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1. VEB Carl Zeiss, Jena, fulfilled its 1952 sales plan (Umsatzplan) by 109 percent. Fulfillment of the financial plan, however, was uncertain until shortly before the end of 1952 when the finances of the firm were straightened out with the aid of Government funds. The accounts of the firm are now balanced; the works are able to pay incoming bills immediately, in contrast to 1952, when bills were sometimes not paid for more than six months and when the works sometimes lacked the cash funds to pay minor daily expense costs.
2. Higher SED authorities are dissatisfied with the political situation in the works. Main Director Hugo Schrade is a member of the SED, but not a trusted one. Other top level officials of the firm, such as Technical Director Rudolf Mueller and the head of the Optics department, Walter Fischer, are not affiliated with any party. The director of the works has been reproached for his lack of eagerness in the political indoctrination of employees. To change this situation and to strengthen their grip on the works, SED authorities have forced the direction of the works to cut its commercial staff by 56 employees who are to be released in the near future. This measure is disguised as a step to reduce expenses. In reality, the members to be dismissed will be replaced by trusted SED men from the lower levels of the Zeiss commercial administration; this move is the first in a series for the political "purification" of the works. The reason that the first move is directed exclusively against the commercial staff is that commercial personnel can be replaced more easily than technical personnel. Many Zeiss technicians are known to be politically unreliable, but they can not be dismissed because there are currently no replacements.

25 YEAR RE-REVIEW

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3. In the beginning of 1953, an important change ordered by the East German Government became effective. Up to that time the firm had been working on the basis of two plans: the regular economic plan approved by the State Planning Commission, and an internal plan taking into consideration the special conditions under which the firm works. The internal plan was called the "Feinplan". It contained higher production goals than the government schedule. Because of the shortage of materials and the fact that many of the devices produced took a relatively long development and construction time, the firm had many products which could not be completed in the course of a planning period. These products were then stored in semi-finished form or as parts of products until such time as they could be completed and marketed. This policy was designed to avoid the idleness of important work shops such as the works' turning and milling shops. As a result, storage halls have in the past been filled with parts which are to be used later in the mounting of finished products. Stored parts and semi-finished products did not figure in the Government plan but only in the Feinplan. Stored items were finished whenever the arrival of material or accessory equipment permitted their being completed. They then were added to the government plan for the period as overfulfillment. Storage of semi-finished goods and parts required a relatively large investment of funds. At the end of 1952, the government issued a ban against the use of a Feinplan in the works and prohibited the construction of products which could not reasonably be expected to be finished in the current plan period. Shortly after this measure took effect at the beginning of 1953, the expected result occurred in the turning and milling shops of the works. They now have long periods of idleness, whereas the mounting and assembling shops of the firm work feverishly in order to assemble the stored parts carried over from 1952. This situation has created considerable unrest among the Zeiss personnel, mainly among the employees in the workshops.
4. In a meeting of staff personnel of the firm (fnu) Rehfeld, a member of the production department of the works, outlined the government measure and the reasons for it. He declared that there was not enough capital to allow investment in the storage of parts and semi-finished products. Every such investment would decrease the funds available to the East German re-armament program. Rehfeld added that according to government intentions, the yearly financial turnover of the works, which in 1952 was 1.2, is to be increased to 2.0 in 1953 and to be further increased later; this measure also is intended to make more funds available for re-armament. As an example of a firm with a very favorable financial turnover, Rehfeld cited the VVB Optik works in Rathenow which has a yearly turnover of 2.4. 1/
5. In order to enforce its order, the government has also stipulated that the Zeiss works are from now on to receive enough material and supplies for one month only. In 1952 the works received three-month allotments and earlier they were allowed enough for six and twelve months.
6. The material supply situation of the works continues to be very poor. There are serious shortages in the supply of non-ferrous metals, high-grade steel and some types of special glass.
- 1/ Comment: The Rathenow works produce mainly small and cheap products, such as eyeglasses, cheap projecting equipment and cheap microscopes. Because of the short time required for production and the cheap price, the products can be sold quickly and easily. This explains the high turnover rate at the works.

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