From the diary of V.M. Molotov, record of a conversation with a delegation of the British Labour Party, 13 October 1947

CLASSIFIED

CONVERSATION WITH DELEGATION OF THE BRITISH LABOUR PARTY MEMBERS OF PARLIAMENT

October, 13, 1947 at 16:00

Attendants - Zilliacus, Lee, Champion[[1]](#footnote-1), Bing[[2]](#footnote-2), Parkin[[3]](#footnote-3), Allen[[4]](#footnote-4),

Thomas[[5]](#footnote-5), White[[6]](#footnote-6) and Irene Hughes(secretary) .

[…]

Zilliacus presents Molotov members of delegation and says that they are all very grateful that Molotov managed to meet them. All of them are supporting the improvement of relations between Britain and the Soviet Union. For both countries and for universal peace it’s rather important that these relations develop well and, in particular, that the commercial treaty is concluded between the Soviet Union and Great Britain. The delegation travelled across East European countries to collect information and get facts to defend their position in Britain.

Molotov says that, the Soviet government is also striving to establish good relations with Britain. The Soviet government believed and continues to believe that the establishment of friendship between the two countries will only be useful.

Lee says that, members of the delegation pay great attention to establishing of strong trade relations. They know that at present there is an opportunity to renew the interrupted trade negotiations. They would like to learn from Molotov whether he believes that there are good prospects for trade between Britain and the USSR not only within the next 2-3 years, but for a long period as well. If he believes that such favourable opportunities exist, they would like him to name some of the goods to be traded between Britain and the Soviet Union.

Molotov replies that, as it is known, this year negotiations took place between the Ministry of Foreign Trade of the USSR and Mr. Wilson, the representative of the British government, who came to Moscow for this purpose. In these negotiations positive results could be reached, as the Soviet government hoped when beginning these negotiations, only on the condition that both parties will compromise in favour of each other. […]

As it is known, the Soviet government agreed to provide 1 million tons of grain this year, one and a half million tons next year and 2 million tons in each of the next two years. The Soviet government suggested that the British government undertakes certain obligations concerning deliveries of rails for the timber industry and pipes for the oil industry. These deliveries were of great value, moreover, the Soviet government agreed to consider the issue of timber deliveries, and such simple equipment as rails is necessary to make these deliveries feasible[[7]](#footnote-7).

Nevertheless, no agreement was achieved. The parties also have not agreed on improvement of terms of credit which was given to the Soviet Union by Great Britain during the war, though improvement of these credit conditions included only that the Soviet Union is not put in less favourable conditions than France.

Zilliacus declares that, at departure from London he had the impression that the two people bearing the main responsibility for Great Britain’s foreign trade, i.e. Cripps[[8]](#footnote-8)and Wilson[[9]](#footnote-9), are rather interested in renewing negotiations and concluding a commercial treaty. Zilliacus believes that they are so interested in this that they are ready to meet the Soviet Union to develop some clause which would solve the issue of the sums that the Soviet Union had to pay on August, 1. In this regard one of the parties needs to make the first step. […] The British government strongly wants to conclude a commercial treaty with the Soviet Union; however, it is in a difficult situation, as some circles consider the issue of the August installment to be very important.

In London the opinion is that the British and Soviet economies, as it were, complement one another. Britain is a huge workshop producing different industrial equipment; in exchange for this equipment it would like to get from the Soviet Union and from the other East European countries the products produced in these countries.

We are all optimistic concerning the favorable solution of this issue, says Zilliacus, since on behalf of our party there is sincere desire to finish this business.

Molotov says that, the Soviet government has already departed from its initial suggestions and the conditions set by it are minimal, it cannot go further. If there are new suggestions from the British party concerning improvement of negotiations results, it’s important to hear about these new suggestions.

[…]

Bing says that, informally (and members of parliament are able to keep secrets) he would also like to express his opinion regarding this issue. Bing got the impression that the Soviet Union is asking Great Britain what conditions it may expect if it agrees to pay the second part of August installment. Bing would like to find out whether he can get an idea on what counter-concessions on behalf of the British party would be acceptable for the Soviet Union before it would agree to the pay August installment.

