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SOURCE Die Wirtschaftsstruktur der Sowjetzone und ihre gegenwaertigen sozial- und wirtschaftsrechtlichen Tendenzen.

ECONOMIC DEVELOPMENTS IN SOVIET ZONE GERMANY

Prof Dr Bruno Gleitze

[Figures and tables referred to are appended.]

Structural Changes in Soviet Zone Germany

Under the Nazi regime, the Soviet Zone area increased its share in total German industrial production from about 25 to about 26 percent during the rearmament period and maintained that level to the end of the war. In contrast, however, the present production of essential basic materials as opposed to industrial production in the Soviet Zone area accounts for only the following percentages of total German production: coal, 2.3; crude iron, 1.3; crude steel, 6.6; sulfuric acid, 20.0; lumber, 22.1; cellulose, 17.1; cement, 14.4. The production of these basic materials, which since 1945 represent a definite bottleneck in the East German economy, cannot be appreciably increased in the Central German area.

The Soviet Zone's dependence on raw materials from outside is inherent. That is why the Soviet Zone is so interested in interzonal trade, particularly in coal and steel. Structurally, the Soviet Zone is a natural complement to the West German economy, but the Soviets are attempting to eliminate this economic interdependence by incorporating the Central German area into the greater Soviet economy.

The rigidity of the Soviet planning system and the brutal insistence on plan fulfillment have from the beginning limited the flexibility of the Soviet Zone economy. Furthermore, the inelasticity of the reparation deliveries has increased the zone's sensitivity to crises. Production has been retarded by experiments with economic planning and by the Sovietization of the economy, but, since reparation shipments must be made regardless of the level of production, it has been the civilian sector of the population that has suffered. The standard of living in the Soviet Zone has for years been very low, and

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every new interruption of production causes new and painful gaps in the supply. A premature and complete incorporation of the Soviet Zone into the planned economy of the Eastern Bloc would have disturbed Soviet planning. Therefore, the Soviets preferred to let the civil population suffer. In contrast to the US, which is providing aid for West Germany, the Soviet occupation authorities have refused to alleviate the supply deficiencies, which are caused precisely by their reparation demands (see Table 1).

In the 4 years since the conclusion of land reform and the first wave of expropriations in industry and trade, the number of independent workers has dropped at least 200,000. The number of family members assisting such independent workers has decreased by almost 500,000. Before the war, wage earners and salaried employees made up about 75 percent of all the workers in the Soviet Zone area; the figure is now 79 percent, and the Five-Year Plan sets 90 percent as the goal for 1955.

Soviet Zone Manpower Balance (see Tables 2, 3, 4)

In 1939, there were 15.2 million people in the present Soviet Zone area, which comprises somewhat less than one fourth of the total area of the Weimar Republic. Before the war, the German region east of the Oder-Neisse, actually larger than the Soviet Zone, had 9.6 million inhabitants, many of whom are now in the Soviet Zone as refugees.

By the end of 1946 the population in the Soviet Zone had increased by more than 2 million. In Land Sachsen, the numbers remained about the same, but in Thuringen, Sachsen-Anhalt, and western Brandenburg, the density of population increased 20 percent, and in Mecklenburg over 50 percent.

Although the few official population figures which the Soviet Zone has made public are contradictory, as a result either of inaccurate statistical methods or of deliberate intent to deceive, those available make it possible for us to reconstruct the manpower potential at the zone's disposal. According to the 1946 census, the social structure of the zone before the currency reform was less favorable than that of West Germany, and it cannot have improved very much since then. In both parts of Germany, the returnees have probably improved the demographic composition of the population and have increased the labor potential. The percentage of women employed in the Soviet Zone, considerably above the percentage in West Germany, must have remained about the same, particularly since the stream of political refugees from the Eastern Zone into West Germany consists principally of men, and their departure must intensify the shortage of skill workers.

Before the war, active workers made up more than half the total population in both Central and West Germany. It is a natural result of the heavy losses during the war, which affected particularly the most productive age groups, that the proportion of active workers is now considerably smaller. In the Soviet Zone, the number of workers is today about 7.7 million, the same as in 1939, although the number of people to be provided for has increased by millions. In both East and West Germany, the number of pensioners and people on relief has increased considerably over the number in the prewar period.

