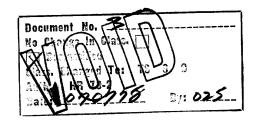
MITELLBEAR CLASSIFICATION SHOPET/CONTROL - U.S. OFFICIALS ONLY 25X1A Approved For Related 2000/05/45/05/APROP82-0045/470056001 INFORMATION REPORT CD NO. CONFIDENTIAL DATE DISTR. 6 COUNTRY Czechoslovakia SEP 50 Production of Pyrocatechol at the Stalin SUBJECT NO. OF PAGES Works in Homi Litvinov 25X1A NO. OF ENCLS. PLACE ACQUIRED DATE OF SUPPLEMENT TO 25X1X INFO. REPORT NO.

- 1. The Soviet authorities first pressed for the delivery of pyrocatechol at the trade negotiations between the USSR and Czechoslovakia in Moscow during the second half of 1947. The management of the Stalin Works at Horni Litvinov (N51/F13) promised to start production by the end of 1947 but could not actually start until the summer of 1948. The quotas for 1948 were not fulfilled and the Soviets brought strong pressure to bear on the Czech government for increased production and efficiency.
- A mutual agreement was then reached between the Soviets and Czechs, whereby the latter would deliver in 1949 pyrocatechol to a value of 350,000,000 kcs (\$7,000,000). At the inflated export price of 150 170 kcs per kg, this would amount to approximately 2,000 tons.
- 3. During the summer of 1949 Soviet interests in the delivery of pyrocatechol appeared to lessen and, according to preliminary inquiries in Moscow by the Czech commercial representatives, the Soviets did not include the material in the lists stipulated for delivery in 1950. The Czech authorities believed at that time that the Soviets would forbid the export of pyrocatechol to the West on the grounds that it was a basic war material. In the absence of Soviet orders and with the imposition by the Russians of a veto on the export of pyrocatechol to the West, the Czechs intended to stop production.

This document is hereby regraded to CONFIDENTIAL in accordance with the letter of 16 October 1978 from the Director of Central Intelligence to the Archivist of the United States.

Next Review Date: 2008



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