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CENTRAL INTELLIGENCE GROUP INTELLIGENCE REPORT

COUNTRY Germany (Russian Zone)

SUBJECT Synthetic Resin Production

DIST. 15 August 1947 50X1-HUM

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1. The firm of Louis Blumer, Chemische und Metallschlauchfabrik, Zwickau, Reichenbacherstrasse 57-59, is part of the Industrial Administration 57, Chemical Industry. It comes under the Ministry of Economics and Economic Planning in Dresden. The Ministry receives directives from SMA Dresden, which in turn receives directives from SMA Karlshorst.

2. This firm is the fulcrum of the synthetic resin production scheme for the lacquer industry. This resin is produced on the basis of vegetable oils, glycerine, phthalic acid, and phenolformaldehyde condensation. By-products of this processing are chemical aids for the textile industry, such as dressing, dressing sizing, impregnating preparations, and industrial soap. The firm also produces flexible metal hose for all purposes.

3. The production capacity of the firm is as follows:

- a. 420 tons of synthetic resin per quarter,
- b. 100 tons of chemical aids for the textile industry per quarter,
- c. Small amounts of metal hose at the moment because of the lack of imports.

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4. The production ordered by SMA Karlshorst is 400 tons of synthetic resin and 100 tons of textile aids per quarter. This is the same as actual production which is maintained by working three shifts.

5. Lt. Colonel Pilecki, of the Chemicals Section of SMA Karlshorst, is responsible for the whole of the lacquer industry and the fulfillment of the reparations program. He also divides up the orders among the respective firms. Ninety percent of their production goes to reparations. Approximately

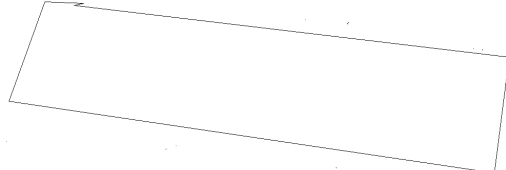
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sixty percent of the lacquer produced goes directly for reparations to Russia, and forty percent is used for other reparations orders in the Russian Zone. Instances of this are the allotment of varnish to BMW Eisenach for varnishing of cars, and the varnishing of tin preserving cans by Franz Pillnay, Dresden, a land-owned establishment, and to Karl Hans Blume, Magdeburg.

6. The textile aids go practically exclusively to indirect reparations to the Red Army, such as uniform materials and tarpaulins.

7. Metal hose is used almost exclusively on repair work. At the moment, however, there is an important special contract to manufacture special metal hose for the apparatus being used to raise the German warships sunk in the Baltic. The hose is made of V-2A steel.

8. There are 200 men working in the factory. The manager is Walter Hartmann, former cooper and laboratory assistant. The chief chemist is Dr. Kurt Sändig, who is unlikely to be deported, owing to illness. The technical plant manager is Dipl. Ing. Alexander Amburger, a "Volga German". He speaks perfect Russian and French, and interprets at important meetings with Soviet Department representatives. The sales manager is one Werner Falk, a former "Parteigenosse".

9. Soviet control is only exercised in as much as the firm has to report every ten days to Lt. Colonel Pilecki on production and sales. These must be in accordance with the delivery plan laid down. Deliveries to firms not included in the "Pilecki Plan" are forbidden. Pilecki has twice carried out a personal check.

10. Because of the lack of the necessary oils for technical purposes, the Russians have taken from the stock belonging to the Food Section. Agreement was reached between the two Sections on this point.

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