

March 26, 1948

**Record of a conversation between I. V. Stalin and
the Leaders of the Socialist Unity Party of Germany,
Wilhelm Pieck and Otto Grotewohl**

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Summary:

Stalin, Pieck, and Grotewohl have a lengthy conversation about the Soviet Zone of Occupation and the activities of the Socialist Unity Party.

Original Language:

Russian

Contents:

Translation - English

Record of a conversation between Cde. I. V. Stalin and the leaders of the Socialist Unity Party of Germany Wilhelm Pieck and Otto Grotewohl, 26 March 1948, at 1900 hours

Top Secret

Present: V. M. Molotov, A. A. Zhdanov, G. M. Malenkov, V. S. Semenov (SVAG [Soviet Military Administration in Germany]), and interpreters - G. Ya. Korotkevich and F. Elsner.

PIECK thanked I. V. Stalin for the welcome and also for the aid which the Soviet Military Administration in Germany gives the SED [Socialist Unity Party].

I. V. STALIN asks whether the Military Administration is actually giving aid or if this is a compliment.

PIECK and GROTEWOHL say that they are actually receiving aid.

STALIN, joking, asks again, does this mean that they don't just oppress you, but also give aid?

PIECK, laughing, confirms [this]. Then he says that he will describe political issues and Grotewohl economic [ones]. In Pieck's words, the exacerbation of the conflicts between the Allies on the issues of an imperialistic or democratic peace with Germany, the unity or dismemberment of Germany, and its democratic development or colonialization by means of the Marshall Plan are influencing the mood of the German people. These conflicts are not so clear to the broad masses but they are influencing the mood of the masses, especially in Berlin. The Western powers are trying to influence the population and direct it against the USSR, arousing hostility against communism which supposedly wants to crush [poglotit'] the people, take the Germans' private property away from them, etc.

STALIN laughs.

PIECK says that although this propaganda is stupid it has an influence on a population brought up in an anti-Communist atmosphere even back in the Weimar Republic and then under Hitler. One of the factors which promote anti-Soviet sentiments among Germans is the arrests of Germans without any communication between those arrested and relatives.

STALIN asks, who arrested these Germans?

In PIECK's words the Soviet occupation authorities are making the arrests; after arrest these people sort of disappear from life, they are not afforded an opportunity to communicate with relatives, and there are no public trials. The population ascribes blame to the SED which supposedly doesn't want to change this, but could. Pieck suggests that in important arrests both SED chairmen would be informed by the Soviet Military Administration, that correspondence between those arrested and relatives be permitted, and that open trials be set up. Pieck explains that in the west of Germany the occupation authorities also make large-scale arrests but there communications with relatives is permitted and from time to time open trials are held, which relieves the atmosphere.

STALIN asks perhaps those arrested by the Soviet authorities are foreign agents or spies?

PIECK replied affirmatively, but points out that there are other arrests made through denunciations by reactionaries. Arrested fascists from the 'Werewolf [Organization],' for example, sometimes inform against Social Democrats in order to ease their own situation. There have been arrests of socialist-minded youth and also politically reliable SED people based on such inaccurate statements. It would be good to know the reasons for such arrests and also to free wrongly arrested people from internment camps.

STALIN asks why SED leaders did not write here about this.

PIECK replied that they did not want to bother I. V. Stalin with appeals about minor matters.

STALIN remarks, 'What kind of bother this is!'

PIECK says that they wanted to describe a request about this here and consider it necessary to reexamine the methods without abolishing measures needed to ensure security. Difficulties for the Party also arose from expropriations of property in connection with land reform and the confiscation of enterprises from fascist and war criminals. Some mistakes were committed in the process, although the Party thinks of course that these democratic reforms are absolutely necessary.

STALIN asks, who performed the expropriation?

SEMENOV replies that the land reform was concluded by German agencies back in the autumn of 1945 and that there has been no further expropriation of land. The expropriation of enterprises of fascist and war criminals was made by decisions of German commissions in Lander and the SVAG only approved these decisions.

PIECK acknowledges that land reform has concluded but the confiscation of enterprises is continuing.

STALIN asks, to whom are the confiscated enterprises transferred?

PIECK replies that they are transferred to the ownership of German control bodies.

STALIN stresses that thus these enterprises will be transferred to the German public and not to the Russians.

PIECK mentions that part of the enterprises went to the ownership of Soviet joint-stock companies.