The workers in the Soviet Zone have to provide not only for themselves and for the large number of their own people who cannot work, but also for the Soviet occupation forces, who are obliged to live off the land. This fact, and the low productivity, are the reasons why the Five-Year Plan requires a higher number of productive workers to improve the numerical relationship between workers and those provided for. The Five-Year Plan requires an increase of about a million new workers, who, to a large extent, would have to be drawn from the reservoir of unemployed women.

- 2 -

RESTRICTED

RESTRICTED

STAT

Thus, the social tendencies of the labor policy pursued in the Soviet Zone are clearly recognizable: increasing numbers of independent workers are to become wage earners and housewives are to be drawn into industry, so that the inadequate technical productivity can be offset by a mass commitment of workers.

The Five-Year Plan expressly demands that the percentage of women workers be increased from 37 to 42 percent of the total number of workers. Before the war, the percentage of female wage earners in the Soviet Zone was under 32 percent; even including working housewives and independent workers, the total did not reach 37 percent.

The planned increase in the number of women workers in the Soviet Zone is of interest not only because of the increase in the labor pool, but also because of the social implications; behind the propagandistic demands and the administrative measures is a disregard of the social and cultural attitude which formerly prevailed in Germany, a disregard which is characteristic of the Sovietization of the Central German area.

The Soviet Zone Labor Law of 19 April 1950 obliges "all plants and administrations to fill all jobs as far as possible with women workers." This is merely the formal statement of the goal set in the Five-Year Plan. However, since the law excludes only expectant or nursing mothers from mine work or night work, it violates the established German principle of specific protection of women from physically unsuitable work. A special law of 27 September 1950, called, ironically, the Law for the Protection of Mothers and Children and for Women's Rights, decrees specifically in Paragraph 19: "The work of women in production shall not be limited to the traditional women's vocations, but shall extend to all branches of production."

Sovietization of Agriculture (see Figure 1)

One of the first Soviet measures after occupation was the elimination of large land holdings. During the first year after the war, about one fifth of the total arable land was divided up and parceled out to new owners, and other former estate property, totaling about half that amount, became public property. About 11,000 owners, mostly farmers, were deprived of their property without indemnity. However, the predominantly agricultural character of Central Germany did not change; in fact it was intensified by 210,000 new peasants, mostly refugees. Furthermore, the land holdings of 80,000 former small farmers were increased.

The utilization of the arable land in Central Germany has been more or less constant for decades, because of climatic and geological conditions, and it has not changed appreciably since the war. A real increase in agricultural production can be achieved only by intensifying soil fertilization and by making available sufficient mechanical equipment. With the establishment of a system for assuring the rational use of the available agricultural machinery, the Soviets laid the foundation for an effective sovietization of Central German agriculture. The MAS (machine rental stations) are not only footholds for ideological penetration, but are also important instruments for regimenting farm operations and making the farmers dependent. Since the beginning of 1951, the local MAS and the shops and schools connected with them have been united under the designation "Federation of People-Owned MAS" and are on a par with other so-called people-owned enterprises.

In 1946 and 1947, the number of cattle was about one third lower than the prewar number. By 1950, the number of cattle and pigs reportedly was about equal to the prewar figure. The Five-Year Plan calls for the slaughtered weight of cattle to be increased by 19 percent between 1950 and 1955.

- 3 -

RESTRICTED

RESTRICTED

STAT

Sovietization of Industry and Hand Trades (See Tables 5, 6, and Figure 2)

The heavily industrialized Central German area provided the Soviets with a rich source of booty, which they proceeded to exploit by means of dismantlings and requisitions from current production. To be sure, this highly industrialized Central German area is short of raw materials, but its textile production, concentrated in the Sachsen-Thuringen area, is of high export value, although there is an insufficiency of spinning mills.

