

Dec # 10

25806

(b)(1)
(b)(3)

STANDARD FORM NO. 64

Office Memorandum • UNITED STATES GOVERNMENT

Near East T

TO : Mr. W. Park Armstrong
Special Assistant for Intelligence
Department of State

FROM : Frank G. Wisner
Deputy Director, Plans
Central Intelligence Agency

SUBJECT: Soviet Arms Offers to Egypt

DATE: 30 August 1955

*To OIR for comment
9/2 incl. whether
all info herein
available to us*

I am forwarding for your information the attached report, Soviet Arms Offers to Egypt, which was prepared at the request of the Secretary of State.

Approved
W Park

*9/2 - DRS & DRH will
working on this*

APPROVED FOR
RELEASE DATE:
11-May-2010

Office Memorandum

~~SECRET~~ 5

Consists of 1 Copy, serial 6

UNITED STATES GOVERNMENT

25806

TO : R - Mr. Fisher Howe

DATE: September 6, 1955

FROM : OIR - Philip H. Trezise *PH*

SUBJECT: Soviet Arms Offer to Egypt

OIR concurs with the conclusion of CIA regarding the plausibility of the reported offer of Soviet arms to Egypt and Saudi Arabia, and would like to make the following comment:

1. It should be stressed that principal motive of the Soviet offer was Egypt's and Saudi Arabia's vigorous opposition to the Turkish-British-Iraqi alliance. The lack of success by these countries in obtaining arms from the West serves rather as an added opportunity for Moscow than as a motive.
2. Israel was not mentioned in the CIA report. Clearly, Soviet-Israeli relations would suffer if the USSR sold arms to the Arabs. Moscow, however, probably discounted this ill effect in advance since the Arabs present greater opportunities for exploitation.
3. There have been no reliable reports of Soviet offers of arms to Syria this spring, though the USSR undoubtedly offered diplomatic support and may have suggested that more tangible Soviet assistance would be available if needed.
4. The USSR has never ceased to indicate its opposition to Western-sponsored military alliances in the Near East. Moscow would not feel that this necessarily contradicted its relaxation-of tension tactics.
5. OIR has received all the information indicated in the CIA report with the possible exception of CIA unnumbered report, June 29, 1955. (DRN and DRS have no record of such a report.) The report, however, only added details to a previous report. OIR published IR-7022, Recent Soviet Offers of Economic and Military Assistance to the Middle East, SECRET, on August 19, 1955, and has reported on developments as they occurred in DDB's, Current Foreign Relations, and Soviet Affairs. See in particular CFR's for June 15, June 22, June 29, July 27, and August 24, and recent issues of Soviet Affairs. Information marked SENSITIVE or CIANOFORN was not included in Soviet Affairs or CFR's.
6. Covering letter, page 1: Ahmad Husayn is still Ambassador to the US.
7. Memorandum, page 8, beginning of Section C: DRN/NEB believes that this statement is too strong. While it is possible that some individuals among the free officers and even in the RCC may feel sufficiently hostile to the US to find such a course personally attractive, it is very doubtful that anyone would at this juncture advocate rupture of relations with the US. Advocacy of strict neutralism would be a much more likely thing at this time.

DRS:VKalmykow:jnl

~~SECRET~~

77456/9-655

2

~~SECRET~~

25806

ER 7-3894

AUG 25 1955

COPY

The Honorable John Foster Dulles
The Secretary of State
Department of State
Washington 25, D. C.

Dear Mr. Secretary:

In answer to your request to the Director of Central Intelligence, we are submitting the following views and the attached analysis.

On 23 May, [redacted]

[redacted] Soviet Ambassador Daniel Solod in Cairo offered technical and economic assistance to Egypt, including financing of the proposed Aswan high dam. At this time, Nasr reportedly inquired whether the Soviet Union would be willing to barter certain items of heavy artillery for Egyptian cotton, to which Solod replied that he was authorized to give an affirmative answer.

In late July, D. T. Shepilov, editor of Pravda, and a secretary of the Communist Party, visited Egypt and, [redacted] elaborated the Soviet offer. Shepilov reportedly offered not only air and ground arms but destroyers.