STALIN asks, whether enterprises are being transferred to Soviet joint-stock companies now?

PIECK does not reply to this question directly and talks about new confiscations of property in the zone for German control bodies.

STALIN asks, who is doing the confiscations?

PIECK replies that they are done by German commissions, but bourgeois parties are protesting this measure.

STALIN says that he, Stalin, has authority over the Soviet Military Administration but not over Germans. The first complaint is with regard to the Administration. He, Stalin, accepts it. The second is against Germans . . .

PIECK says that he wanted to show by this what difficulties the Party is encountering.

STALIN notes, "I understand."

PIECK then talks about the growth of the influence of the SED among the masses, especially in connection with the people's congress. The SED is fighting the Marshall Plan and the creation of a west German state. Therefore sharp differences arise with the western powers which lead to terrorist measures against the SED. Thanks to the people's congress the Party managed to attract a large number of bourgeois elements in the movement. Two sessions of the congress were held. The first was convened during the London Session of Ministers of Foreign Affairs [SMID]. A delegation was selected which the SMID refused to grant a hearing. The second congress was held on the anniversary of the Revolution of 1848 and decided to collect signatures for a petition to hold a popular vote on the issue of the unity of Germany and also elected a people's council of 400 members comprising a small parliament. The second congress also adopted a decision on the democratic and economic structure of Germany. The first congress was more impulsive and the second more businesslike. Two thousand two hundred participated in the first congress, of which 460 were from the western zones. Two thousand participated in the second congress, of which 512 were from the western zones. Most of the representatives from the western zones crossed the border illegally. Nevertheless, matters proceeded without arrests. There were 600 SED representatives at the first congress and 360 at the second. By reducing the number of SED representatives they wanted to show that the congress was not just an SED affair.

STALIN asked, to what party did those who come to the congress from the West belong?

PIECK replies that 80% were Communists. But there were also notable people from bourgeois parties.

STALIN asks for confirmation of this.

PIECK mentions Prof. [Hesterman] from Munster, who spoke in the debates at the German People's Congress. There were also representatives from other parties, including the SPD [Social Democratic Party]. The second congress went successfully, which was evident from the measures against the congress adopted by the occupation authorities of the western powers who prohibited the congress and brazenly agitated against it even in the Control Council, where Robertson made insulting attacks on the congress. The SED turned to the British government with a request to force Robertson to take back his insulting remarks.

Pieck then cited data about the makeup of the People's Council to which 300 members were elected from the Soviet zone and 100 from the western zones. There was a total of 85 SED members elected, about 10 from the SPD, and the rest were representatives of other parties and mass organizations.

STALIN asks again, "were Social Democrats also in it?"

PIECK replies affirmatively. He said further that administrative measures in the Soviet zone have a certain influence on the population, especially the transfer of the enterprises of fascist war criminals to the hands of the people. SVAG Order N° 324,

which is based on the slogan 'Work more to live better', was of great help in increasing labor productivity. Some improvement of the economic situation has been achieved in the Soviet zone but all the same it remains difficult. The reorganization of the German Economic Commission 17 has great importance for administrative work. In contrast to the gradual economic improvement in the Soviet zone, a decline is being seen in the western occupation zones. The food situation there is worse.

STALIN asks, is the food supply worse in the west? Is this actually so?

PIECK confirms this and points out that there have been large-scale strikes there because of this. The British occupation authorities tried to ascribe a plan to turn the strikes into an uprising (the so-called "Plan M") to the Communists. They wrote that the Communists have an even more dangerous "Plan R". The SED announced right away that this is an invention of the British secret service; the British instead lost interest in dealing with these "plans" anymore. The Party received certain support in this from CDU [Christian Democratic Union] representative [Semler] in the two-zone Economic Council, who criticized the American policy in the West, stressing that it was leading to poverty and that the CDU is leading the strike itself. Clay declared that Semler is lying. Clay did not approve his election when the CDU of Bavaria elected Semler as its representative to the two-zone Economic Council.

