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Mr. Matthews suggested that before getting involved in discussions of procedure for the future work of the Deputies and of the Ministers it would be best to try to reach agreement on the subjects for discussion and the directives to the Deputies. There was no point in discussing the machinery before knowing that there would be some matters of substance to put into it.

The Secretary of State was inclined to agree and thought it would be useful for British and American representatives to have preliminary agreement on the subjects which ought to be dealt with.

Revision of the Potsdam Agreement

It was explained to *Mr. Matthews* that we were thinking of putting forward a paper at Moscow showing the kind of political and economic principles which we thought should govern the control of Germany during the second control period (the Potsdam Agreement having covered the initial control period). We thought it important not to restrict the discussion to economic questions but to bring in our political ideas of a federal constitution, &c., at an early stage. A copy of the draft principles which we proposed to table was handed to *Mr. Matthews*.

Mr. Matthews said that from his previous conversations in the Foreign Office it was clear that British and American ideas about the German constitution and other German questions were very close. The American idea hitherto had been that the Potsdam Agreement was flexible enough to cover the constitutional and economic arrangements which we wished to see in force for the next period. He would study our paper with interest but his first reaction was that the idea of changing the Potsdam text would cause great difficulties with the Russians and provide them with a useful propaganda weapon.

Mr. Byrnes's Draft Treaty for the Disarmament of Germany and the Anglo-French and Anglo-Soviet Treaties

Mr. Matthews confirmed that the United States Government still attached great importance to the Byrnes Treaty. He did not know if the Russians continued to oppose it. The reason for their opposition had clearly been that they did not wish to see the United States intervening actively in Europe.

The Secretary of State said that we had made it clear to the French Government that in signing the treaty with the French we did not wish to do anything to prejudice the Byrnes Four-Power Treaty. He realised that the Russians might have in mind that by renewing their treaty with the United Kingdom the need for a four-Power treaty would be reduced.

Mr. Matthews said that *Mr. Marshall* wished to ask if the Secretary of State could include in his declaration on the signing of the French Treaty a statement to the effect that it was not a substitute for the proposed four-Power treaty and would not in any way affect existing arrangements for the military, economic and political control of Germany.

The Secretary of State agreed to do this. He informed *Mr. Matthews* of the statement he had just made in the House of Commons about the proposed signature of the Anglo-French Alliance in the very near future.

The Secretary of State went on to emphasise, as he had said in his speech in the House of Commons on 27th February, that he would in no circumstances allow any wedges to be driven between the United States and the United Kingdom. He asked *Mr. Matthews* to tell *Mr. Marshall* confidentially of statements he had made to delegates of the Labour Party to the effect that we could never again contemplate holding out alone against an enemy for a year or two until others came to our help. We must keep very close to the United States, but this was no reason why our relations with Russia should be adversely affected.

The Secretary of State mentioned that when he had seen the new Soviet Ambassador recently and the question of standardisation of arms had come up, he had pointed out to *Mr. Zarubin* that we were merely continuing arrangements which had been made during the war and that the Russians were standardising equipment themselves with Poland and Czechoslovakia. In this connexion he had recently heard of large-scale manufacture of tanks in Czechoslovakia and thought that we should try to investigate this.

Mr. Matthews said that he had received similar information.

Replying to the Secretary of State's remarks on Anglo-American relations, *Mr. Matthews* said that *Mr. Marshall* had been much gratified at the Secretary of State's message to him.