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Foreign Affairs

E.B. Difficulties – nothing to bargain with – no credits, coal or goods. Also negotiations pending re sterling balances. Everyone waiting on them.

a) Peace Treaties.

Potsdam – unprecedented approach. Decision to appoint CFM taken before this Govt. elected. Decision to take satellites first was also reached. Clear then that R. wd. try to establish glaxis. R. had also secured promises e.g. of Konigsberg : + Chinese territory includg. Kuriks before she came into war v Japan. R. had therefore secured most of her territorial claims before the Treaty bargaining began.

We were mistaken in asserting no territorial claims. Med. problem wd. have bn. easier today if we had claimed Cyrenaica (conquest) and let Egypt and Palestine go.

We prepared draft Treaties before 1st mtg. of CFM. In final form they don't vary much fr. our drafts.

4:3:2 principle produced gt. diff^{ies} Then Moscow : when U.S. sugg^d Peace Conf^{ce} Supported by Evatt. Proved fertile cause of delay. Procedural diff^{ies}. Public discⁿ made negotiations difficult. An understandg. reached tht. 2/3 recomm^{ns} shd. be taken seriously by CFM. But at N.Yk. Russians began by ignoring all recomm^{ns} of Paris Conference and pressing own original views. Often thought it wd. be better to break off and try bi-lateral Treaties. Climax when U.S. Delegⁿ. abstained from all comment and sat silent for a day. Then M. came off it and collaborated.

Started with Italian Treaty. Our principle was tht. while Italy must pay for her crimes and we must reverse some of consequences of Versailles, we shd. re-assert a democratic Italy and re-adjust frontiers in acc. with strategic ethnic and commercial cons^{ns} French territorial claims : small adjustment agreed : joint control over waters on Alps shd. remove friction and make for economic development. Tyrol: agreement reached between Italy and Austria. Have put idea to them tht. Alpine countries shd. work for internat^l electricity Bd. wh. will ensure hydro-electric power is used for economic development to all countries in area.

Colonies: U.S. proposal for 4 power trust delayed settlement for months. Led to suggⁿ. of returning colonies to Italy. Found this wd. mean our using force v. Senussi. Agreed in end to p'pone for 12 months on basis tht. if no settlement then reached ques. shall go to U.N. Much feeling tht. Eritria shd. go to Abyssinia.

Italian Somaliland. Had to w'draw my plan for greater Somaliland.
Wd. have preferred to sink all that wasn't left to Italy.
In the end we had to share the ships all round.
Admy. now propose to use battleship as target. Hope not. Wd. rather
give it to Italy on condⁿ. she breaks it up for scrap. P.M. to enquire.

Balkan and Finnish Treaties. Protection of J. property in Rumania and
Hungary.

Provision made shd. help Palestine problem.
Rightly handled, we can now get behind the iron curtain. These
countries had struggles with M. because can't see how they can survive
if wholly dependent on R. economy.
Diffy. over oil. Gt. opposⁿ to our view. Told R. they shd. nationalise
outright or leave alone. In the end got 2nd choice enforced.
Size of Armed Forces. Limitat^{ns}. imposed leave reasonable strengths.
But understand Bulgaria are establishg. organised militia as well!
Reparations. Tried to keep them low. Will be spread over term of
years. R. is getting same : but finding now she can't have it both ways.
Having got these 5 Treaties settled, we can open up S.E. Europe.

b) Trieste.

Stood out for months for cession to Italy. But recognised in end that
cession to either wd. create irredentist movement.

Compared with Danzig. But i) that served one country alone, whereas
Trieste serves many countries besides Italy. A favourable situation for
a "Itanseaic" port.

We agreed the French line; proceeded on basis of internationalisation.
May be that even now Italy and Yugosl. will come to some agreement.
Form of regime. R. trying to make it communist : U.S. trying to stop
that. I thought that must depend on inhabitants and cdn't be regulated
by Treaty. My aim therefore was to make sure that it wd. work.
Good plans for economic reconsⁿ in this area: and standard of life in
Danubian Basin is bound to improve – and we shall benefit. I've made
it clear we shan't obstruct close Ital. Yugosl. collaboration if they can
make an accommodⁿ. Believe Y. are coming round to that view.
Encouraged by experience over Tyrol. Commercial mtg. ground in
Trieste for Danubian countries. And if we can also create Danubian
Commⁿ and rights of free navigation – that will help too. Tho' I'm
sure we must concede cabotage to riparian States, extending from one
territory to another.

c) Germany.

i) Fusion of B. and U.S. Zones.

