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CENTRAL INTELLIGENCE AGENCY

INFORMATION REPORT

COUNTRY	Poland/East Germany/Austria	REPORT	
SUBJECT	Planned Expansion of Former German Power Plant at Waldenburg	CD NO.	
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THIS IS UNEVALUATED INFORMATION

1. Negotiations have been substantially completed between the appropriate Polish ministries and the Paulsenwerke, Vienna, for the latter to be designated as general contractor for the expansion of power plant facilities at the former Niederschlesische Bergbau AG (NIBAG), Wolmsdorf (Waldenburg). The cost of the planned expansion is estimated at 5,000,000 DMW. Actual construction is to get under way in late 1953 or early 1954; the project will take one and one-half years to complete.

2. Several East German firms equipped to undertake either the general contracting or at least subcontracting under the proposed NIBAG project have been effectively excluded from competing because of the adverse currency rate of exchange imposed on them. 25X1

East German firms are required to quote at the arbitrary rate of 3.20 DME (or DMW) per US dollar. Thus, though East German firms may be as fully qualified to undertake subcontracting 25X1 the arbitrary rate of exchange imposed upon them virtually excludes them, since export trade is generally quoted in terms of US dollars, and the satellite countries seem particularly eager to conserve their dollar credits.

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