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INTELLIGENCE MEMORANDUM NO. 329

VULNERABILITY OF CHILEAN COPPER INSTALLATIONS

6 December 1950

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CENTRAL INTELLIGENCE AGENCY

6 December 1950

INTELLIGENCE MEMORANDUM NO. 329

SUBJECT: Vulnerability of Chilean Copper Installations

This report is divided into four parts as follows:

Part I is a summary and conclusions, and includes a summary of information from company sources regarding the problem.

Part II is a general survey of the situation in Chile, including political-economic conditions of the country and the industry; Communism in Chile; labor and government attitudes toward Communism and the industry; and an estimate of the situation in event of a major war.

Part III-A is a description of the railroads of Chile, including those employed by the major copper companies for the movement of materials and products.

Part III-B is a description of the ports of Chile.

Part III-C is a discussion of Chilean immigration policy.

Part IV is a series of three maps, one for each of the copper mining companies, on which are located the physical installations that might be targets for subversive action. An accompanying map analysis describes the installations in more detail.

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

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PART I

SUMMARY AND CONCLUSIONS

Ninety-five percent of Chilean copper output is produced by three local subsidiaries of two major American mining companies with headquarters in New York. The problems of vulnerability to subversive action can thus be covered almost completely by a consideration of the operations of these three companies. They are the Chuquicamata mine of the Chile Exploration Company (Chilex), and the Andes mine of the Andes Copper Mining Company, both subsidiaries of the Anaconda Copper Mining Company; and the Braden mine at El Teniente, of the Braden Copper Company, a subsidiary of the Kennecott Copper Corporation.

These mines are large by any standard, and are highly mechanized on the American pattern with American equipment and supervisory personnel. They are self-contained in that practically all vital installations for operation, as well as most installations for employees' welfare have been developed and installed by the companies themselves, including the mines, the ore reduction plants, ore concentrating plants, smelting and refining operations, water supply, power supply and distribution, fuel storage, and in some parts, railway transportation. The companies, however, being "foreign" corporations in Chile, do not have the latitude of action in protecting company property that would be desirable under the circumstances; in particular, the companies have no police authority or armed property defense mechanism, that being the prerogative and duty of the government.

The mines themselves are highly mechanized but isolated instances of sabotage to individual pieces of equipment, (except in a few cases such as main conveyor belts, crushers, etc.), would not stop or seriously cripple production for an extended period of time, in view of the amount and diversity of equipment employed (excavators, drills, compressors, motors, cars, mine locomotives, etc.). The companies do maintain a stock of equipment and spare parts for replacement resulting from normal wear and tear but in the cases of large and costly equipment it is not practicable to maintain complete standby units.

The principal danger is that of an organized persistent campaign on the part of subversive forces against those facilities and services on which, singly or collectively, the continuity of operations depends. These facilities may be summarized as ore reduction plants, concentrating plants, and leaching and smelting operations concentrated in large units and small area; power and water supply dams and storage tanks or reservoirs; water supply pipelines; power plants, transmission lines and transformer stations, and fuel supply tanks or storage; tailings disposal flume lines; transportation to coast (particularly bridges,

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trestles or tunnels that would be difficult to repair in case of destruction or damage), and mechanized material handling facilities at ports. On the maps included with this report such facilities have been located and described insofar as information about them can be obtained in the US.

The Chuquicamata mine is an open pit operation and does not, therefore, present a major target for damage by fire at the mine itself. The Andes mine and the Braden mine, however, are both large underground operations of the block-caving type, and as such are susceptible to major damage by fire. In 1945 a surface fire at the Braden mine broke out; toxic gases were swept underground killing 355 employees and throwing the mine out of production for several weeks. After this disaster, additional precautions against fire were taken. There was no conclusive evidence that the fire was the result of deliberate intent, but it is illustrative of one means by which subversive action might be effective in stopping production.

An organized campaign of sabotage would undoubtedly be preceded or accompanied by strikes. A considerable core of Communism exists in the labor unions, particularly in the mining unions, and can be expected to foment strikes at every opportunity. Strikes have been occurring, such as the recent one of three weeks duration at Chuquicamata, and are considered to be at least partly due to Communist incitement.

Governmental Considerations. Copper production provides Chile with 15 percent to 20 percent of all governmental revenue. The three American copper companies in 1949 provided Chile with over 116 millions in dollar exchange, almost 50 percent of all governmental foreign exchange receipts. These amounts are indicative of the vital stake the Chilean government has in the continued prosperity of the industry.

The present government has outlawed the Communist Party and has taken vigorous measures to repress Party membership and activities. Communist influence in labor unions has decreased in recent years, and has been driven underground. A considerable core of Communist strength, however, remains in the unions, particularly in the mining unions. Sporadic strikes occur in the copper mines and are considered to be due, partly at least, to Communist influence. In case of war or other demonstrated emergency, the present government can be expected to vigorously oppose Communist attempts to disrupt the economy of the country through strikes or other means.

Responsibility and authority for policing the copper properties rests largely with the government, through the army and the carabineros, since the companies are not permitted to have armed guards or police power. Under these conditions

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the responsibility for detecting and removing subversive elements from the mining fields as well as anticipating the probability of destruction of property by subversive elements, must be done by forces controlled by the government.

In this respect the situation facing these American companies in Chile differs from that in the US. In the States the companies would have their own company-employed and-controlled police force, acting under company orders, probably with the advice and help of State and Federal officials.

Company Considerations-Chuquicamata and Andes. Problems of protection against subversive action are similar for the two properties and they may, in general, be treated together in this regard. Company officials have stated that the status of planning for protection of properties in an emergency, and of measures now in force to guard against interruptions to production are, in summary, as follows:

The company has no over-all plans for measures to be taken in case of disaster or unusual violence. The major responsibility for protection of companies' facilities is governmental and rests with the carabineros. At Chuquicamata a major of the carabineros has the direct responsibility. The company at Chuquicamata employs a total of 140 men on watching service; these men are not guards, and are not permitted by government regulations to carry firearms; no firearms or ammunition are maintained on the property. T. A. McEvoy of the company is in charge of all watching operations at both properties, and of the operations of Foley Brothers, the contractors on new construction. Arturo Catalan is chief of the Safety Department and of the fire fighting facilities. Twelve men are on duty at all times in the fire department.

The men on watching service are given no special training but they are selected as men of confidence. They have no police authority and no control over personnel. Principal duties are to report infractions of company regulations.

There are no restricted areas in the installations but on two main roads entering Chuquicamata, carabineros and company watchmen check persons entering the property. This does not prevent undesirables from entering through other channels. The mine area as a whole is not fenced and although the reduction works is surrounded by a fence, the protection is meager since persons could enter under the fence.

Entrance to the power station and sub-station is guarded, and entrance is granted only to persons with proper identification. The principal power transmission line (over 100 miles alongside a public road) is patrolled once a day for inspection purposes but is not otherwise guarded. The same applies to the water supply, which is brought in by one pipe line 75 kilometers long and another 96 kilometers long. Both lines are above ground, with no protection.

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At the reduction works, entrance is obtained by showing proper identification badge. At the mine no identification is required for entering the area.

All new workmen have their records of previous employment checked; this is done by means of the applicant's Libretta (insurance book), and through the Carnet of Identification (which includes finger prints, photographs and other pertinent data). The Company maintains records of previous employees who have been discharged for cause and, for the past two years has formed lists of known undesirables who have left the company or who may still be employed. No systematic or cooperative attempt of this company is made to follow activities of known undesirables with other companies.

Explosives are not protected in transit. They are received at the plant in sealed boxcars of the FCAB Railway. Upon arrival they are transferred to boxcars of the company and are carried to the magazines by company employees under the supervision of a foreman. The magazines are of the usual safe construction and are protected by several watchmen and by frequent visits of carabineros. There is little chance of pilferage in transit, but there are excellent chances for stealing small quantities during the time the drill holes at the mine are being loaded. Stick powder is more susceptible to pilferage of this kind than free-running powder (both kinds are used but principally the latter).

The finished product (copper) is loaded in open gondola cars at the loading dock in the refinery and company railroad crews take these cars to kilometer six, from which they are taken by FCAB Railway crews to Antofagasta. Most of these shipments are made at night, leaving Chuquicamata in the evening. No unusual guarding facilities are made during the shipment since the train is in the hands of a train crew responsible for the entire trip. The facilities (rolling stock, etc.) are old but adequate, and are maintained in good condition.

As to standby facilities for use in an emergency, it is not practicable to maintain standby power units or pipe line facilities other than requirements for normal wear and tear. Such installations of a vital nature are not guarded against sabotage. A grave threat to continuity of operations (and one about which management is particularly concerned), is damage to conveyor belts in the Primary and Secondary Crushing Plant, or damage to crushers caused by tramp iron introduced into the ore feed.

In times of emergency, protection provided by the Chilean Government is available to the company. The two local authorities at Chuquicamata are the carabineros located at Chuquicamata proper, and a regiment of soldiers located at the town of Calama, 18 kilometers away. Company officials believe that both of these organizations would be loyal to the government and would act to preserve safety if called upon. Under present conditions, however, Chuquicamata is not an

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emergency zone as it was during World War II, and the colonel of the regiment is not able to act directly and on his own initiative. He does, however, meet regularly with company officials to discuss local problems. Major Labre of Calama is in daily contact with company officials regarding discipline in the camp. The company watchmen would be of little value in controlling sabotage, since their sole purpose is to watch out for petty thievery and fire. In addition to the governmental protection already mentioned, the government maintains a Bureau of Investigation in Chuquicamata which could be developed into a more active group, obtaining information through secret sources. At present this organization is not being utilized to the best advantage. An improved staff for obtaining information can best be developed by the government through the carabineros' investigation group of the army; such a strengthened staff could be of considerable value.

In company employ, 95 percent of total personnel are Chileans. In the post-war years some displaced persons were employed, but lately the company has abandoned the practice because it was impossible to check the antecedents of such persons.

From the foregoing paragraphs, it can be seen that the threat of sabotage is present, and that the company management is alarmed at the possibilities and yet is handicapped in taking adequate protective measures. As a foreign-owned corporation operating in Chile, it is not free to employ armed guards with any police power, and is hesitant to adopt too strict a watch and control over employees, particularly on lines of labor espionage. Company officials consider that the hundred mile power line, and the supply of water for metallurgical purposes (16,000 tons per day at Chuquicamata), are the facilities most sensitive to major sabotage. They are apprehensive, however, about the possibilities of organized and repeated small damage. The company apparently believes that a measure that would be very helpful to the situation is increased staff and activity on the part of the governmental investigative agency.

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Company Considerations--Braden. Considerations of the problems of protection against subversive action of company property and production have been considered by company officials, and a summary of the situation given by them is as follows:

In case of disaster or unusual violence, referring to civil or military disturbances, the Chilean Army has securely guarded plans for continuing the operations of essential industries. Company responsibility and authority for the security and protection of operating facilities rests with the company management, which would work in conjunction with military authorities.

In regard to fire protection, four groups of firemen are stationed at Sewell, (one at Caletones, one at Coya, one at Pangal, and one at Rancagua). All are under the jurisdiction of a fire chief, who is responsible at Sewell to the mechanical superintendent; in Caletones, to the smelter superintendent; in Coya, to the general mechanical foreman; and in Rancagua, to the railroad superintendent.

There are two guard forces on the property, and one of them is a squadron of Chilean carabineros in accordance with the list below. These men are armed and report directly to a lieutenant colonel, in charge of the carabineros in the province at the city of Rancagua.

Squadron of Chilean Carabineros

Teniente "C"	Barracks:	<u>Lieutenancy</u> 1 Lieutenant 1 Sergeant 1st Class 15 Carabineers
	Total	1 Officer 16 Men
Sewell:	Barracks:	<u>Commissarship</u> 1 Major 1 Captain 1 Second Lieutenant 3 Vice Sergeants 1st Class 8 Sergeants 51 Carabineros (including 15 Corporals)
	Total	3 Officers 62 Men
Caletones:	Barracks:	<u>Lieutenancy</u> 1 Lieutenant 1 Sergeant 1st Class 2 Corporals 13 Carabineers
	Total	1 Officer 16 Men

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Barahona:	Barracks:	<u>Reserve Corps</u> 1 Sergeant 1st Class 1 Corporal 3 Carabineers
	Total	5 Men
Coya:	Barracks:	<u>Lieutenancy</u> 1 Lieutenant 1 Sergeant 1st Class 1 Vice Sergeant 1st Class 2 Sergeants 2 Corporals 19 Carabineers
	Total	1 Officer 25 Men
Pangal:	Barracks:	<u>Reserve Corps</u> 1 Vice Sergeant 1st Class 1 Corporal 4 Carabineers
	Total	6 Men
Parron:	Barracks:	<u>Reserve Corps</u> 1 Sergeant 1 Corporal 2 Carabineers
	Total	4 Men

There is also a group of 148 watchmen, as shown in the following list, whose duties are to guard the Company's property and avoid theft and destruction.

<u>Distribution of Watchmen</u>	
Teniente "C"	3 Watchmen
Sewell	56 Watchmen
Caletones	12 Watchmen
Barahona	1 Watchman
Coya	15 Watchmen
Parron	10 Watchmen
Rancagua	<u>51 Watchmen</u>
Total	148 Watchmen

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This group of watchmen is not armed and is under the supervision of the Superintendent of Social Welfare. Firearms and munitions are controlled throughout Chile by legal stipulation. All arms must be registered and their location reported to the local carabineros.

The property extends over 65 square miles and it is impossible to maintain restricted areas for all auxiliaries such as power canals, tailings flume lines, transmission lines, aerial tramways and communication systems. Daily patrols are made over all these services. Since the last war, power plants, mine, mill and smelter have been closed in, as far as possible, by high fences to restrict entrance to vital areas, and service by railroad to the various camps is strictly controlled. Due to the size and extension of the property there are many components for which standby facilities are impracticable, such as smelter, power house, tramlines, etc. Since complete protection cannot be provided it is understandable that certain sections could be damaged or destroyed, and it is extremely difficult to estimate the time that might be lost or the amount of damage destruction that these facilities might cause.

