

THE MIDDLE EAST
SUPPLY CENTER AND
ANGLO-AMERICAN CO-OPERATION

A Thesis
Presented to
the Faculty of the Department of History
East Carolina College

In Partial Fulfillment
of the Requirements for the Degree
Master of Arts in History

by
William Frank Wade

October 1965

THE MIDDLE EAST
SUPPLY CENTER AND
ANGLO-AMERICAN CO-OPERATION

by

William Frank Wade

APPROVED BY:

SUPERVISOR OF THESIS

R. D. [unclear]

DIRECTOR OF THE DEPARTMENT OF HISTORY

Robert M. [unclear]

DIRECTOR OF GRADUATE STUDIES

John O. Reynolds

TABLE OF CONTENTS

	Page
INTRODUCTION.....	1
THE MIDDLE EAST PRIOR TO 1940.....	2
<u>The British</u>	4
FOUNDATION OF THE MIDDLE EAST SUPPLY CENTER.....	8
ENTRY OF THE AMERICANS INTO THE MIDDLE EAST SUPPLY CENTER.....	23
ORGANIZATION OF THE MIDDLE EAST SUPPLY CENTER.....	41
<u>Import Controls</u>	49
<u>Middle East Commodity Index</u>	55
<u>Territories Covered by Middle East Supply Center</u>	56
<u>Associate Groups</u>	60
ACCOMPLISHMENTS, CRITICISMS AND RIVALRY.....	69
<u>Accomplishments</u>	70
<u>Criticisms</u>	85
<u>Anglo-American Rivalry</u>	90
THE END OF THE MIDDLE EAST SUPPLY CENTER.....	99
APPENDIX I: MIDDLE EAST SUPPLY CENTER CONSTITUTION...	104
APPENDIX II: WORK ON THE MIDDLE EAST SUPPLY CENTER...	112
APPENDIX III: AMERICAN REPRESENTATION ON MIDDLE EAST SUPPLY CENTER IN NOVEMBER 1943....	117
APPENDIX IV: IMPORT CHART.....	123
APPENDIX V: ORGANIZATION OF MIDDLE EAST SUPPLY CENTER.....	124
BIBLIOGRAPHY.....	130

INTRODUCTION

In April 1941, the Middle East Supply Center was established with headquarters at Cairo, Egypt, by the British as a war time measure to see that essential civilian supplies reached the Middle East in sufficient quantity to insure subsistence of that region's 80,000 inhabitants. The problems faced by this new organization were staggering for not only were German and Italian forces knocking on the door of Egypt and threatening the Suez Canal but they had also cut the vital Mediterranean Sea lane. This act forced supplies to be brought in the long way, around the Cape of Good Hope in Africa, a trip of over 12,000 miles or roughly more than one half of the diameter of the earth. In addition every leg of this tremendous journey was made under the constant threat of submarine attack. Moreover, almost all types of commodities had to be imported for the Middle Eastern economy needed imports of all types to survive, even food.¹

In the following pages, the story will be retold of the foundation of the Middle East Supply Center, its early history, and some of its accomplishments. In addition, emphasis

¹ Walter R. Sharp, "The Middle East Supply Center," United States Foreign Economic Administration Files--National Archives, (April 20, 1943), p. 1.

will be placed on the coming of the Americans into the Middle East and the development of joint Anglo-American co-operation in the Supply Center. But before proceeding into the history of the Middle East Supply Center, some background is needed.

CHAPTER I

THE MIDDLE EAST PRIOR TO 1940

The term Middle East includes the lands extending from the Eastern shores of the Mediterranean and Aegean Seas to India but there is a difference of opinion as to just what territories should be included in the definition. According to the historian Sydney Fisher,² the Middle East is made up of the political states of Lebanon, Syria, Israel, Jordan, Iraq, Saudi Arabia, Kuwait, Bahrein, Qatar, Trucial, Oman and Muscat, Oman, Aden, and the Aden Protectorate, Yeman, Egypt, Sudan, Turkey, and Iran. Dr. Fisher points out that if the cultural aspects of society were included, one would be able to add the countries of Afghanistan, Libya, Tunisia, Pakistan, Algeria, and Morocco.³ So the term varies depending on whose or what definition you use, but in general the countries listed above are usually thought of as either being a part of the Middle East or related to that region.

² Sydney Fisher is the former editor of the Middle East Institute and Middle East Expert for the U. S. Government.

³ Sydney Fisher, The Middle East (1959), p. 3.

But regardless of how you define it, The Middle East is a strategic area in the world, for it is here that the three major continents of Asia, Africa, and Europe, meet in an important land junction. Here also, lies sixty-five percent of the world's known petroleum reserves; the religious center for over one-half of the world's faiths including Moslem, Christian, and Jewish; and the vital sea link between the Mediterranean Sea and the Indian Ocean is located in the region at Suez. It is for these reasons that the Middle East is a historic prize which has been sought by many nations.⁴

The inhabitants of the Middle East are mainly Arabic-speaking Moslems but there are several important minority groups of which the Jews in Palestine are outstanding. The chief occupation is farming despite the small land area in the region suitable for this pursuit. The effects of this situation produce an agrarian economy in a region not wholly suited for it results in poverty conditions for the majority of the people. This agricultural area is further hampered because the farming practices used are backward and the land structure is based on a semi-feudal society with the masses owning little or no land at all. A good description of the Middle East's economic conditions

⁴ Lewis Alexander, World Political Patterns (1957), p. 279.

during the 1939-1942 period was written in the London Economist. It pictured the area as

Usually self-supporting. But if any major disturbance intervenes--a bad harvest, civil war, the threat of invasion, then the narrow margin of sufficiency disappears, the poorest starve and the middle class resort to the black market which merchants and landowners, great and small, immediately provide. The hoarder, the profiteer, and forestaller are dominant types in the economic history of the East. This war, which has disturbed far less precarious economies, has created conditions of shortage throughout the Middle East. In some areas, for example, parts of Persia, shortage has developed into something close to famine.⁵

The 1940-1945 period was to see not only one of the above mentioned disturbances but a combination which had a tragic effect on the Middle Eastern economy.

The British

It was into this Middle Eastern region that Great Britain moved with a steadily increasing motion beginning in the 1600's and climaxing the movement with the occupation of Egypt in 1882. Once established in Egypt, the English set up a line of communications between the British home islands and their important colonies in the Far East that passed through the Mediterranean Sea and Suez Canal thus making either possession or control of various parts of the Middle East vital to them. Once established, however, England was able to maintain this control without too much

⁵ "The Middle East," The Economist, CXLIV (February 20, 1943), p. 230.

trouble or danger until the year 1940 when she became deeply involved in the Second World War.

With the loss of her ally France and the entry of Italy into the war on the side of the Germans, England stood alone against the axis powers in this desperate struggle. In the Mediterranean area she saw her important communication line with her desperately needed dominions of India, New Zealand, and Australia broken. After this, Britain was forced to send her ships the long way around the Cape of Good Hope in Southern Africa which had the effect of greatly increasing the length of her 'life line' by some 10,000 miles. Thus the distance from an English home port to Suez was now over 12,000 miles instead of 2,000 as before.⁶ With the shortage of shipping caused by the war and the menace of Nazi submarines, this was indeed a disaster as far as maintaining shipping to the Middle East.

Reasons other than merely shipping were to cause the English concern in this region. This occurred with the direct threat on the Middle East that came with the Italian invasion of Egypt in 1940 and the later German one led by General Erwin Rommel. To further complicate matters, the axis forces also scattered spies behind the English lines to sabotage and spread strife and discord among the

⁶E.M.H. Lloyd, Food and Inflation in the Middle East (1956), p. 74.

native population in the Middle Eastern regions.

To meet these threats, the British were forced to form a huge army in the Middle East to beat back the Axis attacks and to try to reopen the important Mediterranean Sea Lane. This army eventually reached 18 divisions and including its labor force numbered nearly 1,000,000 men.⁷ In maintaining this army, the English were forced to obtain food and certain other necessary items in the Middle East. These moves severely taxed the already meager resources of an area that was barely self-sufficient in normal times.

The Middle East therefore found itself caught in a desperate trap. If it were to defend itself against the attacking enemy, then the region would be forced to support a defending army with food and supplies while at the same time running the risk of letting the civilian population starve and do without other necessities. The other alternative, however, to allow the Axis forces to proceed unopposed could not even be seriously considered. In this way, action was forced upon the English to preserve their Middle Eastern holdings.

The British faced four problems squarely from the very outset. These problems were: (1) The closing of the Mediterranean by the axis powers and the shipping losses to

⁷Ibid., p. 74.

submarines curtailed imports of foodstuffs and other supplies to the Middle East. (2) In the Middle East itself food crops were reduced to an alarming extent by drought, a locust plague, and the fighting that occurred in Iraq, Iran, and Syria, which resulted in the need for more food to be imported. (3) The mobilization of the English Army in the region attracted many of the peasants to apply for the higher paying jobs offered by the army and, therefore, reducing the number of workers on the farms which lowered the production capability of the area. (4) The Axis Powers spread discontent and discord behind the English lines. They also sabotaged food and war production whenever possible.⁸ It became apparent that if the British were to maintain control of the region, then all of the above problems would have to be solved.

⁸Robert Kain, "Victory's Handmaids," Asia and the Americas, XLIV (January 1945), p. 18.

Chapter II

FOUNDATION OF THE MIDDLE EAST SUPPLY CENTER

While the first eight months of the war did not affect the Middle East to any great extent and trade still flowed through the Mediterranean Sea area, there were storm warnings in the air. In June 1940, the Italians entered the war, closed the Mediterranean to British trade, and added 10,000 miles to the Middle East supply route. With the following military buildup, the fighting, the droughts, and other problems, the outlook for the area began to worsen.

On October 28, 1940, a new crisis developed in the war when Italy invaded Greece. In order to honor their pledge to aid the Greeks, the British sent in troops and supplies to their embattled allies. The immediate result of this British intervention was an increased demand on merchant shipping of all types to supply Greece since that nation's traditional sources of coal, steel, oil, machinery, and other goods was cut off. Many of these items could only be obtained by drawing on the reserves stored in the Middle East, thereby reducing these supplies even further and straining the already overworked supply line around the Cape.

In an attempt to solve the provision problems in the Middle East, a committee was established in London under the chairmanship of Lord Hankey. One of the main tasks of this group was to try and co-ordinate the requirements of

Greece and the Middle East.⁹

Almost at the same time, the Egyptian Government expressed growing concern over the situation. They pointed out that the combination of reduced shipping and local purchases made by the British Army were creating acute shortages of civilian supplies, particularly of coal, iron, steel, and paper. The Egyptians further requested that sufficient shipping be allocated to Egypt and that the British assist in procurement and shipment of goods from neutral nations. These requests prompted Sir Miles Empson to propose a regional organization to deal with supply problems in Egypt and the nearby nations.¹⁰ Empson's proposal soon received strong support from the General Headquarters, Middle East (GHQ).

It soon became apparent that something would have to be done. As supplies dropped in quantity, fear of famine and civil unrest began to grow in the minds of the authorities and, with the enemy already within striking distance, the outcome could have proved tragic for the British if the supply drain had been allowed to go unchecked.

In January 1941, London suggested that the activities

⁹Lloyd, Food and Inflation in the Middle East, p. 76.

¹⁰Ibid., p. 76.

of the United Kingdom Commercial Corporation (UKCC) be extended to the Middle East.¹¹ This suggestion was welcomed in Egypt and by the British General Headquarters as a partial solution to the problem but they pointed out that the United Kingdom Commercial Corporation, being only a commercial concern, could not perform the needed task of co-ordinating and establishing priorities for supplies between the various nations of the Middle East. What they felt was needed was a regional body which would be responsible for:¹²

- (1) Investigation of the import requirements of each territory;
- (2) Channeling of demands for essentials to the United Kingdom Commercial Corporation;
- (3) Stimulation of local production to meet deficiencies;
- (4) Determination of priorities of supply and transport to the several territories;
- (5) Recommendation of shipping priorities in concert with General Headquarters.

These recommendations by the Cairo group were sent to a newly formed Middle Eastern committee under the chairmanship of Sir Arthur Salter for further study. In performing this task, Salter was aided by the very able economist, E. Max Nicholson. The findings of this committee

¹¹A more detailed discussion of the organization and works of the United Kingdom Commercial Corporation will be found later in this paper on page 61.

¹²Lloyd, Food and Inflation in the Middle East, p. 77.

were put forth in a proposal for a Middle East Supply Center¹³ which would have three main functions: (1) To establish a British Mission in each territory or country in the Middle East for the purpose of estimating the amount of essential requirements needed in each region to subsist, (2) to establish a regional center which would see that requirements were met by local production and products whenever possible, and (3) to establish a clearing center in London which would arrange for shipping and supplies from outside the region.¹⁴

It is interesting to note that Nicholson included the word center in the new organization for very good reasons. He felt that by including this word it would (1) emphasize the consultative nature of the agency, (2) it would demonstrate the regional character of the set-up, and (3) it would reduce antagonism from public opinion or Middle Eastern governments more so than a term like "board" or "commission" which might have suggested that the economic picture in the Middle East would be handled by Great Britain and that the people directly affected would have

¹³ The English spelling of this word is centre while the same word is spelled center by the Americans. Many sources will contain both spellings.

¹⁴ Lloyd, Food and Inflation in the Middle East, p. 78

little or no say in the matter.¹⁵

This proposal was generally well received by the other governmental departments although neither the colonial or foreign offices liked the political aspects and the United Kingdom Commercial Corporation complained that there would be no advantage in this method. Discussion continued until early in March 1941, when it was finally decided that a Middle East Supply Center would be established under the chairmanship of General B. O. Hutchinson, Deputy Quartermaster General, Middle East. Vice-Chairman was to be Sir Alexander Keown-Boyd.

The Middle East Supply Center group was set up as a section of the General Headquarters responsible to the Commander-in-chief, Middle East, although its chief function would be to deal with civilian matters. Since the main purpose of the Middle East Supply Center was to mitigate the effects of the shipping shortages in the Middle East, it was left to the British Department of Transport to organize the new agency, provide the staff and the funds for its operation.

The first meeting of the new agency took place on April 24, 1941 in Cairo, Egypt. Attendance included representatives of the Cairo Embassy, the United Kingdom Commercial Corporation, the British Ministry of Shipping,

¹⁵Martin W. Worthington, Economic Regionalism in the Middle East During World War II (The MESC), (1960), p.128.

British General Headquarters, the Administration of Occupied Enemy Territories, the British East African War Supplies Board, and the governments of Palestine, Malta, Cyprus, and the Sudan.¹⁶ At this meeting it was decided that the Center would have the duties of:¹⁷

- (1) To review and co-ordinate the joint resources and civilian requirements in essential commodities of the territories (including raw materials for their war industries), in order to make the group as self-supporting as possible; and to exchange relative information with corresponding control organizations in each territory.
- (2) To make recommendations accordingly to the authorities concerned in regard to local production, stocks and distribution.
- (3) To estimate the balance of any essential requirements which must be imported from outside the group and make recommendations accordingly to the authorities concerned, with a view especially to the best possible use of available shipping.
- (4) To constitute reserve stocks.
- (5) To facilitate the transport of essential supplies within and between the territories.

Thus the Middle East Supply Center launched out into its initial year as an organization and like any other governmental agency, it had to go through several stages in its growth to maturity.

¹⁶Lloyd, Food and Inflation in the Middle East, p. 79

¹⁷Ibid., p. 80.

One of the first changes to be made was to relieve the military of the responsibility of running the Middle East Supply Center. The reason for this move was explained by the fact that the Army felt that it was forced into taking some sort of action, since it found that many of its high ranking generals and staff officers were forced to devote entirely too much time to the political and civilian aspects of the problem and as a result were neglecting their military duties.¹⁸

This move was made after recommendations had been sent in by General Dill, Chief of the Imperial Staff; Anthony Eden; and Randolph Churchill on the need for a change in the Middle East structure.

Under the new arrangement, an "Intendent General of the Army of the Middle East" was appointed and charged with the task of clearing, "out the weed and underbrush which faulty logistics, improvident economics, and lack of political coordination had allowed to luxuriate in the marshalling yards of the Eighth Army."¹⁹

General Robert L. Haining was given the new post of Intendent General in April 1941. As a former Deputy Chief of the Imperial General Staff, much was expected

¹⁸Fred Winant, "The Combined Middle East Program, "Department of State Bulletin, X (Feb. 26, 1944), p. 199.

¹⁹Martin W. Worthington, Economic Regionalism in the Middle East During World War II (The MESC), p. 132.

from him and it was felt that he would take charge of procurement, shipping, transportation, repair, and maintenance behind the front lines. To aid in the accomplishment of these tasks, Haining took over the chairmanship of the Middle East Supply Center, so in this way the Center acquired a new head. This arrangement was not destined to last very long. The reason for this stemmed from the fact that Haining soon ran into trouble from all sides in trying to fulfill his duties. From the local military commanders whose supplies he controlled, there immediately arose a protest against this new system, once they found that they had no control over Haining since he reported directly to London. To fight a war in which someone else was in charge of their provisions was an unthinkable situation to rid themselves of this system.²⁰ Also Haining ran into trouble in his dealings with the civilian officials, especially on matters of mobilization and supply where he clashed with the Minister of State, who did not like interference at all.²¹

So, "with little or no staff, sabotaged by the three armed services," and, "snubbed by the civilian authorities,

²⁰Ibid., pp. 132-133.

²¹George Kirk, The Middle East in the War, (1952), p. 161.

and deserted by London,"²² Haining resigned his position in November 1941. This marked the end of the Intendancy for it was soon abolished after this. The result of this meant that the Middle East Supply Center had lost its second chairman in just a few short months and it had yet to establish itself in regards to its full potential.

After Haining left, the Supply Center was inherited by the Minister of State for the Middle East, Mr. Oliver Lyttleton, who had been given the post as Minister of State in July 1941. When taken over by Lyttleton, the Middle East Supply Center was an undistinguished, minute part of the Middle East Command. It had shown potential in the handling of several supply problems "but it was far from having achieved the measure of authority and organization that would enable it to cope effectively with the massive flood of non-military goods, following the opening of the Red Sea to American merchant vessels."²³

The Middle East Supply Center officials felt that their slow progress had been caused by two main factors. The first came from the fact that there was no way to coordinate affairs with the United States. The second, resulted from the restrictions placed on the Middle East Supply Center by its parent agency. To try and overcome

²²Martin W. Worthington, Economic Regionalism in the Middle East During World War II (the MESCE), pp. 133-134.

²³Ibid., p. 138.

these shortcomings, the Center's chief executive officer, Keown-Boyd, asked for more power so the Center could impose certain rules and regulations on both the local governments in the area and on the British Military Authorities as well. The usual reply to these requests was an answer that the Supply Center should remain merely as an advisory agency in its campaign to limit imports and increase production.²⁴

After coming under the control of the Minister of State, Oliver Lyttleton, new attempts were made by that official to expand the power of the Middle East Supply Center but these early attempts also failed to make any headway. Lyttleton did not give up, however, for he realized that the loosely worded instructions governing him could be used as strong tools if handled properly.²⁵

One of the first steps taken by Lyttleton in regards to the Middle East Supply Center, was to get a dashing, young Australian Naval Officer, Commander Robert A. G. Jackson, to make a study of the Center and to make some suggestions on how this agency might be made more effective. Jackson did this and in his report he came up with the following conclusions: (1) Victory in the Middle East required strict licensing of imports, (2) A ruthless scheme for collecting

²⁴Ibid., p. 138-139.

²⁵Ibid., p. 140

cereals and their distribution was necessary to eliminate hoarding and profiteering, (3) Stimulation of local manufacturing to save shipping, (4) Intensive planning of national and regional imports, and (5) that the Middle East Supply Center remain an advisory body for political reasons but that in effect it would have vast power by the use of the threat of denying shipping space for imports if only the British Government would back it up. These "supply sanctions" would be as effective as direct control but would not upset national pride.²⁶

The Minister of State agreed with these findings and after some political maneuvering, was able to replace Keown-Boyd with Jackson as the chief executive officer of the Middle East Supply Center. Jackson took over the leadership of the Supply Center, assuming the title of Director General. Almost at the same time, the Middle East Supply Center moved its headquarters to 10 Tolumbat Street, the seat of the Ministry, where it became associated with that body.²⁷

The appointment of Jackson to the leadership of the Middle East Supply Center proved to be quite a boon for that agency, for he turned out to be not only a very able administrator but a man of many talents. Under his leadership,

²⁶ Ibid., p. 141.

²⁷ Kirk, The Middle East in the War, pp. 172-173.

the Center changed from the position of a little known organization to become the dominant factor in the economic affairs of the Middle East. Jackson remained at this post until 1945, thus insuring the Center of good leadership during the period of its height of power.²⁸

After taking over as Director General, Jackson was forced, at first, to sit back and wait in regards to improving the Supply Center's position as the controller of economic affairs in the region. This was mainly due to the fact that at this time nearly all the attention of the government was trained on the United States and the forging of the Grand Alliance which left little time for other matters. Jackson finally seized an opportunity to act on his own when Lyttleton was recalled to London in February 1942, to become Minister of Production in Churchill's War Cabinet. Since Lyttleton's replacement, the former Australian Minister in the United States, Richard Casey, did not arrive until the middle of May, this gave Jackson almost three months to act without the restraining hand of a superior.

