ment are with respect to Rumanian bonded indebtedness. He said that the Rumanian Government would pay its obligations to American bond holders, if some arrangement could be worked out under which the obligations could be refunded. However, he said that the Rumanian Government would not wish to agree to any arrangements under which bonds held in other countries could be made eligible for such treatment. He was told that in so far as dollar bonds are concerned, any refunding arrangements would necessitate the taking of certain steps with the Securities and Exchange Commission and that it would be difficult to make any distinction in these arrangements on the basis of the nationality of the bond holder.

WEDNESDAY, JULY 31, 1946

SECOND MEETING OF THE COMMISSION ON PROCEDURE, JULY 31, 1946, 10 A. M.

CFM Files

United States Delegation Journal

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The meeting was taken up with general discussion of the draft rules of procedure suggested to the Conference by the Council of Foreign Ministers. The Yugoslav Delegation announced its support of those suggestions but wished to amend them by adding a provision that in cases where recommendations dealt with boundary questions, such recommendations would require the assent of the Allied state, ethnic or national portions of which were affected. The Yugoslav Delegation also suggested that Albania be invited to take part in the Conference.

The Delegations of the Netherlands and Australia emphasized the role of the smaller powers in making peace and indicated their view that the proposed rules of procedure did not take full account of that role. They referred particularly to the provision that a two-thirds majority vote of the Conference was required for recommendations to the Council of Foreign Ministers. The two-thirds vote was supported by the Soviet and Yugoslav Delegations.

The Greek Delegation put forward an amendment according to which the Conference would consider, together with the draft treaties, any cognate question which it may by simple majority have decided to place on its agenda at the request of one or more delegations.

M. Molotov stated that he did not know the basis of Mr. Evatt's suggestions concerning voting. He did not know what groups of countries or Delegations Mr. Evatt had in mind. But certainly his proposals would have the effect of setting one bloc against another, a majority against a minority. Since he spoke of voting by a three-fifths majority, obviously he had in mind certain states. M. Molotov wondered whether the Allied countries were willing to have such a situation arise. There appeared to be certain calculations behind these proposals for a simple majority or for a three-fifths majority, calculations which were prompted by certain attempts to form blocs. This was not in keeping with the interest of the Conference and must have been prompted by the interests of some one group or some one Delegation. The Conference should take care not to permit playing with votes. It must take steps to assure the prestige of its own recommendations and the authority of the views expressed at the Conference itself. It must reject all attempts to set off twelve or thirteen votes against seven or eight.

M. Molotov continued that the Conference should concern itself above all with the question how best to promote the establishment of peace. That was the main objective. Of course, each Delegation had equal rights and could make proposals, but the rights of the Delegations and of the Conference could not be nullified by any playing with votes. The Soviet Delegation therefore was ready to give favorable consideration to the suggestions on procedure submitted by the Council of Foreign Ministers. All Delegations should be concerned with measures necessary to improve the organization of the Conference. Accordingly, it would be appropriate to repudiate decisively any attempts to play with votes and to make sure that the authority of the decisions of the Conference not be undermined. The prestige of the Conference must be enhanced and its views must be allowed to exercise the proper influence on the drafting of the peace treaties.
Memorandum of Conversation, by the Director of the Office of European Affairs (Matthews)

Paris, July 31, 1946.

Participants: Mr. Nenni, Italian Minister (without portfolio)
              The Secretary
              Mr. Matthews

Mr. Nenni called at his own request on the Secretary this morning. He said that in as much as he expected soon to take over the portfolio of Foreign Affairs in the Italian Government he was very anxious to make Mr. Byrnes' acquaintance. The first question he desired to raise was that of the extreme importance to Italy of receiving economic assistance from the United States. He would be very happy, he said, to visit Washington with some of his technicians to look into the whole question with the American authorities. The Secretary said that he felt it would be desirable to postpone his visit a little since a number of the high officials of our Government are absent from Washington at the present time but that he did think it would be useful for Mr. Nenni to talk to Mr. Clayton and Mr. Thorp, who are here at the Conference. Mr. Nenni said that he had not planned to go to Washington before October or November and that he would be very happy to see Mr. Clayton and Mr. Thorp if the Secretary would arrange it.

He then said that his policy would be to make every effort to improve relations between Italy and Yugoslavia but in this connection he wished to discuss the problem of Trieste. In the first place he wondered if it would not be possible to enlarge the Free Territory of Trieste to include, if possible, Pola. In fact, he hoped that the whole area west of the suggested American or British Lines would be included in the Free Territory. The Secretary explained our long efforts to obtain Trieste for Italy and subsequently to increase the Free Territory area. He pointed out that Molotov had first insisted that the Free Territory be limited to an area around Trieste itself which did not even include all of the streetcar terminals.

