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**BIWEEKLY REPORT**

**SINO-SOVIET BLOC  
ECONOMIC ACTIVITIES  
IN UNDERDEVELOPED AREAS**

EIC-WGR 1/66

18 August 1958

PREPARED BY THE WORKING GROUP  
ON SINO-SOVIET BLOC ECONOMIC ACTIVITIES  
IN UNDERDEVELOPED AREAS

ECONOMIC INTELLIGENCE COMMITTEE



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These biweekly reports on "Sino-Soviet Bloc Economic Activities in Underdeveloped Areas" are prepared and issued by a Working Group of the Economic Intelligence Committee, including representatives of the Departments of State, the Army, the Navy, the Air Force, Commerce, and Agriculture; the International Cooperation Administration; the Office of the Secretary of Defense; and the Central Intelligence Agency. Their purpose is to provide up-to-date factual information on significant developments in the economic relations of Sino-Soviet Bloc countries with underdeveloped countries of the Free World. The EIC-R-14 series of reports, under the same title, provide periodic summaries and analytical interpretations of these developments.

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Summary of Events  
1 - 14 August 1958



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These deliveries of Soviet arms to Syria highlight recent developments in the economic activities of the Sino-Soviet Bloc in underdeveloped countries of the Free World. Also in Syria, the Development Board accepted a Bulgarian offer to build the Ar-Rastan dam in 28 months for \$8.65 million.

On 8 August the government of Pakistan signed barter agreements with Communist China and Poland. China will provide 100,000 metric tons of rice, and Poland 50,000 metric tons of coal. Both Bloc countries will receive Pakistan cotton in return, and China will also receive jute.

In Southeast Asia, Burma signed a long-term trade agreement with East Germany, and Indonesia signed a similar pact with Poland. Both agreements replace earlier pacts which had expired.

In late July, Tunisia renewed its trade and payments agreement with the USSR and its trade agreement with Bulgaria. Each pact provides for increased trade between Tunisia and the Bloc country.

Argentina contracted to purchase 2 million metric tons of coal from Poland. Payment is to be made in Argentine exports. The coal is probably earmarked for the state-owned railroad system and will reportedly fill about 25 percent of Argentine coal requirements over the next 4 years. Also in Latin America, a Soviet official visited Santiago, Chile, on a trade promotion mission. He discussed prices and quantities of goods available for purchase by the USSR but placed no orders.

A case study of Afghanistan's economic relations with the USSR and Czechoslovakia reveals that credit agreements are implemented

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by means of contracts with Bloc firms which specialize in the export of complete industrial plants and equipment and in the provision of technical specialists. These Bloc organizations work closely with the Afghan Ministries of Public Works and of Mines and Industries.

[A statistical supplement summarizing Sino-Soviet Bloc trade and trade agreements with selected underdeveloped countries of the Free World since 1954 is contained in this issue.]

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