

TOP SECRET
SECURITY INFORMATION

12 September 1952

US OFFICIALS ONLY

CIA No. 49800
Copy No. 38

TOP SECRET SUPPLEMENT

TO THE CURRENT INTELLIGENCE DIGEST

(including S/S Cables)

Not for dissemination outside O/CI and O/NE.

Office of Current Intelligence

CENTRAL INTELLIGENCE AGENCY

This digest of significant reports has been prepared primarily for the internal use of the Office of Current Intelligence. It does not represent a complete coverage of all current reports in CIA or in the Office of Current Intelligence. Comments represent the immediate views of the Office of Current Intelligence.

State Dept. declassification & release instructions on file

TOP SECRET
SECURITY INFORMATION

TOP SECRET

THIS MATERIAL CONTAINS INFORMATION AFFECTING THE NATIONAL DEFENSE OF THE UNITED STATES WITHIN THE MEANING OF THE ESPIONAGE LAWS, TITLE 18, USC, SECS. 793 AND 794, THE TRANSMISSION OR REVELATION OF WHICH IN ANY MANNER TO AN UNAUTHORIZED PERSON IS PROHIBITED BY LAW.

* * *

GENERAL

- 25X1A
1. Chinese Communists negotiate purchase of Chilean copper: The Chinese Communist Government has reportedly negotiated the purchase of 6,000 tons of electrolytic copper from Chile. The transaction is being handled through middlemen in Switzerland who are reputedly able to furnish the affidavit of final destination necessary for obtaining possession of the copper in Chile. The copper will be routed via Antwerp and Gdynia.

Comment: During the period of the US-Chilean copper agreement, from 8 May 1951 to 2 May 1952, known and probable diversions of Chilean copper to the Orbit totalled 13,361 tons. None of this is known to have gone to China.

The Central Bank of Chile, which administers copper sales, demands that foreign purchasers supply non-re-export guarantees, but has approved purchase orders with only cursory investigation. The Chilean Government recently indicated that it would accept a delivery verification certificate procedure on a government-to-government basis.

SOUTH ASIA

2. Afghanistan rejects Soviet protest on oil-drilling operation: The Afghan Government has rejected the Soviet demarche protesting preparations by a French firm to drill for oil in northern Afghanistan, claiming that the oil-drilling project is a purely internal matter.

The Afghan Foreign Minister has stressed to the American Embassy the seriousness of the Soviet protest, the possibility of unrest if the government fails to improve economic conditions in northern Afghanistan, the friendship

