

CENTRAL INTELLIGENCE AGENCY

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INFORMATION REPORT

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SECURITY INFORMATION

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|                |   |              |                |
|----------------|---|--------------|----------------|
| COUNTRY        | East Germany  | REPORT       |                |
| SUBJECT        | Organization and Production of the Carl Zeiss Plant at Jena | DATE DISTR.  | 31 August 1953 |
| DATE OF INFO.  |   | NO. OF PAGES | 8 50X1-HUM     |
| PLACE ACQUIRED |   | REFERENCE    |                |
|                |   | REQUIREMENT  |                |
|                |   |              | 50X1           |

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(Note: Washington Distribution Indicated By "X"; Field Distribution By "#")

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DATE DISTR *27 July 1953*

SUBJECT : Organization and Production of the  
Carl Zeiss Plant

NO. OF PAGES: *7*

PLACE ACQUIRED

NO. OF ENCLS.  
(LISTED BELOW)

DATE ACQUIRED

SUPPLEMENT TO 50X1-HUM  
REPORT NO.

DATE OF IN

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HISTORY OF ZEISS PLANT

Production Under Soviet Supervision

1. In 1945, the entire ZEISS plant was placed under the complete control of a Soviet plant administration. The various technical and production workshops were supervised by Soviet technical commissions consisting of military and civilian specialists, who during their numerous inspections familiarized themselves with the mechanical equipment and production methods of the plant. During this period these technicians collected and requisitioned complete sets of blueprints, drawings, and sample models of most of the available instruments and equipment then in production. Mr. BELAYEV, a Soviet civilian engineer, assisted by a staff of Soviet technicians, was especially active in the photogrammetric department.
2. In the following months, many representatives of Soviet purchasing agencies, governmental offices, and scientific institutes were ordering and purchasing a great many important instruments, notably, large assortments of measuring and surveying devices. Also, in connection with these activities, the Soviet plant administration ordered the resumption of the development and production of instruments such as multiplex, universal reducing instruments, and stabilizers for photo and aerial cameras. Due to the multitude of placed orders, the serial production of most types of equipment increased considerably by the end of 1945.

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3. In the early part of 1946, the Soviet plant commission was dissolved and replaced by a Soviet Army officer as chief administrator. This was a certain General DOBROVOLSKY, who presumably was an expert on plant dismantling. His title was "Director of the Zeiss and Schett Plants in Germany". He was assisted by Mr. ZVEREV, Chief Engineer, who also acted as technical director of the Zeiss plant. These two men exercised complete control of both plants. The German administration, headed by Dr. SCHRADE, had only minor advisory and executory functions. During this period many of the destroyed workshops and shed halls had been reconstructed and re-equipped.

#### Soviets Dismantle Plant

4. On the morning of 22 October <sup>1946</sup>, deportation of personnel and dismantling of the plant began and continued during the next few days in a well organized and planned operation. Approximately 300 of the Zeiss specialists were deported, including many of the most capable men in the photogrammetric field. During the following months approximately 93 per cent of the plant equipment, including machines, office supplies and equipment, stocks and raw materials, boilers, elevators, switchboards, etc., were meticulously packed and shipped off to the Soviet Union. The dismantling action was completed approximately in February - March of 1947.
5. Upon completion of the dismantling action, the Soviet administration, technicians, and dismantling experts abandoned the plant and turned it over to the Germans. However, the Contax program still continued to run under Soviet supervision. The dismantling of this phase was accomplished during 1947. A large number of plant personnel were laid off during this year, and the remaining personnel began to slowly re-establish the plant with whatever means available. Later, the plant was assured financial assistance in the form of governmental and other credits. No items of commercial value were manufactured during this period.

