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## BIWEEKLY REPORT

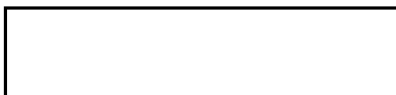
# SINO-SOVIET BLOC ECONOMIC ACTIVITIES IN UNDERDEVELOPED AREAS

EIC WGR 1/163

7 May 1962

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

ECONOMIC INTELLIGENCE COMMITTEE



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Summary of Events  
20 April - 3 May 1962

The poor sugar harvest now underway in Cuba means that Cuba must either cut back its commitments to Bloc countries or else reduce its exports to the rest of the world. If sales to other countries are reduced, Cuba will lose badly needed convertible earnings, and if its exports to the Bloc are cut back, commercial credits will be required in order to maintain critical imports of Bloc goods at the levels called for in the trade agreements. Recent negotiations with Bloc countries indicate that Cuba's sugar commitments to certain Bloc countries have been reduced and that the USSR has extended \$100 million in additional aid to Cuba. Although the press has stated that this new assistance will be utilized for the purchase of industrial installations, it is possible, in view of the repayment arrangement (through the trade protocol) and Cuba's pressing financial difficulties, that this aid may be used to finance commercial imports from the Bloc during the present sugar crisis.

Deliveries of Soviet arms to Iraq in April reportedly included tanks, tank transporters, artillery, radar, and other equipment. In addition, three Soviet submarines may be en route to Iraq.

Burma reportedly has canceled an agreement for two Soviet aid projects and also has decided not to accept Soviet assistance in the construction of another installation. In contrast to these developments, Chinese Communist survey teams are arriving in Burma on schedule to determine the feasibility of the projects to be constructed under the January 1961 credit of \$84 million.

The initial delivery of Soviet surface-to-air missile training equipment is expected to reach Indonesia in May. Additional Soviet ground force equipment was delivered in April. Although Soviet materiel apparently has been reaching Indonesia on or ahead of schedule, Indonesia's Foreign Minister Subandrio nevertheless has gone to Moscow in an effort to expedite future deliveries of arms.

On 25 April, Niger signed a trade agreement with the USSR. Niger's president reportedly refused a Soviet offer of a large credit on condition that Niger establish diplomatic relations with the USSR.

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On 25 April, Soviet Premier Khrushchev announced the appointment of Mikhail A. Lesechko as chairman of the Commission for Foreign Economic Affairs. This organization, which has been in existence for about 2 years, apparently was created to coordinate the foreign economic relations of Soviet ministries and committees. Public disclosure of the existence of the commission at the recent session of the Supreme Soviet may presage the development of new or more consistently administered programs in Soviet economic relations with foreign countries.

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