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BIWEEKLY REPORT

SINO-SOVIET BLOC ECONOMIC ACTIVITIES IN UNDERDEVELOPED AREAS

EIC-WGR 1/140

19 June 1961

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

ECONOMIC INTELLIGENCE COMMITTEE



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Summary of Events
2-15 June 1961

Recent events indicate that the Bloc has become increasingly involved in Cuban economic affairs. On 9 May a ship arrived in Havana with Czechoslovak and Polish machinery to equip six industrial plants; in June, new contracts were concluded between Cuba and the USSR and Czechoslovakia calling for increases in trade; a Czechoslovak official announced that his government had agreed to purchase Cuban minerals valued at \$15 million and that the Bloc would be willing to buy all of Cuba's mineral production during the next 20 years; and the first large group of Cubans departed for training in the Bloc.

On 11 June, Indonesia and the USSR concluded an additional protocol to the arms agreement of 6 January 1961 between the two countries. No details have been announced, but reports from Djakarta indicate that Indonesia has been seeking to increase the nominal value of the arms agreement from \$250 million to \$349 million, a development that would increase the credit figure for this agreement from \$186 million to \$276 million (assuming past discounts).



On 2 June an announcement issued in Moscow revealed that the USSR had extended to Somalia a long-term credit of \$44.5 million for industrial and agricultural development and a credit of \$7.8 million for the financing of commodity deliveries. In addition, the USSR agreed to construct (on a grant basis) two hospitals, a printing plant, a school, and a radio station and to send Soviet doctors and teachers to Somalia. On 5 June the country concluded with Czechoslovakia scientific, technical, cultural, and trade and payments agreements.

On 23 May, Ghana announced that an economic and technical assistance agreement with Czechoslovakia had been signed. This pact provides for a Czechoslovak credit of \$14 million at 2.5 percent interest.

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A Nigerian economic mission has successfully completed talks in Czechoslovakia and the USSR. A joint communiqué issued at the end of the conversations in Prague announced that Nigeria and Czechoslovakia had agreed to establish diplomatic relations and that Czechoslovakia was willing to negotiate long-term economic aid. According to Pravda, the talks in Moscow resulted in a Soviet offer of economic aid and a decision to conclude a cultural agreement and to conduct negotiations leading to a trade agreement.

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