

SATURDAY, JULY 28, 1945

CLAYTON-MIKOŁAJCZYK CONVERSATION, SATURDAY, JULY 28, 1945,
2:30 P. M.¹

PRESENT

UNITED STATES

Mr. Clayton
Mr. Harriman
Mr. Collado
Mr. Despres
Mr. Bergson

POLAND

Deputy Prime Minister
Mikołajczyk
Mr. Modzelewski
Mr. Minc
Mr. Rajchman
Mr. Żebrowski

740.00119 Potsdam/7-2845

*United States Delegation Memorandum*²

[BABELSBERG,] July 28, 1945.

MEMORANDUM OF CONVERSATION

Subject: Polish Economic Position, Necessary Imports, Available
Exports and Credit Requirements for Reconstruction

(Mr. Clayton presiding for the U. S.; speaker for the Poles, Mr.
Minc, Ministry of Industry.)

1. *Agriculture*

A grain balance can be realized with some hardship in the year 1945-46. The livestock position, however, is bad, with cattle numbers at 25% of the 1939 level and the number of horses below 20% of pre-war. Thus the meat and fat position is catastrophic. A small surplus of potatoes and sugar is expected. In the harvest year 1946-47 grain supplies are expected to increase. The meat and fat position will continue to be difficult. Reference is to the entire area currently administered by the Polish Government.

2. *Lumber*

While Poland was a pre-war exporter of lumber, cuttings now would have to be stopped for 16 years to restore reserves to normal. There will be shortages of timber for industrial purposes, e. g. in the coal mines and for the production of cellulose, and reconstruction generally will be limited.

¹ The time is supplied from Mikołajczyk's diary of the Conference. For Mikołajczyk's minutes of this conversation, see document No. 1389, *post*.

² Authorship not indicated. Printed from an unsigned carbon copy.

3. *Industry Generally*

In the area of 1939 Poland, industry is operating at 50% of pre-war levels. In December 1944 the textile industry was worked at the capacity of available spindles, which was 60% of pre-war in old Poland. Raw cotton supplies are adequate under the trade agreement with Russia.³ There is a wool deficit. In the case of shoes, there is a serious deficiency due to the lack of raw materials, including tannery materials. The tanneries are intact.

4. *Coal*

Currently the daily output is 18,000 tons including output of German Upper Silesian mines but excluding the output of the Waldenburg area, which is about 7,000–8,000 tons. Production and employment in the German Upper Silesian mines has been as follows in the past five months:

	<i>Production Thousands of Tons</i>	<i>Miners Employed</i>
February	40.5	3,900
March	92.0	6,900
April	123.0	20,300
May	258.0	21,000
June	473.0	25,500

All the miners employed are Poles.

The total output including the output in German Upper Silesian mines, which was 1,860,000 in June, is expected to be 3,750,000 in December. The total production in the five months ending with December is expected to be 15,000,000 tons. Domestic consumption in the same period will be 6,250,000, while export commitments, which actually have been made or are expected to be made to the Soviet Union, Sweden,⁴ be a balance available for export over and above these commitments amounting to about 5,000,000 tons in the last five months of 1945. Stocks currently are 1.5 million tons. Coal export prices at the port of Danzig, as fixed in existing export commitments, average 8.42.

The surplus referred to above will be available at the pits. However, the transport situation is extremely tight. Unless additional transport facilities are available, it will not be possible to move this surplus to ports for export. The domestic consumption of 6,250,000 tons is a minimum, and the total will be increased if it is not possible to export the calculated surplus. Transport requirements to move the coal to local industrial users are small as compared with requirements to move the coal to ports of export.

³ See *ante*, p. 406, footnote 3.

⁴ There appears to be an omission in the source text at this point.

To move the 5,000,000 tons of the calculated surplus in the next five months to, say, the port of Danzig, 14-16,000 additional railway cars would be required. Sixteen hundred 20 ton cars will be received from Sweden. Locomotives are not in as short supply as cars. No cars are currently being received from Germany. The percentage of "sick" cars is about the same as before the war.

