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CENTRAL INTELLIGENCE AGENCY

REPORT NO.

INFORMATION REPORT

COUNTRY Germany (Russian Zone)

DATE DISTR. 25 January 1949

SUBJECT Status of the Superphosphate Industry in the Soviet Zone

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25X PLACE ACQUIRED

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THIS IS UNEVALUATED INFORMATION FOR THE RESEARCH USE OF TRAINED INTELLIGENCE ANALYSTS

The attached report concerning the superphosphate industry in the Soviet Zone is sent to you on loan. Kindly return it at your convenience.

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CENTRAL INTELLIGENCE AGENCY
INFORMATION REPORT

REPORT NO. [Redacted]

COUNTRY Germany (Russian Zone)

DATE DISTR. 22 June 1949

SUBJECT Status of the Superphosphate Industry in the Soviet Zone

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SEP 9 1949
CIA/OSI

[Redacted]

The attached translation of a report concerning the superphosphate industry in the Russian Zone is sent to you in compliance with your request. 25X1

Handwritten routing slip with columns for 'copy' and various initials. Includes a stamp '22 JUN 49' and '150'.

Routing slip with columns for 'B/Chem' and 'I', 'C', 'N'. Includes a checkmark.

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Table with columns for STATE, NAVY, AIR, NSRB, DISTRIBUTION.

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Superphosphate Industry

In the Soviet zone of occupation there are five operational superphosphate plants with the following capacities:

WV Alcid Works Fertilis Corp., Coswig ✓	1000 tons per month P ₂ O ₅
" " " " " , Salzwedel ✓	650
" Organa " Fahlberg-List Corp., Magdeburg SE ✓	650
Factory owned by State of Saxony-Anhalt, formerly Chemical Works Draschwitz-Reuden ✓	350
Julius Grosse, Oschersleben-Marz ✓	350

Handwritten notes:
 1000
 650
 650
 350
 350
 36,000 tons P₂O₅
 1948

The actual production of these plants during 1946-1948 is as follows:

Firm	1946 P ₂ O ₅ in tons	1947 P ₂ O ₅	1948 (January-October) P ₂ O ₅
Coswig	3,000	3,290	3,550
Salzwedel	1,200	1,910	3,460
Magdeburg SE	1,570	1,620	4,430
Draschwitz-Reuden	370	1,030	2,500
Grosse	-	230	1,650
	<hr/> 6,720	8,080	16,020

This shows that a certain increase in production, in conjunction with the improvement of the production of sulfuric acid has been achieved. But even in 1948 only 50% of the scheduled production was reached. According to the technical facilities of the plants and the supply of raw materials, a higher production should have been possible. However, the loss of production is primarily caused by the tight supply of SO₂.

The following statements can be made on the supply of crude phosphates: No amount of crude phosphates worth mentioning was imported during 1945 and 1946. The individual factories, especially the dismantled phosphoric acid factory Piesteritz, had enough stocks on hand to permit at first the entire production of 1946. In 1947, however, 40,000 tons of crude phosphates were imported, as planned. The imports are made up of several North African phosphates, among them especially

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Constantine phosphates with an average of 28% P₂O₅ content, of 17,000 tons, and Kola concentrate of 38% P₂O₅ content, of about 23,000 tons. An import of 30,000 tons of North African phosphate and 38,000 tons of Kola concentrate, as well as 2,000 tons of Kola crude apatite were planned for the Bitterfeld phosphate plant. The import quote for North Africa has already been met, while up to now 33,000 tons have been imported from Kola. The plants are well stocked at the moment, and the approximate 20,000 tons should cover requirements for three to four months. Besides, there is a reserve of about 6,000 tons of wet, polluted, mixed phosphates at Piesteritz. The schedule for 1949 calls for a minimum import of 100,000 tons of crude phosphates, 50% of these to come from Kola, while negotiations are pending for the remainder with North Africa and the U. S. via London. Little is known about the prices of the imported phosphates, since the North African phosphates are imported exclusively by barter, partially for potatoes, while the Kola phosphates are internally charged against industrial production of the Soviet zone by the Soviet Military Administration. The production plants are still subject to the regulation that they shall not ^{be} charged more than was being charged for the same production in 1939. The foreign trade accounting office thus charges the superphosphate plants the following prices for crude phosphate:

North African phosphates average DM 25 per ton, free of freight charges;

Kola concentrates average DM 28 to 30 per ton, depending upon the P₂O₅ content. At present, the crude phosphates are imported exclusively through the port of Stettin.

Contrary to agricultural products, the prices for superphosphate were originally set on the basis of the price schedule valid for 1939. However, the enforced price reduction for fertilizers ordered by Goering prior to 1939 has been cancelled, while the prices for superphosphates have risen by 25% over the 1939 price. Thus, the superphosphate producers are paid DM 45% per ton of P₂O₅ by the distributing agency, the "Deutsche Duenger-Zentrale" (German Fertilizer Agency), free of freight charges, plus a subsidy of DM 66.20 per ton of P₂O₅, to be paid from the budgets of the States. A few days ago, however, the Soviet Military Administration decided to abolish their subsidy policy, at least regarding superphosphate. Thus, the plants will be able to sell superphosphate at full cost price, viz. DM 520 per ton of P₂O₅, free of shipping charges. For the time being, the preferential position in regard to imported raw materials is being maintained, but a new regulation covering these import prices is expected.

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The distribution of the processed superphosphates and of superphosphates available from direct imports had been handled, up to now, exclusively by the German Fertilizer Agency, an immediate subsidiary of the "Deutsche Wirtschaftskommission" (German Economic Commission). The German Fertilizer Agency also was in charge of all the accounting. This system is now being changed gradually. Accordingly, the German Fertilizer Agency will only take care of the planning. The execution will then be handled by the five "Zentral-Genossenschaften" (Central Cooperatives) of the States, which will also do the accounting according to the new system. At first, this will cause certain difficulties in price scheduling and distribution of the direct imports.

Imports of finished superphosphate were until now also handled entirely by the German Fertilizer Agency. However, the agency made use of the services of various import and export firms, such as the firm of Siemer in Charlottenburg. In 1946, a contract was concluded with the Netherlands which provided for total imports of 500,000 tons. Difficulties in currency exchange and payment, however, caused a delay until 1948. It is planned to import 250,000 tons of phosphate fertilizer during 1949. The following import contracts are now being negotiated or about to be concluded:

100,000 tons of superphosphate from the U. S.

Exporter: Baker & Bros., New York

Agent: Mr. Collins, London

100,000 tons of superphosphate,

10,000 tons of treble superphosphate, and

25,000 tons of Thomas meal from Belgium and the Netherlands.

Exporter: Comptoir Bruxelles, Mgr. A. Standard. The main plant is located near Antwerp.

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