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CENTRAL INTELLIGENCE AGENCY

22 September 1950

INTELLIGENCE MEMORANDUM No. 331

SUBJECT: Significance of Cobalt shipments to the Soviet Orbit

Cobalt, an alloying element important in the manufacture of tungsten-carbide-cored, armor-piercing shells, tungsten-carbide cutting tools, permanent magnets, high-temperature steels and high-speed steels, is included in both 1-A and International I lists. This item is one of the three alloying elements in shortest supply within the Soviet orbit and strict observance of export controls by all Western nations on all shipments of cobalt would be detrimental to the Soviet bloc production of the above items. Most of the world's supply of cobalt comes from the Belgian Congo with some small amounts coming from Canada, Northern Rhodesia, and French Morocco. The Soviet bloc produces little cobalt and the orbit's extreme need for the metal can be seen in the many urgent attempts to purchase the metal by any means possible. Hungary recently made an urgent request for the purchase, from any source, of 20 tons of cobalt and was willing to pay premium prices. China has also been trying to buy cobalt from several sources. The amount available from any one of the sources is more than China could possibly use. The USSR is also known to be attempting purchases through Switzerland and Czechoslovakia.

It is to be expected that Soviet bloc purchases would be in small lots as such purchases are not so noticeable and consequently more easily moved eastward. In addition, the Soviet bloc must realize that any attempts to buy cobalt in large amounts would be readily detected and stopped. The amount of cobalt being purchased from France by the English company, Industrial Specialties Ltd., although comparatively small (5,080 kilograms) is sufficient according to best estimates, for approximately two-months production of tungsten-carbide by the USSR. In view of the past record of Industrial Specialties Ltd. in transshipping molybdenum from the US to the USSR, denial of this shipment of cobalt to this company would probably mean denial of the cobalt to the Soviet orbit.

Note: This memorandum has not been coordinated with the intelligence organizations of the Departments of State, Army, Navy, and the Air Force.

Air Force document No.

NO CHANGE in Classification

DECLASSIFIED

Class. CHANGED TO: TS S C

DDA Memo, 4 Apr 77

Auth: DDA REG. 77/1763

Date: 6/1/78 By: