

# INFORMATION REPORT

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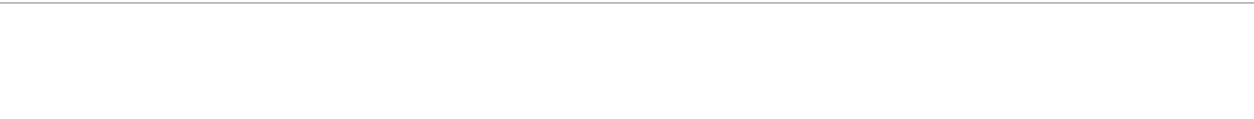
COUNTRY	East Germany/Poland/USSR/Romania	REPORT	
SUBJECT	1. Shortage of Coke at the Stalin Plant 2. Possible Appointment of Rau as Minister for Defense 3. 1955 Investment Plan for Heavy Industry 4. Possible Liquidation of DHZ offices	DATE DISTR.	26 July 1955
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THE SOURCE EVALUATIONS IN THIS REPORT ARE DEFINITIVE.  
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1. On 13 June 1955, Markovitsch (fnu), plant director of Eisenhuettenkombinat J.V.Stalin, reported to the East German Ministry for Heavy Industry that the plant had only one and one-half days' supply of coke on hand. The Stalin Plant has been having continual difficulty with its coke supply, which is imported from Poland, as there is no guarantee of the quality of the coke delivered. Minister President Otto Grotewohl and Minister for Heavy Industry Fritz Selbmann have discussed the matter with the Polish authorities but without success, since Poland needs more coke herself. The difficulties at the Stalin Plant are expected to continue as a result.

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2. An official of the VEB Riesa, who is a close personal friend of Heinrich Rau, stated that Rau's appointment as Minister for Foreign and Domestic Trade is only a temporary one. Rau is allegedly scheduled to be Minister for Defense, but will remain in the Foreign Trade Ministry until better order can be created in that Ministry.

3. The 1955 Investment Plan calls for investments of 1.6 billion DME in heavy industry during 1955. An identical investment program of 1.6 billion is also scheduled for 1956. Emphasis in heavy industry is to be given to the power field - with 480 million DME investments - and coal - with 400 million DME investments in 1955. Heavy Industry's extremely large share of the total investment program is due to the fact that in 1954, 13 billion DME of the 37 to 40 billion DME Gross National Product return stemmed from heavy industry.

4. The Central Committee of the SED has allegedly prepared a plan whereby all central or main offices of the Deutsche Handelszentrale (DHZ) will be eliminated and each Ministry made responsible for the allocations of its own production. The local DHZ offices and warehouses would continue to operate as before but under the jurisdiction of the appropriate Ministry.

5. East Germany is now again importing Erdoel (crude oil) from the Soviet Union. Plans to import from Rumania have been dropped.

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