man Nower from U.S. : \$208/32/41



6th October, 1941.

## SECRET

Dear Chance.

The question of American assistance in carrying out certain specific projects in the United Kingdom and elsewhere, about which you telephoned to me on Saturday, is rather involved but the position as we here know it is as follows.

Early in August the Ambassador got a personal letter from Scott at the Foreign Office, enclosing a copy of a letter dated August 1st to the Foreign Office from Eridges of the War Cabinet offices explaining that while Mr. Hopkins and Mr. Harriman had been in London in July, the British authorities had discussed with them two plans for obtaining further American technical assistance in connexion with our war effort.

Plan A - the more important - was concerned with a proposal "that contacts should be made with American industrial concerns to set up organisations, either in the United Kingdom or abroad, notably the Middle East, to undertake certain specific and self-contained projects."

Plan B was concerned with a proposal that the United States Government should recruit in the U.S.A. an American Civilian Technical Corps whose members would serve in British military establishments in the United Kingdom.

Details of Plan A were set out in a War

Cabinet paper "19/10/125/1 Paper No. 2 of July 30th"

of which I enclose a copy herein for your confidential
information. A copy of this paper was sent by Bridges
Leslie Chance. Esq.

Leslie Chance Esq Council, FREM: HS to/

to Harriman on July 29th under cover of a letter of which I also enclose a copy. Details of Plan B were contained in another War Cabinet paper "19/10/125/1 Paper No. 3 of July 30th" but I don't think I need send you a copy of this as you are not so directly concerned in this proposal - which incidentally is the "Hovde Scheme" mentioned at the end of Bridges' letter to Harriman.

In his letter to the Foreign Office of August 1st Bridges wrote inter alia:-

"3.Mr. Harriman has taken back with him to the United States copies of the lists relating to Proposal A attached to 19/10/125/1 Paper No. 2, in addition to the Aide Memoire on Proposal B handed to him by Lord Hankey, and it is his intention, with Mr. Hopkins, to explore these proposals with the United States Government authorities on his arrival.

"4. The details of the various schemes falling under Proposal A will, I think, have to be dealt with over here as only the Departments themselves are in a position to amplify the schemes. The discussions about Proposal A have up to the present been co-ordinated in this Office, and it will probably be convenient that this arrangement should continue and that we should be kept informed of all developments."

Simultaneously with the letter from Scott Lord Halifax got one from Lord Hankey. This was mainly about Plan B, but it contained the following reference to Plan A - "Notwithstanding Mr. Harriman's observation recorded at the end of the summary, it is clear that, whereas paper No. 2, as far as it is to be implemented, will have to be followed up in London, negotiations resulting from my paper No. 3 will have to be pursued in Washington".

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It will be seen from the foregoing that both Lord Hankey and Bridges seemed to anticipate that further discussion of Plan A would take place in London.

On getting all these papers from London, Lord Halifax discussed matters with the Joint Staff Mission to whom copies of the documents had been sent direct from London. It was agreed that the Joint Staff Mission should handle both problems here - but particularly Plan B since the Royal Air Force delegation were already dealing with the rather similar question of the British Civilian Technical Corps. It was the view of the Joint Staff Mission that no progress could be made until Mr. Hopkins got back. They would then discuss both plans with him.

The next thing that happened was that Phillips got a telegram from the Treasury (Foreign Office telegram to us No. 4538 of August 14th) referring to Scott's letter to Lord Halifax and saying apparently with reference to both Plans A and B. that as the technicians involved were to be employees of the United States Government, their pay would presumably come out of some ordinary American Government department's appropriations and not out of Lease Lend Funds. To enable Bewley to deal with this telegram we sent him our file and in due course he replied to the Foreign Office in a telegram No. 3883, of which I enclose a copy. Bewley also sent us a copy of a mimute by Tom Childs dated August 22nd regarding the eligibility of Plans A under Lend Lease. You will no doubt be able to get a copy of this mimute from Childs.

In the meantime the Joint Staff Mission were trying to clear up some doubtful points - mainly about Plan B - with the Chiefs of Staff. I think the

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only extract that I need quote from their telegrams is the following from the Chiefs of Staff, telegram Boxes No. 87:-

"The proposals in War Cabinet Papers 19/10/125/1 Nos. 2 & 3 are to be regarded as indication of the methods by which it is thought skilled civilian technicians could best be obtained from the United States, but not as any measure of actual numbers required. With regard to Paper No. 2 which enumerates tasks for which American firms might undertake entire responsibility, departments were particularly asked to confine their specific proposals to a few urgent works of first importance. Many further items could be specified if there is any possibility of American firms being able to undertake work".

By this time - the end of August - Hopkins was back and we therefore asked the Joint Staff Mission how things were getting on with their proposed talks with him on both Phms. I spoke to Cribbett on the subject on August 28th and as regards Plan A I made the following record of our conversation:-

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" Mr. Cribbett said that as regards the first project General Brett was very shortly leaving for England and that one of his jobs while there would be to consider the whole of this plan. I gathered from Mr. Cribbett that in these circumstances the Joint Staff Mission thought it unnecessary for them to take any further action here in the matter. This is probably the case, as in paragraph 4 of E.E. Bridges' letter to Balfour of August 1st it is stated that "the details of the various schemes falling under proposal A will I think have to be dealt with over here as only the Departments themselves are in a position to amplify the schemes".

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What Cribbett said to me about General Brett was more or less confirmed by a passage in the mimutes of a meeting of the Joint Staff Mission held on August 29th.

Since then, though there have been various developments in connexion with Plan B, about which Air Marshal Harris is now in touch with Mr. Stettinius, we have heard no more about Plan A. I was under the impression that this Plan, with any subsequent additions that may have been made to it, would have been discussed by the authorities in London - who seemed to anticipate keeping the details of it in their hands - with General Brett and some United States authorities in England or that if any specific action here was required by us instructions would be sent us.

(sgd) F. R. HOYER MILLAR