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1. At a session on 30 November 1954, the Politburo of the SED specifically concerned itself with the 1955 plans for production and ~~in the~~ East German industrial sector for which the Ministry for Machine Construction is responsible. The present plans of this Ministry for 1955, if carried out as provided, would release a considerable number of workers in 1955. If ~~in this session of the Politburo~~ could probably not be absorbed by ~~industrial branches~~ and the majority of them also could not be incorporated into the Volkspolizei because of being over age. The Politburo therefore decided to request the Ministry for Machine Construction to reconsider its plans. Specifically, the Ministry for Machine Construction was requested to forward within two weeks, to the Politburo, an analysis of the situation in which three different versions were submitted as possible solutions. The Politburo will then decide which version is to be applied.

2. The three versions prescribed by the Politburo are as follows:

- a. The "hard plan": this version leaves unaltered the present 1955 plans concerning the machine construction industry. It includes as a means of solution the release in 1955 of a total of 70,000 workers including 20,000 workers directly engaged in production, the remainder being apprentices, auxiliary workers, office help.
- b. The "medium plan": the 1955 plans remain also unaltered but only a total of 34,000 workers are to be released in 1955. This number will include 10,000 apprentices who normally leave the machine construction sector in order to take jobs in other branches, for instance the railroad services, agricultural machine and tractor stations, and heavy industry. In addition, it will include those workers and employees who leave the machine construction sector as a result of normal "fluctuation". They are not to be replaced in 1955. This plan, as does the "hard plan", makes it necessary either to increase the work norms considerably or to extend the volume of production. Since the volume of production is more or less fixed through the availability of materials, this plan actually amounts

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to an increase of the work norms, as in the "hard plan", however to a lesser degree since it provides for dismissal of fewer workers.

c. The "soft plan": 34,000 workers, composed in the same way as in b. above, are to be released in 1955. At the same time the profit plan is to be lowered so that the work norms do not have to be considerably increased.

3. All three of the plans include the dismissal of a considerable number of workers in 1955. The two last versions attempt to reduce the number of released workers to that number which the machine construction sector normally loses through rotation, without replacing the workers and apprentices who emigrate to other industrial branches. In this session of the Politburo the fact was mentioned that in all industrial sectors other than the machine construction sector the release of a total of 70,000 workers would have to be considered.

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Comment: For the first time since the East German government was established, the employment situation has reached a point where it can no longer be ignored. Already it is an established fact, but officially well hidden, that there are large areas of unemployment in East Germany, such as the Dresden, Chemnitz, Bautzen, Coerlitz, and East Berlin areas.

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