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# BIWEEKLY REPORT

## SINO-SOVIET BLOC ECONOMIC ACTIVITIES IN UNDERDEVELOPED AREAS

EIC WGR 1/194

15 July 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  
28 June - 11 July 1963

With the notable exception of Cuba, Latin America's trade with the Bloc has remained an insignificant portion of the area's total trade. Countries with recurring balance-of-payments problems account for most of Latin American - Bloc trade, and the course of this trade is largely determined by the extent of the difficulties of these countries.

Polish commercial activity in Latin America has increased recently. Poland is trading with a number of countries of the area, but the actual amounts involved in each instance are small.

Iraq has decided to cancel its surface-to-air missile program and to substitute conventional weapons for the missiles. Although the USSR, which has been supplying missiles to Iraq, has not yet replied to this decision, Soviet military deliveries to Iraq were halted in May, and the number of Soviet military technicians in Iraq is declining.

Under a new agreement the USSR will accept full responsibility for the completion of all outstanding Soviet aid projects in Guinea. An organization will be established to handle all phases of the Soviet projects, including the recruitment and direct supervision of skilled labor and the procurement of local materials. Formerly these activities were the responsibilities of Guinea.

Indonesia's annual repayment obligations to the USSR for military assistance provided since 1960 have been rescheduled in order to reduce Indonesia's annual debt service obligation through 1969 at least. The terms of this agreement are not fully known, but it is apparent that the USSR refused Indonesia's request for a moratorium of several years on repayment of both Soviet economic and military aid as well as a re-scheduling of repayments for economic assistance extended by the USSR.

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