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Main Administration Berlin-Weissensee:

The 180 tons of bituminous tar and pitch, and 150 tons of bitumen, released by the DDR, have been allocated as follows:

- 100 tons bituminous tar and pitch to Buna Chemical Works
- 50 tons bituminous tar and pitch to Siemens-Planitz
- 30 tons bituminous tar to Oder shipping
- 150 tons bitumen to Armendorf Roofing Factory

Government, Main Administration for Materials Supply, Department ofMineral Oils:

For the 4th quarter of 1949, the following additional quantities were released:

- 10 tons of turbine oil from Luetzkendorf
- 1,000 tons of "Kogasin" from Schwarzheide for Leuna Chemical Works
- 5 tons of gear oil from Delta, Taucha

The 1,800 tons of other lubricating oils allocated for 1950 are broken down as follows:

- | | |
|-----------------------------------|------------------------------------|
| 20 tons drilling machine oil | 125 tons cable insulation oil |
| 60 tons cutting tool machine oil | 55 tons cable coating oil |
| 50 tons stamping press oil | 40 tons saturated-steam engine oil |
| 60 tons axle oil | 2.7 tons refined heavy oil |
| 70 tons black oil 7/502 | 375 tons spindle oil |
| 30 tons black oil 7/100 | 941.7 tons, preliminary total |
| 39 tons gear oil | The rest is probably spindle oil. |
| 15 tons refrigeration machine oil | |

It was also announced that the following materials are to be imported:

- 40 tons distilled machine oil
- 100 tons superheated-steam engine oil
- 34 tons transformer oil
- 182 tons compressor oil
- 70 tons automobile oil.

Main Administration Berlin Weissensee has received 100 tons of gasoline and 4.5 tons of auto oil for transporting equipment.

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Trip Report- 28/29 December 1949

Government, Main Department for Materials Supply, Mr. Preis.

The gasoline allocations for the Wismut Company will be taken from the SAG contingent, according to the directive from the Control Commission at Karlshorts, and Wismut will receive a 100 percent supply. However, according to the directive 38,000 tons are to be released for consumption by Wismut during the year, i.e. 9,500 tons per quarter, while the Main Administration has allocated only 8,500 tons. Mr. Tkashov stated that only 8,500 tons will be delivered.

The issuing of rights to unrationed gasoline in Saxony has not yet been settled. In all other Laender, including Berlin, either certificates or specially printed stamps will be issued for unrationed gasoline.

An additional 70 tons of bituminous tar was allocated for Buna, for reasons unknown here. They will be charged to the allocations for the first quarter of 1950. The production figures of the suppliers of electrode coke are not yet known, so that no allocations could be set until now.

The oils available from Luetzkendorf at the end of the last quarter of 1949 are to be charged to the quantities available for the first quarter of 1950. The quantity of 321 tons of machine oil, allocated to the SAG's for the first quarter of 1950, will not be sufficient, since the demand will amount to approximately 600 tons. Mr. Meinhardt promised to consider the SAG's for additional allocations in case of an overproduction of machine oil.

Central DKMZ, Berlin: Detailed fuel plan for the first quarter of 1950 has been submitted. Fuel stamps for both cheap and expensive gasoline are to be available at the DKMZ sales departments. The question of stamps and certificates for unrationed gasoline has not yet been settled.

The following quantities have been released, or allocated, for the first quarter of 1950:

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Industrial gasoline from Rositz	200 tons
from Klaffenback	200 tons
from Taucha	200 tons
Kerosene from Luetskendorf	250 tons
Benzene from Erkner	780 tons
Fuel gas from Leuna	50 tons
from Boehlen	200 tons
from Schwarshede	270 tons
Fuel oil from Webau	500 tons
from Rositz	100 tons
from Koepsen	500 tons
from Goelsau	100 tons
Refined machine oil from Zeitz	100 tons
Superheated-steam engine oil from Miagol Halle (West Imp. Nagel)	20 tons

Trip Report, Dresden, 22 Dec 1949

Land Government Sachsen: No definite directives have been set yet for supplying the SAG's in Land Sachsen ~~supply~~ with unrationed gasoline. The Land Government has proposed to Berlin that this gasoline be sold completely without restrictions. It was pointed out that the SAG's insist on being assured the 43 percent earmarked as unrationed gasoline for their use.