U.S. showed keenness to have our Zone: claimed they cd. quickly develop ruler for benefit of all. Terminated export agreemt. and wiped off 35 m. dollars. Fusion will mean less expense for us and more prosperity for Germany.

(ii) Economic Future of Germany.

Decided to proceed by Agenda.

R. asked for repts. on action under Potsdam.

I asked what capital goods, current prodⁿ taken from all G. and what is total value of assets removed since occupⁿ.

Evidence : R. Zone becoming deficit area. Guts of it removed. But M. constantly askg. for 10 billion dollars fr. current prodⁿ. They can't get that save fr. Western Zones. U.S. are toying with idea of paying this price for a centralised G. I had to warn U.S. tht. we can't spend another dollar on G. I may be isolated for France won't be asked to pay.

When most of plan has bn. taken by R. we can't be expected to provide foreign exchange for rehabilitation. So we may appear to oppose Russia when what we are doing is to protect U.K.

(iii) Political Future of Germany.

Four views: France – a weak and powerless G.

Russia – a strong central Govt. wh. they wd. convert to Commun^m.

U.K. – major power in Provinces with surrender of some of their powers to a central Govt.

U.S. – as yet uncertain.

French action in Saar. To protect Fr. economic interests. But have gone rather far. But Blum has now invited us to discuss Monnet Plan.

And I want to revive France.

(iv) Forces of Occupation.

With effective 4. Power co-opⁿ we cd. reduce this strain on man-power.

Must avoid confrontⁿ of national armies. Consequence of Zonal plan.

Anxieties of French and Belgium because of nearness of R. troops.

Must therefore evolve a system of adminⁿ which will enable the Armies to be moved further away fr. one another. Also danger of Zonal arrangement crystallisg. into equivalent of new frontiers.

(v) Procedure of Moscow Meeting.

Trying to hear views of other countries early to avoid Paris Conf^{ce}. troubles.

Get territorial claims etc. put in before draft Treaty is attempted. Then a Peace Conf^{ce}. on basis of a draft.

d) Austria.

R. stubborn and inscrutable. Looked at one time as tho' she meant to split it. At this mtg. tension was less. They promised to settle at Moscow. If so, no ground for troops (on l/c argument) outside occupied Germany. With this in view I agreed that our l/c to Austria wd. be via U.S. Zone of Germany and not via Italy – as from 90 days fr. signature of Italian Treaty.

Agreed troops must w'draw from Italy w'in 90 days of Treaty being signed.

This leaves us with only 5.000 in Trieste for prob. only 4 months.

Agreed with U.S. we would each provide 5.000.

Will prob. be imposs. to retain troops in Greece if after the 90 days. R. w'draw troops from Bulgaria.

e) United Nations Assembly.

Gratitude to B. team : the junior Ministers as well as N.B. and H.S. Meeting part serious, part propaganda.

Resolution on Troops – aimed mainly at us. Fifty R. attempts to show we are danger to peace. This time under Act 43. My view already stated – wd. support study of disarmament but ques. of troops shd. be part of that - I moved tht. the 2 resol^{ns}. be taken together. Discussion then embraced Atomic Energy verification and armaments. Diff. to see where U.S. stood. But seemed their anxiety was to avoid prejudicing Atomic Energy Commⁿ. I therefore made it clear tht. this Commⁿ. must continue to make its report. On disarmament I insisted on verification – M. extended that to armaments and I agreed – but we must arrive at a basis of mutual trust. We hadn't felt any confidence in basing our plans on Security Council. If atmosphere there changed we wd. be ready to entrust larger measure of our security to U.N. Believe this is now beginning to bear some fruit.

What has emerged – wh. explains R. attitude – is that R. haven't the men with whom to work on the Cttees. etc. They can't compete. We had a good team. But M and V had to be at all mtgs. Lesson : we must use more patience. They will take drafts from us rather than from U.S. They have confidence in F.O. qua mechanics (!).