From 1936 to 1939, the output of the capital goods industries increased 60 percent. It increased further during the war in spite of bombings, and by 1944 amounted to almost 250 percent of 1936 production. In the same period, the production of raw materials and power increased by 50 percent. On the other hand, even in the war years, the production of consumers' goods declined considerably.

The Soviets thus took over an industrial potential with the most modern equipment, especially for machine and vehicle construction, aircraft construction, and chemicals and electric power. Dismantling operations in these fields were particularly rewarding for the Soviets, and the consequent decline in production was most keenly felt in these industries: in 1946, capital goods production amounted to barely 10 percent of 1944 production.

In the raw materials industries, particularly mining, it was more advantageous for the Soviets to take over the industry itself rather than to remove the production machinery. In the fall of 1946, the so-called SAGs (Soviet Corporations) were formed. By 1949, the SAGs controlled about 25 percent of all Soviet Zone industrial production; in the consumers' goods industry, control was not very extensive, but in the chemical industry, the Soviets controlled over 50 percent, in metallurgy, 46 percent, in the electrical industry, 41 percent, and in mining, 36 percent.

Industrial plants whose production offered the Soviets no especially attractive profits, but for which they could find an excuse for expropriation, were declared people-owned enterprises. Private industry, according to the 1951 plan, is to be reduced to 23.4 percent by the end of the year, largely as a result of channeling new investments into the people-owned enterprises. Under the contract system developed in 1949, private enterprises, down to the smallest ones, have become directly dependent upon those industries which have plan quotas and which can allot work to supplier plants as they see fit. Actually, only the people-owned enterprises and the SAGs have quotas, so private industry is at their mercy in the matter of orders and, even more, in the matter of obtaining raw materials. Thus the Soviets can regulate the tempo of sovietization of the remaining private enterprises as they wish.

Hand trades were finally incorporated into the contract system by the order of 9 August 1950, which states specifically: "The relationship between hand trades and the rest of the economy is to be regulated by contract." The Soviets are removing hand trades as a possible focal point for the establishment of a new group of entrepreneurs. This throttling of individual initiative has not been replaced in the sovietized enterprises by a stimulation of group initiative among workers in the large plants, as in Western Germany. Paragraph 4 of the Soviet Zone Labor Law of 19 April 1950 says: "In our new democratic order, in which the key industries belong to the people, the right of workers to codetermination in management is realized through the democratic state organs."

Realization of the Five-Year Plan will depend largely on whether the completely nationalized power industry can keep pace with the planned industrial expansion. The plan calls for a 70-percent increase in the output of electric power. In 1950, the Soviets claimed that they had reached the prewar

- 4 -

RESTRICTED

RESTRICTED

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level of industrial production. This is a propaganda claim based on comparison of noncomparable figures. The German Institute for Economic Research has calculated, after adjusting the claimed plan results of complete fulfillment of the 1950 plan, that at best a production level of 84 percent can have been attained. This figure is far below the production level in West Germany.

However, the actual social and economic level of the Soviet Zone is not clear from such a comparison. It is customary to regard as production only that part of the output which is actually marketable. Nonmarketable rejects are merely counted in the cost of plant operation. In the war years and before the currency reform, these rejects found their way to the market; in the Soviet Zone's planning system the use of these rejects is the general rule, and even such rejects as are reclaimed or are refused by the acceptance commissions are listed in the production statements. The system of comparative reporting, "Quota versus Actual Production," forces the adoption of this procedure.

But only part of the useful output of the Soviet Zone industry is available for domestic consumption. Reparations and direct and indirect siphoning off of industrial output by the Soviets jeopardizes the supply of the Soviet Zone population. In 1950, at least one third of industrial production was drawn off by the Soviets in one way or another. The loss to the consumers through inferior quality of the products can be estimated at 12-13 percent of the total production. Furthermore, almost one tenth of the zone's output was required for the refugees who entered the zone after the end of the war. Only the amount left after all these deductions can be considered as normal civilian supply, which may properly be compared with prewar supply. That means that the Soviet Zone's domestic supply of industrial goods of all sorts, including capital goods, was not even half that of West Germany; if one disregards capital goods the comparison is even more unfavorable.

