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CENTRAL INTELLIGENCE AGENCY

REPORT NO.

INFORMATION REPORT

CD NO. 25X1

COUNTRY Germany (Russian Zone)

DATE DISTR. 12 JAN 50

SUBJECT SAG Stickstoffwerk Piesteritz CONFIDENTIAL

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SUPPLEMENT TO REPORT NO.

THIS IS UNEVALUATED INFORMATION

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1. Administration: The Soviet A.G. Stickstoffwerk Piesteritz.

is the former Bayerische Stickstoffwerke A.G. Piesteritz. It belongs to the Industriekombinat Leuna, which includes the following works: Düngemittelfabrik Leuna, Farbenfabrik Wolfen, and Stickstoffwerk Piesteritz. The combine is under the direction of Achmazarov, a Russian of Armenian origin living in Leuna. The Piesteritz enterprise has business connections with SAG's in Leuna, Wolfen, and Bitterfeld and with the Eilenburg celluloid enterprise, Siemens-Plania, the Thale iron foundry (Harz), the Staassfurt potassium works, the Bleichert-Podjomnik machine factory in Leipsig, and Krupp-Gruson in Magdeburg.

2. The Russian direction of the Piesteritz works has been as follows:

Director-General: fnu Fokin, fall of 1947 - February 1949
Mikhailovitch Ivan Petrov, February - June 1949
Gregori Nicolaevitch Malin, June 1949 -

Chief Engineer: Pavel [illegible], fall of 1947 - May 1949
Nicolai Ivanovitch Pinikov, May 1949 -

Two MVD captains, who work independently of the Director-General to maintain plant security: Capt. fnu Damiltshuk, to be replaced by an MVD major from Dessau at the end of 1949
Capt. Kovalev

3. The German management of the enterprise has included the following:

Director: Hans Wagner

Commercial Director: Hutschenreuther, until his death in June 1949
Schroder, June 1949 -

Technical Director: Engineer Steinbruck, until August 1949
Chemist Dr. Neubner, August 1949 -

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Chief Accountant: Urban

Sales Director, in charge of selling as well as buying: Milek

Works Council
First Chairman: Lerchenstein
Second Chairman: Meier

The various departments and their heads are as follows:

Carbamide and dicyandiamide	Director Neubner
Phosphorus	Dr. Hepke
Carbide	Engineer Steinbruck
Plastics (Press-stoff)	Dr. Hey
Calciumcyanamide and calciumcarbide disintegration	Master Sommer
All other departments	Dr. Hoelemann

4. Production:

a. Calcium carbide. In 1946/1947 the average daily production was about 150 tons, which increased to an average 200 tons per day in 1948.** During 1949 the average daily production reached 300 tons as a result of the introduction of the Hennecke shift system.** However, at the same time the quality of the product dropped; use of ill-burnt lime and low quality coke with high impurities of ashes and water reduced the calcium carbide content of the product to 65 percent as compared to 75 to 80 percent during the war when Ruhr coke was used. The coke presently in use comes from the Zwickau region. The plant works with five 120 KV (kilovolt) carbide resistance kilns over 20 years old; one of them is always in repair while the others are working. Two of them have modern transformers. The largest and most modern kiln with Söderberg electrodes and a daily capacity of 100 tons was dismantled and shipped to Russia in the fall of 1945. The carbon electrodes for the kilns are furnished by Siemens-Planie in Berlin-Lichtenberg. The lime comes from a lime plant in Röbeland near Blankenburg (Harz) which belongs to the Piesteritz enterprise. This plant has three kilns and a crew of about 350 (who are included in the figure below of 3,500 for the total crew); its daily production of about 200 tons of burnt lime was recently increased an unspecified amount through the introduction of the Hennecke system. The electric power comes from Golpa-Zschornewitz (about 20 kilometers south of Piesteritz) over a long-distance power line with a capacity of 80 KV, which sometimes drops to 40 KV. (sic). Only about 10 percent of the carbide produced in the plant is sold to German enterprises in the Soviet Zone or supplied to military units there to be used in welding. The bulk of the production is used in the subsequent production of calcium cyanamide and soot.