The various companies or industries have no joint systems that would make pre-employment investigation of personnel possible. All Chileans must be fingerprinted. When doubt exists as to an individual's record the only recourse the company has is to files of the Identification Department of the Bureau of Investigations, which in many cases cover only police records and not political activities. It is impossible to follow the activities of known undesirable employees, with the exception of those who are relegated to restricted areas by the government.

In regard to protection of explosives, transportation of explosives from the city of Rancagua to the powder houses on the property is made under the vigilance and control of the Chilean Army, which has a regiment of soldiers located in Rancagua. The issue and use of explosives in the mine is controlled by written order by the foreman in charge; underground, the explosives are issued from powder houses adequately protected by steel doors.

The Company operates a 42-mile railroad between Rancagua and the various production centers. The Braden Railroad Department protects the right of way; maintenance and repair facilities, and rolling stock are kept in excellent condition by this department. From Rancagua to the port of San Antonio, where the copper is shipped, all transportation is handled by the Chilean State Railroad. Maintenance of way is fair but maintenance of equipment and rolling stock is poor because of the financial condition of the railroad. At the port, loading and seaport facilities are not good and need rehabilitation.

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In case of emergency or disaster, there is no doubt that the Chilean Government will provide adequate military or police protection at company request, as any such aid that might be requested has been promised. In minor emergencies in the past, protection has always been given readily.

The company personnel is 98.7 percent Chileans, the balance being Americans, British and Scandinavians. The company owns and controls all communication facilities with the exception of one telegraph line which is privately owned but partly controlled by the company.

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PART II

GENERAL POLITICAL, ECONOMIC, SOCIAL CONDITIONS

Current Political and Economic Conditions.

Chile is deservedly earning a reputation for political stability. Although a standard of political development comparable to that of the US has not yet been reached, it is one of the politically more mature nations south of the Rio Grande. Chilean history has seen political upheaval, dictatorships, constitutional revision and frequent governmental changes. But since 1932 the country has chosen its presidents through an orderly elective process, and a greater than the average Latin American respect for constitutional processes of government is apparent. The present Chilean Government is politically stable and can be expected to complete its term of office expiring in 1952 without serious difficulty.

The peculiar geographic configuration of the country has been a serious impediment; nevertheless, a reasonably advanced state of economic development has been achieved. With a disproportionate length of 2,660 miles as compared to an average width of 110 miles, extending from the inhospitable mountains of the far south to the agriculturally barren deserts of the far north, Chile has had unusually difficult economic problems.

Present economic conditions in Chile are precarious, but prospects for the future are good. The effects of the world depression of the thirties seriously impaired Chilean economic stability, forcing the government to foster measures facilitating the creation of new industries to offset the dependence of the nation's economy on copper and nitrates.

Upon this newly-developed industrialization program and a depressed copper industry, World War II imposed demands calling for maximum production activity; the copper industry to supply that important metal to the Allied war industry, and the other industries to supply necessities cut off by the war. Despite many handicaps, Chilean industry made great progress, and at the end of hostilities the country's financial condition was excellent with large foreign exchange credits and internal assets greater than ever before.

Because of industry's inability to import needed machinery and materials during the war, when these items again became available Chile went on a spending spree. In common with many Latin American nations the government (in order to satisfy national pride as well as to further national industrial expansion) failed to impose proper controls upon the expenditure of foreign exchange balances which had decreased rapidly, and it also failed to take measures to control prices and inflation. Chile was among the first states to be seriously effected by the rapid economic

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decline that set in during the first half of 1949. In that year copper prices had tumbled from a high of 23.5 cents to a June low of 15.7 cents a pound, while the cost of living had risen steeply. Too late the government began applying strict import controls, establishing varying exchange rates for the peso, freezing prices, and increasing taxes in efforts to halt increasing inflation and check further dwindling of government revenue.

In 1950 the Chilean economy continues to remain precarious, although it has improved over the low point reached in 1949 in comparison with conditions during the war and immediate post-war years. The government, despite an announced policy of firmness toward labor, continues to practice a policy of appeasement in the face of labor's demands for increased wages, thus providing impetus for further price spiraling. Fortunately for the Chilean economy, however, it is anticipated that the present high demand for copper, at high prices, will continue for several years, thereby enabling Chile to weather the economic storms of the immediate future.

The People.

The present-day Chilean people, though made up of various racial strains, constitute a well-mixed, largely homogenous population. About 70 percent of the total population is mestizo (white and Indian), but the Indian influence is strong only in the more remote areas, and pure Araucanian Indians comprise only an insignificant number. The descendants of the few negro slaves brought into Chile have gradually disappeared, and today there are practically no negroes in Chile.

Intense nationalism of the Chilean people has enabled them to largely subordinate class differences in the achievement of national aspirations. Although there have been great differences between the rich land-owning class and the poor laboring class, the upper classes have, though grudgingly at times, made concessions to the laborers, who in turn have cooperated with them.

Orientation in Foreign Affairs.

Despite this intense nationalism, Chile has come to play a rather important role in inter-American affairs, particularly since World War II. Although its independence has been modified somewhat by its need for foreign capital, Chile has become one of the leaders in the Organization of American States. In general, Chile collaborates with the US in the OAS but scrupulously maintains national sovereignty and independence in international actions. In 1945 Chile signed the United Nations Declaration and now belongs to most of the specialized agencies of the UN. Although for approximately the first nine months, the Gonzalez Videla administration showed definite sympathy for Soviet views in the UN, it has since reversed its position. In February 1947 the Communists were dropped from

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the cabinet, and in August 1947 from the municipalities. Since then, the Chilean representative to the UN has been firmly anti-Soviet, siding with the Western Powers on all important issues and even formulating the protest in the Security Council against the Communist coup d'etat in Czechoslovakia in 1948. At the Bogota Conference, Chile was the principal advocate of the resolution condemning Communism and the practices of totalitarianism in general. Gonzalez Videla, in his message to Congress in May 1949, emphasized the importance of the UN as a bulwark of democratic institutions, and in April 1950 expressed his views that the USSR and satellites should be dropped from the UN.

In short, in the last four years, as the democratic trend in Latin America appeared to reverse itself, the Chilean Government has assumed the role of champion of democracy. It is believed that the vast majority of Chileans of all classes clearly perceive the interests of the nation vis-a-vis Communism's projected international aspirations and, when the cards are on the table, will defend those interests. A civilian defense program against sabotage would probably receive the cooperation of the people and would be of considerable value in the event of hostilities. However, there are as yet no indications that the government has made plans for the institution of such a program.

The Catholic Church.

There is no state religion in Chile, but the Catholic Church is the dominant religious institution in the country, and its present campaign against Communism is of great influence on the people. The Papal threat of excommunication of those embracing Communist doctrine has deterred even highly placed political leaders from openly collaborating with the Communists. The upper classes many times disregard Church precepts, but the basically religious middle and lower classes (the bulk of Church membership) are strongly influenced by important pronouncements of the Church hierarchy. On several occasions in the past, the political influence of the Church has been well demonstrated, and in the event of war with Russia, the Church could be counted on as a strong ally of the democratic nations.

Labor.

Chile has an enlightened labor policy, labor has been well organized, and social legislation is well advanced. The Chilean Labor Code, promulgated in 1932, provided a skeleton organizational framework upon which the labor organizations have elaborated to form a workable system.

Just as politics and economics are closely correlated, so are politics and labor. Leaders who take an active part in the formation of the labor organizations are usually also political leaders. This fact has been of considerable disadvantage to labor. Labor's ends have often been sacrificed to political expediency, and few labor leaders have devoted themselves to becoming expert trade unionists.

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Chilean laborers, unlike the general run of laborers in Latin America, are predominantly white, reasonably intelligent, and extremely resolute and resourceful. They have long had a voice in the operation of their government, and have been reasonable in their demands on industry in the past.

Labor was first nationally organized by Socialists, and under their direction Chile acquired most of its present reputation for an enlightened labor policy. Control of labor through the CTCCh (Confederación de Trabajadores de Chile) was maintained by the Socialists until World War II when the Communists, taking advantage of the favorable attitude toward them, gained control. Unlike the Socialists, who were sincerely working for the betterment of labor, the Communists immediately instigated their usual disruptive tactics. In a short time, Chile was seething with labor unrest and, as the Communists had also made considerable electoral gains, with political turmoil. As a result, in 1947 labor was weakened by a division of the CTCCh into two separate organizations, the CTCCh Socialista and the CTCCh Comunista. It was further weakened in 1948 by the anti-Communist Defense of Democracy Law.

A new labor organization, that of the white-collar employees, was organized in 1948 and has rapidly reached a position of considerable influence. This movement indicates an awakening of the long politically dormant middle class of Chile, a class which has developed rapidly during and since World War II, and one in which great potential strength lies. Members of this portion of Chilean labor, as individuals are, of course, the best educated, the most politically adept, and the most aware of social development problems. The group's leaders maintain that they, and the organization, are apolitical, but the effect of their first concerted action, a strike in early 1950, caused the reorganization of the cabinet and clearly demonstrated their inherent political strength.

Communist agitators will undoubtedly raise vociferous cries against the democracies in event of hostilities, and it is estimated that they will be able to inflict a considerable amount of damage to Chilean industry and economy through sabotage and strikes. However, it is doubtful that any great portion of the laboring class would fail to appreciate the significance of such a war and would not cooperate with the government in a program of aid to the democracies.

The Armed Forces.

The armed forces of Chile should be considered as an element making for stability of constitutional government in Chile. The efficient national police, with an estimated strength of 20,000, have clearly demonstrated their ability to maintain order under normal circumstances. In the event of serious disturbances beyond their capabilities, the army, with a regular strength of 12,000 plus 12,000 conscripts during nine months of the year,

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could be counted upon to aid the police in maintaining internal stability, and the navy, with a strength of 15,000, could provide additional support.

The Chilean Armed Forces, like those of every other Latin American country, have in the past participated in civil strife, but Chile has had fewer than the average number of barracks-initiated revolutions. At present, the armed forces have a national rather than a political cast of mind and it is believed that they may be considered loyal to the constituted government of the country rather than to political parties or leaders. There is little evidence that the Communists have had any degree of success in infiltrating the armed forces. It is not believed that the armed forces would support any possible Communist attempt either to take over the government by violence or to cause its overthrow by paralyzing strikes. It is highly unlikely that in the near future Communist elements could, by infiltration, significantly impair the ability of the armed forces to deal with such overt action.

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THE COPPER INDUSTRY OF CHILE

General Remarks.

Chile's present output of 350,000 to 400,000 tons of copper annually, about one-fifth of the world's output, is second only to that of the US. Ninety-five percent of Chilean production is controlled by the three large US-owned companies. The greatest single field, Chuquicamata, is operated by the Chilean Exploration Company, a subsidiary of Anaconda Copper Corporation; the Braden Copper Company, a subsidiary of Kennecott Copper Corporation, operates the El Teniente Mine; a second Anaconda Copper Corporation subsidiary, the Andes Copper Company, operates the Potrerillos field.

There are several small copper mining concerns, the majority of which are owned by Chilean interests and some by French interests. Several hundred small mines in operation during the war ceased operation after the war because their reserves were of low-grade ore and operation was economically feasible only under wartime necessity.

Chuquicamata.

Chuquicamata, the most extensive of Chilean mining operations and the largest single mining property in the world, is in the northern Province of Antofagasta and is the property of the Chile Exploration Company (CHILEX), which in turn is owned by the Anaconda Copper Mining Company. Chuquicamata's vast deposits of low-grade ore constitute approximately one-fifth of the world's known copper reserves. They are estimated to contain more than a billion tons of known and probable ores with an average copper content greater than two percent, and are obtainable at low cost.

Chuquicamata produced 208,000 metric tons of copper in 1948, representing approximately one-half the total Chilean production. The ore, extracted by means of electric power shovels in open pits, is processed by leaching and electrolyzation to obtain the copper. The product, electrolytic cathode copper, is then melted and cast into bars for rail shipment to the port of Antofagasta for shipment.

Mining and processing operations at Chuquicamata have been confined to oxide deposits, but inasmuch as this type of ore is rapidly becoming exhausted, it has become increasingly necessary for the company to direct attention to the abundant deposits of copper sulfides. In 1948, a long-range program of mining and processing sulfide ores was initiated when an agreement was signed between the Chilean Government and CHILEX for construction of a new plant, requiring an investment of \$130,000,000. This installation will aid in preventing a decline from present production levels, and it is estimated that capacity will be increased to 245,000 tons annually. Installation of this equipment also increases the future productive life of Chuquicamata by making possible the production of copper from the immense reserves of low-grade ores.

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Labor relations at Chuquicamata have long been turbulent and the company has seldom been able to reach an agreement with its unions through direct negotiation. The general atmosphere of resentment and sullenness among the workers (in comparison with a better atmosphere in the nearby nitrate mines) is probably due in part to the existence of a large non-Chilean staff at Chuquicamata. As some Labor Department officials and non-Communist labor leaders consider the company's labor policies bad, company officials presently take the position that it is necessary to adopt a conciliatory policy and to cooperate with radical political and labor leaders. Meetings are now held once a week between a company official and representatives from the two large industrial unions. During these meetings day-to-day grievances are discussed and, according to the company, approximately thirty percent of the grievances are settled in favor of labor (a much smaller percentage was settled in favor of labor when the unions were Communist-controlled). The company also embarked on an extensive welfare and recreational program in 1948 following the success of such a program at the Chilean army factory in Santiago, and this program has had some success in combatting Communist influence.

Labor turn-over is slight and workers are readily available. Despite the remote location of Chuquicamata, there are sufficient applications for work at the camp to maintain the necessary force, and the company expects no difficulty in obtaining 1,500 new workers for contemplated construction in connection with the new sulfide ore mill.

In May 1950 there were 5,524 persons employed at Chuquicamata, divided roughly into unions as follows: a white-collar employees union with 1,000 members; two industrial labor unions, one at the mine, with 3,000 members, and one at the processing mill, with 1,600 members; and three craft unions, all of whose members belong to the industrial unions. Before October 1947, all unions except the employees union were controlled by Communists. Although since then, some 400 workers believed to be Communists have been discharged, company officials stated that there were 411 registered Communist Party members still on the company payroll in 1948.