Sovietization of Trade (See Table 7)

Since the Soviet planning system controls all marketing operations, the traditional wholesale trade in the zone quickly lost its natural field of activity. The nationalization of wholesale trade through the establishment of so-called trade offices and trade centers has already been completed. With the founding of the HO (Trade Organization) in November 1948, the nationalization was extended to retail trade. Up to that time, cooperative retail trade had been allowed in a modest degree. For 2 or 3 years prior to the establishment of the HO, consumer cooperatives had accounted for about 17 percent of retail trade transactions. However, the HO stores drew a considerable part of the retail trade away, because they were privileged to sell rationed foodstuffs and consumers' goods in free trade, although at excessive prices. Private retailers have been degraded practically to distributors of rationed goods. At present, about one half the retail transactions go through private hands, but the complete sovietization of retail trade is obviously not far off.

Social Conditions in Soviet Zone (See Tables 8, 9)

The reduction of private property by expropriations, the tying up of cash by blocking accounts, and the devaluation through currency reform have destroyed the basic property structure in the Soviet Zone. New savings are completely negligible; it is practically impossible to form private capital. There is a tight exchange barrier between East and West Germany; flight of capital in the form of exchange of East marks for West marks is prevented, and the cash funds of every Soviet Zone inhabitant are kept under strict control. The curve of variation of legally acquired incomes has flattened out considerably; on the other hand, there is a greater differentiation than before in the range of wages and salaries, since the incentive system of

- 5 -

RESTRICTED

RESTRICTED

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activist wages and bonuses occasionally permits workers to reach an income level far above the average, a level which is still nominally lower than in West Germany. But any income in the Soviet Zone is subject to a progressive reduction as a result of the state system of dual price levels. Few goods can be bought at prices commensurate with those in West Germany, and these are almost always rationed goods. In an East-West comparison of the purchasing power of poorly paid workers, the results would be about equal. But if one takes into account the poorer quality of the Soviet Zone rationed goods and realizes that they must be supplemented by purchases from the HO, then the comparison is not favorable. According to the German Institute for Economic Research, a worker in the Soviet Zone would have had to pay 260 East marks to attain a standard equal to that of a West German worker with an income of 150 West marks. A comparison based on a higher standard of living shows the progressive reduction in purchasing power mentioned above: a West German standard that costs 255 West marks would require an East German income of 651 East marks. In other words, the purchasing power of an income of 200 East marks in the Soviet Zone is only 66 percent of the purchasing power of the same income in West marks in West Germany; with an income of 350 East marks the ratio drops to only 50 percent; and with an income of 600 East marks, it drops to 40 percent.

[Appended tables and figures follow.]

Table 1. Nominal Value of Goods and Services Produced
in West Germany and Soviet Zone

(Estimated in billion Reichsmarks or Deutsche marks. Changeover
to Deutsche marks occurred in mid-1948.)

	West Germany			Soviet Zone*		
	1947	1948	1949	1947	1948	1949
Consumers' goods and services	30	40	51	13	18	16
Investments	2	5	9		1	2
Public requirements	5	7	8.3	2.5	3	3.2
Deliveries to occupying powers	6	5	4.7	4.5	4.5	4.3
Net product	43	57	73	20	22.5	25.5
Minus deliveries to occupying powers	6	5	4.7	4.5	4.5	4.3
Plus foreign aid	1	1	2	-	-	-
Available for German use	38	53	70.3	15.5	18	21.2

* Price adjustments are necessary to make the comparative figures meaningful. Amounts ranging from 4 to 4.5 billion Reichsmarks or Deutsche marks a year must be deducted from the Soviet Zone figures because of the inflated prices resulting from liquor tax, free market sales, and HO (Trade Organization) sales; about 1.5 billion Reichsmarks or Deutsche marks a year must be added to the Soviet Zone figures to make up for the unrealistically low prices of Soviet Zone reparations shipments.

