

INFORMATION REPORT

25X1

COUNTRY Germany (Russian Zone)

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SUBJECT Reparations in Saxony-Anhalt

NO. OF PAGES 2

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SUPPLEMENT TO REPORT NO.

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THIS IS UNEVALUATED INFORMATION FOR THE RESEARCH USE OF TRAINED INTELLIGENCE ANALYSTS

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1. Orders for reparations goods in the Russian zone are channeled by SMA through the Industry/Reparations Division of the Ministry of Economy. Originally an autonomous division, Reparations was made a Referat under the Industry Division at the beginning of 1947; the earlier designation was, however, retained for the sake of simplicity. The thirty officials in it had to be furnished from other branches of the Ministry at the time of the discussions of the annual budget. Since the division is understaffed, source doubts that it can do much work beyond collecting material and can provide little synthesis and evaluation of data.

2. Since December 1947 the Industry/Reparations Division has been required to report monthly on the amounts of orders, production and completed deliveries; these reports are made in two parts: one part for German firms and one for Russian firms. Although some of the SAGs, on the instructions of SMA Halle, do not report on these items for reparations accounts, these figures are available in the Ministry of Finance. Thus, from different sources fairly complete figures on reparations deliveries can be obtained, even from Soviet AGs.

25X1 Comment: This still leaves open the question of extent and disposition of other production by SAGs, since these no longer provide copies of their statistical reports for the land planning office.

3. Values given by the Reparations Division correspond to prices occurring in order forms issued by SMA in accordance with Order No. 63. They do not include the approved price increases actually paid to the firms, since these were not considered in the total reparations debt. Because of the special price levels permitted Soviet AGs, the concealment of reparations profit must be considerable; for example, the increase permitted SAG Photo-film Wolfen on magnetophone tape was seventy-one to seventy-nine percent. To compensate for the difference between order price and actual price, other companies received subsidies.

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from the land, such as the thirty million marks paid to Kupferbergbau und Hüttenwerke GmbH in 1947. These subsidies were not credited to reparations.

4. In comparison with Soviet AGs, German firms made about forty-four percent of reparations deliveries and SAGs about fifty-six percent. The increase of the total amount of orders in November 1947 by 8.3 million RM for Russian firms and 4.6 million RM for German firms supports German estimates of the rising Soviet economic strength. Details of reparations figures are given in attachments A, B, and C. By 31 December 1947 reparations were expected to reach a billion marks.
5. In late 1947 SMA Halle ordered a considerable increase in the quota of small vessels for the reparations account and instructed the Industry Division to set up a new office for this purpose. The Rostlaue Schiffwerft GmbH, which launched a 150-ton seiner on 10 January destined for the Black Sea as the first reparations-produced vessel, received an order for seven luggers of 380 tons. The seiner was towed to Stralsund for installation of engines. There are 32 orders for ships in Saxony-Anhalt yards. All internal fittings, which are obtainable only with great difficulty, are to be delivered with the vessels.
6. In the Referat for APO orders, compilation of statistics is slowed down by shortage of personnel. On the terminal date of 31 June 1947, 606 million RM of production had been reported, of which 335 million came under the industrial sector. Interesting is the absence of figures for deliveries of coal, fuel, and power, information which was refused to the competent state commercial companies. Documentary material from the trade and supply sector was collected by the Russians and not returned.
7. In late 1947 SMA made a surprise investigation in the dismantling section of the Reparations Division and confiscated its documents. On 2 January, Sokolev, a member of SMA Halle, inspected the document files and ordered the surrender to SMA of all documentary material on dismantling. The German office, however, in anticipation of some such action, had prepared a card file of most of the documents, so that reproduction of the confiscated records was possible within a fairly short time. In the files retained, dismantling of 259 of a total of 299 firms is described statistically. Data are no longer available on sixteen plants, because particulars have been lost and dismantling or dynamiting has been so extensive that even estimates can not be formed; these are munitions factories. Twenty more firms could probably not be extensively studied, although the material is still in existence, because of the opposition of Russian directors of the plants.
8. Total value of dismantling in the 259 firms reported was set at 1,696,197,066 RM, with subsidiary costs of 59,855,543 RM. This means a loss of about a billion and three quarters in gold marks to the economy of Saxony-Anhalt. As an example, the highly-developed sugar industry, which in 1932 had a turn-over of about 225 million RM and employed 5,141 persons, had in 1946 only 132 million RM turn-over and 2,959 employees.

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ATTACHMENT A

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Land Government of Saxony-Anhalt  
 Minister of Economy and Trade  
 Division of Industry/Reparations  
 No.: 4241-146 No./Ps.

Halle/Saale, 23 December 1947  
 Merseburger Strasse 93, Bldg. 2

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Report

on the quota, status, and arrears of all reparation and credit payment orders to 30 November 1947 and on goods manufactured, bought, and delivered (shipped) for these orders from the current production in Land Saxony-Anhalt in the Soviet Occupation Zone of Germany, according to the position of 30 November 1947.

