

CONFIDENTIAL

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14 SEP 1949

Mr. W. Mark Armstrong, Jr.
Special Assistant to the Secretary of State
Department of State
Washington, D. C.

Dear Mr. Armstrong:

Reference is made to your letter dated 23 August 1949 requesting the Central Intelligence Agency to undertake a research project in the United States with a view to determining what plans and measures should be recommended to minimize interruptions through sabotage of imports of Chilean copper.

Pursuant to your request, the Office of Reports and Estimates of this Agency is starting a research project along these lines. A report of this study with recommendations will be furnished you upon its completion.

Sincerely,

sgd & disp.

thru FR sealed 9/11/49

R. E. HILLENKOETTER
Rear Admiral, USN
Director of Central
Intelligence

I&S/GFH:ch

ReTyped: format only: D:b

cc: Director ✓

Chief I&S (2) w/basic State ltr & cc of I&S corres on subject.
Inspection Br, I&S

** draft cc ret to I&S for disposition*

State Department review completed

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DEPARTMENT OF STATE

WASHINGTON

CONFIDENTIAL

August 23, 1949

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Dear Admiral Hillenkoetter:

Reference is made to a memorandum addressed to the Secretary of State dated 22 June 1949, from Colonel Sheffield Edwards, Chief of Inspection and Security, regarding the vulnerability to sabotage of the copper industry of Chile. Attached to this memorandum was a brief of the copper situation prepared by [redacted] Inspection Branch.

The Department agrees with the conclusion set forth in point 5a of [redacted] brief that there appears to be no element of urgency requiring an immediate physical security survey of the copper industry in Chile. However, in view of the importance to the United States of the continuing availability of Chilean copper, particularly in the event of a national emergency, it would be appreciated if the Central Intelligence Agency would carry out a research project in the United States with a view to determining what plans and measures should be recommended to minimize the interruptions through sabotage of imports of Chilean copper. Reference is made in this connection to NSC-29 dated August 26, 1948, which provides for the survey of industrial operations abroad by the Central Intelligence Agency at the request of the Secretary of State.

Officers of this Department who recently had occasion to confer with officials of Anaconda and Kennecott copper companies on another subject took the opportunity of discussing with them the danger to which their operations in Chile might be exposed from sabotage by Communist elements, particularly in case of hostilities between this country and the U.S.S.R.

While expressing considerable confidence in the security precautions currently in effect, representatives of both companies admitted there might well be room for improvement. They stated that there is much information available at their New York offices regarding the physical lay-out of their Chilean facilities and offered to make it available to representatives of the U. S. Government in connection with a possible study of the security problem.

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Very truly yours,

For the Secretary of State:

SIGNED

W. Park Armstrong, Jr.
Special Assistant for
Research and Intelligence

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