Pieck further pointed to the phoniness of denazification in the western zones where old reactionary personnel remained in leadership posts in control bodies. Fascist officers are in judicial bodies and the police. Even Schumacher was forced to protest about this. There is no doubt that Schumacher is a British agent and that his statement had the purpose of calming the SPD. The British and the Americans are also obstructing any nationalization of industry in their zones. Propagandizing the Marshall Plan, they talk about the aid which they are supposedly planning to grant Germany. SED counter-agitation on this issue has not become so active as on the issue of the unity of Germany as a consequence of the illusions spread among the population associated with the Marshall Plan. The Party has not yet managed to involve the broad masses in fighting the Marshall Plan. The KPG [Communist Party of Germany] is organizationally and politically weak in the western zones. We view it as a party under the common leadership of the SED. The KPG has announced its acceptance of the principles and goals of the SED. KPG-SED working cooperation committees have been organized in the west but these committees have not been recognized by the occupation authorities. The KPG organization numbers 312,500 members and the SPD - 800,000.

STALIN asks, this is where, in the west?

PIECK confirms this. The KPG representation in the landtags is so small. In 12 Lander of the western zones the Communist have 83 seats of 1300, that is, 6.3%.

STALIN asks, is the KPG formally shut down in the western occupation zones?

PIECK replies in the negative. He then points out that the Communists received 9.1 % of the 20 million votes in the elections of the western zones. However, the influence of the KPG in enterprises is larger, especially in the Ruhr, where the Communists received 34% of the votes in the elections to production councils. The weakness of the KPG is in the lack of overall leadership. Up to now the leadership bodies existed only in the Lander but cooperation between the Party organizations of the Lander was weak. At the last SED CC plenum it was decided to create a single bureau for all the western zones which would have three well-trained comrades working in the western zones.

STALIN asks, why have the Communists and part of the Social Democrats not united

into one common party?

PIECK replies that Schumacher is sharply against unity and expels anyone from the SPD who tries to advocate uniting with the Communists.

STALIN asks, is there any sort of opposition among the Social Democrats?

PIECK replies affirmatively. It is developing the more it becomes clearer that the SPD is harming the workers' movement. For his part, Schumacher is trying to counter this by slandering the Communists.

STALIN says that he means something else. If there were a united party in the west then it would be better. It is advisable to remove the Communist sign which is scaring many people. This would be good. With such a unification it would be sufficient if only some Social Democrats switched to the united party. PIECK explains that they rejected a united party; when it was proposed, the reproach was that the SED is a renaming of the KPG.

STALIN notes that if there is any opposition in the SPD in the west then it would be possible bring it into a united party and carry out unification. Is this really impossible?

PIECK says that this is possible and refers to the example in Dortmund where in fact a united party organization was created.

STALIN asks, is this perhaps disadvantageous?

GROTHOHL says that unification is impossible since the occupation authorities are prohibiting the renaming of the Communist Party and the unification of the workers' parties.

STALIN asks again, is unification being prohibited?

MOLOTOV confirms that it is being prohibited.

PIECK points out that the western occupation authorities are prohibiting even joint meetings of Social Democrats and Communists.

STALIN asks, do the occupation authorities really need the Communist sign? Then he explains that persecution against Communism is so strong that right now it scares the population away.

PIECK cites an example of the occupation authorities forcing signs about the people's congress in Bremen to be signed by the KPG in order to scare the population.

STALIN comments - scoundrels. They need this scarecrow, this bugaboo.

PIECK talks about the difficulties of work for Communists in western Germany as a consequence of which not long ago orders were given to mix legal work with illegal [work] and prepare to switch to an illegal status.

STALIN says, "but if the Communists declare themselves a workers' party, as they did in Poland!"

PIECKS says that they need to think about this but the permission of the occupation authorities, which they might refuse, is needed.

STALIN says that this needs to be tried. This wouldn't be bad.

PIECK talks about the aid which the SED is giving the Communists of western Germany in personnel, paper, and money. Whereas in 1946 the KPG of the western zones was given 1.3 million marks, now they have been given 4.3 million marks. Pieck asks Stalin about transferring the Deutschlandsender radio station for German radio broadcasting; at the present time it is being used for relaying Moscow radio broadcasts to the Soviet occupation forces. The Berlin medium wave radio station put at the disposition of the Germans is not audible in western Germany, in particular, in the Ruhr.

STALIN asks, "is a single radio station sufficient?"

ELSNER says that Deutschlandsender is the most powerful radio station in Germany.

STALIN asks about the radio station in Nauen and receives the reply that it was destroyed during military operations.

Stalin asks what the distance is between Berlin and the Ruhr. He adds that it would be possible to give two radio stations so that the SED could cover all Europe with its programs.