The American and British Lines mentioned here refer to the Italo-Yugoslav frontier proposals submitted by the United States and the United Kingdom at the Council of Foreign Ministers. The lines proposed by the United States, United Kingdom, France, and the Soviet Union were originally described in Annexes to the Summary Minutes of the 73rd Meeting of the Commission on the Italo-Yugoslav Boundary, April 28, 1946, which are printed in vol. ii, p. 148. The lines proposed are shown on the map facing p. 152. At its 33rd Meeting, July 3, the Council agreed upon the Internationalization of Trieste. The "French Line" was approved as the boundary between Yugoslavia and the Free Territory and between Yugoslavia and Italy. For the United States Delegation Record and Record of Decisions of the 33rd Meeting, see ibid., pp. 730 and 751, respectively. The decisions of the Council were incorporated in articles 3, 4, and 16 of the draft peace treaty for Italy, printed in vol. iv, p. 1.
The Secretary had felt the most important thing was to have the Free Territory contiguous with Italian territory but under Mr. Molotov's plan, in view of the fact that a small area north of Trieste has largely Slovene inhabitants down to the coast and that this be given to Yugoslavia, this would be prevented. It was impossible to obtain both Pola and a contiguous frontier between the Free Territory and Italy and the Secretary had considered the latter more important. He also described the probable results of a failure to reach agreement and conclusion of separate peace treaties with Italy. He said that the American Government was obligated to support the agreed decisions on this point of the four Foreign Ministers. If any opportunity, however, arises where he can do something to help the Italian situation with regard to the area, he will be happy to do so. Mr. Nenni indicated that he would endeavor through other Delegations to have some changes made in the Free Territory area and the Secretary said that he certainly could not object to such efforts on Mr. Nenni's part.

As a second point with regard to the Free Territory, Mr. Nenni asked whether it could not be limited to a period of 10 years to be followed by a permanent decision with regard to the area. The Secretary explained that he had given much thought to this matter and that a number of people in the American Delegation felt that the lot of the Italian inhabitants of the area would be much happier if the Free Territory were set up permanently under the guarantee of the United Nations. He said that otherwise there would be constant agitation, border incidents, and attempts on the part of the Yugoslavs to indulge in large scale infiltration in order to obtain the required majority preparatory to a permanent territorial award at the end of 10 years. He, himself, felt that a 10-year limitation could only serve as an encouragement to instability and agitation as well as adversely to affect the economic situation of the area. Mr. Nenni appeared to understand the reasoning behind the decision but made no statement of concurrence.

Mr. Nenni then brought up the question of the Colonies in so far as the agreed formulas provide for complete renunciation of Italian rights and interests therein. He said that psychologically this was very wounding to the Italians and that it would greatly help if some modification could be introduced in the formula omitting the declaration of Italian renunciation and merely leaving the Colonies under the present administration for a period of one year and subsequent determination by the United Nations. The Secretary said that he was impressed with the reasonableness of this view and that he would undertake to see what could be done with regard thereto.

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Mr. Nenni then spoke of the severity of the military limitations upon Italy and inquired whether at least some time limit could not be placed thereon. It would be inconsistent, he felt, for Italy to be kept in a state of permanent and helpless disarmament after a period of time especially once she has been admitted to the United Nations. The Secretary said that he was in agreement with this view and was taking steps to see what could be done about it. Mr. Nenni expressed his appreciation.

Before leaving, Mr. Nenni reiterated his intention to do all that he possibly could to improve relations with Yugoslavia and likewise with France and Austria. He emphasized, however, that in order to be successful in this, Italy required economic help and the question which most interested his people at present was their need for materials and labor. The Secretary said that he would arrange for Mr. Nenni to talk to Mr. Clayton about this.

H. F. MATTHEWS

THIRD PLENARY MEETING, JULY 31, 1946, 4 P. M.

Verbatim Record

C.P.(Plen) 3
President: M. Georges Bidault

THE PRESIDENT: I call on M. Molotov, First Delegate of the Union of Socialist Soviet Republics, to speak.

M. Molotov (USSR): (Interpretation). Mr. President and fellow delegates, Permit me on behalf of the Soviet-Union to greet the Peace Conference and to bid the delegates of the Conference success in their great and responsible work. The Soviet delegation expressed its special gratitude to the hospitable French Government and the friendly people of France.

This Conference is destined to play an important part in the establishment of peace and security in Europe. It will have to express its views and make its recommendations on the draft treaties with Italy, Rumania, Bulgaria, Hungary and Finland. It may be said that the Paris Conference is called upon to perform the task of five peace conferences, which fact stresses the importance and complexity of its work. It is a question of five countries which entered the war as Germany’s allies, as Hitler satellites but which, in the course of the war, broke off with Germany, overthrew their fascist rules and, as a rule, proceeded to take an active part on the side of democratic countries in the war to win victory over Hitlerite Germany. We all shall remember the course of the events as they developed before our eyes during the last war in Europe and this will make it easier for us to
find a correct reply to the question of safeguarding a just, durable and lasting peace for the future.

Justice demands above all that we have regard in practice for the interests of the countries which were attacked and suffered as a result of aggression. The Soviet-Union which itself was attacked from different directions and bore an exceptionally heavy burden of the invasion of the fascist hordes of Germany as well as Italy, Roumania, Hungary and Finland, deeply sympathizes with all peoples who suffered from aggression. The Soviet Union once more from this rostrum greets the peoples of the Allied countries who fought with self-denial against our common enemies, and expresses its firm determination to support them in their just demands for the punishment of war criminals, the indemnification of the damage caused to them, the establishment of a just peace. The Soviet Union cannot take a different view of its duties towards the Allies.

It must be clear to us that the attacking countries which went to war as Germany’s allies should be held responsible for the crimes of their ruling circles. Aggression and invasion of foreign countries must not go unpunished if one is really anxious to prevent new aggressions and invasions. Impunity in such cases and refusal to defend the legitimate rights of the states which suffered from aggression have nothing in common with the interests of a just and lasting peace and can only play into the hands of those who are engaged in the preparation for fresh acts of aggressions in pursuit of their predatory and imperialistic ends.

