

CENTRAL INTELLIGENCE AGENCY  
**INFORMATION REPORT**

REPORT [redacted]

CD NO.

COUNTRY East Germany

DATE DISTR. 17 June 1955

SUBJECT 1954 and 1955 Production in the Chemical Industry  
of the Ministry for Heavy Industry

NO. OF PAGES 2

PLACE ACQUIRED [redacted]

NO. OF ENCLS. (LISTED BELOW)

DATE OF INFO. [redacted]

SUPPLEMENT TO REPORT NO.

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[redacted]

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[redacted]

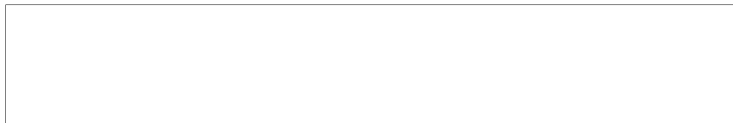
1. It was [redacted] per cent [redacted] Industry while the investment plan was fulfilled only 98.5 per cent. The 1954 production targets were reached 100 per cent by the following enterprises: "Walter Ulbricht" VEB Leunawerk, Chemische Werke Buna Schkopau, and Piesteritz Nitrogen Works. Only at VEB Leunawerk was the investment plan fulfilled 100 percent. These former SAG enterprises would allegedly be able to attain a much higher capacity if investment funds were available on a broader scale. These works are badly in need of modernized equipment for which, however, the necessary funds are lacking.
2. Under the new 1955 production plans presented to the managers of the individual plants on 29 December 1954, work according to these plans was started. In contrast [redacted] enterprises which ran into difficulties because of [redacted] the 1954 production targets, no difficulties [redacted] the chemical industry in the change-over from [redacted].
3. The quarterly 1954 allocations of material to the individual enterprises varied between 10 and 25 per cent of the actual needs, thus certain difficulties were inevitable. Allocations for the 1955 plans are allegedly inadequate. By late January 1955, no information regarding the volume of the 1955 total allocations was available.
4. A decree was allegedly issued by the Ministry of Heavy Industry providing for drastic reforms of the administrative sections [redacted] which have become [redacted] in relation to the labor [redacted] efficiency level is to be raised by stepped-up work [redacted] dismissals of administrative employees and workers, a large labor force will be made available for agricultural work. Dismissed employees are to be employed exclusively in agriculture; men will probably also be assigned to the VP. In January 1955, 5,000 employees were said to have been dismissed within the complex of HV Schwerchemie.
5. Economical administration was also the aim of the 1955 employment plan of the Ministry of Heavy Industry. It is to be noted that priority

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Referenten

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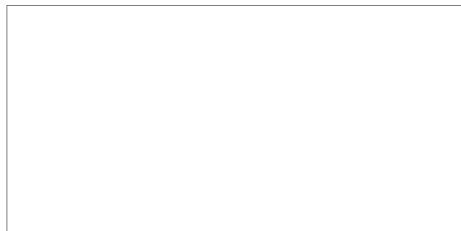
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will be given to qualified personnel, preferably to people with university training. Accordingly, new job designations will be introduced, for example, chief Referenten and Referenten will henceforth be referred to as investment engineers, investment economists, etc.

6. In late January 1955, a new structural and employment plan was in preparation at HV Chemie. A new organizational feature is the assignment of special experts (Sachbearbeiter) to each large HV enterprise; production at small enterprises will be supervised by the special production department of HV Schwerchemie.



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will be given to qualified personnel, preferably to people with university training. Accordingly, new job designations will be introduced, for example, ~~main referents~~ (Hauptreferent) and referents will henceforth be referred to as investment engineers, invest economists, etc.

6. In late January 1955, a new structural and employment plan was in preparation at HV Chemie. A new organizational feature is the assignment of special experts (Sachbearbeiter) to each large HV enterprise; production at small enterprises will be supervised by the special production department of Schwerchemie.

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1. It was reported that the 1954 production plan was fulfilled 102 per cent in the field of the Chemical Division of the Ministry of Heavy Industry while the investment plan was fulfilled only 98.5 per cent. The 1954 production targets were reached 100 per cent by the following enterprises: "Walter Ulbricht" VEB Leunawerk, Chemische Werke Buna Schkopau, and Piesteritz Nitrogen Works. Only at VEB Leunawerk was the investment plan fulfilled 100 percent. These former SAC enterprises would allegedly be able to attain a much higher capacity if investment funds were available on a broader scale. These works are badly in need of modernized equipment for which, however, the necessary funds are lacking.
2. Under the new 1955 production plans presented to the managers of the individual plants on 29 December 1954, work according to these plans was started. In contrast to other industrial enterprises which ran into difficulties because of the nonfulfilment of the 1954 production targets, no difficulties were experienced in the chemical industry in the change-over from the old to the new plans.
3. The quarterly 1954 allocations of material to the individual enterprises varied between 10 and 25 per cent of the actual needs, thus certain difficulties were inevitable. Allocations for the 1955 plans are allegedly inadequate. By late January 1955, no information regarding the volume of the 1955 total allocations was available.
4. A decree was allegedly issued by the Ministry of Heavy Industry providing for drastic reforms of the administrative sections of enterprises which have become top-heavy in relation to the labor force. Since the efficiency level is to be raised by stepped-up work norms and by dismissals of administrative employees and workers, a large labor force will be made available for agricultural work. Dismissed employees are to be employed exclusively in agriculture; men will probably also be assigned to the VP. In January 1955, 5,000 employees were said to have been dismissed within the complex of HV Schwerchemie.
5. Economical administration was also the aim of the 1955 employment plan of the Ministry of Heavy Industry. It is to be noted that priority

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will be given to qualified personnel, preferably to people with university training. Accordingly, new job designations will be introduced, for example, chief Referenten and Referenten will henceforth be referred to as investment engineers, investment economists, etc.

6. In late January 1955, a new structural and employment plan was in preparation at HV Chemie. A new organizational feature is the assignment of special experts (Sachbearbeiter) to each large HV enterprise; production at small enterprises will be supervised by the special production department of HV Schwerchemie.

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