- 6 -

RESTRICTED

Table 2. Manpower Structure Before and After the War
(in thousands)*

	1939			1946			Change in 1946 Compared with 1939		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
<u>West Germany</u>									
Active workers **	13,093	7,246	20,339	12,123	7,031	19,154	-970	-215	-1,185
Their dependents			14,255	4,249	10,623	14,872			+617
Total of both above			34,594	16,372	17,654	34,026			-568
Inactive workers ***	1,643	1,717	3,360	1,190	3,889	5,799	+267	+2171	+2439
Their dependents			1,396	1,469	2,577	4,047			+2651
Total of both above			4,756	3,379	6,466	9,846			+5089
Total population	19,342	20,008	39,350	19,752	24,120	43,872	+409	+4112	+4522
<u>Soviet Zone</u>									
Active workers **	5,139	2,831	7,970	4,464	3,675	8,140	-675	+844	+169
Their dependents			5,214	1,695	3,753	5,449			+234
Total of both above			13,185	6,160	7,429	13,588			+404
Inactive workers ***	687	801	1,489	649	1,592	2,240	-38	+790	+752
Their dependents			484	508	844	1,352			+868
Total of both above			1,972	1,157	2,435	3,592			+1620
Total population	7,508	7,649	15,157	7,316	9,864	17,180	-191	+2,215	+2023

RESTRICTED

- 7 -

RESTRICTED
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STAT

(in percent)

<u>1939</u>			<u>1946</u>			<u>Change in 1946 Compared with 1939</u>		
<u>Men</u>	<u>Women</u>	<u>Total</u>	<u>Men</u>	<u>Women</u>	<u>Total</u>	<u>Men</u>	<u>Women</u>	<u>Total</u>
67.7	36.2	51.7	61.4	29.1	43.7	-7.4	-3.0	-5.8
		36.2	21.5	44.1	33.9			+4.3
		87.9	82.9	73.2	77.6			-1.6
8.5	8.6	8.5	9.7	16.1	13.2	+16.3	+126.4	+72.6
		3.6	7.4	10.7	9.2			+189.8
		12.1	17.1	26.8	22.4			+107.0
100.0	100.0	100.0	100.0	100.0	100.0	+2.1	+20.6	+11.5
68.5	37.0	52.6	61.0	37.3	47.4	-13.1	+29.8	+2.1
		34.4	23.2	38.0	31.7			+4.5
		87.0	84.2	75.1	79.1			+3.1
9.2	10.5	9.8	8.9	16.1	13.0	-5.6	+98.6	+50.5
		3.2	6.9	8.6	7.9			+179.4
		13.0	15.8	24.7	20.9			+82.1
100.0	100.0	100.0	100.0	100.0	100.0	-2.6	+29.0	+13.3

RESTRICTED
 - 8 -
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RESTRICTED

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* Discrepancies in totals are due to rounding off numbers to thousands. ** The gainfully employed and the unemployed; 1939 includes persons in obligatory military and labor service. *** Unemployed independent workers.

RESTRICTED

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Table 3. Women Gainfully Employed in Soviet Zone

		<u>Total</u>	<u>Men</u> (in thousands)	<u>Women</u>	<u>Percentage of Women</u>
All the Gainfully Employed					
1939	17 May*	7,685	4,861	2,824	36.7
1945	Dec	5,777	3,138	2,580	45.2
1946	29 Oct	7,741	4,268	3,473	44.9
1946	Dec	7,489	4,126	3,364	44.9
1947	Dec	7,822	4,478	3,344	42.7
1948	Dec	7,782	4,670	3,111	40.0
1949	30 Jun**	7,580	4,631	2,949	38.9
1949	Sep	7,706	4,727	2,979	38.7
1950	30 Jun	7,622	4,723	2,898	38.0
Dependent Workers***					
1939	17 May*	5,742	3,921	1,821	31.7
1946	29 Oct	5,476	3,184	2,292	41.9
1949	30 Jun	5,916	3,700	2,207	37.3
1950	30 Jun	5,996	3,816	2,180	36.4
1955	Plan	7,600	4,400	3,200	42
Independent Workers					
1939	17 May*	954	799	155	16.2
1946	29 Oct	1,224	919	305	24.9
1949	15 Apr	1,043	844	199	19.1
1950	30 Jun	1,028	837	192	18.6
Family Members Assisting Independent Workers					
1939	17 May*	989	141	848	85.7
1946	29 Oct	1,041	165	877	84.2
1949	15 Apr	621	78	543	87.4
1950	30 Jun	597	71	527	88.2

*Wage earners exclusive of soldiers on duty and male and female domestic help.