Molotov answers that, the desire of the Soviet government is well-known. It is a simple issue. The Soviet government originally suggested that at first all the debt, and later half of it should be spread over a period of 15 years. The Soviet Union believes that this is a wartime debt and that for France Great Britain has already agreed to mitigate the conditions of the same wartime credit. There is nothing unusual in this suggestion. Besides, the Soviet government declared, that if certain deliveries of timber, grain, etc. are required from it, on its behalf it desires that the same certain terms are established for deliveries of pipes and rails from Britain. The Soviet government does not want to accept unilateral obligations.

Besides, since some time has already passed from the moment negotiations stopped, and doing this time the prices have changed a bit, prices for some goods need to be revised.

Zilliacus remarks that, the prices have risen during this time.

Molotov answers that the prices have really risen, but it is not the fault of the Soviet government.

Lee declares that, in considering this issue, it is necessary to factor in that in Britain there are strong anti-American sentiments. This is partly explained by the fact that the British people are subconsciously afraid of an American capitalist threat and that Britain was "occupied" by American armies. For these reasons, the British people will welcome the opportunity to get away from American influence.

It is necessary to keep in mind that although Britain’s share of world production is only 2%, its share in the world’s export of industrial items is 20%. Before the war Britain exported a significant amount of raw materials, including coal. However, at present it cannot do it anymore. Thus, nowadays Britain is forced to concentrate on the export of capital equipment and for that it needs to establish good commercial relations with Eastern Europe, India and Asia, i.e. with the countries that need this capital equipment. That is why trade with the Soviet Union is also necessary for establishing good relations between Britain and the USSR. Thus, trade with the Soviet Union could help Britain gain independence from American capitalism.

Bing specifies that, Labour are afraid not only of direct pressure from American capitalism on the British government, but are also afraid that unless close trade relations are established with countries with planned socialist economies, the crisis which will inevitably come in 2-3 years, will strongly affect Britain. Thus, close trade relations between Britain and East European countries that went further towards socialism than Britain, are necessary for safety, the prevention of economic crisis and the strengthening of universal peace.

Molotov says that, the development of trade relations between the Soviet Union and Britain may only take place on a strong basis of mutual benefit. The Soviet government believes that its proposals would not only promote improvement of relations between Britain and the USSR, but would also promote the economic development of both countries. The Soviet government considers it possible and useful to develop long-term trade relations, not just short-term agreements.

In the Soviet Union they also understand that for Great Britain, which is the greatest exporter, it is important to develop trade not only with the Soviet Union, or with a small group of countries. Besides, development of trade relations with Great Britain has not only economic, but also political value in regard of the friendship between both countries, peace in Europe and universal peace. Such is the position of the Soviet government in this issue. But the Soviet government does not see that the British government has a corresponding position. There are some obstacles for the settlement of this issue. Members of the British Parliament should know more about these obstacles than Molotov.

Thomas remarks that, Molotov knows well all the details of British policy.

[…]

Zilliacus […] says that, he would like to report Molotov that the poll of the British population, recently conducted by the public opinion institutes, has shown that 66% of those people questioned expressed desire to see the improvement of British-Soviet relations. As polls which have been conducted by this institute in the past and, in particular, before the general election of 1945, have appeared rather exact, results of this last poll correctly reflect the British public’s desire and, in particular, the British working class’s desire, which lately has acquired considerable influence in the country, to achieve an improvement of relations with the Soviet Union. It shows that, despite the capitalist press’ propaganda, British public opinion is steadfast in its desire to preserve friendship with the Soviet Union.

Thomas specifies that, it is necessary to keep in mind that media organizations that criticize the Soviet Union, criticize the Labour Party as well. The results of the 1945 election[[10]](#footnote-10), or a "social revolution", as Zilliacus likes to call it, have appeared much more important and far-reaching, than many thought. A by-election to Parliament that took place since the general election proved that in many cases people are ahead of their governors. British workers have the most sincere desire to improve friendship with the Soviet Union.

Champion adds that if 66% of people surveyed have supported friendship with the Soviet Union, it does not mean that the other 34% are hostile to the USSR, as many people included in this 34%, gave no answers at all or declared that they cannot express a certain opinion.

