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FULFILLMENT OF EAST GERMAN ECONOMIC PLAN FOR 1954

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On 23 February 1955, the Central Office for Statistics of the GDR State Planning Commission issued the following report on the fulfillment of the 1954 Economic Plan:

I. DEVELOPMENT OF INDUSTRIAL PRODUCTION

The 1954 plan for industrial gross production was 100.2 percent fulfilled. Thus the volume of industrial production was 10 percent greater than that of 1953 and 76 percent greater than that of 1950.

The centrally administered people-owned industrial enterprises fulfilled their 1954 production plan 100.6 percent, thereby increasing their production 8.2 percent over 1953.

The local people-owned industry fulfilled its production plan 102 percent, an increase of 15 percent over 1953 production. The cooperative enterprises increased their production 6 percent over 1953.

Private industrial enterprises increased their production 18 percent and craft enterprises 15 percent over 1953.

The 1954 production of consumer goods was 16 percent greater than 1953 production. In addition to the considerable increase in the volume of consumer goods, the goods were also of better quality and in greater variety. However, certain important commodities, such as motorcycles, bicycles, sewing machines for household use, refrigerators, mirror-reflex cameras, batteries, cells, and watches were not produced in the planned quantities. Products valued at 955 million DM were manufactured in an attempt to comply with the SED proposal that consumer goods valued at one billion DM be produced in excess of the plan.

The ministries enumerated below fulfilled their 1954 gross production plan as follows:

<u>Ministry</u>	<u>Fulfillment of 1954 Plan (%)</u>
Ministry of Heavy Industry	101
Ministry of Machine Building	102
Ministry of Light Industry	99.9
Ministry of Food Industry	98

The 1954 plan was surpassed for the following important products: Black coal (Steinkohle), iron ore, pyrites, electric steel, rolled steel, rolled products, tools, foundry equipment, equipment for light industry, wheel tractors, AC motors, material for electric installations, gasoline, hot-water boilers, enamelware, electrical household and heating appliances, typewriters, lacquers, varnishes and paints, furniture, musical instruments and cultural goods, artificial silk, worsted fabrics, carded yarn fabrics, woolen fabrics, cotton fabrics, knitted outerwear, leather goods and novelties, canned meat and sausages, butter, cheese with high fat content, spirits, beer, and cigarettes.

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In 1954, output was as follows (in percent of 1953):

Electric power	107
Raw brown coal	105
Brown-coal briquettes	103
Potash salts	106
Pyrites	104
Pig iron	122
Rolled steel	113
Watertube and high-pressure boilers with a capacity of over 60 tons of steam per hour	170
Seamless pipe	220
Tools and foundry equipment	114
Equipment for the food and beverage industry	163
Agricultural machines	166
Equipment for the textile industry	136
Equipment for light industry	145
Trucks	110
Passenger automobiles	146
Motorcycles	107
Automobile parts	144
Wheel tractors	123
Sulfuric acid	126
Calcined soda	125
Artificial silk	110
Synthetic fibers	121
Cement	108
Glass	115
Hot-water boilers	208
Sewing machines for household use	160
Enamelware	139
Electrical household and heating appliances	215
Wrist watches	122
Lacquers, varnishes, and paints	130
Furniture	117
Musical instruments and cultural goods	134
Woolen fabrics	150
Cotton fabrics	116
Carpets and runners	116
Knitted underwear and outerwear	114
Leather shoes	110
Leather goods and novelties	122
Margarine	133
Butter	114
Cheese with high fat content	143
Canned fish	188

The production plan for raw brown coal and briquettes was not completely fulfilled because some of the production capacity was put into operation too late. Any production lags caused by frost and high water were recouped by the miners in an exemplary effort.

In the field of electric power the workers achieved great successes; new capacities, amounting to 620 megawatts, were put into operation, as compared with 165 megawatts in 1953. For the first time, 25-32-megawatt large turbine assemblies of GDR construction were put into operation in the power stations. The trial runs of these machines will have to be shortened so that the new installations can be fully exploited sooner. The requirements for electric power during peak periods were not fully satisfied in 1954.