The combined daily handling capacity at the ports of Danzig and Gdynia is now about 4,000 tons as compared with 30,000 pre-war. By the middle of August it is expected that 16-17,000 tons can be handled daily. If more transport facilities were available additional harbors would be accessible. By the summer of 1946 it is expected that the total output of coal will rise to 5 million tons monthly and that there will be an export surplus of 2½-3 million tons.

5. *Other Exports Available, over and above those committed under trade agreements*

a. *Zinc*—In the area of old Poland in June 1945, there was a surplus available for export for [of?] 21,000 tons of zinc ore, 3,500 of zinc concentrates, and 4,300 tons of zinc. Some additional supplies are available from German Upper Silesia. For the 18 month period, August 1945 through December 1946, 40,000 tons of zinc will be available for export, almost entirely from the area of old Poland (that is, old Poland west of the Curzon line ⁵).

b. *Cement*—For the same 18 month period, there will be a surplus available for export of 350,000 tons.

c. For the same 18 month period, there will be surpluses available for export of 200 to 300 tons of cadmium, 7,000,000 tons of coke, a half million meters of glass, and 50,000 tons of soda. These figures refer to the area of old Poland west of the Curzon line. For the entire area currently administered by the Poles, there will be a potential export surplus of 160,000 tons of iron and steel.

d. [6.] *Import Requirements, other than capital goods for reconstruction, and not including supplies to be obtained from UNRRA*

\$380,000,000 of imports will be required in the 18 month period, August 1945 through December 1946. Among the requirements are:

	<i>Tons</i>
Rubber	8, 000
Industrial belting	60
Tires and tubes	5, 500
Wool	20, 000
Wool waste	15, 000
Cotton	60-70, 000
Scrap iron	300, 000

⁵ See the map facing p. 748 in vol. I. For the origin and a description of the Curzon Line, see *Foreign Relations*, The Paris Peace Conference, 1919, vol. XIII, pp. 793-794.

	<i>Tons</i>
Copper	30, 000
Aluminum	2, 500
Nickel	1, 000
Petrol	100, 000
Meat, including canned	100, 000
Fish, including canned	50, 000
Butter	20, 000
Lard	20, 000
Bacon	20, 000
Potassium salts, nitrates	750, 000

Machinery imports of \$35,000,000 are required, including steam boilers, combustion engines, locomotives, turbines, pumps and compressors, wood working, metal working, molding machinery, pneumatic drills, textile and sewing machinery, milling machinery, road construction machinery, excavators and crushers.

Ships of all types, including barges and tugs but excluding ocean going types, will be required to the amount of \$15,000,000.

Agricultural machinery also will be needed, including 5,000 tractors, to the amount of \$10-15,000,000; and 1,000 autos and 10,000 trucks. All the above imports are additional to future imports, the purchases of which have already been arranged.

6. [7.] *Credit Requirements*

Of the total imports of \$380,000,000 referred to above, about 50% can be paid for with expected exports. Thus \$190,000,000 credits would be required to purchase the balance. It is desired that such credits be for a period of about five years.

The imports of \$380,000,000 do not include imports of capital goods required for long-term reconstruction purposes. These requirements are estimated at \$500,000,000 over a period of six to seven years. Long-term credits are desired to finance these imports.

The above credit requirements are additional to any aid received from reparations.

TRUMAN-ATTLEE MEETING, SATURDAY, JULY 28, 1945, 9:15 P. M.¹

PRESENT

UNITED STATES

President Truman
Secretary Byrnes
Fleet Admiral Leahy

UNITED KINGDOM

Prime Minister Attlee
Foreign Secretary Bevin
Sir Alexander Cadogan

¹ The meeting was held at Truman's quarters, 2 Kaiserstrasse, Babelsberg. Information as to time and participants from the Log (*ante*, p. 22) and from Leahy, *I Was There*, p. 420. Truman states in *Year of Decisions*, p. 395, that Stimson and Marshall were also present at this meeting, but Stimson had left Babelsberg on July 25 and Marshall on July 27.

EDITOR'S NOTE.—No official record of the substance of the conversation at this meeting has been found.

