearly a lack of military cooperation in the Battle of France led to the collapse of the alliance. Did the economic effort, or lack of one, contribute? This dissertation will attempt to answer those questions and, in so doing, help to complete the historians' picture of World War II.*

* This chapter does not cover all the available literature on the Anglo-French phase of World War II. That would involve a much larger essay. It only reviews a minute number of the total in order to explain trends in contemporary historical studies.

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B. The Public Record Office (London, England)

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This file contains a mass of greatly varied material, only a part of it concerns World War II. The files are indexed, but the individual papers in the files are not always arranged in any coherent fashion. Consequently, to determine if there is any information of value in a folder it is necessary to leaf through all the papers which it contains. These particular Cabinet papers have numerous references to the Coordinating Committee, and are most helpful in studying the events between September and December 1939.

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