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INFORMATION REPORT INFORMATION REPORT

CENTRAL INTELLIGENCE AGENCY

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COUNTRY East Germany

REPORT

SUBJECT Ministry of Coal and Power:
1. Organization and Personnel
2. Preparations for Decentralization

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SOURCE EVALUATIONS ARE DEFINITIVE. APPRAISAL OF CONTENT IS TENTATIVE.

- As of about December 1957 the Main Administration of Pit Coal (Steinkohle) the Main Administration of Lignite (Braunkohle) and the Main Administration of Hydrocarbons (Kohlewertstoffe) of the East German Ministry of Coal and Power were subordinate to State Secretary and First Deputy Minister Johannes Kier. 30 APR 1958 1 MAY 1958
- Also under Kier was the Research and Technical Development Department, under Dr. Heyer (fnu), whose assistants were Dr. Hermann (fnu), Dimski (fnu) and Wolf (fnu),
- Deputy Minister for Commercial Matters Wolfgang Roesel was in charge of the Central Cadre Department, the Marketing Administration for Power, the Marketing Department for Coal, the Marketing Department for Hydrocarbons, the Main Referat for Traffic, the Central Department for Labor, the Main Referat for Training, the Main Department for Planning, the Bookkeeping Department, the Finance Department, the Budget Department and the General Administration Section.
- There was also an Office for International Cooperation, headed by Hans Fliegner, an SED member. Fliegner had the additional responsibility of representing East Germany at Geneva in international labor matters. The Office for International Cooperation was responsible for working out organizational questions concerning scientific and technical cooperation with Soviet Bloc countries, and this office was also concerned with official travel to Soviet Bloc countries and the West. Also employed in this office was Horst Wegener, who was also the functionary responsible for political matters in the Ministry's militia (Kampfgruppe) organization.
- State Secretary Kier is the regular East German delegate to the Commission for Coal of the Council for Mutual Economic Aid (CEMA), which has its headquarters in Warsaw, and Deputy Minister Rolf Jeczmonka is the regular East German delegate to the Commission for Electric Power, in Moscow.
- Following the 32nd plenary session of the SED Central Committee, at which the subject of the decentralization of the East German economic apparatus was brought up, three new commissions were formed in the Ministry of Coal and

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Power, as follows: a commission for labor, professional training and work competitions, headed by Johann Dumbel, the chief of the Central Department of Labor; a commission for the structure of the governmental apparatus, head unknown; and a commission for planning and material procurement, headed by Fritz Wolf, the chief of the Main Administration of Planning. These commissions were given the assignment of preparing concrete proposals on the subject of decentralization, to be completed and submitted to the Minister's office by 1 December 1957.

7. However, the proposals of the three commissions were never completed because the decisions reached at the 33rd plenary session of the SED Central Committee changed the complexion of the proposed reorganization. A meeting of the Party leadership of the Ministry of Coal and Power formed the conclusion that the Ministry was apparently to be reduced to a small organization, probably of the approximate size of a main administration, which would be physically located in or near the State Planning Commission. At that same meeting the following policy decisions were also made to cover the situation at the moment: no new employees would be taken on until further notice; dismissals would be frozen until further notice for female secretaries, technicians and members of the "intelligentsia; special permission for changes of jobs would have to be obtained either from the State Commission for Governmental Organization and Job Assignments (Staatliche Stellenplankommission) or the Central Commission for State Control.
8. Further clarification of the planning for decentralization made it apparent that the former main administrations would be redesignated "industrial administrations" (Industrieverwaltungen) and would be located at the points in East Germany where the industry concerned was most concentrated. This meant that the Industrial Administration of Pit Coal would be at Zwickau, the Industrial Administration of Lignite at Borna and Senftenberg and the Industrial Administration of Hydrocarbons somewhere in the Halle/Merseburg area.
9. As for the physical location of personnel, the only thing that was certain was that Minister Goschuetz would be located in the State Planning Commission, where he would be in charge of the Production Area of Coal and Power.
10. Deputy Minister Rolf Jeczmonka was especially perturbed over the projected reorganization of the former Main Administration of Electric Power and the former Main Administration of Gas, which were to be broken up and parcelled out as departments of the Bezirk Councils. Jeczmonka opposed this proposal vigorously, describing it to Minister Goschuetz as "absolute folly". His argument was that his organization had striven for many years to centralize as strictly as possible the production and distribution of power in order to keep abreast of the power situation and be prepared to handle any sudden emergencies. Now it was planned to demolish this organization at a blow, making possible any number of unforeseen eventualities and difficulties. Furthermore, it was not merely a question of the distribution of power but also of the distribution of capital investments. Heretofore, it had been possible, by assigning capital investment funds to key installations and by cutting through bureaucratic red tape at appropriate times, to keep the power installations operating. It would be totally impossible, however, for the Bezirke to overcome all the various possible bureaucratic hindrances and restrictions and keep the power program going as it has in the past.

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