The Chuquicamata unions are well financed but are presently stringently controlled in regard to financial matters by the local labor inspector. Before 1947, the Miners' Federation, the Communist CTCh, and the Communist Party received a considerable amount of their revenue from mining unions. In order to dry up the finances of these Communist groups, labor inspectors now audit union accounts each month throughout the mining area of Chile and no union officer is permitted to draw checks without permission of the labor inspector. This system makes it difficult, if not impossible for Chuquicamata unions to contribute to organizations disapproved of by the government.

El Teniente.

El Teniente, ranking second among Chilean copper producers, is a Braden Copper Company property, located in the central province of O'Higgins

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at Sewell, some 70 miles from Santiago. This operation, which is a Kennecott Copper Corporation subsidiary, is reported to be the largest underground mine in the world, with production in 1948 totaling 149,000 tons of copper. Reserves on 1 January 1945 were estimated to be more than 150,000,000 metric tons of 1.7 percent ore, containing 2,600,000 tons of copper, but a later drilling survey produced a new estimate of a much greater amount.

Concentrates from the mine are carried by aerial tramway to the smelter at Caltones, four miles away. Some of the smelter product is fire-refined before shipment, but most of it is cast into bars of blister copper and sent by rail to the port of San Antonio to be exported.

The unions of the Braden Copper Company are controlled by Socialists and the two most important, at Sewell and Caltones, have become formally affiliated with the Socialist CTCh. It is likely that they pay dues to that organization with the tacit approval of the government. The three most important unions at the Braden Copper Mine are at the mine, the smelter, and the railroad shops. In May 1950, there were 6,393 persons employed by the Braden Corporation, and for comparison, membership of the labor organization was estimated in October 1948 as follows:

Sewell	(mine)	3509
Rancagua	(railroad)	1404
Caltones	(smelter)	872
Coya y Pangal	(power)	298
Total		6083

Potreriillos.

Potreriillos, the third most important copper mine in Chile, is located at Potreriillos, Province of Atacama, 75 miles east of the port of Barquito. This mine, the property of the Andes Copper Company which is a subsidiary of the Anaconda Copper Corporation, produced 68,000 tons of copper in 1948. Underground mining is practiced, the crude ore is transferred to Potreriillos where the crushing and refining operations are conducted, and the ore is then carried by a company-built railroad to the main north-south rail line junction at Pueblo Hundido from where it is transhipped to the Port of Chanaral.

Ore reserves at the beginning of 1945 were approximately 55,000,000 metric tons, averaging 1.21 percent copper. Ore mined at this site is of low-grade porphyry, about 65 percent of which carries copper-sulfide values and the remainder oxide copper.

There are two large industrial unions at Potreriillos, the mine workers' union, controlled by three Socialists and two Radicals, and the plant workers' union, controlled by two Socialists and two Radicals. Three other

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unions of less significance, at the port where the ore is shipped and on the company railroad, are each controlled by Socialists and Radicals. Prior to 1948 these unions were all Communist-controlled, according to company officials who now state that all the Socialists in its unions are affiliated with the Socialist CTCh. While the number of Communists removed from Potrerillos during 1948 is not known, the company estimates that there are some 400 to 500 Communist Party members, and 300 to 400 Communist sympathizers are still working at Potrerillos. Some union leaders believe Communist strength increased among the rank and file during 1948 because of the workers' disagreement with the government's anti-Communist policy expressed in the Defense of Democracy Law. In May 1950, there were 2,473 persons employed by the Andes Corporation.

In general, labor relations are probably better at Potrerillos than at Chuquicamata. Labor relations are better at the mine than at the plant, primarily because day-to-day grievances at the mine are settled on the spot while those at the plant are carried to higher officials, and because miners receive incentive pay and higher wages than plant workers.

The Medium and Small Producers.

About four percent of the total production of Chilean copper is from seventeen smaller mines. Some are controlled by French and some by US interests. Of the minor producers, the most important in 1948 were the Compagnie Miniere de M'Zaita at Chagres, near Valparaiso, and the Compania Minera Disputada Las Condes, east of Santiago. The remaining one percent of Chilean copper comes from numerous very small mines, all operated by Chileans.

The attached tables give statistical data as to Chile's exports of refined and blister copper from 1930 to September 1949 by area and country of destination; Chilean production and world production of mine copper for the period 1930 to 1948; and Chilean production and world production of smelter copper for the period 1930 to 1948.

The Copper Industry as a Source of Revenue to the Chilean Government.

Copper provides a substantial portion, 15 to 20 percent, of the Chilean Government's revenue, in the form of taxes, duties, and other levies. For the year 1949, the government's receipts of foreign exchange from all sources in all currencies totaled \$240,000,000, out of which the three large US-owned copper companies provided an estimated total of \$116,730,000 in the form of dollar exchange alone.

The largest single source of dollar exchange provided by the major copper companies resulted from a regulation governing peso payment for production costs. Under this regulation, the companies were required to purchase pesos at the rate of 19.37 per dollar to cover production costs,

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while the government sold the dollars at a much higher rate, ranging from 31 to 60 pesos per dollar. A preliminary estimate for 1949 indicated that the government would receive \$63,500,000 from this source.

A second tax on the large companies is on their net incomes, on which they pay a normal tax of 13 percent. To this is added an extraordinary tax of 2 percent, with a 30 percent surcharge on both these taxes, resulting in a total tax rate of about 19.5 percent on net income. The US-owned companies are further required to pay an additional 10 percent on profits or income from all their Chilean investments and operations, to which is affixed a 3 percent extraordinary tax.

A tax on copper sales became law in 1942. This extraordinary tax law stipulated that, for companies producing more than 20,000 tons annually, 50 percent of the difference between a base price (10 cents for electrolytic, 9 3/4 cents for fire refined, and 9 5/8 cents for blister copper) and the actual sales price must be paid to the government. In 1947 these base prices were modified to provide for price fluctuations. For the smaller companies, the tax is based on the difference between the price of copper on board ship in New York and the price that could have been obtained prior to January 1942. Government receipts from 1946 sales totaled \$17,500,000 and from 1947 sales totaled approximately \$25,000,000.

An emergency measure applied during the last quarter of 1947 included a provision to increase by 20 percent this extraordinary tax, which was estimated to have yielded an additional \$3,000,000 to \$4,000,000. This tax applied to only 50 percent of the total 1946 tax and proceeds from sales during the last half of 1947.

In 1948, the government received an estimated \$50,000,000 from the income tax and the extraordinary tax on copper sales. In addition, customs duties paid by the large companies, totaled an estimated \$3,230,000.

Revenue from the small mining companies was an estimated \$6,200,000 in 1949. By comparison with the amounts paid by the large operators, the small producers provide a negligible sum towards government income.

Effect of the Copper Industry on the Chilean Economy.

In emphasizing the importance of the copper industry to the Chilean Government as a source of revenue, sight should not be lost of its greater importance to the over-all economy of the country. Other than providing over one-third of all dollar exchange for the nation, the amounts of money returned to the country in the form of wages and payment for supplies and machinery are immense. The additional benefits accruing to the nation through secondary industries largely dependent upon the copper industry, (railroads, steamship lines, ports, power companies, and the many other services and products needed by the industry and its workers) are of great magnitude.

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Attitude of the Government toward the Copper Industry.

The Chilean Government is in an anomalous position regarding the copper industry. Since the Industry is the overwhelmingly important factor of the Chilean economy and the chief financial mainstay of the government, it must be treated with a healthy respect; but since the industry also is often regarded as a symbol of foreign intervention and because it has such great influence on the national economy, it can be blamed for most of the country's ills.

The former is clearly the dominant attitude, and the latter is resorted to only occasionally when the government feels it necessary to divert the public's attention in order to relieve government action from close scrutiny. Although the government loses no opportunity to extract revenue from the industry, its efforts in this regard are generally very well calculated so as not to endanger the profitable operation of the industry and the industry's contribution to national revenue.

In general, the relation between the industry and the government has been one of unequal cooperation. The industry has invested enormous sums of money in its installations, and although it has extracted great profits from its operations, the country as a whole has also benefited greatly, not only in actual returns from taxes and wages but also in the extremely important advantages accruing to the nation as a result of the development of railroads, ports, power plants, roads, etc., which have been accomplished in a good part by the copper (and nitrate) industries. While the industries have been actively engaged in this activity, the government has cooperated mainly in a passive sense in that it has generally allowed the industry a free hand and has facilitated its efforts in regard to construction of necessary adjunct facilities and in matters concerning labor.

The small copper mines are maintained in operation at the expense of the large mines. Taxes and the effects of the government's exchange rate program largely finance the operation of the Government Copper Sales Corporation, which purchases all copper from small producers at a subsidized price, and the smelter at Paipote which is operated by the government at a loss in order to utilize the production of the small mines. While it is evident that the operation of the small mines and the government smelter is economically unjustifiable and constitutes an unnecessary burden upon the finances of the country, continued operation in the interests of national pride can be expected.

Attitude of the People toward the Copper Industry.

The Chilean people are well aware of the importance of the copper industry to the country and realize that foreigners and foreign capital

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have been responsible, to a large extent, for the great development of copper and other industries. As a matter of pride, the Chileans would greatly prefer seeing the copper industry nationalized, or at least operated by Chileans; but as a matter of cold practicality they know that Chilean technicians and management have not yet reached a stage of development that would allow them to operate the complex far-flung industry in the highly efficient manner essential to profitable operation.

Although charges of "inhuman slave labor", "cruel exploitation", "miserable living conditions", and the like are commonplace accusations against the copper industry, it is a noteworthy fact that copper miners are considered the "elite" of Chilean laborers by the laboring class. No copper miner would willingly give up his higher wages, commissary shopping privileges at reduced prices, and free housing and medical care for a "non-exploited" job in a 100 percent Chilean organization. In all probability, those most busily engaged in vilifying the industry (other than Communist militants and organizers) would jump at the chance to join the ranks of those "exploited" by the Yankee mine owners.

As will be discussed in the following pages, Communist strength has been concentrated in the ranks of the copper workers; this, however, does not necessarily indicate that these workers are particularly Communist-inclined nor are they particularly anti-capitalist or anti-US. It does indicate that the Communists, realizing the importance of the copper industry have concentrated their efforts on the industry, and that US control of the industry has been an excellent subject for their vituperative propaganda. The laborers, themselves, enjoy political activity, and they greatly enjoy attending political meetings and demonstrations and listening to fiery-tongued demagogues, even though they may not have definite ideas about the purpose of it all. If it appears that the laborer stands a reasonable chance of earning more money by following the leaders' suggestions, then his enjoyable pastime may also become remunerative. It is believed, however, that the laborer would refuse to follow the dictates of radical leaders to the point of action against the interests of his government. That point is being reached at the moment; the Defense of Democracy Law has warned Chilean laborers that they may lose some of their rights by following the Communists. More important, the law has attached a certain amount of stigma to the Communists by declaring them to be illegal.

In general, the anti-Communist attitude of the government is reflected by the people, and although all Chilean copper workers are not aware of all the questions involved, most of them are aware of the basic issues at stake and in that respect can be expected to follow government leadership.

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Future of the Chilean Copper Industry.

The future of the Chilean copper industry, since expropriation is not probable, is that of the US-owned copper installations. Chile is continuing an extensive program to improve its position with respect to copper. This can be seen in the expansion programs which have been authorized to the US interest and in those fostered by the Chilean Government. It is believed that the government will cooperate with the industry to solve copper problems affecting the national economy.

At present, world demand for copper is strong, and Chile should have little difficulty in finding outlets for its production. Also, the long-range outlook for Chile's copper future appears quite favorable. Per capita consumption of copper in the US is increasing while US domestic mine production is destined to decline inasmuch as deposits are being exhausted faster than the rate of new discoveries.

COMMUNISM IN CHILEGeneral Information.

Communism has had a rough path to tread in Chile. While early in its existence, considerable enthusiasm was engendered in the minds of Chile's laboring classes for the promised benefits of collectivism and Communist sharings of capitalist achievements, this first easiness of conquest was lessened in direct ratio to increased benefits derived from advanced social legislation adopted by Chile.

At various times since its inception, the Communist Party of Chile has suffered repression from different governments. The first such repression was in the period 1925 to 1930 under the dictatorship of Ibanez, and the second was in 1940 under President Aguirre Cerda. The Party is presently illegal and has been drastically curbed by President Gonzalez Videla.

The economic dislocation caused by the depression of the thirties gave additional impetus to the Communists in their struggle for power. The cumulative effects of this period resulted in domination of the CTC by the Communists, and the weakening of their arch-enemies, the Socialists, who were forced to set up their own labor organization in 1947, in order to escape Communist domination.

From a high point in popularity reached in 1947 when some 50,000 voters were registered as Communists, with an estimated total strength of 130,000 members and sympathizers, the Party tumbled to an estimated 26,000 members in 1948, lost its privilege of voting, and since the Party had been declared illegal, its members were subject to arrest.

To achieve their position of power, the Communists utilized all

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available means. Labor organizers ranged the length of Chile; front organizations set up in every level of Chilean society included child-care clubs in the slum districts as well as associations of intellectuals among the aristocracy. Apparently little of this effort was actually Moscow-directed, or in the event of such direction, efforts to keep it secret were successful. The success of the Communists' program may be attributed to strong local leadership, although the Chilean Communist leaders have at various times been called to Moscow for severe reprimands when affairs have gone badly.

Today, Chilean Communists must be considered a definite potential threat to the political and economic stability of Chile and to US security interests. The party has had a long existence in Chile; at one time it had a considerable number of political adherents; its strength within the labor organizations was greater than that of any other group; and its present members are experienced, well disciplined, and thoroughly indoctrinated regulars. In June 1948, the American Embassy in Santiago stated that, "it would seem fair to estimate that Communist strength, from the point of view of military leadership, has drastically declined but that there still persists a relatively strong group of Communist workers affiliated with important unions. In this respect, officials of the Braden and Andes Copper Mining Companies and of the nitrate mines seem to be in general agreement that there is still sufficient Communist strength among the rank and file to be potentially dangerous in the event of a crisis. The Communist CTCh is still receiving some support from a minority of construction workers, a relatively small percentage of textile unions, a minority of port and dock workers, some public utility workers, a majority of chauffeurs, and scattered unions of miscellaneous manufacturing enterprises in the larger cities".