Byrnes gives the following summary of the meeting (*Speaking Frankly*, page 79): "Soon after their arrival, Mr. Attlee and Mr. Bevin called on the President and the four of us discussed the work of the conference. The President mentioned the Soviet demand for East Prussia and indicated on a map the changes in the boundary lines of Germany, Poland and the Soviet Union that thus would be effected. Mr. Bevin immediately and forcefully presented his strong opposition to those boundaries."

Leahy gives the following account (*I Was There*, page 420): "Prime Minister Attlee and his newly appointed Foreign Minister, Ernest Bevin, arrived shortly after 9 P. M. and called on the President. Byrnes and I were present and the conversation quickly centered on the possibility of settling the Polish boundary question and reparations."

TENTH PLENARY MEETING, SATURDAY, JULY 28, 1945, 10:30 P. M.

PRESENT

UNITED STATES	UNITED KINGDOM	SOVIET UNION
President Truman	Prime Minister Attlee	Generalissimo Stalin
Secretary Byrnes	Foreign Secretary Bevin	Foreign Commissar
Fleet Admiral Leahy	Sir Alexander Cadogan	Molotov
Mr. Davies	Sir Archibald Clark Kerr	Mr. Vyshinsky
Mr. Bohlen	Major Birse	Mr. Gusev
Mr. Cohen ¹		
Mr. Thompson ²		

Truman Papers

Thompson Minutes

TOP SECRET

MR. MOLOTOV read his reports of the meetings of the Foreign Ministers held on July 27 and July 25 (attachment no. 1).³

THE PRESIDENT inquired if the list of questions drawn up by the Foreign Ministers was agreed to.

There was no objection.

STALIN suggested that they add the question of the disposition of the German fleet. He inquired how much time they had at their disposal at the meeting and suggested that they meet for one hour.

This was agreed to.

¹ Cohen's presence is assumed from the existence of his notes on the meeting, *post*, p. 466.

² Thompson's presence is assumed from his authorship of the minutes.

³ *Ante*, pp. 445 and 400, respectively.

STALIN went on to say that the Russian Delegation had received a new proposal from Japan. Although the Soviet Delegation had not been informed when the document was drawn up against Japan⁴ they, nevertheless, were informing the other countries of this approach.

The translator then read the communication from Ambassador Saito which was marked strictly confidential and which was to the following effect: At our last meeting on July 13 the Ambassador had had the honor to submit the proposal of the Japanese Government to send Prince Konoe to Moscow.⁵ He had received the reply of the Soviet Government which did not see the possibility of giving a definite reply to the approach because no definite proposal had been made.⁶ In order to make the matter more precise he was communicating the following. The mission of Prince Konoe was to ask the Soviet Government to take part in mediation to end the present war and to transmit the complete Japanese case in this respect. He would also be empowered to negotiate with respect to Soviet-Japanese relations during the war and after the war. Simultaneously, he wished to repeat that Prince Konoe was especially charged by His Majesty, the Emperor, to convey to the Soviet Government that it was exclusively the desire of His Majesty to avoid more bloodshed by the parties engaged in the war. In view of the foregoing he hoped that the Soviet Government would give favorable attention to his request and would give its consent to the arrival of the mission. He added that the Soviet Government was aware of the position which Prince Konoe occupied in Japan.⁷

STALIN said there was nothing new in this except that it was more definite than the previous approach and that it would receive a more definite answer than was the case the last time, and that the answer would be in the negative.⁸

THE PRESIDENT thanked Marshal Stalin. The President added that he understood the Soviet Delegation had two questions to take up this evening.

MOLOTOV said these were [the] questions of Italy and the satellite states and the question of reparations from Austria and Italy. He added that besides the questions covered in the report of the Foreign Ministers it would be desirable to discuss the disposition of the German fleet and the western boundaries of Poland.

THE PRESIDENT stated that they could discuss any question and that he would be prepared to express his opinion on any matter raised.

⁴ Document No. 1382, *post*.

⁵ See vol. I, documents Nos. 582 and 586.

⁶ See document No. 1226, *post*.

⁷ There is no indication that the actual text of Sato's communication was circulated at the Conference. See document No. 1234, *post*.