To say that Jackson made the most of this opportunity would almost be an understatement, for he quickly set out to strengthen the Middle East Supply Center. He accomp-

²⁸ Worthington, Economic Regionalism in the Middle East During World War II, (the MESC), pp. 142-146.

lished this feat by interpreting that the old minister's policies would be in effect until Casey arrived and since Lyttleton had agreed with his ideas on the Supply Center, he, Jackson, would go out and persuade the local governments to co-operate with the Center for their own good. Jackson achieved this goal by making a hurried tour of the Middle East countries during which he held talks with local government officials. Once in the conference room, Jackson by use of pleading or threats convinced these officials that co-operation with the Middle East Supply Center would be the best thing that they ever did. He was aided by two factors in this trip. One factor was the magic of the name of Lyttleton for whom Jackson said he was working. This had a great influence since Lyttleton was a very respected man in the Middle East. The second factor working in Jackson's favor was that shortages had already been creeping up in the region and the local governments realized that something would have to be done.

The immediate results of his tour of the Middle East countries were outstanding. Jackson obtained promises from the various local authorities that they would (1) share surpluses with the rest of the region, (2) institute a stricter system of licensing imports, (3) allow the Middle East Supply Center to scrutinize import lists, (4) stimulate local production of military and civilian goods, and (5) that the Middle East Supply Center might recommend

local sources to replace overseas imports.²⁹

In return for all of these promises, Jackson pledged that he would use all of the influence that he possessed to see that the various territories would get their rightful share of supplies in return for co-operation with the Middle East Supply Center. To aid in this work, Jackson also obtained from the Ministry of War Transport in London, re-confirmation that the Ministry would respect the decisions of the Middle East Supply Center by the allocation of shipping space and the granting of import licenses to the different Middle Eastern countries as far as possible. In addition, the Middle East Supply Center was granted a larger staff with which to accomplish this work. Finally, Jackson made it clear to all in the Middle East that he would enforce an economic blockade on any country which reneged on its pledge of co-operation. Since the Middle East Supply Center controlled to a large degree the shipping allotment for the area, this was no idle threat.³⁰

The results of Jackson's activity can be seen in the surprise registered by the new Minister, Richard Casey, when he finally arrived in the middle of May. He found that the Middle East Supply Center was no longer a small, struggling organization but a mature, efficient, and

²⁹ Ibid., p. 149.

³⁰ Ibid., p. 150.

growing machine. Its staff had risen from twenty-eight to ninety-four members and London had already agreed to let it expand to a total of 158 of which sixty-six would be executives.³¹ Not only had the staff grown, but its functions had grown, too. Large numbers of communications were received every day which showed the vastness of the undertaking and which also showed signs of still greater progress. In accomplishing all of this, Jackson had been able to win over the friendship of the military authorities who, in return for lightening their role in civilian matters, sided the Middle East Supply Center in its quest for new staff members.³² The Center was finally fully established and functioning in accordance with its stated purpose. The next step in its development was to be the entry of the Americans as joint partners in the Middle East Supply Center.

³¹Ibid., p. 150.

³²Lloyd, Food and Inflation in the Middle East, p. 86.

CHAPTER III

ENTRY OF THE AMERICANS
INTO THE MIDDLE EAST SUPPLY CENTER

Although the Middle East had for a long time been considered more or less a British domain³³ in which the United States played little or no role other than remaining on friendly relations with the nations there, a series of events took place during the 1941-1942 period which caused the Americans to take a greater interest in the region. Among the first of these incidents occurred in the spring of 1941, when the Italian Red Sea Fleet of nine destroyers and eight submarines was put out of action by the British Navy. This had the effect of removing the immediate threat of any naval engagements in the area due to the dominance of the British Fleet. But the important result of this action as far as the Americans were concerned with the Middle East, came when the President of the United States, Franklin D. Roosevelt, declared that the Red Sea and the Gulf of Aden were no longer "combat zones". Henceforth, these waters were open to American shipping under the terms of the Neutrality Legislation. This led to a vast importation of American

33

"Memorandum by Mr. Frederick Winant to the Assistant Secretary of State, Dean Acheson," Foreign Relations of the United States, 1942, (1963) Vol. IV, p. 9.

goods into the Middle East of both military and civilian commodities which naturally stirred American commercial interests in the region.³⁴

A second cause of increased United States concern in the Middle East, came with the passing of the Lend-Lease Act in March 1941. As Lend-Lease aid increased and American suppliers began to replace European ones, it was only natural for the interest of the United States to increase in the area if only for the reason of keeping track of where its goods and money were being used.

A final reason that forced the attention of the United States toward the Middle East came with the formation of the Middle East Supply Center itself for this body began to restrict shipments into that region in British controlled vessels which upset American shippers no end and created cries from them for the American government to do something. As nine out of eleven companies sailing from the United States to the Red Sea and the Persian Gulf were British, this action seriously effected the shipments of American shippers into the region, especially since the Middle East Supply Center made no bones about handicapping American luxury exports to insure that a minimum supply of essential goods reached

³⁴ Winston Churchill, The Grand Alliance (1950), p. 89.

the inhabitants of the Middle East.³⁵ It was quite natural, therefore, for questions to be raised as to just who this Middle East Supply Center group was and how did it have the power to stop American shipments.

So with the Americans thinking more about the Middle East and while, at the same time, moving into the region at a rapid pace, there arose the danger of a conflict between the policies of the United States and Great Britain. This was especially true in the realm of Lend-Lease and also for the reason that the Americans preferred to work on a country-by-country basis while the British liked to group all the countries into one unit and treat it as a single area. In any event, with the two great powers working in the same area trying to accomplish many of the same goals, there was always the threat of a clash as well as the idea that many projects would be wasted due to duplication.

With this possibility of a conflict and duplication, there arose a cry from many quarters for some type of co-operation between the two nations in the Middle East. For many, this co-operation could best be obtained by American participation in the Middle East Supply Center.

One of the people who felt this way was Mr. Frederick Winant of the United States Division of Exports and Defense

³⁵Francis Boardman, "Civilian Requirements from War to Peace, the Middle East," Department of State Bulletin, (December 23, 1945) XIII, p. 996.

Aid. After studying the problems involved, Winant filed a report to the Assistant Secretary of State, Dean Acheson, in which he pointed out the disadvantages of continuing a separate line of policy with no local co-ordination in the Middle East.

Winant reported that there was in fact at the present time a dual system of economic control in the Middle East area. These two systems were composed of Americans who were acting on a country-by-country basis and of Britishers who were established on a broad area relationship through the agency of the Middle East Supply Center. Winant felt that though these systems were somewhat different in their organizational structure, their goals were the same and that if some sort of co-operation was not established, then complications would naturally result.

To prove his theory, Winant reported that a load of timber which had been sent out to help improve facilities for handling the Russian supplies had been delayed in reaching its objective because the American and British authorities on the spot, disagreed as to how the timber might be best put to use. The Americans preferred to improve facilities for handling supplies through Iran while the British wished to send them south through Iraq. The end result was not only strained feeling between the two allies but also a delay in the war effort.

What Winant felt was needed was not, however, more co-ordination on the Washington and London end of the picture but some sort of co-operation on the local scene in the Middle East where the supplies were actually needed. This local co-operation was just a matter of common sense to him.³⁶

As to just what type of local co-ordination might be used, Winant's report discussed both limited and full partnership in the Middle East Supply Center. On the former, Winant envisioned strengthening the already working arrangement whereby minor United States officials joined in informal liaison with Middle East Supply Center members while at the same time suggesting closer collaboration with the British on the Central Supplies Committee in Bagdad and the officials in Washington. The advantages of such a system would be: (1) to allow some United States integration with the already existing British machinery in the Middle East, (2) to allow practical adaptation to existing combined controls and flexibility for further adjustment if and when appropriate sub-committees were put into effect, (3) to give the United States more complete information with regards to the essential requirements needed in the region, and (4) if properly handled, to allow the

United States to obtain political strength in the Middle East through their control of many commodities needed in the area.³⁷

There were certain disadvantages to this "informal" arrangement, however, for there would be an "inability to fill the reasonable requests of any given country because the United States had not participated in formulating the general program," and, too, there would be an "inadequacy of integration with the British machinery in case of adverse war developments in the Near East Theater."³⁸

The only other alternative, as far as Winant saw, would be a partnership with the British and United States membership in the Middle East Supply Center. This set-up would allow certain advantages that were not possible in the informal idea. These included: (1) allowing a complete integration between existing English machinery in the Middle East and the United States, (2) allowing more coordination between local control machinery and the combined controls in London and Washington, (3) allowing the Americans more complete information on the individual country and area requirements as well as more participation

³⁷ Ibid., p. 8.

³⁸ Ibid., p. 11.

in preparing and fulfilling programs for the territories in the Middle East, (4) allowing the United States to exert political influence on the entire Middle Eastern sphere as well as on individual countries, and (5) allowing the United States to acquire experience that could prove valuable in future relations with the Middle Eastern Area.³⁹

Winant, it turned out, was not the only person who felt that the United States should take an active part in the Middle East Supply Center. Mr. Rifat Tirana, from the United States Board of Economic Warfare, called for adequate American representation on the Center to:⁴⁰

- (1) follow and check on the work of some sixty British specialists attached to the Middle East Supply Center.
- (2) answer questions for the Export Control Office on ratings placed on import licenses by the Middle East Supply Center.
- (3) follow the distribution of Lend-Lease civilian supplies for the Near East which is entrusted to the Middle East Supply Center.
- (4) explore the possibilities of stimulating local, industrial and food production with a view to reducing the heavy calls now being made by the Near East on scarce United States supplies and shipping.

³⁹ Ibid. p. 6.

⁴⁰ Rifat Tirana, "Letter to Mr. Bolton Smith on Middle East Conditions, "United States, Foreign Economic Administration Files, National Archives, (April 21, 1942)

- (5) keep alive the interest of the United States in those countries for postwar purposes.

So, as shown due to various reasons, there developed a growing feeling that the Americans should do something to coordinate their policy in the Middle East with the British if not actually join the Supply Center. The complex question remained, however, to what extent would the British accept American representation if at all since, as pointed out earlier, the Middle East had been pretty much of a British sphere of influence prior to the war.

This turned out to be a needless question, for the British seemed to welcome the opportunity to set up a jointly planned and coordinated supply program within the framework of the Middle East Supply Center. It was their idea that American participation in the Center would put American shipping space to the best possible use by making it easier to restrict less essential American exports into the region and, at the same time, it would make the requests for the allocation of goods in the United States that were in short supply in the Middle East carry more weight once they were backed by a combined Anglo-American Agency.⁴¹

The British made a move in this direction in February, 1942, when Mr. G. F. Thorold, the First Secretary of the

⁴¹ Lloyd, Food and Inflation in the Middle East, p. 92.

British Embassy in Washington, made the suggestion to Dr. Herbert Feis, United States Advisor of Economic Affairs, that it might be useful if the Americans took part in the Supply Council in Cairo. Thorold said he "thought it would serve an important purpose if an American would have a place on the council, actively participating in the Council's decisions for the purpose of showing joint decision and full cooperation."⁴² He went on to add that he was "definitely of the opinion that the British Authorities would be glad to have such American membership on the council."⁴³

Again in the same month, the British purposed that the Lend-Lease Officials of the United States concerned with civilian commodities become associated with the Middle East Supply Center in regards to Middle East affairs. This proposal was accepted by the Americans and it was decided to appoint both civilian and military representatives to the Middle East Supply Center. General Russell Maxwell, Chief of the United States Mission in North Africa, was appointed military representative, but due to red tape and inter-departmental friction between the State Department and the

⁴²Herbert Feis, "Memorandum to the Secretary of State regarding International Economic Affairs," Foreign Relations of the United States, 1942, (1963) Vol. IV, p. 1.

⁴³Ibid., p. 1.

Office of Lend-Lease (Office of Lend-Lease Administration) as to which department would nominate the senior civilian delegate, the naming of this representative was delayed. Finally, in May, 1942, it was announced that Mr. Fred Winant of the United States State Department would be the senior American civilian representative to the Middle East Supply Center aided by William Roundtree of the Office of Lend-Lease, who would serve as second-in-command, and by Marshall MacDuffie from the United States Board of Economic Warfare (Board of Economic Warfare).⁴⁴ Until Winant and his staff were appointed and arrived in Cairo, the United States Minister to Egypt, Alexander Kirk, attended the meetings of the Middle East Supply Council and arranged for the preliminary American participation in the Middle East Supply Center.⁴⁵

The United States Secretary of State, Cordell Hull, announced the State Department's decision to take part in the Middle East Supply Center in a telegram addressed to Ambassador Kirk in Egypt in which Kirk was informed of the Department's actions and in which he, Kirk, was instructed to appoint some member of his staff, preferably Joseph

⁴⁴Lloyd, Food and Inflation in the Middle East, pp. 92-93.

⁴⁵Ibid., p. 93.

Jacobs,⁴⁶ who would act as the interim representative to the Middle East Supply Center until the Department could get its own appointed man on the scene.

Kirk was also informed that all matters of the moment should be referred to Washington for determination and that more detailed instructions would follow shortly.⁴⁷

Secretary Hull also sent a telegram to the United States Charge in Iraq in which he explained the reasons behind the American decision to join the Middle East Supply Center and at the same time, the United States Charge in Iraq was given instructions on how to deal with the new organization.

According to this correspondence, the main reason for the United States action had been in order to eliminate confusion and duplicated effort which had occurred in the past through separate action by American and British authorities in an effort to meet the civilian supply requirements of the Middle East countries. Along with this, the representatives appointed by the United States to the Middle East Supply Center would be required to insure that the Government of the United States was kept

⁴⁶Joseph Earle Jacobs, Counselor of the Legation in Egypt and Council General at Cairo.

⁴⁷Cordell Hull, "Telegram to Minister in Egypt," Foreign Relations of the United States, 1942, Vol. IV., p. 12.

informed of all requests considered essential by the various local supply committees and the Supply Center and whether these requests would be supplied by the United Kingdom or the United States.

Hull stated that it was felt that this action would further promote American and British co-ordinated effort and cooperation in all matters of civilian supply for the Middle East and that the United States State Department proposed to handle all the requirements of the individual countries in that region through the Middle East Supply Center as far as possible. As for future relations between the Iraqi Charge and the United States State Department, it was pointed out in the telegram that this action in no way affected the former's right of communication with the Department.⁴⁸

So as a result of many telegrams, talks and proposals, the United States became officially represented on both the Middle East Supply Center and the Middle East Supply Council. On May 11, 1942, American delegates attended their first meeting.⁴⁹ The military representation was

⁴⁸Cordell Hull, "Telegram to the United States Charge, in Iraq," Foreign Relations of the United States, 1942, Vol. IV, p. 344.

⁴⁹Maurice Bookstein, "A letter to Rifat Tirana regarding an interview with Mr. Gordon Merrian, of the State Department," United States Foreign Economic Administration Files-National Archives, (May 13, 1942).

through General Maxwell's Mission and the civilian representation was handled by the commercial attache, Mr. Jacobs, until the arrival of Mr. Frederick Winant who became the chief American representative.

It was not until the arrival of Winant that the Americans really got down to work and in fact they were lucky that Winant arrived at all. His reception to the Middle East was somewhat less than pleasant for when his plane landed on the civilian field, there was no one there to meet him, so thinking that the system had changed, his plane took off again and landed on the military airfield. Here the plane received some attention for a staff car soon appeared and they were informed by a sergeant that, "the commanding general says for you to get the hell off this field with that g-- d--- big commercial plane".⁵⁰ Once again the plane took off for the commercial field and Winant and his staff were left to unload themselves and hitch-hike into town.

It was shortly after the arrival of the senior American representatives that the Executive Committee was revived to take full advantage of the new Anglo-American co-operation. The effect of this on the Middle East Supply

50

Frederick Winant, "The Combined Middle East Supply Program, Department of State Bulletin X, (February 26, 1944), p. 202.

Center's organization can be seen in the Center's functions. These functions were: (1) to review and coordinate the joint resources and civilian requirements in essential commodities of the territories (including raw materials required for their war industries), in order to make the Middle East as self-supporting as possible, and to exchange relevant information with corresponding control organizations in each territory; and (2) to estimate the balance of any essential requirements which must be imported from outside of the Middle East and make recommendations accordingly to the authorities concerned, with a view especially to the best of available shipping. Its activities covered the following territories: Egypt, Sudan, Turkey (only as far as bulk commodities are concerned), Syria, Lebanon, Ethiopia, Palestine, Trans-Jordan, Malta, Cyprus, Aden, British Somaliland, Iran, Iraq, Eritrea, Saudi Arabia, and occupied enemy territory in East Africa. The British East Africa territories collaborate in furnishing supplies.⁵¹ The membership of Executive Committee of the Middle East Supply Center were:

United States

Frederick Winant, Chairman and principal
Civilian Representative.

51

"The Middle East Supply Center", Department of State Bulletin, VIII (January 16, 1943), pp. 76-77.

Gen. Russell Maxwell, United States Army,
Principal Military Representative.
Col. Samuel Claybaugh, United States Army,
Deputy for Military Representative.

Great Britain

R. G. A. Jackson, Director General of the
Center.
Sir Arthur Rucker, Secretary to the British
Minister of State.
E. H. Murrant, Representative in the Middle
East of British Ministry of War Transport.

A policy committee of this organization functioned
in London known as the Middle East Supplies Committee.

The members of this committee were:

United States

W. Averell Harriman, Lend-Lease Coordinator
James W. Riddleberger, Second Secretary of
American Embassy in London, alternate.

Great Britain

Capt. the Rt. Hon. Harry Crookshank, British
Financial Secretary of the Treasury.

It was one thing, however, to get a few Americans
appointed to the Middle East Supply Center, but it was
quite another to obtain large numbers of them to participate
in the workings of the Middle East. Throughout the history
of the Center, the British dominated in the number of person-
nel working on a full time basis, having over 150 officials
working at the Middle East Supply Center Headquarters alone.
The American count was far smaller, numbering around 25
working full time in the Middle East Supply Center Head-
quarters with others serving only part time and even this
small group did not start arriving until the summer of

1943.⁵² In fact the Americans never appeared to have enough members to make the Center a truly joint Anglo-American venture. There were repeated appeals and recommendations for more American personnel, such as the one that appeared in the monthly summary report on American Representation in The Middle East Supply Center in November 1943, which stated the need for more American employees in Cairo was yet great and if the Center was to function properly, then more officials had better be sent from the United States as soon as possible. This appeal also pointed out the fact the Americans had almost no representatives in some territories on the local level as did the British and if the agency was to be a truly Anglo-American one then more Americans would be needed fast.⁵³

Reports submitted by persons outside the Center such as the Memorandum on the Economic Problems of the Middle East, written by Lt. Col. Harold B. Hoskins, United States Army, pointed out the lack of American personnel. Hoskins felt that there was a lack of employees even in key positions. He stated the work of the officials available was also handicapped by a complete lack of stenographic

⁵²"Middle East Supply Center", Department of State Bulletin, VIII (January 16, 1943), pp. 366-367.

⁵³"Summary Report of Activities of American Representation on the Middle East Supply Center", United States Foreign Economic Administration Files-National Archives, (November 1-30, 1943), p. 1.

and clerical help which forced busy executives to write in longhand or type their own letters, thereby wasting valuable time.⁵⁴

Despite this lack of personnel on the part of the Americans, the key positions between the two allies were almost equally divided. The position of the chairman of the executive Committee being filled by an American, while the Director General of the Center was English,⁵⁵ the divisions of Transport, Medical Supplies, and Programs had American Directors, while the offices of Food, Materials, and Administration had British Officials heading them, thus dividing this area equally.⁵⁶ In the branches of the Middle East Supply Center outside of the Cairo Area, efforts were made to jointly staff these units whenever possible and the Americans were placed in charge of the agencies in Persia, Iraq, Saudi Arabia, and Ethiopia.⁵⁷

In spite of the lack of personnel and the other problems faced by the Americans, they made a good showing

⁵⁴

Harold B. Hoskins, "Memorandum on Economic Problems of the Middle East", United States Foreign Economic Administration Files-National Archives, (March 6, 1943), p.2.

⁵⁵

Early in 1945, an American Deputy Director-General was appointed.

⁵⁶

Lloyd, Food and Inflation in the Middle East, p.102.

⁵⁷

Kirk, The Middle East in the War, p. 178.

under the strong leadership of Mr. Frederick Winant and, later, Mr. James Landis who replaced Winant in 1943.⁵⁸

58

For a further look at American participation in the Supply Center see Appendix III for a detailed report of American work during the month of November 1943; see pp. 117.