PIECK repeats that the Berlin radio station at the disposition of the Germans is not audible in western Germany.

STALIN asks Pieck what he wants.

PIECK replies that they want to be given the Deutschlandsender radio station.

SEMENOV says that the Deutschlandsender is received by peoples' receivers in all of Germany but peoples' receivers do not receive the Berlin medium-wave station. He considers it possible to put Deutschlandsender at the disposition of the Germans, but Sokolovskiy objects to this.

MOLOTOV notes that at one time the SVAG objected to transferring this radio station to the Germans on the grounds that it ought to be under four-power control; hence if the SVAG had transferred this station to the Germans then the Allies would have taken it for themselves.

SEMENOV confirms this and says that now this impediment has gone away.

STALIN says that we will transfer this station.

PIECK talks about the powerful propaganda apparatus which the western occupation authorities have in Berlin which the SED cannot even match. The SED is expanding agitation in the Soviet sector of Berlin, but in the western sectors the occupation authorities are interfering with work at enterprises, prohibit the hanging of signs, convening meetings, and they create Trotskyite groups. New elections will be held in Berlin this October. Pieck doesn't think that the elections will be better for the SED than in 1946. They would be happy if the Allies were forced out of Berlin.

STALIN comments, let's try with [our] common efforts; maybe we'll force [them] out.

PIECK tells of the results of labor union elections in Berlin during which the SED lost votes, including among the metalworkers. This is a serious matter. They need to pursue a correct policy in order to make up what was lost. They need to overcome the weakness of the SED in political propaganda since it will be difficult if the Social Democratic opposition wins any more labor unions. The balance of strength between the SED and bourgeois parties in the Soviet zone comes down in favor of the SED. The Party received 47.6% of the seats in the elections to the landtags and has 50.5% together with the peasant mutual aid and Kulturbund parties. Both bourgeois parties, the CDU and the LDP, have 49.5% of the seats in the landtags. However, in some Lander the bourgeois parties have a weak majority in the landtags. Hence the need to maintain a [voting] bloc with these parties which exert a strong influence on the SED on political issues, especially when property issues are affected. Numerically, the SED is the strongest party in all of Germany and has 1,774,000 Party members. In the western zones and in Berlin the SPD numbers 800,000 members, including 45,000 members in Berlin. The SED has 108,000 members in Berlin. The bourgeois parties in the Soviet zone number 382,000 members and 31,000 in Berlin. Four million workers and white-collar workers have been organized into labor unions.

STALIN asks, where is this?

PIECK replies that it is in the Soviet zone. It comprises 64% of all those working in industry, transport, and in enterprises. The intra-Party situation in the SED has been improving recently. The internal cohesion of the Party is growing. However, there still remain vestiges of division among former Communists and former Social Democrats. Slander against opponents causes some wavering in the Party, for example, on the issue of the arrests. The Party is experiencing great difficulties in personnel for it has to send workers for control bodies, administrative bodies, mass organizations, the Party apparatus, the press, etc. The circle of trained workers from former Social Democrats is small. Therefore it is difficult to maintain parity, which will soon have to be abandoned. The training of personnel is also very important. This is the system of training personnel in the SED. Evenings on political issues are held in production groups and in groups by residence. In production organizations up to 50% of the Party members participate in them, but in non-production [groups] from 20 to 40%. District schools with 4800 students are operating in 115 districts (kreis). About 60,000 Party activists have passed through these schools. There are six three-month schools in Lander with 620 students. The highest level of Party education is the Higher Party School. Its course of study was recently extended to two years. They have 200 students and 27 instructors, who are very overworked. The Higher Party School has short-term [industrial] sector courses. A three-month Academy for Managerial Staff opened in May, which was then reorganized into a one-year Academy with 600 students. It will train high-level officials for administrative bodies and also instructors. Pieck talks of the Party's intention to introduce a new discipline, "scientific socialism", in six universities and three higher educational schools of the Soviet zone as a compulsory subject with an examination. This name was chosen in order to counter the propaganda against socialism from the West.

STALIN asks, did the other parties agree with this?

PIECK says that they should agree. Many talk about socialism in Germany but they represent something completely different as socialism. There are even Christian socialists.

STALIN again asks, do all parties agree with this?

PIECK continues that 20 docents need to be trained to pursue this plan. This is important in order to counter reactionary influences in the higher school. The SED

wants to make this subject mandatory as long as students refuse.

