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1. For 1954, the East German Ministry of Railway Transportation had provided an allocation of 20 million DME in the Reichsbahn Economic Plan for the acquisition of building materials for superstructure construction on Reichsbahn properties. As of the end of April 1954, only 1,800,000 DME worth, or approximately one-third of the quarterly allocation of about 7 million DME worth of building materials had been delivered. The Reichsbahn is currently faced with an even more severe shortage of raw materials than immediately following the end of the war in 1945. All deliveries of steel rails from the Soviet Union have suddenly been terminated, for reasons not known to the Reichsbahn officials in charge of procurement and raw material allocation. It is suspected that the steel required for production of these rails has been diverted to other end uses within the USSR. However, no explanation has been made to date to the Reichsbahn on the failure of the USSR to live up to the promised delivery schedule. 25X1
2. Deputy Minister for Railways Richard Staimer, who is in charge of the Material Procurement Section, has given orders for the East German government to attempt to obtain replacement rails in the West. The negotiations for delivery of these rails are being conducted via the Osthandels-gesellschaft in Hamburg, which is also negotiating with West German firms for delivery of railway ties and small iron fittings (Kleineisen), including spikes, tie-plates, coach screws, crab-bolts, spiral dowels, etc.
3. The shortage of nonferrous metals is so great that the Reichsbahn has been unable even to repair locomotives which have been rendered inoperative as a result of minor breakdowns requiring replacement parts or repairs.
4. Another serious shortage affecting Railway operations in East Germany, which has also been responsible in part for increased accident rates on Reichsbahn trackage, has been the shortage of hard coal for stoking locomotives. According to the original 1954 operating plan for the East German railways, only hard coal was to be employed for operating locomotives. The hard coal was to be delivered entirely from Polish mines. To date there has not been any delivery even of briquettes from Poland, so that the Reichsbahn has been forced to operate on "Hoh-Kohle" (soft coal). As a result, and because of the lower heating power of the soft coal, the stokers are required to handle ten times as much coal, thus having to do ten times the amount of physical labor for each mile of operation, since the pressure of the boilers

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must be maintained throughout. As a result, train crews, particularly stokers, are badly overworked, and the accident ratio has risen proportionately in the first four months of 1954. Another factor which has helped to increase the accident rate in 1954 has been the failure of the East German Ministry of Railway Transportation to obtain the required replacement parts for defective signal equipment.

5. Deputy Minister Richard Staimer recently served as chairman of a meeting of department heads and their deputies in the Ministry for Railway Transportation, at which the organizational measures to be taken in connection with the "Deutschlandtreffen" were discussed. Staimer is in his mid-40's. Originally a carpenter by profession, and an old-line Communist, he fled to the USSR from Germany around 1934, and is reported to have received Soviet citizenship during the period 1935-1940. His office is located in the Ministry for Railway Transportation building on Krausenstrasse in East Berlin, in Room 114 on the second floor. Staimer is responsible for material procurement and organization of the Ministry, the latter including the Personnel and Cadre Departments. In addition to his duties as Deputy Minister in the Ministry for Railway Transportation, Staimer also holds a commission with the rank of Colonel in the SSN.
6. The Finance Section of the Ministry for Railway Transportation is checking all RBD books in East Germany in connection with an audit of repair costs on the basis of Price List (Preisvorschrift) Number 269, according to which all expenditures of all Reichsbahn offices and repair stations must be accounted for. The ministerial auditors are mainly interested in the Zuschlagssatze, i.e., in the 25 to 27 percent extra charge (Zuschlag) which is permitted on all labor costs, and which is considered the profit on such repair work. Under the planned economy bookkeeping introduced into the railway system accounting, this mythical "Zuschlag" profit has never been sufficiently large to meet the costs of the overpoweringly large administrative apparatus of the Reichsbahn and the Ministry for Railway Transportation. The cost of maintenance of this administrative apparatus is best illustrated by a comparison of pre-war and present day personnel on an average employed by a single Reichsbahnamt:

	<u>Pre-War</u>	<u>1954</u>
Political Administration	None	8 to 10 employees
Labor Section	None	9 employees
Organization Section	None, or one personnel man	10 to 12 employees
Bookkeeping Section	2 employees	25 to 40 employees
Security Inspection Unit	None	4 employees
Investment Section	None	4 to 6 employees
Plant Guard	None	60 to 200 men per Amtsbezirk

7. All Soviet officials of the WOSO office (Soviet Transportation Office in the East German Ministry for Railway Transportation) since mid-April 1954 have come to their offices ~~in civilian clothing only~~. Since about mid-April, no Soviet inspectors have been seen at any Reichsbahn offices or stations. In the light of the new sovereign status of East Germany, it is not known yet what function or relationship will exist in the future between the Reichsbahn and the WOSO office, since the latter originally was organized as an office of the Soviet occupation authorities attached to the East German Ministry for Railway Transportation, to maintain liaison on matters affecting Soviet occupation use of railway transport facilities. Since 9 April 1954, there have been no accountings cleared on billings for shipments chargeable to the Soviet Occupation Forces, since the whole question of accountability for these costs in the future is under consideration by the highest level East German authorities. It is expected

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that all such billings will be held up, pending receipt of a new order on how these costs will be accounted for in the future.

8. The Transit Brigades of Reichsbahn personnel at Frankfurt/Oder have been disbanded. All railroad employees who belonged to these brigades have been released for return to their original Reichsbahnämter in East Germany. In the future, shipments to the USSR and satellite countries will be shipped via Reichsbahn, using Reichsbahn personnel only to Frankfurt/Oder, where the trains will be turned over to Czech and Polish railway crews, who will handle all traffic between Frankfurt/Oder and Brest-Litovsk. In the past the East German Reichsbahn crews took the USSR-bound trains through Frankfurt/Oder as far as Brest-Litovsk, at which point the cars were unloaded and reloaded to Russian-gauge boxcars and flat cars by Russian railway personnel. Under the new set-up, the railway crews of mixed Czech and Polish nationality will take over the physical control of the loaded freight cars at Frankfurt/Oder, and will escort them to Brest, where they will be turned over to Russian authorities as heretofore for reloading. All documents indicating the final destination of loaded cars coming into Brest-Litovsk have always been kept by Soviet personnel only; these records are required to direct the re-distribution of goods at the Brest-Litovsk border rail crossing, where the goods are redirected to their destinations in the USSR. ~~The intention appears to be to increase the security of rail shipments transiting Czechoslovakia and Poland to Brest-Litovsk.~~

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