The Soviet Union is one of those countries which are steadfastly fighting for the establishment of a durable peace and security of nations. This determines the attitude of the Soviet Government in the questions relating to the peace treaties with ex-satellites of Germany. The USSR is fully conscious of the fact that as a result of democratic reforms the countries which were allied to Hitlerite Germany took, in the last stage of the war, a new path, and, in certain cases, rendered the Allied states considerable assistance in the struggle for the complete liquidation of the German aggressor. It is precisely for this reason that the Soviet Union admits that these states should compensate for the damage caused to them not in full but in part in a definite and restricted measure. On the other hand, the Soviet Union is opposed to all attempts to impose on the ex-satellites of Germany all sorts of outside interference in their economic life and declines such demands on these countries and such pressure on these peoples as are incompatible with their state sovereignty and national dignity. It will not take much to see this when one becomes familiar with the texts of armistice for Roumania, Bulgaria, Hungary and Finland which were fully made public immediately after their signa-
ture. Since then, on the initiative of the Soviet Government, a number of clauses laid down by the armistice agreements were lightened, which fact is to be accounted for by the desire to facilitate to these countries the transition to economic and general national revival after the war. It is also on this basis that peace treaties with these countries should be drawn up.

It is no accident that the countries of the fascist and semi-fascist type proved to be the ex-satellites of Germany. The Italy of Mussolini, as we know, was a part of the Hitler axis. Rumania and Bulgaria, Hungary and Finland found themselves in the grasp of Hitler agents who involved those states in the war against democratic countries. The second world war was unleashed by fascism and ended only when fascism was conquered and smashed. We know now that fascism and aggression go hand in hand in our time. This explains why all the peace treaties submitted to the Conference specially refer to the necessity to prevent the revival of fascism and to the necessity to consolidate the democratic foundations in the states—ex-satellites of Germany. In this respect peace treaties in our time substantially differ from the peace treaties concluded after the first world war, and this is quite natural. It is natural that the Declaration on Liberated Europe adopted at the Crimea Conference of the leaders of the three Allied Powers—Great Britain, the United States of America and the Soviet Union laid a special stress on the necessity “to destroy the last vestige of Nazism and Fascism” and to enable the liberated peoples to create democratic institutions of their own choice. It will be impossible to safeguard a durable peace and security unless the last vestiges of Fascism which provoked the second world war have been destroyed. If, however, we have still to deal with the question of the Fascist regime in Spain then the time must not be too distant when democratic countries will be able to help the Spanish people who groan under Franco’s regime to put an end to this survival bred by Hitler and Mussolini which is dangerous to the cause of peace. At any rate the interests of all freedom-loving peoples demand that we bring to an end the fight against Fascism which is the most dangerous aggressor in our time.

9 For text of the armistice signed at Moscow by Rumania with the Soviet Union, the United States, and the United Kingdom on September 12, 1944, see Department of State Executive Agreement Series No. 490. For text of the armistice signed at Moscow by Bulgaria with the Soviet Union, the United States, and the United Kingdom on October 29, 1944, see Executive Agreement Series No. 437, or 58 Stat. (pt. 2) 1498. For text of the armistice signed at Moscow by Hungary with the Soviet Union, the United States, and the United Kingdom on January 20, 1945, see Executive Agreement Series, No. 456, or 59 Stat. (pt. 2) 1321. For text of the armistice signed at Moscow by Finland with the Soviet Union and the United Kingdom, September 19, 1944, see British and Foreign State Papers, vol. cxlv, p. 513.

10 For text of the Declaration on Liberated Europe, see Foreign Relations, The Conferences at Malta and Yalta, 1945, p. 971.
Five draft peace treaties are submitted to this Conference. These drafts have been prepared by the Council of Foreign Ministers in conformity with the well-known special decision on this subject. As we know, the Council of Foreign Ministers was set up at the Berlin Conference last year. This decision was adopted on the initiative of the United States of America. For its part the Soviet Government favoured this suggestion from the very outset. And the Soviet Government has always held that an unswerving and punctual implementation of this decision should not be merely a formal duty of appropriate governments but is a decisive prerequisite of the successful work of this Council. It is justly said that big states should not impose their will upon small countries. The case of Germany shows what threat harbours an unrestrained imperialist desire to domineer other peoples and to gain ascendency over the world. On the other hand democratic countries are familiar with the methods of co-operation which produced positive results both during the war and in the period subsequent to it. The Council of Foreign Ministers was set up just so that the questions might be settled not in the manner of imposing upon some states the will of other states but in the manner of surviving at joint decisions and arrangements. The example of the drafting of peace treaties proves to us that certain positive results have been achieved by the Council of Foreign Ministers. We can claim this though we by no means feel that the just aspirations of the Allied peoples have found an adequate reflection in those drafts. But on the other hand we cannot overlook the fact that at present the decisions of the Council of Foreign Ministers are assailed by all sorts of reactionary elements who are stuffed with absurd anti-soviet prejudices and who base their calculations on the frustration of the cooperation among great powers. The draft peace treaties submitted to the Conference deal a new blow to the efforts of these gentlemen. It is sufficient to become familiar with the proposals contained in the draft peace treaties in order to see that the democratic countries which prepared them performed in this case a work which is in the main in keeping with the interests of countries, big and small, which are anxious to strengthen world peace and security of nations.

