

February 27, 1962

**Note on the Discussion between Khrushchev and
Ulbricht in Moscow on 27 February 1962 (Excerpts)**

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Summary:

Discussion of economic planning in East and West Germany.

Original Language:

German

Contents:

Translation - English

Comrade Kosygin reported on the discussion that had taken place between him and Comrade Leuschner; as the first problem, he dealt with the prospective plans for 1963-65. He touched upon the following questions: control numbers, 1963-1965; investment questions; balancing of industrial branches; coordination and reorganization of individual branches of industry.

He reported that the consultations had concluded in a decision to appoint groups of experts, who will prepare the appropriate materials and come to the negotiations without binding directives. These preparations should provide a basis for the 7-Year-Plan. Deadline for the work of the groups of experts: one month.

Comrade Khrushchev stressed that it is necessary to see the new bases for economic relations between the two states. It has to do with the unification of the economies of both states and the harmonizing of their plans. Whatever is decided upon must be maintained by both sides. The economies of both countries must be treated as a united whole, and all possibilities must be considered. He proposed that relations with the GDR be governed in the same way as, for example, the plan and settlement with the Ukraine are binding. He illustrated this strive-worthy condition by referring to a discussion that [Klement] Gottwald¹ had once led.

Comrade Ulbricht pointed out that until 1954, there had already been closer economic relations than is currently the case.

Comrade Khrushchev countered that the cooperation then was different, it was a mutual agreement. He is of the opinion, for example, that the question of investments in copper and potash must be agreed upon in the mutual plans, which [each side] must be obliged to keep.

Meeting the quantities agreed upon must be an obligation. Comrade Ulbricht voiced his agreement. He then made several supplementary remarks regarding economic-technical cooperation and suggested that a direct cooperation of the [Party] secretaries working in this area should take place. Currently, things are not in order because very many matters regarding the transfer of patents and experience are being regulated by state security. He is of the opinion that the exchange and transfer of such things should take place through the "Committee for Coordination." He proposed that suitable guarantees be made for such cooperation.

Comrade Kosygin then reported on his conceptions for the plan in 1962, at which point he stressed that deliveries to the GDR have been fully agreed upon, but that the balance is still 215,000,000 rubles short.

He then drew attention to the following particulars:

Activation of trade with Bonn to the maximum extent.

Scrutiny of military expenditures.

The establishment of technically-based norms, esp. the alteration of norms.

The alignment of investments in crucial areas.

The standard of living in the GDR in comparison to the Federal Republic.

From the latest numbers he reached the conclusion that there are good possibilities

for real propaganda in the GDR. He further stressed that great possibilities still exist to balance the plan in 1962, though with a larger credit from the Soviet Union. He suggested that it is better to discharge an investment with 6% than with 7%, but also to fulfill and surpass the plan. By all means, that is politically better. With regard to the standard of living, he drew attention to the fact that it seems expedient to give more in the form of direct wage increases and less through the social funds, because the latter is barely taken into account by the population.

Comrade Khrushchev interjected that after the 20th Plenum, the Soviet Union also went over to presenting the plan in such a fashion that a larger surplus [Ubererfullung] was guaranteed. That is of political consequence. Regarding the credit, he proposed that a suitable agreement be made and then signed in Leipzig.

Comrade Ulbricht expressed his agreement to the proposals and drew attention to the situation that had developed in terms of the individual matters in the most recent time period.

With regard to military expenditures, he referred in particular to the fact that it had become necessary to equip the army with new rail and radio equipment.

Comrade Khrushchev interjected that it cannot be that such an increase could arise on these grounds. One must check. It has to do with limiting the non-productive expenditures.

Comrade Ulbricht referred to the need to achieve an increase in production through additional material stimuli and reported on the struggle being waged to create technically-grounded work norms.

He pointed out that an acceleration of this struggle [to create technically-based work norms] is impossible.

Comrade Kosygin pointed out that the GDR is among those [states] with the highest norms in housing. In discarding ruins and constructing new city centers one cannot proceed from the desirable shape of the city centers; instead, money must be placed first of all at the disposal of factories. In the GDR there are accommodations, city centers, etc., that are not planned for the Soviet Union until 1970. One must make reasonable use of the funds available. The main thing is to use these means for production.

Comrade Khrushchev said that he is upset that little is being invested in agriculture. We cannot accept special circumstances with regard to the large number of kulaks. If a decision [has to be made], whether city centers are to be built or investments made in agriculture, then the latter. One must promote production with all means and not simply pay more for the work units in the agriculture. In general, agriculture is the sore point of all the people's democracies. He then referred to the reorganization of the administration of agriculture in the Soviet Union that had been discussed at the March plenum.

In response to Comrade Ulbricht's letter, he said that the campaign for a peace treaty is settled. We will pursue the campaign aggressively, for the signing of a peace treaty. We will exploit every possibility for negotiations, but we will decide at what point to conclude it.

He is in agreement with a joint protest against the Western states' discrimination against the GDR. It would be incorrect, however, to strive, for example, for a general boycott in the field of sports. Stalin did that. One must make reasonable policy and

not declare a boycott as a principle. That would only be to the advantage of the reactionary forces....

Comrade Ulbricht then referred to the articles being printed in the press about comrades who perished in the period of the Stalin-cult and stressed that this is of a certain importance to the GDR. Until now, nothing has been done in this direction, and there is no intention to do so. It is nevertheless necessary to agree upon the tactics in these cases.

There are cases in which the Soviet comrades do not understand our tactics - e.g., a delegation of writers who expressed the opinion that there is not enough freedom [in the GDR]. That was expressed at a writers' congress. The GDR is not publishing materials about Stalin's victims, and such books and publications will be refused by us - e.g., a book about the events in 1953 and the case of [Lavrentii] Beria.²

He voiced a request that in exchanges on the state level a certain order be created, so that - for example - writers cannot be used against the policies of the GDR. To this end, it is necessary that the party get involved.

Comrade Khrushchev agreed to speak with Comrade [Mikhail] Suslov and Comrade [Leonid] Il'ichev³ about it.

Notes:

1. Former General Secretary of the Communist Party of Czechoslovakia.

2. Lavrentii Beria, head of the NKVD/KGB and heir-apparent to Stalin, executed in 1953. After his arrest in late June 1953, Beria was accused of having been willing to give up the socialist GDR in favor of a neutral, reunified, bourgeois, and demilitarized Germany in return for substantial reparations from the FRG. Khrushchev and his other rivals in the Soviet leadership had justified his arrest and execution in part on these grounds. Gaddis, *We Now Know*, 136.

3. Both Suslov and Il'ichev were Central Committee secretaries with responsibilities in the fields of ideology and propaganda.