As reported to you by Ambassador Byroade, Ahmad Husain, Egypt's (former) ambassador in Washington, in discussing the alleged Shepilov offer, told Byroade in Cairo that it included a cotton barter deal to finance the high dam, 100 MIG's and 200 tanks. Jet bombers (probably IL-28's) were also said to be available for 37,000 Egyptian pounds (equivalent to \$106,000). Soviet spokesmen reportedly also suggested in discussions with Egyptians that if direct negotiations with Moscow embarrassed Cairo, Warsaw or Prague could offer the same deal.

~~SECRET~~

A/L
any

A report that Radio Moscow had broadcast in Arabic to the Near East an offer of free military assistance to Egypt appears to be in error. The latest Egyptian claims are that Radio Israel made the statement on 10 August, that this statement was picked up by an Egyptian monitoring station, and, as a result of haste and carelessness, was passed to the press as having been broadcast by the Soviets in Arabic, and with the paragraph concerning military aid deleted. These reports and similar ones all apparently originate with Egyptians. They may be exaggerated in order to bring pressure on the United States to satisfy Egypt's military needs on favorable terms. The fact that no Western monitors intercepted any such broadcast, coupled with the lack of motivation for the USSR to broach an offer of such magnitude and portent in this manner, raises the possibility of deception, which we are still trying to confirm. ✓

During the past weeks, the USSR, [redacted] [redacted] has offered Saudi Arabia economic aid and military equipment. This approach was made by Soviet Ambassador Lavrentiev in Tehran, first to the Saudi ambassador and then to King Saud, and Deputy Foreign Minister Yassin. In the spring of 1955, Soviet offers of military, economic, and diplomatic aid were also reported made to Syria.

In our opinion the USSR directly or through its Satellites is able to deliver the items specifically mentioned by the Egyptians; heavy artillery, tanks, jet fighter and bomber aircraft and destroyers, in the quantities that could conceivably be absorbed by Egypt or other nations in the Arab league without any perceptible effect on its own arms program. Only in the event the Soviets anticipated general war in the relatively near future would they have any compelling reason to hang onto all of their vast stockpile of this obsolescent material. For example, the early alternate fate of the MIG-15's is probably to be turned into scrap.

Moreover the Soviets are undoubtedly well aware of the almost psychopathic preoccupation of Arab leaders such as Nasr and King Saud with building their arms strength and would calculate that the surest way to achieve a real position of influence in those countries would be to become a substantial supplier of arms with the attendant requirements for Soviet technical and possibly tactical training in their use.

It is also quite consistent with what we know of current Soviet external trade programs for the USSR to be willing to offer such equipment for indigenous currency or basic commodities with favorable terms as to time of repayment.

Finally, it seems to us that the present Soviet drive to relax tensions between the power centers of East and West could well have as a concomitant a subordinate policy of sowing seeds of discord in such trouble spots as the Near East.

We, therefore, conclude that it is well within Soviet capability to implement the reported offers of arms aid and that it is probably their intention to do so if the offeree governments accept their proposals.

Sincerely,

C. P. CABELL
Lieutenant General, USAF
Acting Director

THE SOVIET ARMS OFFER TO EGYPT

I. THE SOVIET OFFER

A. Chronology and Content

On 23 May 1955 Soviet Ambassador to Egypt Danil Solod reportedly offered, in response to a request by Egyptian Premier Gamal Abdel-Nasser, to supply Egypt with military equipment in exchange for cotton, with "no strings attached." Reports of the meeting vary in detail. The initial report (acquired 25 May) does not mention a specific offer, but states that Solod replied affirmatively to Abdel-Nasser's inquiry, and indicated that the items mentioned could probably be ready for shipment "within six weeks." 1/ A 29 June report of this same meeting stated: "The arms offer by Soviet Ambassador Solod, who pulled a list of available equipment and terms of purchase 'out of his pocket' at the 23 May meeting, has placed Nasser under a moral necessity to face the arms issue." 2/ A still later report (acquired 4 July) of this meeting stated: "At the 23 May 1955 meeting of Soviet Ambassador Danil Solod with Egyptian Prime Minister Jamal 'Abd-al-Nasser, Solod left a list of Soviet equipment and terms of purchase and delivery with 'Abd-al-Nasser.'" 3/