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The metallurgical enterprises fulfilled their 1954 plan for rolled steel 102 percent; the production of bottleneck materials was not carried out according to plan.

Chemical production was 7 percent higher than in 1953. The 1954 plan was not fulfilled with regard to diesel fuel, calcined soda, caustic soda and synthetic rubber.

The Ministry of Machine Building failed to fulfill tasks of the 1954 plan. The assignments for the export program were only 94 percent fulfilled, and for investment goods, only 92 percent.

Losses and interruptions of production caused by defective products and irregular rates of production are still too great; and excess inventory is also too large.

Light industry improved the quality of its products, enlarged its assortment, and increased the share of woolen fabrics for suits and overcoats. The consumers were provided with new articles made from Perlon silk and Perlon fiber. Efforts at producing wrinkle-resistant clothing fabrics and colorful prints continued to be unsuccessful.

The consumers had a more complete selection of leather shoes at their disposal because of the use of suede and "Cona" leather.

The furniture industry greatly improved the quality of its output; the share of furniture with quality designation I rose from 65 percent of total furniture production in January 1954 to 80 percent by the end of 1954. The selection in furniture was enlarged by 60 new designs for complete rooms.

The enterprises of the food industry improved quality and variety of their products, especially in meats and sausage products, margarine, fish products, pudding powder, and spirits, through the use of high-quality raw materials and through new production methods. The 1954 plan for fishing was not fulfilled because the shipbuilding industry did not deliver the new trawlers.

Even though the crop yield was greater than in 1953, the planned 1954 output of refined sugar was not reached because of the low sugar content of the beets.

Some ministries make it a practice to surpass the production quota for goods of which there is no scarcity, while the plans for the production of important products remain unfulfilled.

Although the over-all industrial plan was fulfilled, a number of enterprises did not meet their assigned 1954 quotas. The chief reason for the nonfulfillment of plans was the unsatisfactory organization of production and the uncoordinated work of the enterprises. This became apparent in the high output of products at the end of each quarter, while the beginning of the following quarter regularly showed a decline in output. These shortcomings led to interruptions of work, to failure to stay within the manpower plans of enterprises, and to high expenditures for overtime work. Consequently, the wage fund plan was exceeded and production costs were not sufficiently lowered.

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In all enterprises which made use of production discussions and of the help of activist commissions as part of their daily work, the closer cooperation between workers and the intelligentsia led to an improvement in work organization, to a lowering of the volume of defective products, and to an improvement in the quality of the output.

In 1954, the total number of persons employed in people-owned industry increased by 5.2 percent over 1953, and the number of production workers by 4.5 percent. Thus, the number of all other employees in people-owned industry rose faster than that of the production workers.

In 1954, there was again no unemployment in the GDR.

Labor productivity of production workers in 1954 was 4.1 percent greater than in 1953. During the same period, average wages rose 9.2 percent. The wage increases introduced in 1953 and at the beginning of 1954 took full effect for all of 1954.

In 1954 the centrally administered people-owned industry lowered its total producer costs by 1.5 percent below 1953 costs. The plan for material costs was exceeded by 2.7 percent; material consumption norms and technically determined work norms continued to be insufficiently developed and applied.

III. APPLICATION OF NEW TECHNIQUES

In 1954, new designs and production methods again reached the production stage and were introduced into practical operation; further successful results were achieved in the change-over to new materials and in better utilization of materials.

New plastics, among other materials, are being used in place of nonferrous metals in the fields of machine building, electrical engineering, precision instruments, and optics.

New design in the electrical industry, such as air filters (Luftschuetze) and switches, have permitted up to 50-percent savings of materials while simultaneously reducing manufacturing time. In the field of textile fibers, in addition to improvements in the manufacture of staple fiber, progress has been made especially in the production of raw materials for synthetic fibers and in the manufacture of the fibers themselves, all of which permits a further expansion in the variety and the volume of production.

Despite the successes so far achieved, the tasks specified in the plan for the development of new designs and production methods and their introduction into the production process were not fulfilled. The State Planning Commission and the ministries paid far too little attention to this problem.

