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TRANSCRIPT of CONFERENCE Between GENERALISSIMO STALIN and HAROLD E. STASSEN at the KREMLIN in MOSCOW, on April 9th, 1947 (11:00 P. M. to 12:20 A. M.).

Present were Foreign Minister Molotov, Messrs. Pavlov (interpreter), Jay Cooke (Philadelphia Republican leader, war veteran, and associate of Mr. Stassen on his journey), and Robert Matteson (St. Paul, war veteran and research assistant on Mr. Stassen's staff). Transcript prepared from Mr. Matteson's notes in English of the entire conference and reviewed with interpretation of Mr. Pavlov's transcript in Russian, copy of which was obtained upon request. Permission to release publicity requested and obtained from Generalissimo Stalin at the conclusion of the conference.

STASSEN: (After introductions) Generalissimo Stalin, on this European trip I am particularly interested in studying conditions of an economic nature. In this regard, of course, the relations of the U. S. A. and the U. S. S. R. are very important. I realize that we have two economic systems that are very different. The U. S. S. R. with the Communist Party and with its planned economy and socialized collective state and the U. S. A. with its free economy and regulated private capitalism are very different. I would be interested to know if you think these two economic systems can exist together in the modern world in harmony with each other?

STALIN: Of course they can. The difference between them is not of essential importance so far as cooperation. The systems in Germany and the United States are the same but war broke out between them. The U. S. and U. S. S. R. systems are different but we didn't wage war against each other and the U. S. S. R. does not propose to. If during the war they could cooperate, why can't they today in peace? Given the wish to cooperate, of course, but if there is no desire to cooperate even with the same economic systems, they may fall out as was the case with Germany.

STASSEN: I believe, of course, that they can cooperate if they both have the desire to, but there have been many statements about not being able to cooperate. Some of these were made by the Generalissimo himself before the war. But is it possible now that the Fascist Axis has been defeated that the situation has changed?

STALIN: It's not possible that I said that the two economic systems could not cooperate. Cooperation ideas were expressed by Lenin. I might have said that one system was reluctant to cooperate, but that concerned only one side. But as to the possibility of cooperation, I adhere to Lenin who expressed both the possibility and the desire of cooperation. As to the desire of the people to cooperate on the part of the U. S. S. R. and the Party, it is possible - and the two countries will benefit only by this cooperation.

STASSEN: That last part is clear. The statements I referred to are those made by you at the 18th Communist Party Congress in 1939 and the Plenary Session in 1937 - statements about "capitalist encirclement" and "monopoly". I assume from your statement now that the defeat of Fascist Germany and Japan have now changed that situation.

STALIN: There was not a single Party Congress or Plenary Session of the Central Committee of the Communist Party at which I said or could have said that cooperation between the two systems was impossible. I did say that there existed capitalist encirclement and danger of attack on the U. S. S. R. If one party does not wish to cooperate then that means that there exists a threat of attack. And actually Germany not wishing to cooperate with the U. S. S. R. attacked the U. S. S. R. Could the U. S. S. R. have cooperated with Germany? Yes, the U. S. S. R. could have cooperated with Germany but the Germans did not wish to cooperate. Otherwise the U. S. S. R. could have cooperated with Germany as with any other country. As you see, this concerns the sphere of desire and not the possibility of cooperating. It is necessary to make a distinction between the possibility of cooperating and the wish to cooperate. The possibility of cooperation always exists but there is not always present the wish to cooperate. If one party does not wish to cooperate then the result will be conflict, war.

STASSEN: It must be mutual.

STALIN: Yes. I want to bear testimony to the fact that Russia wants to cooperate.

STASSEN: I wish to point out with reference to your earlier statement, that there was a great difference between Germany and the United States at the time Germany started the war.

STALIN: There was a difference in government but no difference in the economic systems. The government was a temporary factor.

STASSEN: I do not agree. Yes there was a difference of economic systems too. Imperialism, the development of state monopoly, and the oppression of workers are the evils of capitalism practiced by the Nazis. It seems to me we have been successful in America in preventing the monopoly of capitalism and the imperialistic trend and that the workers have made greater progress through use of the strength of their vote and their freedom than Karl Marx or Frederick Engels thought they could make - and this regulation of free capital and prevention of monopoly and freedom of workers in America makes the economic situation quite different from that which existed in Germany.

STALIN: Let us not criticize mutually our systems. Everyone has the right to follow the system he wants to maintain. Which is better will be said by history. We should respect the systems chosen by the people and whether the system is good or bad is the business of the American people. To cooperate one does not need the same systems. One should respect the other system when approved by the people. Only on this basis can we secure cooperation. Only if we criticize, it will lead us too far. As for Marx and Engels, they were unable to foresee what would happen 40 years after their death. But we should adhere to mutual respect of people. Some people call the Soviet system totalitarian. Our people call the American system a monopoly capitalism. If we start calling each other names with words of monopolist and totalitarian it will lead to no cooperation. We must start from the historical fact that there are two systems approved by the people. Only on that basis is cooperation possible. If we distract each other with criticism that is propaganda. As to propaganda, I am not a propagandist but a business-like man. We should not be sectarianists. When the people wish to change the systems they will do so. When we met with Roosevelt to discuss the questions of war, we did not call each other names. We established cooperation and succeeded in defeating the enemy.