Amounts in 1000 RM      \*Order Type    German firms    Soviet "G's"    Total

Notes:

Total order status on 30 November 1947	R	391,579.3	492,353.8	884,933.1
	C	12,454.7	21,955.3	34,410.0
	Total	404,034.0	515,309.1	919,343.1
Of this, to be delivered by 31 December 1947	R	371,754.6	477,677.6	849,432.2
	C	11,054.1	21,955.3	33,009.4
	Total	382,808.7	499,632.9	882,441.6
Of this, to be delivered by 30 November 1947	R	344,191.0	431,562.2	775,753.2
	C	10,798.8	22,955.3	33,754.1
	Total	354,989.8	454,517.5	809,507.3

Status:

Manufactured and reported for acceptance	R	323,761.7	280,960.5	604,722.2
	C	9,368.6	21,874.9	31,243.5
	Total	333,130.3	302,835.4	635,965.7
Of this, accepted and cleared for shipment	R	310,836.2	268,211.5	579,047.7
	C	9,332.4	21,856.2	31,188.6
	Total	320,168.6	290,067.7	610,236.3
Of this, delivered (shipped)	R	306,889.3	255,738.7	562,628.0
	C	8,986.7	21,767.6	30,754.3
	Total	315,876.0	277,506.3	593,382.3

Arrears:

Between the goods to be de- livered and those actually produced by 30-11-47 and re- ported for sale	R	20,429.3		
	C	1,420.2		
	Total	21,849.5		

R -- Reparations; C -- Credit Payment Orders

\* Reparations Orders

All reparations and credit payment orders and order alterations are normally managed by SMA through the Division Industry/Reparations. Thus it is assured that all S.G. orders are included.

Part of the S.G.s for some time, on instructions of SMA, has presented no reports to the Land Government on production, sale, and shipment of goods manufactured for the reparations account. Production of these firms is taken from the accounts presented to the Finance Ministry. Thus it is assured that all goods delivered even of these concerns are included, even though late.

Values given here correspond to the prices prescribed in the order bills of SMA, which were fixed according to Order No. 63. Approved price increases are not included in the above figures, since these -- although they are paid to the firms -- were not included in the confirmation communication of SMA Germany and therefore will not be chargeable to the total reparations debt.

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Land Government of Saxony-Anhalt  
 Minister of Economy and Trade  
 Division Industry/Reparations  
 Az.: 4241-46 Vo/Gt.

Halle/Saale, 23 December 1947  
 Merseburger Strasse 95, Bldg. 4



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Survey

of the amount of total orders and the increase of orders in November 1947 in reparations and credit-payment orders of the Soviet Occupation Zone of Germany, Land Saxony-Anhalt -- set up by main groups of industrial manufacture -- according to the status of 30 November 1947. amounts are in 1000 RM.

No.	Goods group designation	Total order amounts on 30-10-47	Orders received in Novem	Total order amounts on 30-11-47
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A. German Firms

I. Reparations Orders

01	Mining (without coal)	13,562.9	-	13,562.9
02	Metallurgy	26,406.6	41.5	26,365.1
03	Iron, tin, and metal goods	6,177.5	-	6,177.5
03/II	Valuable goods	142.8	21.0	163.8
04	Steel, steam boiler, apparatus building	15,088.5	265.9	15,354.4
05	Machine construction	46,182.5	945.8	47,128.3
06	Vehicle construction	16,250.9	15.0	16,265.9
07	Electro-technical	195.3	2,000.0	2,195.3
08	Precision mechanics and optics	1,522.2	28.4	1,550.6
08/II	Medical instruments	110.7	-	110.7
09	Stones and earths	16,000.0	1,625.1	17,625.1
10	Ceramics and glass	5,000.6	114.8	5,115.4
11	Wood	23,728.5	113.4	23,841.9
12	Above and underground construction	-	-	-
13	Chemistry	23,955.3	458.3	24,413.6
13/II	Pharmaceuticals	381.6	302.6	684.2
14	Rubber and asbestos	8,991.8	246.5	9,238.3
15	Synthetic material products	34.3	-	34.3
16	Cellulose and paper	2,770.8	49.0	2,819.8
17	Textiles	345.4	-	345.4
18	Clothing, knit goods, wash goods	2,310.7	116.8	2,427.5
19	Leather, leather goods, and shoes	7,478.8	-	7,478.8
20	Fuel, petroleum	4,183.4	41.4	4,224.8
21	Food and staples, luxury items	147,853.5	-	147,853.5
22	Agriculture and forestry	17,549.2	155.9	17,705.1
23	Other orders	24.7	-	24.7
<b>Total</b>		<b>386,920.5</b>	<b>1,649.0</b>	<b>391,579.3</b>

II. Credit Payment Orders

04	Steel, steam boiler, apparatus Bldg	4,210.5	-	4,210.5
05	Machine construction	3,855.8	-	3,855.8
07	Electro-technical	563.0	-	563.0
10	Ceramics and glass	104.8	-	104.8
13	Chemistry	1,137.2	-	1,137.2
18	Clothing, knit goods, wash goods	98.2	-	98.2
20	Fuel, petroleum	2,155.2	-	2,155.2
<b>Total</b>		<b>12,464.7</b>		<b>12,464.7</b>