Have directed F.O. to work out constructive proposals as basis for disc^{ns}. when time comes. Can't be put off with shipshod resolution. M'while Atomic Commⁿ. continues separately.

Spain.

Must be careful re sanctions. Load wd. fall on B. Navy - navicerts etc.
U.S. aren't keen : and wdn't support sanction on oil.
Mustn't be landed with this baby re our present phase of reconstⁿ. of world trade.

Veto.

Don't want to give it up. We may want to use it for our vital interests.
Ques. is when and how shd it be used.
Foolishly used in the first year.
Had 2 mtgs. with 5 Powers who can use it and suggested to them a code of conduct. Power with vital interest shd. disclose it at outset.
Power shdn't use abstention as a veto. This shd. be most solemn in U.N. for veto on a big issue is almost war.
M. said in the end – "we shan't have so much trouble in future. Let's see how we go on". Something to be said for this. U.S. speech on Jap. islands was after all equivalent to use of veto. Didn't like that either.

Trusteeship.

Reportg. on non-self governing Colonies not subject to mandate.
U.N. will never receive report on Psycho. Russia.
Why one rule for a contained land. Empire and another for ours?
We shd. resist this.

S. West Africa.

Discussion hasn't done S.A. any harm. Brought home to them state of world opinion about their native policy. Urged Smuts to wait for the vote – bad thing that he didn't.

Relief.

Allegⁿ. tht. we are indulging in power politics in food. Given £168m. to UNRRA. Many of these countries will be better off in foreign exchange than we are in 12 months. Not going to borrow more dollars for this – whatever pressure brought to bear on us.

Budget for U. Nations.

U.S. have agreed to 39:89. Only small addⁿ. for U.K. and that justifiable.

Indonesia.

News of settlement and our part in it had good effect on Delegates.

Indians in S. Africa.

Triumph for India.

f) Food Supplies.

Cdn't settle before I left.

When Gardner comes to U.K. greater use shd. be made of U.S. Embassy in London.

Signs that their Ldn. Embassy is to be developed not only for U.K. but as a focus for European ques. They are tired of Missions to W'ton.

Conclusion: Get away from the grip of U.S. and be a little more independent. Loan : food : They think we are begging from them. Don't realise we are paying for the food etc.

- H.S. Gratitude to team at U.N. includg. officials.
We raised our prestige during the mtg.
Disarmament. R. seeking intern. prestige by pressing vague disarmament proposals. In Assembly we regained initiation by being more practical.
R. trying now to recapture it in Security Council. Vital therefore tht. we shd. at once write Doms. get constructive plan to put fwd. Doms were helpful and shd. be used. Much will turn on sanctions for breach of use of veto. If U.S. insist on Baruch Plan (includg. abolition of veto) tht. will depart from enforcemt. procedure of Charter. If we support U.S. on this, we shd. consider includg. provⁿ. obliging all states to assist a State attacked by an aggressor.
- P.M. Thanked E.B. for his review.
Discⁿ to come on M/East generally – includg. Egypt and Palestine.
Want this – then opportunity to discuss before Parlt. reassembles.
Bound up too with economic Survey.
- A. Procedure for Moscow. Rep^{ns}. from Doms. Deputies mtg. on 14/1.
Want to discuss this soon.
- E.B. Let F.O. and D.O. discuss.
- E.W. Did E.B. say he wanted to build up S. Germany at expense of North?
What of R.C. influence?
- E.B. After Bismarck excessive tendency to drive everything to Baltic. I want to redress that by use of Trieste.
- H.M. Cd. the fact re R. spoliation of their Zone be exploited.

A.B. Cd. we have appreciation of effects of sanctions v. Spain?

Foreign Affairs.

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Also negotiations pending re sterling balances. Everyone waiting on them.

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Potsdam - unprecedented approach. Decision to appoint CFM taken before this Govt. elected. Decision to take satellites first was also reached before we were elected. Clear then that R. was trying to establish a basis. R. had also secured promises of c. of Königsberg & Chinese territory north of Kuriles before she came into war v. Japan. R. had secured most of her territorial claims before the Treaty bargaining began.

We were mistaken in asserting no territorial claims. Med. problem not less on basis today if we had claimed Cyrenaica (conquest) & Lev. Egypt & Palestine etc.

