CLASSIFICATION SECRET
SECURITY INFORMATION
CENTRAL INTELLIGENCE AGENCY

# INFORMATION REPORT

CD NO

COUNTRY East Germany

DATE DISTR. 29 October 1952

SUBJECT Zeitz-Troeglitz Hydrogenation Plant of the SAG Synthese

NO. OF PAGES 8 25X1

NO. OF ENCLS. 1 (2 pages)
(LISTED BELOW)

SUPPLEMENT TO REPORT NO. 25X1



1. The hydrogenation plant of the SAG Synthese in Zeitz-Troeglitz (E 52/K 08) was built before World War II to process 320,000 tons of brown coal tar and light oil annually and to produce 240,000 tons of gasoline and Diesel oil and 30,000 tons of lubricating oils annually.

2. The equipment of the hydrogenation department of the plant includes a total of six hydrogen compressors. Only five compressors were to be used in the production process, with the sixth compressor to be kept in reserve. However, on Soviet orders, all six of the compressors have been in operation since early 1952, leaving no reserve compressor. In order to correct this situation as quickly as possible, the Soviets ordered an additional hydrogen compressor to be assembled from available spare parts. However, numerous component parts, such as the crankshaft, differential pistons and motor were not available. This new compressor was to be set up in Building No 9 of the plant. The plant had two loading installations one for gasoline and Diesel oil and the other for lubricating oil and paraffin. In the Niederdruck (low pressure) Department of the plant, the construction of a new tank "T", with a capacity of 2,000 cubic meters, was started. This tank is located between the Hochdruck (high pressure) and the Niederdruck (low pressure) Departments and is scheduled to be used as an additional intermediate tank to hold 1.2 day's production of gasoline or Diesel oil. The total cost of this tank was 110,000 eastmarks. In addition, the reconstruction of mixing tank D, which had a capacity of 1,000 cubic meters, was started. It was estimated that this reconstruction work would cost 65,000 eastmarks. Tank D is to be used for the production of special grades of Diesel oil. The construction of the ninth hydrogenation chamber was completed in early April 1952, and the installation of machinery in this chamber was started. The total of 755,000 eastmarks for this project had not yet been approved by Moscow. Another building project to be started in 1952 is the construction of an installation for fatty acids, at an approximate cost of 35,000,000 eastmarks. However, this project cannot be started until the necessary rails are received from the Maxhuette. A previous consignment of rails from the Maxhuette to the Zeitz hydrogenation plant were confiscated by the East German Railroads. According to the investment plan a new tar centrifuge was to be built in 1952, but this project will not now be necessary because of a new process developed

by Engineer Steffen (fnu), the German plant manager, who increased the annual production of brown coal tar and light oils to 600,000 tons by making some improvements and modifications of the existing tar centrifuge. The significance attributed to this new process is indicated by Directive No 1 dated 3 January 1952, issued by Soviet Director General Semmenikov (sic). [1] This increase in the capacity of the tar centrifuge constitutes the maximum limit of utilization of the high-pressure chamber. The installations of the tar centrifuge include 2 stirring containers, 1 Schumann-type separator, 1 phenol-water container and 1 pumping station with 7 pumps.

3. The loading quota per day shift is 500 tons of gasoline and 700 tons of Diesel oil in one loading installation, and 350 tons of lubricating oil in the other. This quota is also to be met on Sundays, holidays and during periods when the plant is not in operation. During the nine-hour day loading shift all products produced from 3 p.m. to 6 a.m. were to be loaded. As long as the catalysts (Kontaktmasse) for the reaction chambers could be purchased from the West, a four-week shut down for reconditioning of each chamber was necessary after each 160 days of operation. When the Leuna Plant started supplying catalysts of inferior quality, reconditioning of the chambers became necessary after only 100 days of operation. However, the reconditioning period was reduced to 14 days, thus making possible an additional production of 750 tons of gasoline, 1,570 tons of Diesel oil, 140 tons of lubricating oil and 365 tons of ETH-type paraffin. No aviation fuel is produced in this plant, because the gasoline produced in the plant is not suitable for processing into aviation gasoline. The amount of steam generated in boilers Nos 6 and 7, which was originally 70tons per hour, was increased to 85 tons per hour in January and February 1952, and to 102 tons per hour in March and April 1952.[2]