Since the Communist Party went underground after the Defense of Democracy Law was passed in 1948, no estimate can be made with any degree of accuracy as to the present strength of the Party nor the number of adherents in the various labor unions. In a later section, there is a table listing all the principal unions in Chile with the most accurate figures obtainable for each union's membership.

Communist Electoral Strength.

In 1945, Communist electoral strength was estimated at between 46,150 and 53,330. In the municipal elections of April 1947, the Communist Party advanced from 34th to 7th place in number of votes received in comparison with the municipal elections of 1944, a gain of more than 150 percent. In the first municipal election held after the outlawing of the Communist Party, it was clearly demonstrated that as an outlawed party, it had greater difficulty in electing its candidates than when it was legally registered. The last municipal elections in which the Communists were a legal party were held in

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1947 and resulted in the election of 187 Communists out of a total of 1542 vacant positions. The first such elections, after the Party had been declared illegal, were held in April 1950 and resulted in the election of only 30 Communist-front candidates out of a total of 1268 positions. Percentage-wise, the Communists suffered a drop from 12% in 1947 to .02% in 1950 in the number of their candidates elected. (These figures, the only ones available, are estimated from nearly complete returns for the 1950 elections.)

In the major mining areas, the vote received by the Communist Party and Communist-front organizations in the 1949 Congressional elections decreased substantially from the large vote received by such candidates in the 1945 Congressional election. The following table shows the percentage of votes in the mining districts cast for Communist and Communist-front candidates in the Congressional elections of 1941, 1945, and 1949:

	<u>1941</u>	<u>1945</u>	<u>1949</u>
Copper mines			
Chimiquicamata	57.3	47.6	16.7
Sewell	35.0	40.6	0.0
Potrerillos	No candidates		6.4
Nitrate mines			
Tocopilla	53.7	50.7	18.6
Pedro de Valdivia			
Toco			
Coal mines			
Lota	61.1	59.6	15.1
Coronel			

It is obvious from these figures that the Communists have lost a very large percentage of their influence at the polls. From the elections of 1945 to those of 1949, the number of eligible voters in the mining areas decreased in the following percentages, due in large part to the Defense of Democracy Law.

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	<u>Decrease</u> (in percentages)
Chuquibambata	20
Sewell	29
Potrerillos	33
Tocopilla	17
Pedro de Valdivia	34
Toco	49
Lota	58
Coronel	30

One of the most interesting aspects of the 1949 elections in the mining areas was the surprising victory of the government parties as shown by the following table:

Government Parties

Radical	25.6%
Liberal	13.5
Conservative	13.2
Socialist of Chile)	15.7
Democratic)	<u>68.0%</u>

Opposition Parties

Falange Nacional)	
Popular Socialist)	28.0%
Agrarian Laborite)	

Communist Labor Strength.

Prior to the coal strike of October 1947, the best estimates of the strength of central labor organizations in Chile gave the Socialist CTCh 20 to 30% of the organized workers, with the Communist CTCh having 60 to 70%, and approximately 10% independent or affiliated with the anarcho-syndicalist CGT (Confederacion General de Trabajadores). Some observers believe that since October 1947, the Socialists have increased their strength to 50 or 60% of all Chilean labor while Communist strength has decreased to 10 or 20%, and many unions which were previously affiliated with the Communist CTCh have become independent. These estimates may very well be too optimistic.

Until the coal strike of 1947, when the government arrested a great many Communist labor leaders, the Socialist CTCh depended for its strength largely on unions of government employees, municipal workers, bakers, chemical and pharmaceutical workers, some maritime and dock workers, and scattered unions in Santiago factories. Since the removal of Communist labor leaders from the principal mining and some

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other industrial unions, the Socialists have made some headway in gaining representation on the boards of directors of these organizations but have not demonstrated sufficient strength to claim the complete allegiance of these syndicates.

The Socialists now claim that they have three of the five directors of the Sewell Union and all five union directors at Calstones, Coya, and Rancagua. Although this statement would indicate that their power has increased considerably, it must be remembered that these elections are on a local level and will not necessarily result in affiliation of these unions with the Socialist CTC, since the mining unions are still affiliated with the National Federation of Miners, which is Communist dominated.

The arrest and relegation of several hundred leaders of Communist unions have temporarily put an obstacle in the way of continued control of the majority of labor by militants of the party. Men who have developed experience over a period of years, particularly in the mining unions, have been removed, and it appears that in many instances these unions have not developed new aggressive leadership. For the time being, therefore, it seems probable that the Communists have lost direct control of Chile's most important unions.

In the last year and a half, reports have indicated that the Chilean Communists have effected purges and reorganization of the party to create a more reliable basic organization, to re-indoctrinate members in Communist principles, to place greater emphasis upon labor infiltration, and to attempt to regain political strength through cooperation with other leftist parties in a labor unity campaign.

Government Attitude toward Communism.

Chile has a reputation for "presidents who enter from the left and leave by the right", an example being the present incumbent Gonzalez Videla, who, elected with the cooperation of the Communists, has now outlawed the Party. He is presently seeking support from the rightist groups. It is believed that the anti-Communist stand adopted by President Gonzalez Videla is sincere. While it must be admitted that he is an astute politician and is regarded by many as a rank opportunist, indications are that he has realized the threat Communism holds for Chile and will continue his efforts to weaken its strength.

In his visit to the US in April 1950, President Gonzalez Videla stated that his government would cooperate with the democratic countries in the event of hostilities between the US and the USSR. Since his return to Chile, his government has announced that it will take all necessary steps to assure the free flow of needed Chilean materials to war industries of the democratic countries. In speeches in various

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parts of the country, the President has emphasized the danger of international Communism and has praised the US as the major bulwark against the advance of an aggressive USSR.

Defense of Democracy Law.

The most important outgrowth of the change of attitude of President Gonzalez Videla towards the Communists was the Defense of Democracy Law, passed by the Congress in September 1948, which gave the President power to intervene in labor disputes and which outlawed the Communist Party. A corollary law granted the President for a limited period, special powers to remove Communist leaders to camps in remote portions of the country, to arrest suspects without a warrant, and to impose censorship on radio and press. The efficacy of the law was demonstrated in the first calendar year of its operation, 1949, when there were but 23 strikes as compared to 174 strikes in 1947, the last calendar year prior to its enactment. This reduction in the number of strikes can be ascribed mainly to the law, but a not inconsiderable amount must be laid to the fact that during this time, Chilean labor was in a confused situation. Division of the CTCCh into two factions and lack of criteria by which labor leaders could determine how the law would be applied, contributed heavily to this confusion. The Socialist labor leaders who had inherited the top labor positions walked warily for a time in their new roles, lest they themselves should feel the effects of the law and be relegated along with Communist leaders to the camp at Pisagua.

Politically, the law had three effects: it outlawed the Communist Party, scattered its membership, and set up a violent protest from many non-Communist sectors of the Chilean political world. Upon its inception the names of some 50,000 alleged Communist-registered voters were threatened with being struck from the electoral rolls, but this figure was reduced to some 20,000 names on the outcry of many Socialists, Radicals, etc., who had been included (erroneously, they claimed) in the list. This action did not end the uncertainty and conflict occasioned by the law. Two years after its enactment, it continues to be a source of much political conflict. Labor in general is opposed to it. The leftist parties are also opposed, and even a number of rightists have spoken out against it as an unwarranted invasion of personal rights and labor prerogatives. In view of an increase in the number of labor disturbances that have occurred in the first half of 1950, it can be expected that the administration will resist all efforts to repeal the law and, in view of the present international situation, will be successful in maintaining its powers under that legislation. The Government may indeed press for reinstatement of the Special Power Act (which expired in March) on the claim that the world situation necessitates a strengthened Chilean government.

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ESTIMATE OF THE SITUATION IN EVENT OF WARAttitude of the Communists in Chile.

It is to be presumed that Chilean Communists would not be informed beforehand that the Soviet Government intended to provoke or risk open war with US. The danger of compromising specific information of this sort would greatly outweigh the advantages. It may be assumed that the USSR would depend on the ability of Communist agents and saboteurs to correctly read the signs and thereby discern the appropriate moment for an all-out sabotage effort or, a definite break in the international situation having occurred, to carry out immediately all possible sabotage before preventive governmental action could be made effective. Sabotage of highly important installations would probably be entrusted specifically to Soviet trained saboteurs who have long maintained residence near their objectives. Local Communists would probably be utilized to aid and protect Communist agents in their efforts and to perform minor diversionary sabotage in more remote areas.

A wave of strikes, labor demonstrations, and violence should be expected shortly after hostilities break out. Although as previously mentioned, the strength of the Communist movement in Chile has been weakened, it can be anticipated that Communist militants would be successful in initiating a certain number of strikes and slowdowns and in prolonging other strikes which might occur. A certain amount of confusion and disorganization would be expected in the early stages until the anti-Communist attitude of the majority of the population asserts itself.

A great propaganda effort no doubt would be unleashed by the Communists, but, as Communist printing plants have already been closed, printed propaganda therefore would necessarily be limited to small sheets and leaflets printed hurriedly on clandestine presses. Radio facilities have been denied the Communists, who would have to resort to small (possibly portable) transmitters. Communist propaganda by means of word-of-mouth, including speeches at front organization and labor union meetings would, of course, be intensified, and might well have serious effects.

Attitude of the Government in Event of War.

The attitude of the Chilean Government toward severing relations with the Axis powers in World War II cannot be taken as indicative of the probable attitude in event of a war in which the Soviet Union was involved. Due to the long-time residence in Chile of large numbers of Germans who had contributed considerably to the development of the nation and to cordial commercial and diplomatic relations with Germany, it was with reluctance that Chile broke relations with the Axis in January 1943.

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There is at present no such feeling of friendliness toward the Soviet Union on the part of the government, nor on the part of the overwhelming majority of the population. After a brief flirtation in 1943, which resulted in establishment of diplomatic relations with the USSR, Chile broke those relations in 1947 with accusations that satellite diplomats were plotting against the Chilean Government, and the recall of representatives from both countries engendered considerable bitterness.

An indication of the probable attitude of the Chilean Government in the event of war between the US and the USSR is provided by the prompt expression of solidarity with the UN expressed by Chile upon the invasion of South Korea by Northern Korean forces.

Expected Action of the Chilean Government in Event of War.

Basing the estimate on the present administration, in the event of general war, it can be expected that the Chilean Government will take prompt action against the Communists and against Communist attempts to sabotage critical and important points and industries, but it is not likely to take prior precautionary measures, and the effectiveness of the action taken after the out break of hostilities must therefore be expected to suffer from certain limitations, as follows:

1) Considerable time would elapse after the actual declaration of war, or other unmistakable sign of the imminence of war, before carabinieri and soldiers could be alerted, transported, and placed on guard at vulnerable points. It is impossible for the government to maintain forces in close proximity to all the vulnerable points, and because of the time required for obtaining and moving forces, and the great distances between locations and the number of vulnerable points, several days could possibly elapse before reasonable protection would be achieved.

2) Apparent lack of identification of covert Communist, or Communist trained saboteurs would preclude their immediate apprehension upon the first indication of hostile activity. During World War II, the Chilean police (with assistance from the US Embassy) compiled a list of individuals and organizations inimical to the Chilean Government, which contained the names and identification data of known and suspected Communists. Unfortunately, on the assumption that the function of the list has served upon the end of hostilities, it was destroyed. It is believed, however that the present administration has begun work on a second list of this nature, and in all probability, information gained through the disenfranchisement and suppression of Communists, and experience gained in quelling Communist

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violence in the coal riots of 1947, would be of considerable value should the rapid apprehension of Communists become necessary.

3) The copper industry itself is vulnerable not only to direct sabotage but also to sabotage in any one of a great number of locations and industries closely related to it, many of which are very important to the general economy of the country. This group includes: (a) power and water lines, particularly in the northern regions, (b) rail transport and electrical communication systems, (c) port facilities, and (d) many small businesses engaged in supplying articles of daily necessity to the general population.