CHAPTER IV
ORGANIZATION OF THE
MIDDLE EAST SUPPLY CENTER

The organization of the Middle East Supply Center, as set up by the British in 1941, remained intact for the most part during the entire history of the Center. Even after the Americans became co-partners in 1942 there were only minor changes made in the structure as the Americans, for the most part, merely took over already existing jobs.

The fact that the United States joined the Center, however, gave the Center somewhat of a dual control system. On the British side, the Center was responsible to the Ministry of War Transport in London and to a sub-committee of the War Cabinet, the Middle East Supplies Committee, on which both the principal British Departments and the United States Mission for Economic Affairs in London were represented. These London authorities performed the valuable functions of picking out those items which they thought could best be supplied from the United Kingdom and when necessary adjusted the overall program in the light of their knowledge of the shipping situation.⁵⁹ The Center was also responsible to Washington where first the Combined

59

A. Christelow and A. McDougall, "Memorandum on the Programming and Procurement Policies of Middle East Supply Center, United States Foreign Economic Administration Files-National Archives, (March 24, 1943).

Agency for Middle East Supplies (CAMES) and later a branch of the Foreign Economic Administration handled communications and requests for supplies.⁶⁰

In the Middle East, itself, the general policy of the Middle East Supply Center was decided upon by a small executive committee in Cairo on which both Americans and British representatives sat. This group met as often as it was felt necessary to complete its business. It consisted of: (1) the Secretary to the Minister of State's Office, (2) the Director and the Secretary General of the Middle East Supply Center, (3) a representative of the British Embassy in Cairo, (4) a representative of the Ministry of War Transport in the Middle East, (5) a representative of the Commander-in-chief, Middle East, and (6) the Chairman of the United Kingdom Commercial Corporation in Egypt and any other persons who were invited from time to time to assist.⁶¹

When matters of policy requiring liaison with other civil and military groups in the Middle East were encountered, the Center went to the Sub-Committee of the

⁶⁰ Richard Grew, "Organization of Trade in the Middle East", Canadian Exporter, (November 1944), p. 12.

⁶¹ "Memorandum on the Middle East Supply Center; Scope Constitution, and Terms of Reference, United States Foreign Economic Administration Files-National Archives, (September 14, 1942), p. 2.

Middle Eastern War Council. This group was made up of representatives from: (1) the Minister of State's Office, (2) each of the fighting services, (3) His Majesty's Embassy at Cairo, (4) the Middle East Supply Center, (5) the United Kingdom Commercial Corporation, (6) the Cairo Petroleum Committee, and (7) the Chairman of the Advisory Committee of Businessmen in Egypt.⁶²

In addition to these two groups, the Center had a loose relationship with the Middle East Supply Council. This body which met twice a year, acted in an advisory capacity. It prepared estimates and plans for six month periods based upon data covering the essential import requirements and export surpluses of the individual territories within the Center's purview, assembled by its agents and local government officials. This information helped the Council draw up a recommended import program for the entire territory. This program was then forwarded to London and Washington for revision according to available shipping and supplies.⁶³

The Middle East Supply Council, was made up of the following membership: (1) the British Minister of State

⁶²

Ibid., p. 1.

⁶³

Ronald Kain, "Victory's Handmaids," Asia and the Americas, XLIX (January 1945), pp. 18-19.

for the Middle East, (2) the Director General of Middle East Supply Center, (3) military and civilian representatives of the United States Government, (4) representatives of the Governments of Sudan, Palestine, Malta, Cyprus, Aden, and Trans-Jordan, (5) representatives of the British Embassies and Legations at Cairo, Ankara, Bagdad, Teheran, Beirut, Jedda, and Addis Ababa, and a representative from (6) the East African War Supplies Board, (7) the British Ministry of War Transport in the Middle East, (8) the United Kingdom Commercial Corporation, (9) the Commander-in-chief for the Middle East, (10) the Commander-in-chief for the Mediterranean, and (11) the Air Officer, Commander-in-chief, Middle East.⁶⁴ This council was something like a trade convention and it tried to assemble representatives from all of the Middle Eastern Territories.⁶⁵

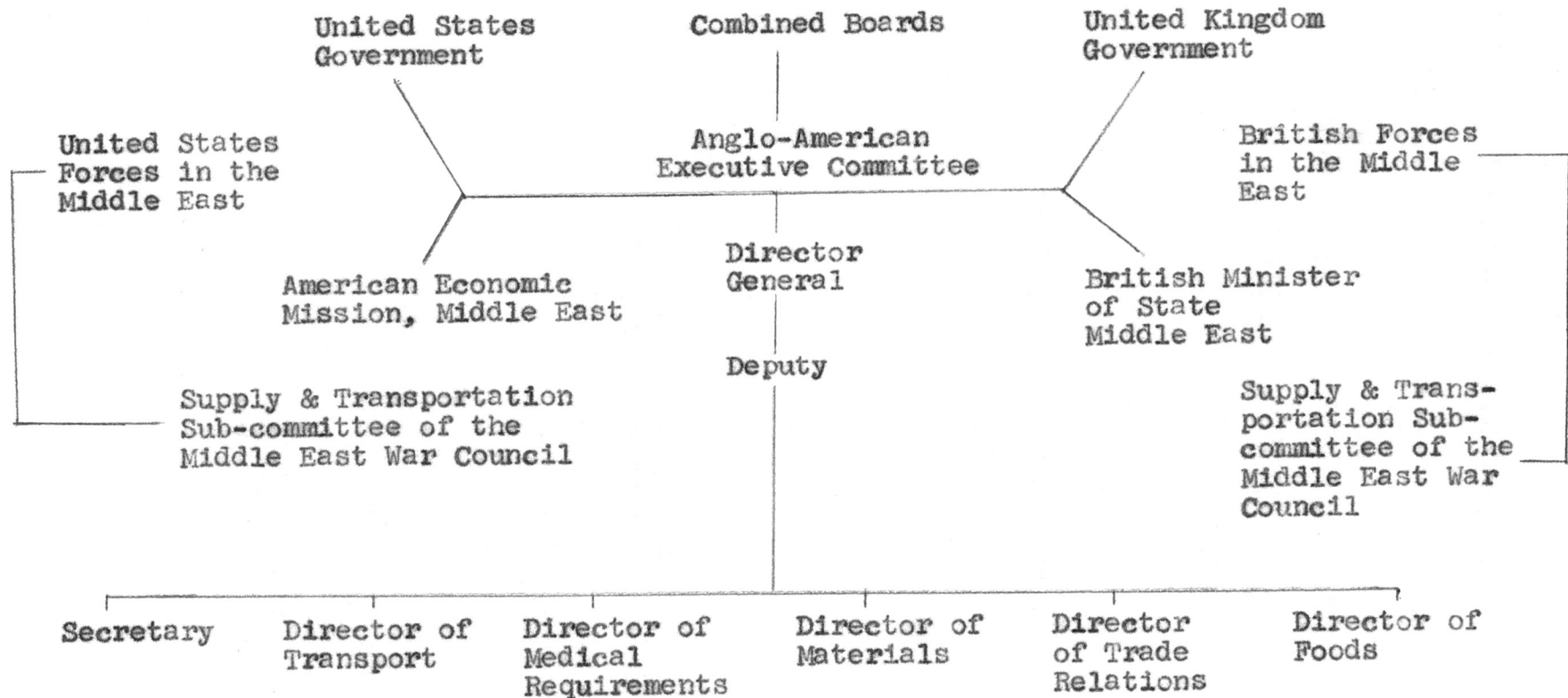
To work along with these committees and councils, the Middle East Supply Center had a representative in each of the territories under its control. These people served in a liaison and advisory position and were under the Cairo Headquarters. To aid the Cairo Office, a Middle East Supplies Committee was set up in the various territories.

⁶⁴ "Memorandum on the Middle East Supply Center; Scope, Constitution, and Terms of Reference, United States Foreign Economic Administration Files-National Archives, (September 14, 1942), p. 2.

⁶⁵ It should be pointed out that the membership of these three committees listed above varied from time to time but in general remained as listed.

This committee was Anglo-American in nature and aided in local transportation, medical, and technical advise, and worked closely with the United States and English Diplomatic establishments in the different areas.

MIDDLE EAST SUPPLY CENTER PLAN OF ORGANIZATION (JUNE, 1943)



Source: Martain Worthington, Economic Regionalism in the Middle East During World War II, (The Middle East Supply Center), (1960), p. 230.

As for the Middle East Supply Center's role in the Middle East, its functions were established in its constitution as follows:⁶⁶

- (1) to review and co-ordinate the joint resources and civilian requirements in essential commodities of the territories (including raw materials required for their war industries) in order to make the area as self-supporting as possible and to exchange relevant information with the control organizations in each territory;
- (2) to make recommendation accordingly to the authorities concerned in regard to local production, stocks, and distribution;
- (3) to determine the balance of any essential requirements which must be imported from outside the area and make recommendations accordingly to the authorities concerned with a view especially to the best possible use of available shipping; provided that the authorities in Turkey will continue for the time being to refer direct to London and that the requirements of the colonies, Palestine, and Trans-Jordan will be within the framework of instructions sent out from time to time by the Secretary of State for the colonies;
- (4) to arrange for building up and control of reserve stocks;
- (5) to facilitate the Transport of essential supplies within and between the territories.
- (6) to carry out such other duties relating to supply, production and distribution as His Majesty's Government (and the United States)⁶⁷

⁶⁶ "Memorandum on the Middle East Supply Center; Scope, Constitution, and Terms of Reference", United States Foreign Economic Administration Files-National Archives (September 14, 1942), p. 2.

⁶⁷ Parenthesis added by writer.

may from time to time direct.

To carry out the program as set forth in the Constitution, the Middle East Supply Center was divided into six main sections with each branch charged with a separate function in the work of the Center. These sections and their operations were:

The Food Division: This group was concerned with the stimulation of agricultural production and the importation of needed fertilizers and farm machinery. In addition, this division was also concerned with the procurement of needed food imports for the Middle East Region.

The Materials Division: This agency had the important job of rounding up, purchasing, and importing some 2,000 items that were necessary for the maintenance of essential services such as train transportation and also to stimulate local production in order that imports could be cut even further.

The Medical Division: As the name implies, this group dealt with medical supplies in the Middle East. It was responsible for the procurement and maintaining of medical supplies for daily use in the region as well as securing reserves in case of epidemics which were known to frequent the area.

The Transport Division: This division administered and controlled transportation throughout the entire Middle

East. It was concerned that the available supply of vehicles, tires, and spare parts were used solely for essential purposes and made an effort to "stretch out" what transportation was on hand.

The Program Division: The Division was concerned with the co-ordination of the demands made by the other divisions of goods needed via importation. It prepared the master import lists that were sent to the various shipping and supply authorities in London and Washington.⁶⁸

The Administrative Division: Like the name implies, this section was concerned with the administrative functions of the Center. It took care of the vast amounts of necessary paper work.

These six divisions functioned together to aid in the performance of the duties of the Center and although they were short of personnel, they fared very well.

Import Controls

The principal goal of the Middle East Supply Center was that of reducing imports into the Middle East and to accomplish this goal it established a very effective system of import controls. Although in theory, the Middle East Supply Center had no executive powers within the areas in

⁶⁸ Richard Grew, "Organization of Trade in the Middle East", Canadian Exporter, (November 1944), p. 41.

which it dealt, it had in effect two very powerful levers to work with. The first stemmed from the fact that virtually all of the so called "independent" countries in the Middle East as well as the colonial areas had long been subject to strong political control or influence by Great Britain and secondly, the strategic position of the Middle East Supply Center with regard to the allocation of available shipping space, the screening of import requirements, and the issuance of import licenses placed it in a strong position.⁶⁹

So with these levers in its possession, the Middle East Supply Center went about establishing a system to control the imports of the Middle East.

The Middle East Supply Center developed an elaborate system for determining minimum import requirements for each territory. It worked in this way. Estimates were submitted periodically by field units and local governments to the main office at Cairo.⁷⁰ At Cairo, these estimates were paired with the available shipping list and priority lists were then established which decided which items would be imported first. Every six months an over-

⁶⁹Walter Sharp, "The Middle East Supply Center", United States Foreign Economic Administration Files-National Archives, (April 20, 1943), p. 2.

⁷⁰The same local agencies as described earlier. See pp. 43-44 of this thesis.

all shipping list was made up from the information available and sent to both London and Washington for final confirmation.

In London these requests were examined by the Middle East Supplies Committee, and later by the Supply Section for the Middle East of the Ministry of War Transport which added the available amounts of pooled commodities such as sugar and cereals to the list. Once this was done the combined program was then circulated to the ministerial departments represented on the Middle East Supplies Committee at London and copies were sent to Washington.

After pairing off available goods and shipping with the requests of the Middle East Supply Center, the list was then sent back to the Center for its endorsement. When disputes arose that could not be settled immediately a shipping committee arbitrated conflicting claims on available shipping space.

Once the program was set, the Supply Center graded the import licenses issued by the local governments and sent the priority ratings to London. In London the lists were circulated to all the governmental agencies concerned with obtaining the various items.

In addition to the lists, a commodity index was prepared which showed the source of supply to be used.

This was first sent to London and then on to Washington for supplies that the United Kingdom could not supply.⁷¹ The United Kingdom Commercial Corporation acted as the agency which carried out the directives of the Supply Center in the Middle East and it distributed imported foodstuffs and medicines to the local governments.⁷²

Before proceeding any further, it probably would be best to take a closer look at two of the items mentioned above, import licensing and the commodity index.

Import Licensing

The matter of licensing imports was a part of the system set up to stop the importation of luxuries and other unnecessary goods and to insure that enough necessities were received in the Middle East. At the height of its work, the Middle East Supply Center handled over 80,000 licenses a year which allowed the importation of every form of modern convenience from razor blades to heavy machinery.⁷³

⁷¹The supplies in America were first handled by the British Supply Council and later the Combined Agency for Middle East Supplies (CAMES). See page 65 of this thesis for a detailed discussion of Combined Agency for Middle East Supplies.

⁷²Walter Sharp, "The Middle East Supply Center", United States Foreign Economic Administration Files-National Archives, (April 20, 1943), pp. 2-3.

⁷³Kirk, The Middle East and the War, p. 174.

There were three different types of licenses granted -- individual, bulk, and pool.

Individual licensing: This occurred when a trader wanted to import an item that had been rated as essential. The first step was for him to apply to the local licensing authority for an import license. In most countries a committee consisting of British, American, and local government officials was set up to handle such requests. If the license was granted, the details of the matter were forwarded to Middle East Supply Center which then either approved the license, suggested another source of supply that was nearer or refused to allow the license to stand at all and disapproved it. If, however, the license was approved by the Supply Center after checking supply and shipping lists, the Center then forwarded the request to the appropriate body and the supplier granted shipping space to send the items to the importer.

Bulk Indenting: In obtaining many commodities, the individual license system was not practical. An example here would be an item that was needed in many places and at different times. Due to the lack of shipping, it would have been very difficult, if not impossible, to answer many individual orders. Therefore, the bulk indenting system came into being. In this, many individual orders were combined into one large bulk order, or often merely added to any similar government order and sent to the

Middle East Supply Center as a combined demand. The Center then checked to see if the items ordered were essential and that the correct sources of supply had been chosen. If the order passed on these counts, it was then forwarded to the supplying countries in the usual way.

The Pool System: The Pool system was the most important of the systems used, for through it came nearly all the principal foodstuffs and many vitally important items. Under this method each Middle East Government estimated the total requirements of items that they felt were absolutely necessary for the survival of their country. This list was then sent to the Middle East Supply Center Headquarters in Cairo where it was checked and merged into a master order along with the ones from other Middle East Governments. The order was then forwarded to both Washington and London where the goods were purchased in bulk at world market prices. The items were then sent to the Supply Center where a stock pool was formed. From this pool, the Middle East Supply Center made allocations to the various territories and supply was executed by the United Kingdom Commercial Corporation. The main commodities obtained under the pool system were: cereals, sugar, canned milk, tea, coffee, cocoa, beans, hides, copra, fertilizers, crude rubber, coal, coke, motor vehicles, and

tinplate.⁷⁴

Middle East Commodity Index

The Middle East Commodity Index was a document prepared for the use of the Middle East Supply Center territorial committees in various areas served by the Center in order for them to be able to determine the source of supply of any commodity recommended for import.⁷⁵ The general idea behind this was to find the closest source of supply possible for each item in relation to the Middle East. Thus if an importer received an offer from a supplier abroad, he would not be able to obtain an import license unless the exporter was located in a country that was included on the index.

The commodity index was amended periodically by the addition of new suppliers and loading areas but at the same time some of the old sources could be and were deleted. In this way, the index was kept up to date in regards to supply sources. A typical listing on the commodity index would appear as follows:⁷⁶

⁷⁴Richard Grew, "Organization of Trade in the Middle East," Canadian Exporter, (November 1944), pp. 12, 40.

⁷⁵"The Middle East Commodity Index", United States Foreign Economic Administration Files-National Archives, (December 15, 1943)

⁷⁶"Middle East Supply Center commodity Index", United States Foreign Economic Administration Files-National Archives, (no date given), p. 1; the Commodity Index served a very useful purpose but became the cause of friction between the United States and Great Britain after the Americans joined the Middle East Supply Center.

S.M.E. (43) 31-1

Commodity:	Aluminum Hydrate
Quantity:	10 tons (1943-1944)
Middle East	
Supply Center:	Printing inks and lake
Comment:	pigments. United Kingdom
	can supply, but United
	States or Canada is in fact
	supplying United Kingdom.
	We consider that supply to
	the Middle East should be
	direct from the United States
	or Canada.
W.P.B.:	These end uses are forbidden
	in United States
O.L.L.A.:	Vulnerable ⁷⁷
Remarks:	CMEC should investigate end
	use in view of WPB comment.
Decisions:	

S.M.E. (43) 31-4

Commodity:	Ammonium Bichromate
Quantity:	.27 tons (1943-1944)
Middle East	
Supply Center	
Comment:	Chemical reagent
London Comment:	United Kingdom can supply
W.P.B.:	United States can supply
Office of Lend	
Lease Adminis-	
tration	Not vulnerable
Remarks:	none
Decision:	

Territories Covered by Middle East Supply Center

The Middle East Supply Center officially listed

⁷⁷The term vulnerable meant that if the item was produced in Great Britain but at the same time was on the Lend-Lease list it could not be sent from England.

some twenty-seven territories with which it dealt. They were grouped into four classes according to geographical location. These groups were as follows:⁷⁸

Western: Cyrenaica, Malta, and Tripolitania.

Central: Cyprus, Egypt, Lebanon, Palestine, Syria, and Trans-Jordan.

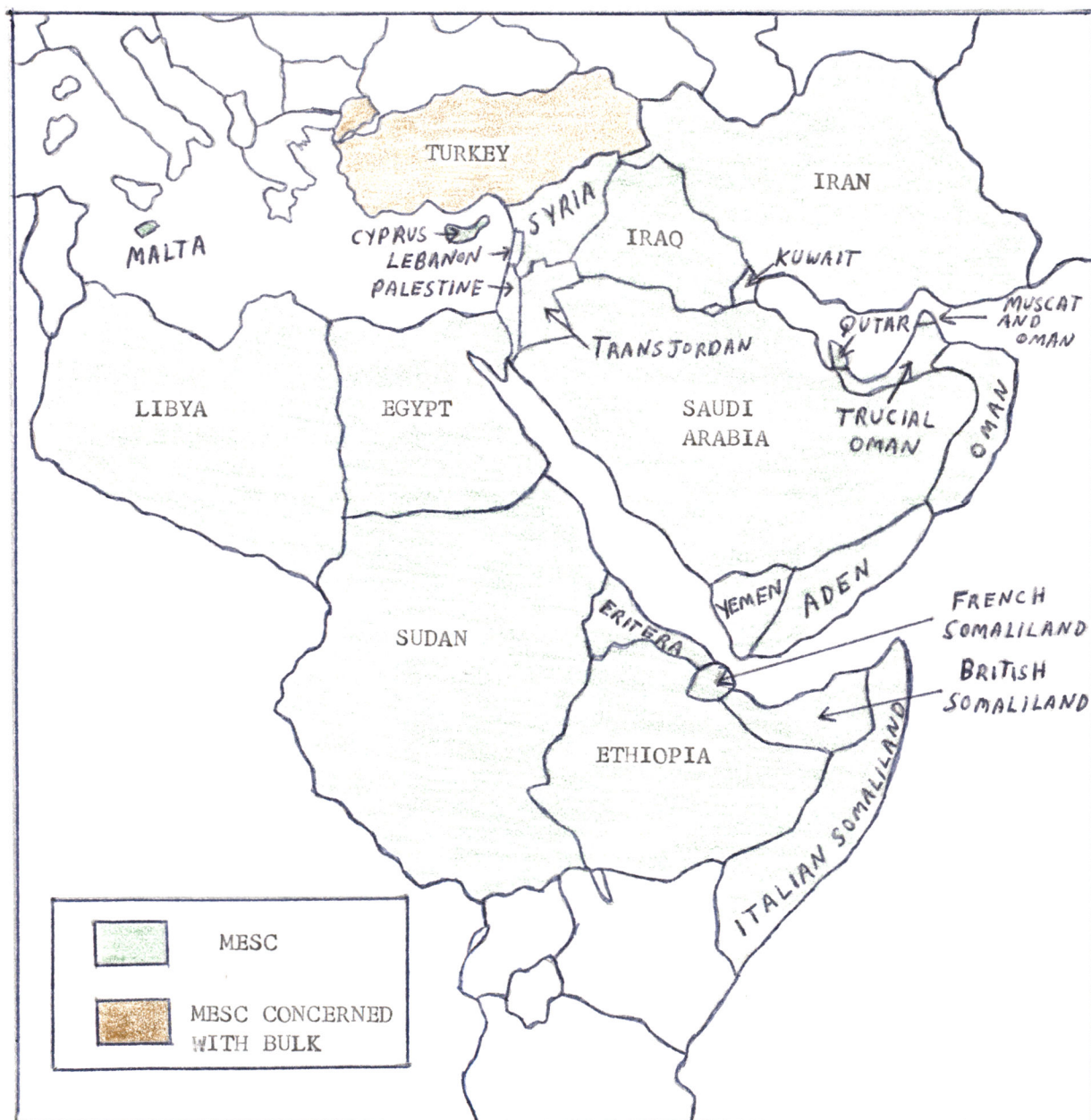
Eastern: Aden Colony, Aden Protectorate, Iraq, Persia, Persian Gulf Sheikdoms, (Bahrein, Kuwait, Muscat, Oman, Qatar, Trucial Oman), Saudi Arabia, and Yemen.