DKMZ Sales Department Dresden: The ~~at~~ allotments for 1950 have not yet been determined, since the government has not yet set the production quotas. As a temporary measure, demand is to be met in the same manner as during the second half of 1949. Exact quotas will be set in January 1950.

Derunapht, Dresden Branch: Derunapht has been contacted on the problem of supplying tank cars for amounts which could not be shipped because of a shortage of tank cars. Derunapht promised to make the tank cars available.

Trip Report, Erfurt, 23 Dec 1949

DKMZ Sales Department, Erfurt; Derunapht, Erfurt Branch; Land Government, Weimar. Unrationed gasoline will be available in Thueringen on the basis of certificates, as before. A uniform arrangement for the distribution of unrationed fuels is to be sought from the government in Berlin.

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Supplying SAG's with Fuel and Lubricants by Derunapht during 1950

The following agreement was made on 28 Dec 1949:

Because of the changed allocation system for fuels and the elimination of the Derunapht certificates which were valid until now, the contracts between Derunapht and the various SAG's have become null and void, and are to be considered canceled by Derunapht as of the earliest possible date.

New contracts will be made by Derunapht with the plants and with the departments, so far as the latter's own consumption is concerned. "Technab" will support Derunapht by issuing the stamps for Sachsen-Anhalt directly to the plants. The issuing of stamps in the other Laender must be carried out, for the time being, by the branch offices.

The issuing of the stamps in Sachsen-Anhalt by Technab, Halle, will be carried out as follows: The Derunapht branch office at Magdeburg will turn over to Technab a certain quantity of stamps for sale. Technab will bill the plants through its branch offices. The payment by the plants is to be made to the branch office at Magdeburg. The Derunapht Branch at Magdeburg is sent copies of the bills for checking the receipts and the number of stamps issued.

The supply of oils and fats for the SAG's and the supply of special gasoline, kerosene, and benzene was handled through Technab in the past year on the basis of an agreement made with this organization. This system has worked out very well and will be maintained. The shipping of the oils will be carried out through the following storage depots:

Derunapht depot, Magdeburg

Derunapht depot Olex, Halle

Olus Depot, Leipzig

Derunapht Depot, Radewitzer Street, Erfurt

Derunapht Depot, Weissflug, Chemnitz

Derunapht Depot, Berlin-Adlershof.

The procedure to be followed remains unchanged.

The branches have gotten in touch with the individual plants for the

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purpose of concluding supply contracts and facilitating the supply of the plant by the construction of tank storage if necessary.

Techsnab will determine the SAG's requirements of chemical products according to the list submitted by Derunapht; and after these requirements are established will make arrangements with Derunapht on this question.

Derunapht will pay Techsnab for these activities in an amount to be set on 1 Jan 1950.

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SECRET**Economic Report on the Activity of the Technab Office in 1949**

1. The work of the Technical Supply Office "Technab", Halle, completely changed its character at the beginning of 1949. This change was based on the order from the Chief of the Administration of Affairs of the Soviet State Corporations in Germany, No 160/17 of 5 Feb 1949.

In 1948, the office had the task of supplying the SAG's in Sachsen-Anhalt with all materials. As of 1 Jan 1949, the work was expanded to a zonal basis, for the following fields:

- Chemistry
- Lacquers and paints
- Industrial gases
- Minerals
- Boilers and machine construction
- Engines and pumps
- Mineral oils

The work of the Light Industry Department runs parallel. This department is in charge of supplying the plants with materials distributed by the Land government. The work of the office was restricted to these fields, but since the supply has been expanded to include all plants in the zone, the activity of the office has been considerably increased.