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TABLE I - aCOMMUNIST ESTIMATE OF LABOR STRENGTH FOR

<u>Organization</u>	<u>1947</u>			
	<u>Total</u>	<u>Comm CTCh</u>	<u>Soe CTCh</u>	<u>Other</u>
Private employees	115,000			115,000
Miners	65,552	63,657	1,895	
Government employees	23,457	23,457		
Semi-Govt. employees	37,607	26,303		11,304
Agricultural workers	37,805	32,711	540	4,554
Construction workers	32,765	32,032	735	
Railroad workers	24,810	24,810		
Textile workers	21,421	13,737	4,120	3,564
Hospitals, etc.	13,910	6,784	4,635	2,491
Municipal workers	8,450	5,230		3,220
Metallurgical workers	14,120	12,409	1,101	610
Leather workers	10,430	8,161	40	2,229
Maritime & Port workers	10,372	7,344	1,034	1,994
Lumber	9,365	5,237	1,701	2,427
Gas-Electric Telegraph	8,902	7,383		1,519
Bus drivers & conductors	7,350	7,350		
Bank employees	7,394	1,704	3,249	2,441
Fishermen	7,769	7,096	165	508
Chemists & Pharmacists	4,647	1,640	1,507	1,500
Bakers	6,992	3,977	2,222	793
Printers	6,957	3,500		3,457
Streetcar operators	5,000			5,000
Teachers	5,030	4,085		945
Posts & Telegraph	4,200	4,200		
Flour Mill workers	3,592	2,706	261	625
Wineries	2,059	1,557		502
Hotels & Bars	2,793	2,793		
Taxi drivers	2,998	2,240	435	273
Pastry workers	2,771	2,701	70	
Brewery workers	2,821	2,821		
Vendors	3,067	2,902	165	
Graphic Arts	1,225			1,225
Barbers	1,026	1,026		
Nurses	1,438	1,438		
Dairy workers	1,170	1,170		
RR Firemen	755	755		
	<u>515,020</u>	<u>324,916</u>	<u>20,674</u>	<u>166,181</u>

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TABLE I - bCOMMUNIST ESTIMATE OF LABOR STRENGTH FOR1948

<u>Organisation</u>	<u>Total</u>	<u>Communist</u>	<u>Socialist</u>	<u>CGT</u>	<u>Independent</u>
Private employees	115,000				115,000
Miners	65,000	15,000	50,000		
Government employees	50,000				50,000
Semi-Govt. employees					
Agricultural workers	58,000	38,000	20,000		
Construction workers	30,000	5,000		5,000	20,000
Railroad workers	25,000	5,000			20,000
Textile workers	35,000	10,000	20,000		5,000
Hospitals, etc.	18,000	1,000	15,000		2,000
Municipal workers	15,000		10,000		5,000
Metalurgical workers					
Leather workers	9,000	3,000		6,000	
Maritime & Port workers	10,000	4,000	6,000		
Lumber	10,000	1,000	8,000		1,000
Gas-Electric-Telegraph					
Bus drivers & conductors	7,000	5,000	2,000		
Bank employees					
Fishermen					
Chemists & Pharmacists	7,000		7,000		
Bakers	6,000	500	5,500		
Printers	4,000	1,000			3,000
Streetcar operators	5,000		5,000		
Teachers					
Posts & Telegraph	5,000				5,000
Flour Mill workers	3,500	500	500		2,500
Wineries	4,000		1,000		3,000
Hotels & Bars	4,000	1,000	3,000		
Taxi drivers	3,000	2,000			1,000
Pastry workers					
Brewery workers	3,000	1,000	2,000		
Vendors					
Graphic Arts	2,500	500		2,000	
Barbers	2,000		500		1,500
Nurses					
Dairy workers					
RR Firemen					
	<u>496,000</u>	<u>95,500</u>	<u>115,500</u>	<u>13,000</u>	<u>234,00</u>

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TABLE I - cCONTROLLED AMERICAN SOURCE ESTIMATE OFLABOR STRENGTH FOR 1949

Organization	<u>Total</u>	<u>%</u> <u>Comm</u>	<u>%</u> <u>Sec</u>	<u>%</u> <u>Rad</u>	<u>%</u> <u>Cons</u>	<u>%</u> <u>Dem</u>	<u>%</u> <u>Fal</u>	<u>%</u> <u>CGT</u>	<u>%</u> <u>Indep.</u>
Private employees	115,000								100
Minors	55,000								
Government employees	67,000	12		70					
Semi-Govt. employees	40,000	15	20	60		5			
Agricultural workers									
Construction workers	40,000	40	10		10			30	
Railroad workers	30,000	30	50	20					
Textile workers			15			85			
Hospitals, etc.	15,000	10	80				10		
Municipal workers	2,000								100
Metallurgical workers	11,000	70	30						
Leather workers									
Maritime & Port workers	20,000	50	50						
Lumber	12,000	35	65						
Gas-Electric-Telegraph		60	40						
Bus drivers & conductors	8,500	40	40						20
Bank employees	13,500						10		90
Fishermen									
Chemists & pharmacists	10,000	25	15						60
Bakers	18,000	40	60						
Printers									
Streetcar operators	3,000	60	40						
Teachers									
Posts & Telegraph									
Flour Mill workers	15,000	55	10		35				
Wineries									
Hotels & Bars									
Taxi drivers									
Pastry workers									
Brewery workers									
Vendors									
Graphic Arts									
Barbers									
Nurses									
Dairy workers									
RR Firemen									
	<u>475,000</u>								

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TABLE I - dBALANCED ESTIMATE OF LABOR STRENGTH FOR1950

<u>Organisation</u>	<u>Est Total</u>	<u>Comm</u>	<u>Soc</u>	<u>Indep</u>	<u>Other</u>
Private employees	115,000			115,000	
Miners	65,000	5,000	10,000	50,000	
Government employees	55,000			55,000	
Semi-Govt. employees	40,000		5,000	30,000	5,000
Agricultural workers	38,000	8,000	10,000	15,000	5,000
Construction workers	35,000	5,000	5,000	20,000	5,000
Railroad workers	30,000	5,000	5,000	20,000	
Textile workers	30,000	5,000	10,000	10,000	5,000
Hospitals, etc.	18,000	1,000	15,000	2,000	
Municipal workers	15,000		10,000	5,000	
Metallurgical workers	15,000	10,000	5,000		
Leather workers	10,000	1,000	1,000	2,000	6,000
Maritime & Port workers	10,000	2,000	6,000	2,000	
Lumber	10,000	1,000	8,000	1,000	
Gas-Electric-Telegraph	9,000	4,000	2,000	3,000	
Bus drivers & conductors	8,000	6,000	1,000	1,000	
Bank employees	8,000			8,000	
Fishermen	8,000	5,000	2,000	1,000	
Chemists & Pharmacists	7,000	3,000	2,000	2,000	
Bakers	6,000	2,000	3,000	1,000	
Printers	6,000	2,000		4,000	
Streetcar operators	5,000	1,000	4,000		
Teachers	5,000			5,000	
Posts & Telegraph	5,000	4,000		1,000	
Flour Mill workers	4,000		1,000	3,000	
Wineries	4,000		1,000	3,000	
Hotels & Bars	3,500	500	3,000		
Taxi drivers	3,000	2,000	500	500	
Pastry workers	3,000	2,000	500	500	
Brewery workers	3,000	500	500	2,000	
Vendors	3,000	1,500	500	1,000	
Graphic Arts	2,000		500		1,500
Barbers	1,500		500	1,000	
Nurses	1,500			1,500	
Dairy workers	1,500			1,500	
RR Firemen	1,000			1,000	
	<u>584,000</u>	<u>76,500</u>	<u>112,000</u>	<u>368,000</u>	<u>27,500</u>

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TABLE IICHILEAN PRODUCTION AND WORLD PRODUCTION OF MINE COPPER1930 - 1949

(Metric Tons)

Year	Chile	World	Chile's percent of world's prod.
1930	220,000	1,606,000	14
1931	223,000	1,403,000	16
1932	103,000	909,000	11
1933	163,000	1,045,000	16
1934	257,000	1,284,000	20
1935	267,000	1,496,000	18
1936	256,000	1,726,000	15
1937	413,000	2,329,000	18
1938	352,000	2,063,000	17
1939	339,000	2,192,000	15
1940	352,000	2,439,000	14
1941	465,000	2,634,000	18
1942	489,000	2,686,000	18
1943	509,000	2,714,000	19
1944	499,000	2,525,000	20
1945	446,000	2,141,000	21
1946	359,000	1,846,000	19
1947	414,000	2,210,000	19
1948	448,000	2,321,000	19
1949	567,050		

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TABLE IIICHILEAN PRODUCTION AND WORLD PRODUCTION OF SMELTER COPPER1930 - 1949

(Metric Tons)

<u>Year</u>	<u>Chile</u>	<u>World</u>	<u>Chile's percent of world's prod.</u>
1930	208,000	1,574,000	13
1931	216,000	1,363,000	16
1932	98,000	948,000	10
1933	157,000	1,050,000	15
1934	248,000	1,323,000	19
1935	260,000	1,528,000	17
1936	245,000	1,719,000	14
1937	396,000	2,343,000	17
1938	338,000	2,038,000	17
1939	325,000	2,175,000	15
1940	337,000	2,480,000	14
1941	454,000	2,635,000	17
1942	478,000	2,766,000	17
1943	489,000	2,756,000	18
1944	490,000	2,584,000	19
1945	440,000	2,185,000	20
1946	352,000	1,850,000	19
1947	409,000	2,251,000	18
1948	425,000	2,341,000	18
1949	351,314		

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TABLE IVCHILE'S EXPORTS OF REFINED AND BLISTER COPPER
1930 - SEPT. 1949, BY AREA OF DESTINATION

(In Metric Tons)

Year	United States	South America	Europe	All Other	Total
1930	69,600	16	126,485		196,100
1931	75,306	2	135,431		211,739
1932	37,679	2	82,421		120,102
1933	19,400	6	133,080	3,836	156,322
1934	64,730	3	145,755	29,288	239,806
1935	89,406	2	144,188	26,166	259,762
1936	60,542	209	163,077	15,410	239,238
1937	108,828	1,074	249,794	23,553	383,249
1938	67,164	1,446	262,365	18,345	349,320
1939	132,805	905	157,409	11,126	302,245
1940	315,350	2,934	23,759	14,460	356,503
1941	405,181	18,531		16,174	439,886
1942	468,594	25,808			494,402
1943	443,565	5,758			449,323
1944	570,608	11,484			582,092
1945	397,375	14,534	19,274		431,183
1946	169,243	20,604	176,817	7,350	374,014
1947	202,876	28,306	151,322	4,758	387,262
1948	278,233	9,599	116,629	10,142	414,603
Jan.-Sept. 1949	186,575	8,540	60,450	1,429	256,994

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PART III - A

RAILROADS IN CHILE

Twenty-two percent of the total mileage of railways in Chile is owned by British and North American capital (13% British and 9% American), and 3% is owned by mixed British and Chilean capital. The Chilean state railways constitute 50% of the total mileage, and the remaining 25% is made up of roads owned by private Chilean capital and minor state-owned lines.

There is no uniformity in the management of the federally-owned railways. The Puente Alto a Volcan Railroad is operated by the War Department; the Ferrocarril Longitudinal Norte, geographically a part of the Antofagasta-Bolivia Railroad, has long been run by a British Company; and the Arica-La Paz Railroad is under the administration of the Ministro de Fomento, Seccion Ferrocarriles. The most important of the federally-owned lines, the Ferrocarril del Estado, has two main branches, north and south, and several minor branches. All are under the management of an autonomous system, La Empresa de los Ferrocarriles del Estado.

Almost all the railroads are steam-operated; only five roads have electrified track, and, except for the Valparaiso-Santiago line of the state railways, most of the latter belong to foreign-owned mining railroads.

Gages are as follows:

43%	1.000 meter	3 ³ / ₈ "
31	1.676 "	5'6"
8	1.435 "	4'8-1/2"
6	1.067 "	3'6"
4	0.762 "	2'6"
3	0.60 "	2'

THE CHILEAN STATE RAILWAYS

Northern Line.

The Red Central Norte of the Ferrocarriles del Estado is a meter-gage, single-track steam road running from Chanaral in the northern Province of Atacama 1,061 kilometers south to Calera just north of Valparaiso. Its branches total 489 kilometers, and sidings total 122 kilometers. In 1940, the line took over the 39 kilometer San Pedro-Quintero Railway.

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Southern Line.

The Red Central Sur of the Ferrocarriles del Estado runs from Valparaíso through Santiago, southward to Puerto Montt in the Province of Llanquihue, a total route distance of 1265 kilometers. Connected with this trunk are numerous branches totaling 1,879 kilometers, which link the central valley with coastal ports. Sidings to the amount of 750 kilometers and 197 kilometers of double track bring the total track length to 4,091 kilometers. The Valparaíso-Santiago section of the main line, together with its branch to Los Andes on the Transandean Railway, is now electrified; the Santiago-San Antonio is also electrified (in progress in 1942).

OTHER GOVERNMENT RAILWAYS

The Arica-La Paz Railway.

The Ferrocarril Arica a La Paz is a meter-gage steam railroad running from the port of Arica in Tarapacá to Charaña on the Bolivian border, where it joins the La Paz section. It has one branch to El Molina. In Chile, the total route length is 207 kilometers, and the total Chilean trackage is 233 kilometers. The Bolivian section of the road is 241 kilometers. At kilometer 165, the Arica-La Paz meets the Villa Industrial-Tacora Railroad.

The Iquique-Pintados Railway.

The Ferrocarril Iquique a Pintados, a meter-gage steam railway, runs from the port of Iquique inland to Pintados, a distance of 129 kilometers. Branches bring the total route length to 211 kilometers, and the track length is 252 kilometers. At Iquique, it meets the Nitrate Railways Company, Ltd., and at Pintados it meets both the Nitrate and the Chilean Northern Railways.

The Puente Alto-Volcán Railway.

The Ferrocarril Puente Alto a Volcán is a single-track steam railway of 0.60 meter gage running from Puente Alto in the Province of Santiago 62 kilometers eastward to Volcán. At its western terminal it connects with the Llano Maipú Railway. The total trackage of the Puente Alto-Volcán Railway is 67 kilometers.

PRIVATELY-OWNED RAILROADS

The Nitrate Railways Company, Limited.

The Ferrocarril Salitrero de Tarapacá is a British concern serving the nitrate areas of the southern half of the Province of Tarapacá. It connects

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the ports of Pisagua and Iquique, at the latter point meeting the Iquique-Pintados Railway and at Pintados joining both the Iquique-Pintados and the Chilean Northern Railways. (In 1942, the Chilean Government was considering the acquisition of this railway and from an item in the press in June 1948, may have done so.)

This railway is steam operated and of 1.435 meter gage. Since it is the only common carrier in Chile using this gage, this company's equipment cannot operate on the lines of the railroads with which it connects. In 1938, the total route length of the railway was 622 kilometers, but only 131 kilometers were in service. Although it is a single-tracked road, sidings and yard tracks bring the total trackage to 719 kilometers. The main line runs from Iquique to Pisagua, with a branch to Pintados and Lagunas.

In 1939, the Chilean state railways were authorized to take over operation of the Iquique-La Noria section, which had previously been operated by a 75-year concession. In 1936 this concession expired, but in 1940 (and perhaps later), reports of the Nitrate Railway still included the Iquique-La Noria section.

The Taltal Railway Company, Limited.

The Ferrocarril Taltal a Cachinal is a British-owned common carrier, located in the southern part of the Province of Antofagasta in the northern Chilean desert. Government statistics and company figures as to route length differ. The Company reported a length of 257 kilometers and branches of 109 kilometers. It is a single-track, 1.067 meter gage steam railway. It runs from Taltal across the Chilean Northern Railway at Catalina to Cachinal; the termini of its two main branches are Santa Luisa and J.A. Moreno, respectively. Spurs lead to Tricolor, Britannia, Flor de Chile, Ballera, Guysela, Lautarao, Alianza, Salinitas, and Alemania.