⁸ See document No. 1261, *post*, and footnote 3 to that document.

ATLEE expressed regret that domestic occurrences in Great Britain had interfered with the work of the Conference and said that he was prepared to stay as long as necessary to complete the work of the Conference.

1. ADMISSION OF ITALY AND THE SATELLITE STATES INTO THE UNITED NATIONS ORGANIZATION

MOLOTOV said that this question had already been discussed at a previous meeting of the Big Three. The Foreign Ministers had held different opinions as to the results of this discussion.⁹ His own impression was that the proposal¹⁰ had been agreed to by the Big Three with respect to Rumania, Hungary, Bulgaria and Finland, subject to an amendment substituting the word "for" for the word "with." The proposal had then been referred to the Foreign Ministers meeting for the final draft. In the Foreign Ministers meeting, however, the British representatives had proposed a new amendment.¹¹

STALIN said that this amendment had been rejected at the Big Three meeting. The question was whether to describe those satellite governments as "responsible" or to "recognize" them. The opinion of the Soviet Delegation was that the word "responsible" would offend the governments of those countries. If they said "recognize" it would not offend them and each of the governments represented at this conference could recognize them when it thought they were responsible. This had been accepted in principle by the Big Three, then the Foreign Ministers had gone to a meeting and had rejected it. This was not right.

MR. BYRNES said that at the meeting of the Foreign Ministers it was stated by Mr. Molotov that he was under the impression that the United States had agreed to the amendment offered by Marshal Stalin or offered by the Soviet Delegation and approved by Stalin. Mr. Byrnes stated that he had stated that this was correct. The President had agreed in principle with the amendment offered by the Soviet Delegation. The President did suggest that the question be examined by a drafting committee and he had had in mind changing one word, namely, the substitution of "examine" for "consider."¹² Therefore, there was no disagreement between the Soviet Delegation and the United States Delegation. Mr. Byrnes stated that he had stated to the Foreign Ministers meeting, however, that when the President had agreed, his recollection was that the Prime Minister did not agree. The Prime Minister had advised him at the conclusion of the meeting that he did not agree.

⁹ See *ante*, pp. 357-364, 426-428.

¹⁰ Not found. See document No. 1424, *post*, footnote 1.

¹¹ The Cohen notes (*post*, pp. 467-468) attribute these statements to Stalin.

¹² In the Soviet amendment quoted *ante*, p. 363. Cf. the third paragraph of document No. 731, *post*.

MR. BYRNES said that he had advised the meeting of Foreign Ministers that the United States had offered its proposal¹³ originally in order to give some confidence to Italy. We had asked only for a declaration that the Three Powers support the entry of Italy into the United Nations Organization. The British Delegation had asked that we include neutrals and we had agreed. Then the Soviet Delegation expressed opinions with regard to the Franco Government of Spain and in the hope of getting an agreement we had added to the declaration that we would not support the entry of the Franco Government into the United Nations Organization. Then the Soviet Delegation had asked for the inclusion of the paragraph concerning Rumania, Hungary, Bulgaria and Finland and we had agreed to that. Then the Soviet Delegation had asked that the paragraph regarding Italy be modified to accord with the language used in reference to the other satellite states and we had agreed to that.¹⁴ Unfortunately, we had found that if we agreed with the Soviet Delegation, the British Delegation did not agree; if we agreed with the British Delegation, the Soviet Delegation disagreed. It was now up to the Soviet and British Delegations to see if they could get together. If not, we would withdraw our modest request for the entry of Italy into the United Nations Organization.

CADOGAN observed that the paper related to the entry of Italy and the other states into the United Nations Organization. There were two doubtful points. Otherwise, they were agreed. Marshal Stalin had referred to one in regard to which he thought there was no difficulty. The original text had said "responsible" governments and the Soviet Delegation proposed substituting the word "recognized." Cadogan thought that several days ago they had been prepared to agree to that. A more formidable difficulty was the proposal of the Soviet Government for an addition to paragraph three. Mr. Churchill had explained that while he was prepared to agree to consider the recognition of these governments, to put this in a declaration might be misleading, because the British could not in fact re-establish diplomatic relations with countries with which they were technically still at war. Cadogan said he had suggested a compromise but that this had not been satisfactory to the Soviet Delegation.¹⁵

STALIN said he understood Cadogan's remarks to mean that he agreed to substitute the word "recognized" in place of the word "responsible." CADOGAN replied in the affirmative.