4. Security measures in the plant were tightened in March and April 1952. Since 15 to 20 percent of the workers were absent because of influenza, the other employees were required to work many "voluntary" extra-shifts. Food supplies in the plant improved substantially in March and April 1952. The plant-owned HO shops were amply stocked with food and textiles.

25X1

1. [redacted] Comment. For translation of Directive No 1, see Annex.
2. [redacted] Comment. The 1952 schedule of the hydrogenation plant called for the production of 122,000 tons of gasoline and 365,000 tons of Diesel oil. . Based on the daily loading quotas indicated in the present report, the annual production would be approximately 182,500 tons of gasoline, 255,500 tons of Diesel fuel and 126,000 tons of lubricating oil. Hence, it appears that the 1952 output totals 433,000 tons of both gasoline and Diesel oil. Therefore, based on the daily loading quotas, it does not appear that the 1952 production quota will be achieved.

SECRET

[redacted] 25X1

Directive No 1 Zeitz, January 3, 1952.

During the period from 1946 to 1952, the employees of the Zeitz Hydrogenation Plant achieved a great work in rebuilding the war-wrecked plant and increasing the plant capacity. In 1951, the employees of the plant processed raw materials and increased production at a rate of almost 50 percent above the schedule. These achievements were made without any significant investments, mainly by improving work organization, increasing the technical knowledge of the employees, and establishing close relations between the workers and the technical staff, thus attaining better results by their mutual collaboration, intensifying their political consciousness and responsibility, and by instituting well-organized contests among the employees. In support of the initiative of the engineering group which concentrated on discovering undeveloped facilities in the plant and employing these facilities in an effort to increase production and capacity, I herewith issue the following orders:

1. An Initiativgruppe (a special group of engineers for the initiation of improvements) is to be appointed at once. It is to be composed of Plant Manager Dr. Schmitt (fnu), chairman; Production Chief Dr. Saager (fnu), deputy chairman; Department Chief Dr. Guenther (fnu), deputy chairman; and Dipl. Ing. Steffen (fnu), Dipl. Ing. Wustmann (fnu), Dr. Matzschke (fnu), Ober-Ing. Thinius (fnu), Ober-Ing. Inzmann (fnu), Plant Inspector Jaeger (fnu), members.

2. The Initiativgruppe will submit their plans for increasing the processing of raw materials to 600,000 tons per year without any significant investments.

3. Director-General Andrienko (fnu) will make 100,000 eastmarks available from the fund for improvements and inventions to be paid as bonuses for outstanding achievements. Of this amount 75,000 eastmarks will be set aside for the Initiativgruppe and 25,000 eastmarks for other individuals who demonstrate outstanding zealousness in carrying out their assigned tasks.

4. All department chiefs of the Main Administration must support the Initiativgruppe as much as possible in carrying out its mission.

5. The first interim report on the results of the work of the Initiativgruppe must be submitted by 1 April 1952.

6. An outline for granting bonuses is attached.

Signed: Semmenikov, Director-General of the Synthese Department

Outline for the Granting of Bonuses to the Initiativgruppe in Accordance with Directive No 1 of 3 January 1952.

1. The total bonus of 100,000 eastmarks specified in Directive No 1 is to be paid in two installments and only upon successful completion of the task, namely increasing the plant capacity to 600,000 tons of raw materials (tar and light oils) per year.

SECRET

25X1

2. The first installment of 40,000 eastmarks will be paid after the plant has operated for two months at the capacity specified.

3. The remaining installment of 60,000 eastmarks will be paid following three more months of operation at the capacity specified.

4. The bonuses will be paid upon confirmation by the department concerned.