The Tocopilla-Toco Railway.

The Ferrocarril Tocopilla a Toco was built by the Anglo-Chilean Nitrate and Railway Company, and was acquired in 1924 by the Anglo-Chilean Consolidated Nitrate Corporation, a Guggenheim concern. The railway provides transportation to the coast for the nitrate plants lying in the central valley of the Province of Antofagasta. It operates in conjunction with the company lines of the two large oficinas, Maria Elena and Pedro de Valdivia. In addition it is prepared to serve a number of smaller salitreras such as San Andres, Iberis, Grutas, Prosperidad, Rica Aventura, Buena Esperanza, Coya, and Vergara. It runs from the Port of Tocopilla up the coastal mountain range to Barriles and east to El Tigre. Here it splits, one line extending northeast to the Oficina San Andres and the other southeast to the Oficina Pedro de Valdivia.

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The railway is a single-track line of 1.067 meters gage and has four principal sections, totaling 245 kilometers. The first section from Tocopilla through to Pedro de Valdivia is 117 kilometers long, the El Tigre-Toco section is 48 kilometers, the Toco-San Andrés section is 29 kilometers, and the Toco-Oficina J. F. Vergara section is 51 kilometers long, bringing the total trackage to 293 kilometers.

The Chuquicamata Railway.

The Ferrocarril Mineral de Chuquicamata was opened by the Chile Exploration Company in 1914. It connects with the Antofagasta (Chile) and Bolivia Railway Company, Ltd., which handles all incoming and outgoing material for Chuquicamata through the port of Antofagasta.

The railway has a total route length of 51 kilometers and a track length of 59 kilometers. Although the gage is 1.435 meters, the plant railway is equipped with a third rail to accommodate the rolling stock of the meter-gage Antofagasta-Bolivia Railroad.

The Rancagua-Teniente Railway.

The Ferrocarril Rancagua a Teniente is owned and operated by the Braden Copper Company and runs from Rancagua, a station on the Chilean state railways, 72 kilometers to Sewell. In addition to the main line, there are some 5 kilometers of branches, 3 kilometers of sidings and spurs, and 23 kilometers of yard track. This railroad is of 0.762 meter gage, is single tracked, and is steam operated.

The Pueblo Hundido-Potreriillos Railway.

The Ferrocarril Pueblo Hundido a Potrerillos is owned and operated by the Andes Copper Mining Company and runs from Pueblo Hundido, the junction of the Longitudinal Railway and the Northern Line of the state railway, 99 kilometers east to Potrerillos; an additional 60 kilometers belonging to the Northern Line are operated by the mine railway in order to get to the port of Chanaral. There are eight kilometers of sidings. The line is of meter gage and is steam operated.

The Cruz Grande-Tofo Railway.

The Ferrocarril Eléctrico Cruz Grande a Tofo is an industrial line built, owned, and operated by the Bethlehem Chile Iron Mines Company, a subsidiary of the Bethlehem Steel Company. It is an electrified line running from the port of Cruz Grande in the Province of Coquimbo, 25 kilometers to the iron ore deposit at Tofo. Except for 2 kilometers of double tracks, the entire road is

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single tracked, and with sidings, its total trackage is 30 kilometers. The gage of the line is 1.435 meters.

The Magallanes-Mina Loreto Railway.

The Ferrocarril Magallanes a Mina Loreto is owned and operated by private Chilean capital. The total route length of this meter-gage road is six kilometers, and its trackage is eight kilometers.

The Concepción-Curanilahue Railway.

The Ferrocarril Concepción a Curanilahue is privately owned by Chilean capital. It runs from the city of Concepción, a station of the southern line of the Chilean state railways, south and west to Curanilahue. The total route length is 99 kilometers and the trackage is 127 kilometers. Traction is by steam, and the gage is 1.676 meters.

The Villa Industrial-Tacora Railway.

The Ferrocarril Villa Industrial a Tacora was built by a Chilean corporation, and the concession for its operation belongs to the Cia. Azufrera Nacional. The line runs from Mount Tacora in the Province of Tarapaca, 24 kilometers south to meet the Arica-La Paz Railway at kilometer 165. Its total trackage consists of 25 kilometers of 0.762 meter-gage single steam track.

The Antofagasta (Chile) and Bolivia Railway Company Limited.

This name is applied to the railroad line belonging to the company of the same name and operating between Antofagasta and La Paz, Bolivia. This British corporation also operates the Caleta Coloso-Aguas Blancas Railway and the federally-owned Northern Longitudinal Railway between Pintados and Pueblo Huido. The one company owns and operates both the Bolivian and Chilean sections of this railroad, the line is held in perpetuity and there is no option of government purchase. The line runs from Antofagasta to La Paz, the main branches operate between Ollague and Puente Alto, Río Mulato and Potosi, and Oruro and Cochabamba. Minor branches run from Antofagasta to Mejillones and from O'Higgins to Cerro Negro, Nueva, and Augusta Victoria. The main line in Chile comprises 444 kilometers and branches account for an additional 384 kilometers, giving a total of 828 kilometers. Of this total, 809 kilometers are single-track and the remaining 19 kilometers are double-track. The Bolivian section is 1,202 kilometers long, including branches owned by the Bolivia Railway Company, and operated by the Antofagasta-Bolivia. No part of the line is electrified. The gage is 1.0 meter, but 21 kilometers are equipped with a third rail to accommodate 0.762 meter gage rolling stock.

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The Caleta Coloso-Aguas Blancas Railway.

The Ferrocarril Calota Coloso a Aguas Blancas is owned and managed by the Antofagasta and Bolivia Railway Company. It runs from Caleta Coloso, just below the city of Antofagasta to Aguas Blancas on the Longitudinal Railway. The total route length, including branches, is 254 kilometers, and the total trackage is 273 kilometers. The gage is 0.762 meters, and traction is by steam.

The Llano De Maipo Railway.

The Ferrocarril Llano de Maipo is owned by private Chilean capital. Originally constructed for steam, it has been electrified. It is a meter gage, line running from Santiago south to Puente Alto just north of the Rio Maipo; its total length is 22 kilometers, and its trackage is 28 kilometers.

The Antuco Transandean Railway.

The Ferrocarril Transandino por Antuco is owned by a Chilean corporation. It is a meter-gage, single-track, steam railway running from Monte Aguila on the southern line of the Chilean state railways to Polcura, just north of Antuco. Its total route length is 76 kilometers, and its trackage totals 80 kilometers.

The San Martín Transandean Railway.

The Ferrocarril Transandino por San Martín runs from Los Lagos, on the southern line of the state railways 40 kilometers, to Lake Rinihue. It is a meter-gage, single-tracked, steam railway with a total trackage of 43 kilometers.

The Antofagasta-Salta Railway.

The Ferrocarril Antofagasta-Salta runs from the port of Antofagasta in Chile to the inland city of Salta in Argentina and was constructed by the governments of the two countries. The Chilean portion of the line is approximately 330 kilometers and will be operated under a provisional contract with the Antofagasta-Bolivia Railway.

LABOR UNIONS RAILROAD WORKERS

There is no exact determination possible in Washington of either the strength of labor unions (membership) or the number of Communists in that membership.

In 1947, a Communist estimate of labor strength assigned a total membership of 24,810 to organized railroad labor unions over which the Communists claimed complete domination. A 1948 estimate by the US Embassy gave the total membership as 25,000, of which only 5,000 were considered Communist-

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dominated, and the great bulk, 20,000, were classified as independent. A Controlled American Source estimate in 1949 gave 30,000 as the total membership, of which 30 percent were considered under Communist domination, 50 percent under Socialist domination, and 20 percent under Radical Party leadership.

From these varying figures, it is estimated that of the 30,000 organized railroad workers, 5,000 are under the domination of the Communist CTCH; the same number are affiliated with the Socialist CTCH, and the bulk of the railroad workers, 20,000, remain independent of political affiliation.

Twenty acts of sabotage on the north and south lines of the state railways were committed in March 1948, and a number of Communists were arrested who allegedly confessed to the perpetration of those acts.

After passage of the Defense of Democracy Law, and under the Special Powers Act, 300 Communists were dismissed from the state railways on 1 April 1948, and it was reported that from that date onward, a total of 3,500 workers were dismissed from the state railways, allegedly for economic reasons, but really in an effort to weed out Communist (militants).

Communists who were dismissed from the state railways presented a petition against the Defense of Democracy Law to the President in June 1948. It was also reported at this time that the Communists had asked the branches of the organization of railway workers to be on the alert for instructions and to present numerous petitions asking for wage increases and other benefits.

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PART III-BTHE PORTS OF CHILE

Listed below is a brief compilation of the principal ports of Chile and, when available, a description of the facilities and their ownership.

Antofagasta.

Terminal facilities are practically non-existent so far as foreign vessels are concerned. The port works has berths for nine vessels alongside the combined breakwater, pier and dock, but they are usually reserved for Chilean cabotage vessels. Loading and unloading is done with ship's gear and electric cranes on the breakwater.

The following companies own their own piers (small steel structures):

Grace y Cia
Lautaro Nitrate Company
Antofagasta and Bolivia Railway
Pacific Steam Navigation

San Antonio.

The bay at San Antonio is divided into two parts by a concrete mole. Loading and unloading is done by ship's gear on the lighters. Electric cranes are available at berthing space. All port facilities and cranes are government-owned and are operated by the Port Authority.

Grace Line, Braden Copper, and West India have some facilities for their own storage and administrative use, but not for loading or unloading.

Arica.

There are no docking facilities here for large vessels; all cargo is loaded and unloaded by use of ship's gear and lighters. There are two piers (both small), one for cargo and the other for passengers. The large cargo pier, of concrete and steel construction, has railroad facilities and is owned by the government. It has six cranes, three of which are electric, and three are steam operated.

Grace and Company have lighters in the port, and apparently all lighters are owned by private companies. There is no information as to ownership of the passenger pier.

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Chanaral.

A large proportion of the populace are workers and members of Communist-dominated labor unions. There are no facilities for docking of large vessels; all loading and unloading must be done by use of ship's gear and lighters. There is a small steel pier owned by the government. Grace and Company has twenty lighters.

Barquito.

A large proportion of the populace are workers and members of Communist-dominated labor unions. There are no facilities for docking of large vessels; all loading and unloading must be done by use of ship's gear and lighters. The Andes Copper Company has a concrete and steel pier with railroad facilities.

Corral.

There are no docking facilities; cargo must be worked through use of ship's gear and lighter. There is one small pier for passenger landing. Lighters are owned by private companies.

Iquique.

There are five small piers used for the loading and discharging of lighters:

- 1 - owned by Ferrocarril Salitrero
- 1 - owned by Gibbs, Williamson Ltd., representing the International Petroleum Company
- 3 - Cia Salitrera de Tarapaca y Antofagasta

Lighters are owned by the Chilean Port Administration, Gibbs, Williamson, Ltd., Cia Sud-Americana de Vapores, Cia Salitrera, Astoreca y Urruticoccha, and Grace y Cia.

Talshuano.

There are no large docks or wharves; cargo must be worked by ship's gear and lighters. There are three government and thirteen privately-owned warehouses.

There are small piers as follows:

- 3 - owned by Grace y Cia
- 3 - owned by Williamson, Dalfour
- 4 - owned by Chilean Port Administration
- 7 - owned by small private companies.

The Chilean Navy has facilities here including wharves, cranes, and shops.

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Taltal.

Fiscal Mole
 Cia Salitrera Tarapaca, Antofagasta Mole
 Alfredo Cordero Mole
 Railway Mole (Taltal Railroad)
 Lautaro Nitrate Company Mole.

The private companies own the lighters they use. The captain of the port has authority over all the bay and the immediate beach area.

Talcahuano.

All active moles are really under American or British management. There are 98 lighters, 8 owned by Cia Minera de Tocopilla, and the balance owned by Anglo-Chilean Nitrate Company, which also owns 4 tug boats.

Possible piers are:

- 5 - Anglo-Chilean Nitrate Company (includes "Railway Mole")
- 1 - Municipality of Talcahuano
- 2 - Sloman
 CSAC - CST y A
- 1 - Cia Minera de Tocopilla
- 1 - Chile Exploration Company.

All cargo is handled by ship's gear and lighters. Nitrate is loaded onto lighters by chutes.

Valparaiso.

The port of Valparaiso is protected by an artificial breakwater. Berthing facilities within the artificial port consist of one 750-foot pier and a marginal wharf 3180 feet long. The former, with an alongside depth of 36 feet, is used by coastal vessels; and the latter, with 39 feet of water alongside, is used by ocean-going vessels. One mile east of the artificial port is a 660-foot concrete pier, formerly used for coal for the state railways but now used for general cargo. Beyond this is a small mole for inflammables. All facilities are operated by the Port Administration.

LABOR UNION'S MARITIME AND PORT WORKERS

There is no exact determination possible in Washington of either the strength of labor unions (membership) or the number of Communists in that membership.

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A 1947 Communist estimate of labor strength assigned a total membership of 10,372 to organized maritime and port workers' labor unions, of which the Communists claimed 7,344, the Socialist CTCh 1,034, and others 1,994. A 1948 estimate by the US Embassy gave the total membership as 10,000, of which 4,000 were considered Communist-dominated and the remaining 6,000 were classified as Socialist. A Controlled American Source estimate in 1949 gave 20,000 as the total membership, of which 50 percent were considered under Communist domination and 50 percent under Socialist leadership.

From these varying figures, it is estimated that of the 10,000 organized maritime and port workers, 2,000 are under the domination of the Communist CTCh, 6,000 are affiliated with the Socialist CTCh, and 2,000 remain independent of political affiliation.

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PART III-CCHILEAN IMMIGRATION POLICY

Apparently, the Chilean Government has not adopted a firm policy towards immigration. From all available information, it appears that individual cases of immigration of single persons or groups of persons are decided upon by the merits of each case. Instances are reported wherein groups of people of a certain nationality are permitted to immigrate to Chile in one case and denied such permission in a similar case.