#### Resumption of Production

6. With the resumption of production, the plant rehired old personnel. Items produced were designed exclusively for civilian use: optical glasses, spectacles, photo-optics, medical and precision instruments, etc. During this period, the organizational structure of the plant was changed from a foundation form management to a nationalized industry plant and subsequently was incorporated into the Union of Nationalized Industries, VVB Optic. At the same time, Director SCHRADE, in addition to being the head of the Zeiss works, also became the chief administrator (Hauptdirektor) of this VVB Optic. The manufacturing of photogrammetric instruments had not yet been resumed, and geodetic instruments were produced in limited quantities.
7. In 1951, the plant was transferred from the Union of Nationalized Industries to the Ministry for Machine Building Industry (Ministerium fuer Maschinenbau). The number of personnel and production capacity reached pre-war levels. Most of the former production branches, except those devoted only to military purposes, were re-established.
8. New items produced included the following: portable movie projectors (sound) (Tonkinokoffer), documentation camera stands for microfilm documentation, X-Ray screen photo cameras and electronic microscopes. The production of aerial training instrument A-1, which had been developed by Soviet order as part of reparation payments, was initiated. The volume of production is unknown to me. Experimentation and development work

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in the field of photogrammetry was also revived. This was suggested by the Braunn (Soft) Coal Mining Industry, which became interested in the development of terrestrial instruments. Work also began on the development of mirrorstereoscopes. The first collective contract system was introduced over arguments and objections of the entire plant personnel.

- 9. The establishment in 1952 of new branches in Weimar, Seebach, and Dresden brought the plant's total number of personnel to more than 15,000. In Jena, the still vacant and ruined buildings and workshops of the main plant area (Hauptwerk), and of the south plant area (Suedwerk), were rebuilt and re-established. The influence of the Zeiss plant, recognized as the main optical and precision center of the DDR, over other plants of related industries (Freiberg, Dresden) increased considerably. However, though production plans had been fulfilled, difficulties in financial planning continued to impede the flow of operations.

Return of Specialists from the USSR

- 10. In January and June of 1952, approximately 90 per cent of the deported specialists returned to the plant. Some of these, known for their outright pro-communistic leanings (BRAUNE, Dr. GOENLICH, ROEHRDANZ, BLUME, etc.) were appointed to various top positions within the plant administration, which apparently was achieved through influence of Soviet circles on party, trade-union, and governmental organs. In the photogrammetric field, the return of experienced specialists resulted in increased activities in the research and development sectors. The influx of returning designers necessitated the establishment of a new designer's office for photogrammetric instruments. The production of experimental models began. Also, the planning for development of aero-photogrammetric instruments for 1953 began during this period.

PRODUCTION OF MILITARY ITEMS

- 11. In the wake of rearming the militarized units in the DDR, the so-called "Bureau for Economic Affairs" (Buero fuer Wirtschaftsfragen), as well as the "Sea Hydrographic Service" (Seehydrographischer Dienst), commenced placing orders for a variety of instruments. During the latter part of 1952, rumors began circulating to the effect that due to financial difficulties, the East Zone government was planning to break up the combined Zeiss plant into smaller independent VEB's.

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- 12. In the meantime the fighter plane training instrument, the A-1, has been modified or improved in the A-2 (?) version and produced in a new series of approximately 30 units. In addition, the manufacturing of aiming circles and similar auxiliary instruments for the use of the army, and the development of long focal cameras, 1 1/2-2 meters, for the navy, presumably began during the summer of 1952. As for aerial equipment, during the summer and fall of 1952, inquiries were made concerning delivery possibilities of aero-cameras, rectifiers, and multiplex sets. Concrete negotiations or placement of orders had not commenced at the time of my departure in December 1952. The prospect of manufacturing military instruments at the plant was met by the majority of Zeiss personnel with disapproval.

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REORGANIZATION OF MANAGEMENT

13. The management of the plant was basically changed with the nationalization and revocation of most of the provisions of the Foundation Statute. For historic data, see SCHOMERUS, Friedrich, Geschichte des Jenaer Zeiss Werke - 1846/1946, Edition FISCATOR, Stuttgart, 1952. One director, Dr. SCHADE (Chief Administrator), replaced the three or four managing directors, who formerly constituted the top administrative body. Departments directly responsible to the chief administrator were designated "Main Managements" (Hauptleitungen) and each was headed by a Chief Manager. Organizational sub-divisions on lower levels retained their former sectional designations [see Enclosure (A)].
14. A noteworthy difference between the former and present organizational structures was the creation of a Main Scientific Management (Dr. GOERLICH, Chief Scientist), which was broken down further into four departments comprising various laboratories and technical offices. Many of these were formerly run as independent scientific departments. This reorganization separated the scientists from ties connecting them with the production and distribution departments of their respective fields. In addition to the technical and business departments, trade-union and party organizations (SED and FDJ groups and the Society for Furthering German-Soviet Friendship, etc.) have been formed since 1950. The offices of these organizations were partially staffed with permanently assigned office functionaries.
15. Various Technical Commissions functioned as advisory organs of the Ministry and united the specialists of the various VEB installations. Commission III, Optics, was composed of many sub-commissions, one of which embraced the field of surveying and photogrammetry. This sub-commission was largely under the influence of Zeiss specialists formerly headed by Dr. WOERNNE, one of the recently arrested administrators. This commission was comprised of scientists, production experts, and businessmen.

DIFFICULTIES ENCOUNTERED IN PRODUCTION

16. The successful restoration of the plant in 1947/1948 and the fast recovery of production standards experienced during succeeding years can undoubtedly be attributed to old time faithful personnel, who, contrary to that of other dismantled plants, as for instance, Zeiss Ikon, Dresden, remained the backbone of the plant in Jena. The scrapping of the basic clauses of the Zeiss Foundation and the introduction of the collective contract system dealt a severe blow to the established standards of management and brought many disadvantages to the personnel.
17. With the gradual increase of production, difficulties of all sorts began to be felt. This was experienced especially in the acquisition of better quality materials, i.e., optical glass, special alloys, as well as electrical items and other accessories. The redesigning of instruments and recalculation of lenses necessitated by the use of inferior materials resulted in the lowering of production standards and considerable delays in delivery schedules. The development of new instruments was impeded further by the loss of many scientists and designers who were deported to the Soviet Union in 1946. The new developed bureaucratic planning system was another factor contributing to the retarded progress of the plant. Production planning, as well as the conduct of normal business was greatly hindered by the lack of proper business contact with client firms, particularly foreign, and the knowledge of market conditions. This was due to controls exercised by governmental commerce agencies, such as DEZ and DIA.

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- 18. In connection with the financial difficulties experienced in 1952, it became widely known that during the last few years of operations production costs had increased considerably. Even those production branches such as binoculars, etc., which formerly were very profitable, were now showing deficits. Consequently the plant could exist only with considerable governmental subsidies, or face the loss of export markets.

TYPE AND VOLUME OF CURRENT PRODUCTION

- 19. Details and figures on the aggregate production, internal and export trade turn-over, reparation deliveries, etc., cannot be estimated by me. However, frequent shipments to China were observed during 1952. The scope of present day shipments as compared with those of pre-war times appear to be comparatively small. The quality standards, too, have not yet reached former levels. Principal items produced until 1952 were mostly redesigned or partly revised instruments of the 1940-1945 types.

Surveying Instrument Production

- 20. The sale of small levels (construction), which were the first geodetic instruments to be put in production after dismantling, was halted during 1952 for a reason unknown. The use of inferior glass retarded the production of the theodolite O30, and reducing tachometers "DAHLTA" and "REDTA" to such an extent, that a large order from Hungary had to be cancelled. A newly designed precision theodolite, first order, and a precision leveling instrument were in the process of model construction and testing. A stadia-rod, two meters, for polygon measuring, and a level staff, for precision leveling, could not be put in production due to lack of Invar steel. Research and development work on leveling instruments with automatic horizontation and on theodolites with photographic recording devices was in process.

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Photogrammetric Instrument Production

- 21. The model production of a photo theodolite (Photo 19/13 x 18, redesign of the TAN) and a mirror-stereoscope (similar to the former type) was near completion and should have been ready for serial production in 1953. A new model of a stereo-comparator, 18 x 18, was in process of experimental production and the development of a stereo-authograph, (sic), 13 x 18 (variant of the former instrument), had started. The development of a rectifier, begun in 1952, as well as of an aerial mapping camera, 18 x 18, with a stabilizer, should be completed in 1953.
- 22. Other instruments under consideration for production were: small theodolite, (similar to TAL); stereo-metric camera; small authograph; and a plotting instrument for aerial photographs second order. The utilization of electric power and transmission elements for stereo-plotting instruments were also considered.

NEW SECURITY RESTRICTIONS IMPOSED

- 23. In the summer of 1952 approximately, a number of stringent security regulations were introduced at the plant. Secrecy of operations and installation were stressed. A special section for safeguarding classified matters was established within the Organization and Operational Department (Main Business Management). New plant passes were to be introduced in the beginning of 1953. It was said that these would be uniform for all VEB's.

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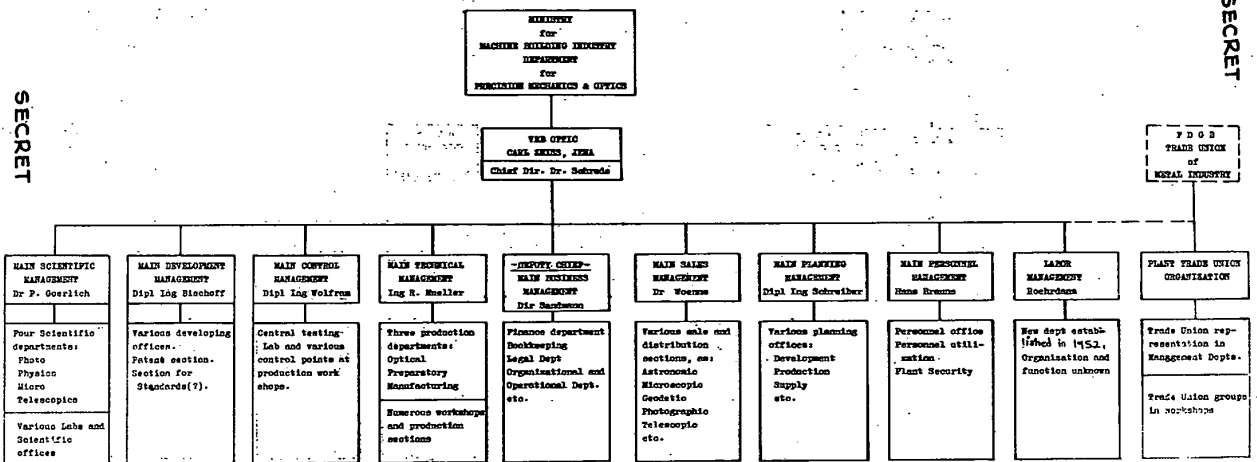
24. Efforts to indoctrinate plant personnel with political propaganda and introduce progressive working methods, were met either with disinterest or with an air of passive resistance by the overwhelming majority. These sentiments were especially apparent during the discussion of the first collective contract in 1951, the soliciting for the reconstruction of East Berlin, as well as recruitment efforts for the militarized units of the Volkspolizei. In this connection, it was widely known that the Zeiss plant's standing was not high in higher party and governmental circles. The reshuffling of personnel, ordered by the Ministry in the summer of 1952 on instructions from the SED Central Committee, over the objections of the plant administration, represented renewed efforts to activate political consciousness within the plant.
25. The latest arrest by the SSD of a number of old, experienced plant administrators and specialists, as recently reported in the press, is apparently the first effective measure resulting from the influence exercised by the Soviet trained functionaries, headed by the Chief of Personnel, Hans BRAUNE. There can be no doubt, that the consequences of this action will result in a serious disruption of the Zeiss administration and considerably offset its production capacity.

Enclosure (A) - Organisational Chart of Carl Zeiss Plant, Jena

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**ORGANIZATIONAL CHART - CARL ZEISS WORKS - JENA**



Enclosure (A)

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