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Communist China's dependence upon the Soviet bloc for the procurement of commodities and services which she cannot obtain directly from Free World sources imposes an intangible burden upon the planning and managerial groups at the decision-making level. In instances where the Soviet bloc cannot procure immediately the quantities of goods and services required for the entire Sino-Soviet bloc, the relative urgency of demand must be determined and priorities established. The conflict of interests may have a disruptive effect that is out of proportion to the cost of the item or items involved.

The differential between COMCON and COMSEC contribute to possible conflicts of interests over items on International List II by restricting the quantities of such items exported from COMCON countries to the Soviet bloc. Any indication that the export to the Soviet bloc is destined to Communist China is ground for denial of the export by the participating country. Thus II-II commodities reexported to Communist China from the USSR or the European satellites reduce availabilities in the Soviet bloc. The quantities of most II-II items exported to the Soviet bloc, under quota or "X" treatment, are considered by the United States to be liberal. Nevertheless to the extent that II-II reduces Free World exports to the Soviet bloc, it imposes a burden on Communist China.

The lead time involved in the design of plants and in the manufacture of equipment, particularly specialized types, intensifies the strain at the decision-making level in both Communist China and the Soviet bloc. Another factor is that the rapidity of industrial recovery and development in Communist China makes it difficult for planning and managerial groups

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anticipate specific needs, especially with respect to "bottlenecks" and imbalances that appear in the course of the development. Any major requirements that was not anticipated, or was underestimated, may lead to serious hindrance. The privilege of importing from any country specific items that are needed when they are needed is invaluable in the building of a viable industrial economy for peace or war.

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