The Conference will be able to discuss at length all questions involved in the peace treaties. Our Conference is attended by the delegations, with equal rights, which represent 21 nations. Here everyone of us has the opportunity to state his views freely and to express his agreement or disagreement with this or that part of any peace

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treaty. It has been assured here that any such view will be heard with due respect and that it may be of considerable value in the final consideration of the draft peace treaties. Here the views of the states ex-satellites of Germany will also be heard. The Soviet Delegation has no doubt that to the voice of these states, too, we shall listen with due attention. As a Soviet Delegate I have reason to say so because since the time they withdrew from the enemy's camp and went to war against Hitlerism and embarked upon the path of democratic and social reforms in the interests of the mass of the people the Soviet Union has come to establish friendly relations with those countries.

All this gives us reason to hope for the real success of the work of this Conference, which will thereby serve the interests of all peace-loving peoples.

Dr. Evatt (Australia): Mr. Chairman, Fellow Delegates, we meet here because we have been victorious comrades-in-arms. Together we have defeated the aggression of the Axis and their satellites. By united efforts and common sacrifices we have overthrown great tyrannies and won a new birth of liberty.

First of all, we do right to recall the great achievements of the leaders in the struggle—of the French to whom we pay special tribute at this centre of civilisation, of the British who stood so firm even when almost alone, of the Russians whose epic resistance to Hitler was a turning point in the European war, and of the peoples of the United States whose effort has been of supreme significance in the Far East as well as in Europe and last but not least of our Chinese allies who held fast against Japan during long years of indescribable suffering.

Our general standpoint as to the status of this Conference is clear and definite. Our object has been to make this, the first Peace Conference, a reality and not a mere formality, to do everything possible to ensure that at this meeting of 21 nations the peace to come is based upon the principles of justice and right and is attained by democratic methods.

The war we have fought was a peoples' war; we are here to advance a peoples' peace. We are only servants and ministers in the cause of peace and justice for all peoples.

I have referred to the deeds of the five major Powers. But the title of the other 16 countries to take part in the making of the peace settlements derives from the active part each has taken in the defeat of the enemy States in Europe.

Australia's Title to Peace Making

Australia's own efforts illustrate this fact and I cite them for that purpose. Twice in this generation Australia's sons crossed the world for the defence of freedom in Europe; twice they have taken a worthy
part in the defeat of those who set out to dominate Europe and the world. As we meet here, in company with the other nations who have shared the sacrifices and contributed substantially to our common victory, my thoughts turn to my own countrymen who fought and died so that we and not our enemies should make the peace. I think of the many thousands of Australian airmen who fought the enemy over Europe and the Middle East throughout the whole six years of the war. I think of the great campaigns waged by the A.I.F. in North Africa and the Mediterranean until the ferocious and decisive battle of El Alamein was fought and won. I think of the help given by the Australian Navy in delivering crippling blows at crucial moments against the Italian Fleet and of the heavy toll levied upon our sailors on nearly all the seven seas. As General MacArthur has said, Australia's war effort in the Pacific struggle against Japan was exceeded only by the massive effort of the United States forces in that vast theatre of the world war.

This is not even a bare outline of Australia's contribution. Yet that contribution is paralleled by the bitter sacrifices and supreme achievements of the other 16 countries to whom I have referred.

And so, in the name of Australia's fighting men who from beginning to end gave themselves without stint to the war in Europe and Africa, and to the war against Japan, I salute their comrades-in-arms represented here to-day. Australians will never forget those beside whom they have fought, whether it be those, like the Greeks, whose gallant resistance to overwhelming Axis forces they were privileged to share, or those who, from 1939 onwards, came across the seas with them from distant continents, from New Zealand, from India, from South Africa, from Canada, or those who carried on the desperate war of resistance in their own countries throughout the bitter years of enemy occupation, and rose in arms to throw off their Axis oppressors.

Right of Participation by all Belligerents

It is universally admitted that the contribution to victory made by the peoples represented here warrant their being consulted about the making of this Peace. The real question which has concerned us was whether consultation by the major Powers represented the full extent of our rights or whether active partners in the war should not also be entitled to active participation as partners in the making of the Peace.

Australian opinion on this point of fundamental principle was never in doubt. The right of making the Peace should belong to all those nations who have been partners in achieving the common victory.

It seemed at least to Australia doubtful whether the Potsdam Agreement \(^{25}\) was clear enough to guarantee to the actual belligerents the

\(^{25}\) For the text of the Communique issued at the conclusion of the Potsdam Conference, see *Foreign Relations*, The Conference of Berlin (The Potsdam Conference), 1945, vol. ii, p. 1499.
right of full participation in the peace making process. Accordingly I was deputed by the Australian Government to place the case before members of the Council of Foreign Ministers then meeting in London in September last.\textsuperscript{14} There I urged that those countries which have made active and sustained contributions in the European sphere of war were clearly entitled to participate in the peace making; that a fair and democratic peace could be obtained only by fair and democratic procedures and that the justice of the peace settlements depended to a large extent upon the active participation of a wider group of belligerents than that of three or four or five major powers.

Australia was actively supported in its claims by all the other British Dominions, and also by the smaller European countries and our claims in no way detracted from the primary and necessary leadership of the major Powers. But we insisted that meantime belligerents were entitled not merely to the right of consultation, but to equal rights of actual participation in the peace making process.