The movement of goods through the Technab depot has also increased. While the Technab depot handled goods valued at 2,860,000 Deutsche marks in 1948, it handled goods valued at 2,873,000 Deutsche marks during the first half of 1949, and 4,027,000 Deutsche marks during the second half. The total value of goods handled during 1949 was 6,800,000 Deutsche marks.

To this is added import business at a value of 2,760,000 Deutsche marks, carried out through the firms of Uhlig and Bormann & Company of Halle.

The administrative work has increased, but it has been accomplished without great increases in the staff of employees.

Technab's operations are carried out as follows: Technab is informed by the Main Administration of the SAG's, Berlin-Weissensee, of the allotments

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for the departments of the SAG's. The departments break down these allotments according to their individual plants. The release of material for the plants from the German Trade Company is affected on the basis of these breakdowns and the requests by the plants.

Usually, over all allotments are obtained and then distributed among the SAG plants. This simplifies operations, both for Technab and for the German Trade Company. Technab also sees to it that the materials released are actually delivered, if this should meet with difficulties, and makes no extra charge for this service.

Another important operation of Technab has been to supply the plants with raw materials and products not included in the plans. These were obtained either from the Land governments or the German Economic Commission.

2. On the basis of order No 85 from the Chief of the Administration of Affairs of the Soviet State Corporations in Germany, dated 3 June 1949, and on the basis of Order No 74 from the Commander-in-Chief of the Soviet Military Administration, dated 13 June 1949, Technab was also to take over the sales of the SAG products. Attempts were made to organize Technab as a sales agency. It was first planned to have Technab take over the materials which were being sold by the SAG's to private wholesalers and sell them. Until the end of 1949 no definite arrangements were made regarding this plan.

3. On 1 June 1949 the department of the SAG "Plastik", to which the Technab Office used to belong, was dissolved. Technab was transferred to the department of the SAG "Min. Udobrenie".

4. According to the directives of "Min. Udobrenie", the insurance policies of Technab were transferred from the VASA to the Black Sea-Baltic Insurance Company.

5. Stocks:

Inventory on 1 Jan 1949	282 tons
Inventory on 31 Dec 1949	508.5 tons
Goods received, 1st half ^{of} 1949	977 tons
Goods shipped, 1st half of 1949	971 tons
Goods received, 2nd half of 1949	1,411 tons
Goods shipped, 2nd half of 1949	1,191 tons

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6. Motor Pool. Consists of the following vehicles:

- 4 BMW passenger cars
- 1 Opel-Olympia passenger car
- 1 Steyr 2-ton truck
- 1 Merch 3-ton truck
- 1 Ford 3-ton truck
- 5 Ford 4-ton trucks
- 3 Opel-Blitz 1.5-ton trucks.

The garage is equipped with a gasoline station and a repair shop.

The increased volume of work will require the purchase of a new passenger car and a new truck.

7. Especially during the second half of 1949, the Technab^{was} used for obtaining and distributing imports. During the first half of 1949, 3,264 tons of rolling mill products were imported, during the second half 4,818 tons, from Poland, Western Germany and the Soviet Union. In December 1949, the import of gas pipes from the Soviet Union was started, and so far 200 tons of pipe are on hand.

Other products imported and in storage are:

- Sector Metallurgy: Welding wire, 200 tons
- Asbestos)
- Sector Chemistry: 100 tons

A total of 450 tons of imported bronze, bearing metal, and cobalt are planned for 1950. An import shipment of 350 tons of wire was misrouted by DAHA and supplied to other customers. The clearing up of this matter is hampered by the lack of support given by the SAG Main Administration.

Technab is hampered in its import activities by the lack of financial capital of 830,000 means. The Deutsche marks must be increased by at least 300,000 Deutsche marks^{in order} for the import operations to be carried out properly. The SAG Main Administration is causing difficulties because the information supplied to Technab on delivery dates and other details is inadequate.