b. Calcium cyanamide. An average of 300 tons per month was produced during the period from May through August 1949, although the production capacity of the plant is much higher.*** Fabrication is too expensive because of the low-quality of such raw materials as coke and lime, and the enterprise was not allowed to increase its prices. In May 1949, in spite of the urgent need for calcium cyanide (cyanamide?) in the industry of the Soviet Zone, the enterprise had a stock of 6,000 tons of this product which could not be sold because of the lack of closed freight cars needed for transportation. Production was therefore reduced.

c. Soot. The works produces so-called split soot (Spaltruss). The average production in 1948 was between 500 and 600 tons per month, and by August 1949 this had increased to about 850 tons a month.**** The bulk of the

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soot production goes to Russia; in June 1949, 600 tons were shipped there by way of Brest-Litovsk. [redacted] 25X1

25X1 [redacted] Shipments to Yugoslavia have been discontinued. Part of the soot production is sold to the Luna Works in Schkopau and to the Elbe rubber works.

d. Cyanide of sodium, potassium and sodium ferrocyanide. Production of these items was discontinued in the spring of 1949 because of the existence of an unsalable stock of about 100 tons. The sodium cyanide was put in sheet metal tins for the subsequent production of hydrocyanic acid.

e. Iporka, now called Piatherm. This is an insulation agent of solid, foamy, porous consistency, very light and hygroscopic. It is produced through condensation of carbamide with formaldehyde and subsequent treatment with frothing agents (Nekal BX).*** Production is counted by volume, not weight. Output of this item has been steadily increased: in August 1949, about 3,000 cubic meters was produced; scheduled production for September 1949 was 4,000 cubic meters, and for the period from 1 August through 31 December 1949, 30,000 cubic meters.**** Most of the output and the best part of it goes to Russia where it is used for insulation of railway refrigerator cars and for constant temperature transcontinental cars of the trans-Siberian and Asiatic trains. Part of the production goes to railway car factories in the Soviet Zone in Ammendorf and Dessau. The agent has also been used for insulation purposes in Soviet airplanes; some of this work was carried out by German engineers in Schkeuditz, but, other than the fact that the work was carried out with "good success", source has no information on this project. Carbamide, the principal material used in the manufacture of the Piatherm, is partly produced in the Piesteritz works from cyanamide caustic solution by means of a procedure developed by Dr. Neubner; the plant thus produces an average of between three and four tons per month of carbamide. This amount is not sufficient, and yet the production quota of Piatherm is steadily on the increase. The enterprise has therefore resorted to smuggling carbamide from West Germany by way of Hof and Probstzella. Since June 1949, a three to four-ton truck smuggles the material from the West to the Soviet Zone about every ten days, thus importing every month around ten tons of carbamide, which is declared as cattle salt. Carbamide from the West, which is produced by pressure method, is purer and fifty percent cheaper than the carbamide produced in the plant. Accordingly, Director Wagner, in August 1949, planned to increase the portion introduced illegally from the West.

f. Silicon carbide. Under the direction of Russian Chief Engineer Golubkov, the enterprise made its firstattempts at producing silicon carbide in the winter of 1948/1949 and started regular production in the spring of 1949. Production is low and bad. In June and July 1949, the works had a production of about 100 tons a month, but only 20 percent of this output was quality material, 30 percent was low-quality material, and as much as 50 percent was unusable.

g. Phosphorus compounds. Since the phosphorus plant was totally dismantled in 1945 and 1946, white phosphorus has to be imported. From May through July 1949, about 300 tons of white phosphorus was imported from Russia and delivered to the plant. From this, Piesteritz produced phosphorus compounds, such as hexametaphosphate, fertilizers, etc., and about 30 tons** per month of phosphoric acid in chemically pure as well as technical quality. Production of fertilizers was discontinued in July 1949 because it was too expensive. The works also draws some phosphorus from Bitterfeld, which, too, is too expensive. Because of the shortage of phosphorus, the phosphorus plant is frequently shut down. The plant also produces trisodium phosphate from old stocks of raw phosphate which were imported from Morocco. Of this raw phosphate the plant still has on hand a supply of approximately 3,500 tons.

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materials such as bakelite, production was discontinued, and the enterprise turned to the production of "colored press mass" used for radio cases, cigarette cases, dishes, etc. In August 1949, production was about 30 tons per month.

4. Synthetic glue, produced from dicyanamide (dicyandiamide?) and formaldehyde. Between 80 and 100 tons per month is produced.