Total of orders for German firms 399,294.2 4,649.8 404,044.0

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No.	Goods group designation	Total order amounts on 30-10-47	Orders received in Moscow	Total order amounts on 30-11-47
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S. Soviet AGs

I. Reparation Orders

02	Metallurgy	25,186.0	5,432.3	28,618.3
03	Iron, tin, and metal goods	11,479.1	-	11,479.1
04	Steel, steam boiler, apparatus constr.	26,141.3	-	26,141.3
05	Machine construction	219,351.9	726.9	220,078.8
06	Vehicle construction	26,876.7	-	26,876.7
07	Electro-technical	1,833.9	-	1,833.9
08	Precision mechanics and optics	1,010.2	1,434.2	1,444.4
09	Stones and earths	12,379.5	-	12,379.5
13	Chemistry	74,859.5	- 19.7	74,839.8
13/II	Pharmaceuticals	487.2	-	487.2
14	Rubber and asbestos	70,548.6	-	70,548.6
15	Synthetic material products	5,055.6	1.7	5,055.3
23	Sketches and working drawings	-	780.9	780.9

Total 484,997.5 8,356.3 492,353.8

II. Credit Payment Orders

05	Machine construction	927.3	-	927.3
13	Chemistry	20,850.1	0.1	20,850.2
20	Fuel, petroleum	179.5	- 1.7	177.8

Total 21,956.9 - 1.6 21,955.3

Total of orders for Soviet AGs 506,954.4 8,354.7 515,309.1

Reparations orders:	German firms	386,929.5	4,649.8	391,579.3
	Soviet AGs	484,997.5	8,356.3	493,353.8

Total 871,927.0 13,006.1 884,933.1

Credit Payment orders:	German firms	11,464.7	-	11,464.7
	Soviet AGs	21,956.9	- 1.6	21,955.3

Total 34,421.6 - 1.6 34,420.0

German firms	399,594.2	4,649.8	404,044.0
Soviet AGs	506,954.4	8,354.7	515,309.1

Total of all reparations and credit payment orders 906,543.6 13,004.5 919,353.1

By order:

Signed: Pfitzold

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United States Government of Mexico - Mexico  
 Ministry of Economy and Finance  
 Division Industry/Reparations  
 No. 4041-144 To/To.

Mexico, Mexico, 23 December 1947  
 Dirección de Estadística 93, México, D.F.

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Statement

on the following items, following gross deliveries in each quarter for the previous period, and credit payments to fund foreign debt, according to the situation as of 30 November 1947

	German Items		Mexican Cde		Totals
	R	C	R	C	
Quarter 4/1946	40,733.9	-	11,985.8	-	62,719.7
Quarter 1/1947	63,970.0	714.2	9,461.9	1,848.5	70,002.6
Quarter 2/1947	31,339.4	49.5	11,411.1	9,456.5	53,736.5
Quarter 3/1947	24,538.2	1,307.5	76,341.1	9,565.8	109,912.6
Quarter 4/1946	70,241.1	3,948.9	69,889.9	1,358.0	175,537.9
Quarter 1/1947	19,157.7	1,090.7	43,712.4	233.7	95,000.5
Quarter 2/1947	20,451.0	1,000.7	45,988.1	367.2	96,815.0
Quarter 3/1947	18,420.6	708.2	77,785.0	98.4	97,012.2
Quarter 4/1947	42,929.5	976.6	7,102.1	-	114,008.2
Quarter 1/1948	7,030.1	1,418.6	4,209.1	-	12,717.0
Quarter 2/1948	6,455.5	-	9,584.0	-	15,739.5
Quarter 3/1948	2,111.3	-	1,155.2	-	3,266.5
Quarter 4/1948	4,239.8	-	917.9	-	5,157.7
<b>Totals</b>	<b>391,579.3</b>	<b>12,464.7</b>	<b>498,352.8</b>	<b>21,955.3</b>	<b>919,352.1</b>

R -- reparations; C -- credit payments; amounts in 1000 M.

By order:

Signed: Pitzold

It is noted that the figures given in this table appear either to have been very carelessly copied or to have been incompletely worked out, since the numbers as presented do not add up to the totals given. Because of the large amount of discrepancy, it is difficult to determine the cause of the errors, but the final figures, which are used in the charts in Attachment A and B, appear to be correct.

The actual sum of the figures as given, reading across the page, are:  
 391,794.3 14,472.9 489,144.4 21,726.1 920,566.7

Totals in the last column, for the figures given, are:  
 62,719.7  
 70,002.6  
 53,736.5  
 109,572.6  
 167,517.9  
 95,000.5  
 96,815.0  
 97,012.2  
 114,008.2  
 12,717.0  
 15,739.5  
 3,266.5  
 5,157.7  
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 911,517.7

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