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B. Arrival of Soviet Oil Experts in Iraq.

A mission of Soviet oil technicians arrived in Iraq during April to carry out a survey under the terms of the Iraqi-Soviet economic agreement signed on 16 March 1959.* The chairman of the Soviet technology council, who arrived at the same time, is making contacts with the Agrarian Reform Board, the Oil Refineries Board, and other Iraqi technical departments with a view to determining their requirements for Soviet experts. This was the first group to begin the implementation of the agreement; other Soviet experts were expected during the first week of May. One mission will build four shortwave transmitters of 100 kilowatts each, and another will assist the Iraqi Ministry of Health in an antismallpox campaign. 

The Iraqi government has announced that no new concessionary agreements will be made for petroleum exploitation by foreign firms. The government itself will plan the development of oil reserves, utilizing foreign technicians. The presence of Soviet technicians in Iraq will facilitate government efforts to implement the policy. Such technicians will work in this capacity in offshore and former Khanaqin Oil Company concessionary areas. In the event of the nationalization of the Iraq Petroleum Company, Soviet technicians might be used to operate existing facilities. 

In addition to their presence in the country in connection with the implementation of the aid agreement, Soviet experts are on the scene in various other pursuits, including technical positions in the Iraqi government oil refinery. Seven of an eventual group of 20 Soviet specialists arrived at Daura Refinery on 13 April to replace US technicians. The US manager was reduced to adviser status on 13 April

* See the Biweekly Report of 30 March 1959.

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and has since resigned. The US staff is now down to 30, with the remainder to leave, or to be converted to adviser status, by July.

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BIWEEKLY REPORT

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EIC-WGR-1/85

11 May 1959

**PREPARED BY THE WORKING GROUP
ON SINO-SOVIET BLOC ECONOMIC ACTIVITIES
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ECONOMIC INTELLIGENCE COMMITTEE

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