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EAST GERMANY

PANKOW Revokes Price Cuts.

SOURCE BERLIN : HO-observer from HALLE.  
DATE OF OBSERVATION: 17 October 1953.  
EVALUATION COMMENT : None.

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Orders to the East German Ministry for Trade and Supply to HO stores, to prepare for a general 20 per cent price reduction for 7 October 1953, were revoked on 15 September by the Ministry for Finance.

According to verbal information gained directly from the Ministry for Finance, the HO administrator of Bezirk HALLE explained to trusted employees that the decision to postpone H-O price reductions was made on demand of Walter ULBRICHT a few days prior to the 16th session of the Central Committee of the SED, which took place between 17 and 19 September 1953.

Instead of the price reduction, ULBRICHT had favored a tax cut; such as was announced on 15 October by the Communist press. The announcement of the tax cut was originally planned for 5 October, two days before the East German "national holiday".