[…]

Bing says that, he wants to once more touch upon those minor issues mentioned earlier. It is necessary to keep in mind that the ideology of the British people is to a large extent determined by capitalist propaganda, including American films. In many cases British people see a reflection of the world policy in trifles and believe that each small issue should be considered correctly. Certainly, there are many issues which are of much bigger importance than the issue of 15 Soviet wives and which are ignored by the press in every possible way. Such as the issues of illegitimate Black children in the United States and of husbands and wives separated in Northern and Southern Ireland. Nevertheless, it is necessary to consider that bourgeois propaganda exaggerates the issue of 15 Soviet wives in every possible way.

Molotov says he knows very well that the issue of 15 wives is exaggerated by the bourgeois press in every possible way. But nothing will come out of it. We observe the Soviet law and the decision of the Supreme Soviet, which we consider to be correct. However, in the Soviet Union they believe that the campaign developed against the Soviet Union in connection with these 15 Soviet women, cannot disclose the fact that the same press which shouts about these Soviet women, ignores the fact that dozens and hundreds of thousand Soviet people are kept by the British and American authorities, mainly in Germany.

Lee says that, he would like to return to the issue of trade. When they were in Czechoslovakia and Yugoslavia, Lee and his comrades tried to study the economic plans which are being implemented in these countries. It seems to him that there is a tendency for greater coordination between the economies of East European countries. Lee would like to find out to what extent the economy could be joined to this coordination. It would be useful if Britain established trade relations not just with one East European country, but with several East European countries taken together. Thus, for example, if Britain has a negative trade balance with Czechoslovakia, this balance may be restored by exporting to the Soviet Union or to Yugoslavia the goods that Czechoslovakia does not need. Such a system of general coordination of national economies of several countries could be useful for establishing of strong trade relations between Britain on the one hand and East European countries on the other hand.

Zilliacus says that, he would like to explain Lee’s idea. Instead of having agreements between Britain and separate East European countries it is necessary to develop some kind of coordinated general plan, something like an East European “non-Marshall plan”.

Molotov says that, it is an interesting idea. But how will it be possible to coordinate the economies of several countries, while it’s impossible to coordinate the economies of even two countries?

Parkin says that, he would like to ask Molotov a direct question: whether Molotov believes that the first step should be a general improvement of British-Soviet relations or the commercial treaty conclusion?

Molotov answers that, the trade agreement will definitely be useful, but there are other ways of improving British-Soviet relations. However, the Soviet government sees neither attempts nor a desire by Great Britain’s government to take this route. […]

Parkin says that, the commercial treaty is of greater value to Britain than to the Soviet Union. For Labour, the conclusion of such an agreement would be a tool for forcing the government to perform socialist activities in the country, which Parkin and his colleagues consider to be their primary goal.

Molotov specifies that, such socialist activities will be looked on with sympathy in the Soviet Union. But as for trade relations, they may only be based on mutually beneficial conditions. […]

Parkin says that, it is necessary to develop a method that would enable the restart of negotiations. Strange as it is, but though the Soviet government is known to have never broken its promises, it has not paid the sum due on the 1st of August of this year. It probably happened because the Soviet government believed that negotiating the revision of loan terms grants it the right to postpone the sum payment due to Britain.

Molotov says that, first, it is not an issue of not the usual obligations, but obligations taken during the war, when, as it is known, the Soviet Union fulfilled its duty more than completely. Second, the British government has given its basic consent to revise the terms of wartime credit. Besides, concerning France, the Great British government has already agreed for more favorable conditions than what the Soviet Union asked for itself. It is well-known that the Soviet Union always carried out its obligations promptly. In this case, it is an exception which confirms the general rule.

[…]

Zilliacus says that, he would like to first get back to the issue of the British-Soviet alliance treaty. When Bevin first suggested to extend this agreement, Zilliacus repeatedly declared his misunderstanding of why there should be an extended agreement which cannot be denounced in anyway for 20 years and which after this term will be extended automatically unless one of the parties should inform in advance on its desire to suspend its operation. At that time, he pointed that it would be more useful to negotiate on how to better apply the positions in the present-day text of the agreement. Instead of reviewing the agreement, it would be more reasonable to discuss the tools of more efficient application of existing positions in the agreement. For example, the parties could agree on regular meetings of representatives for the study of British-Soviet cooperation in Europe. This cooperation could also involve France, which has similar agreements with Great Britain and the Soviet Union. Does Molotov believe that instead of the consideration of agreement revision it would be more useful to study opportunities for more efficient practical cooperation in Europe between Britain and the Soviet Union?