THE PRESIDENT said that this was satisfactory to us.

STALIN then continued that there was no difference in the position toward the arrangements for Italy on the one hand and the other

¹³ Document No. 727, *post*.

¹⁴ See *ante*, pp. 53, 124-126, 146-147, 324-328, 360-364.

¹⁵ See *ante*, pp. 363-364, 426-427, 437.

satellite states on the other, because none of these countries had democratic governments except Finland because they had held no elections. Mr. Churchill had referred to the fact that Great Britain had recognized Italy 90%.¹⁶ Stalin pointed out that the proposal did not provide for the establishment of full diplomatic relations but only that they consider the question. He did not understand the distinction made between Italy and the other satellites.

BEVIN suggested that the difference was that they knew about the Italian Government but that they did not know anything about the other governments.

STALIN said it was not proposed that they recognize them; until such time as they did recognize them they could obtain information. BEVIN inquired why they were being asked to commit themselves first.

STALIN rejoined that the Russians had also known little about the Italian Government when they had established diplomatic relations with them, perhaps even less than the British knew about the other satellites. He pointed out that with respect to Italy the first step was the resumption of diplomatic relations, which occurred six to eight months after their surrender. The proposal to admit Italy into the United Nations Organization was a second step. The task now was to give the other satellite governments the hope that eleven months after capitulation relations with them would be resumed. If they agreed to ease the situation of Italy, something should be done for the other satellites.

ATLEE repeated that it was impossible for them to enter into diplomatic relations with countries with which they were not at peace and the proposed statement would give the impression that they would do what was impossible. The proposed British amendment stated what was possible.

STALIN then suggested that they might favor "to consider each separately the question of establishing of a complete or partial diplomatic relation." He was willing to accept the American proposal to substitute "examine" for "consider".

ATLEE replied that the change of words did not alter the substance of the matter. One question in Parliament would bring out the real difficulty.

STALIN said that in any event the British would study the matter. He thought that the British Delegation could accept the proposal and lose nothing.

BEVIN said that Parliament would ask what they meant by what they had done and he wanted to be perfectly straight with the British people. If he were going to recognize these governments, he would recognize them and he did not want to clothe things with words.

¹⁶ See *ante*, p. 361.

He would rather take the latest American view and leave the whole question to a later date.

STALIN said he agreed.

2. ITALIAN REPARATIONS

THE PRESIDENT said that as he had stated on the first day that this question had been discussed ¹⁷ that we had found it necessary with the Government of Great Britain to contribute 500 million dollars for the feeding and rehabilitation of Italy. We recognized that probably that much more would be needed to keep Italy from starving to death. As he had made it plain at this conference, the United States did not intend to provide money for the payment of reparations. If there were war plants that the Soviet Government needed, we agreed that they should take them, but contributions made to support Italy should be a first claim on exports.

STALIN said that it was possible to agree not to exact reparations from Austria, as this could be understood but the Soviet people would not understand if this were the case with Italy. Italy had sent armies to the Volga. Austria did not have her own armed forces, whereas Italy did have.

THE PRESIDENT said that if any reparations could be obtained from Italy he was perfectly willing, but the United States could not spend money to rehabilitate Italy just to enable Italy to pay reparations to other countries.

STALIN said he quite understood this. He referred to the moral right of the Soviet Union to reparations as being based on the fact that for three and one-half years its territory had been occupied and much devastation caused. The President had said that if there were some equipment available in Italy it could be used for reparations. He did not want to ask too much. It was necessary to find out what sum this would constitute. In the cases of Rumania, Hungary and Finland it had been 300 million dollars. He inquired what sum Italy could pay. Perhaps the President was not ready to answer. He repeated he wanted to know what sum this would amount to.

THE PRESIDENT said he was not able to answer now.

STALIN said that the answer could be postponed.