The improvement of the production technology is not being given enough careful thought, with the result that the technical possibilities for increasing labor productivity are not fully exploited. This is illustrated by the insufficient utilization of 10 percent suggestions of workers. In 1954, for instance, out of 400,000 suggestions, only 155,000 were processed; when put into practice, they proved to be of great economic value.

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III. AGRICULTURE

Spring planting was carried out quickly and well. As indicated in the table below, almost all crops showed an increase, both in per-hectare and total yield, as a result of the intensified application of modern techniques, the introduction of new methods in preparing the soil and in sowing, and improved cultivation by the individual peasants as well as by producer cooperatives.

<u>Products</u>	<u>Total Yield (% of 1953)</u>	<u>Yield per Hectare (% of 1953)</u>
Grains and legumes	98	100.4
Sugar beets	119	117
Potatoes	120	120
Root crops for fodder	139	128
Field crops for fodder	107	101

In 1954 agriculture received 10 percent more nitrogen fertilizer, 18 percent more phosphoric acid, and 9 percent more potash than in 1953.

Fall planting was carried out as follows:

<u>Products</u>	<u>Percent (of Plan of 1953?)</u>
Winter rye	100.6
Winter wheat	95
Winter barley	89
Winter oil crops	96

The net of MTS operating bases was increased to 2,200. The greater number and the improvement of the technical equipment of the MTS in 1954, however, were not sufficiently utilized, so that the use of MTS for field work showed only an 11-percent increase over 1953 achievements. The 1954 plan for field work was only 91 percent fulfilled, while the plan for tractor-transportation work was 121 percent fulfilled.

The over-all share of the MTS in field work throughout the agricultural sector was as follows:

<u>Type of Field Work</u>	<u>MTS Field Work (% of Total)</u>
Plowing	46
Drilling	29
Mowing grain	48
Potato planting	9
Potato harvesting	18
Beet harvesting	11

Of the total work of the MTS, the following percentages were performed for individual peasants: during spring planting, 28 percent; during the harvest campaign, 45 percent; and during the work in the fall, 40 percent. This is a result of closer cooperation between the working class and the working peasant and also of the aid extended by the government to the individual peasant.


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To improve their per-hectare yields, the people-owned farms planted 31 percent of their grain acreage by the close row and crisscross sowing method and 45 percent of their potato acreage by the checkrow procedure.

The 1954 plans for marketing breeding and work animals and for the production of high-quality seeds and seedlings were not fulfilled. The people-owned farms exceeded their planned costs in 1954. The number of agricultural producer cooperatives increased to 5,120; they cultivated 14.3 percent of the total agriculturally usable land. The share of Type III agricultural producer cooperatives increased from 41 to 60 percent in 1954; they cultivated 80 percent of all cooperatively held agricultural land.

The training possibilities for members of agricultural producer cooperatives through attendance at the central schools have been utilized only to an insufficient extent.

Important production successes were achieved in 1954 through extensive utilization of modern techniques and wide application of new methods in the agricultural producer cooperatives. The per-hectare yields of the agricultural producer cooperatives are in some cases above those of the individual peasant holdings. Through improved milking techniques and rational utilization of fodder, the milk yield of the cooperatively held cow herds increased greatly. The 1954 annual milk yield per cow was 233 kilograms greater than the 1953 yield. The increase in milk yield for individually owned farms was 212 kilograms. This development is indicative of the continuing general strengthening of the agricultural producer cooperatives.

Neither the over-all increase of the agricultural animal population planned for 1954 nor the 1954 plan for the production of slaughter animals was completely fulfilled. In 1954, the total milk production was 10 percent greater than 1953 milk production.

The unsatisfactory guidance and control of the Ministry of Agriculture and Forestry led to an inadequate utilization of the agricultural resources and to an incomplete fulfillment of the investment building projects. Of the many buildings which were started, only 80 percent were finished.

Peasant income in 1954 was 522 million DM greater than the 1953 income.