Southern: British Somaliland, Eritrea, Ethiopia, ex-Italian Somaliland, French Somaliland, and the Sudan.

⁷⁸ Lloyd, Food and Inflation in the Middle East, p. 3.

THE MIDDLE EAST SUPPLY CENTER

AREA OF OPERATIONS



Source: Department of State Bulletin, December 23, 1945, p. 995.

Altogether, at its height, this "economic empire" covered over five million square miles, contained almost 100 million people and stretched from Iran to Tripolitania. It was made up of six nominally sovereign states, four British Colonies, four Mandatory states (two of which were taken from Vichy control), three enemy territories, and one condominium.⁷⁹ When all of this is added together, it made the Middle East Supply Center the largest economic unit in total territory outside the Soviet Union. For a quick geographical comparison between the Middle East Supply Center and the largest countries of the world and Europe, see the table below.

Comparative Areas and Populations (1943)⁸⁰

<u>Country or Unit</u>	<u>Area in Square Miles</u>	<u>Population</u>
Middle East		
Supply Center	5,793,288	93,482,000
Union of Soviet Socialist Republics	8,176,789	170,000,000
United States	3,026,000	130,300,000
China	4,286,000	450,000,000
India	1,575,187	389,000,000
Europe (excluding the Union of Soviet Socialist Republics)		

⁷⁹Martin Worthington, "The Middle East Supply Center, A Reappraisal," Middle East Institute, VI, (Spring 1952), p. 146.

⁸⁰"New Trade Waters Charted," Business Week, (December 4, 1943), p. 48.

Turkey could also be claimed by the Middle East Supply Center to some extent although it did not come under its jurisdiction, but that country did obtain certain items such as wheat, sugar, and tea from Middle East Supply Center pools.⁸¹

A comparison of the countries of the Middle East, buying and selling through the Middle East Supply Center might also be made. For such a comparison see the tables below:⁸²

Members Buying and Selling Through Middle
East Supply Center (1943)

<u>Territories</u>	<u>Area Square Miles</u>	<u>Population</u>
Egypt (1)	363,000	16,380,000
Palestine (2)	10,400	1,435,000
Trans-Jordan (2)	30,000	300,000
Cyprus (3)	3,600	377,000
Syria and Lebanon (3)	77,000	3,600,000
Iraq (1)	116,000	3,700,000
Persia (1)	630,000	15,000,000
Saudi Arabia (1)	927,000	6,500,000
Aden and Aden Protectorate (3)	112,080	648,000
Sudan (5)	1,000,000	6,342,000
Eritrea (6)	64,000	1,000,000
Ethiopia (7)	350,000	5,500,000
British Somali- land (3)	68,000	350,000
French Somali- land (8)	9,000	70,000
Libya (6)	810,000	1,000,000
	<u>4,570,280</u>	<u>62,202,000</u>
	Totals	

⁸¹"Middle East Supply Center Territories," United States Foreign Economic Administration Files-National Archives, (No date given).

⁸²"New Trade Waters Charted," Business Week, (December 4, 1943), p. 48.

Members Buying and Selling Special Products
Through Middle East Supply Center

Turkey (for bulk food stuffs) (9)	285,246	17,100,000
Malta (3)	112	269,000
	<u>285,368</u>	<u>17,369,000</u>

Members Selling Through Middle East Supply Center

Kenya	220,000	3,666,000
Uganda	94,000	3,745,000
Tanganyika	360,000	5,745,000
Zanzibar	640	242,000
Somalialand	263,000	1,300,000
	<u>937,640</u>	<u>13,911,000</u>

Grand Total for all areas:	5,793,288	93,482,000
----------------------------	-----------	------------

KEY

(1) Allied Kingdom	(6) Occupied Enemy Territory
(2) British Mandate	(7) Allied Empire
(3) British Crown Colony	(8) French Colony
(4) Republic under French Mandate	(9) Allied Republic
(5) Anglo-Egyptian Condominium	

Associate Groups

There were three agencies that, while they were not a direct part of the Middle East Supply Center, were closely associated with the Center and gave it valuable aid in the fulfillment of its tasks. These were the United Kingdom Commercial Corporation (UKCC), the United States Commercial Company (USCC), and the General Agency for Middle East Supplies (CAMES). Since all three played a big role in the operation of the Supply Center, their organizations and functions will be briefly outlined with regards to the Middle East Supply Center.

The United Kingdom Commercial Corporation: The United Kingdom Commercial Corporation was registered as a British Corporation on April 15, 1940, with a capital of £ 500,000 although this sum was later increased many fold. In its charter, the organization was granted wide powers to act as a general trading business and to serve as merchants, concessionaires, and financiers. Although the Corporation had been initially set up to develop trade with Southeastern Europe, it became involved in the Middle East in an attempt to neutralize the efforts of Dr. Hjalmar Schacht, the German Minister of Finance and German economist, who was trying to undermine the British economic position in the region for Germany's advantage.

With the formation of the Middle East Supply Center in 1941, the United Kingdom Commercial Corporation began to play a large role in the workings of the Center. It served as the commercial agent and as the agency that carried out the directives sent out from Cairo by the Supply Center. The main operations of the Corporation in the Middle East can be broken down into five major categories:⁸²

- (1) The United Kingdom Commercial Corporation purchased in the United Nations markets at the request and direction of the Middle

⁸² "Middle East Supply Center and the United Kingdom Commercial Corporation," United States Foreign Economic Administration Files-National Archives, (No Date Given)

East Supply Center, the Colonial Governments, and the independent governments of that region. In this regard it bought wheat, coal, and other commodities, shipped the commodities to the Middle East, helped to distribute goods that had been placed in central pools, and distributed the goods as directed. Lend-Lease goods were usually consigned to the United Kingdom Commercial Corporation for distribution.

- (2) The United Kingdom Commercial Corporation purchased at the order of relief organizations or the British Government, moved foodstuffs from Turkey to Greece, and distributed grain on the reoccupation of Iraq and Syria.
- (3) The United Kingdom Commercial Corporation acted as the overseas agent of the Middle East Supply Center in expediting the flow of goods through commercial channels in the Near East. In the United States, the United Kingdom Commercial Corporation's Mission (UKCCM) advised exporters on the preparation of export license allocations, obtained shipping space for Middle East Supply Center approved items, helped to obtain priorities, and generally acted to expedite the shipment of materials which had been requested by the Middle East Supply Center.
- (4) In some instances the United Kingdom Commercial Corporation bought the export surpluses of the Middle Eastern Countries that could not otherwise have found a market.
- (5) The United Kingdom Commercial Corporation as clearing house for the products of the Middle East Countries, bought in one territory and sold in another, thereby playing a part in reducing the demands of the region for high seas shipping space.

All in all the United Kingdom Commercial Corporation played a very important part in the successes of the Middle East Supply Center.

The United States Commercial Company; The United

States Commercial Company was created on March 26, 1942, and was organized by the Reconstruction Finance Corporation from which it drew its president and board of directors. This board of twelve members, appointed for one year, managed the United States Commercial Company but the general policy of the Company was directed by the United States State Department and the United States Board of Economic Warfare. In 1943, the organization was transferred to the Office of Economic Warfare and at a later date from there to the Foreign Economic Administration. In the month of October of 1943 the War Food Administration and the Commodity Credit Corporation with some exceptions were merged with the United States Commercial Company.⁸³

The Company's activities included: (1) Preclusive and pre-emptive purchasing in neutral countries for the purpose of denying vital war materials to the enemy, (2) the procurement and development abroad of strategic and initial war materials which were in short supply, (3) miscellaneous functions such as special short term incentive goods programs, and (4) preclusive operations were carried on jointly and by parallel action

⁸³ "The Budget of the United States Government for Fiscal Year Ending June 30, 1945," p. 167.

with the United Kingdom Commercial Corporation.⁸⁴

The United States Commercial Company became active in the Middle East beginning in August 1944, when it assumed responsibility for the procurement of supplies in the United States for the Middle East area. It began to work in close relationship with the United Kingdom Commercial Corporation in transactions where economy could be achieved by the joint use of warehouses and distribution facilities. The Company operated within the limits of the decisions of Middle East Supply Center and, in accordance with the loading area, determinations were agreed upon between London and Washington. This left a considerable range for exercise of business judgment as to terms and conditions of particular sales within the import quotas defined by the Middle East Supply Center and in selecting the most efficient methods of distributions.⁸⁵

Later on the United States Commercial Company established liaison units in Turkey, Teheran, and at the headquarters of The Middle East Supply Center. By an agreement with the United Kingdom Commercial Corporation, the United States Commercial Company agreed to share

⁸⁴"The Budget of the United States Government for the Fiscal Year Ending June 30, 1946," p. 189.

⁸⁵John Dawson, "From a letter on the United States Commercial Company," United States Foreign Economic Administration Files-National Archives, (August 8, 1944) Marked your melon #79.

facilities within the Middle East, share operating costs, and to exchange liaison officers with the English group. In 1944, a mission was sent to Cairo to look after and promote American interests in the Middle East and also to act along with the United Kingdom Commercial Corporation in commercial deals involving the United States.⁸⁶ As can be seen, the United States Commercial Company, although late in arriving on the scene, played an important role in the operations of the Middle East Supply Center once it was established.

The Combined Agency for Middle East Supplies (CAMES) agency was established in Washington, made up jointly of Americans and English representatives. The organization was first proposed in 1942, but fell through due to the opposition of the United States Board of Economic Warfare which controlled licensing for imports into the Middle East. To fill the gap until such an agency could be formed, a British Middle East Supplies Agency was set up under the British Supply Council in November 1942 on which representatives of all the British Supply Missions sat. However, it soon became apparent that this group was not adequate to handle the complex and large flow of

⁸⁶R. Easton, "Letter to B. Reese on the United States Commercial Company Coordination Staff," United States Foreign Economic Administration Files-National Archives, (No date given).

business that passed before it.

A new proposal was, therefore, put forward in early 1943 but when this again met resistance, a compromise proposal was made on July 19, 1943. Under this compromise proposal for a Washington Agency to aid the Middle East Supply Center, the Agency was to be given the following functions:⁸⁷

- (1) It shall be the holder of a program license for the Middle East Supply Center area, and the certifying agency responsible for issuing release certificates against the program license and recording them.
- (2) It shall collect information from all agencies having a part in supplying the civilian requirements of the Middle East Supply Center area, for the purpose of employing this information to advise each month on the distribution of shipping space available from the United States among the various ready items and consulting Middle East Supply Center as to the best use of available shipping.
- (3) It shall make a critical review of the requirements program for the Middle East Supply area.
- (4) It shall handle whatever expediting of production on specific items may be required.
- (5) It shall be the focal point for all communications to and from the field regarding Middle East Supply Center matters.

It was not until September of that year that the United States Board of Economic Warfare agreed to join

⁸⁷ "Compromise Solution of Proposal for Washington Agency of the Middle East Supply Center," United States Foreign Economic Administration Files-National Archives, (July 19, 1943), pp. 1-2.

and then only after its representation in the Middle East had been safely taken care of in their eyes.⁸⁸ On October 1, 1943, the Combined Agency for Middle East Supplies (CAMES) was formed which included a policy committee and an executive committee.

The executive committee included representatives of United States Office of Lend Lease Administration, the Board of Economic Warfare, the British Supply Council, and the British Colonial Mission. The policy committee had members of the United States War Shipping Administration and the United States War Production Board in addition to the representatives from the executive board.⁸⁹

The Middle East Supply Center came to act through The Combined Agency for Middle East Supplies in the United States, for this agency handled all the Center's requests addressed to the Americans. In time, the functions of The Combined Agency for Middle East Supplies were taken over by a division of the United States Foreign Economics Administration. In addition to the Washington branch, The Combined Agency for Middle East Supplies established in New York an agency to aid and assist in arranging for the orderly dispatching of materials to the Middle East Supply

⁸⁸Lloyd, Food and Inflation in the Middle East, pp. 94-95.

⁸⁹Ibid., p. 95.

Center. This phase had been handled by the United Kingdom Corporation Mission until The Combined Agency for Middle East Supplies took over this job.⁹⁰

⁹⁰"Compromise Solution of Proposal for Washington Agency of the Middle East Supply Center," United States Foreign Economic Administration Files-National Archives, (July 19, 1943), pp. 1-2.

CHAPTER V

ACCOMPLISHMENTS, CRITICISMS, AND RIVALRY

The Middle East Supply Center went through four different stages in its attempts to accomplish its goals in the Middle East. The first of these steps spanned only a very brief period of time and came when the Center was concerned mainly with the screening of nonessential imports. The second stage occurred when the Middle East Supply Center shifted its emphasis toward the reduction of essential trade while at the same time encouraging substitution of foreign imports for locally produced goods and by increasing inter-regional trade between the various Arab countries. The third step in this series took place as the Supply Center tried to get local producers and governments to increase their own production so as to relieve the pressures on foreign imports. In this period stress was laid on the production of cereals and clothing. The fourth and final phase came toward the end of the Center's history and was concerned with the long-term economy of the area.⁹¹ It should be noted that all during these various steps, technical help, regional studies and surveys were

⁹¹Martin Worthington, "The Middle East Supply Center, A Reappraisal," Middle East Institute, VI (Spring 1952), pp. 146-149.

made available or in the process of being made to help out in the work of the Center.

How well the Middle East Supply Center accomplished the goals set up in these different stages can best be demonstrated by illustrating some of the Center's achievements. It must be remembered, however, that since it is not possible to present all the successes that the Middle East Supply Center enjoyed, only some of the outstanding ones will be discussed and that, also, there were some areas in which defeat rather than success awaited the Center in its moves.

Accomplishments

(1) Shipping: The loss of the ability to use the Mediterranean Sea during the war had thereby added some 10,000 miles onto the supply line running from the Middle East to Great Britain which was supplying the region; this had the effect of straining the source of supplies almost to the breaking point. The mere fact that the distance from the Middle East to Great Britain had now increased six-fold was not the only matter that caused concern. Shipping losses to enemy submarines cut the British Merchant shipping from 22 million tons at the end of 1940 to 18.8 million tons by December, 1941 and reduced the number of available ships that could be spared for this long run.⁹²

⁹²Lloyd, Food and Inflation in the Middle East, p. 128.

Still another factor entering the picture was the fact that the port facilities in the Middle East were inadequate to support both the military campaigns and the normal civilian imports.

Because of these problems one of the first targets of the Middle East Supply Center was to cut down shipping and at the same time clear the ports of nonessential civilian goods. In achieving the former task, the Center was able to cut down civilian imports in two years from 5,000,000 tons to 1,500,000 tons -- a drop of better than 333%. Much of this was accomplished by the use of import licenses while at the same time shipping space was saved by the use of "tight packing" which saw civilian commodities packed in with the military cargoes. Examples of this type of packing can be seen in the use of grain used as packing filler, and stocks of goods stacked between and in tanks and trucks.

Clearing the ports of civilian goods proved to be an easier task, for the authorities merely took all the non-urgent goods that could be found -- such as lipstick and women's stockings -- and hauled them into the desert where the famous "Suez Dump" was formed.⁹³

⁹³"American and Britain March in Step on Middle East Supplies, the Work of Middle East Supply Center," United States Foreign Economic Administration Files-National Archives, (No date given), p. 1.

(2) Agriculture: The Middle East was a region that was barely self-sufficient in producing its own food even in good times. Therefore, when the combination of war, drought, and hoarding hit the region, it was only natural that the stocks of food available for the people would drop and that demands for more food would result. These increased demands for food could have been met by one of two ways, importation or increased agricultural production in the Middle East and since imports were being cut rather than extended, increased food production was necessarily forced upon the Middle East.

The Center had very good results in pushing this action forward. In Egypt, over 1,000,000 acres of that country's world famous cotton land saw that crop abandoned in favor of the production of grain which was the most important item in the diet of the Arabs. In the Levant another 1,000,000 acres, much of it new farming land went into the production of barley and wheat. These two operations alone gave the region an additional 2,000,000 acres of farming land.

But this was not all, the Middle East Supply Center sent out experts like Ben Thibodeaux of the United States Department of Agriculture and Keith Murray and Leonard Elmhirst from Britain, who toured the Middle East, discussing the possibilities of new crops and a change-over from

cash to food produce.⁹⁴ Much was done along these lines. Irrigation projects were also pushed, as the one in Syria where the Sixty-first Tunnelling Company of the South African Army bored a tunnel to the Litani River and brought water to some 7,000 acres of land.⁹⁵

(3) Grain Collection and Distribution: Growing more grain was one thing, collecting it and seeing that it was properly distributed was quite another. What hindered the collection and distribution was the fear of invasion, the greed of speculators and private individuals, and the memory of the food shortages during the First World War. As a consequence, many of the farmers sought to hide their grain for their own use and not share it with the rest of the population. To combat this move, the authorities set up grain collection schemes in Egypt, Iraq, Syria, and Persia.

This system was first tried out in Syria where private grain trade was abolished, local mills were closed and even burned, and all surpluses were forcibly purchased by a special monopoly, the Office des Cereales Panifiables, a joint Franco-British enterprise, working in conjunction with the Middle East Supply Center.⁹⁶ This group established

⁹⁴Ibid., p. 2.

⁹⁵"An International Example," The Economist, CXLV, (September 4, 1943), pp. 314-318.

⁹⁶Kirk, The Middle East and the War, p. 181.

stations throughout the country from which villages were assessed and grain later collected. By paying generously for grain brought in and imposing severe penalties on smugglers and speculators, this grain collection scheme became a great success and through it Syria was able to turn a deficiency of 80,000 tons in the 1941-42 period to self-sufficiency in 1942-43 and finally to a surplus of 70,000 tons the following year, 1943-44.⁹⁷

Following the success in Syria, grain collection was tried in somewhat different forms in Egypt, in Iraq and in Persia where the Anglo-American Cereals Committee handled the matter.

(4) Medical Supplies: The Middle East Supply Center also scored success in the medical field. When the Center first became involved with this matter they found that the Middle East faced a great shortage of medical supplies. To complicate matters, there was no uniform system in existence in the buying of drugs and medical equipment. This prevented any coordinated action of pooling medical supplies. Thus the Middle East Supply Center had to overcome two problems - one, a shortage in the actual amount of medicine available and, two, the lack of any system with which to

⁹⁷"American and Britain March in Step on Middle East Supplies, the Work of Middle East Supply Center," United States Foreign Economic Administration Files-National Archives, (No date given), p. 2.

work with in combating the first problem.

The Supply Center attacked these difficulties by compelling the various states to place bulk orders for medicines, drugs, and hospital equipment. This had the effect of not only helping to overcome the medical supply shortage through pooling and cooperation between the different nations but also brought about a standardization of medical supplies in the area. This attempt to produce a more uniform medical practice was also aided by medical committees sent out by the Middle East Supply Center to advise the inhabitants throughout the Middle East.⁹⁸

(5) Locust Control: One of the many problems the Middle East Supply Center encountered in their attempt to make the Middle East a more self-sufficient area was a locust plague. The Center found that the region was cursed every eleven to twelve years by swarms of locusts which, after breeding in the remote desert, swarmed into the farming districts where they ravaged crops and orchards in the area. Unfortunately, the Middle East Supply Center found itself faced with such an outbreak which threatened thousands of tons of badly needed grain.

Out of necessity, the Center organized an anti-locust campaign under the scientific direction of the Anti-Locust

⁹⁸"An International Example," The Economist, CXLV, (September 4, 1943), pp. 314-318.

