

INFORMATION REPORT INFORMATION REPORT

CENTRAL INTELLIGENCE AGENCY

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COUNTRY	Hungary/USSR	REPORT	
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1. The poor quality of Soviet iron ore deliveries to Hungary is causing constant trouble in the Ozd and Diosgy~~u~~r Iron Works. In particular, the dusty form of the iron ore results in large quantities being blown away by the draught from the upper parts of the blast furnaces. On the other hand, if the furnaces are fed too compactly, the draught is blocked. 25X1
2. The Hungarians have repeatedly intervened with Soviet representatives in Budapest with a view to obtaining better-quality ore. As these interventions have had no result, an official of the Ministry for Metallurgy and the Engineering Industries visited the Don Basin iron-ore mines in November 1954, to discuss the problem.
3. The Hungarian official returned from this trip empty-handed. The Soviet mining officials informed him that they could not supply better-quality ore, and that if the Hungarians find it too dusty, they should make it into briquettes before feeding their furnaces.
4. In his report on his trip, the Hungarian official explained that the Soviets have the most elaborate and modern equipment for sorting ore, which could be run efficiently by 183 persons. However, this equipment is not used, and some four thousand workers are employed in sorting the ore by hand. The Soviets explained to the Hungarian official that they find this old method of sorting by hand more satisfactory. In the opinion of the Hungarian official, however, the real explanation is that they have not the trained men to run the modern equipment.
5. Unable to solve his problem in the East, the Hungarian official was sent to the West in the middle of December, 1954, with a view to investigating modern Western methods for dealing with inferior-quality ores. His mission is being treated as highly confidential, as the Ozd and Diosgy~~u~~r Iron Works are most anxious to conceal it both from the Russians and from the Stalin Iron Works, which they regard as bitter competitors and rivals. The Hungarian official is hoping to ascertain methods for feeding blast furnaces with inferior-quality ores, which overcome the disadvantages which they are at present experiencing. Failing this, he will investigate the possibilities of purchasing equipment for making dusty ore into briquettes. 25X1

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