

SPECIAL ATTENTION: Mr. Wm. Griffith,
Economic Editors.

M
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EAST GERMANY

EAST GERMAN FINANCE MINISTRY LIFTS RESTRICTIONS.

SOURCE BERLIN : Observer of the East German Finance
Ministry.

DATE OF OBSERVATION: August 1954.

EVALUATION COMMENT : This is an addition to BERLIN RFE Item
No. 7551/54, bringing later developments in East German bank-
ing practice.

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By a new directive issued during the latter half of August 1954, the East German Finance Ministry has made it lawful for saving-account holders to draw more than 300 Marks from their account at any one time for undeclared purposes. This directive supersedes a older directive prohibiting East Germans to have more than 300 Marks cash at hand at any time.

The Finance Ministry at the same time declared complete tax exemptions on all money held by individuals on saving accounts. Depending on the agreements made by individual savers with the banks, savings will earn interests from three to five per cent annually.

An additional memorandum of the Finance Ministry, termed "restricted" recommends to banks that as of September 1, owners of small saving accounts shall also be made acquainted with the possibility that they can open anonymous secret bank accounts at East German bank institutions. "The Socialist press will soon start a corresponding crusade," the memorandum stated.

End.