Chile has never attracted a large immigration. Only 2,851 naturalization papers were granted from 1890 to 1926. Of those naturalized during that period, the Germans were the largest number with 722, Spaniards second with 382, and Peruvians third with 365. The annual gain in immigration from 1921 to 1928 was slightly under 1 percent. During 1936-38, the net immigration was around 3,000 annually. Germans comprised the largest proportion of immigrants after World War I.

The number of foreign born in the 1930 census was as follows:

Spaniards	23,349	
Italians	11,070	
Germans	10,861	(Conflicting source states 30,000
Bolivians	10,366	with 100,000 of German descent)
Argentines	7,048	
Peruvians	6,223	
English	5,292	
French	5,007	
United States	2,078	

While the majority of Chileans are of European, chiefly Spanish and Basque origin, there is a considerable infusion of Indian blood, especially in the laboring class. British, Irish, Germans, and other European nationalities have mixed with the largely Spanish upper and middle classes.

Chile apparently follows the International Refugee Organization procedure. In August 1948, 747 displaced persons came to Chile, 156 of whom were listed as of Russian or Ukrainian nationality. In August 1949, 484 immigrants, of whom 30 were Russian or Ukrainian, were admitted to Chile. Chile, however, refused entry to 2,000 white Russian refugees in September 1949. In May 1950, Chile announced that 2,000 refugees, principally Italians and Austrians, and some Germans, would be admitted.

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SECRET**Present Population.**

In the last ten years, the population of Chile has increased by 740,000 persons, to a total of 5,764,650. It is interesting to note that there has been a definite pattern in this growth; the cities of Santiago, Valparaiso, and Antofagasta have grown while most other cities have diminished in population.

Of the 25 Chilean provinces (states), 1 (Llanquihue) had practically no change in population, 7 decreased in population, and 17 increased in population. Of the 17 provinces which increased, 4 (Concepción, Santiago, Valparaiso, and Antofagasta) were responsible for almost the entire increase. The Province of Santiago increased by 572,566 persons to a total population of 1,841,071, or 27.5 percent of the total population of Chile, an increase of 30,000 greater than all the births in Chile during the ten years 1940 to 1950. Valparaiso Province increased 97,578 to 522,643; Concepción increased 57,578; and Antofagasta increased 43,455.

The provinces which decreased, and the amount, were: Atacama, 8,000; Coquimbo, 9,000; Aconcagua, 4,500; Maule, 7,000; Ñuble, 22,000; Cautín, 53,000; and Chiloé, 5,000.

It is further noted that within the provinces, the rural areas decreased in favor of an increase in the mining and industrial cities.

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PART IV

MAP ANALYSIS OF VITAL FACILITIES OF THREE

COPPER MINING AREAS IN CHILE

General.

The Chile Exploration Company, the Andes Copper Mining Company, and the Braden Copper Company are Chilean copper mining companies that are subsidiaries of US firms -- the first two of the Anaconda Copper Mining Company and the last of the Kennecott Copper Company. In addition to the mining and processing areas, the operation of each of these companies requires the use of the land between the mine and the port from which the copper is shipped. The area within which each company operates is outlined on the map entitled Northern Chile: Roads and Railroads (Map 11473). For each area outlined, a separate map gives the location of the mine, its transportation facilities, water supply, power lines, and other important installations. To provide greater detail, insets on each map show at larger scale those areas in which vital installations are concentrated. Accessory installations, such as repair shops, storage buildings, and housing facilities, are not shown on the insets. The data used on the maps and in the following descriptions were taken primarily from large-scale maps available in the CIA Map Division.

Chile Exploration Company, Chuquicamata, Chile.

The Chile Exploration Company, a subsidiary of the Anaconda Copper Mining Company, is located at Chuquicamata, in the Province of Antofagasta (see Map 11617). Chuquicamata is about 90 miles east of Tocopilla, where power for the installations of the company is generated, and about 140 miles northeast of Antofagasta, the port from which the copper is shipped.

The Chuquicamata mine is an open-pit mine located north of the town. Water tanks and five powder magazines are located at the mine. Drainage is provided by a tunnel that extends from the mine to a point southeast of Chuquicamata. Copper oxide ore is hauled by rail from the mine to the processing plant where copper is recovered. The vital installations at Chuquicamata are:




- Ore bins
- Primary crusher
- Old primary crusher
- Gyratory crusher
- Old gyratory crusher
- Symons crusher
- Old Symons crusher
- Solution sumps
- Leaching vats

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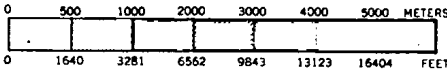
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NORTHERN CHILE ROADS AND RAILROADS

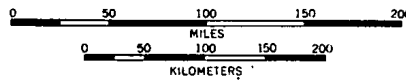
-  BROAD GAUGE RAILROAD
(Includes 1.676 m., 1.435 m. and 1.067 m. in Chile)
-  NARROW GAUGE RAILROAD
(Includes 1.000 m., 0.762 m. and 0.600 m. in Chile)
-  ROAD (SELECTED)

-  International Boundary
-  Provincial Boundary
-  Provincial Capital

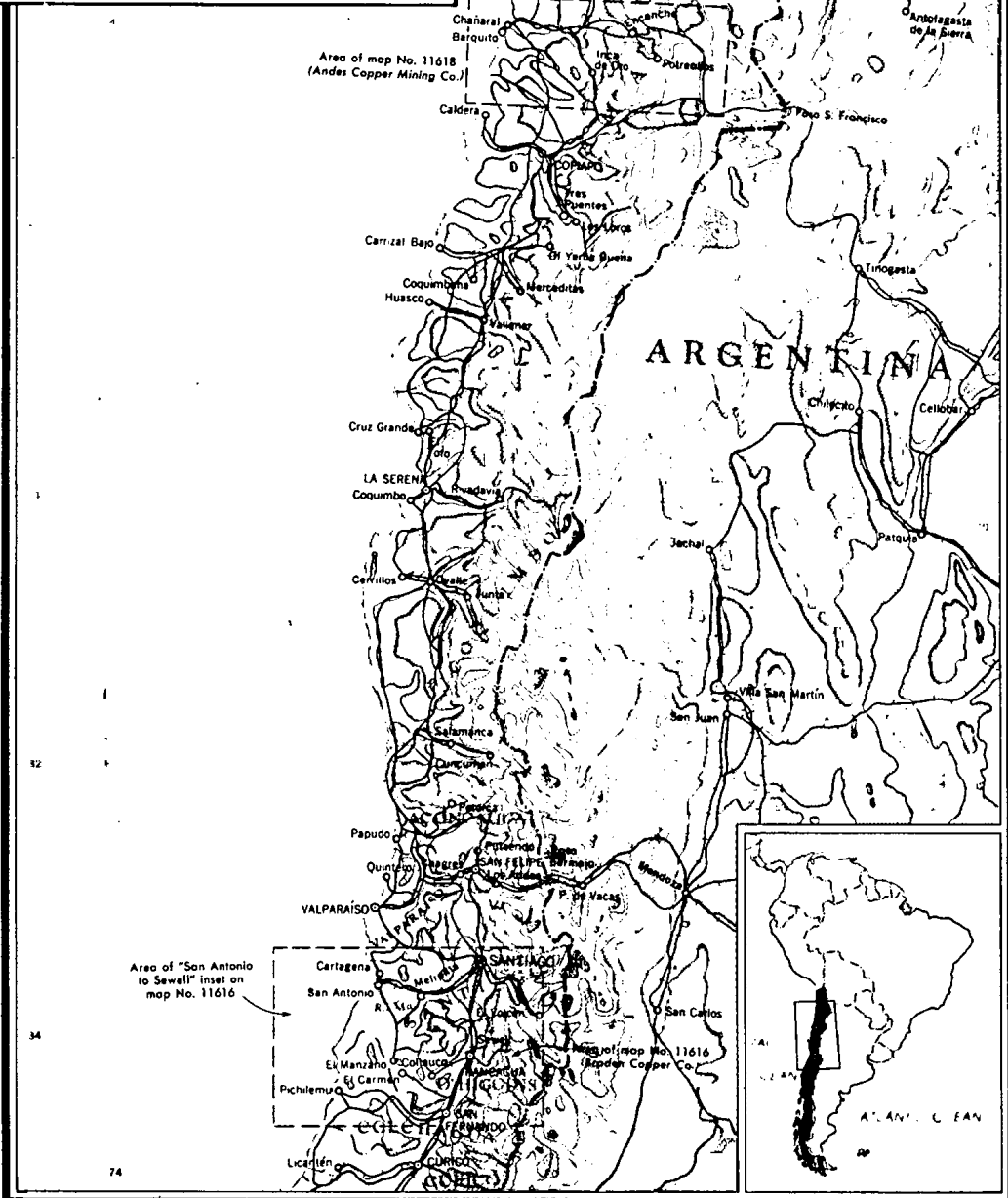


SOURCES: 1. BASE-MAP OF THE AMERICAS, 1:5,000,000, American Geographical Society of New York, 1944, South Sheet.
2. CARTAS CAMINERAS PROVINCIALES, 1947, Departamento de Caminos, Chile.

Scale 1:6,500,000



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Electrolytic plant
 Smelter
 3 Power substations
 2 water tanks
 Water reclamation tank
 Oil tank
 Oil warehouse
 Powder magazine
 Tailings and slag dumps
 Conveyors and railroad
 Explosive storage (beyond limits of inset)

These installations are located on an inset entitled Vital Installations at Oxide Plant, Chuquicamata. Only those installations that are essential to continuing operations are shown on the inset. The plant at Chuquicamata is enclosed by a fence. The substation within the area immediately to the north of the electrolytic tank house is enclosed by a wire fence, except on the north side.

Copper sulphide ore is also found at Chuquicamata and will be mined and treated there as soon as the new sulphide plant is completed. The plant will be completely surrounded by a fence. The vital installations of this plant will be:

Concentrator
 3 tailings thickeners
 Concentrate beds
 Filter plant
 Smelter crushing plant
 Smelter
 Powerhouse
 Substation
 Transformer
 Fuel-oil tanks
 Reagent storage
 Reservoir
 Slag disposal areas
 Conveyor and railroads to the installations

After the copper has been recovered from the ore and has been refined at Chuquicamata, it is transported by rail over the British-owned Antofagasta (Chile) and Bolivia Railway to the port of Antofagasta. This railroad is a meter-gauge, single-track line, with sidings and passing tracks at certain stations. On the line south of Calama is a plate girder railroad bridge across the Rio Loa, which is about 20 feet wide at the crossing. There are no railroad connections with Tocopilla.

Chuquicamata is connected by road with both Tocopilla and Antofagasta. Road surfaces, unless indicated as paved on the map, have a surface of gravel and pampa material. At Conchi, on the road leading northeast from Chuquicamata toward the sources of water for the mine and processing plant, there are two road bridges that were formerly used by the railroad. The bridge across the Rio Loa is 350 feet above the river and 450 feet long; the other, which is shorter (dimensions not known), crosses a dry quebrada.

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Antofagasta is the port from which the copper is shipped; In addition, oil for the Chile Exploration Company is transferred from tankers to storage tanks by means of a subaqueous pipeline 1,600 feet long. The following installations at Antofagasta (see inset) are considered to be vital:

- Oil pumping plant
- Pipeline
- Docks
- Chile Exploration Company property

Power for the mine and processing plant at Chuquicamata is also generated at Tocopilla, using oil for fuel. The rated capacity of the plant is 110,000 kilowatts. Power is generated at 5,000 volts and is stepped up to 110,000 volts for transmission to Chuquicamata. Subsidiary transmission lines continue from Chuquicamata to the mine and to the sulphide plant that is being built. The vital power installations at Tocopilla (see inset) are:

- Powerhouse
- Discharge and intake tunnels
- Transformer building
- Oil tanks
- Fire foamite tanks
- 6 fresh-water tanks
- 2 salt-water tanks

A fence encloses the power plant on the landward side; no fence separates the plant from the ocean.

Fresh and salt water is transported by steel pipelines to Chuquicamata from various sources to the north and east, such as the foothills of Cerro Palpana and Cerro Polapi. A new pipeline, which has its intake to the east on the Rio Salado Chico, is under construction. Nearly all of the pipe has been laid, including a section running through a tunnel 3,600 feet long. A dam 94 feet high is being built at the intake.

A telephone line owned by Cia. Telefonos de Chile connects Chuquicamata with Antofagasta via Calama, and a company telephone line extends from Chuquicamata to Tocopilla. Information on telephone lines is not shown on the map since it was not available at the time of compilation.

Andes Copper Mining Company, Potrerillos, Chile.

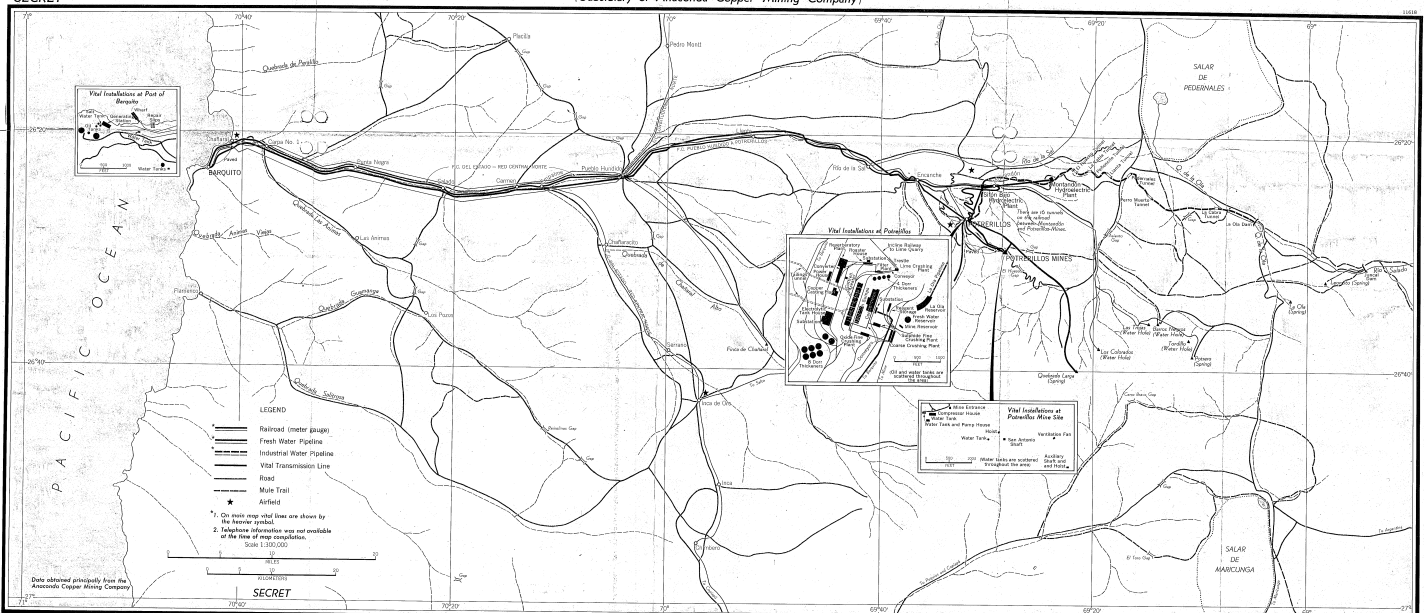
The Andes Copper Mining Company, a subsidiary of the Anaconda Copper Mining Company, is located at Potrerillos in the Province of Atacama (see Map 11618). Potrerillos is located about 75 miles east of the port of Barquito and is connected with it by a meter-gauge, single-track railroad.

