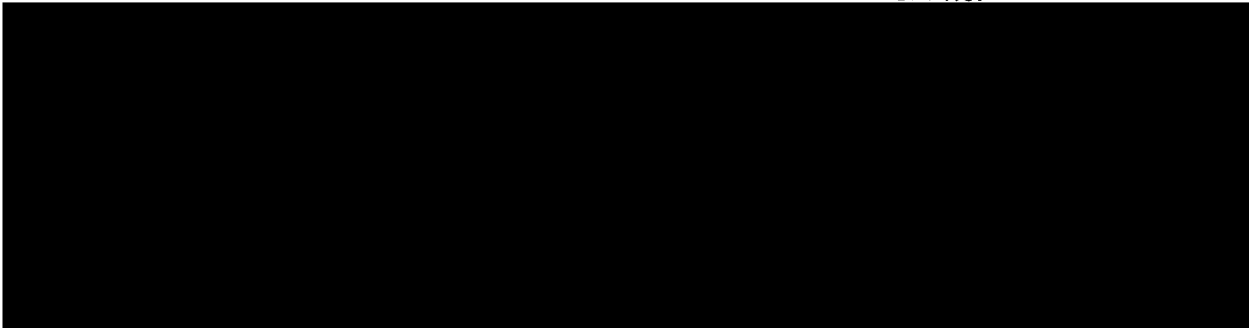


INFORMATIC REPORT

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1. It was anticipated that 400,000 tons of rolling mill products, steel, and cast iron products would be imported from Western Germany in 1948. Actually because of the blockade, not more than 20,000 tons have been received.
2. Iron and steel had been bought from Western Germany at the very reasonable price of 72 - 76 dollars per ton on a barter basis in exchange for women's stockings. Possible Eastern suppliers demand higher prices and better goods.
3. The USSR is now attempting to assist the zone and in the first half of 1948 sent 45,000 tons of rolled and raw steel. In the third quarter, she sent 80,000 tons of which 28,000 tons, coming from Belgium and destined for the USSR, were diverted at Stettin.
4. The USSR has also compelled the Poles and Czechs to make deliveries of iron and steel. The Poles were very slow in complying and by August 1948 had delivered only 7,000 tons. They complained that there was too much delay in delivery of the wood which they were to receive in exchange. (This delay was caused by disorganization in the DMG, which had just been set up). Only after detailed orders from the SMA to the DMK, and corresponding requests to the Poles, were deliveries resumed in considerable quantities by both sides. By the end of October 1948, Poland had delivered a further 18,000 tons and Czechoslovakia 38,600 tons altogether.
5. Small quantities of machine tools and rolled iron are due from Austria and Hungary, while the USSR is attempting to equal the former deliveries of ball bearings and rolling mill products from the Western Zones.
6. The iron and steel requirements of Russian Zone industry for 1949 and 1950 had been set at 875,000 tons in the Two Year Plan. It is now considered unlikely that this quantity can be made available.

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