I now quote a few sentences from Mr. Byrnes' broadcast address of October 8th 1945 after the requests of Australia (and other belligerents) had been made public:

"At Berlin", he said, "it certainly was never intended that the three powers present or the five powers constituting the Council should take unto themselves the making of the final peace. The Berlin declaration setting up the Council begins with the statement 'The Conference reached the following agreement for the establishment of a Council of Foreign Ministers to do the necessary preparatory work for the peace settlements'. The Council was not to make the peace settlements but to do the necessary preparatory work for the peace settlement."\textsuperscript{15}

Mr. Byrnes' statement was completely satisfactory in principle. However, in the subsequent Moscow Agreement of December last the Council of Foreign Ministers was accorded a right not expressly given to it in the Potsdam Agreement, i.e. the right of final review of the Peace Conference’s recommendation.\textsuperscript{16}

However, it is certain that the Moscow Agreement intends at least that, as an essential condition of the concluding stages of making peace with the five enemy States, "recommendations" should proceed from this conference to the Council of Foreign Ministers. This intention should be carried out in the spirit as well as in the letter, other-

\textsuperscript{14}Evatt addressed the 10th Meeting of the London session of the Council of Foreign Ministers, September 18, 1945; for the record of that meeting, see Foreign Relations, 1945, vol. II, p. 239.

\textsuperscript{15}For complete text of the Secretary's address, see Department of State Bulletin, October 7, 1945, p. 507.

wise what comes out of this conference will be imperfect and of small significance.

Other Declarations which have been made are also important.

Speaking in London at the end of the meeting of the Council of Foreign Ministers last year, M. Molotov said, in reference to the proposed Peace Conference, that such a conference "is convoked in order to name improvements or changes in the drafts; otherwise conferences are not necessary," 17 and Mr. Byrnes, speaking after the Moscow meeting, said that the Moscow procedure "contemplates and requires" that the nations represented at the Conference

"formally and publicly make their recommendations. Certainly the United States would not agree to a final treaty which arbitrarily rejected such recommendations. Certainly the great Powers which drew up the draft Charter for the United Nations at Dumbarton Oaks did not ignore the changes suggested by the smaller Powers at San Francisco." 18

And, speaking of the Peace Conference, Senator Vandenberg thus referred on the 21st May last to the American policy on the matter:

"It is a policy which invites all of our partners in the war—instead of a closed corporation of big Powers—to have a proper voice in the making of the treaties and the writing of the Peace which result from the common victories which we all helped win." 19

More recently in July last Senator Vandenberg said:

"After the Peace Conference the 'last word' again reverts to the four great Powers in the Council of Foreign Ministers. But the conscience of the Allied World will have spoken in the interim, and it speaks with superlative authority." 20

Without making any further analysis of the precise meaning of the Potsdam and Moscow Declarations, enough has been said to justify certain conclusions. Each of the 21 nations has equal rank and voice in this Conference. We have a big job to carry out and we should proceed to its performance with the utmost despatch. For it is absolutely clear that in these final stages of the peace making the greatest possible weight will be attached to the deliberations and recommendations of the nations which admittedly have 'actively

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17 The text of Molotov's press conference in London on October 3, 1945, was printed in Izvestiya, October 4, 1945, as well as in the volume Vneshnyaya politika sovetskago soyuza: 1945 god (Moscow, 1949), p. 74. A translation of the press conference was transmitted to the Department with despatch 2168, October 4, 1945, from Moscow, not printed.
18 For text of the report by Secretary Byrnes on the Moscow Meeting of Foreign Ministers, made as a radio address on December 30, 1945, see Department of State Bulletin, December 30, 1945, p. 1053.
19 For complete text of Vandenberg's remarks in the Senate on May 21, see Congressional Record, vol. 92, pt. 4, p. 5325.
20 For complete text of Vandenberg's remarks in the Senate on July 16, see ibid., pt. 7, p. 9060.
waged war with substantial military force against European enemy States'. Much depends upon the question whether in practice the sponsoring Powers here will follow the example of San Francisco and be prepared to hear their co-belligerents not as suppliants or as advocates or as mere consultants, but as general partners who have proved their worth as partners in the great struggle against our enemies. The spirit which will animate this Conference is far more important than the mere literal adherence to declarations which have been made in the past.

**Principles of Peace Making**

I therefore turn to consider what are the general principles which should govern the review of the draft treaties. First, we are not justified in imposing our common will upon the defeated enemy in any spirit of mere vindictiveness or caprice. Our aim is justice, looking to the future as well as to the past for we are, in a sense, the trustees of all the United Nations, of all the ordinary men and women throughout the world who look to us to give an enduring and a just peace to them and their children. However concerned we may be in the interests of our own countries, we must never lose sight of the fact that all the peoples of the world have a stake in this peace.

If we approach our task in this spirit we shall keep in mind certain fundamental principles:—

First—we should adhere to our solemn undertaking in the Atlantic Charter and the United Nations Charter and try to ensure that the principles set out in these Charters are given the fullest possible application in the peace treaties.

Second—we should ensure that our recommendations and decisions are based on an impartial and thorough examination of all the relevant facts affecting each of the questions raised.

Third—we should be careful not to impose such unjustifiable burdens and humiliations upon the peoples of the five states as will prevent the growth of genuine democratic forces or foster the resurgence of Fascism.

Fourth—our main objective should be the attainment of a just and durable overall peace structure and not merely the settlement one by one of a series of particular and isolated claims by individual nations against their neighbours.

**Australian Proposals**

We fully appreciate the work already represented by the draft treaties which the Council of Foreign Ministers has prepared for our consideration. But, it is the obligation as well as the right of the nations which have not shared in the preparation of these drafts to analyze them in the light of sound general principles and to make such constructive criticisms and specific recommendations as are called for.