Research Center in London. With the use of American and British entomologists, lend-lease trucks, British and Indian troops, Russian planes, specially made poisons from the United States and Great Britain, and locally organized expeditions established under the control of the governments of Egypt, Palestine, Syria, and the Sudan, the Middle East Supply Center was able to take the offensive against the locusts and prevented them from becoming the menace that they had been in years before by poisoning their breeding grounds.⁹⁹

It is interesting to note that the Middle East Supply Center had to use velvet gloves in attacking the locust problem since these insects have always been a large part of the Arab diet.

(6) Regional Conferences: Another problem that the Middle East Supply Center ran into came from the fact that there was no exchange of information between the various Middle Eastern countries. This posed as a big hindrance to economic advancement to the whole region since if a technical advance or some other type of improvement was discovered in one country, chances were the news of this event might never reach the neighboring nations in the region due to the lack of communications.

⁹⁹"American and Britain March in Step on Middle East Supplies, the Work of Middle East Supply Center," United States Foreign Economic Administration Files-National Archives, (No date given), p. 2.

An example of this can be seen in the common problem that both Syria and Cyprus faced in their efforts to reforest their depleted woodlands while at the same time maintaining already existing goat herds. While the Cyprians worked out a solution for the problem by adopting the methods used in the West Indies, the Syrians were still in the dark as to what should be done. It was not until the establishment of the Middle East Supply Center that information was exchanged on the problem that enabled the Syrians to solve their problem although the two countries are near neighbors. Still another instance of this information exchange through the Middle East Supply Center can be given by showing that Iraq and Persia adopted varieties of wheat developed in Palestine after being informed by the Center that these varieties would also have high yields in those countries.

In an effort to overcome this difficulty, the Middle East Supply Center sponsored several regional conferences where information pertaining to agriculture, finance, and statistics was exchanged.

One of the biggest of these conferences took place in February, 1944, when the Middle East Supply Center held an Agriculture Conference.¹⁰⁰ This meeting occurred as the climax of two years' work in the field and saw representatives

¹⁰⁰"An International Example," The Economist, CXLV, (September 4, 1943), pp. 314-318.

from Aden, Cyprus, Egypt, Iraq, Lebanon, Palestine, Saudia Arabia, Sudan, Syria, and Trans-Jordan in attendance. In addition, visitors from East Africa, India, and the United States, as well as interested participants from the Rockefeller Near East Foundation, British General Headquarters, the Foreign Economic Administration, and the British and American Missions also were present.

Some thirty technical papers were presented for reading to the delegates, followed by serious discussions of the future of agriculture in the Middle East, the health of the peasant, conservation of the soil, control of water, and nutrition. The American representatives presented results and findings on methods to control and prevent dust bowl conditions similar to the ones that had developed in the United States during the 1930's while the British emphasized the contribution of the Middle East Supply Center in aiding the growth of agriculture in the Middle East.

The conference closed by passing some fourteen resolutions which included the recommendations for a Middle East Council of Agriculture, a Central Institute of Agricultural Development and a wide extension of technical education.¹⁰¹

¹⁰¹"American and Britain March in Step on Middle East Supplies, the Work of Middle East Supply Center," United States Foreign Economic Administration Files-National Archives, (no date given), p. 4.

(7) Technical Missions: After the Middle East Supply Center became more firmly established and obtained more personnel, it was able to send out technical advisors to the various countries under its sphere of influence to give advice on how to overcome local problems. It was in this way that the nations of the Middle East came to benefit from the vast store of knowledge possessed by the universities and governments of both the United States and Great Britain. These advisors went out to the various countries where they studied problems ranging from soil erosion in Cyprus to sugar beet production in Persia.

The type of men sent out were able and well qualified in their respective fields. Such men sent included Glen Russ, an expert from the United States Forestry Department; Mr. Westgate, an American milling expert; Dr. B. A. Keen, Deputy Director of Britain's Rothamstead Research Station; Dr. E. B. Worthington, head of the Freshwater Biological Association; and Dr. H. B. Allen, from the Near East Foundation at Beirut.¹⁰² The results of their work saw new varieties of seed introduced, new strains of livestock used, and a new and vigorous attack on animal and plant diseases.

(8) The Conversion of Coal to Oil on Middle East Railroads: This was one of the first jobs tackled by the

¹⁰²Ibid., p. 4.

Middle East Supply Center in their efforts to cut down on imports into the Middle East. When the war broke out, it was discovered that the majority of the railroads in the region used coal as a source of fuel and as the Middle East was a coal deficient area this meant large, bulky imports of coal were necessary to keep the trains running. It was decided that conversion to oil should be made since this move would cut coal imports and at the same time permit the trains to obtain fuel from the nearby petroleum reserves located in the Middle East. As this conversion was a rather simple one, the change-over proceeded rather rapidly.

The results from this conversion were outstanding and by 1944, it was figured that coal imports had dropped from 70,000 tons a month to some 40,000, thereby saving some 360,000 tons of shipping space a year which is no small amount.¹⁰³ As for the machinery necessary for the conversion, for every 1,000 tons imported over 350,000 tons were saved.¹⁰⁴

(9) Development of Mineral Resources and Industrial Capacity: The Middle East Supply Center worked very hard

¹⁰³ Ibid., p. 4.

¹⁰⁴ "Review of the Work of the Middle East Supply Center," the Department of State Bulletin, XIII, (September 30, 1945), pp. 493-494.

to develop mineral resources throughout the Middle East. Although the Center was handicapped in the endeavor, it did make great strides in this area. As for the stimulation of local industry, the Middle East began to produce a large assortment of items including: cast iron, lead tubes, tungsten, tin, drugs, clothing, canned foods, anti-tank mines, nuts and bolts, electric bulbs, aircraft heaters and borax.¹⁰⁵ To show how this expansion aided the war effort, one only has to look at the production of beer, an essential to any army, which rose from 1,500,000 gallons a year to over 50,000,000 a year.¹⁰⁶

(10) The Supply Center's Aid to Turkey: Early in 1942, it came to the attention of the United States Government, through its ambassador in Turkey, Laurence A. Steinhardt, that the government in Turkey was faced with a serious shortage of wheat which threatened to produce famine conditions throughout that country. That this problem affected the United States can be seen by briefly reviewing the history of the Second World War during that period. There was at this time considerable German pressure on the Turkish Government for the Turks to enter the war on

¹⁰⁵Martin Worthington, "The Middle East Supply Center, A Reappraisal," Middle East Institute, VI, (Spring 1952), pp. 149-150.

¹⁰⁶"Review of the Work of the Middle East Supply Center," The Department of State Bulletin, XIII, (September 30, 1945), p. 494.

the side of the Reich. This pressure was made very formidable due to the fact that the Germans already controlled the land territories next to European Turkey and threatened to flank the Turks in the Caucasus by way of the German invasion of Russia. Therefore, in order to forestall any attempts on the part of Germany to take advantage of the food shortage, it was necessary to act at once.

The American ambassador, Laurence A. Steinhardt, personally felt that fast and favorable aid to the Saracoglu government¹⁰⁷ would prove very valuable in strengthening the position of the Americans in Turkey since Saracoglu was pro-American in sentiment. Such aid was very easy for the Americans to produce for they had vast quantities of wheat and food. It was felt at this moment this would prove to be more valuable than all the lend-lease goods the United States could promise. With this in mind, Ambassador Steinhardt wired the Secretary of State his views.¹⁰⁸

In the United States, the matter was given much time and thought but the problem remained of how to get the wheat from the United States to Turkey soon enough and in sufficient quantity. The United States, therefore,

¹⁰⁷ Sukru Saracoglu, the Prime Minister of Turkey.

¹⁰⁸ Laurence Steinhardt, "Telegram to the Secretary of State," Foreign Relations of the United States, 1942, Vol. IV, p. 729.

recommended that the Turkish government get in touch with the Middle East Supply Center for a possible solution of the problem.¹⁰⁹ The United States took this action for two reasons. First, the great distance of the United States from Turkey made fast delivery of the wheat very impractical especially since the cargo would have to travel through submarine infested waters with no guarantee that it would reach its destination. Secondly, the Middle East Supply Center's stocks were much closer and it was felt that only 15,000 tons of wheat would be enough to satisfy the Turks for the present.¹¹⁰

However, since the Middle East itself was at that very moment going through a shortage of grain, there was some question as to whether the Middle East Supply Center would be able to come through with the badly needed grain. This fear proved to be a needless one for once the Middle East Supply Center realized the gravity to the situation, it answered the call and delivered the desperately needed wheat to the Turks although this put a terrific strain on its own supply of grain. This fact was pointed out in a telegram to Ambassador Steinhardt informing him that the Middle East Supply Center had sent by rail some 12,000 tons of wheat to Turkey and that an additional 3,800 tons of

¹⁰⁹"Telegram to Ambassador Steinhardt," Foreign Relations of the United States, 1942, Vol. IV, p. 729.

¹¹⁰Ibid., p. 730.

barley from Iraq was on its way.

This action was taken once the seriousness of the situation in Turkey was realized. If prompt action had not been taken then the political picture in that country might have swung in a direction that would have been highly unfavorable to the allied cause. It was for this reason that the Middle East Supply Center moved with such speed in supplying the Turks with the needed wheat despite the fact that the Center knew that to meet the grain requirements of the Middle East some 350,000 tons of grain would still have to be imported into the region and this estimate made no allowance for losses by sinkings or possible increases in the military requirements.

The United States in return for this aid agreed to help restock the granaries of the Middle East Supply Center until the full 15,000 tons was replaced. This was done by cutting down on the supply of lend-lease goods and munitions sent to Turkey by the United States until this could be accomplished. This resulted in Turkey receiving practically no cargo space for around two to three months, but the important job of feeding their population had been accomplished.¹¹¹

So as can be seen, the fast action of the Middle East

¹¹¹Cordell Hull, "Telegram to Ambassador Steinhardt," Foreign Relations of the United States, 1942, Vol. IV, pp. 733-734.

Supply Center not only fed the hungry population of Turkey but also played a key role in the vital political picture, whereby the allies were able to keep the Turks out of the war and the Germans out of Turkey. Had this not been done, the result could have proven fatal for the allied cause, for, during this period of time, it was all they could do to hold off the Germans and if the scales had been tipped by the Turks, entering the war as allies of the Germans, then all might have been truly lost.

Criticisms.

It was only natural that any organization that restricted luxury imports and cut essential shipments to the bare minimum would be in for severe criticism.

These criticisms ran all the way from the minor ones, as the Ethiopians complaining about the grey sheets secured for them by the Supply Center, due to the shortage of white ones,¹¹² to the damaging accusations made during the Anglo-American conflict in the Middle East. A few of these criticisms have been selected to illustrate the problems faced by the Supply Center.

(1) The first criticism to be levelled was made by an outside source, a certain Mr. R. C. Thompson, export manager for the United States Electric Autolite Company, who toured

¹¹²Martin Worthington, "The Middle East Supply Center, A Reappraisal," Middle East Institute, VI (Spring 1952), p. 153.

the Middle East in 1944 during which time he observed the workings of the Middle East Supply Center. Upon his return to the United States, Mr. Thompson commented that while the Supply Center was doing "the best they could under the circumstances, they have brought in insufficient supplies to the Middle East."¹¹³ To back up this statement, Thompson pointed out the 1942 decision on cars, whereby importation of automotive spare parts was limited to \$30.00 a year for trucks and \$12.00 for passenger cars. According to Thompson, there was a need for this to be raised by \$80.00 and \$60.00 respectively, since motor transport formed the backbone of the Middle East economy and the decision thus barred normal trade.¹¹⁴

(2) A good second example was that of an inhabitant of the Middle East. The following criticisms appeared in the draft of a telegram to the Secretary of State in the United States from the Iranian Minister, Mr. Shayesteh.

One of the first complaints came from the fact that the Iranians were not even represented on the Middle East Supply Center which meant that the imports for their country were being handled by outsiders. This the minister felt was undemocratic and unfair. He stated this method was very slow and cumbersome which meant that items vitally

¹¹³"Mid-East Policies on Imports Scored," New York Times, (December 15, 1944), p. 27.

¹¹⁴Ibid., p. 27.

needed were often delayed by red tape and took months to obtain.

A second criticism was to point out that during the year 1942 a quota of 35,000 tons was allotted to Iran but of this total some 20,580 tons was subsequently cancelled, leaving a balance of only some 15,000 odd tons and of that total only a small fraction had actually reached Iran. This, Mr. Shayesteh also felt was unfair and he, therefore, appealed to the sense of fair play noted in the Americans to try and undo this wrongful situation.

The Iranian further stated that he realized the shortages connected with the shipping situation and that military requirements should be put first; yet, at the same time, he felt that his country was getting short-changed in the total quantity of the civilian goods imported to the Middle East. He pointed out that from the size of her population and high living standard, Iran should receive a larger share of imports than other Middle Eastern Nations, yet this had not been the case.

He went on to illustrate his case by giving examples of how his country had been wronged by supply shortages. The first example that he used was that of an American army doctor who had been loaned by the American government to the Iranian Ministry of Health to see if the possibility of a typhus epidemic was in the near future. The doctor ascertained the existence of typhus and recommended a million

doses of typhus vaccine be dispatched to Iran. The Cairo Committee, however, at first only approved 5,000 doses of this serum, although this figure was later doubled. It appears, though, that over 100,000 doses of the typhus serum had actually been sent to Iran by the United States but that the Middle East Supply Center had intercepted this shipment and held it. This action was taken after a representative of the Center had learned that there was at that time no typhus epidemic in Iran. The outcome of this move saw typhus sweep the whole country and thousands died who might otherwise have been saved since there was a lack of typhus serum.

Still another criticism in the telegram pointed out the fact that the Middle East Supply Center had allocated only 20,000 tons of shipping for Iran during the whole year of 1943 while the Iranians felt that the possible minimum that they could survive on would call for an importation of some 300,000 tons of goods. Such a reduction in imports it was felt could not help but result in unhappy results for both the Iranians and the Americans.

The message closed with a desperate appeal to the United States Secretary of State that he take a closer look into the situation and if he was not satisfied with the information supplied by the Iranians, to ask Americans who had traveled in Iran and obtain their opinions of the

situation there. The Iranian Minister, Mr. Shayesteh, then closed his telegram by appealing once again for the American official to act in a humanitarian way toward his suffering country and to see if he could not obtain some sort of revision in the procedure of the Middle East Supply Center which would enable his country to obtain more goods at a quicker rate of time.¹¹⁵

All these criticisms and appeals are of course directed at the Middle East Supply Center whether the Iranian mentions them by name or not since they were the agency responsible for the control of civilian supplies in the Middle East.

(3) A third source of criticism comes from the American Minister in Iran, Louis Dreyfus. Mr. Dreyfus was critical of the policies of the Middle East Supply Center and doubted if the United States should go along with them. He stated in an official dispatch, "I express regret, however, that it has been found necessary to associate ourselves in this country with a Middle East Supply Program based on compulsion and monopoly."¹¹⁶

So the Center was attacked and criticised from all

¹¹⁵Mr. Shayesteh, "Telegram to the American Secretary of State," Foreign Relations of the United States, 1943, Vol. IV, (1964), pp. 615-617.

¹¹⁶Louis Dreyfus, "Telegram to the Secretary of State," Foreign Relations of the United States, 1943, Vol. IV, p. 517.

sides. It was not popular with importers who saw their profit making shipments cut to the bone, it was opposed by the local "big-wigs" who did not like interference in their private enterprises nor did the Center win any friends from the people who looked upon it as an "undemocratic" system. Yet the Middle East Supply Center could withstand all of these attacks as long as it was backed by two of the most powerful nations in the world, Great Britain and the United States. It was only with the coming of the Anglo-American rivalry that the Center really faced a serious threat to its existence.

Anglo-American Rivalry

Anglo-American co-operation was almost assured and in fact was vitally necessary as long as the German and Italian Armies were a threat to both in the Middle East. Once, however, this threat had been removed, the Americans and their English allies began to take a second look at the actions of each other and some of the age old antagonisms between the two began to come to the surface. As James Landis stated:¹¹⁷

With our interests for the time being identical, co-operation became an easy and pleasant task--as easy and pleasant as co-operation between allied armies in the face of the enemy, and not even marred

¹¹⁷ James Landis, "Anglo-American Co-operation in the Middle East," The Annals of the American Academy of Political and Social Sciences, vol. 240, (July 1945), pp. 65-66.

as that co-operation can be marred by personal jealousies as to respective rank or as to the personal publicity rightly attributable to the exploits of various national contingents. El Alamein, however, portended the beginning of a change. With the intense pressure relaxed, men began to have time to think over the manners and methods of supply and their consequences upon the future.

These "second looks" at each other were helped along by several incidents that took place between the two allies. These quite naturally began with small, minute problems which in some cases were helped along by personal dislikes. Soon, however, these clashes began to grow in stature as can be seen by the American charges in 1943, against the British Overseas Airlines Corporation (BOAC). This airline was charging American officials for their transportation to the Middle East on British Overseas Airlines Corporation planes while at the same time United States Army planes carried British officials free. And while, British Overseas Airlines Corporation was instructed on November 3, 1943, by the British Ministry of State to cease charging Americans for rides,¹¹⁸ the damage had already been done and another factor was added to the growing Anglo-American feud.

The big break came in January 1944,¹¹⁹ when the United

¹¹⁸"Summary Report of Activities of American Representation on Middle East Supply Center," United States Foreign Economic Administration Files - National Archives, (November 1-30, 1943), p. 3.

¹¹⁹Martin Worthington, "The Middle East Supply Center, A Reappraisal," Middle East Institute, VI. (Spring 1952), p. 164.

States Foreign Economic Administration suddenly turned back to individual United States companies the rights to trade in cotton yarn and textiles in the Middle East areas except for Egypt and the British-controlled territories.¹²⁰ This action, of course, took away from the Middle East Supply Center the control of these products.

The reasons behind this sudden break can be traced by taking a look at the opposing views between the two nations.

The American View

The Americans began to make charges that the British "had made the most of wartime conditions to 'rule the roost,'"¹²¹ Mr. James Landis, the top American official on the Middle East Supply Center led in these attacks against the policies of the Middle East Supply Center after making a three months' survey of the situation in the Middle East. Although much of Landis' report is still classified, it appears that he became convinced that the trading interest of the United States were being sacrificed in the Middle East for the benefit of Great Britain.

One of the great objections that Landis had was against the bulk indent system which appeared to put American trading

¹²⁰"The War and Business Abroad," Business Week, (January 29, 1944), p. 115.

¹²¹George Mooney, "Show Down Looms on Mideast Trade," New York Times, (January 16, 1944), sec. III, p. 4.

companies at a great disadvantage. Under this set up, a large list of goods for Middle East consumption was prepared by the Middle East Supply Center and then sent to London where the items that nation could supply were taken off the list. The Americans charged that British used this to "skim off the cream" by arbitrarily deciding which items that it would fill through regular commercial channels. These orders were then sent on to the various British Manufacturers on the basis of brand specifications and the companies then filled the orders directly, thereby maintaining established contacts with the foreign importers in the Middle East.¹²²

Those orders not taken over by London were then passed on to the United States where they were filled under the Lend-Lease system. This meant that, often, goods were sent without regard to brand names specified and that American traders were prevented from making a direct contact with Middle East customers. This quite naturally put the United States at a disadvantage after the war since she did not have the commercial contacts in the region to compete with Great Britain.

Mr. Landis also stated that, as shipping and supply shortages eased, it became apparent that it was to America's interest to build up her exports in the Middle East. The British opposed this policy since this would cause a drain of

¹²²Ibid., p. 4

dollars from that portion of the sterling area, and England's interests lay in the direction of increasing her dollar reserves for the day that she would again have to face the prospect of paying for her imports from the United States as well as paying off the debts she owed in the Middle East.¹²³ Landis did not feel that it was in the best interest of the United States to help England fight a dollar drain in this way. Landis, finally felt that the United States ought not to have anything to do with the actions taken by Great Britain in which she interfered in Ethiopian and Egyptian affairs. This could lead to disaster in his opinion.¹²⁴

With Landis' report and other sources taken into consideration, America's charges against Great Britain came down to these: (1) England was supplying her share of Middle East requirements through regular commercial channels, thereby enabling her manufacturing firms to maintain contact or to develop contacts with Middle East buyers, while American exports were sent anonymously through Lend-Lease. (2) The British were taking advantage of the fact that they chose the items that they wished to supply the Middle East before passing the remainder on to the Americans which had the effect

¹²³James Landis, "Anglo-American Co-operation in the Middle East," The Annals of the American Academy of Political and Social Sciences, CCXL, (July 1945), p. 67.

¹²⁴Ibid., p. 68

of leaving the United States with "leftovers." (3) The United States also objected to the virtual monopoly held by the United Kingdom Commercial Corporation on the importation of many items to the Middle East.¹²⁵ (4) There was some question as to whether it was America's duty to sacrifice a potentially rich market so the British could conserve their supply of dollars, and (5) It was seriously questioned, whether the United States should associate herself with a nation that interfered with the internal affairs of sovereign nations for its own benefit. Many Americans felt that this was definitely undemocratic and desired to see a return to the system whereby the United States carried on relations with individual nations rather than taking them all together as they were under the Middle East Supply Center.

