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BIWEEKLY REPORT

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

EIC-WGR 1/111

9 May 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
22 April - 5 May 1960

On 30 April, Poland contracted to purchase 50,000 Spanish long tons of sugar from Cuba. This transaction brings total Polish purchases of Cuban sugar for 1960 to 150,000 Spanish long tons and brings total Bloc purchases for this year to nearly 1.4 million tons. Whereas in the past sugar was the only important commodity involved in Bloc-Cuban commercial exchanges, the USSR is now laying the foundation for a position of importance in the Cuban petroleum industry. Cuba has purchased 300,000 metric tons of crude oil and 300,000 tons of other petroleum products from the USSR. In addition, Cuba probably intends to use Soviet equipment and technical assistance for the construction of a refinery at Cienfuegos.

Fourteen Chinese Communist technicians have arrived in Nepal to make preliminary engineering studies for the construction of a cement plant and a paper mill, and twenty more Chinese specialists are expected to arrive soon. Nepal is concerned over Bloc interference in its internal affairs,

In response to repeated Soviet requests, the Government of Singapore has granted a 6-month visa to a Soviet specialist in rubber transactions. Although a logical consequence of vastly increased Soviet purchases in the Singapore rubber market, this move is primarily important as a test of the determination of the UK and the Federation of Malaya to resist formation of closer economic ties between Singapore and the Bloc.

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The Ghanaian Industrial Cooperation Society, a private organization sponsored by the Government of Ghana, has contracted with East Germany for the construction of four plants -- a cigarette factory and plants for canning fish, canning fruits and vegetables, and processing coffee beans. The factories, which will cost a total of \$3.7 million, will be completed in 1961 and will employ 1,000 Ghanaians.

A Soviet tanker carrying 4,000 tons of petroleum products recently arrived in Conakry, Guinea. A second tanker, carrying 5,000 tons, is expected in mid-May. These shipments represent a 3-month supply for Guinea and are to be paid for with the 1961 banana crop. Guinea probably will be unwilling to use scarce foreign exchange for Western petroleum products when these commodities can be obtained from the Bloc in exchange for bananas. One Guinean official has stated flatly that by 1961 Soviet petroleum products will be used exclusively in Guinea.

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