Accordingly the Australian delegation will, like the other delegations, draw attention to those provisions in the draft treaties which
can and should be improved. Wherever necessary we shall make
suggestions for the inclusion of additional provisions on matters that
have either escaped the attention of the drafting powers, or would
appear to be necessary to give full effect to the principles of the At-
lantic Charter and the principles of the United Nations Charter,
principles which are binding on all represented at this conference.

Proposals and suggestions of the Australian Delegation will be
made from time to time in the appropriate Commissions and Com-
mittees. Here I shall only refer to some of the main questions that
in our opinion require examination, and indicate briefly our provi-
sional point of view.

Territorial Provisions

First, there are the territorial provisions of the treaties. The im-
portance of territorial changes achieved by war has often been exag-
gerated. For many people in the frontier regions of this small,
crowded continent, the question as to which side of a boundary they
live on is really less pressing than that of how to make a reasonable
living for themselves and their children. It is not surprising that
many people are inclined to cry, bread before border, butter before
guns.

So far as particular frontier adjustments are concerned, Australia
adheres to the view we have consistently expressed in the United
Nations Organisation that before a decision is reached, there should
be a thorough examination of the relevant facts in each case. No
doubt the Council of Foreign Ministers has had much material placed
before it. There is every reason why this Conference should have
access to this same material and any other new facts relevant to
particular frontier changes. I would stress the fact that we are con-
cerned not merely with the individual proposals considered in iso-
lation from each other but also with the wider implications, political
and economic, of the changes considered as a whole. The Australian
Delegation will therefore favour where necessary the appointment
of a special fact-finding committee, to prepare and report on material
required by the several committees concerned with the frontier pro-
visions of the various treaties.

Italian Colonies

On the question of the Italian Colonies, the Australian Delegation
consider that the making of decisions as to the future administration
of the colonies, should rest not with the Foreign Ministers’ Council
as such, but with all those countries which, like Australia and the
other British Dominions, have through their great losses and sacri-
fices in liberating such territories, earned a vital interest in their
future disposal or administration.
Trieste

The main principle of the proposed settlement for Trieste is similar to that submitted by Australia and New Zealand to the Council of Foreign Ministers as long ago as September last. But some of the features of the solution may prove unworkable in practice. It seems too that we shall be brought face to face again with the further difficulty that it is proposed to give the Security Council important discretionary powers in relation to Trieste, and that under the Charter of the United Nations Organisation any proposed decision of the Security Council may be blocked by the veto of any one permanent member of the Council.

For these reasons it seems essential that the Trieste proposal should receive the closest scrutiny from this Conference.

Reparation Questions

I now mention the economic and financial aspects of the treaty, including the reparations proposals. I submit that these aspects require close review before the treaties will be satisfactory from the point of view of a just overall settlement.

One overriding principle of the settlement should be to ensure economic co-operation between the five countries and their neighbours.

We feel that the Council of Foreign Ministers has, not un-naturally concentrated its main attention upon political and territorial problems rather than upon economic and social arrangements.

It is our hope that all the members of the Council of Foreign Ministers will welcome a strengthening of the treaties in their economic and social aspects.

The Reparations provisions of the treaties are admittedly incomplete and important questions are left unanswered. Article 64 of the draft treaty with Italy certainly gives an impression that the U.S.S.R. is to be given some degree of precedence over other claimants who suffered heavily at Italy's hands. It may be too that several of the proposals would tend to assure to the U.S.S.R. a privileged position in the future direction of the trade and economic life of all the countries contributing reparations. These reparations provisions need precise clarification. For that purpose the Conference is entitled to receive the fullest information as to all the facts and reports on reparations placed before the Council of Foreign Ministers. In the absence of that information, a fair and impartial review of the treaties is obviously impossible.

Speaking more generally, the Australian Delegation takes the realistic view that if reparations are exacted to a point which seriously retards the economic rehabilitation of the nations paying them the general level of trade and living standards of other countries and
peoples will be endangered. In principle the exaction of properly assessed reparations is reasonable and just. But the treaty should provide assurance that reparations now exacted will not create a situation of serious economic concern to European countries.

In considering the problem of reparations, it is important to keep in mind that some of the countries with which we are to make peace have for a long period been subject to economic domination by Germany. In such cases their economic structures, including their industrial development and distribution of resources, have been distorted by the practical compulsion which required them to fit into the economic needs of Germany. The readjustments now to be imposed are of such a character that a major re-orientation of their economic structures may prove to be beyond their slender resources. This inter-dependence in the economy of European countries illustrates the principle that reparation claims should be dealt with as an integrated whole and not in isolation from each other, or in a way which will once again establish economic subservience on the part of the contributing country.

*European Economic Organisation*

The economic questions are so important that the peace treaties could usefully include provision for closer economic co-operation between European States. Agriculture, steel, coal, hydro-electric power, and all the major resources of Europe wherever situated, should become available to all the peoples of Europe. While the federation of European States may not be practicable, some of the benefits of such a system could be achieved by encouraging the establishment of economic organisations on a European or regional basis. This would not prejudice the real autonomy of each national unit.

It again would be of practical value if all the European countries affected by the proposed treaties became members of the Food and Agricultural Organisation, the International Wheat Council, the International Labour Office and other organisations designed to promote the twin objectives of full employment and higher living standards.

It is by such practical measures of economic co-operation that the gaping wounds of Europe may gradually be healed. We must do our utmost to promote such economic arrangements that full employment and high living standards may ultimately be secured for all European peoples.