Landis felt that the chief obstacles to co-operation were: (1) an absence of United States' policy, (2) the lack of forthrightness in the utterance of such policy as was formulated, and (3) the fact that there would always be certain basic Anglo-American conflicts.¹²⁶

The Americans suggested a series of conferences to solve the above differences.

¹²⁵ John MacCormac, "Partners or Rivals," Asia and the Americas, XLIV, (April 1944), p. 165.

¹²⁶ James Landis, "Anglo-American Co-operation in the Middle East," The Annals of the American Academy of Political and Social Sciences, CCXL, (July 1945), p. 165.

The British View

The British quite naturally had replies for all of these American charges. It was their opinion that their policies in the Middle East were justified for the following reasons: (1) The English had been in the Middle East long before the Americans ever thought about entering into the picture and had therefore, established a "historic right" in the area since they were there first. (2) As for American imports into the region, the British pointed out that in a pre-war year such as 1937, the United States exported only around \$30,000,000 worth of goods and imported an almost equally similar total.¹²⁷ This pointed out, they felt that the Americans had never been really interested in the Middle East as a trading area and for them to move in now would be very unfair since they would in effect be taking advantage of a stricken ally who was unable to defend her interests properly due to war damage. (3) The Middle East was not really a rich area and therefore of no real commercial value to the United States but it was vital to Great Britain due to its strategic position along Britain's life line to India and Australia. For this reason, if no other, the British felt that it was imperative that she maintain as much economic control over the area as possible;

¹²⁷"Rivalry for Trade in Mid-East Posed," New York Times, (January 24, 1944), p. 21.

by doing so she could maintain her position. As the London Times stated, "No single factor is more vital to Britain's status as a great power than her power and prestige in the Middle East."¹²⁸

The climax of Anglo-American differences came in 1944 when a compromise was reached between the two countries which stated: (1) That after July 1, 1944 only agricultural implements and one more quarterly quota of iron and steel, some 5,000 tons, would be sent to the Middle East through the Lend-Lease system. The rest would be supplied for cash by individual United States' exporters under their own name. (2) The bulk indent system which saw London getting first crack at selection would be abolished. (3) Only Ethiopia and Saudi Arabia would continue to get "whole" Lend-Lease. (4) The administration of deals involving Palestine, Trans-Jordan, Aden, and Cyprus was to be transferred from the British Colonies Supply Mission to the New York office of the Combined Agency for Middle East Supply. (5) Finally, the Middle East Supply Center would restrain to a lighter degree the importation of iron, steel, aluminum, magnesium, synthetic fertilizers, and coarse chemicals since there was no longer a desperate shortage of these items.¹²⁹

This arrangement patched up the difficulties of the

¹²⁸ John MacCormac, "Partners or Rivals," Asia and the Americas, XLIV, (April 1944), p. 166.

¹²⁹ Ibid., p. 166.

Middle East Supply Center somewhat and restored Anglo-American co-operation to a degree but the damage had been done and with the ending of the war near, the end of the Middle East Supply Center also was in sight.

CHAPTER VI

THE END OF THE MIDDLE EAST SUPPLY CENTER

On September 26, 1945, the governments of the United States and Great Britain officially announced the dissolution of the Middle East Supply Center would take place on November 1, 1945. That this action would soon be taken came as no great surprise to those who were close to the Center. Since Anglo-American differences had come into the open, many had felt that the days of the Center were numbered.

The announcement of the Center's end came in a joint statement by both governments, that with the end of the Japanese War, the time had come to review the import situation in the Middle East. The statement went on to point out that the Middle East Supply Center had been set up as a war time agency to control imports into the Middle East and this had been accomplished. The world was at peace again and it was the desire of the peoples of the Middle East as well as the English and Americans to see that little time was wasted in the restoring of the old commercial trading and economic way of life as had been in existence before the war. It was for this reason--the desire to return to post-war economic conditions--that the Center would be dissolved.

Both governments praised the work of the Supply Center for its contribution and aid during the war and both made a

special point to show that the international economic co-operation by all the countries in the Middle East under the leadership of the Center had done much to aid in the war effort. Finally, thanks was given to all personnel who had contributed their time and effort to the Center and had as a result made its work a great success.¹³⁰ Thus, the short history of the Middle East Supply Center came to an end.

On the same day that the announcement of the end of the center was released, a short statement was released by the United States Department of State and the United States Foreign Economic Administration that reviewed the work of the Center.

Review of the Center's Work

The Middle East Supply Center was established in 1941, by the British Government to control importation of civilian items into the Middle East. Upon the invitation of the British in 1942, the agency became a joint Anglo-American enterprise with the Americans assigning personnel from the United States Department of State and the United States Foreign Economic Administration to the Supply Center. As the Americans increased in number in the Center the two countries divided equally the major executive posts between them. Mr. Frederick Winant was the first principal United

¹³⁰"Dissolution of the Middle East Supply Center," Department of State Bulletin, XIII, (September 30, 1945), p. 493.

States civilian representative and he was succeeded in turn by Mr. James Landis and Mr. John P. Dawson.

When the Center was established, the Middle East was under heavy military pressure from the Axis forces. As it was realized what an important base of military operations the Middle East was as well as being a major supply source for petroleum and the primary trade route to Russia, it became imperative to hold the area. One of the steps that had to be taken to insure this was to avoid serious economic dislocations in the area and to maintain economic stability as much as possible. These tasks were made difficult due to war time tensions, infiltration of Axis agents, and the need for drastic curtailments of imports as a result of the shipping and supply shortages.

The Middle East Supply Center was, therefore, created to deal with these economic problems. It achieved its first goal by estimating the minimum essential needs of the area and then by working to see that the various local governments received these goods. The Center also worked to increase local production of wheat and other items so that imports could be checked to a great extent. Examples of the increased acres of land made available for wheat production or the mixing of wheat flour with millet and barley to save 500,000 tons of shipping a year, demonstrate the successes of the Center.

The Supply Center also stimulated industrial output in both military and civilian commodities. The Middle East, as a result, came to produce such varied items as batteries, cement, glycerine, leather, and soap. Technical advice was made available by the Center on all such products. All the while the Middle East Supply Center maintained strict control over the imports, trying to eliminate luxuries altogether and reduce necessities to a bare minimum. It was the Center's policy in doing this to allow normal trade channels to handle imports as far as possible.

It was through these methods that the Middle East Supply Center was able to reduce imports from nearly 5,500,000 tons a year to less than 1,500,000 tons and, thereby, allow the port and shipping facilities of the Middle East to be used by the military while at the same time maintaining the basic civilian economy. It was believed by all that the Supply Center had contributed indispensable assistance to the allied cause in the Middle East through these actions.¹³¹

With the ending of the war the Middle East Supply Center came to an end. It came to an end because in the minds of many it could be of no further use, since the war was over, it only stood to interfere with the return to normal trading in the region. For the Americans, the Middle East Supply

¹³¹"Review of the Work of the Middle East Supply Center," Department of State Bulletin, XIII, (September 30, 1945), pp. 493-494.

Center appears to have been thought of merely as a war time measure and therefore, no longer needed. The merchants and inhabitants of the Middle East too desired to see a system that regulated their imports destroyed. Only the British wanted to see the Center survive, and did see that a successor organization, The Middle East Office, was set up to take over many of the former duties of the Supply Center. In this venture, the English acted alone for the Americans had no desire to join them even though they were invited to do so.

Thus deserted by many of its former supporters, the Middle East Supply Center met its end. It had been born out of necessity, operated under stress and difficulty, and finally died when it was felt that its job had been accomplished.

APPENDIX I

Middle East Supply Center
Scope, Constitution and Terms of Reference
Memorandum

A. Territorial Area Involved

1.Eritrea, and, as a supplying area only, the territories covered by the East African Governors' Conference.

B. Organization

2. The expenses of the Middle East Supply Center are borne upon the vote of the Minister of War Transport, who is represented on the Inter-Departmental Committee which considers questions of policy relating to Middle East supplies.
3. In the Middle East, and subject to the decisions communicated from time to time by the Minister of War Transport, the Middle East Supply Center operates under the aegis of the Minister of State and is subject to the decisions of the Supply and Transportation Sub-Committee of the Middle Eastern War Council which sits under the chairmanship of the Minister. The sub-committee consists of representatives of the following:

The Minister of State's Office.
Each of the Fighting Services.
His Majesty's Embassy at Cairo.
The Middle East Supply Center.
The United Kingdom Commercial Corporation.
The Cairo Petroleum Committee.
The Chairman of an Advisory Committee of
Businessmen in Egypt.

4. The Middle East Supply Council consists of:

The Minister of State in the Middle East.
The Director of the Middle East Supply Center.
Representatives of the Government of the United States of America.
A representative of the Governments of Sudan, Palestine, Malta, Cyprus, Aden and of the Residency in Trans-Jordan.

A representative from H. M. Embassies at Cairo, Ankara, and Baghdad, and H. M. Legations at Teheran, Beirut, Jedda, and Addis Ababa.

A representative of the East African War Supplies Board.

The representative of the Ministry of War Transport in the Middle East.

A representative of the United Kingdom Commercial Corporation.

A representative of the C. in C., Middle East.

A representative of the C. in C., Mediterranean.

The Secretary-General of the Middle East Supply Center.

5. The Council meets from time to time as necessary. It will discuss any matter falling within the functions of the Center. 1st meeting held 24 April, 1941, in Cairo.

6. The Executive Committee of the Middle East Supply Center consists of:

The Secretary to the Minister of State's Office.
The Director and the Secretary-General of the Middle East Supply Center.

A representative of H. M. Embassy in Cairo.

The representative of the Ministry of War Transport in the Middle East.

A representative of the C. in C., Middle East.

The Chairman, UKCC in Egypt, and such other persons as may from time to time be invited to assist.

7. The Executive Committee meets as often as may be necessary for the efficient conduct of current business.

C. General Functions

8. The functions of the Center are:

- (a) To review and co-ordinate the joint resources and civilian requirements in essential commodities of the territories (including raw materials required for their war industries) in order to make the area as self-supporting as possible; and to exchange relevant information with the control organizations in each territory;

- (b) To make recommendations accordingly to the authorities concerned in regard to local production, stocks, and distribution;
 - (c) To determine the balance of any essential requirements which must be imported from outside the area and make recommendations accordingly to the authorities concerned, with a view especially to the best possible use of available shipping; provided that the authorities in Turkey will continue for the time being to refer direct to London and that the requirements of the Colonies, Palestine and Trans-Jordan will be within the framework of instructions sent out from time to time by the Secretary of State for the Colonies;
 - (d) To arrange for building up and control of reserve stocks;
 - (e) To facilitate the transport of essential supplies within and between the territories;
 - (f) To carry out such other duties relating to supply, production and distribution as His Majesty's Government may from time to time direct.
9. The Center takes direct executive action only when it is necessary to provide common services for the constituent authorities (e.g. information) or where there is no other appropriate authority to take action of the nature required (e.g. diversion of requisitioned cargoes) or where speed is vital and authorities concerned specifically agree upon the sources to be pursued. The Center will, in addition, subject to the guidance of the Supply and Transportation Sub-Committee of the Middle Eastern War Council on matters of policy:
- (a) Make recommendations regarding
 - (i) Purchases to be effected by the UKCC for other appropriate body
 - (ii) Requisitions for lend-lease goods for use in the area
 - (b) Make recommendations regarding the holding of stocks by the UKCC or other appropriate body and their release in the territories of the area

- (c) Call for information regarding the supply position of each territory
- (d) Make recommendations to the Ministry of War Transport on the relative priorities of imports to the territories
- (e) Report to His Majesty's Government upon the execution of decisions taken through the Center, and recommend measures for overcoming any delays or obstacles which may be encountered in giving effect to these decisions

D. Contact with General Headquarters, Middle East

10. The Center will keep close contact with General Headquarters, Cairo, in order to ensure that military requirements are known and given the greatest possible consideration.

It will also keep GH.Q. informed of the commercial resources and deficiencies of the Middle East Supply area in respect of commodities, and will ensure that local resources are used to the utmost by the Services and civil population.

E. Channels for Supply

11. In considering each territory covered, the Center will bear in mind that everything possible should be done by means of local production, substitution and salvage to meet that territory's requirements from its own resources. Failing this, other countries of the area are to be drawn upon in the first place. The Center will as far as possible stimulate production in the countries within the area in order to avoid the necessity of importation from external sources. Any demand which cannot thus be met from within the Middle East area will be dealt with in accordance with sections 12, 13, 14 and 15 below.
12. The Center is not responsible for formulating requirements for, or considering arrangements for the supply of:
 - (a) Specialized military, naval, and air equipment;
 - (b) Foodstuffs required for the military, naval

or air forces, other than cereals, sugar, tea (or such additional foodstuffs as may be agreed from time to time);

- (c) Coal required for railways, naval and commercial bunkers and such other coal consuming concerns as may from time to time be specified;
- (d) Mineral oil;
- (e) Lubricating oil, tinsplate and other requirements of oil companies.

13. Such supplies of certain commodities as may require to be imported from outside the area will be distributed to local governments or other competent authorities in the territories concerned exclusively through the UKCC, who will obtain them from the Ministry of Food or Supply, as the case may be, or otherwise in a manner approved by the Middle East Supplies Committee, London.

The commodities in question are:

- (a) Cereals
- (b) Sugar
- (c) Oilseeds, oils and fats (except to Iraq, Persia, Aden and Saudi Arabia)
- (d) Tea
- (e) Pig iron; and
- (f) Such other commodities as may from time to time be decided upon by the Middle East Supplies Committee, London.

14. In British dependencies, Iraq or the Sudan, government orders for some commodities other than those referred to in section 13(2) above, may continue to be placed through the Crown Agents for the Colonies in the United Kingdom, the Colonial Supply Liaison, Washington, or through the Sudan government office in London, as the case may be, but it will be open to the governments concerned to make use of the UKCC where convenient, subject to the approval of the Middle East Supplies Committee, London.

15. For commodities other than those referred to in sections 12 and 13 (a) above, and except insofar as section 14 above applies, ordinary commercial channels will be used, subject to the observance of the import licensing regulations of the various territories, such restrictions as may be made on grounds of supply or shipping and such measures as may from time to time be recommended with a view to securing the commodities required for the maintenance of the war effort on lease-lend terms.

F. Estimates of Requirements

16. In estimating the joint resources and requirements of the various territories, the Center will work on estimates of the economic situation at least six months ahead, in order that time may be available to make any adjustments recommended and for purpose of the shipping control authorities.

G. Channel of Communication

17. Contact between the Center and foreign governments within the area will be maintained through His Majesty's Embassy or Legation in the territory concerned, but the Center, with the latter's approval, may appoint representatives attached to the Embassy or Legation and may deal by direct correspondence with local representatives of the foreign governments or purchasing commissions set up by them.

H. Commercial Transactions

18. The Center does not engage in commercial transactions. When these are necessary for the fulfillment of the policy of the Center and cannot be undertaken through existing commercial channels, they may be handled by the United Kingdom Commercial Corporation on the recommendation of the Center. The services of the United Kingdom Commercial Corporation may, by agreement, be used for the purchase or distribution of any supplies to or within the area.

I. Shipping

19. The Center will in no way interfere with the control of shipping but will report to the controlling authorities on the shipping space likely to be

required and will make recommendations regarding the best use of the shipping space available.

Future Work of the Center (Note: This outline on the future work of the Center was approved by the Supply and Transportation Sub-Committee of the Middle Eastern War Council on 13th January, 1942 (M.E.W.C.) (S. & T.) (42) 1st Meeting. Slight Amendments have been introduced.)

The work of the Center in the immediate future is likely to cover the following:

- (a) Improving the method of supply to all the territories and building up a close liaison between officers looking after territories in the Middle East Supply Committee and Controllers of Supplies in each of the territories;
- (b) collecting statistics from all areas (a considerable amount of work has already been done in this connection);
- (c) Co-ordinating civil imports with Service requirements so as to ensure that the best use is made of ports and that the minimum strain is placed on internal lines of communication;
- (d) Preparing loading programmes in the form required by the Ministry of War Transport;
- (e) Reduction of civil import programmes, and the preparation of programmes to meet possible siege conditions;
- (f) Controlling imports in the Middle East generally and with particular reference to Egypt;
- (g) Ensuring the effective distribution and use of all essential commodities, especially cereals, sugar and fertilizers; determining the quantities of certain commodities such as cereals and sugar which are required, and allocating their distribution to the various consuming territories in the light of the needs of the moment;

- (h) Building up reserve stocks of essential civil commodities;
- (i) Increasing agricultural production, especially in Egypt and East Africa;
- (j) Increasing industrial production, particularly in Egypt and Palestine, and diverting consumption, both military and civil, from overseas to domestic sources of supply;
- (k) Diverting industrial production to more essential purposes (both military and civil);
- (l) Controlling raw materials;
- (m) Surveying of Middle East area for products or raw materials which Departments in the United Kingdom may require;
- (n) Facilitating work of, and connecting operations with, the United Kingdom Commercial Corporation (particularly in connection with the work described under (g), (h), (i), (k), (l), (m), and (n) above); and
- (o) Developing a planning section.

Great George Street, S.W.1
22nd July, 1942.

Source: United States Foreign Economic Administration
Files - National Archives
Dated September 14, 1942

APPENDIX II

America and Britain March in Step
on Middle East Supplies

The Work of Middle East Supply Center

...There is at least one Anglo-American job which has two years' experience behind it....it is the work of the Middle East Supply Center in Cairo.

...Behind the lines the battle of supply was going on--supply not only for the African armies, but for the Russians up the long route from the Persian Gulf with problems as tough as any that have faced Allied strategists in the war. Through the small ports and over the crowded railway lines; often single-track, of the Middle East the tanks and guns for the desert army and the food supplies for eighteen countries and 60,000,000 people were kept flowing smoothly. That was not done by magic; it was done by the Military Commanders and the Middle East Supply Center.

How did the Middle East Supply Center start? Early in 1941 Britain was shipping supplies to Greece at the rate of 500,000 tons a year. The Germans were starting to send troops to North Africa. Britain was pouring supplies for the new mechanized desert army; yet still the countries of the Middle East were trying to obtain from all over the world their normal imports--5,000,000 tons a year. Greece fell, the Mediterranean was closed and the Middle East as a whole with the Allied armies in it could be reached only by the 16,000 mile journey around the Cape--a journey of three-quarters of the circumference of the globe.

Middle East Supply Center was set up to clear the ports, packed with civilian goods; to free the railway lines; to save precious shipping over the long, submarine-infested sea routes.

The means by which this was done were two: first, to introduce a licensing system in every territory, allowing only the prime essentials to be ordered from overseas; second, to step-up local production of agriculture and industry so that the Middle East could meet its own needs. So, when America entered the war, a complete supply line was built up running from each Middle East country, from Persia in the Northeast to Abyssinia in the South, through an Anglo-American filter in Middle East Supply Center, Cairo, and thence to the Combined Boards in London and

Washington where the strategy of world supplies was thrashed out between the two greatest Western partners in the war.

From besieged Malta came Jackson, Australian Navy man, who had planned defense and co-ordination of supplies for the island fortress, to become the dynamic leader of Middle East Supply Center on the British side. From Washington came Fred Winant, brother of America's Ambassador to Britain...co-ordinating military and civilian needs on the Middle East War Council sat the British Minister of State, Richard Casey, now combatting the supply problem in Bengal.

Now for some facts of the job this Center has done. The first target was to cut down shipping and to clear the ports. From over 5,000,000 tons the flow of civilian supplies to the Middle East came down by 80% to 1,000,000. Lipstick, motor cars...huge dumps of non-urgent goods were carted from the ports, piled in the desert to form the famous "Suez Dump". Civilian goods were packed in with military cargoes and the stocks of grain came stacked between lorries and tanks on the closely guarded convoys from the Eastern United States seaboard. To take one example--by converting locos on Middle East railways from coal to local oil, coal imports dropped from 70,000 to 40,000 tons per month--a saving of 360,000 tons of shipping space per year.

Food was the most bulky item of Middle East imports. 16,000,000 tons of grain are grown and eaten in the Middle East apart from normal imports. Failure of crops or hoarding of grain could mean a demand for 2,000,000 tons of shipping. Under Middle East Supply Center advice, and with the co-operation of the Egyptian government, 1,000,000 acres of Egypt's famous cotton-crop was abolished to make room for grain. In the Levant a further 1,000,000 acres, some of it new ground, were swung over to wheat and barley. Ben Thibodeaux, expert of the United States Department of Agriculture, and British agricultural economists Keith Murry and Leonard Elmhirst toured the Middle East estimating the possibilities of new crops, new irrigation schemes, the change-over from cash crops to food. In the Lebanon a South African tunnelling company, completing its work of railway construction, turned over to drilling irrigation tunnels through the hard limestone to bring the waters of the Litani River on to the fertile but parched lands which lie between Tyre and Sidon. That land should grow 70,000 bushels of food.

