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BIWEEKLY REPORT

SINO-SOVIET BLOC ECONOMIC ACTIVITIES IN UNDERDEVELOPED AREAS

EIC WGR 1/206

30 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
13-26 December 1963

Negotiations during the past few months have resulted in agreements providing for a further increase in the Bloc's international air routes to underdeveloped countries. For the first time, the carriers of the European Satellites have begun flying to non-Bloc underdeveloped areas. Communist China is now authorized to fly to Cambodia and Pakistan, and the USSR intends to extend its recently inaugurated Moscow-Karachi service on to Colombo, Rangoon, and Djakarta.

Wheat sales to Communist China totaling 600,000 tons have been made or contracted for by two Argentine firms. One of these firms also claims to have additional contracts for the delivery to China of up to 1.5 million tons of wheat, corn, and grain during the next 2 years.

The first specific obligation to be announced under the recent Soviet credit of \$100 million to Algeria is a contract of 10 December providing for the delivery of 250 tractors in the near future. A 50-member Algerian delegation is now in Moscow, where it reportedly will continue negotiations on the remainder of the credit.

Kenyan regional leaders associated with Minister of Home Affairs Oginga Odinga have agreed to seek Hungarian assistance on a hydroelectric project and Czechoslovak aid for an irrigation project and for a cooperative sugar enterprise.

Deliveries of Soviet materiel for the Syrian Army and Navy are continuing. Recent shipments have consisted of 4 Komar-class patrol boats and about 100 tank transporters and trucks.

On his recent trip to Moscow, Indonesian Defense Minister A. H. Nasution purchased six An-12 (Cub) military assault transports. An unknown number of Mi-6 (Hook) helicopters and Il-28 (Beagle) light jet bombers reportedly also were purchased.

Indonesia purchased 163 railroad cars from Hungary and has signed contracts with the USSR for the purchase of construction and harbor equipment to develop port facilities as an alternative to Singapore.

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