BEVIN inquired if this were on the assumption that the supplies furnished by the United States and Great Britain would be protected.

STALIN said that he did not wish to ignore the interests of America.

ATTLEE said he agreed with the President and said that they had full sympathy for the Russian people in the suffering they had undergone. He pointed out that Britain had also suffered from attacks by Italy. Britain also had ravaged lands and they could imagine the

¹⁷ See *ante*, p. 174.

feelings of the British people if Italy had to pay reparations which actually came from Britain and America. The fact was that Italy had to receive help in order to live. If military equipment, there was no objection.

STALIN said he agreed to take reparations in the form of equipment.

BEVIN asked "military equipment?"¹⁸

STALIN replied "yes, military equipment."

ATTLEE inquired if this would be once-and-for-all removals and not levies on war production.

STALIN replied: "Yes, once-for-all removals."

BEVIN inquired if this meant military equipment having no peace time value.

STALIN replied that military factories could be used for any purpose. It was the same as equipment taken from Germany.

ATTLEE said it should be equipment having no peace time usefulness.

STALIN replied that all equipment could be adjusted for peace time production. The Soviet Union was adjusting theirs now. There was no such equipment which would have no peace time use.

BEVIN observed that it was so difficult to tell what the Russians would take away.

STALIN said of course they could not say now. He wanted only a decision in principle.

THE PRESIDENT said he thought that Marshal Stalin wanted a decision in principle that Italy would pay reparations.

STALIN observed that the sum of reparations asked could be reduced.

THE PRESIDENT said he thought they were not far apart on the principle. He only wanted to protect the help we were giving.

STALIN said he agreed and that the Russians did not want to touch the advances the United States was making to Italy.

BEVIN inquired if it were not then a question of priorities. The first priority should be given to what Great Britain and the United States had supplied, reparations would be next.

STALIN said he wanted to give no bonus to aggressors without their paying a small part of the damage they had caused.

THE PRESIDENT said he agreed to this.

STALIN remarked to Attlee that he should not forget what Italy had done to Britain.

ATTLEE replied that they would not forget.

It was agreed to meet the next day at 4:00 p. m.

The meeting adjourned.¹⁹

¹⁸ This question is attributed to Attlee in the Cohen notes, *post*, p. 470.

¹⁹ At 12:05 a. m., July 29. See Log, *ante*, p. 22.

Truman Papers

Cohen Notes

Mr. Attlee and Mr. Bevin now head the British delegation.

MR. MOLOTOV reports on the last two meetings of the foreign secretaries.

At the July 26 [25] meeting of the foreign secretaries the following points were considered:

1. The Secretary of State Byrnes proposed that the question of inland waterways be discussed and that the matter be referred to a subcommittee. It was so agreed.

2. Secretary Byrnes brought up the question of the removal of Germans from Czechoslovakia and Poland. Cadogan suggested that a procedure for collaboration to secure their orderly transfer be worked out. A subcommittee was appointed to consider this.

3. Mr. [*Sir Alexander*] Cadogan suggested that the subcommittees for the drafting of protocol and communiqué at the conclusion of the conference be appointed. It was agreed to set up two committees for this purpose.

In the meeting of the foreign secretaries on July 27 the following questions were considered:

1. The foreign secretaries made up a list of the pending questions on which final decision had not yet been made.

2. There was further discussion of the paper regarding the admission of Italy and the other satellites and Spain into the United Nations.¹ Secretary Byrnes stated that if the Soviets and British could not agree he would withdraw the paper from the agenda. Mr. Cadogan suggested an amendment to the effect that the conclusion of peace with responsible governments would make possible the resumption of diplomatic relations. Mr. Molotov stated the amendment was not acceptable. It was agreed to refer the question to the Big Three.

3. Reparations from Germany. Soviet delegation considered committee report unsatisfactory. It was agreed to refer the question to the Big Three. Molotov pointed out that Mr. Pauley had withdrawn the Crimea decision as a basis for discussion. Mr. Molotov asked Mr. Byrnes for an explanation of the American position. Mr. Byrnes explained that the Crimea figures were taken only as a basis for discussion and that the destruction wrought by the Allied armies as well as further study had indicated that that basis was impractical.