Even when the grain was grown, it yet remained to bring it to feed the towns. The fear of invasion, the greed of speculators, the peasants' memories of starvation in the last

war all combined to make the Arab cultivators hide away their grain in secret stores. In Egypt, Syria, Iraq, and Persia, with Middle East Supply Center's advice, government control schemes for the collection and distribution of grain were established. British and French officers working with the Syrian and Lebanese governments went with lend-lease lorries to turn a Levant deficit of 80,000 tons of grain in 1941-2 into self-sufficiency in 1942-3, and a surplus of 70,000 tons in the present year. Egypt, strictly rationed for fertilizer on the long haul from Chile, still managed both to meet her own needs and, by consent of the Egyptian government, to export a surplus of grain, sugar and rice so that the rich, fertile valley of the Nile would be used to supply deficiencies elsewhere.

As private trade became more and more difficult when the United Nations drained dry the world market for wheat, for sugar, for tea, Middle East Supply Center invented a system of bulk purchase and distribution of food for all eighteen countries. Grain, tea, sugar, coffee, cocoa and cocoa-beans, edible oils, are all bought in bulk at world prices, held in a pool and released to each country in accordance with their early estimates of need. This bulk supply of food means moving 1,000,000 tons per year from Britain and America and between Middle East countries to a value of 100,000,000 dollars. It is an insurance system against famine on a colossal scale.

Outstanding as an example of co-operative effort is another Middle East Supply Center campaign to maintain food supply in the Middle East--the campaign against locusts. Every 12 years or so, Middle East harvests and orchards may be ravaged by a particularly violent onslaught of the desert locust. The swarms breed in the remote deserts of India and Arabia and spread to the cultivated lands devouring thousands of tons of precious grain. Under scientific direction from the Anti-Locust Research Center in London, Middle East Supply Center organized a campaign covering the main breeding centers from Persia to Ethiopia using British and American entomologists, lend-lease trucks, British and Indian troops, Russian aircraft, poison specially manufactured in Britain and the United States of America, and considerable locally organized expeditions, under the control of the governments of Egypt, Palestine, Syria, Sudan and the British Military occupying authority in Eritrea. Thus the resources of the United Nations and the countries of the Middle East were knit together in one single merchanzed campaign against this ancient enemy of man. For the first time the myriads of locusts are being stamped out by scientific means before the fatal power of flight develops.

So the story of supply could run on--the provision of textiles, spare parts for vital pumping units, hides brought down from the single railway from Ethiopia; the provision of 200 million c.c. of mepacrine from Britain and the United States to fight the growing threat of malaria when 90% of the world's supplies in Java were captured by the Japs; the distribution of typhus vaccine from the United States under the control of the United States Typhus commission; and a thousand other services designed to see that the Middle East demands on the industrial capacity of Britain and America should be planned and notified in advance, should be for essentials only, and should be supplied and distributed by the right time and by fair means.

...As Middle East Supply Center became more firmly established, outposts were sent to work in most of the eighteen countries within its sphere. From the Center experts have gone out to make available to each country the best of scientific knowledge which the universities and the great Departments of State in Britain and America can provide. To Cyprus studying soil erosion, and to the wildest corners of Ethiopia was sent Glen Russ, expert of the United States Forestry Department. To Persia went Westgate, American milling expert, to advise on the considerable sugar beet industry established by Persia's strong man Reza Khan, who left his throne when British and Russian armies entered Persia in 1941. Dr. Keen, Fellow the Royal Society and Deputy Director of Britain's famous Rothamstead Research Station, Dr. Worthington, head of the Freshwater Biological Association, and Dr. Allen of the Near East Foundation, Beirut came out to tour the whole area and to advise on scientific problems and resources. Through these touring specialists and through day-to-day contact with Headquarters in Cairo, there has grown up the habit of co-operation, exchange of information, development of fruitful ideas between the Middle East nations.

New strains of livestock have been introduced, new varieties of seed tested and applied in many countries, new attacks on disease of animals and plants are being made on one common plan.

Typical of this new-found collaboration and the climax of two years' work was the Agricultural Conference called by Middle East Supply Center and held in Cairo in February of this year. Agricultural leaders from Aden, Cyprus, Egypt, Iraq, Lebanon, Palestine, Saudia Arabia, Sudan, Syria, Trans-Jordan came as official delegates. Visitors with special technical knowledge arrived by air from East Africa, India, and the United States, not to mention

interested participants from the Rockefeller Near East Foundation, Beirut, U.N.R.R.A., British General Headquarters, Foreign Economic Administration, and the American and British Diplomatic Missions. More than 30 technical papers were presented, followed by keen discussion on the agricultural future of the Middle East, the health of the peasant, conservation of the soil, control of water, nutrition. American experts described the nation-wide measures against erosion undertaken after the Dust Bowl crisis and the latest progress to agricultural research. On the British side, RAF officer and practical farmer, Skilbeck, organizer of the Conference for Middle East Supply Center, emphasized the contribution the Center could make and was making by exchange of information and technique. In 14 resolutions the Conference set forth its findings recommending the establishment of a Middle East Council of Agriculture, a Central Institute of Agricultural Development and wide extension of technical education; recorded "its conviction that agricultural progress is inseparably linked with the continued advancement of the agricultural population in all factors concerned in their welfare, particularly in nutrition, health, and education".

Source: United States Foreign Economic Administration
Files - National Archives (No date given)

APPENDIX III

Summary Report of Activities American Representation
on the Middle East Supply Center, Nov. 1st-30th, 1943

I. General

1. Personnel:

With the arrival of Mr. Levison, Mr. Archer and other personnel recently sent out to join my staff, considerable development of the organization was possible during the month of November. There is attached as Exhibit A a copy of a chart of organization as of December 1st, 1943, which will give some idea as to how we are operating at present. It will be noted that the organization of American personnel assigned to the Middle East Supply Center is not charted, since their functions and relationship to each other are reflected in the Middle East Supply Center's Chart of Organization, copies of which were forwarded with my last report for appropriate Washington agencies.

There is also transmitted herewith as Exhibit B a list of personnel assigned to this office, as well as lists of personnel in process and unfilled requests for personnel. The need for the employees who are not yet in Cairo is great, and in order to perform properly the functions for which we are responsible it is necessary that they be sent promptly. Of special importance are officials to serve as Middle East representatives in Persia and other territories, since at the present time representation in the individual countries is almost entirely in British hands. Until Americans are provided for these staffs the field organization is not functioning and cannot function as a joint Anglo-American enterprise.

2. Middle East SupplyCenter Activities:

The preparation of programs continued to occupy considerable attention by the Middle East Supply Center during the month. In addition to the preparation of Office of Lend Lease Administration Form I under the supervision of Messrs. Lineau and DeVeau, 1944 arrivals and procurement programs were completed by the Center and transmitted to Washington and London.

Enclosed as Exhibit C is a copy of the Middle East Supply Center's monthly letter for November, in which are set forth the more important operations during the month. In

the Food Division the anti-locust campaign was followed closely by the Agricultural Production Section. The campaign in Saudia Arabia is now underway under the general direction of Mr. R. C. Maxwell-Darling. Under him are Major Hodder of the Middle East Supply Center staff; Dr. Hardy, entomologist loaned by the Palestinian government; Dr. Waterson, entomologist recently arrived from England; Mr. Fitzgerald, Middle East Supply Center entomologist; and Major McGough, American officer permanently assigned from the Economic Branch of USAFIME to the Middle East Supply Center.

There will be two convoys in the Saudia Arabian campaign with a total military personnel of nearly 1000 men and 358 vehicles. One convoy, operating in the eastern part of the country, will be under the military supervision of Major Pickervance; the second convoy, operating in the mid-western part, will be under the military supervision of Major Horsfall. Technical aspects, of course, will be under the supervision of the staff of entomologists.

The military personnel are to consist of about 700 Palestinian Arabs (Moslems) and 300 British including medical staff, etc. Dress to conform with Saudia-Arabian customs and at the same time meet military requirements presented somewhat of a problem, but clearance now has been obtained from King Ibn Saud, who has approved the project, for the troops to wear Khaki uniforms without insignias, provided they wear the native head-dress (officers white, other ranks colored). Officers are permitted side arms; however, other ranks will be unarmed. King Ibn Saud will attach 25 of his personnel to every 100 sent by the mission, and transport and provisions for these are to be supplied by the British. It will be noted from the monthly letter that at a conference in New Delhi it was agreed that the Russians will co-operate in the campaign and they are prepared to send a delegation to Oman during this month and in 1944.

The arrival in Cairo of Mr. Max Nicholson, of the Ministry of War Transport in London, was welcomed by the Middle East Supply Center. This was the first opportunity that Mr. Nicholson has had to visit the regional organization in the several years during which he has served as head of its London counterpart.

3. American Mission to Ethiopia

We were interested to learn from reports of the Office

of Economic Warfare and from correspondence from Minister Caldwell that agricultural, engineering and mining missions are proposed to be sent to Ethiopia. In our Airgram No. 68 of November 29, the question was raised as to whether these missions should not be attached to the Middle East Supply Center in order to preclude the inevitable crossing of wires which would follow unco-ordinated independent action.

In view of the information contained in the Department's telegram No. 1912 dated December 8, it is agreed that the missions should be separate from the Middle East Supply Center, although the suggestion that American advisors from the Center be attached temporarily to them is sound. It is believed that this will provide sufficient co-ordination, and we will make arrangements accordingly. In this connection, if an American representative is provided for the Middle East Supply Center office in Ethiopia it is proposed that he will serve as economic advisor to the mission, and an agricultural advisor will be provided from the staff of Americans assigned to the Center in Cairo.

4. Transport Advisory Board in Syria:

There has been under discussion for some time a proposal for the formation of an Anglo-American-French-Syrian-Lebanese Transport Advisory Board in Syria. Although there has been general agreement between British and Americans both in Cairo and in Beirut as to the desirability of such a board to control the use of trucks, tires, etc., complexities of the political situation have delayed progress in its establishment. It obviously is necessary that such a board be put into effective operation in the near future in order to control properly transport material being furnished to Syria and the Lebanon through facilities of lend-lease and the Middle East Supply Center. The British Minister of State has urged General Spears, in view of recent developments, to press for the organization of this board as soon as possible, consulting with Mr. George Wadsworth, American Diplomatic Agent.

I have asked Mr. Wadsworth in a telegram dated December 4 to assist in this connection, and it is hoped that the board soon will be under way.

5. Scientific Advisory Mission

Doctor Keen (Assistant Director of the Rothamsted Agricultural Research Station in England) and Doctor Worthington (Director of Freshwater Biological Station), members of the

Scientific Advisory Mission, have arrived in the Middle East to undertake the functions of the mission, which are outlined in the attached Exhibit D. Doctor Keen and Doctor Worthington are now on a tour of Palestine and Cyprus where they are conducting a study of scientific, technical, and agricultural problems with particular reference to questions of agricultural education and research.

As we requested in Airgram No. A-327, December 9, 6 p.m., it is hoped that Mr. Allen, now in the area with the Near East Foundation, will be available to join Doctor Keen and Doctor Worthington in their work. Mr. Allen also would be used as an advisor to Mr. Laird Archer on Balkan relief aspects.

6. BOAC Charges:

Various reports during the past several months have included references to the procedure followed by the British Overseas Airways Corporation of charging American officials for their transportation on BOAC planes, while service to British personnel on United States Army planes is gratuitous.

In a letter dated November 3, 1943, the Minister of State in reply to a letter from me stated that BOAC has been instructed not to charge for the carriage of United States military and official traffic and freight. Pursuant to this instruction, BOAC no longer is rendering bills for such transportation.

7. Petroleum Reserves Corporation Mission:

This mission, which is understood to have the responsibility for obtaining geological data and studying production and refining methods in the Middle East, arrived in Cairo during the latter part of the month. We had the opportunity of discussing with the several members general aspects of their work in the area. The mission departed on the last day of the month for a twenty-three day tour which will take them to Palestine, Iraq, Behrein, Saudia-Arabia, Kuwait and the Trucial Coast. The mission was accompanied by Colonel Anderson of USAFIME, and by Doctor Lees, British, of the Anglo-Iranian Oil Company. It is understood that they are to return to Cairo on December 27 en route to the United States via England.

8. Road Transport Control and Supply of Tires for Egypt:

For many months the Middle East Supply Center has been unwilling to consider Egyptian requests for tires, even for essential vehicles, unless the Egyptian government first agreed to put into effect a system of automotive traffic control, preferably with gasoline rationing. When it recently became quite obvious that the Egyptian government is unwilling to adopt effective controls, while at the same time many essential trucks and busses are going off the road for lack of tires, informal discussions were held with Amin Osman Pasha, Minister of Finance, as a result of which the latter proposed the formation of a Higher Advisory Board Transport Committee, composed of two Egyptian ministers and one representative each from the British Embassy and the American Legation to study ways and means of effectively controlling road transport and equitably distributing any tires which might be supplied. In addition, there would be an Executive Committee composed of experts and including a Middle East Supply Center representative, which would carry out the decisions of the Higher Advisory Committee.

The formation of the above two committees was proposed by Amin Osman in identical letters dated November 9 to the American Minister and the British Ambassador, and request was made in such letters that immediate steps be taken to remedy the critical tire situation. After consultation with this office and with Middle East Supply Center, the Minister and Ambassador replied that they would be glad to name representatives on the Higher Committee. They also stated that upon the formation of the committees and upon the receipt of assurance from Amin Osman that the committees would take steps to institute such control measures as would enable the British and American supply authorities to co-operate fully in the solution of Egypt's tire problem, the Anglo-American supply authorities would be in a position to consider the immediate release of essential tires.

The Higher Advisory Committee held its first meeting at the end of November and the Egyptians agreed to name a Director of Road Transport immediately and to form an Executive Committee. They reiterated their request for essential tires, and were told by the British and American representatives that as soon as the Road Transport Director was appointed the Transport Division of Middle East Supply Center would be glad to confer with him regarding immediate essential needs. It is expected that the Director will be appointed in the immediate future.

9. American Agriculturists' Tour of Area:

Following the recent arrival of American agricultural advisors for Middle East Supply Center, several have taken extended trips throughout the area to make special surveys of problems confronting the territories.

Russel (sic) S. Kifer returned to Cairo after six weeks in the Lebanon, Syria, Iraq, and Iran, where he consulted with British and American representatives and agricultural officials in those countries on the current situation and future agricultural production programs. In general he found the crops of 1943 favourable, but food supplies were critical in a few isolated areas. Farm machinery was considered by most local officials as the best means of increasing production but in all areas where imported machinery is used, concern was expressed for 1944 and future production because of the difficulty of getting spare parts for machinery. High prices have generally stimulated production, particularly of cereals. Scarcity and high cost of transport hinders grain collection and in one area where grain had been transported by truck in previous years wheat was, this year, carried by camels over a distance of 40 kilometres.

Dr. Harold Meyers, who will return to Cairo soon, is considering the crop returns from use of fertilizers in sections of Iran.

Mr. Westgate completed a study of sugar beet potentialities in Iran and reports that the 1943 crop will be processed although there was considerable doubt as to the success of the program prior to his visit. He has recommended a sugar program to avoid in the future the difficulties experienced this year.

Source: United States Foreign Economic Administration
Files - National Archives, November, 1943

In tons

APPENDIX IV

CIVILIAN SUPPLIES FROM NORTH AMERICA AND THE UNITED KINGDOM
FOR THE MIDDLE EAST

Date	Grain	Nitrates	Sugar	Other Cargo	Total
1941 (2nd half) (only)	114,693	42,108	1,306	220,843	378,950
1942	414,135	174,021	5,876	515,420	1,109,452
1943	278,940	144,118	610	100,599	524,267
1944	320,930	309,500	---	125,271	755,701
1945 (1st half) (only)	215,402	111,037	---	100,713	427,152

Source: C. B. A. Behnens, Merchant Shipping and the Demands of War, p. 35⁴

APPENDIX V

Middle East Supply Center Organization

1. ...
2. ...
3. ...
4. The Middle East Supply Center Organization in Cairo is as follows:

A. Casey is the Minister of State; he has formed a Middle Eastern War Council consisting of the Commanders of each of the three British Fighting Services and the British Ambassador to Egypt. Beneath this is a sub-committee called the Supply and Transportation Sub-Committee of the Middle Eastern War Council, consisting of representatives of: the Minister of State's Office, each of the fighting services, His Majesty's Embassy at Cairo, the Middle East Supply Center, the United Kingdom Commercial Corporation, the Cairo Petroleum Committee, and the Chairman of the Advisory Committee of Businessmen in Egypt.

B. Every six months a meeting of the Middle East Supplies Council is held. The Council is something like a trade convention and assembles representatives from all of the Middle East territories.

C. Then there is an Executive Committee of the Middle East Supply Center, consisting of the Secretary of the Minister of State's Office, the Director and the Director-General of the Middle East Supply Center, a representative of His Majesty's Embassy in Cairo, a representative of the Ministry of War Transport in the Middle East, a representative of the Commander-in-Chief, Middle East, the Chairman of the United Kingdom Commercial Corporation in Egypt, and "such other persons as may from time to time be invited to assist."

D. According to a recent letter from the Director-General, the Middle East Supply Center's operating organization is divided into three main sections dealing with food, materials, and industrial investigation. The food section "covers every aspect of food". The materials section is divided into three sub-divisions, one dealing with all commodities other than food, another dealing with transport and fuels, and the third with shipping and programming.

The third section "dealing with industrial investigation covers all proposals and schemes for making the Middle East more self-sufficient or for exporting essential commodities outside the area".

5. In London there is a Middle East Supplies Committee under the Chairmanship of Captain Crookshank, Financial Secretary to the Treasury. This committee is concerned with questions of policy relating to civilian supplies to the Middle East area. It is composed of representatives of the following departments: the Treasury, Foreign Office, India Office, Colonial Office, Board of Trade, Ministry of Supply, Ministry of War Transport, Ministry of Food and the United Kingdom Commercial Corporation. It has a joint secretariat appointed by the Ministry of War Transport and the War Cabinet Office.

6. Administrative arrangements in London are handled by a special section in the Ministry of War Transport known as the "Supply Section for the Middle East". The Cabinet note, which set up the Middle East Supplies Committee and the Administrative arrangements, specifically states that this Section will be in charge of Mr. E. M. Nicholson who will also be the representative of the Ministry of War Transport on the Middle East Supplies Committee in London.

7. The United Kingdom Commercial Corporation has its main offices and most of its Board of Directors located in London. The United Kingdom Commercial Corporation is, of course, concerned with areas beyond the Middle East.

8. A Foreign Office note to Washington contains the following reference to American members of the Middle East Supply Center: "The preamble raises the question of what is implied in the expression 'American members of the Center'. The Center itself is a Secretariat serving a number of authorities concerned with Middle East Supply and shipping questions. Hitherto, only British authorities have participated, and the precise form of United States participation must be worked out on the spot. The object of American membership is, of course, that the United States representatives shall enjoy through the Center every opportunity of being consulted and of working out policy on matters affecting them which is all that the British members can claim".

9. Any mention of American representation was deliberately omitted from the July 22nd revision of the "Scope, Constitution and Terms of reference of the Middle East Supply Center"--pending the arrival of Americans in Cairo and further recommendations.

10. Explanation for the London set-up is quite simple. The Middle East Supplies Committee was established as a policy body with ability to settle questions of major policy since it was presided over by the Financial Secretary to the Treasury who holds ministerial rank, and since all interested government agencies can participate in its deliberation. The Secretariat has one representative of the War Cabinet Offices, since the British centralize many new war agency activities through the War Cabinet offices. The MWT membership in the Secretariat was also established in view of the fact that the day-to-day business of the center in London is carried out by the MWT. Apparently, the MWT is the central group because of the personality of E. M. Nicholson who is the key figure in London with respect to the activities of the Middle East Supply Center. Because of his presence in the MWT and because of the fact that the Middle East Supply group was primarily concerned with minimizing shipping, the Middle East day-to-day affairs were centralized in the MWT, and the expenses of the Center in Cairo are carried on the budget of the MWT.

11. The main concern of the Middle East Supply Center in Cairo is the importation of civil requirements. In the United States the two chief agencies involved in export of civil requirements would be the Board of Economic Warfare and Office of Lend Lease Administration. Of course, as in all such problems, the War Shipping Administration would be secondarily involved. The only government agency in Washington which could establish a policy group comparable to the London Middle East Supplies Committee under Captain Crookshank would be the Board of Economic Warfare, since the Board, in its semi-monthly meetings, would have present among others, representatives of agriculture, the Treasury, the State Department, Office of Lend Lease Administration, and Army and Navy to discuss any questions of high policy involving supplies to the Middle East. [It is not expected that a new high-policy organization would be necessary in Washington. The Middle East Supplies Committee meets only every three weeks and its meetings last about one hour and a half. Presumably the American problems concerned with the Middle East Supply Center would not require any more time on the part of the big Board. At the present time there are two broad problems: i) the failure of two sections of the Army to settle which shall provide civilian medical supplies (apparently none have been procured for months while the deadlock exists). ii) the Army and Navy Munitions Board has been giving unsatisfactory priorities for the Middle East and in effect overruling W.P.B. in special case.]

