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INFORMATION REPORT

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COUNTRY East Germany

REPORT

SUBJECT Replacement of Hegemann by Schmidt as Head of HV RFT and Production Difficulties of the East German Radio and Telecommunications Industry

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 Information

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1. Adolf Hegemann, Head of the Main Department for Radio and Telecommunications (HV RFT) of the East German Ministry for Machine Construction has been relieved of his post because of the difficulties this department is encountering in production. He was to have been replaced by Voigt, Plant Director of VEB Sachsenwerk Radeberg,¹ but at the last moment Schmidt, (fnu) the deputy Head of the department, was appointed temporary head on 28 October 1954. 25X1
2. Since the Central Committee of the SED is of the opinion that "deliberate sabotage" is taking place in the HV RFT, basing this opinion on reports it has received from several Party Plant Organizations and Workers Control Committees, it sent an official named Rechtenberg as an observer to a meeting of the HV RFT on 28 October 1954. 25X1
3. At this meeting, Schmidt made it clear to Rechtenberg that not only did difficulties exist in a few individual factories, but that the situation throughout the Ministry of Machine Construction was critical. The Planning Head (Planungsleiter) Heinze enlarged on this, quoting statements made by Heinrich Rau, Minister for Machine Construction, at the Ministry Conference on 27 October 1954.
4. According to Heinze, Rau had said that the situation in East German Industry was so difficult that it looked as though the government would have to begin manpower controls. He said that many workers had so little forethought and class consciousness that they refused as unreasonable any change of place of work. Such an attitude was untenable, since East Germany was not a rest home but a state of workers and peasants which was striving to build up a socialist economy. This great task demanded from every worker the application of his whole strength and no further account could be taken of personal convenience.
5. [redacted] Rau had, for the third time this year, cut down the HV RFT's plan [redacted] as an example the cancelling of the production of 10,000 radio sets which were to have been made by VEB Funkwerk Dresden.

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6. [redacted] 25X1
- [redacted] Stern Radio Berlin, with 25X1
 2,000 employees, should be shut down immediately. The HF factory in Berlin-Oberschoeneweide was trying in vain to get orders to bring some relief. As this was unsuccessful, some 600 workers would have to be dismissed shortly. The Messgeraetewerk at Zwoenitz was forced to dismiss 60 workers, while the Fernmeldewerke in Leipzig, Arnstadt, and Bautzen had received very few contracts for 1955. If these works had been run on capitalist lines they would most certainly have had to shut down. Of all the works controlled by HF RFT, only three were practically fully employed; they were Sachsenwerk Radeberg, Funkwerk Dresden and Stern Radio Rochlitz. Even Funkwerk Dresden would probably be faced with reduced production because of the cancelling of the order for 10,000 radios.
7. [redacted] it would be quite impossible to expend capital for the 25X1
 reconstruction or extension of factories. Such investments would mean that the plants concerned would demand more orders corresponding to their increased production capacity, a demand which could not even be considered as far as next year was concerned. It was already quite clear that the raw material situation would be even worse in 1955 than it was this year. 25X1
8. [redacted] 25X1
 [redacted] The gentlemen from the Central Committee of the SED 25X1
 were now looking for scape-goats and [redacted] the developments in 25X1
 factories under the HV RFT [redacted] the fault lay 25X1
 elsewhere. The managers of these factories should try and rescue what they could while there was still time 25X1
 [redacted] 25X1
 [redacted] Comment. Possibly identical with Dr. Gerhard Voigt who 25X1
 [redacted] was head of the telecommunications laboratory, 25X1
 at Radeberg. The plant director, as of August 1953, was Fritz Maertin.

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