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BIWEEKLY REPORT

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

EIC-WGR 1/110

25 April 1960

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 - 22 April 1960

Communist China reportedly delivered arms and military equipment worth about \$21 million to Indonesia on credit during the period from September 1958 through May 1959. Additional military assistance was apparently requested in the summer of 1959, but the deterioration of Sino-Indonesian relations since that time has precluded any further Chinese Communist military aid to Indonesia.

The unofficial visit of First Deputy Premier Mikoyan to Iraq, which was concluded on 16 April, was not conspicuously successful in terms either of bolstering Soviet prestige or of strengthening Soviet-Iraqi ties. Mikoyan's visit did not produce any new economic agreement, and his reception by the Iraqi Government was correct but not enthusiastic. Just before his departure from Baghdad, Mikoyan stated that the USSR and Iraq found the existing economic assistance agreement satisfactory and that no alteration was planned of the present \$137.5 million Soviet aid program in Iraq.

A 10-man Soviet commercial delegation will arrive in Brazil on 27 April to discuss implementation of the trade agreement signed between the USSR and Brazil last December. This delegation will be the first official Soviet mission to visit Brazil since the breaking of diplomatic relations between the two countries in 1947.

Communist China recently purchased 80,000 Spanish long tons of sugar from Cuba. This transaction brings total Sino-Soviet Bloc purchases of Cuban sugar for delivery in 1960 to 1,290,000 tons. In the past, Bloc purchases have averaged only 300,000 tons annually. The Bloc will, therefore, substantially increase its share of total Cuban exports in 1960 to more than 10 percent. Because most of the Bloc purchases will be financed through bilateral clearing accounts, the share of the Bloc in Cuba's imports gradually will also increase from its traditionally negligible amount to about 10 percent.

* An unclassified table summarizing Sino-Soviet Bloc credits and grants extended to underdeveloped countries of the Free World as of 15 April 1960 is included in this issue on p. 8.

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