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BIWEEKLY REPORT

SINO-SOVIET BLOC ECONOMIC ACTIVITIES IN UNDERDEVELOPED AREAS

EIC-WGR 1/112

23 May 1960

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

ECONOMIC INTELLIGENCE COMMITTEE

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Printed and Disseminated by the
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Summary of Events
6-19 May 1960

Afghanistan has recently confirmed reports of an important oil and gas strike in the vicinity of Andkhui, a small town about 25 miles from the Soviet border. This strike is the first major discovery under the intensive, Soviet-assisted program of petroleum exploration and exploitation now being carried out in northern Afghanistan. Preliminary indications are that production from this field will be considerably in excess of Afghanistan's needs.

On 7 May, India signed an agreement with Poland for the utilization of a credit of approximately \$30 million for the purchase by India of Polish machinery and industrial equipment. Repayment will be in rupees in eight annual installments at 2.5 percent interest.

The USSR has agreed to send 18 doctors and 6 interpreters to help staff the 500-bed gift hospital in Phnom Penh. The USSR will also build a dormitory for the staff, train 20 Cambodian doctors, and supply medicines sufficient for 2 years.

Brazil is reported to be considering a Polish offer to build a \$30 million steel plant, with repayment over an 8-year period. So far this year, Brazilian trade with the Bloc has been below the level agreed on, and further delays in the exchange of goods may cause Brazil to reappraise its trade relations with the Bloc.

The Bloc program of economic aid in Indonesia is slowly moving forward. The Indonesian Government is unwilling to give high priority to Bloc construction projects (with the exception of the Asian Games Stadium in Djakarta -- whose completion in time for the Asian Games in 1962 is a point of national honor), and it is unwilling to admit a sufficient number of Bloc technicians to complete the projects quickly.

Communist China has given Guinea 10,000 tons of rice. This gift is in addition to a previous grant of 5,000 tons that was delivered in July 1959.

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