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4:3:2 principle produced gr. diffy. Then Moscow: when U.S. suggest Peace Conf. Supported by Evatt. Proved fertile cause of delay. Procedural diffy. Public disc. made negotiations difficult. An understanding reached w. Hqs. recommitment not to be taken seriously by CFM. But at N.Y.M. Russians began by ignoring all recommitment of Paris Conference & pressing own original views. Often thought it wd. be better to break off & try bi-lateral Treaty. Chinese when U.S. delay abstained from all comment & sat silent for a day. Then M. came off it & collaborated.

Started with Italian Treaty. Our principle was that, while Italy must pay for her crimes, we must reverse some of consequences of Versailles, we did. re assert a democratic Italy & re-adjust frontiers in acc. with strategic, ethnic & commercial considerations. French territorial claims: small adjustments agreed: joint control over waters on Alps to remove friction and make for economic development.

Tyrol: agreement reached between Italy & Austria. Their joint idea is stream etc. Alpine countries wd. work for internat. electricity Bd. wh. will ensure hydro-electric power is used for economic development in all countries in area.

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Italian Somaliland. Had to withdraw my plan for greater Somaliland. We have saved us gr. expense.

Navy. Promise made at Tcheran. 2 battleships & some cruisers to go to R. Tho' in Manchuria all captured by R. 2 battleships!

We have proposed to sink all that wasn't left to Italy.

In the end we had to share the ships all round.

Army now propose to use battleship as target. Hope not. We rather give it to Italy on condition she breaks it up for scrap. P.M. is enquire.

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Provision made abt. help Palestine problem.

Rightly handled, we can now get behind the iron curtain. These countries had struggle with M. & can't see how they can survive if wholly dependent on R. economy.

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I've made it clear we shant obstruct closer Ital-Yugosl. collaboration if they can make an accommod^{ent}. Believe Y. are coming round to that view. Encouraged by experience over Tyrol. Commercial inty ground in Trieste for Danubian countries. And if we can also create Danubian Comm^{on} - & rights of free navigation - that will help too.

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get that same fr. unified G. U.S. are coming with idea of paying the price for a centralized G. ^{Western Zone}. I had to warn U.S. that we can't spend another dollar on G. I may be isolated - for France won't be asked to pay. When most of plan has been taken by R., we can't be expected to provide foreign exchange for rehabilitation. So we may appear to oppose Russia when what we are doing is to protect U.K.

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Four views: France - a weak & powerless G.

Russia - a strong central Govt., wh. they wd. consent to (Comm.)

U.K. - major powers in R. & W., with surrender of some of their powers to a central Govt.

U.S. - as yet uncertain.

French action in Saar. To protect Fr. economic interests. But have gone rather far. But Blum has now invited us to discuss Monnet Plan. And I want to visit France.

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With effective U. Power 20-25% we cd. reduce the strain on man-power.

Must avoid confront. of national armies. Consequence of Zonal plan.

Anxiety of French & Belgians of weakness of R. troops.

Must evolve a system of admin. which will enable the Armies to be moved further away fr. one another. Also danger of Zonal arrangement crystallizing into equivalent of new frontiers.

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Then a Peace Conf. on basis of a draft.

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R. stubborn & intransigent. Looked at one time as tho' she meant to split it. At this mtg. tension was less. They promised to settle at Moscow. If so, no ground for troops (on 1/2 argument) outside occupied Germany. With this in view I agreed that out 1/2 to Austria wd. be via U.S. Zone of Germany & not via Italy. - as from 90 days fr. signature of Italian Treaty.

Agreed troops must withdraw from Italy w/in 90 days of Treaty being signed. This leaves us with only 5,000 in Trieste for prot. only 4 months.

Agreed with U.S. we would each provide 5,000.

With prov. to imposs. to retain troops in Greece if, after the 90 day, R. withdraws troops from Bulgaria.

e) United Nations Assembly.

Gratitude to B. team: the junior Ministers as well as N.B. and U.S.

Meeting part serious, part propaganda.

