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German Democratic Republic

DEVELOPMENT OF INDUSTRIAL PRODUCTION UNDER THE FIVE-YEAR PLAN

## I. Reorganization of Nationalized Industry

A. Objectives of the reorganization -- to improve the execution of the Five-Year Plan and to give the directors more responsibility.

B. Structural reorganization -- VEB's controlled by the Laender will be dissolved and the enterprises assigned to Zonal VEB's or to local collectives.

C. Administrative management of the enterprises -- The Ministry of Industry will be replaced by three ministries, for heavy industry, light industry, and machine-building.

D. New groupings -- "key" enterprises, including the Oder Combine ("Peace" Combine), Gölbe metallurgical plant, Brandenburg steel and rolling mills, Sangerhausen copper mine, the Riesa, Untermühlern, and Miles steel mills, machine-building factories, shipyards, electrical industry, precision mechanics and optics; Zonal VEB's; small enterprises under local collectives.

E. Reconversion of 24 factories

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F. Utilization of local resources

G. Conclusion -- difficulties which will have to be overcome the various plans are to be fulfilled.

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## II. The Five-Year Plan and the Production of Fuel

A. Oil -- The Soviet Zone has two oil regions, Zeitzkau - Gelsnitz and Freital, and is opening a third, Döberlug - Kirchhain. The Two-Year Plan provided for a production of 3 million tons in 1950, but only about 80 percent of this figure was reached. The Five-Year Plan provides for a production of 4 million tons per year, with two new wells at Döberlug and one at Zwistan. This figure cannot be reached.

B. Lignite -- a production of 205 million tons is planned for 1955. principal mining regions, specific measures to be taken to achieve the production, shortages of equipment and difficulties of obtaining it; projects for increasing briquette production.

C. Investments and technical equipment. -- 1951 - 55 investment plan for mining machinery; modified production figures for 1951-55 (crude lignite and briquettes); modified investment figures.

D. Conclusion -- comparison between present lignite production figures and Five-Year Plan figures shows that the latter exceed German peacetime requirements by 50 percent, which reflects a rearmament effort.

## III. The Production and Consumption of Electric Power -- planned figures for all major consumers for 1950-1951-55.

Equipment difficulties -- difficulties encountered by, and expansion plans for, the following plants which manufacture electrical and power equipment: LEW, Hennigsdorf; Transformatorwerk (TRW), Oberweißbach; Trfo und Hochspannung, Dresden; Galvanotechnik, Leipzig; Elektromotorenwerk, Fernigerode; Kjellberg, Finsterlin; Elektromotorenwerk und Kompressorwerk, Demau.

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