8. The total personnel of the office was as follows:

- On 1 July 1949: 33 clerical employees, 27 drivers and manual workers
- On 12 Dec 1949: 32 clerical employees, 29 drivers and manual workers

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The materials which were the most difficult to obtain during the past year were the following:

a) Lime: Technab was allocated 230,000 tons during 1949. The amount allocated for 1950, 320,000 tons, is wholly inadequate. The actual requirement is 640,000 tons, of which the Buna Works alone need 92,000 tons per quarter year.

b) Calcined soda. The difficulties which existed during the first half of the year were eliminated during the second half by sufficient imports.

c) Sodium hydroxide: This was a serious bottleneck throughout the year. The government of the German Democratic Republic has stated that this condition will continue throughout 1950, and it is therefore recommended that the Main Administration work on this problem. One of the mistakes is the system of including the sodium hydroxide consumption of the SAG plants producing it in the SAG allotments. If their own consumption is included in the plan figures, it should correspond to the actual consumption instead of being just a fraction of it. For instance, for the first quarter of 1950, the sodium hydroxide consumption for the Bitterfeld Electrochemical Combine is set at 750 tons, while the actual consumption is 4,000 tons. The 3,250 tons deficit is at the expense of the other SAG plants.

d) Welding electrodes: The quota for 1949 was not fully met, since the producing plants lacked welding wire and their production capacity was too low. The difficulties could be overcome by concluding processing contracts and furnishing the plants with the material.

e) Crude oil products: The gasoline supply was poor during the first quarter, improved during the second and third quarter, but became catastrophic during the fourth, because the producing plants suffered from a tank car shortage. During the second, third, and fourth quarters the supply of lubricating oil was sufficient because of imports. In this field, too, the lack of transport facilities had an adverse effect.

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In the field of mineral oil products, a new situation arose during the second quarter of 1949, when Derunapht was included in the procedure of supplying the SAG's. According to an agreement with Derunapht, the entire supply of lubricants for the SAG's is carried out through the Derunapht depots. This function was previously that of DKMZ.

On the whole, the distribution of lubricants did not correspond to the requirements of the plants. Bottlenecks were frequently caused by faulty planning.

f) Blueprint paper: During the first three quarters of 1949, supply was adequate. It became totally insufficient during the last quarter, because the paper allocation to the Agfa Film Plant at Wolfen was delayed by a planning error.

g) Nitric acid: Nitric acid was critically short throughout the year. The Kraska Paint Factory met its orders very inadequately.

h) Cement: The cement supply was extremely difficult during the second half of 1949. The high export orders of the SAG's prevented them from meeting their shipments. A particularly serious handicap was the lack of transport facilities.

i) Hardening salts and cyanide salts: The requirements cannot be met from domestic production. Imports are absolutely essential during 1950.

Difficulties encountered by Techsnab:

a) The creation of the Central Supply Office and the issuing of directives did not facilitate the work as much as expected, since the directives were inadequate.

b) Work was handicapped because some of the SAG departments, especially "Podyomnik" and "Tochmash", showed very poor ability to meet payments. The high sums outstanding sometimes prevented the office from obtaining materials ~~for which~~ ^{because} no funds ~~was~~ ^{is} available. The number of departments which refuse to pay a 5 percent service charge to the office for materials delivered from the office stocks ~~is~~ ^{is} increasing. These 5 percent

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charges cover the expenses of the office, and the office cannot continue operations unless this charge is paid.

c) Difficulties arise frequently because the Main Administration makes demands either for shipments of reserve stocks which were never on hand in the first place or for materials not included in any plans. Should reserves of such materials be required, it is suggested that they be obtained through the Central Supply Office of the Government.

d) Until now, the cooperation on import matters with DAHA, the German Foreign Trade Company of Berlin, has left much to be desired. DAFA is not yet an organization which is capable of operating. The SAG materials are either made unobtainable by misrouting or their price is needlessly increased.

e) Imports should not be handled by private firms in the future. The example of the firm of Bormann & Company of Halle shows that Technab will become too dependent on them (see special report on this point). If private firms must be used for import business, it is suggested that a Technab representative be authorized to negotiate jointly with the private firm and the producer in the Western Zone.

