

SINO-SOVIET BLOC ECONOMIC AND MILITARY AID

I. The bloc continues to rely heavily on its aid program in its drive to encourage neutralism and anti-Western sentiment in the underdeveloped countries of Asia, Africa and Latin America.

A. In 1961, about \$1 billion in new commitments were made, raising total assistance to more than \$6.5 billion since the beginning of the program in 1955.

II. The bulk of the more than \$4 billion in economic assistance continues to be directed toward India, Indonesia, Egypt, Afghanistan and Cuba.

A. New economic aid extensions were made this year to Burma, Ghana, Mali, Afghanistan and Cuba.

B. Offers of economic assistance which may be accepted have been made to Bolivia, Brazil and several of the newly independent West African countries.

III. Military aid accounts for about one-third of total bloc commitments, but in terms of aid actually delivered, comes to about three-fifths of the total to date, with the major recipients being Indonesia, Egypt, Iraq, Syria, Afghanistan and Cuba.

A. New arms aid agreements were concluded in 1961 with Indonesia, Egypt and Iraq and probably with Afghanistan and Cuba.

B. For the first time such aid also was provided to Morocco, Mali, and Ghana. Offers of military aid are now under consideration by Ecuador, the Congo, Burma and Cambodia.

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IV. In 1961, for the first time, the bloc began delivering MIG-19 fighters to Egypt, Iraq, Indonesia and Cuba, and agreed to provide MIG-21s to these countries. TU-16 bombers were delivered to Indonesia and Egypt and promised to Iraq; and shortrange, tactical guided missiles have been made available, at least to Indonesia. Similar weapons probably will eventually be supplied to others, particularly Afghanistan and Cuba.

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