



EMBASSY OF THE  
UNITED STATES OF AMERICA  
Berlin, June 15, 1931.

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No. 955

DIVISION OF  
EASTERN EUROPEAN AFFAIRS  
JUN 20 1931  
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DEPARTMENT OF STATE

Office of Economic Advisers  
JUN 20 1931  
DEPARTMENT OF STATE

THE UNDER SECRETARY  
JUL 2 1931  
DEPARTMENT OF STATE

*861.5017 Living Conditions*

861.5017-LIVING CONDITIONS/263

The Honorable  
The Secretary of State,  
Washington.

Sir:

As of possible interest to the Department, I  
have the honor to enclose herewith a memorandum con-  
taining the substance of a conversation between  
Walter Duranty, the Moscow correspondent of the NEW  
YORK TIMES, and a member of the Embassy, concerning  
Soviet Russia.

Respectfully yours,  
*George A. Gordon*  
George A. Gordon,  
Charge d'Affaires ad interim.

Enclosure:  
1 Memorandum.

Copy to Riga.

JUL 6 - 1931

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MEMORANDUM

June 4, 1931.

Mr. Walter Duranty, the Moscow correspondent of the NEW YORK TIMES, who stopped in Berlin only for one day, left Russia on June 2 for his annual summer vacation. He told me that the situation in Russia was quiet, although the "Right (Communist) opposition" was still patent. Nevertheless, Stalin considered the time propitious to take his annual vacation and planned to leave Moscow within a short time. This year's area under cultivation amounted to about 70 million hectares in comparison with 65 million in the previous year. Unless the country experienced a severe drought the prospects for the new harvest were for a crop somewhat larger and better than last year. In respect to the Five Year Plan, Duranty, for the first time, was exceedingly reticent. He said it was a mistake to have called it a "Five Year Plan," but as the name and idea was Stalin's pet, everybody was obliged to promote it. The shortage of iron and steel and the disorganization of the railway system was a serious matter and if combined with a real drought, as in 1922, it might cause a collapse not of the Soviet régime but of Stalin and the Five Year Plan. Duranty denied

that

that the authorities were interested in dumping Russian goods on the world's markets "at any price" merely to undermine capitalism; their sole purpose was to sell their goods. Russia, he added, was actually dependent upon the continuation of capitalism and the maintenance of high prices until such a time when it could stand upon its feet. In the field of foreign affairs, Duranty stated that Russia was much pleased with Litvinoff's speech at Geneva but disappointed because the League meeting had not widened the breach between the "Versailles Peace Treaty states of Europe" and Germany and its friends. The French willingness to negotiate a commercial treaty was greeted with much enthusiasm and regarded as an offset against Germany's "degovernmentalizing" of its relations with Russia (see the Embassy's despatch No. 942 of May 26, 1931). He was unable, however, to offer any explanation for Germany's new attitude towards Russia and until the moment he reached Germany was under the impression that the change was initiated by Russia. In conclusion, Duranty pointed out that, "in agreement with the NEW YORK TIMES and the Soviet authorities," his official despatches always reflect the official opinion of the Soviet régime and not his own.

A.W.Kliefoth.

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