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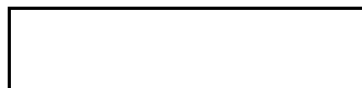
BIWEEKLY REPORT

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

EIC WGR 1/158
26 February 1962

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

ECONOMIC INTELLIGENCE COMMITTEE



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Summary of Events*
9-22 February 1962

Cuba is reported to have advised its European Satellite trading partners that it will be unable to deliver most of the sugar scheduled for shipment to those countries during 1962. It appears that Cuba, confronted with poor prospects for the sugar harvest in 1962, has decided to restrict sales to the European Satellites rather than further complicate its hard currency problem by reducing exports to markets in the Free World.

Regular airline service between Prague and Havana by the Czechoslovak State Airline was inaugurated on 3 February. This development establishes the first Bloc air service to the Western Hemisphere. Although Cuba began air service to Prague in February 1961, Czechoslovakia could not establish its route until it had obtained overflight privileges and technical landing rights from the UK, Ireland, and Canada.

Since late in 1960 the Bloc has been supplying military and economic assistance to the neutralist and the pro-Communist forces in Laos. Although information on this aid is meager, there have been a number of agreements that provide the framework for the Bloc's current economic relations with the regime of Souvanna Phouma. These agreements presumably could be expanded rapidly to accommodate whatever coalition of forces emerges from the negotiations now in progress at Geneva.

Ceylon recently has contracted for the purchase of Soviet and Rumanian petroleum products that will meet about one-fourth of Ceylon's requirements for the next few years. Consequently the Bloc, which to date has not supplied petroleum products to Ceylon, will become an important source of supply beginning about mid-1962.

Late in 1961, Indonesia concluded credit agreements with Poland and Czechoslovakia for the provision of spare parts and accessories for military equipment supplied by both countries in 1958. The Polish credit amounts to \$10 million and the Czechoslovak to \$4.3 million.

* An unclassified table showing Bloc economic technicians in underdeveloped countries in 1961 is included in this issue on p. 8.

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According to a recent report from Belgrade, 100 Soviet technicians are to work on the expansion of an iron and steel plant in Yugoslavia -- the first indication that the Soviet commitment to provide technical assistance to Yugoslavia within the framework of the 5-year commercial agreement is being implemented.

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Bloc Economic Technicians in Underdeveloped Countries a/*
1961

<u>Area and Country</u>	<u>January-June</u>	<u>July-December</u>
Total	<u>8, 220</u>	<u>8, 475</u>
<u>Latin America</u>	<u>570</u>	<u>820</u>
Argentina	50	50
Brazil	10	10
Chile	5	5
Cuba	500	750
Ecuador	5	5
<u>Middle East</u>	<u>2, 840</u>	<u>2, 520</u>
Greece	5	0
Iran	70	70
Iraq	480	625
Syrian Arab Republic	415	415
Turkey	60	45
United Arab Republic	630	725
Yemen	1, 180 <u>b/</u>	640 <u>b/</u>
<u>Africa</u>	<u>1, 640</u>	<u>2, 005</u>
Ethiopia	120	100
Ghana	205	250
Guinea	1, 200	1, 445
Mali	45	125
Morocco	5	10
Somali Republic	5	15
Sudan	0	15
Tunisia	60	45

* Footnotes follow on p. 9.

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Bloc Economic Technicians in Underdeveloped Countries a/
 1961
 (Continued)

<u>Area and Country</u>	<u>January-June</u>	<u>July-December</u>
<u>Asia</u>	<u>3,170</u>	<u>3,130</u>
Afghanistan	1,910 <u>b/</u>	1,920
Burma	25	35
Cambodia	310	170
Ceylon	45	25
India	640	560
Indonesia	180	315
Nepal	55	75
Pakistan	5	30

a. Minimum estimates (rounded to the nearest five) of the number of persons present for a period of 1 month or more. Personnel engaged solely in commercial or military activities are excluded.

b. Including technicians and laborers.

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