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CENTRAL INTELLIGENCE AGENCY

25X1

CLASSIFICATION

SECRET

[Redacted]

SECURITY INFORMATION

25X1A

# INFORMATION REPORT

REPORT NO. [Redacted]

CD NO.

COUNTRY East Germany/Czechoslovakia/Poland

DATE DISTR. 25 September 1952

SUBJECT Sugar Agreement

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NO. OF ENCLS. (LISTED BELOW)

PLACE ACQUIRED

[Redacted]

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SUPPLEMENT TO REPORT NO.

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1. At the beginning of February 1952 a sugar agreement was concluded between the German People's Republic (DDR), Poland, and Czechoslovakia. By this agreement a Sugar Commission was created, with its seat in Berlin, on Friedrichstrasse.
2. The DDR was entrusted with the control and apportionment of the sugar production of the three countries, in order to prevent mutual price cutting and insure coordination of selling in the world market.
3. The DDR determines the allotment of quotas for domestic and foreign consumption. The entire sale of the sugar of the three countries on the world market is conducted through the DDR. If one of the countries wishes to supply sugar as an exchange in a commercial deal abroad, it requires the approval of the Sugar Commission in Berlin.
4. The total sugar recovery of the three countries at the present time is about 180,000 tons, from which, up to now, the DDR has been able to sell only about 4,000 tons abroad.
5. The three countries hoped to regulate the price of sugar by common action in the world market. In January 1952, the DDR asked 144 dollars per ton on the world market, then through over-expectancy went back to 62 pounds per ton. Because the sugar could not be disposed of at this price, the price was lowered to 118 dollars per ton in May 1952. At this price 20,000 tons were sold to the Near East at the end of May 1952.
6. The effort to dispose of a large part of the sugar through the interzonal trade with West Germany fell through. The Poles and the Czechs are greatly disturbed by the complete failure of the sugar convention.

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