4. Reparations from Austria and Italy. Molotov stated the committee report was unsatisfactory. Byrnes stated reparations from Italy impossible except for removal of war equipment not usable for peace purposes. It was agreed to report the differences to the Big Three.

¹ For the documents referred to in these notes, see the footnotes to the Thompson minutes, *supra*, and to the minutes of the meetings of the Foreign Ministers on July 25 and 27, *ante*, pp. 397-399 and 425-435, respectively.

5. German economic principles. Secretary Byrnes suggested the discussion be postponed.

6. European oil supplies. Discussion was deferred because committee was waiting for further information.

7. Economic collaboration. In the solution of urgent economic problems (European), a report of subcommittee was approved for submission to the Big Three and was read.

TRUMAN: The last document was agreed to by the foreign secretaries? It is satisfactory to me.

ATTLEE: To me also.

TRUMAN: Shall we take up Poland?

STALIN: We have also the German fleet and Italy to discuss. How much time have we? An hour?

TRUMAN: 'Til 12:00.

STALIN: I wish to make a statement. Last night the Russian delegation was given a copy of the Anglo-American declaration to the Japanese people. We think it our duty to keep each other informed. I inform the Allies of the message that I received from the Japanese Emperor through the Japanese ambassador. I sent a copy of my answer to this peace plea which was in the negative. I received another communication informing me more precisely of the desire of the Emperor to send a peace mission headed by Prince Konoye who was stated to have great influence in the Palace. It was indicated that it was the personal desire of the Emperor to avoid further bloodshed. In this document there is nothing new except the emphasis on the Japanese desire to collaborate with the Soviets. Our answer of course will be negative.

(The foregoing was the gist of the translator's remarks, but they were not heard clearly and, consequently, they may be inaccurate as to detail).

TRUMAN: I appreciate very much what the Marshal has said.

If Mr. Molotov will now bring up the questions that he wants answered, I will endeavor to give my answers.

MOLOTOV: These are reparations, the admission of Italy, and the satellites, the German fleet and the western Polish boundary.

TRUMAN: We may discuss any question you wish. I will give my opinion.

ATTLEE: I regret our domestic situation has caused delay in the Conference. We are willing to sit as long as necessary.

STALIN: First question is the admission into the United Nations of Italy and the other satellites. This was discussed by the Big Three. The foreign ministers had different impressions of what was agreed. I thought it was agreed as to satellites as well as to Italy. Mr. Churchill's suggestion of substituting "for" in place of "with" was

accepted. Then draft was submitted to foreign secretaries for final polishing. Then Cadogan suggested new amendment.² He suggested describing governments as "responsible". "Responsible"—would suggest that these governments are now irresponsible. The Big Three have agreed on this question. It is not right for the foreign secretaries to change our decision.

BYRNES: At the meeting of foreign ministers, Molotov said he understood the United States had agreed to Soviet delegation amendment. In behalf of United States I said that was correct in that the President had agreed in principle. The President said he thought it should be submitted to drafting committee. He had in mind changing only a word. The word "examine" should be substituted for "consider" so there was no difference between the United States and the Soviet delegation. I stated that when the President agreed Mr. Churchill did not agree. I advised the foreign ministers that the United States had offered this proposal originally to give some comfort to Italy. We asked only for a declaration for the support of Italy's admission into the United Nations on the conclusion of peace. The British ask that we include neutrals. We agreed. Soviet delegation asked express rejection of Franco's admission. We agreed. Then Soviet asked inclusion of paragraph covering other satellites. We agreed. Then we were asked to modify language on Italy to conform to language on other satellites. We agreed. Unfortunately, we find when we agree with the Soviets the British disagree and when we agree with the British the Soviets disagree. If the British and Soviets can get together it is satisfactory to us. If they can't agree we will withdraw our proposal. (ATTLEE asks Cadogan to state British position.)

