1. The Basis of the Tripartite Division of Legislation with Regard to Contracts

One of the most characteristic features of the economy of the GDR and other socialist countries is planning. The allocation of resources (labor, raw materials, and others), production and distribution, as well as important quality features are planned at different stages by the state and by enterprises, and are based on a common plan. However, the plan is binding only on enterprises within the national economy of the GDR. Contractual relations between individuals, and between individuals and firms (e.g. sale of goods, services) as well as external economic relations, are in some ways affected by the plan.

Concerning economic relations with enterprises from countries of the Council for Mutual Economic Assistance (CMEA), coordination aims at corresponding plans. Insofar as practicable, each foreign trade enterprise of a CMEA-country receives a plan for exports to other CMEA-countries, corresponding to the import plan of foreign trade enterprises in other CMEA-countries.

Even where this purpose is achieved for all items handled, the outcome is quite different from the planning system within a single CMEA-country, because the contractual relations between enterprises from different CMEA-countries are governed by coordinated and not by common plans.

In relations with non-socialist countries, the coordination of future economic activities at state level is generally limited to state obligations to allow and support certain mutual commercial relations between domestic and foreign enterprises. Socialist countries make great efforts to introduce some elements of planning (coordination of plans) into international agreements with non-socialist countries. Results have been reached in coordinating plans concerning important projects, such as the construction of plants, specific branches of production or research work, and cooperation at state or enterprise level.

With regard to consumer contracts, planning is possible only statistically; such plans can bind only the enterprise, not the consumer.
The decisive differences in the methods of planning and the types of plans in the three fields dealt with result from the different character of the property involved. The basis of the planning of economic relations within socialist countries is the people's (national) property of the means of production. Foreign trade is based either on people's property of several socialist states, or on people's property on the one side and capitalist private or state property on the other side. Finally, in the case of relations between consumers and firms, people's property and personal property are involved.

Of course, it is not only the character of the property involved which determines the method of planning, the type of plan, and other forms of legal regulation of economic relations. In foreign economic relations, these forms are greatly influenced also by such factors as the existence of sovereign states and the nature of the relations between them arising from their socio-economic character. All these facts are interrelated.

The socio-economic peculiarities of the field discussed require special legal regulation—not only of the planning law, but also of other legal matters, including contractual law. Accordingly, there is a tripartite division of the law of contracts in the GDR.

2. The Most Important Contractual Regulations in the Law of the GDR

According to this division, all contractual relations within the national economy, including the national partners of foreign trade relations, are regulated by the provisions of the GDR economic law, in particular by the Contracts Act (Germ. abbr.: VG) and the legislation based on it.

A basic problem of the contractual law regulating the internal economy consists in the interaction between contract and plan. The correspondence of commercial contracts with the stipulations of the central national economic plan is enforced by a special system of legal regulations and by various sanctions (e.g., the duty to enter into contract, adjustment and amendment of the contract, penalties, recovery for economic loss and damages in case of breach of contract).

Special statutory regulations for all contractual relations within the national economy exist in many socialist countries ranging from individual provisions to entire codifications.

In the field of foreign trade, however, commercial contracts are not normally concluded on the basis of a common plan. The parties of these contracts are bound by different legal systems, are involved in different systems of state organs, operate with different national currencies, and so on.

Thus, the basic situation in the case of international commercial contracts is very different from that of internal economic contracts within a single socialist