Bing specifies that, in some respects the agreement has become outdated, as it has references to fighting Hitler and Hitlerism.

In his answer to Zilliacus Molotov says that the Soviet government values above all the practical activities of British-Soviet cooperation. But since he was asked about the agreement revision, the government gave its consent to such revision under certain conditions, meaning not to weaken, but strengthen British-Soviet relations.

Further, it is necessary to mention what issues the Soviet government is referring to when it talks of modifying the British-Soviet agreement. In correspondence between Stalin, the head of the Soviet government and Bevin, the Foreign Secretary, it was specified that the 1942 agreement contains a number of items that weaken its value, since the United Nations Organization did not yet exist at the conclusion of the agreement. Now it does exist. Besides, in the present text of the agreement it specifies that both parties will not participate in any coalitions directed against one of the parties. This is an absolutely correct position. But the Soviet government suggested adding that both parties will also not take part in any actions or measures directed against the other party. Inclusion of such a condition would improve the text of the agreement. However, the British government had a negative attitude to it. Thus this suggestion, directed to improve the treaty provisions, to fortify the agreement, was not accepted. Because of this, and also because the British government rejected some other Soviet suggestions aimed at strengthening the agreement, unfavorable conditions arose, which prevented any results during the negotiations.

[…]

Also raised was a question regarding the Soviet government’s desire to improve British-Soviet relations.

The Soviet government would like the government of Great Britain to be more consistent in carrying out obligations which Britain undertook during the War not only under the alliance treaty with the USSR, but also under the well-known Yalta and Potsdam tripartite treaties, in particular, on the issue of Germany. These treaties give a strong basis for improving British-Soviet relations.

[…]

Bing asks, whether Molotov wishes to ask any questions to the members of delegation.

Molotov answers that, he should be careful when asking questions to visitors not to put them in an embarrassing situation and not to create difficulties for them. However, Molotov would like the members of the delegation to tell, if they may, whether the present economic difficulties will influence the carrying out of socialist activities by the Labour government. The other question is how do they, having visited a number of European countries, assess the political situation in Europe.

[…]

Bing says that, the well-being of Britain, created in the XIX century, was based on the circumstance that there were always markets for British goods. This also explains the fact that the standard of living in Britain was always rather high. For example, even nowadays it is assumed the average British citizen should receive 2 5/8 pairs of footwear a year, while according to the new 5-year plan in the Soviet Union by 1950 each citizen of the Soviet Union will receive slightly fewer than 2 pairs of footwear a year. Thus, the standard of living in Britain depended not on the capacity of the British industry to produce the necessary amount of goods, since it was always able to do it, but from the ability of other countries to buy British goods. At present, the buying capacity of other countries is strongly dependent on American assistance. This also determines the British economy’s dependence on the USA. At present, more than ever before, Britain’s economic life depends not on its production potential, but on different external factors.

Zilliacus says that, Bing’s remarks let him pass over to answer the second question by Molotov. Visiting East European countries which ostensibly lie behind the “Iron Curtain” and which should rather be named “countries of socialist reconstruction” leads to following conclusions: East European countries have already made their choice between socialism and capitalism. They have already made a decision on this basic issue of present-day domestic and foreign policy. The old social system is decaying and socialism is the only way to eliminate misfortunes and disasters on Earth. Some of the East European countries, say, Czechoslovakia, where political democracy of the British understanding existed before the war, preserved this political democracy, but at the same time they destroyed the basis of capitalism and formed the basis of a new system. Other countries, such as Yugoslavia, are still far from political democracy which exists in Britain or Czechoslovakia, but in these countries there exists social and economic democracy. In these countries workers and farmers won the right to decide their destiny. All the East European countries have put into practice the determination of democracy once made by Abraham Lincoln: “Government of the people, by the people, for the people”[[11]](#footnote-11).

This result was achieved to a great extent thanks to the Soviet Union’s policy and thanks to the Soviet Union’s understanding of how allies should assist in the destruction of fascism and the formation of a new system. In Eastern Europe, the Allies have helped to restore political democracy, but this has only caused a deadlock in public relations. And now, when the crisis is coming, it is doubtful whether some of the Western European countries shall be able to solve radical internal political problems in a constitutional and democratic way. This, however, does not apply to Britain, where due to the type of system which gives a small majority of population an opportunity to have the overwhelming parliamentary majority and where the Parliament can concentrate the necessary power, reforms will be conducted via Parliament.