Through-out international discussions on economic policy Australia fought successfully for one principle of full employment, not only for domestic but for international reasons in the realisation that a low level of employment in any part of the world inevitably threatens employment standards elsewhere. Nothing can be more disastrous
or more likely to lead to a resurgence of war and Fascist aggression than unemployment, poverty and low standards of life. Poverty and depression in Europe menace peace and prosperity, not only there but throughout the world.

_A Positive Peace_

The task in which we are engaged is not the mere perpetuation of armistice terms, not the mere cessation of a period of armed conflict, not the mere preparation for another interval between European wars. True peace is not the mere absence of war but a positive and actively beneficial state of affairs. And so the ultimate task before us is nothing less than creating the framework for a renewal of European civilisation, but civilisation in "larger freedom". That is a noble enterprise. It is fitting that countries like Australia should make their contribution to this great objective. In the Pacific we are inheritors of European civilisation and in a sense trustees for it. In the field of arms we have twice come to Europe to redress a balance heavily tilted in favour of tyranny; our contribution in the field of social and economic well-being may equally help to prevent the utter disaster of another European war.

We cannot accept the cynical view that history must, of necessity, repeat itself. The fact that the war chapters of history have been repeated in the past is largely due to the lack of foresight on the part of some of those who imposed the peace. The peoples of the world look to this Conference to help substantially in framing a peace based on social justice and economic betterment. Only by such a peace can freedom from fear and freedom from want be ultimately assured to the men and women and particularly to the children, of this continent.

_M. Fontura (Brazil) (Interpretation)_: Mr. Chairman, For the second time, Brazil finds herself in this glorious land of France for the purpose of participating in a Peace Conference. During the years between the two wars, we remained faithful to our principles of political development and to our diplomatic traditions, tested over long periods during the struggles in which we had been compelled to engage, even before political emancipation was achieved, since for many years previous to that event, the seat of the Kingdom of Portugal had been transferred from the banks of the Tagus to Brazil.

At all times and throughout the vicissitudes of our history, our peaceful sentiments, our partiality for conciliation and our dislike of aggressive imperialism have been clearly demonstrated. We have, of course, more than once been involved in armed conflicts, but in every case as a result of unprovoked acts of aggression. For more than three-quarters of a century, the Monarchy laid down the foundations of our foreign policy, which were subsequently consolidated and ex-
tended by the Republic, so that we have been able, by friendly negotia-
tion, to define the frontiers between our country and its various
neighbours.

As ideological precursors of Pan-Americanism, we have sought with
unfailing loyalty to respect the international undertakings into which
we had entered, and to develop friendly and cordial relations with all
the nations of the world. At the outbreak of the second World War we
found ourselves entirely unconnected with the conflict which had
arisen, and with its avowed or hidden causes—it is certain, however,
that the sympathies of the Brazilian nation have never ceased to be
with the cause of the democracies. Nevertheless, our country continued
to maintain the strictest neutrality until the conflagration spread to
the shores of the American continent. It would have been impossible
then to remain indifferent to the brutal and premeditated aggression
against a sister nation to whom we are bound by ties of the closest
friendship dating from that already distant time when our political
independence was proclaimed, and which, since then, have never been
broken. On the other hand, it was incumbent on us strictly to fulfil
the engagements we had undertaken for the defence of the American
Continent in the event of foreign aggression, so as to honour our signa-
ture to the Panama and Havana Resolutions. Even for this purpose,
however, our action was at first confined to breaking off diplomatic
relations with the governments of the aggressor States, in conformity
with the recommendation of the Third Consultative Meeting of
Foreign Ministers of the American Republics, held at Rio de Janeiro
early in 1942.

The cowardly torpedoing of several of our coastal vessels in our own
territorial waters, however, forced us into the conflict, and we were
impelled to take part in it, not so much by the material loss of these
vessels engaged in transport duties off our shores, but rather by the
murder of several hundreds of our fellow countrymen—amongst them
women and children.

Our co-operation in the victory won was evidenced in the first in-
stance in Brazilian skies and the southern Atlantic, and later, in the
fields and skies of Italy. In August 1942, at a time when our enemies,
already masters of almost all western Europe, were advancing on

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21 See text of the Declaration of Panamá, approved by the Foreign Ministers
of the American Republics October 3, 1939, Foreign Relations, 1939, vol. v, p. 36;
text of the “Convention on the Provisional Administration of European Colonies
and Possessions in the Americas,” signed at Havana July 30, 1940, Department
of State Treaty Series No. 977, or 56 Stat. (pt. 2) 1273; and text of the “Act of
Havana,” which is included in the Final Act of the Conference, also signed
July 30, 1940, Department of State Executive Agreement Series No. 199, or 54
Stat. (pt. 2) 2491.

22 See text of the Final Act of this meeting, held at Rio de Janeiro, January
Alexandria, intensifying their submarine warfare on all seas and, in the East, were threatening the continent of Australia itself, the blood of our soldiers, airmen and sailors was generally shed in the defence of the cause we had taken up. Brazil did not associate herself with the victorious nations, but linked her fate, her future and the destiny of upwards of 40 million souls to the fate, future and destiny of great peoples, faced at that juncture with almost insuperable difficulties. We had, however, with these peoples, spiritual affinities concerning the conception of individual freedom and all that goes to constitute the ideal of a democratic organisation. Although we did not enter the struggle with any thought of possible gain, we set no limits to our co-operation and gave all we had. Many raw materials indispensable for the victorious continuation of the war were generally supplied to our Allies. Our air and naval bases were essential springboards for the landings in North Africa and the successful conclusion of the campaign which followed. On accepting the title of belligerent, with all its duties and responsibilities, we threw into action first our Navy and our Air Force and later an expeditionary force which for over a year held a sector of the Italian front, previously gallantly defended by French troops.