**Independent workers and family members assisting independent workers: 15 April 1949.

***Workers, white-collar employees, and officials.

Table 4. Distribution of the Gainfully Employed in Soviet Zone
(in percent)

<u>Segment of the Economy</u>	<u>1939</u>	<u>1946</u>	<u>1947</u>	<u>1948</u>	<u>1949</u>
Agriculture and forestry	22	29	28	25	25
Industry and crafts	48	42	44	46	46
Trade and transportation	17	15	12	13	13
Public and private services	10	11	13	13	14
Domestic services	3	3	3	3	2
Total	100	100	100	100	100

- 9 -

RESTRICTED

RESTRICTED

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Table 5. Gross Industrial Production in Soviet Zone*

<u>Industry</u>	<u>1936</u>	<u>1939</u>	<u>1944</u>	<u>1946</u>	<u>1949</u>	<u>1950</u>
	(in million Reichsmarks)		(in percent of 1936, based on 1936 prices)			
Capital goods industries (metallurgy, machine building, electrical industry, precision instruments, optical instruments, stones and earths)	5,145	159	242	23	58	77
Other production goods industries (mining, chemicals, cellulose and paper, power)	3,981	132	152	62	94	107
Consumers' goods industries (wood processing, textiles, light industry, foodstuffs, beverages and tobacco)	6,777	120	88	40	65	77
Total	15,903	136	154	42	70	84

* Including foodstuffs industry, but not including building industry.

Table 6. Crafts in Soviet Zone

	<u>1936</u>	<u>1939</u>	<u>1946</u>	<u>1947</u>	<u>1949</u>
Craft enterprises (in thousands)	-	322	281	306	304
Persons employed in crafts (in thousands)		980	873	1,059	976
Turnover of crafts (in million or RM DM*)	3,265	-	2,613	3,431	3,763
Turnover in 1936 prices (in million RM)	3,265	-	-	-	1,710
Turnover in percent of 1936	100.0				52.4

* RM = Reichsmarks, unit of currency in columns 1936 - 1947;
DM = Deutsche marks, unit of currency in 1949 column.

Table 7. Retail Trade Turnover in Soviet Zone (in percent)

	Private Retail Trade	People-Owned Retail Trade			Total Retail Trade Turnover
		Consumer Coop	HO	Both	
1946	86	14	-	14	100
1947	83	17	-	17	100
1948	82	17	1*	18	100
1949	73	17	10*	27	100

- 10 -

RESTRICTED

RESTRICTED

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	Private Retail Trade	People-Owned Retail Trade			Total Retail Trade Turnover
		Consumer Coop	HO	Both	
1950					
First quarter	62	17	21	38	100
Second quarter	59	15	26	41	100
Third quarter (plan)	57	18	27	45	100
Fourth quarter (plan)	52	19	29	48	100

* Estimated. The first HO shops were opened in the Soviet Zone and in the Soviet Sector of Berlin on 15 November 1948.