CADOGAN: So far as I understand it, the text would be agreed except for two doubtful points. The Marshal refers to one. Stalin proposes "recognize" instead of "responsible", governments. We agreed. The more formidable objection in the proposal is that we consider in the near future the establishment of diplomatic relations with satellites. Mr. Churchill explained we could agree to consider that but it would be misleading because we can not constitutionally establish diplomatic relations with countries with which we are still at war. I suggested compromise. It is not satisfactory. I suggested a further compromise and it is not satisfactory to the Marshal.

STALIN: There is no difference between Italy and the other satellites. In none of the countries but Finland has there been an election. Italy was recognized by the Soviets, the United States and Great Britain, at least 90 percent. I can not understand this difference.

² The foregoing remarks are attributed to Molotov in the Thompson minutes, *ante*, p. 461.

BEVIN: We know about the Italian government, but we don't know about the others.

STALIN: We are not asking an undertaking to recognize, only asking you to consider. We knew very little about Italy. We first recognized Italy. Now we propose to consider her admission to the United Nations. We should at least start with the first phase with the other satellites. That is recognition, when we are considering the second stage with Italy.

ATTLEE: The Soviets' suggestion was not constitutionally possible for us.

STALIN: Say, then, that you will consider the establishment of complete or partial relations.

ATTLEE: I don't think that the suggestion will meet the case.

STALIN: Take the American proposal. Say "examine" instead of "consider." You will help yourselves with the satellite countries.

BEVIN: But I must be perfectly straight with the House of Commons. I do not quote things in words of doubtful meaning. I will take the last suggestion of the American delegation and leave the whole matter to later consideration.

TRUMAN: We now pass to Italian reparations. I stated that we found it necessary to go with the British government to contribute five hundred million dollars to the feeding of Italy. It will probably require that much more to get them through the winter. The United States does not intend to contribute money to pay reparations. War equipment may be transferred but we want it understood that our contribution to feed Italy is the first lien on her supportable surplus. That is all I have to say.

STALIN: We can agree not to exact reparations from Austria which had no separate army, but Italy sent her army to devastate our country.

TRUMAN: We don't object to reparations, but we are not going to send the money to pay them.

STALIN: I understand the point of view of the President but I want him to understand mine. What gives the Soviet the moral right to reparations is the occupation and devastation of her land by Italy.

TRUMAN: I am in entire sympathy with the Russian point of view.

STALIN: The President says war equipment may be used for reparations. I do not ask much. It will be necessary to find what sum this equipment would come to. Hungary or [and?] Finland, [and?] Rumania agreed to pay 300 million dollars. I want to know the sum the Italian equipment represents.

BEVIN: This would not come out of what the American and British people have delivered to Italy.

STALIN: I don't want to ignore the interest of America.

ATTLEE: I agree with the President. I have sympathy with Russia's suffering. We have also suffered from Italy. You can imagine how our people would feel if having suffered at the hands of them, they felt they had to assist Italy to pay reparations.

STALIN: We quite agree to accept equipment as reparations.

ATTLEE: That would be once and for all, removal of war plants but not levy on the product.

May I ask is this equipment military equipment, not peacetime? ³

STALIN: Have you in view the equipment of military nature which could be used for any purpose?

ATTLEE: I was suggesting machinery that has no peacetime utility.

STALIN: War equipment can be adjusted for peacetime production. There is no equipment which has no peacetime utility. Ammunition plants are producing motor cars, etc.

BEVIN: It is so difficult to define what you can take away without affecting the economic life of a nation.

STALIN: We want recognition of the principle.

TRUMAN: I think I understand that the Marshal wants the recognition of the principle.

STALIN: I agree that the amount should be reduced.

TRUMAN: We are concerned about our advances to keep Italy going.

BEVIN: Does that not resolve itself into the question of priorities? First claim is for advances, then reparations.

STALIN: We can't let the aggressors inflict damage without holding them responsible for some compensation.

TRUMAN: I agree with that.

STALIN: England should not forget that they fared very badly at the hands of Italy.

ATTLEE: I do not understand whether [*when?*] we should meet in plenary session.

TRUMAN: Since foreign secretaries are not meeting tomorrow let us meet at 4:00 p. m.

Adjourned.

³ This question is attributed to Bevin in the Thompson minutes, *ante*, p. 465.