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CONFIDENTIAL INFORMATION REPORT

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CD NO.

COUNTRY Germany (Russian Zone)

DATE DISTR. 20 March 1952

SUBJECT The Reorganization of the Ministries for Heavy Industry and Machine Construction

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SUPPLEMENT TO REPORT NO. 25X1

1 TO DIA

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THIS IS UNEVALUATED INFORMATION

1. The Ministry for Heavy Industry will be disbanded at the end of 1951, and the new Ministry and State Secretariats will be formed as follow:
 - a. Ministerium für Hüttenwesen und Erzbergbau (Ministry for Smelting and Mining) Minister, Fritz Selbmann.
 - b. Staatssekretariat Chemie, Steine und Erden (State Secretariat, Chemistry, Stone and Earth) Secretary of State, Dirk van Rickelen.
 - c. Staatssekretariat Kohle und Energie (State Secretariat, Coal and Energy) Secretary of State, Max Fritsche.
 - d. Staatssekretariat Bau-Industrie (State Secretariat, Building Industry) Secretary of State, Willi Mayer.
2. The SED also wished to split up the Ministry for Machine Construction into several Ministries, or at least independent State Secretariats. However, the present Minister Gerhard Ziller, has obtained the support of Otto Grotewohl for the following new organization, which will probably be introduced early in 1952:
 - a. Ministerium für Maschinenbau, Hauptverwaltungen Allgemeiner Maschinenbau, Elektrotechnik, Feinmechanik und Optik, and Fahrzeugbau (The Ministry for Machine Construction supervising the main administrations for general machine construction, electrotechnical machine construction, precision machine construction and optics, and vehicle construction).
 - b. Staatssekretariat Schwermaschinenbau (State Secretariat, Heavy Machine Construction) which will include the factories, at present mainly in VVB Nagema, which make equipment for the chemical industry. It will also control the Hochseeschiffbau Dieselmotorenwerk Rostock. This State Secretariate will not be independent, but will come under the control of the Minister for Machine Construction.

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- c. Staatssekretariat Schiffbau (State Secretariat, Shipbuilding). This State Secretariate will also not be independent, but will come under the control of the Minister for Machine Construction.
3. The legal status of the VVBs and VEBs will also change on 1 January 1952. After that date each nationalized factory (VEB) will have greater independence, and the plant manager greater responsibility. Each factory must become self-supporting financially. Corporations (VVBs) will lose their legal status as proprietors of the VEBs and will become outstations of the Ministry, responsible only for the technical and administrative control of the VEBs. It was originally proposed to disband VVB Hochseeschiffbau. It has now been decided that it should continue to exist.

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