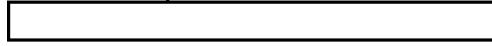


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BIWEEKLY REPORT

**SINO-SOVIET BLOC
ECONOMIC ACTIVITIES
IN UNDERDEVELOPED AREAS**

EIC-WGR-1/62

23 June 1958

PREPARED BY THE WORKING GROUP
ON SINO-SOVIET BLOC ECONOMIC ACTIVITIES
IN UNDERDEVELOPED AREAS

ECONOMIC INTELLIGENCE COMMITTEE



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These biweekly reports on "Sino-Soviet Bloc Economic Activities in Underdeveloped Areas" are prepared and issued by a Working Group of the Economic Intelligence Committee, including representatives of the Departments of State, the Army, the Navy, the Air Force, Commerce, and Agriculture; the International Cooperation Administration; the Office of the Secretary of Defense; and the Central Intelligence Agency. Their purpose is to provide up-to-date factual information on significant developments in the economic relations of Sino-Soviet Bloc countries with underdeveloped countries of the Free World. The EIC-R-14 series of reports, under the same title, provide periodic summaries and analytical interpretations of these developments.

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Summary of Events
6 - 19 June 1958

The acceptance by the Argentine government on 18 June of a Soviet offer to deliver 1 million metric tons of crude oil to Argentina during the next 12 months highlights the economic activities of the Sino-Soviet Bloc in underdeveloped countries of the Free World during the period 6 - 19 June 1958. Two other Latin American countries, Brazil and Uruguay, also have recently accepted Soviet offers of crude oil.

On 3 June, Pakistan signed a barter trade agreement with Communist China under which China is to supply Pakistan with 150,000 metric tons of coal in exchange for about 15,000 bales of cotton. Other Bloc economic activity in South Asia includes a Soviet offer of a modern 50-bed hospital to Nepal. The hospital would be built and equipped by Soviet technicians, and 15 Nepalese students would be trained in Soviet medical institutions.

Two new Soviet tankers of 4,000 deadweight tons each were delivered in Djakarta in June. The vessels, valued at \$3.3 million, as well as 10 ships previously delivered in March totaling 23,000 deadweight tons and valued at \$11.5 million, were purchased from the USSR under the \$100-million Soviet credit to Indonesia. Other Bloc activity in Indonesia included the arrival of a Polish trade delegation in Djakarta to undertake discussions on trade and shipping with the Indonesian Foreign Ministry.

Since mid-1956, Syria has been engaged in a program designed to modernize its basic air facilities to accommodate the aircraft purchased from the Soviet Bloc. Bloc technicians and probably Bloc guidance have been utilized to accomplish this purpose. Recent reports indicate that the USSR and Czechoslovakia have supplied about 80 technicians who are now engaged in construction work at Syrian military airfields. Existing airfields are being modernized, probably with Bloc aid, at Damascus, Hamah, Qamichliye, Deir Ez Zor, El Quseir, and Nairab. New airfields are being constructed, also probably with Bloc aid, at Risafah, Ar Raqqah, Dumayr, and Palmyra.

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