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BIWEEKLY REPORT

SINO-SOVIET BLOC ECONOMIC ACTIVITIES IN UNDERDEVELOPED AREAS

EIC-WGR 1/125

21 November 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
4-17 November 1960

On 14 November the Soviet Council of Ministers decreed that as of 1 January 1961 the gold content of the Soviet ruble would be increased from 0.222168 gram of pure gold to 0.987412 gram -- that is, 4.44 times. The official exchange rate of the ruble will be altered correspondingly from 25 cents to \$1.11.

The first scheduled air route between a Bloc country and Latin America is now being established. Czechoslovakia recently applied to the Director of Civil Aviation of Bermuda for overflight and nontraffic landing rights for a proposed air route from Prague to Havana. If the permission is granted, Czechoslovakia plans to inaugurate weekly Il-18 flights to Havana via either Shannon and Gander or Rabat and the Azores, with a technical stopover in Bermuda. Czechoslovakia also may attempt to extend the flights to Mexico.

Guinea has received two sizable shipments of Soviet arms.

A surprise announcement by the Moroccan Government revealed that Crown Prince Moulay Hassan had requested and received a Soviet offer of military aid -- principally jet aircraft -- following a recent meeting with Soviet Ambassador Dimitry Pozhidayev. The offer is to include 12 MIG-17's and an unspecified number of other aircraft, presumably Il-28 twin-jet light bombers. The aircraft and a group of Soviet technicians are expected to reach Morocco in 4 to 6 weeks.

Sudan has received a gift of five BTR-152 armored personnel carriers from the USSR, the first arms acquired from the Bloc.

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The Sudanese allegedly have given approval in principle to a Chinese Communist offer to provide two 50-kilowatt shortwave radio transmitters on a grant basis. The Chinese grant offer is the first such proposal made to Sudan by the Bloc.

Prime Minister Sarit of Thailand recently expressed interest in aid from the USSR for economic development on the ground that his country was ready to accept assistance from any source. The occasion for these new sentiments was an offer of economic, commercial, and cultural cooperation by the new Soviet Ambassador on 31 October.

India recently concluded an agreement with the USSR for the purchase of approximately 18 aircraft at a cost of about \$32 million.

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