5. The partial recovery from the dismantling carried out in 1945 and 1946 has been possible through the acquisition of new equipment, mostly from Leipzig. Dismantling struck the following equipment:

Phosphorus plant: totally dismantled. Only part of the equipment could be replaced.
The above-mentioned modern carbide kiln with a daily production of 100 tons.
The soot plant: 30 percent dismantled.
The plant for the production of nitric acid: totally dismantled.
The Linde installation: 50 percent dismantled.
The central works shop with modern tools, cranes, etc.: totally dismantled.
The dicyandiamide and guanidine nitrate installation: totally dismantled.
The electric light system: 60 percent dismantled.

Part of the dismantled equipment went to the Ural region. The nitric acid, dicyanamide (dicyandiamide?), and guanidine nitrate installations were shipped to a city formerly called Jusovka (sic), but now having another name unknown

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6. Personnel: As of August 1949, the enterprise had a total crew of about 3,500, which is approximately as much as in the pre-war period. During the war, the crew increased to about 5,000, including drafted labor and prisoners of war. Around 20 to 25 percent of the crew are women. In August 1949, the breakdown of the crew was as follows:

	(approximate number)
Employees	350
Apprentices	150
Carbide plant	350
Calcium cyanamide and calcium assorting plant	200
Soot plant	200
Piatherm	300
Phosphorus plant	150
Synthetic matter	150
Linde installation	80
Carbamide plant	50
Silicon carbide plant	50
Resin lime (Harzkalk) plant	350
Laboratories	100
Shops	200
Electric department	100
Plant railroad	100
Boiler house	50
Water supply	50
Construction	100
Fire guard and plant guards	100
Emergency service	50
Loading and unloading teams	100
Warehouse and storage	50
Auto mechanics and drivers	50
Works kitchen, mess	50

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7. There are many dissatisfied persons among the crew because of bad treatment, the Hennecke method, and the low rate of Hennecke premiums.

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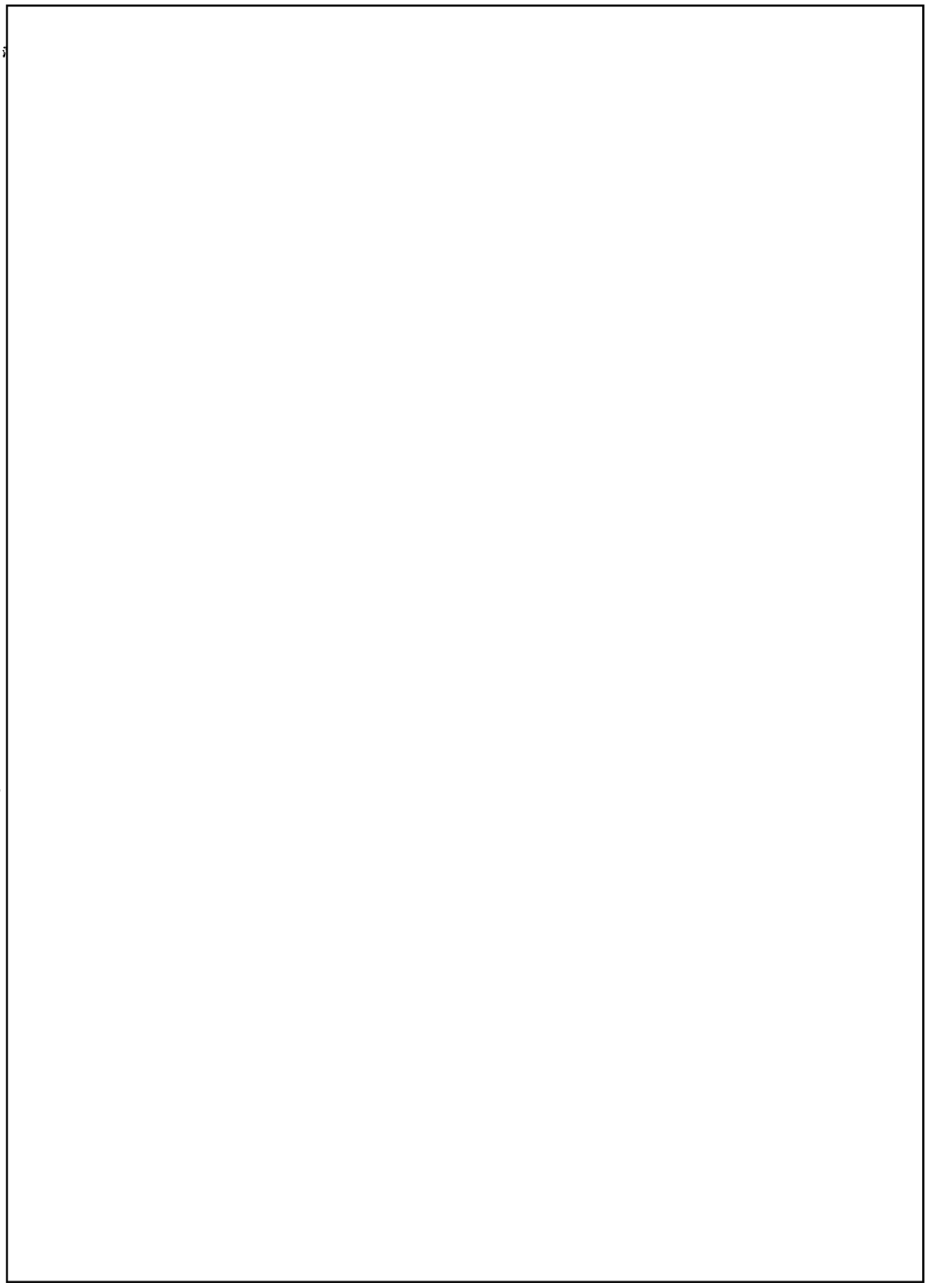