Resolution on Troops - aimed mainly at us. Fifth R. attempt to show we are dangerous to peace. This time under Art. 43. My view clearly stated - wd. support study of disarmament, but gain of troops shd. be part of that - I moved that the 2 most to be taken together. Discussion then embraced Atomic Energy, verification & armaments. Diff. to see where U.S. stood. But

seemed their anxiety was to avoid prejudicing Atomic Energy Comm. I made it clear that this Comm. must continue & make its report. On disarmament I insisted on verification - M. extended that to armaments I agreed - but we must arrive at a basis of mutual trust. We hadn't yet felt any confidence in basing our plans on Security Council. If atmosphere has changed we wd. be ready to entrust large measure of our security to U.N. Policies this is now beginning to bear some fruit. What has emerged - wth. explains R. attitude - is that R. haven't the men with whom to work on the Ctee etc., They can't compete. We had a good team. But M. & V. had to be at all mtgs. Lesson: we must use more patience. They will take drafts from us, rather than from U.S. They have confidence in F.O. que mechanics (!). Have directed F.O. to work out construction proposals as basis for discⁿ when time comes. Can't be put off with shoddy resolution. Atomic Comm. continues - separately.

Spain.

Must be careful of sanctions. Load wd. fall on B. Navy - navies etc., U.S. aren't keen; & want support sanction on oil. Mustn't be landed with this baby in our present phase of unrest of world trade.

Veto.

Don't want to give it up. We may want to use it, for our vital interests. Question is when & how should it be used.

Forthrightly used in the first place.

Had 2 mtgs. with 5 Powers who can use it & suggested to them a code of conduct. Power with vital interest shd. disclose it at outset. Power shd't use abstention as a veto. This shd. be most solemn thing in U.N. for veto on a big issue is almost war.

M. said in the end - we shd't have so much trouble in future. Let's see how we go on. Something to be said for this. U.S. speech on Jap. islands was after all equivalent to use of veto. Didn't like that either.

Trusteeship.

Reports on non self-governing Colonies not subject to mandate. U.N. will never receive report on Byelo-Russia. Why one rule for a contained land. Empire & another for ours? We shd. resist this.

S. West Africa.

Discussion hasn't done S.A. any harm. Brought home to them state of world opinion about their native policy. Argued Sumner to wait for the vote - bad thing that he didn't.

Relief.

Atty: Mr. we are indulging in power politics in food. Given 168 M G U.N.R.R.A. Many of these countries with no order off in foreign exchange than we are, in 12 months. Not going to borrow more dollars for this - whatever pressure ought to be put on us.

Budget for U.Nations.

U.S. have agreed to 39:29. Only small addⁿ for U.K. & that justifiable.

Indonesia.

News of settlement: our part in it had good effect on Belgians.

Indians in S. Africa.

Triumph for India.

f) Food Supplies.

Credit settle before I left.

When Gardner comes to UK. greater use shd. be made of U.S. Embassy in London.

Signs that their Ldn. Embassy is to be developed, not only for UK, but as a focus for European queries. They are kind of Missions to W. Gen.

Conclusion: Get away from the grip of U.S. and be a little more independent. Loan: food: They think we are begging from them. Don't realise we are paying for the food etc.

H.S. Gratitude to Team at U.N., nickels officials.

We raised our prestige during the mtg.

Disarmament. R. seeking interim bridge by proposing vague disarmament proposals. In Assembly we regained initiative by being more practical. R. trying now to re-capture it in Security Council. Vital: U.S. in shd. at once, with Doms, get constructive plan to put fwd. Doms. were helpful & shd. be used. Much will turn on sanctions ^{for breach} & use of veto. If U.S. insist on Baruch Plan (nickels abolition of veto) U.S. will depart from important procedure of Charter. If we support U.S. on this, we shd. consider nickels. prov: obliging all States to assist a State attacked by an aggressor.

R.H. Thanked E.B. for his review.

Disc: to come on M/East generally - nickels Egypt & Palestine.

Want this - then opportunity to discuss before Parlt. & Assembly.
Bound up too with economic survey.

A. Procedure for Moscow. Reps from Doms. Deputies mtg. on 14/1.
Want to discuss this soon.

E.B. Let F.O. and I.O. discuss.

E.W. Did E.B. say he wanted to build up S. Germany at expense of North?
What of R.C. influence?

E.B. After Bismarck excessive tendency to drive everything to Baltic. I want to reverse that by use of Trieste.

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