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CENTRAL INTELLIGENCE AGENCY  
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**GENERAL IBANEZ' AIMS IN CHILE**

Although General Ibanez' reported deal with the present Chilean administration is expected to yield him sufficient support in Congress to assure his election as president, he has no significant following of his own in the legislature and would thus face difficulty in making drastic policy changes prior to the March 1953 congressional elections.

His program, as announced to the press by party officials on 6 September, includes the nationalization of mines "by gradual process over a period of years," abrogation of the recently ratified US-Chilean military assistance pact, "anti-imperialism," and the resumption of diplomatic relations with the USSR and certain satellites. He is also reportedly considering the organization of a Peronista-type labor confederation.

On the copper issue, Ibanez stated to American officials before the 4 September election that he definitely does not wish to nationalize the mines as urged by many of his supporters; he may therefore try to hold the issue in abeyance in view of Chile's great need for foreign exchange. Ibanez has endorsed the proposal for a Latin American economic conference to discuss joint action to obtain higher US prices for raw materials and also to encourage close economic cooperation with neighboring countries.

In line with his advocacy of a neutral stand like Peron's "third position" in international affairs, Ibanez has publicly stated his opposition to bilateral military pacts. Ibanez has said that he would legalize the Communist party again so long as it did not cause trouble.

Ibanez and his top advisers, who are mostly anti-American, are believed by American officials to realize that Chile can not afford the luxury of a defiant attitude like Argentina's and to understand the practical necessity of a certain measure of cooperation with the United States. It seems likely, however, that the Ibanista campaign for the March 1953 congressional election will be directed along extreme nationalist and anti-American lines.

State Dept. review completed

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