STASSEN: That sort of criticism has been a cause of misunderstanding after the war.

Do you look forward in the future to a greater exchange of ideas and news, of students and teachers, of artists, of tourists, if there is cooperation?

STALIN: This will happen inevitably if cooperation is established. For an exchange of goods will lead to an exchange of people.

STASSEN: Some problems have arisen between us in the past because of a lack of desire on your part to exchange ideas - like the censorship of our foreign correspondents in Moscow. Instances also for example of the refusal of admittance of a New York Herald Tribune correspondent here have contributed to a lack of understanding between our peoples.

STALIN: (after questioning Mr. Molotov) That is true about the New York Herald Tribune. A part of American correspondents have an ill mood towards us. But this Herald Tribune case is an accident. It is an outstanding newspaper. It's an accident and not our policy.

STASSEN: They now have a correspondent here but only under temporary permission for the Council of Foreign Ministers meeting. They have been seeking a visa for a permanent correspondent here for some time. (Smiling) It is a leading Republican newspaper and one that assumes even greater importance now that the Republicans have a majority in Congress.

STALIN: (Smiling) It is all the same to us. We do not see any big difference between the Republicans and the Democrats. We held a conference of the Three Powers at Teheran where good work was done by us in a friendly atmosphere. Yet one American correspondent, whose name I at the moment do not remember, sent a cable and said Marshal Timoshenko was present when in fact he was not present, and that I struck Marshal Timoshenko at dinner - but this was a rash and slanderous fabrication and are we supposed to praise this correspondent? There were many witnesses, about thirty people, such as Churchill, Brooks, Leahy, etc., there, who saw that no such thing happened. We celebrated the 69th birthday of Churchill at that dinner. Nevertheless this correspondent sent this false news and it was published in America. Are we expected to trust such correspondents? We do not think the United States or its policy is to blame but such things happen and create ill-feeling among the Soviet People.

STASSEN: There are instances of irresponsible correspondents who make such misstatements but the other correspondents correct these misstatements and the people learn to know who are reliable and who are not reliable, and thus we find the people understanding and united, as they did in the great war effort.



STALIN: That is true.

STASSEN: Whenever a newspaper correspondent makes a clearly intentionally incorrect statement of importance, his newspaper will recall him, and thus our newspapers establish an able, fair staff of correspondents.

STALIN: (Smiling) In the beginning the correspondents write sensational stories, the newspapers publish them and make money on them, and then fire the writers.

STASSEN: The Press, Foreign Trade, cultural exchange, are spheres where the two systems must find ways of fitting together and improving their relations.

STALIN: That is true.

STASSEN: I feel that if stories came out without censorship, it would be a better basis for cooperation and understanding by our people than any other basis.

STALIN: It will be difficult in our country to dispense with censorship. Molotov tried to do it several times. We had to resume it and each time we repented it. In the autumn of 1945 censorship was repealed. I was on leave and they started to write stories that Molotov forced me to go on leave and then wrote stories that I should return and fire him. These stories depicted the Soviet Government as a sort of zoological garden. Of course our people got angry and they had to resume censorship.

STASSEN: As I see it then, you think it is possible that there be cooperation provided that there is a will and desire to cooperate?

STALIN: That is correct.

STASSEN: In the development of the standards of living of the people, mechanization and electrification have been of major significance. The new development of atomic energy is of very great importance to all people of the world. I feel that the matter of international inspection, effective controls, and outlawing the use for war of atomic energy is of supreme importance to all people of the world. Do you feel that there is a reasonable prospect of working out agreements for the long-term future for the peaceful development of atomic energy?

STALIN: I hope for this. There are big differences of views among us but in the long run I hope we shall come to an understanding. International control and inspection will be established in my view and it will be of great importance. The peaceful use of atomic energy will bring great technological changes. It is a very great matter. As for the use of atomic energy for war purposes, this, in all probability, will be prohibited. It will be a problem in the long run that will be met by the consciences of the people and it will be prohibited.

STASSEN: Yes that is one of our important problems and if solved, it can be a great boon and if not a great curse to the people of the world.

STALIN: I think we shall succeed in establishing international inspection and control. Things are leading up to it.

STASSEN: I appreciate the opportunity of talking with you.

(Forty minutes had elapsed and Stassen indicated a conclusion of the conference but Stalin's response and manner indicated a willingness to continue the discussion.)

STALIN: I am at your disposal. We Russians respect our guests.

STASSEN: I had an informal talk with Mr. Molotov at the San Francisco Conference and it developed into an invitation to visit Russia on the occasion of my trip to Europe.

STALIN: Things are in a very bad shape in Europe as a whole. Is that true?