IV. TRANSPORTATION ACHIEVEMENTS IN RAILROAD, SHIPPING, AND MOTOR VEHICLE TRAFFIC

The amount of goods moved by all means of transportation during 1954 was 6 percent greater than the comparable 1953 figure.

The 1954 plan for railroad freight transportation services was only 97 percent fulfilled. The increase over the preceding year amounts to 4 percent. During the fourth quarter, the planned goal for freight transportation during that period was reached; it was not possible, however, to make up for the arrears of the preceding three quarters. The scheduled turnaround time of .1 days was lowered beyond the plan figure.

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Inland water transportation fulfilled its 1954 freight transportation plan 91 percent. The failure to fulfill the 1954 plan is mainly due to the nonfulfillment of the plan during the first quarter.

Motor-vehicle transportation fulfilled its 1954 freight transportation plan 106 percent; this is an increase of 15 percent over 1953 achievements. The 1954 plan for passenger transportation by commercial bus traffic was 106 percent fulfilled, an increase of 17 percent over the comparable 1953 figure.

By value, the performance plan for postal, telecommunications, and radio services was 102 percent fulfilled. The reduction of rates, effective since 1 October 1954, led to an increase in postal shipments.

V. INCREASE IN INVESTMENT CONSTRUCTION

The volume of 1954 state investments was as follows (in percent of 1953):

Electric power	157
Coal	133
Light industry	111
Food industry	156
Public education	123
Residential construction	113

In 1954 the volume of unfinished construction was excessive. The completion of buildings was slowed down because too many buildings were started.

Capacities for the production of raw brown coal, briquettes, iron ore, pig iron, cement, and calcined soda were expanded in 1954. The planned capacity for the production of harvester combines was achieved.

New capacities were also created in all fields of consumer goods production. The capacity for the production of bicycles, for example, was enlarged by 100,000 units.

The construction enterprises fulfilled the construction plan 101.4 percent.

Of the dwelling units to be built, only 86 percent were finished. The funds provided for them, however, were used up to the extent of 95 percent, which means that the houses were built at too great a cost. The construction enterprises have not yet learned to cut down to a minimum the work interruptions and blank periods. Other reasons for the unsatisfactory fulfillment of the construction plan are bad project planning, failure to use standardized building parts, incorrect utilization of construction machines, and inadequate supply of construction materials.

The production of bricks and roofing tiles, fireproof products, and hard fiberboard was not increased to the full extent scheduled. The losses incurred through incorrect transportation and storage of cement are still far too high. The supply of bricks to the construction industry was ensured through a considerable increase in the production of hollow blocks.

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VI. EXPANSION OF FOREIGN AND INTRA-GERMAN TRADE

The turnover in foreign trade in 1954 was 23 percent higher than in 1953. Exports accounted for 33 percent of this increase and imports for 12 percent. The turnover was 150 percent greater than in 1950.

At present, the GDR has trade relations with 70 countries. The USSR and the People's Democracies accounted for 75 percent of the total 1954 turnover. Trade relations were most significantly expanded with the USSR, which supplied the GDR with considerably more goods in 1954 than in 1953.

Trade with the capitalistic market was 32 percent greater than in 1953; the 17 official trade agreements so far concluded account for a considerable share in this increase. The first trade agreements with Argentina, India, Indonesia, Iceland, Turkey, Uruguay, and Yugoslavia were concluded in 1954.

The GDR participated in fairs and industrial exhibits at Helsinki, Milan, Paris, Stockholm, Salonika, Utrecht, Vienna, Djakarta, and Cairo.

Trade with West Germany in 1954 increased by 58 percent over 1953. The West German central licensing system has so far prevented an expansion of intra-German trade. Therefore, the turnover falls short of the given possibilities.

VII. INCREASE IN DOMESTIC TRADE

Retail trade sales, expressed in comparable prices, increased 14 percent over 1953. Retail trade sales by sector of the economy were as follows (in percent of 1953):

People-owned retail trade (HO)	111
Cooperative trade (consumer cooperatives)	112
Private retail trade	118

Retail trade sales were 93 percent greater than in 1950; at the same time, there were a greater assortment of goods and a significant improvement in quality. The September 1954 price reductions for important consumer goods, such as margarine, lard, edible fats, leather shoes, etc., resulted in savings of 600 million DM for the population by the end of 1954.