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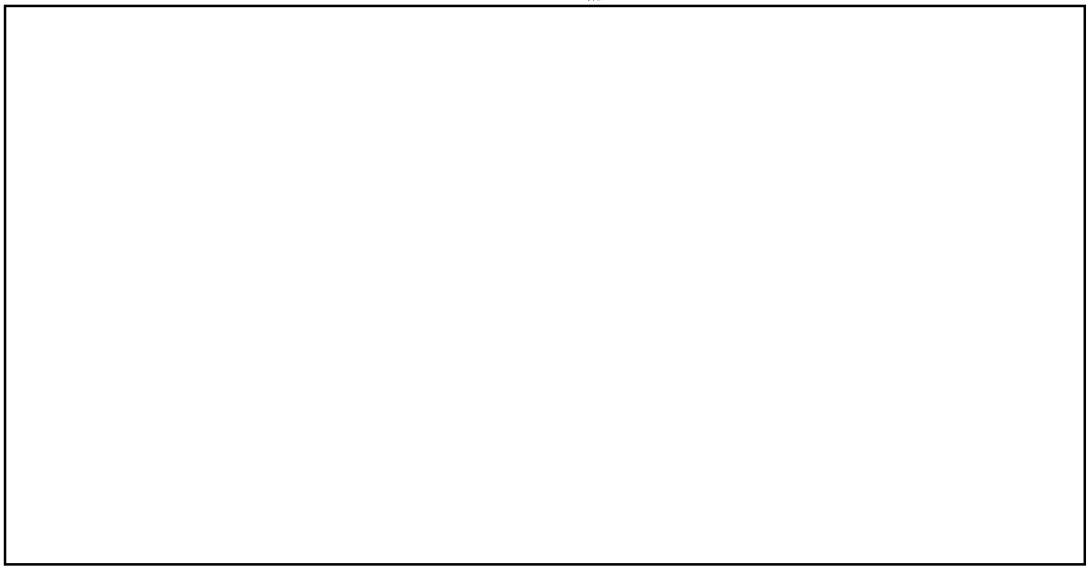

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* Comment: This information does not agree with 25X1

** Comment: These figures are smaller than those given in 25X1

*** Comment: The 300 tons a month agrees with but is smaller than the 25X1
figures given in The statement that the production capacity of the 25X1
calcium cyanamide installations is much higher does not agree with 25X1
which claims that this production can not be appreciably increased.

25X1 **** Comment: These figures are considerably larger than those given in
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***** Comment: This disagrees with which reported the Piatherm to be 25X1
made from artificial resin; the present report, is 25X1
probably more accurate on this point.

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