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BIWEEKLY REPORT

SINO-SOVIET BLOC ECONOMIC ACTIVITIES IN UNDERDEVELOPED AREAS

EIC WGR 1/205

16 December 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
29 November - 12 December 1963

Poland has renewed an offer to build a power station in Brazil, a project that has lain dormant since Brazil signed contracts for a \$26 million thermal electric powerplant and \$7.5 million worth of railroad track in December 1962.

Soviet deliveries of military equipment to Cuba appear to have been accelerated during the past 10 weeks. Included in these shipments have been medium tanks, armored personnel carriers, artillery, and an An-12 transport aircraft. The first of several SO-1 class submarine chasers is now en route to Cuba.

Between mid-December and February 1964, Chinese Communist Premier Chou En-lai and Foreign Minister Ch'en I will visit eight or more African countries, including recipients of Chinese economic aid.

The Chinese Communist credit to Algeria of \$50 million reportedly is interest-free and repayable over a 10-year period beginning in 1970. A significant proportion of this credit may be in hard currency.

The USSR and Czechoslovakia are providing equipment and technical assistance for a Kenya National News Agency to be established soon after independence on 12 December. In addition to providing \$140,000 worth of teleprinters and equipment, the USSR will train Kenyan journalists and teletype operators while Czechoslovakia has promised financial aid and scholarships. Reportedly the Kenyans have agreed to construction of a powerful Soviet radio transmitter on Kenyan territory in return for this aid.

Indonesia has announced that an agreement has been reached for Soviet participation in the Indonesian rubber and fisheries industries on a production-sharing basis. Assistance to Indonesia's rubber industry would be of great importance. Much of Indonesia's small-holder rubber has been piling up since the break in trade relations in Malaysia and the loss of access to Singapore's processing and marketing facilities.

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A Czechoslovak delegation is in Indonesia to discuss means for implementing unused Czechoslovak credits extended in July 1960. This agreement is now scheduled to expire at the end of 1963.

Hungarian-Indian economic relations are expected to increase significantly within the framework of a new 5-year trade agreement and a line of credit to finance imports for industrial development. Letters have been exchanged for a line of credit of \$25 million.

Burma has reached agreement with Communist China for the construction of two bridges over the Salween River. These construction projects will be the first to be implemented under the January 1961 line of credit of \$84 million.

The USSR has offered an unspecified amount of economic aid to the opposition Malta Labor Party (MLP). The offer reportedly is contingent on the accession to power by the MLP after independence is granted next year and on the MLP's declaration of complete neutrality.

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