STALIN laughs.

PIECK says that they announce to the students that the latter is not obligatory for socialists but if they are against Marxism then they should at least know what it is.

STALIN laughs and asks, but what are you saying, do they agree? For this will be done on government money, not Party [money].

PIECK says that they will carry this out and there will be no difficulties.

STALIN asks, there won't?

PIECK replies affirmatively. He also says that Zolotukhin from the Soviet Military Administration supports this idea and is counting on achieving success. Pieck then says that of the 16,200 students of universities and higher schools of the Soviet zone only 4,600 students come from worker's and peasant [families]. Four thousand two hundred students are SED members (26%), KhOS members are 7.5%, and LOP members are 9.2%. The remaining students are unaffiliated. Reactionaries hide under the label of unaffiliated. Of the student councils 36% are SED, 19% are KhOS members, 19% are LOP members, and 25% are unaffiliated.

Pieck says that thus the Party still has large tasks before it. They are also great with respect to work with bourgeois parties. Kaiser, speaking initially in favor of "Christian socialism", recently tried to win the KhOS of the Soviet zone over to the side of the western powers. There is also great vacillation in the LOP, especially in Berlin where reactionaries were entrenched. It is necessary to find support inside these parties and remove the reactionaries. This can be done, relying on the people's congress and speaking out for peace and the unification of Germany. Pieck speaks of the need to form a fourth party for former nominal Nazis who were resettlers from military districts and part of the POWs.

STALIN says that we know this. We have no objection. He asks, did [we/they] inform them of this?

PIECK replies affirmatively. He says that they have already begun this matter with the publication of the Nazional Zeitung newspaper. However, there are difficulties in selecting the leadership of this party inasmuch as people are needed for this who will not be against us, but also not too openly connected with us.

STALIN acknowledges.

PIECK says that the bourgeois parties are emphatically against the creation of such a new party since they understand that it will be developed at their expense.

Pieck then talks of the progress of the membership composition of the SED and that they are planning a verification [proverka] with the purpose of cleansing the Party of people who registered twice in the Party, by place of work and place of residence. The SED recently lost 12,500 members who left the party due to dissatisfaction with the food supply and partly because the Party could not assimilate them in view of the weakness of educational work. During the same period 42,000 new Party members were accepted. Work needs to be strengthened to study and educate new Party members and, moreover, to pursue a individual recruiting campaign at enterprises. Summing up, Pieck says that they have two requests for Stalin, about the questions

of arrest and the radio station.

STALIN says that he has written this down. He asks, is work being done among women?

PIECK replies that a Democratic Women's Union exists and is working successfully among women.

STALIN asks, how are things with youth?

GROTEWOHL points out that the Union of Free German Youth numbers 600,000 members and is working successfully among youth.

STALIN asks, is there such a union among Social Democrats in the West?

ELSNER replies affirmatively.

PIECK speaks of the weakness of Party work among intellectuals, although the SED has a decisive influence in the Kulturbund.

GROTEWOHL then speaks. He notes that the London Conference created a new situation for Germany. The Potsdam Agreement provided a clear procedure for working out a peace treaty for Germany. This has been destroyed. The Council of Minister of Foreign Affairs, as a body which can work out a peace treaty, is becoming superfluous. The question arises, who will make peace and what kind of peace will it be? In terms of international law Germany is in a vacuum [nakhoditsya v bezvozdushom prostranstve]. In the political sense it is deprived of a government. For a number of months the Control Council has not been able to decide on fundamental issues and after the 20 March meeting at which Sokolovskiy made a strongly worded demand about the London Conference of three powers, further work was curtailed. The Control Council is really not operating. There is no organization [instantsiya] to carry out the reparation plan for all of Germany. We have drawn conclusions from this for ourselves. A national calamity was declared at the people's congress and a number of slogans were formulated. If there is no such body to perform German-wide tasks then the German people should embark on the path of national mutual aid. But national mutual aid is restricted by cases of interference by occupation authorities. After the collapse of the London Conference in December 1947 some separate measures were conducted in western Germany to reorganize the Economic Council and a government was actually formed. The core of the policy of the western occupation authorities in Germany is now the Marshall Plan. The discussion in the Control Council about financial reform is evidence of the danger of a separate financial reform in western Germany. This would mean the completion of the economic dismemberment of Germany. A separate financial reform is one of the primary elements of the Marshall Plan with respect to Germany. However, in the western zones most of the population is in a state of political apathy. They see the dollar and think that the Marshall Plan will give Germans an opportunity to live better. That's how we assess the situation. Disappointment will come with respect to the economic results of the Marshall Plan since bourgeois policy precludes any kind of humaneness. In reality an increase of production and the development of exports of industrial goods is not being permitted in West Germany but the importation of raw material is growing and old monopolistic bodies are reviving; at the same time, the Ruhr is again being turned into a center of the armaments industry.

