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**BIWEEKLY REPORT**

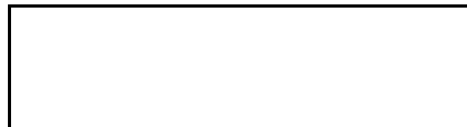
**SINO-SOVIET BLOC  
ECONOMIC ACTIVITIES  
IN UNDERDEVELOPED AREAS**

EIC-WGR-1/86

25 May 1959

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

8 - 21 May 1959

An Indian economic mission departed for Moscow on 14 May for talks with Soviet officials on industrial projects which the USSR has already agreed to build in India as well as on additional projects envisioned in India's Third Five Year Plan (April 1961 - March 1966). According to the terms of a contract signed on 6 May, the USSR will supply equipment, machinery, and technical services for the erection and commissioning of the Neyveli thermal electric power station, to be located in Madras state.

The Indonesian Tire and Rubber Works, a project built by Czechoslovakia for Indonesia, was formally inaugurated on 6 May. This plant is the first Bloc economic project of importance in Indonesia to be completed and tested successfully.

A Yugoslav publication has reported that Yugoslav negotiations for the purchase of 200,000 tons of wheat from the USSR have been suspended because the Soviet negotiators were asking more than world market prices.

In a speech in Panama on 16 May before the Conference of the UN Economic Committee for Latin America, the Soviet Ambassador to Mexico appealed strongly for broader Soviet - Latin American relations. He called for more trade and increased cultural exchange and offered medical aid, long-term credits, and technical assistance in any field.

Two Soviet petroleum experts arrived in Guinea on 4 May. Their arrival is believed to be related to Guinea's recent decision to import 1,000 tons of motor gasoline and 1,000 tons of kerosene from the USSR in 1959.

A Cambodian official has announced that about 50 Cambodians will be trained in Communist China as factory technicians and then

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will be offered positions in the plywood, textile, and paper factories which are now being constructed in Cambodia under the Chinese Communist aid program.

A cobalt gun for the treatment of cancer was formally presented to the Thai Red Cross by Soviet representatives on 6 May. The USSR furnished an engineer to supervise the installation of the unit and a radiologist to demonstrate its use.

The governments of Greece and the USSR recently signed a contract calling for the delivery of 250,000 tons of Soviet crude oil at a price of \$16.65 per ton to the Aspropirgos petroleum refinery. Deliveries are to begin in July at the rate of 40,000 to 50,000 tons per month.

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