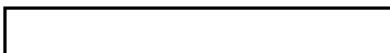


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BIWEEKLY REPORT

**AID AND TRADE ACTIVITIES
OF COMMUNIST COUNTRIES
IN LESS DEVELOPED AREAS
OF THE FREE WORLD**

EIC WGR 1/216

18 May 1964

**PREPARED BY THE WORKING GROUP
ON COMMUNIST AID AND TRADE ACTIVITIES
IN LESS DEVELOPED AREAS OF THE FREE WORLD**

ECONOMIC INTELLIGENCE COMMITTEE

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Summary of Events
1-14 May 1964

A joint Algerian-Soviet communiqué published on 7 May announced the extension of a new Soviet credit of \$128 million to Algeria, the establishment of an oil and gas institute including a technical college, and the details concerning the use of the \$100 million line of credit extended in 1963. Under the \$128 million credit the USSR will construct a metallurgical complex, which will include the complete production cycle for production of rolled steel products as well as a chemical byproduct plant.

Cambodia has received a gift of military equipment from Czechoslovakia and signed a military aid agreement with the USSR. From Communist China the Cambodians apparently have received only the promise of more trucks and infantry weapons.

On 1 May the Indian Government announced that the USSR had agreed to assist India in the construction of the first phase of a steel plant at Bokaro scheduled to have a capacity of 4 million tons when completed. The value of Soviet assistance has not yet been announced.

Czechoslovakia has agreed to extend a long-term credit of approximately \$84 million to India. This credit is the largest that Czechoslovakia has extended to a less developed country.

According to a protocol of 27 January, construction of major economic projects to be financed by a 1960 Soviet economic credit to Indonesia of \$250 million has been postponed until at least 1967, and priority status has been given to the projects scheduled under the 1956 agreement. To date, total drawings under the 1960 agreement are estimated at only \$2 million, and a total of \$45 million has been drawn on the 1956 projects.

A total of 223 commercial representatives of Communist countries are stationed in either trade offices or diplomatic missions in 9 Latin American countries. Czechoslovakia and Poland are the Communist countries most widely represented in the area; each has commercial representatives in seven Latin American republics. Brazil at present has more complete trade representation from the Communist area than any other Latin American country, with trade officials from eight Communist countries. In spite of this wide representation, trade between the two areas remains at a low level.

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The Chilean Ministry of Mines has announced the sale of 5,000 tons of refined copper to Communist China. Although negotiations for this sale have been underway since late 1963, deliveries will not begin until March 1965.

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