Sales in 1954, expressed in comparable prices, were as follows (in percent of 1953):

Foodstuffs and beverages	108
Industrial goods	123

The increase in the supply of industrial articles available to the population in 1954 still did not meet the goal set by the plan.

For the first time, the state and cooperative retail trade held winter sales in January 1954 and summer sales in August 1954, both of which had great popular appeal.

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In addition to the 29,600 retail outlets of the consumer cooperatives, 58 rural department stores were opened between March and September 1954 to improve the supply for the rural population. The total number of these rural department stores, which offer a wide selection, has thus increased to 148.

In 1954, the supply of important consumer goods for the population was as follows (in percent of 1954):

Meat and meat products	110
Fish and fish products	123
Fats, total	116
Butter	110
Margarine	122
Fluid milk (for human consumption)	109
Leather shoes	113
Worsted fabrics and wool	155
Cotton fabrics	158
Motorcycles	107
Cameras	218
Radios	112
Portable typewriters	108
Wrist watches	124
Sewing machines	160
Enamelware	139
Refrigerators	186
Hot water boilers	190

VIII. DEVELOPMENT OF THE CULTURAL LEVEL OF THE POPULATION AND OF HEALTH SERVICES

Cultural and health facilities were greatly expanded in 1954.

Eight scientific institutes for training scientific specialists were opened in 1954. This increases to 46 the number of universities, schools of higher learning, and independent institutes.

The number of students personally attending all types of schools of higher learning increased from 46,844 in 1953 to 57,538 in 1954 during the same period, the number of those taking correspondence courses rose from 10,092 to 13,130. Ninety-five percent of the students attending the schools received scholarships.

The number of students in day, evening, and correspondence courses of technical schools rose from 72,173 at the end of 1953 to 79,525 at the end of 1954; 34 percent of the total number of technical students were evening and correspondence course students.

Enrollment in courses at the advanced schools for adult education (Volkshochschulen) reached 1,277,000 in 1954; this is an increase of 39 percent over 1953 enrollment.

The number of pupils at music schools rose from 25,329 at the end of 1953 to 34,225 at the end of 1954.

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A total of 21,500 popular art ensembles and groups, locally and in the enterprises, are actively engaged in developing the creative work of amateurs.

During the 1953-1954 season, 16,650,000 workers attended the theaters..

The number of performances in motion-pictre theaters increased by 24 percent and the attendance by 29 percent over the comparable figures for 1953. Weekly film showings were offered in 75 percent of the rural communities.

Cultural facilities newly established in 1954 include 25 youth club houses, 1,200 youth rooms, 85 cultural and club houses, 2,500 cultural and club rooms, 1,000 sports facilities, and 444 public libraries, including branches.

At the end of 1954, a total of 339,000 places were available in kindergartens, children's nurseries and weekly homes, and creches for the children of working mothers. This is an increase of 24 percent over such facilities available at the end of 1953. The number of places in permanent nurseries for infants and toddlers was increased from 6,780 at the end of 1953 to 7,950 at the end of 1954.

To improve health services for the population the number of public polyclinics was increased from 260 in 1953 to 284 in 1954, and that of the rural polyclinics from 230 in 1953 to 273 in 1954.

The number of beds in hospitals increased from 197,100 at the end of 1953 to 200,000 at the end of 1954. The steady improvement in health care for the population is also revealed in the decrease of illness. For example in 1954, there were 13 percent fewer new cases of tuberculosis than in 1953.

The 21st Plenary Meeting of the Central Committee of the SED called for general application of thrift and of the business-type accounting system, for an increase in the profitability of enterprises, for economical use of material and manpower, and for recognition and thorough utilization of the resources of the economy.

All officials in the agencies of the government and the economy must see to it that these tasks are realized so that the CDR may progress on the way to the creation of the foundations of socialism.

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