STALIN asks, is industry in the Ruhr improving?

GROTEWOHL says that the coal output in the Ruhr has increased to 300,000 tons a

day.

STALIN asks about metal production in the Ruhr.

GROTEWOHL says that there is some increase in metals which has been achieved by using a food supply bonus system. There are no precise figures about industrial capacity in the western zones. Grotewohl continues, we are fighting against the Marshall Plan, for peace, against the dictatorship of monopolies, and for democracy. It is characteristic that hostility toward the Marshall Plan is developing among the German technical intelligentsia and business owners. The conviction is growing in these circles that the natural economic relations for Germany are with the east and southeastern Europe. Such an opinion is growing more quickly in these circles than even among workers. Grotewohl points out that the strikes in the western zones did not have a political nature, but were an expression of protest against hunger. Grotewohl then says that reactionary forces are directing their main thrust in their propaganda against Bolshevism, Russia, and the SED, which they identify with Russia. The SED is looking for a way to get out of such a situation. The most effective measure in this struggle is the organization of a self-supporting economic base in the Soviet zone. Therefore the economic problems of the Soviet zone are pushed to the forefront and which should be organically tied to the Party economic slogans for all Germany. The industrial production of the Soviet zone in 1936 came to 14.8 billion marks. In 1947 it was 9.4 billion marks, excluding the enterprises of Soviet joint stock companies, together with the production of which gross production of the zone is 10.4 billion marks. Thus, by comparison, industrial production has reached 56% of the 1936 level.

STALIN asks, whether comparable prices been taken into account in all this, and receives an affirmative reply.

GROTEWOHL says that according to the 1948 plan an increase of industrial production of the Soviet zone of 5% over 1947 was envisioned. We hope, he said, for an increase of production of 10%, but difficulties are arising which we cannot overcome alone. Grotewohl says that for a growth of industrial production of 10% they need the following quantities of raw material through imports: 250,000 tons of rolled metal and steel; 300,000 tons of hard coal; 22,000 tons of cotton; 1,700 tons of wool; 3,000 tons of flax; and 1,200 tons of hemp. In addition, from the production of Soviet joint stock companies they need to allocate 38,000 tons of artificial wool and 5,000 tons of artificial silk for the German economy. Touching on supply questions, Grotewohl said that at the present time in the Soviet zone they are issuing 1,500 calories per person per day. In 1950 they ought to increase the norms to 2,600 calories. But inasmuch as agriculture was seriously damaged as a result of the war the solution to this problem is impossible without the importation of food from abroad. Therefore they need to import 280,000 tons of grain, 120,000 tons of feed, and 1,200,000 tons of oilcake. The prewar requirement in meat and fats in the zone were 600,000 tons but now production is only 200,000 tons. Thus the shortage is 400,000 tons.

STALIN asks, has the population of the zone increased?

GROTEWOHL replies affirmatively.

When he cites the figure for demand in oilcake, STALIN asks, is this perhaps a mistake and says that Grotewohl is citing figures that are too large. GROTEWOHL admits the possibility of error. He then points out the need to create a foundation for the development of agriculture by importing feed for cattle and supplying fertilizers. The zone's requirements in nitrogen fertilizers are calculated at 150,000 tons, which might be allotted from the production of the enterprises of Soviet joint stock companies. In addition, they need to import an additional 120,000 tons of phosphates. They also need to allocate 160,000 tons of coal to produce lime. The furnishing of these fertilizers could ensure a normal harvest in 1950. Grotewohl

stipulated that all the figures he cited might be imprecise since he does not yet feel fully at home in the economic issues of the zone. Grotewohl then expressed a request that there be no reparations removals from the 1948 harvest. The reparations plan envisioned removals of sugar and alcohol for the fourth quarter. Grotewohl then cited figures for supplying the Party with paper, stressing the importance of this matter both for political propaganda as well as for the financial situation of the Party, which has large expenses for training personnel and maintaining a staff. Grotewohl pointed out that, in spite of an increase in Party members and the complexity of the issues before it, the SED is getting half as much paper in 1948 as it got in 1946.

