

Two to Face Charges in Bizarre Plot to Lift

By PETE KIHSS

Two men are to be arraigned here today in an alleged international plot to drive up the world price of copper by blowing up a railroad bridge to shut off a major source of supply from Zambia in Africa.

Investigators appeared to be exploring two theories on the plot.

World copper prices have fallen on the London Metal Exchange from 98½ cents a pound last April to 46½ cents last August although recovering to 60½ cents last Friday. The decline hurts speculators dealing in futures contracts, who are having to take delivery now at the old high prices and could only resell at heavy losses.

The closing of much of the supply from Zambia, the free world's top exporter of unwrought copper, would raise the price sharply. This would enable any such contract-holders to make up their losses—or, for another theory, enable anyone with advance knowledge to buy copper at present prices to profit after such an interruption of supply.

Federal Bureau of Investigation agents arrested Rolf Duenbier, vice president and New York manager of a German metals concern, and Jay Aubrey Elliott, a traveling representative for it, just before midnight Saturday at their respective homes in Scarsdale and the Beverly Hotel here. The company, the Friedrich Zoellner Corporation, was not implicated in the complaint.

Federal Judge Edmund L. Palmieri had signed arrest warrants at 11 P.M. on application of United States Attorney Robert M. Morgenthau. Two assistant United States attorneys, Stephen E. Kaufman and Michael Mitchell, had taken part in the investigation.

Neutrality Act Violation

Both arrested men were charged with violating the Neutrality Act, Section 956, Title 18, United States Code, prohibiting a conspiracy in the United States to injure or destroy property located in a foreign country.

J. Edgar Hoover, the director of the Federal Bureau of Investigation, said they were accused of offering two Miami men \$25,000 plus expenses to blow up a railroad bridge near Mazabuka in Zambia. He said the Miami men—Philip Armstrong and Paul Woodburn Caudell, licensed ship's masters and engineers—were cooperating with the F.B.I.

The arrested men were held yesterday in the Federal House



Rolf Duenbier, vice president and New York manager of German metals concern arrested by the F.B.I.



Jay Aubrey Elliott, traveling representative of the concern, was arrested at the Beverly Hotel here.

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of Detention to be arraigned at 10 A.M. today before United States Commissioner Earle N. Bishopp in the Federal Building on Foley Square. The maximum penalty for conviction under the statute is three years' imprisonment and a \$5,000 fine.

No comment was available yesterday at Mr. Duenbier's home or from the corporation. Mr. Armstrong said in Florida that the F.B.I. had instructed him and Mr. Caudell to refrain from comment. He said they were both divers and marine engineers living in Coral Gables but having a small nautical furniture store in Jacksonville, Fla.

Zambia, formerly Northern

Rhodesia, became independent in October, 1964. According to the Commodity Yearbook, Zambia produce 700,000 metric tons of copper, 13.7 per cent of the free world's total of 5.1-million tons, last year. This was exceeded only by 1.4-million by the United States, but the United States consumes more copper than it produces.

All last year, copper demand exceeded supply. The price decline since last spring has been ascribed to the austerity program in the United Kingdom, Zambia's biggest customer, and the cooling off of the economy in West Germany. The coal shortage and racial tension in Zambia have contributed to new

concern over tight supplies, ending the decline.

Zambia's copper had been reaching the outside world by Rhodesian railways until this year. But after Rhodesia's white-minority Government declared independence in November, Zambia tried to reduce dealings with Rhodesia as a means of bringing pressure on that regime—and also because Rhodesia had demanded advance payments in convertible currencies.

Of Zambia's 60,000 tons of monthly copper output, alternate routes by road, rail and air had been provided to take care of 24,000 tons a month by last August. Nevertheless, about half of the Zambian output is currently having to use the Rhodesian railways, the alleged target of the explosives plot.

LUSAKA, Zambia, Nov. 6 (Reuters)—Zambia's two copper mining companies today

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announced a second cutback in refined metal production to two-thirds of normal output.

This followed a 25 per cent cutback announced Oct. 16 because of a shortage of coal imports needed for the refining process.

Each ton of copper mined needs a ton of coal to refine, and Zambia's seven mines normally produce 2,000 tons a day.

Imports from the Wankie colliery in Rhodesia have been affected by a railroad requirement that each freight car crossing the Rhodesian-Zambia border must be replaced by one traveling the other way.

This followed a protracted dispute between Zambia and Rhodesia over the railroad system they jointly own, a dispute that flared up with Rhodesia's declaration of independence last November.