Although the Labour Party is less radical than the continental parties (the Labour Party is not even Marxist, although many Labourites adhere to Marxist ideas); its social composition is more radical, thanks to close ties with the trade unions it has a working class origin.

As the crisis is getting worse, the British working-class movement insists on a more radical solution of internal political problems and the establishment of closer connections with the Soviet Union and other Eastern European countries. The next six months in Europe shall be rather troublesome. Soon it’ll become clear that the Marshall Plan is an error. Internal political struggle shall increase in Britain, and the Left circles will increase their influence.

Molotov thanks the members of the delegation for their remarks. Molotov also knows that the delegation wanted to meet Comrade Stalin, the Head of the Soviet government. In this connection, Molotov would like to explain that Comrade Stalin is on holiday outside Moscow. Therefore, the meeting with him cannot take place in Moscow.

Zilliacus says that, they know that Generalissimo Stalin is at the Black Sea in Sochi, and they were sorry to learn about it.

Molotov says that, if the members of delegation wish, they could all meet with Comrade Stalin.

Zilliacus asks, how this can be arranged.

Molotov says that members of delegation could visit Comrade Stalin in Sochi.

Zilliacus answers that, such an opportunity surpasses all their expectations. They are thrilled by this offer.

Molotov says that, he can find out about the plane and if the weather is favorable tomorrow, the delegation could fly to Sochi in the morning.

Zilliacus answers that such an opportunity would make him and his comrades very happy. He wants to express deep and most sincere gratitude both for the great courtesy and patience with which Molotov answered questions and gave explanations and for the golden opportunity that he now is providing them.

Conversation lasted for 2 hours and 40 minutes.

Recorded by O. Troyanovsky.

[FPARF, f. 06, inv. 9, fold. 2, file 23, pp. 17-37]

Keywords: inter-allied relations, post-war USSR, post-war Western Europe, post-war Eastern Europe, post-war order

1. Champion, Arthur, Baron Champion (1897–1965) - British Labour politician. Member of Parliament (1945 to 1959). [↑](#footnote-ref-1)
2. Bing, Geoffrey Henry Cecil (1909-1976) - British Labour politician. Member of Parliament (1945 - 1955). [↑](#footnote-ref-2)
3. Parkin, Benjamin Theaker (1906-1969) - British Labour politician. Member of Parliament (1945 - 1950, 1953–1969). Also visited the USSR and the People’s Republic of China in 1954. [↑](#footnote-ref-3)
4. Allen, Arthur Cecil (1887-1971) - British Labour and trades union activist. Member of Parliament (1945 - 1959). Private Parliamentary Secretary to Hugh Gaitskell, Leader of the Opposition (1955 - 1963). [↑](#footnote-ref-4)
5. This refers to one of the following Labour members of Parliament in 1947: George Thomas, 1st Viscount Tonypandy (1909 - 1997), John Richard Thomas (1897 - 1968), Ivor Owen Thomas (1898 - 1982). [↑](#footnote-ref-5)
6. This refers to one of the following Labour members of Parliament in 1947: Henry White (1890 - 1964), Charles Frederick White (1891 - 1956). [↑](#footnote-ref-6)
7. See the transcript of the discussion between Comrade J V Stalin and Bevin of 24 March 1947. [↑](#footnote-ref-7)
8. Cripps, Stafford (1889-1952) - British Labour Party leader and statesman. British ambassador to the USSR (1940-1942), Leader of the House of Commons (1942), President of the Board of Trade (1945-1947), Minister for Economic Affairs (1947), Chancellor of the Exchequer (1947-1950). [↑](#footnote-ref-8)
9. Wilson, Harold (1916-1995) - British Labour Party Leader and Statesman. Minister for Economic Affairs (1947-1951), Labour Party Leader (1963-1976), British Prime Minister (1974-1976). [↑](#footnote-ref-9)
10. In 1945 the Labour Party won the general election by a landslide. [↑](#footnote-ref-10)
11. Excerpt from Abraham Lincoln’s Gettysburg Address of 19 November 1963. [↑](#footnote-ref-11)