TOP SECRET

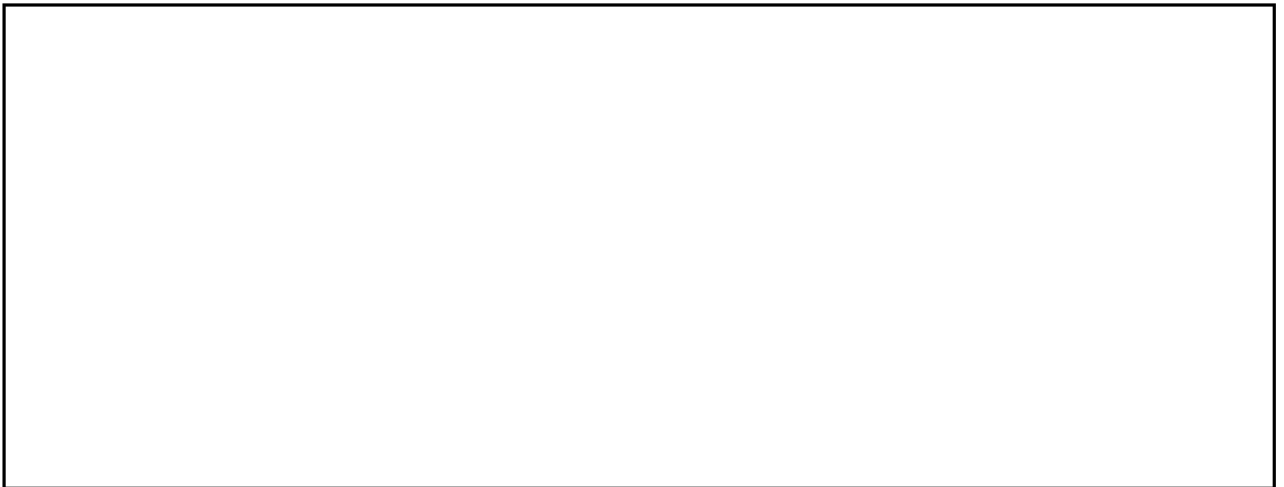
TOP SECRET

of Afghanistan for the United States and its desire for American assistance. The Foreign Minister said that settlement of the frontier dispute with Pakistan was now essential, though he failed to indicate whether Afghanistan was prepared to offer any concessions. (S S/S Kabul 125 and 126, 10 Sept 52)

Comment: There is no evidence that the USSR plans drastic action at the moment. On the other hand, it is presumably prepared to increase pressure on the Afghan Government if this and UN-conducted economic projects in north Afghanistan are not abandoned.

Afghan ability to withstand Soviet pressure depends upon the solution of such complicated problems as settling the dispute with Pakistan, which cannot be easily or quickly done.

3.



25X6

LATIN AMERICA

4. Chilean-US military assistance agreement to be campaign theme: A prominent Ibanista leader has stated that the desire for abrogation of the Chilean-US military assistance pact will continue to be used as campaign material in the March 1953 congressional election. He said that "denunciation of the pact prior to the election will prove ... that the Ibanistas intend to fulfil promises."

The US Embassy in Santiago comments that when Ibanez learns the details of certain Chilean verbal commitments to the United States, the Ibanistas may use this information in

TOP SECRET

TOP SECRET

their campaign and charge that President Gonzales Videla was "again attempting to sell the country down the river by establishing a secret military base behind the backs of Congress and the public." (S S/S Santiago 81, 9 Sept 52)

TOP SECRET

TOP SECRET

UNCLASSIFIED when blank—TOP SECRET when attached to Top Secret Document—Automatically downgraded or declassified when filled in form is detached from controlled document.

CONTROL AND COVER SHEET FOR TOP SECRET DOCUMENT

TOP SECRET

DOCUMENT DESCRIPTION		REGISTRY	
SOURCE <i>O CI</i>	<i>C I D</i>	CIA CONTROL NO. <i>49800</i>	
DOC. NO.		DATE DOCUMENT RECEIVED	
DOC. DATE		LOGGED BY	
COPY NO. <i>38</i>			
NUMBER OF PAGES			
NUMBER OF ATTACHMENTS			

ATTENTION: This form will be placed on top of and attached to each Top Secret document received by the Central Intelligence Agency or classified Top Secret within the CIA and will remain attached to the document until such time as it is downgraded, destroyed, or transmitted outside of CIA. Access to Top Secret matter is limited to Top Secret Control personnel and those individuals whose official duties relate to the matter. Top Secret Control Officers who receive and/or release the attached Top Secret material will sign this form and indicate period of custody in the left-hand columns provided. Each individual who sees the Top Secret document will sign and indicate the date of handling in the right-hand columns.

REFERRED TO OFFICE	RECEIVED			RELEASED		SEEN BY		
	SIGNATURE	DATE	TIME	DATE	TIME	SIGNATURE	OFFICE/DIV.	DATE

NOTICE OF DETACHMENT: When this form is detached from Top Secret material it shall be completed in the appropriate spaces below and transmitted to Central Top Secret Control for record.

DOWNGRADED	DESTROYED	DISPATCHED (OUTSIDE CIA)
TO	BY (Signature)	TO
BY (Signature)	WITNESSED BY (Signature)	BY (Signature)
OFFICE	DATE	DATE
Approved For Release 2002/05/20 : CIA-RDP79T01146A001200250002-1		