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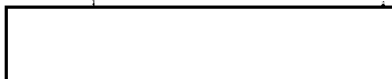
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BIWEEKLY REPORT

SINO-SOVIET BLOC ECONOMIC ACTIVITIES IN UNDERDEVELOPED AREAS

EIC-WGR 1/132
27 February 1961

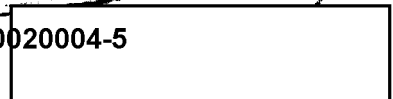
PREPARED BY THE WORKING GROUP
ON SINO-SOVIET BLOC ECONOMIC ACTIVITIES
IN UNDERDEVELOPED AREAS
ECONOMIC INTELLIGENCE COMMITTEE



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Summary of Events*
10-23 February 1961

The USSR has failed to maintain its position as a major supplier of petroleum for Uruguay following the award to Free World agencies of contracts covering Uruguayan oil requirements during 1961-63.

Soviet assistance to Afghanistan is increasing at the same time that the Afghans are completing preparations for their Second Five Year Plan. A new Soviet-staffed school is to be established for the training of petroleum technicians, a Soviet group has arrived in Kabul to advise on city planning, and the Afghan Government has recently signed a contract for the delivery of Soviet consumer goods worth \$900, 000 in addition to the \$300, 000 agreement of August 1960.

About 20 MIG-19's were reported to have been delivered by the USSR during January to UAR -- Egypt and 14 to Iraq. The UAR has 12 Egyptian and 6 Syrian pilots who have recently completed MIG-19 training in the USSR.

In mid-February, Soviet President L. I. Brezhnev completed a 2-week tour of Morocco, Guinea, and Ghana, during which he discussed primarily political subjects.

Twelve MIG-17 fighters and two MIG-15 trainers, accompanied by technicians, have arrived in Morocco from the USSR under the agreement of November 1960.

A Czechoslovak mission that recently visited Niger has offered economic aid, including scholarships for advanced study, training courses in industry and agriculture, and scientific and technical co-operation.

Burma is expected to award the USSR a contract for the provision of 32, 000 tons of petroleum products required by increased Burmese demand.

* An unclassified table summarizing Bloc credits and grants, extended and drawn, to underdeveloped countries as of 31 December 1960, is included in this issue on p. 8.

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India and the USSR on 21 February signed an agreement on the utilization of the \$125 million Soviet credit accepted by India in August 1960 to aid in carrying out its Third Five Year Plan. A total of \$730 million in Bloc aid is now available for this plan. Projects agreed on are in the fields of petroleum, power, and manufacturing.

The two arms agreements between the Bloc and Indonesia signed early this year provide that the USSR, between 1961 and 1964, is to furnish Djakarta with military aid having a nominal value of about \$522 million. The first agreement covers naval aid nominally worth \$277 million, including a light cruiser, destroyers, submarines, and landing craft. The second agreement covers Army, Air Force, and Navy materiel with a nominal value of \$245 million and includes 20 Tu-16's and 20 MIG-21's, the latter equipped with air-to-air missiles. The terms of these agreements are more favorable than earlier Indonesian arms pacts with the Bloc and allow for a discount on most types of equipment, a large part of which is not new.

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CONTENTS

	<u>Page</u>
I. Latin America (Decline in Soviet-Uruguayan Trade)	1
II. Middle East	1
A. Soviet Assistance Activities in Afghanistan . . .	1
B. Delivery of MIG-19's to Iraq and UAR -- Egypt . .	2
III. Africa	3
A. Conclusion of Brezhnev African Tour	3
B. Arrival of Soviet Jets in Morocco	4
C. Receptivity of Niger to Bloc Aid	4
IV. Asia	4
A. Burmese Importation of Soviet Petroleum Products	4
B. Indo-Soviet Agreement on Credit Utilization . . .	5
C. Soviet Military Aid to Indonesia	5

Table

Sino-Soviet Bloc Credits and Grants to Underdeveloped Countries of the Free World, Extended and Drawn, 1 January 1954 - 31 December 1960	8
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Sino-Soviet Bloc Credits and Grants
to Underdeveloped Countries of the Free World
Extended and Drawn a/*
1 January 1954 - 31 December 1960

Million US \$		
<u>Area and Country</u>	<u>Extended</u>	<u>Drawn</u>
Total	<u>4,809</u>	<u>1,523</u>
<u>Latin America</u>	<u>322</u>	<u>22</u>
Argentina	104	18
Brazil	4	4
Cuba	215	N. A.
<u>Middle East</u>	<u>1,972</u>	<u>877</u>
Afghanistan	255	97
Iran	6	6
Iraq	404	128
Pakistan	3	3
Turkey	17	11
United Arab Republic	1,226	599
Yemen	61	33
<u>Africa</u>	<u>284</u>	<u>9</u>
Ethiopia	114	2
Ghana	50	3
Guinea	108	4
Morocco	4	0
Sudan	<u>b</u> /	<u>b</u> /
Tunisia	8	0

* Footnotes for the table follow on p. 9.

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Sino-Soviet Bloc Credits and Grants
to Underdeveloped Countries of the Free World
Extended and Drawn a/
1 January 1954 - 31 December 1960
(Continued)

Million US \$		
<u>Area and Country</u>	<u>Extended</u>	<u>Drawn</u>
<u>Asia</u>	<u>2,115</u>	<u>501</u>
Burma	12	12
Cambodia	55	26
Ceylon	58	5
India	933	160
Indonesia	1,016	294
Nepal	41	4
<u>Europe</u>	<u>116</u>	<u>114</u>
Iceland	5	3
Yugoslavia	111 <u>c/</u>	111

- a. Because of rounding, figures may not add to totals.
b. Less than \$1 million.
c. Not including about \$353 million in credits extended in 1956 and subsequently either canceled or allowed to expire.

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