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CENTRAL INTELLIGENCE AGENCY

REPORT

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1. During the trade negotiations in April 1948, Hungary contracted with Yugoslavia for the following quantities of ores:

280.000 tons limonit-ore from Ljubija
50.000 tons limonit-ore from Vares
25.000 tons limonit-ore from Maidanpek
30.000 tons siderit-ore from Ljubija
25.000 tons siderit-ore from Vares

410.000 tons

These quantities were to be delivered by 31 December 1948 but an extension of the delivery-period to 31 March 1949 was estimated within the contract. The following compilation lists the actually delivered quantities and consumption in the corresponding periods:

	<u>Ozd</u>		<u>Dicsgyor</u>	
	<u>Received (Tons)</u>	<u>Consumed (Tons)</u>	<u>Received (Tons)</u>	<u>Consumed (Tons)</u>
April 1948	18,166	21,382	10,571	15,419
May 1948	30,837	21,353	20,864	17,445
June 1948	23,991	19,491	15,769	11,300
July 1948	15,154	19,141	7,085	15,698
August 1948	19,829	20,031	10,112	17,309
September 1948	27,065	18,787	12,260	12,280
October 1948	14,708	18,897	8,221	12,365
	<u>149,750</u>	<u>139,082</u>	<u>84,882</u>	<u>101,816</u>

2. From the above lists it can be seen that the delivered quantities were consumed at once so no considerable stocks are available. (As a matter of fact serious protests were handed over to the Yugoslav authorities in November and December 1948, when the monthly scale of deliveries still deteriorated.)
3. During the above mentioned seven months, a total quantity of 240.000 tons should have been delivered, against the actually delivered 234.600 tons. However, considering the fact that according to the contract a complete stop in deliveries

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during at least the two severe winter months was stipulated, some 270.000 tons should have been delivered during the above enumerated seven months compared with the delivered 234.600 tons, which means a shortage of deliveries amounting to approximately 40.000 tons. The provision for 1949 (i.e. 1 April 1949 - 31 March 1950) was to contract a quantity of 400.000 tons. The consumption during this period was estimated with 343.000 tons, or about thirty-two percent of the total iron ore consumption of the Hungarian blast-furnaces.

4. The following figures are given for dried and dehydrated ore at 105° C.

Limonit-ore from Ljubija	Fe.49.9%
	Mn. 1.76%
	SiO ₂ 10.90%
	Al ₂ O ₃ 4.14%
	CaO 0.64%
	MgO 0.47%
	S 0.07%
	Cu 0.01%
	P 0.03%
	Co ₂ 1.66%
	Hydr.moisture 8.55%
Limonit-ore from Vares	Fe 42.10%
	Mn 3.03%
	SiO ₂ 12.62%
	Al ₂ O ₃ 1.66%
	CaO 1.55%
	MgO 0.36%
	S 1.11%
	Cu 0.17%
	P 0.06%
	Co ₂ 1.14%
	Hydr.Moisture 9.95%
Limonit-ore from Maidanpek	Fe 48.57%
	Mn. 0.67%
	SiO ₂ 7.59%
	Al ₂ O ₃ 3.44%
	CaO 0.46%
	MgO 0.12%
	S 0.89%
	Cu 0.54%
	P 0.28%
	Co ₂ 2.68%
	Hydr.moisture 12.13%
Siderit-ore from Ljubija	Fe 48.36%
	Mn 2.04%
	SiO ₂ 8.35
	Al ₂ O ₃ ∅
	CaO 1.06%
	MgO 2.64%
	S 0.41%
	Cu ∅
	P 0.02%
	Co ₂ 23.61%
	Hydr.moisture 3.0%
Siderit-ore from Vares	Fe 35 %
	Mn 3.35%
	SiO ₂ 8.10%
	P 0.04%
	Cu 0.04% (incomplete figures)

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Nearly all Yugoslav ores smelt very lightly; their screening is lumpsize approximately 60 to 65 percent and small nuts- dust at 35 to 40 percent. In consequence of their relatively high SiO_2 contents they necessitate a somewhat higher coke consumption (1 ton ore = 0.50. 0.55 ton coke).

5. All prices given are to be understood f.o.r. (sic) Hungarian border station excepted the price of the Maidanpek ore, which is to be understood f.o.b. Dolni-Milanovac.

Limonit ore from Ljubija	\$8.50/1.000 kg basis 50% Fe+Mn
Limonit ore from Vares	\$6.75/1.000 kg basis 42% Fe+Mn
Limonit ore from Maidanpek	\$7.65/1.000 kg basis 50% Fe+Mn
Siderit ore from Ljubija	\$6.75/1.000 kg basis 42% Fe+Mn
Siderit ore from Vares	price not agreed

6. Freight rates are: Dinar 103 per ton from mine-station to Hungarian border, (estimated 100 dinar = 8.60 Swiss francs or \$1 = 4.30 Swiss francs, consequently \$1 = 50 dinar and 103 dinar = \$2.30). This means that the price of the ore f.o.r. (sic) at Ljubija can be assumed at \$6.20. It also can be assumed that the distance Ljubija-Fiume or Split, and/or the Italian border station differs only slightly from that of Ljubija-Hungarian border station.

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