11. Cooperation with the authorities of the German Democratic Republic and with the German Trade Corporation was excellent, especially in the fields of chemistry and minerals. Personal contact with high officials of these organizations frequently made it possible to obtain additional allotments of material for the plants.

12. In 1950, the development of the people-owned trade organizations will be important. These trade organizations buy the output of the people-owned enterprises and supply the people-owned industry with it. Thus they assume the functions in the people-owned sector previously handled by private enterprise. It is not yet known to what extent the SAG's will enter this picture.

13. The plans available so far for the first quarter of 1950 show that there are many serious errors. Elimination of these errors is very tedious and delays supply. It is suggested that plans be set up in cooperation with Technab experts.

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of the Conference on the Cooperative Production Plan of the
Chemical Plants of the Administration of Soviet Assets in
Germany, for the First Quarter of 1950

Attending:

Administration	Akopov, Gladkov, Tkachov
A.G. "Kaustik"	Tselyayev, Pomortsev
A.G. "Kraska"	Matyeyev, Rosadnikov
A.G. "Min. Udobrenia"	Akhnasarov, Grekhov
A.G. "Kautschuk"	Markovich, Kukovin, Kirpichnikov
A.G. "Fotoplodka"	Faust, Bashkirov

Subject: Distribution plan for chemicals, within the scope of the cooperative production plan, among the corporations in Germany for the 1st quarter of 1950.

1. The Assistant Chief of the Administration of Soviet Assets in Germany approves the plan.
2. Min. Udobrenia is to guarantee supply of caprolactam to the Agfa film factory, in a minimum quantity of 500 tons through the year and 125 tons during the first quarter.
3. Faust and Matyeyev are charged with the measures for production of color films in 1950 and are to submit the plans by 10 January.
4. A.G. Kaustik is to guarantee the supply of 220 tons of phosphorus to the Plant "Nitrogen" and 15 tons to German industry.
5. "Kautschuk" is to increase the production of formaldehyde and to supply a minimum of 2,935 tons during the first quarter, according to the distribution plan.
6. "Kautschuk" is to supply "Min. Udobrenia" with 40 tons of "Nekal BH" during the first quarter.
7. "Kraska" is to increase its shipments of commercial nitric acid to 6,500 tons during the first quarter. Five thousand of this is to be concentrated nitric acid. It is to be distributed as follows:

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Kautschuk	315 tons
Fotoplonka	2,200 tons
Kabel	90 tons
Synthese	275 tons
Kaustik	150 tons
Min. Udobrenia	250 tons
Techmash	12 tons
Techsnab	8 tons
German people-owned enterprise	1,700 tons.

Dilute nitric acid is to be supplied to:

Synthese	725 tons
German people-owned enterprises	725 tons.

8. Akhnasarov's suggestion that AG "Kraska" be supplied with 3,200 tons of Mepasin during the first quarter of 1950 is to be considered.

9. Min. Udobrenia is to increase production of pure phenol and cresol. It is to supply to Kaustik 240 tons of pure cresol DAB 6 and 640 tons of cresol DAB 4 with a maximum content of 6 to 8 percent orthocresol.

Matyeyev's suggestion that the paint factory supply at least 120 tons of cresol DAB 4 to the Bitterfeld Combine to be considered.

10. The General Manager of AG Kaustik, Belyayev, is charged with examining the potential of the paint plant in the distribution of the crude phenol and with taking measures to increase the supply of pure cresol, as of the second quarter of 1950.

11. All chemicals not covered by funds and not contained in the cooperative distribution plan are to be supplied to consumers whenever ordered.

12. General managers and their representatives are notified that the supply of chemical products is to be carried out primarily to the SAG plants.

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