

NSC BRIEFING

22 July 1954

SOVIET BLOC NEED FOR COPPER

I. Copper is metal most actively sought

A. Shipment copper to Bloc embargoed
by COCOM 1951.

B. [redacted] reached peak
1951-52, when world demand
highest (following Korea).

C. Efforts still at high level:
increasing Bloc interest wire,
electrolytic copper. Soviet now
attempting purchase in larger lots.

25 YEAR
RE-REVIEW

II. Copper essential to modern economy,
modern war. (Used in ammunition,
vehicles, artillery, aircraft, naval
vessels, communications and fire-control
equipment, etc.)

A. Bloc in 1953 produced 13% of world
copper; consumes 18%. Gap requires
imports.

B. Example, Bloc requirement 1953
670,000 m.t.

1. Bloc production - 422,000
2. Imports - 100,000
3. Total - 522,000
4. Thus, deficit 148,000 m.t.,
despite imports.

C. Bloc 1953 use of copper:

1. Munitions, military equipment - 20%
2. Direct support of military - 17%
3. Stockpile - 10%
4. This roughly half total
available (say 250,000 m.t.).

III. Bloc copper production now hampered by need advanced technology, lack natural resources.

A. In USSR, rich Ural ores being exhausted, new production in Kazakhstan and Central Asia slow.



1. Central Asia ores present metallurgical problems.
2. Kazakhstan has water shortage, harsh weather.

B. However, gap narrowing. Example

(thousands m.t.):

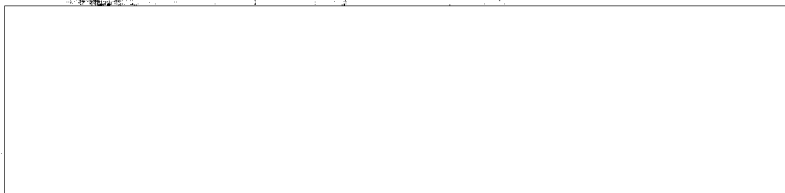
	<u>1953</u>	<u>1954</u>	<u>1955</u>
(Require)	670	700	780
(Produce)	<u>422</u>	<u>480</u>	<u>600</u>
Deficit:	248	220	180

IV. Most free world controlling Bloc purchases. However, problem complicated by multiple trade transactions, lack controls in "free ports."

A.

 100,000

m.t. copper reached Bloc in 1953.



[redacted] Bloc tried
get 192,000 tons more, maybe got
half. Other half stopped or
disrupted by COCOM.

D. Control problem aggravated by slump
in copper since early 1953, accu-
mulation large unsold stocks.

1. Chile situation especially
bad, by March 1954 total
175,000 tons unsold.
2. US then purchased 100,000 tons
from Chile.

3.

[redacted]
majority Chile's 75,000 tons prob-
ably sold legitimately.

[REDACTED]

E. At present, little copper on world market (Chile even has unfilled orders). Fact should eliminate pressure for sales to Bloc.

[REDACTED]

25X1