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CENTRAL INTELLIGENCE AGENCY

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SECURITY INFORMATION

**INFORMATION REPORT**

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SUPPLEMENT TO REPORT NO.

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2. A comparison of the supply situation for all types of rolled steel (including boiler plate and ~~seamless~~ tubes), as shown in actual production returns for 1951 and in the official 1952 planned figures, follows (all figures in metric tons):

a. Rollled steel (all types, including b. and c. below).

	<u>1951</u>	<u>1952</u>
Balance on 1 January	514,000	718,400
Domestic production	1,132,804	1,337,550
Import	278,048	300,000
Reserves	<u>100,000</u>	<u>100,000</u>
	2,024,852	2,455,950
Minus the balance of	<u>718,400</u>	<u>680,703</u>
Total available for distribution	1,306,452	1,775,247

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This shows an increase of 35% in the quantity of rolled steel of all types available in 1952, compared with 1951.

b. <u>Boiler plate</u>	<u>1951</u>	<u>1952</u>
Balance on 1 January	83,165	116,934
Domestic production	193,334	273,300
Import	<u>70,059</u>	<u>92,000</u>
	346,558	482,234
Minus the balance	<u>116,934</u>	<u>159,278</u>
	<u>229,624</u>	<u>322,956</u>

This shows an increase of 41% in the quantity of boiler plate available in 1952 compared with 1951.

c. <u>Seamless tubes</u>	<u>1951</u>	<u>1952</u>
Balance on 1 January	15,370	23,490
Domestic production	17,210	34,000
Import	<u>20,449</u>	<u>17,000</u>
	53,029	74,490
Minus the balance	<u>23,490</u>	<u>24,639</u>
	<u>29,539</u>	<u>49,851</u>

This shows an increase of 69% in the quantity of seamless tubes available in 1952 compared with 1951.

3. These increases [redacted] look very satisfactory especially when it is considered that the engineering program for 1952 is only 16.5% above that of 1951. They are, nevertheless, misleading since there are considerable difficulties to be overcome in order to have the desired product available in the correct quantity by the required date. Among these difficulties are the following: 50X1-HUM


- a. The production of profile iron by the two-high mill at Maxhuette will be 16,000 tons less in 1952 than in 1951, because of the extra demands being made for railroad lines (Reichsbahn 17,000 tons), semi-manufacture (sheet bars for the sheet rolling mill program), steel rods, and angle iron.
- b. The extra widths and extra lengths of sheet iron needed for shipbuilding, etc., cannot be produced even though the supply of sheet iron will be considerably greater. Similarly, the production of high-resistant boiler plate (e.g. St.52) will be totally inadequate.
- c. The planned production figure for seamless tubes includes 19,000 tons from the new tube works in Riesa, although it is actually quite doubtful that this will be in operation by the end of the year, [redacted] 50X1-HUM  
[redacted] The production that can be counted on is in reality barely half of the total minimum requirement (70,000 tons), and unless some help is obtained from the other members of the Russian bloc, the plan will have to be revised. Requests *Requers* made so far to Czechoslovakia, Hungary, and Rumania *for the exchange of steel for seamless tubes have failed completely.* *for the* *JD*
- d. The official inventory for 1 January 1952 has shown that although there are large quantities of rolled steel available, holdings in those quantities most urgently needed are very small and little help is likely to come from this quarter. 50X1-HUM

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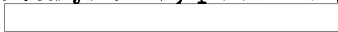
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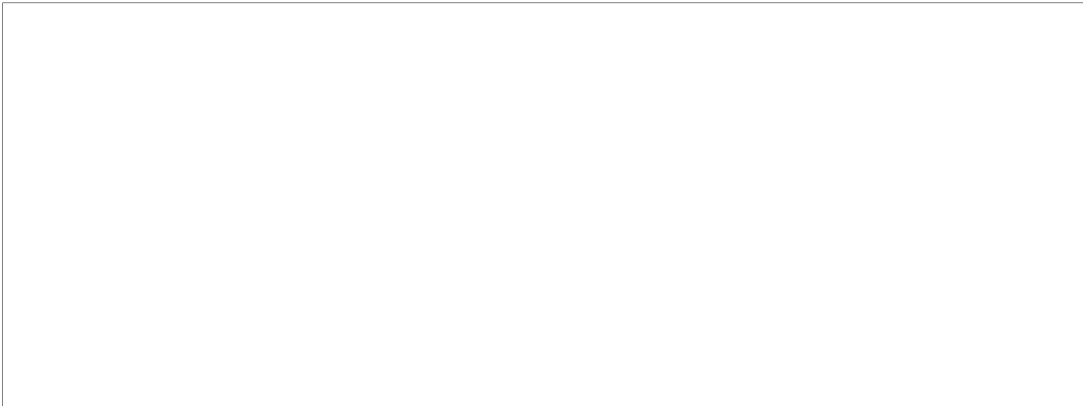
4.  a series of problems that have arisen as the result of the proposed additions to the 1952 plan, all involving large quantities of rolled steel. These include: 50X1-HUM

- a. A new bridge-building scheme requiring 10,000 tons of steel.
- b. The new sulphuric acid plant at Bitterfeld<sup>4</sup> (10,000 tons of steel including a large quantity of tubes).
- c. A new request from the Reichsbank for 7,000 tons of boiler tubes.
- d. An additional request by the department controlling SAGs and government contracts for 6,000 tons of thin sheets and 11,000 tons of coarse sheets *sheet*



- e. 10,000 tons of coarse *sheet* sheets for large diameter pipes for the waterways (to replace the steel socket pipes originally on the import list, but now cancelled). 50X1-HUM
- f. Extra steel for the coke oven plant at Lauchhammer (the full plans were not known when the 1952 figures were worked out and insufficient allowance was made to cover the 60,000 tons needed).

5. The complaint is made that the dates arranged by the SAGs and VEBs for the delivery of completed machinery are not coordinated with those fixed for delivery of ~~crane~~<sup>crane</sup> materials (both home production and imports), with the result that delays occur, particularly in reparations orders and exports to the USSR.  as imports tend to come in towards the end of the year, the demand on home production is greatest at the beginning; while planned production rises steadily and reaches its peak only at the end of the year. This conflicts with the main delivery dates for reparations, which are May and November. 50X1-HUM



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