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VITAL KEY FACILITIES OF ANDES COPPER MINING COMPANY, CHILE (Subsidiary of Anaconda Copper Mining Company)

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The mine is situated southeast of the town of Potrerillos. The ore occurs in both oxide and sulphide forms and is mined by underground methods. The vital installations at the mine site (see inset) are:

- Mine entrance
- San Antonio shaft
- Hoist
- Auxiliary shaft and hoist
- Ventilation fan
- Water tanks
- Water tank and pump house
- Compressor house (with power substation in building)

The ore is transported from the mine to the processing plant at Potrerillos by an electrified meter-gauge, single-track railroad. There are four tunnels along the line, all of which are 12 feet wide and 13 feet high. The tunnels together comprise 53 percent of the total length of the railroad. At Potrerillos, the ore is treated and the copper is recovered. Since oxide and sulphide ores require different treatments for recovering the copper, there are two metallurgical plants at Potrerillos. The vital installations at the processing plant (see inset) are:

- La Ola reservoir
- Fresh-water reservoir
- Mine reservoir
- Coarse crushing plant
- Oxide fine crushing plant
- Solution sumps
- Leaching vats
- 12 Dorr thickeners
- Electrolytic tank house
- Sulphide fine crushing plant
- Reagent storage
- 3 power substations (9 transformers in substations adjacent to electrolytic tank house)
- Filter plant
- Roaster plant
- Converter
- Powerhouse
- Copper casting plant
- Reverberatory plant
- Cottrell treater
- Lime-crushing plant
- Incline railway to Lime Rock Quarry
- 2 tailing tunnels
- Oil and water tanks scattered throughout the area
- Conveyors and railroad to installations
- 2 slag and 3 tailing disposal areas (located beyond limits of inset)

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This list includes only those installations that are essential to continuing operation. The sub-station adjacent to the concentrator at Potrerillos is enclosed by a fence.

From Potrerillos, the copper (blister and cathode) is transported by railroad to the port of Barquito. The railroad from Potrerillos to Pueblo Huidido is owned and operated by the Andes Copper Mining Company; Llanta is the railroad repair center. From Pueblo Huidido to the port of Barquito, the railroad is federally owned. Available information indicates that the company-owned section of the line has several bridges and eight culverts, all of which are less than 10 meters in length. The section of the company line that extends from Potrerillos to Montandon runs through 12 tunnels, each of which is 13 feet wide and 17 feet high. All of the railroads are meter-gauge, single-track lines.

Barquito is the port for shipment of copper and the principal power-generating center for the Potrerillos mine and processing plant. The oil used for generating electric power is transferred from tankers to storage tanks by means of an oil intake line that extends out into the water from Barquito. The rated capacity of the plant is 30,000 kilowatts, and current is transmitted to Potrerillos at 88,000 volts. The vital installations at Barquito (see inset) are:

- Generating station
- 5 oil storage tanks
- Salt-water tank
- 2 fresh-water tanks
- Water tank
- Wharf

Power is also generated at the Sifon Bajo and the Montandon hydroelectric plants, using water supplied by the Rio La Ola pipeline. The capacities of plants are 2,500 kilowatts and 1,800 kilowatts, respectively. Additional power is supplied by a plant at Potrerillos that has two 3,000 kilowatt generators, operated by waste heat from the smelter.

Water for the two hydroelectric plants, the processing plant, and the mine is transported by pipelines from sources to the east and southeast. Only two dams are known to exist along the water supply lines -- the concrete La Ola Dam, which is 177 feet wide and 12 feet high, and the Juncal Dam, 65 feet wide and 4 feet high. The steel pipeline from the Rio La Ola passes through seven tunnels, each of which is 5 feet high and 4 feet wide. A telephone line along this pipeline connects with the processing plant.

Braden Copper Company, Sewell, Chile.

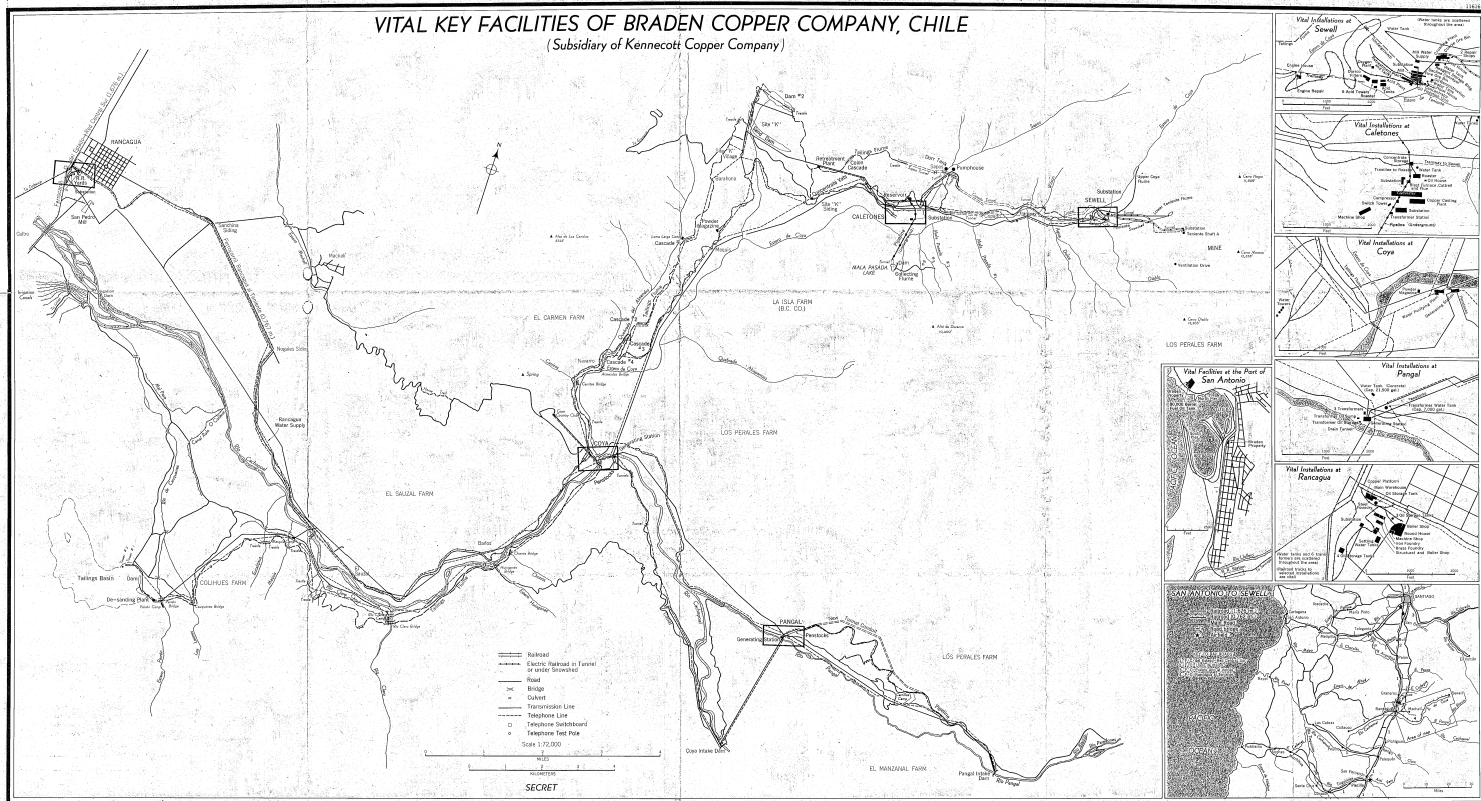
The Braden Copper Company, a subsidiary of the Kennecott Copper Company, is located at Sewell in the Province of O'Higgins (see Map 11616). Sewell is approximately 80 miles southeast of San Antonio, the port from which the copper is shipped.

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VITAL KEY FACILITIES OF BRADEN COPPER COMPANY, CHILE (Subsidiary of Kennecott Copper Company)



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The mine, known as El Teniente, is located a little more than a mile east of Sewell. The copper sulphide ore is mined by underground methods and is transported from the mine to the processing plant at Sewell by an electric railroad. The vital installations at Sewell (see inset) are:

- Coarse ore bin
- Crushing plant
- 2 repair shops
- 2 hoist houses
- Fine ore bin
- MILL
- Concentrator
- Oil-flotation unit
- Reagent storage building
- MILL water supply
- Oil reconstruction
- Water tanks
- Retreatment plant and tanks
- 6 acid towers
- Acid plant and tanks
- Roaster plant
- Duroco filters
- Oxygen plant
- Engine house
- Engine repair
- Power substation

Only those installations that are essential to continuing operation are located on the inset.

The mine entrance of the railroad is enclosed by a wire mesh fence approximately 15 feet high. All buildings at Sewell that are directly connected with the concentrating of ore are locked, and all important buildings not in the immediate area are enclosed by high wire fences topped with barbed wire.

From Sewell, the ore, which has been partly concentrated, is transported by aerial tramway to Caltonas, where it is further processed. The vital installations at Caltonas (see inset) are:

- Concentrate storage
- Roaster
- Oil house
- Blast furnace, cottrell and flue
- Converter plant
- Copper casting plant
- 2 substations
- Transformer station
- Compressor
- Switch tower
- Machine shop
- Tramway and railroad

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The buildings in which the smelting process is carried on are enclosed by a wire fence topped with barbed wire. The power substation and the transformer station are also protected by a fence.

From Caletonos, the copper (fire-refined and blister) is transported by railroad to San Antonio. The railroad connecting Sewell with Caletonos and Rancagua, which is owned and operated by the Braden Copper Company, is a 0.762-meter-gauge, single-track line, with 17 sidings along the route. On this line, there are 374 culverts of less than 10 meters each, and two tunnels. The larger, near Copado is one-half mile in length. Two bridges along the line are over 33 feet in length. The railroad from Rancagua via Paine and Talagante to the port of San Antonio is 1.676-meter gauge. It is federally owned and operated. There are no roads from Rancagua to Sewell.

San Antonio is the port from which the copper is shipped. Oil for use as fuel in the processing plant and for the operation of the company railroad is received and stored at the port by the Braden Copper Company. The vital installations at San Antonio (see inset) are:

Braden Copper Company property
Fuel-oil tank (80,000 bbl.)
Piers

Rancagua is the railroad repair center for the Braden Copper Company, as well as the terminus of the company railroad. The Company property is enclosed by a 10-foot adobe wall topped with barbed wire. The vital installations (see inset) are:

Main warehouse
Copper platform
Roundhouse
Machine shop
Boiler shop
8 Oil tanks
Iron foundry
Steel foundry
Brass foundry
Structural and boiler shop
Water-settling tanks
Power substations
Water tanks and six transformers scattered throughout the area
Railroad tracks to vital installations

Power for the operation of the Braden Copper Company is generated by two company-owned hydroelectric plants at Coya and Pangal (see insets). The plant at Coya has a capacity of about 22,000 kilowatts and that at Pangal has a capacity of 20,000 kilowatts. The Pangal plant is connected with Coya by a

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transmission line operating at 69,000 volts, and a similar line extends from Coya to sub-stations at Caletones and Sewell. A 33,000-volt transmission line extends from Coya to Rancagua. The vital power installations are:

Coya

Generating station
Penstocks
Water-purifying plant
5 water tanks
Powder magazine

Pangal

Generating station
Penstocks
Drain tunnel
Transformer oil storage
Transformer oil sump
3 Transformers
Water tank (concrete, 21,500 gal.)

The water for the plant at Coya is transported through an open canal 6 feet deep and 12 feet wide, and the water for the plant at Pangal is transported through a wooden pipeline 80 inches in diameter. The new tunnel conduit is cement.

The entire company property at Coya is surrounded by a 10-foot wire fence, and the generating station (which is within this fenced area) has a separate fence around it for additional protection. A wire mesh screen extends over the penstocks. The property at Pangal, as at Coya, is completely enclosed by a 10-foot wire fence. The intake for the pipeline to Pangal is also enclosed by a wire fence.

Water for Sewell is transported by the Upper Coya and the Lower Teniente flumes. Caletones receives its water supply by underground pipelines from the Mala Pasada reservoir and from springs north of Sapos. The Rancagua water supply line extends from the Rio Claro to Rancagua. The termination shown on Map 11616 is west of Nogales Siding; the location of the line from this point to Rancagua is not known.

A wooden flume is used to transport tailings from Sewell to the tailings basin southeast of Rancagua. The flume traverses 262 trestles, 26 bridges (14 of which are steel), and 7 tunnels. There are also 5 cascades, 5 snowsheds, 4 culverts, and 2 cuts along the course.

A telephone line connects Rancagua with Sewell and the mine; in the Sewell area, the line is underground. The line connecting Rancagua and San Antonio is owned by Cia. Telefonos de Chile.

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