It is not in any spirit of vainglory, which would be out of place in respect of nations which have made such heavy sacrifices in this war, but merely in order to justify our position and our rights at this Assembly that we would recall at this point the comments made on our war effort by Mr. Cordell Hull, then U.S. Secretary of State, on the eve of victory: “The plain truth is that, without this brilliant co-operation, the course of the war in highly essential strategic areas might have been different. For example, consider the situation in the Near East. When Rommel was hammering at the gates of Egypt, it was planes and light tank munitions ferried across North-Eastern Brazil that helped to turn the tide. The value to our cause of the use of these Brazilian airports, and the co-operation of the Brazilian Army and Navy cannot be overstated.”

Brazil is the only Latin-American Republic to sit in this Assembly and to have the right, expressly conferred on her, to voice the aspirations of the toiling masses who transplanted to the New World the roots of Iberian civilization, and Brazil has no other ambition than to further the establishment of a just peace, in which the nations will re-lay the foundations of mutual trust, loyalty and respect as between peoples, while making no special differences between large and small nations. One of the most odious features of the Nazi creed was indeed the distinction made between master and slave nations, between those entitled to rule and those condemned to slavery.
Brazil is a young force in a world which is itself still young. Yet, in the course of her history Brazil has managed, in her relations with other peoples, carefully to foster those principles which are the guiding lines of her foreign policy, established under the Monarchy and maintained for half a century of republican rule. We shall never be false to those principles; on the contrary, we would proclaim them here as evidence of our faith in the building of a freer, happier and kinder world. We continue to defend the principle that a democratic association of nations must be based solely on recognition of the strict legal equality of States—a principle we already advocated strongly at The Hague Conference in 1907, through the medium of Ruy Barbosa. In virtue of its own sovereignty, any one State should be the equal of any other State and, as such, subject to the same commitments and entitled to the same prerogatives. The natural outcome of this principle of equality is that no State should interfere in the domestic or foreign affairs of another. Repudiating as we do, the spirit of aggression and conquest, together with all forms of, or pretexts for, territorial violation against another State, and resorting to arbitration for the solution of international disputes—as Brazil has done on several occasions—we show our full appreciation of the importance of this gathering, which is based on equal and democratic suffrage, without distinction between the stronger and the weaker, the richer and the poorer. We have come here without any commitments other than those inherent in our political, historical, juridical and spiritual structure and those which may be dictated to us by the general interests of our country.

None the less, we shall never overlook our responsibilities as an integral part of the new Spanish-American continent, and we speak for many of its peoples in advocating a peace not inspired by hatred or revenge but designed to promote moral disarmament throughout the world.

Thus, we will ever be influenced by the spirit of our hemisphere where the common feeling of nations for one another has already found concrete expression during the last war. We belong to a regional system of free peoples who seek to subordinate selfish interests to the aspirations of peace and justice—a fact which is perhaps attributable to the close affinities existing between its members.

This system, for which the United Nations constitutes an ideal frame, will undoubtedly play an outstanding part in the maintenance of peace, actuated as it is solely by considerations of general harmony and of fidelity to the principles of [of] right, and international justice.

Nevertheless, we realise to what an extent the entire structure of peace between men depends on the United Nations. That Organisation is the ultimate key to security for all. There may have been and
perhaps there still are some flaws in its statute. Time and experience will show what changes are needed, but it already provides the necessary elements and conditions for preventing future aggression, settling disputes, and avoiding conflict. It will suffice if the United Nations discharges its duties impartially, and if it is not wanting in goodwill and sincerity.

On this sincerity will mainly depend the restoration of mutual trust between nations.

Let us hope that the same spirit may animate all those who have come to this Assembly, and that, with God’s help, we may devote our efforts to obtaining a result which will augur well for the peace of the world and of a glorious, though ravaged Europe.

It is in a spirit of optimism that we enter these precincts. Provided we speak our minds plainly, suspicion between nations, like distrust among men, will vanish.

REPORT OF THE CREDENTIALS COMMISSION

The Chairman: I call upon M. Lorenzo Taezaz, Delegate of Ethiopia and Chairman of the Credentials Commission, who wishes to make a communication.

M. Lorenzo Taezaz (Ethiopia): I had the honour to inform the Conference yesterday that the Credentials Commission had found in good and due form all the credentials handed in by the various Delegations.

One Delegation alone had been unable to communicate full powers in time, owing to material difficulties.

I wish to state that the credentials which had not arrived yesterday were handed in this morning.

The Chairman: The meeting duly notes the information just received and thanks the Credentials Commission for having accomplished its task.

PROCEDURE

The Chairman: The Commission on Procedure will meet at 10 a.m. tomorrow (Thursday).

There will be a plenary meeting of the Conference at 4 p.m.

The list of speakers is as follows:

Baron van Boetzelar van Oosterhout,
First Delegate of the Netherlands;
M. Kardelj,
First delegate of Yugoslavia;
Rt. Hon. H.D.R. Mason,
First Delegate of New Zealand;
Mr. Halvard Lange,
First Delegate of Norway.

The meeting rose at 7 p.m.