

International Monetary Fund, when it comes to their statistics they almost may report anything and, unfortunately, this anything is believed.

EAST GERMAN ECONOMY IS EXTREMELY INEFFICIENT

Being more specific—by the way, I know East Germany. I was several times in that country, as well as in West Germany. I speak German so it was quite easy for me to know many things. But when it comes to East Germany, their economy is extremely inefficient. It's organized in the so-called combines. There are 126 combines in all, which are very centralistically oriented and as such inefficient economically.

Why recently East Germany is reporting to be that much successful when it comes to economic growth, I cannot quite simply understand. I don't know what really has happened that there is such a dramatic improvement in the performance of their economy.

May I add that the Soviets cut the supplies of oil to East Germany by more than 5 million tons and East Germany was importing 22.7 million tons in 1982. The prices of Soviet oil have gone up on the meantime. And why East Germany succeeded in amassing more than \$5 billion in reserves which makes them that much more attractive now to many banks, I must say I don't understand this. There must be a very clever disinformation operation, economic disinformation, of course, which makes the economic figures of East Germany look that good and, for that reason, some of the banks, including unfortunately American, are quite simply falling into their trap.

This is even more mysterious to me that West Germany, who knows of course much better what is going on in East Germany, is not that generous with credits, especially with the terms of credits, as unfortunately some of the American and Japanese banks seem to be. This I quite simply cannot understand and I believe it is a very clever economic disinformation operation which is very much successful, at least for the time being, and if it continues like that and there is no control by the governments of the Western countries, there can be another credit disaster as the case was in the 1970's where many of the banks were overextended with their credits to Eastern Europe and where now they are facing the trouble of being repaid.

So after this brief oral statement, I am ready to answer any questions on this subject. Thank you.

[The prepared statement of Mr. Rurarz follows:]