STALIN asks, how much paper do you need?

GROTEWOHL replies that right now they're getting 3,500 tons a quarter and the SVAG, 9,000 tons. This ask that the Party be allotted 3,000 additional tons of paper a quarter from these 9,000 tons.

Grotewohl then asks Stalin to give instructions to Soviet authorities to approve the agreement of DEFA, a mixed German-Soviet company, according to which the SED, as a stockholder of this company, would obtain the right to distribute German films in proportion to its capital in this company. This agreement was signed in Berlin but has not been approved in Moscow.

SEMENOV says that that agreement was not approved at the initiative of the Ministry of Cinematography but that the SVAG has advocated the approval of the agreement.

STALIN asks, why did [you] not write about this; don't you know the way here?

Stalin told Grotewohl that we will discuss then and try to do everything possible.

Then STALIN asks, are there German police in the Soviet zone? In whose hands [are they]? Who controls them?

GROTEWOHL replies that the German police are under the control of the internal affairs bodies of the Lander and also of the Central Directorate of Internal Affairs of the Soviet zone.

STALIN asks about the strength of the police and their weaponry.

GROTEWOHL replies, that the police are poorly armed.

STALIN asks, are these reliable people?

GROTEWOHL replies, that 90% of them there are Party comrades. The ministers of internal affairs, he stressed, are all our people.

STALIN asks, but at HQ?

GROTEWOHL replies, also.

STALIN asks whether you think that the police need to be reinforced and paid well.

GROTEWOHL says that this a crucial issue, of course.

STALIN asks, what help do you need from us?

GROTEWOHL talks about the desirability of aid in training the police.

STALIN asks, do they have good people who could train the police?

GROTEWOHL says that in general there are few people for the police.

STALIN says that possibly they could be taken from the POWs.

GROTEWOHL says that they have part of the personnel in the police from the "Free Germany" committee and mentions in particular Colonel Markgraf, the Chief of the Berlin Police, and [Bechler], the Deputy Minister of Internal Affairs of one of the Lander.

STALIN says that if they need people from the POWs they can take them. He asks, has the number of people which can be supported been identified?

SEMENOV replies that as far as he remembers in view of the differences on this issue, the Control Council did not reach agreement but this needs to be verified.

STALIN says that if weapons are needed then German weapons, which of course we might have, can be used. Stalin stresses that the police are a very serious matter which needs to be discussed seriously. They will prove useful.

Stalin asks if there are other questions.

GROTEWOHL says that they wouldn't like to carry out separate measures regarding governmental divisions during the further development of the Soviet zone before these measures are undertaken in the West.

STALIN comments that we have the same policy. This is a correct policy.

GROTEWOHL says that in this connection they are putting off the creation of a parliament and government in the Soviet zone.

STALIN approves.

GROTEWOHL says that the People's Council should discuss individual questions but it does not have executive power and cannot adopt laws. STALIN says that this is right, but nevertheless you should create some surrogates or, rather, the nuclei (embryos} of a national German parliament and government.

GROTEWOHL says that the German Economic Commission is the nucleus of a government. They transmitted their wishes with respect to this commission in a special document.

STALIN says that he didn't see this document and asks where they sent it. KOROTKEVICH says that the document was circulated from M.A. Suslov.

GROTEWOHL reads those measures from the circulated note about the German Economic Commission for which he is especially pressing, namely that the economic plan not be changed for a year without the agreement of the Economic Commission.

STALIN remarks, that's good, but all the same are the Germans planning to pay reparations?

GROTEWOHL and PIECK confirm [this].

GROTEWOHL says that there should not, however, be removals beyond the reparations plan and the plan for occupational expenses. Otherwise it would be impossible to create the [economic] stimulus to develop the industrial initiative of the workers.

STALIN says that he understands this. Stalin then asks if Grotewohl knows how much the Russians get annually from reparations in millions of marks or dollars.

GROTEWOHL says that in 1948 1.2 billion marks were planned, which is 10% of the gross industrial production of the zone.

STALIN asks, how much will this be in dollars?

MOLOTOV replies that at a rate of 3 marks per American dollar this is \$400,000,000.

