

The Secretary of State then referred to economic discussions with the French and other European Powers. He wished to explain frankly to Mr. Matthews that without in any way wishing to infringe the principles of the International Trade Organisation we were trying in certain practical respects to bring about a measure of integration between some of the French and British industries. The United States was such a large area that a proper distribution of industries could be carried out within the frontiers of the State. In Western Europe the situation was different with a number of smaller units. It was most important for them, particularly in view of the size and geographical nearness of Russia and her satellites, to do everything possible to make the best use of the available manpower and resources. We did not propose to make any startling moves in this connexion, but to work gradually towards the restoration of a sensible economic and industrial system and so to build up confidence in our neighbours. We were also proposing to have some cultural and scientific discussions with the French and Belgians about the developments of colonies where some steps might be taken towards the same kind of economic integration. This was increasingly important in view of possible sources of atomic energy in the Belgian Congo.

Another matter in which we had made some progress was the abolition of visas. We hoped to extend this to Italy, Switzerland and Austria.

The Secretary of State said that he hoped one of the results of this kind of policy would be that Communist parties, particularly in France, might be led to assume policies tending towards the best interests of their countries rather than purely Communist policies. He thought that the acceptance by the French Communist Party of the Anglo-French Alliance was evidence that the French Communists were Frenchmen first and Communists second.

Mr. Matthews said that he had every sympathy with the ideas which the Secretary of State had put forward. American public opinion was closely interested in the I.T.O., but provided we did nothing to go against the principles of that organisation he thought there would be understanding of our efforts. As regards the French Communists, he did not think that their leaders were Frenchmen first, but only that they had not been able to oppose French public opinion on this question.

Anglo-Russian Treaty

Mr. Matthews was informed of the general lines of our new draft of the treaty which would be limited to bringing the old one up to date, taking account of the establishment of the U.N.O. and substituting for the old obligation to assist Russia in the event of German aggression an article similar to that in the Anglo-French Treaty. If the Russians then pressed for an article covering the case of a German menace of aggression we proposed to argue that this could best be met by concluding the Byrnes Treaty. The French Treaty had been drafted with the idea in mind that we might find it difficult to deny the Russians what we gave the French.

Mr. Matthews said that Mr. Marshall had asked him to give the Secretary of State a message to the effect that while the United States Government understood the need which His Majesty's Government had felt to go ahead with the French and Russian treaties they had some apprehensions. It was clear that the motive of the Soviet Government in renewing this treaty was to split the United States and United Kingdom and to show preference for bilateral arrangements over U.N.O. The more bilateral agreements that were made the more it would look as though there was lack of confidence in U.N.O. This would have a serious effect in the United States, where there was great faith in U.N.O. The State Department feared that as a result of the well-known Soviet tactics of advancing by small steps each of which seemed in itself unimportant we should eventually find that we had got involved in some major change of policy. Mr. Marshall was afraid that people in the United States might begin to say that if we had our treaties with the French and with the Russians there was no need for the United States to go ahead with the proposed Four-Power Treaty. Mr. Marshall fully understood the British problem, but wished the Secretary of State to be aware of the apprehension to which Mr. Matthews had drawn attention.

Mr. Matthews asked whether a new draft of the treaty would be sent to the Soviet Government before the Moscow meeting.

The Secretary of State said that he would not send anything to the Soviet Government before going to Moscow, but the subject would undoubtedly arise there. He would undertake not to put in any draft before he had spoken to Mr. Marshall.