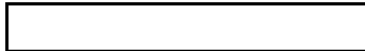


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## BIWEEKLY REPORT

# SINO-SOVIET BLOC ECONOMIC ACTIVITIES IN UNDERDEVELOPED AREAS

EIC WGR 1/190  
20 May 1963

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

ECONOMIC INTELLIGENCE COMMITTEE

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Summary of Events  
3-16 May 1963

A continuing decline in Soviet economic aid extensions may reflect in part the growing realization of the limitations of such aid in accomplishing Soviet political objectives under the impact of an increasingly vocal "anti-give-away" sentiment among Communist Party elements both at home and abroad.

A six-man Soviet delegation arrived in Ankara during April to discuss a proposal made by the USSR last year to build a dam on the Arpa-chay arm of the Aras River. Officials of the Turkish Foreign Ministry had indicated previously that if a feasibility study demonstrated that the proposed dam would benefit Turkey economically, the government might accept the Soviet offer.

On 25 April, Poland and Ceylon signed an economic and technical cooperation agreement providing for the extension of an \$8 million Polish credit to Ceylon for the purchase of complete industrial plants, machinery, and equipment. Terms call for a downpayment of 20 percent, making the net value of the credit \$6.4 million.

An Indonesian-Soviet trade agreement, signed on 30 April in Djakarta, provides that trade will be set at a ratio of 2 to 1, with \$40 million in Indonesian exports and \$20 million in Indonesian imports annually. Although the trade negotiations were conducted without reference to Indonesia's repayment obligations, it is presumed that the trade surplus will be used for debt servicing.

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