STALIN asks, how is this, is it difficult?

GROTEWOHL did not reply. He said that they are very isolated and think that ties with other countries necessary. For this purpose they want to create commissions to study trade opportunities.

STALIN asks, with which countries?

GROTEWOHL replies, with Czechoslovakia, Hungary, Bulgaria, Yugoslavia, Romania, and Poland.

STALIN says, we can help you establish ties. If Germany is divided into two states then western Germany will remain without a market but eastern Germany will have a good market.

GROTEWOHL asks if there is a possibility for the Soviet zone to have a two- or three-year economic development plan in the future.

STALIN says that when the Economic Commission expands and becomes stronger then, in his opinion, it could be done.

GROTEWOHL says: in order to swim you have to go in the water.

STALIN agrees. We'll teach you everything, he says. We, too, couldn't do anything earlier but then we learned. Germans are capable people. They will learn no worse than we.

STALIN raises another issue. He says that it would be good if some organ of the People's Congress worked out a German constitution and put it out for discussion both in western and eastern Germany. This constitution ought not be very democratic in order not to scare off people, but it should all the same be sufficiently democratic so that the best elements of the West and East could accept it. This would be very good. The entire population needs to be involved in discussion the constitution. This

would create a psychological basis for implementing the unification of Germany.

PIECK says that the People's Council has chosen a constitutional commission and also commissions on a peace treaty, economic issues, and other [commissions].

STALIN comments that this commission on a peace treaty is a formal issue. But he, Stalin, considers working out a constitution to be one of the primary factors to prepare the German population for unification. Words about unity cannot be repeated all the time. They hear them several times and they this bores everyone. A specific plan needs to be given and the population drawn into working out this document. This needs to be done more quickly. The problem is not in bringing about the constitution. This will not be soon. It needs to be made a key factor to prepare the masses for the unification of Germany. The British and the Americans will try to buy the Germans, to put them in a privileged position. There is [only] one tool against this - to prepare the minds of the people for unification. A constitution is a very good tool, a remarkable tool.

PIECK says that they already tried to do this through Party channels in 1946.

STALIN says that this is not right. The commission should work out a constitution and the congress should discuss it and approve it, after which it is released to the people. This will be a long process. If it takes several years then you'll profit from this. If minds are prepared for this idea then it will be impossible to wreck unification. Then the Americans will have to capitulate. It will be good if you take this advice.

GROTEWOHL stated that they are of the same opinion and this will provide an opportunity for concrete agitation.

STALIN confirms [this]. All the people expect this and they will receive material. And no America will be able to do anything with this. By this means you will link the entire population with the congress. The authority of the congress needs to be raised. Stalin says that the unification of Germany will not come right away. It's necessary to fight for the unification of Germany with agitation and propaganda.

Stalin asks what other questions there are and whether they in a hurry to leave.

PIECK says that they are in a hurry and plan to fly out on Monday.

STALIN asks if it is possible to wait longer.

PIECK asks about the possibility of making the trip public. With Sokolovskiy's permission he has already told member of the SED secretariat about the trip.

STALIN says that it's all the same to us whether they announce the trip or not. They need to think what's best for the Party. Glasnost would be possibly somewhat harmful to us. They will say that they went to Moscow, received Moscow's orders, and the socialists have nothing like this, they operate through instructions. He, Stalin, doesn't know whether they need to shout about this. If someone from the German Economic Commission were in Moscow involving representatives other parties this would be another matter, but this matter could be spoiled insofar as they will say that socialists don't have their own chief. Will they not say so? Discuss this and decide it for yourselves.

PIECK agrees with Stalin and says that possibly there will come a time when a delegation of the People's Council might be able to travel to Moscow.

STALIN says that then it will be possible to talk about a trip, but right now this is an internal Party matter.

PIECK says that they will give a report about the trip to members of the Party secretariat.

STALIN agrees with this. They sent you, they should also hear you out. You should be answerable to them.

Stalin then asks whether they can remain in Moscow until Wednesday when a reply might be given about questions of interest to them.

PIECK said that they could remain. In view of the Easter holidays their absence in Berlin will not be noticed.

At the conclusion STALIN was interested in how they were accommodated in Moscow and whether their food was good.

PIECK and GROTEWOHL express thanks and bade Stalin farewell.

The conversation lasted two and a half hours, from 1900 to 2130.

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