Table 8. Cost of Equivalent Standard of Living in East Germany and West Germany*

Expense Categories	West Germany**		West Berlin		East Berlin		Soviet Zone	
	(DM)	(%)***	(DM)	(%)***	(DM)	(%)***	(DM)	(%)***
Minimum Subsistence Requirement per Month								
Foodstuffs	68.10	100	68.00	100	59.90	88	34.20	50
Beverages, seasonings, etc.	1.20	100	1.00	83	2.50	208	2.50	208
Rent	30.00	100	40.00	133	38.00	127	30.00	100
Heat and light	8.00	100	10.10	126	7.80	98	7.20	90
Clothing	28.70	100	27.60	96	38.40	134	38.40	134
Cleaning, personal hygiene	3.70	100	3.70	100	5.20	141	4.80	130
Education, entertainment	3.90	100	4.30	110	4.00	103	4.00	103
Household equipment	1.90	100	1.50	79	4.50	237	4.50	237
Transportation	3.40	100	2.30	68	2.30	68	3.40	100
Total	143.90	100	156.50	106	162.60	109	149.00	100
Optional Supplemental Expenditures								
Foodstuffs	48.90	100	48.10	98	128.60	263	130.80	267
Beverages, seasonings, etc.	16.60	100	14.30	86	39.20	236	39.20	236
Rent	-	-	-	-	-	-	-	-
Heat and light	5.60	100	5.70	102	4.90	88	5.00	89
Clothing	40.00	100	39.30	98	168.70	422	166.70	417
Cleaning, personal hygiene	14.40	100	14.60	101	23.80	165	24.30	169
Education, entertainment	15.20	100	14.30	94	16.50	109	16.50	109
Household equipment	17.90	100	18.00	101	50.90	284	50.90	284
Transportation	10.80	100	11.60	107	16.40	152	16.10	149
Total	169.40	100	165.90	98	449.00	265	501.50	296

- 11 -

RESTRICTED

RESTRICTED

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Notes to Table 8.

*Basis for comparison is cost of maintaining family of four (two wage earners) at prevailing West German standard of living. Price level is for September 1950.
 **Not including French Zone, for which price data are lacking.
 ***In percent of West Germany.

Table 9. Reductions in Purchasing Power of Soviet Zone Income:

Income (East marks)	Minimum Required for Sub- sistence (East marks)	Differ- ence (1) (East marks)	Value of Dif- ference (2) (West marks)	Unadjusted Real Purchasing Power (3)		Adjusted Real Purchasing Power (2)	
				(West marks)	(Per- cent)(4)	(West marks)	(Per- cent)(4)
200	149	51	17.20	166.20	83	133.00	66
260	149	111	37.50	186.50	72	149.20	57
300	149	151	51.00	200.00	67	160.00	53
400	149	251	84.80	233.80	58	187.00	47
500	149	351	118.60	267.60	54	214.10	43
600	149	451	152.40	301.40	50	241.10	40
650	149	501	169.40	318.40	49	254.70	39
700	149	551	186.20	335.20	48	268.10	38
800	149	651	219.90	368.90	46	295.10	37

1. Available above minimum subsistence level.
2. Average ratio of purchasing power is: 100 West marks = 296 East marks.
3. Not taking into account deterioration of quality.
4. Percent of nominal East-mark income.
5. Adjusted for a 20-percent deterioration in quality.

- 12 -

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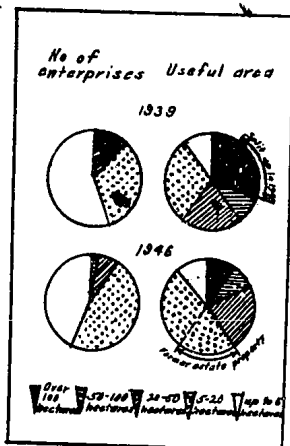


Figure 1. Effect of Land Reform in Soviet Zone on Size of Agricultural Enterprises

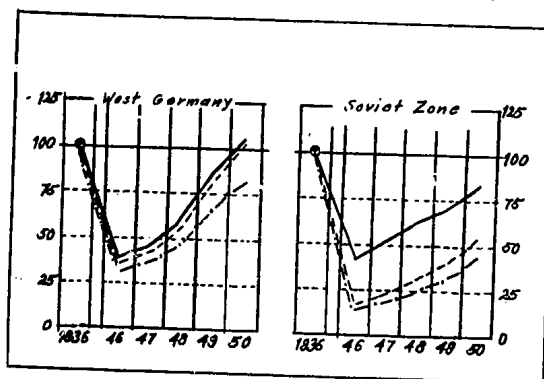


Figure 2. German Industry Since the War (1936=100)

- Production index (quantity only, without taking quality differences into account).
- - - Effective supply of industrial goods (consumption investments): industrial production minus services performed for the occupation powers and reparations from the rest production, not taking into account foreign trade balances.
- · - Supply, on the basis of population.

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- 13 -

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