STASSEN: Yes, in general, but there are some countries that are not bad. Switzerland, Czechoslovakia, -

STALIN: Those are small countries.

STASSEN: Yes, large countries are in a very different position. Their principal economic problems are coal, currency inflation, raw materials for production, and supply of food.

STALIN: Europe is a land where there are many plants but a great lack of raw materials - the shortage of food and raw materials is the tragedy.

STASSEN: The low production of coal in the Ruhr has caused a shortage of coal throughout Europe.

STALIN: Yes. It is very strange.

STASSEN: It is fortunate that we have had such large production of coal in the United States. We have shipped much to Europe. We are mining two million tons of bituminous coal a day.

STALIN: Things are not bad in the United States. America is protected by two oceans. In the north there is a weak country, Canada, and to the south a weak country, Mexico, and so you need not be afraid of them. After the War of Independence, the U. S. did not have another war for 60 years and that was a great help to the rapid development of the U. S. A. America's population is made up of such people as fled from monarchy and tyranny and kings and landed aristocracy, and that was also a great help, and that is why America developed in leaps and bounds.

STASSEN: One of my own great grandfathers fled from the old empire militarism in what is now Czechoslovakia. Of course the geographical position has been of great assistance to the U. S. And we have been fortunate that the enemy in recent wars has been defeated far from our shores. But also under our free economic system we have been able to rapidly reconvert and resume large peacetime production since the war. Our problem now is to see to it that we do not have a depression, an economic crisis.

STALIN: Do you expect a crisis?

STASSEN: I do not. I believe we can regulate our capitalism and stabilize our production and employment at a high level without any serious crisis. But it is the main problem to avoid a depression in our economic system. With wise policies in government and through learning the lessons of 1929 and the 1930's, we should have a successful, regulated, but not a monopolistic, capitalism with which we can avoid economic crisis.

STALIN: The Government must be vested with wide powers to accomplish that. The Government must be strong and adopt broad measures.

STASSEN: Yes, and the people must understand the measures of stabilization, and support the economic system. It is a new problem as there has not been a parallel to our high American production in the economic systems of the world.

STALIN: There is one favorable condition for the U. S. in that two competitors in the world market - Japan and Germany - have been eliminated. So the demand for American goods will grow and create favorable conditions for American development. Such markets as Europe, China, Japan are open to the U. S. A. and will be helpful to it. No such conditions have existed before.

STASSEN: On the other hand, those areas have no means of payment, and thus are actually a drain on us. But the removal of two imperial militaristic threats is a boon to us and to the other countries of the world from a standpoint of peace. And of course world trade has not in the past been a large factor in the U. S. Our principal markets have been at home or in our own hemisphere.

STALIN: About 10% of American production was exported before the war and now also South America is a market. As to the capacity to purchase goods, I think there are merchants who will find the capacity to pay for them and they will resell to peasants. I think the merchants of these countries have accumulated cash to pay with. So, U. S. exports will increase 20%, is that not correct?

STASSEN: No.

STALIN: Do you mean that?

STASSEN: Yes; I think 15%. Most merchants have accumulated only local money, which in most instances is blocked and not good for movement from one country to another. So I think our real trade will not be over 15%.

STALIN: Still, if you take into consideration the volume of your production, that is not a small figure.

STASSEN: No, it is not a small figure.

STALIN: Do American industries have a lot of orders? Is that true? And that American factories can't keep pace with them and that all factories are running at 100%. Is that true?

STASSEN: Yes, substantially, but they are largely domestic orders.

STALIN: But that is the most important.

STASSEN: Food, women's clothing, and shoes, for example, are catching up. But in such industries as automobiles, machine tools, locomotives, they are way behind their orders.

STALIN: Magazine analysts and the American press carry open reports to the effect that an economic crisis will break out.

STASSEN: Yes there have been those reports in the papers. Also reports that there would be 8 million unemployed the year after the war. But they were wrong. The problem is one of leveling off at high production and stabilizing without having an economic crisis.

STALIN: The regulation of production?

STASSEN: The regulation of capitalism. There are those who say there will be a depression but I am optimistic and say we can avoid a depression. I find a broader understanding by the people of regulation of capitalism than before.

STALIN: But what about business men? Will they be prepared to be regulated and restrained?

STASSEN: No. Some will have objections.

STALIN: Yes, they do.

STASSEN: But they understand the 1929 depression should not be repeated and they understand better now the necessary regulations concerning business. It requires a careful amount of fair regulation and wise decisions and prompt action by the government.

STALIN: That is true.

STASSEN: But all systems and all forms of government require that. If bad mistakes are made under any kind of government then it is harmful for the people.

STALIN: Yes.

STASSEN: Japan and Germany demonstrated this.

STALIN: Yes, warlords guided the economy and they didn't understand anything about the economy. Tojo, the war leader in Japan only knew how to wage war.

STASSEN: I appreciate this opportunity of talking with you and the time you have given me.

(Conference ended at 12:20 A. M., April 10th, 1947.)





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