

CLASSIFICATION

SECRET
SECURITY INFORMATION

25X1

CENTRAL INTELLIGENCE AGENCY

REPORT

INFORMATION REPORT

CD NO.

COUNTRY East Germany

DATE DISTR. 19 March 1953

PROJECT New Draft of the 1953 Economic Plan

NO. OF PAGES 2

ACE QUIRED

NO. OF ENCLS.
(LISTED BELOW)

TE OF
FO.

SUPPLEMENT TO
REPORT NO.

25X1

THIS IS UNEVALUATED INFORMATION

25X1

1. [] a new draft for the 1953 Economic Plan has been worked out by the State Planning Commission of East Germany. Plans call for making up the deficit of 1,500,000,000 eastmarks, caused by the armament schedule, by the following measures:

25X1

- a. Household reserves, set at about 500,000,000 eastmarks, were cancelled.
- b. The production of commodity goods, principally of the vehicle industry, including sedans, motorcycles, and bicycles, was to be increased by about 500,000,000 eastmarks.
- c. Radical reduction of 150 items of the 1953 import plan. These import reductions included 5,000 tons of cotton, 40,000 cubic meters of lumber, and 25,000 tons of rolled material.

great difficulties will be encountered in carrying out these measures since the scheduled production of commodity goods is much too low. In 1953, the people will be faced with a serious shortage of foodstuffs, particularly fats, fruits, vegetables, sugar, and meat. There will also be a shortage of textiles.

25X1

2. Additional grave burdens imposed on the East German budget are the unfilled 1952 foreign trade obligations, estimated at 700,000,000 to 800,000,000 eastmarks in late November 1952, reparations deliveries to the U.S.S.R. which have top priority, the 12 percent profit quota of the yield from SAG enterprises, to be delivered by order of Moscow, and the payment for the SAG plants, transferred to German ownership on 1 May 1952.

Leuschner's proposal that the 1953 Economic Plan be balanced by taking up a 250,000,000-ruble loan in Moscow was vehemently opposed by the Central Committee of the SED. The Central Committee allegedly fears it will be blamed for incompetence by the Communist Party of the U.S.S.R.

5. With the exception of certain small amendments, the new draft is said to have been approved in a meeting of the Politburo on 4 November 1952. At that time the SCC in Karlsruhe had made no comment on the plan.

CLASSIFICATION

~~SECRET~~

[illegible]


25X1

25 YEAR RE-REVIEW

25X1

SECRET,

- 2 -

 Comment. Bruno Leuschner is the head of the East German State Planning Commission. The report indicates that Leuschner apparently yielded to the wishes of the Central Committee of the SED and included the entire armament schedule as originally planned in the new 1953 plan. A commensurate deterioration of the living standard may, therefore, be inevitable in 1953 unless requirements are met by foreign trade credits.

25X1

SECRET