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BIWEEKLY REPORT

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

EIC-WGR 1/114

20 June 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

3 - 16 June 1960

Cuba has signed a trade-and-payments agreement and a \$20 million credit agreement with Czechoslovakia. The nature of the first agreement has not been disclosed. Concerning the credit agreement, Premier Castro revealed in a speech of 11 June that the credit would be used to equip factories to be constructed in accordance with Cuba's plans for industrialization.

A Cuban trade mission has arrived in Moscow, and Soviet technicians and survey teams are already active in Cuba. These activities appear to be the first steps in an intensive effort to utilize the \$100 million credit that the USSR granted to Cuba in February 1960.

Numerous overtures for increasing trade and broadening other economic relations with Burma have been made by countries of the Sino-Soviet Bloc in the past few weeks -- probably because the Bloc anticipates that the U Nu government may be more receptive to Bloc offers than the previous Ne Win regime. The USSR has offered to build two roads for the Burmese, [REDACTED]

[REDACTED] A Czechoslovak offer of a line of credit of \$10.5 million has just been accepted by the Burmese Government, and an East German trade delegation has made several unofficial economic propositions to the Burmese foreign office.

The USSR and Indonesia have signed a contract for the construction of a steel plant in western Java. The installation, which will cost \$60 million and have a capacity of 100,000 tons per year, will represent the first step in Indonesia's grandiose plan for developing a heavy industrial base. Construction of this plant will put such heavy demands on Indonesia's inadequate supplies of technical and managerial manpower that the larger industrial complex, even if feasible in engineering terms, will remain a distant dream for some time to come.

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Czechoslovakia has offered Mali a barter agreement providing for the purchase from Mali of peanuts, phosphates, and hides and skins in exchange for Czechoslovak machinery and agricultural equipment. Although Mali leaders have not yet accepted the proposal, they are expected to conclude barter agreements with countries of the Bloc in order to demonstrate Mali's independence. Poland and East Germany are also reported to have proposed establishing barter arrangements with the Government of Mali.

Forty Chinese Communist agricultural experts have arrived in Guinea. Rumors persist that eventually from 400 to 600 Chinese Communists will come to Guinea to assist in agricultural projects.

The USSR recently gave the Greek Orthodox Church in Lebanon equipment worth \$1.5 million for a hospital and a school which the church operates in Beirut. The gift includes surgical and X-ray equipment, apparatus for the medical use of cobalt, and other clinical equipment and supplies for the hospital.

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