The day-to-day concern with exports should be a joint problem of the Board of Economic Warfare and Office of Lend Lease Administration. Preparation of requirements would originate in the Middle East where American representatives would be present, and would only require confirmation with some possible minor revision in the States.

The examination of export statistics since the formation of Lend-Lease reveals that in the year 1941, at least two-thirds of the exports to the Middle East from the United States were by export licenses and one-third on Lend-Lease. ...In the current year Lend-Lease exports have increased considerably. However, since countries in the Middle East will receive Lend-Lease goods on what amounts to a cash-reimbursable basis, they may be considered as not strictly Lend-Lease countries. For example, on May 15th of this year Mr. Acheson proposed to Sir Frederick Phillips that Lend-Lease goods be sold to the Middle East Countries involved and that payment be made by them in local currency to be held in local banks for the use of American government agencies which might choose to expend such funds in the area concerned. In view of this fact and in view of the executive orders of Board of Economic Warfare and Office of Lend Lease Administration, it is recommended that the Middle East export control committee of Board of Economic Warfare and Office of Lend Lease Administration's Middle East group be combined or establish a very close working arrangement with final review by the Board of Economic Warfare.

Cable messages, etc. could still go through the State Department whose activities would be comparable to the War Cabinet Office's Secretariat in London.

The relationship with the exporters in New York City should, of course, be handled by Board of Economic Warfare export control or by the United States Commercial Company. Presumably the United Kingdom Commercial Corporation would want to have a man in the Board of Economic Warfare's office to keep close contact with Middle East exports. The reason for this is the fact that hitherto export control has been a negative process and a positive pushing of exports to the Middle East area is required, since the requirements put forth constitute the minimum essentials.

The establishment of a separate Middle East organization in America would only create confusion and duplication.

12. The relationship with the United Kingdom Commercial Corporation in London is to be further extended by the appointment of Mr. Wells as representative of the United

States Commercial Company. In view of the predominant interest of the United Kingdom Commercial Corporation in the Middle East (Sir Frank Nixon, its main sparkplug, has spent the last six months in the Middle East), either Mr. Wells or Mr. Riefler should also act as the American representative to maintain contact with the Crookshank Committee and the MWT on Middle East problems. Likewise in the Middle East, Mr. MacDuffie should be appointed as the representative of the United States Commercial Company to the United Kingdom Commercial Corporation. Middle East Board of Directors, pursuant to the June, 1942 agreement between the United States Commercial Company and the United Kingdom Commercial Corporation. While he has been designated as a representative of the United States Commercial Company, a formal request from Mr. Ducas to Mr. Lister is recommended.

13. It should be recalled that Mr. Acheson, in the meeting which he had with Mr. Stone, Mr. MacDuffie and Mr. Bunn, stated that Mr. Fred Winant had left the United States under the impression that all men assigned to the Middle East Center would be on his staff and that Mr. Acheson was, therefore, reluctant to change such an understanding. He had, however, agreed that Mr. Winant and Mr. MacDuffie were to make a report after they had been in the Middle East for a month or two and that if the report indicated the Center was a co-ordinating group composed of representatives of the different British agencies concerned, the matter would be discussed with the Board with a view to changing the arrangements so that the United States should have several independent representatives at the Center. (Mr. Acheson even suggested a representative from the War Shipping Administration.) In this connection reference should be had again to the Foreign Office statement concerning the nature of the Middle East Supply Center and to the September 8th extensive report of the MWT. It should also be recalled that the Bureau of the Budget, in commenting upon the appointment of a Lend-Lease man to China, requested the Office of Lend Lease Administration to clear all subsequent foreign appointments with the Board of Economic Warfare. This was not done in the case of Mr. Fred Winant. Reference should also be made to the Board of Economic Warfare and the Office of Lend Lease Administration executive orders.

Consideration should also be given to the requesting by the Board of Economic Warfare of a report from MacDuffie in Cairo four weeks from the date of his arrival, if he has not previously forwarded this report.

14. In the United States, the Board of Economic Warfare and the Office of Lend Lease Administration must succeed in obtaining necessary priorities for Middle East exports from W.P.B. and the Army and Navy Munitions Board, possibly by mandatory priorities on close follow-up within the W.P.B., possibly by ironing out major issues at the bi-weekly meetings of the Board of Economic Warfare.

15. The British in London are about ready to give the Middle East Supply Center some publicity--contrasting its care of allied people in the area with the Nazi New Order and emphasizing the economic-laboratory aspects of the Center's activities.

Mr. Christelow of the British Supply Council in North America revealed that the State Department had in mind some publicity at the time of the "opening of the new New York agency".

Source: United States Foreign Economic Administration
Files - National Archives
September 15, 1942

BIBLIOGRAPHY

DOCUMENTS

- "America and Britain March in Step on Middle East Supplies, the Work of Middle East Supply Center," United States Foreign Economic Administration Files - National Archives, (no date given).
- Beer, Werner. "Middle Eastern Supply Council," United States Foreign Economic Administration Files - National Archives, (March 17, 1942).
- "The Board of Economic Warfare in the Middle East," United States Foreign Economic Administration Files - National Archives, (no date given).
- Biddle, Eric H. "Middle East Supply Center," United States Foreign Economic Administration Files - National Archives, (January 11, 1943).
- Budget of the United States Government for the Fiscal Year Ending June 30, 1945, Part III, Government Corporations and Credit Agencies. "United States Commercial Agency," United States Government Printing Office, (1945).
- Budget of the United States Government for the Fiscal Year Ending June 30, 1946, Part III, Government Corporations and Credit Agencies. "United States Commercial Company," United States Government Printing Office, (1946).
- Christelow, A. "The British Supply Council in North America," United States Foreign Economic Administration Files - National Archives, (March 19, 1942).
- _____. "Letter to William Stone Regarding the United States Commercial Company's Role in Obtaining Ammonium Nitrate for Egypt," United States Foreign Economic Administration Files - National Archives, (August 2, 1944).
- Christelow, A. and McDougall, A. "Memorandum on Programming and Procurement of the Middle East Supply Center," United States Foreign Economic Administration Files - National Archives, (March 24, 1943).

"Compromise Solution of Proposal for Washington Agency of the Middle East Supply Center," United States Foreign Economic Administration Files - National Archives, (July 19, 1943).

Dawson, John P. "Letter to William Stone About Middle East Supply Center Executive Committee," United States Foreign Economic Administration Files - National Archives, (May 21, 1943).

_____. "Letter to Mr. William Joseph Regarding the Middle East Supply Council," United States Foreign Economic Administration Files - National Archives, (November 20, 1943).

_____. "The Middle East Commodity Index," United States Foreign Economic Administration Files - National Archives, (December 15, 1943).

Hoskins, Harold B. "Memorandum on Economic Problems of the Middle East," United States Foreign Economic Administration Files - National Archives, (March 6, 1943).

"Interview with Charles Brested on the Middle East," United States Foreign Economic Administration Files - National Archives, (October 7, 1943).

"Interview with Mr. Gordon Merriam, Near Eastern Division State Department," United States Foreign Economic Administration Files - National Archives, (May 13, 1942).

Landis, James. "Letter to Secretary of State Regarding Location of Middle East Supply Center," United States Foreign Economic Administration Files - National Archives, (November 13, 1943).

Lazo, Hector. "Board of Economic Warfare Memorandum," United States Foreign Economic Administration Files - National Archives, (June 9, 1943).

"Location of Division to Handle Turkey and the Middle East Supply Center Territory," United States Foreign Economic Administration Files - National Archives, (November 26, 1943).

MacDuffie, Marshall. "Memorandum to Mr. James M. Landis Regarding the Middle East," United States Foreign Economic Administration Files - National Archives, (December 8, 1943).

- "Middle East Supply Center," United States Foreign Economic Administration Files - National Archives, (June 18, 1942).
- "Middle East Supply Center Composition," United States Foreign Economic Administration Files - National Archives, (August 5, 1942).
- "Middle East Supply Center Index," United States Foreign Economic Administration Files - National Archives, (no date given).
- "Middle East Supply Center Territories," United States Foreign Economic Administration Files - National Archives, (no date given).
- "The Middle East Supply Center," United States Foreign Economic Administration Files - National Archives, (no date given).
- "Middle East Supply Center," United States Foreign Economic Administration Files - National Archives, (August 14, 1942).
- "Middle East Supply Center, Scope, Constitution and Terms of Reference Memorandum," United States Foreign Economic Administration Files - National Archives, (September 14, 1942).
- "Middle East Supply Center Organization," United States Foreign Economic Administration Files - National Archives, (September 15, 1942).
- "Proposal for an Agency of Middle East Supply Center in the United States," United States Foreign Economic Administration Files - National Archives, (no date given).
- Reese, Ben and Easton, R. "United States Commercial Company Coordinating Staff-Middle East and Miscellaneous," United States Foreign Economic Administration Files - National Archives, (July 26, 1944).
- Satterley, J. E. "Letter to Mr. W. A. Beer regarding the United States Commercial Company," United States Foreign Economic Administration Files - National Archives, (November 16, 1944).

Schulte, Arthur D. "Memorandum to Dean Stevens on the Contemplated Operations of the United States Commercial Company in the Middle East," United States Foreign Economic Administration Files - National Archives, (February 2, 1944).

Sharp, Walter R. "The Middle East Supply Center," United States Foreign Economic Administration Files - National Archives, (April 20, 1943).

Simpson, S. S. "Letter to Columbia University Regarding the Middle East Supply Center," Army-Navy Branch - National Archives, (October 27, 1942).

_____. "Statistical Data for Use of the Middle East Supply Center Committee," United States Foreign Economic Administration Files - National Archives, (December 16, 1942).

Steves, Robert S. "Memorandum to Sidney Scheuer Regarding Reconsideration of United States Commercial Company Transactions in the Middle East," United States Foreign Economic Administration Files - National Archives, (December 16, 1944).

Stone, William T. "Letter to William Griffin About Proposal for an Agency of Middle East Supply Center in United States," United States Foreign Economic Administration Files - National Archives, (May 26, 1943).

_____. "Letter to Mr. W. L. Parks Regarding United States Commercial Company Participation with United Kingdom Commercial Corporation," United States Foreign Economic Administration Files - National Archives, (July 7, 1944).

_____. "Letter to Mr. Thomas K. Finletter Regarding Nature of American Representation on the Middle East Supply Center," United States Foreign Economic Administration Files - National Archives, (May 31, 1943).

_____. "Memorandum for Mr. Milo Perkins Regarding the Work of the Middle East Supply Center," United States Foreign Economic Administration Files - National Archives, (May 3, 1943).

"Summary Report of Activities, American Representation on the Middle East Supply Center," United States Foreign Economic Administration Files - National Archives, (October 8 to 31, 1943).

"Summary Report of Activities, American Representation on the Middle East Supply Center," United States Foreign Economic Administration Files - National Archives, (November 1-30, 1943).

Tirana, Rifat. "Letter to Mr. Bolton-Smith Regarding the Need of American Representation on the Middle East Supply Center," United States Foreign Economic Administration Files - National Archives, (April 21, 1942.)

_____. "Middle East Supply Centre," United States Foreign Economic Administration Files - National Archives, (June 23, 1943).

Tunnell, Senator James M. and Burton, Senator Harold H. "Military Installations in North Africa and the Middle East," 79th Congress, The Senate, Document No. 9, Washington: United States Printing Office (1945).

The United States Government Foreign Relations of the United States, Diplomatic Papers 1941, Vol. III, Washington: United States Government Printing Office, 1959.

The United States Government Foreign Relations of the United States, Diplomatic Papers 1942, Vol. IV, Washington: United States Government Printing Office, 1963.

The United States Government Foreign Relations of the United States, Diplomatic Papers 1943, Vol. IV, Washington: United States Government Printing Office, 1964.

The United States Government Foreign Relations of the United States, Diplomatic Papers 1944, Vol. IV, Washington: United States Government Printing Office, 1965.

Vail, C. R. "Supply Controls for Middle East," United States Foreign Economic Administration Files - National Archives, (March 11, 1942).

Winant, Frederick. "Letter to James Landis Regarding Location of Middle East Supply Center," United States Foreign Economic Administration Files - National Archives, (November 19, 1943).

_____. "Talk to the British-American Luncheon Club, Washington, D. C.," United States Foreign Economic Administration Files - National Archives, (May 18, 1943).

LETTERS RECEIVED BY THE AUTHOR

Great Britain

1. Mr. E. M. H. Lloyd: Economic Advisor to the British Minister of State, Middle East, July 1964.
2. Miss G. Caton-Thompson: Middle Eastern Archaeologist at Newnham College, Cambridge, August 1965.

United States

1. Mr. W. Neil Franklin: Chief of the Diplomatic, Legal and Fiscal Branch of the United States National Archives, July 19, 1965.
2. Mr. Elmer O. Parker: Director of the Army-Navy Branch of the United States National Archives, June 10, 1965.
3. _____, June 29, 1965.

PERIODICALS

- Babcock, F. Lawrence. "The Explosive Middle East," Fortune, XXX, (September 1944), 116.
- Boardman, Francis, "Civilian Requirements From War to Peace, the Middle East Supply Center," Department of State Bulletin, XIII (December 23, 1945), 994-999.
- "The British Middle East Office," Economist, CXLIX, (December 1, 1945), 787.
- "Dissolution of the Middle East Supply Center," Department of State Bulletin, XIII (September 30, 1945), 493.
- Grew, Richard. "Organization of Trade in the Middle East," Canadian Exporter, (November 1944), 12 and 40-41.
- "Growth of the United Kingdom Commercial Corporation," Economist, CXLV, (November 13, 1943), 651-652.
- Hunter, Guy. "Britain in the Middle East," Great Britain and the East, LXII, (April 1946), 49.

- "An International Example," Economist, CXLV, (September 4, 1943), 314-318.
- Kain, Ronald. "Victory's Handmaids," Asia and the Americas, Vol. 44 (January 1945), 17-20.
- Landis, James. "Anglo-American Co-operation in Middle East," Annals of the American Academy of Political and Social Science, Vol. 240 (July 1945), 65-67.
- MacCormac, John. "Partners or Rivals," Asia and the Americas, Vol. 44 (April 1944), 165-167.
- "Merchanting Under Exchange Control," Economist, CXLV, (September 4, 1943), 330-333.
- "Middle East Supply Center," Department of State Bulletin, Vol. VIII, (January 16, 1943), 76-77.
- "Middle East Supply Center," Economist, CXLI, (November 15, 1941), 604.
- "New Trade Waters Charted," Business Week, (December 4, 1943), 47-48.
- "The Principles of Trade," (Series) Economist, CXLVI, (January 1 to February 19, 1944).
- "Review of the Work of the Middle East Supply Center," Department of State Bulletin, XII, (September 30, 1945), 493-494.
- "The Supply Center," Economist, CXLIV, (March 13, 1943), 319-320.
- "The United Kingdom Commercial Corporation," Great Britain and the East, LVIII, (June 13, 1942), 9-10.
- "The War and Business Abroad," Business Week, (January 29, 1944), 115.
- Wilmington, Martin W. "The Middle East Supply Center, A Reappraisal," Middle East Institute, Vol. VI, (Spring, 1952), 144-166.
- Winant, Frederick. "The Combined Middle East Supply Program," Department of State Bulletin, Vol. X, (February 26, 1944), 199-204.

Wilmington, Martin W. "Quantitative Importance of the Middle East Supply Center Operation," Middle East Institute, Vol. VI, (Summer 1952), 366-367.

BOOKS

Alexander, Lewis M. World Political Patterns, Chicago: Rand, McNally Co., 1957.

Allen, H. B. Rural Education and Welfare in the Middle East, London: His Majesty's Stationery Office, 1946.

Anshen, Ruth N. The Mid-East: World-Center, New York: Harper and Brothers, 1956.

Behrens, C. B. A. Merchant Shipping and the Demands of War, London: Her Majesty's Stationery Office and Longmans, Green and Co., 1955.

Bullard, Sir Reader (ed.) The Middle East, 3rd ed., London: Oxford University Press, 1958.

Casey, Lord. Personal Experiences, New York: David McKay Company, 1962.

Churchill, Winston S. Their Finest Hour, Vol. II, Boston: Houghton Mifflin Company, 1948.

_____. The Grand Alliance, Vol. III, Boston: Houghton Mifflin Company, 1950.

Fisher, Sydney N. The Middle East, New York: Knopf, Inc., 1959.

Hurewitz, J. C. Diplomacy in the Near and Middle East, A Documentary Record 1914-1956, Princeton, New Jersey: D. Van Nostrand Company, Inc., 1956.

Keen, B. A. The Agricultural Development of the Middle East, London: His Majesty's Stationery Office, 1946.

Kirk, George. The Middle East in the War, London: Oxford University Press, 1952.

Laqueur, Walter Z. The Middle East in Transition, New York: Frederick A. Praeger, 1958.

Lenczowski, George. The Middle East in World Affairs, 3rd ed., Ithaca, New York: Cornell University Press, 1962.

Lengyel, Emil. The Changing Middle East, New York: The John Day Company, 1960.

_____. World Without End, New York: The John Day Company, 1953.

Lewis, Bernard. The Middle East and the West, Bloomington, Indiana: Indiana University Press, 1964.

Lloyd, E. M. H. Food and Inflation in the Middle East, 1940-1945, Stanford, California: Stanford University Press, 1956.

_____. (ed.) The United States and the Middle East, Englewood Cliffs, New Jersey: Prentice-Hall, Inc., 1964.

Worthington, E. B. Middle East Science, London: His Majesty's Stationery Office, 1946.

Yale, William. The Near East, Ann Arbor: The University of Michigan Press, 1958.

PAMPHLETS

"Britain and Middle East Development," British Information Services, Leicester, England: George Gibbons Ltd. (1956).

NEWSPAPERS

"Allies Feed Middle East," New York Times, (May 18, 1944), p. 10.

"Middle East Office Opened Here," New York Times, (January 21, 1944), p. 5.

"Mid-East Policies on Imports Scored," New York Times, (December 15, 1944), p. 27.

Mooney, George A. "Showdown Looms on Mideast Trade," New York Times, (January 16, 1944), sec. III, p. 4.

"New Mid-East Unit Functioning," New York Times, (January 25, 1944), p. 29.

"Rivalry for Trade in Mid-East Posed," New York Times,
(January 24, 1944), p. 21.

DISSERTATIONS

Worthington, Martin. "Economic Regionalism in the Middle
East During World War II (the Middle East Supply
Center)," New York University, (1960).

ABSTRACT

William Frank Wade, THE MIDDLE EAST SUPPLY CENTER AND ANGLO-AMERICAN CO-OPERATION. (Under the Direction of Dr. Kathleen Dunlop) East Carolina College Department of History, August, 1965.

The purpose of this study is to retrace the brief history of the Middle East Supply Center as to how and why it was originally established and how it accomplished its goal of maintaining the civilian economy of the Middle East during the trying days of the Second World War. Emphasis is placed on how this Supply Center became a joint Anglo-American venture, the co-operation of the British and the Americans in the organization, and how it came to last as long as these two nations worked together.

The thesis describes the situation in the Middle East during the early periods of the war when the whole area was threatened by invading Axis armies, and attempts to point out the need that led to the establishment of the Middle East Supply Center. Attention is then turned to the actual founding of the Center and its early history as it struggled to gain its feet so that it might really contribute something to the war effort. The personality of its first Director-General, Commander Robert Jackson, is illustrated to show how this man played a great role in making the Middle East Supply Center into a working organization.

The second phase of the thesis deals with the entry of the Americans into the Middle East and explains how out of necessity they became involved in the Middle East Supply Center. After this has been recounted, the thesis then goes into the actual organization of the Supply Center. This time was picked since the organization remained fairly stable after the entry of the Americans until the conclusion of the Center's work in 1945. It also provides an opportunity to demonstrate how the main posts in the Center were divided equally between the Americans and the British, thus giving the Supply Center a real international flavor. Associate organizations such as the United Kingdom Commercial Corporation and the Combined Agency for Middle East Supplies are included in this section since they worked in many capacities for Middle East SupplyCenter.

After explaining the foundation and organization of the Middle East Supply Center, attention is then shifted toward the work of the Center. This is accomplished by explaining some of the outstanding achievements performed by the Supply Center during its efforts to bolster the Middle East economy. Accomplishments listed include how the Center reduced imports, stimulated local industry, and aided in increasing the standard of living throughout the region. Closely following the successes enjoyed by the Center, comes a division that deals with various criticisms

made against the Middle East Supply Center and the Anglo-American feud, which played a major role in the dissolution of the Supply Center. The last phase of the thesis attempts to give both the American and the British points of view of the quarrels and thus present both sides of the question.

The paper concludes with the dissolution of the Middle East Supply Center as announced jointly by the British and American governments in 1945. A brief review of the work and history of the Center ends the paper.

It should be pointed out that there are several appendages at the end of the thesis which shed further light on the working of the Middle East Supply Center.