On 5 June, a report was received that Abdel-Nasser had designated Major General Hassan Naghib to head a mission to the Soviet

NIC
Aug

Union "to negotiate the purchase of artillery items offered for barter against cotton." 4/ This would appear to indicate that no definite offer had been made by the Russian Ambassador; that he probably responded to Abdel-Nasser's inquiry with an invitation to negotiate a deal, assuring him in advance that he would be able to negotiate favorable terms, and that if he left any list with the Egyptian Premier, it was no more than a list of the kinds of equipment which the Soviet Union has available. The detail of a supposed list was not included in the 25 May report, but was added in the 25 June account, more than a month after the fact, for reasons as yet undetermined.

The Soviet offer reportedly was repeated to Abdel-Nasser on 28 July by D. F. Shepilov, editor of Pravda and secretary of the Central Committee of the Communist Party, who offered additionally to sell destroyers to Egypt. Shepilov is also said to have remarked that it had been noted in Moscow that the Egyptian Government had not officially replied to the original arms offer, nor had action been taken on the proposed military mission to the USSR to implement this offer. 5/ This last statement contradicts the previous information that Abdel-Nasser had appointed the chief, at least, of such a mission. However, Shepilov's statement would indicate that he had not been informed of the appointment.

On 15 August, Egyptian Ambassador to Washington Ahmed Hussein reported to US Ambassador Byrnes in Cairo his (Hussein's) conversation of the previous day with Abdel-Nasser. In this conversation, Abdel-Nasser reportedly reviewed to Hussein the USSR

offers, and stated that Shepilov had also offered MIG aircraft and latest weapons, with quick delivery. Hussein stated that he was not shown the details of the Russian military offer, but that Abdel-Nasser did at one point mention 100 MIGs and 200 tanks. He also mentioned jet bombers which Russia is willing to sell for LS 37,000. Abdel-Nasser indicated that he had not given Shepilov a definite reply. 6/

Hussein quoted Abdel-Nasser as saying at this same meeting that three or four days previous, Moscow Radio had announced that the USSR was prepared to give free military assistance to Egypt. Nasser said he had taken steps to keep this out of the press, although the fact that such a statement had been made was getting around, and he thus felt compelled to bring the text of the monitored announcement up at the Revolutionary Command Council (RCC) meeting. Most of the transcript was published after Abdel-Nasser had deleted a portion dealing with military equipment, which was translated as follows:

Very highly informed sources announced that the Soviet Union is ready to supply Egypt with modern arms and military equipment free. These sources expect that negotiations would take place between the Soviet Union and Egypt about this subject in the coming days.

Hussein stated that the Israeli radio had picked up this portion and used it in two broadcasts, with appropriate references about the USSR.

The radio monitor of an Egyptian newspaper claims to have intercepted a Radio Israel transmission at 1100 hours Egyptian time which stated that "competent quarters" said the Soviet

Naïm was ready to send Egypt free arms. He claims also to have monitored a Radio Israel broadcast in Arabic at 1610 Egyptian time which repeated the offer, attributing it to Marshal Balgazin. Both broadcasts also mentioned economic aid offers from the USSR.

When the item was called to the attention of Abdel-Nasser, he had already heard of it. The Premier reportedly gave permission for publication of the monitored story, provided the arms offer was deleted, and the story appeared on 11 August in four Egyptian newspapers, with attribution to Radio Moscow. The attribution reportedly was added by an Egyptian newspaperman, who claimed to have misunderstood the monitor's report.

Neither British nor US monitors picked up either of the reported transmissions. US officials state they are convinced that Abdel-Nasser and other Egyptian officials are sincere in their belief that the transmission was authentic. The possibility exists that the portion of the text referring to the USSR offer of free arms was inserted into the transcript of an authentic transmission by person or persons unknown.

B. Conclusion as to Authenticity

The authenticity of the general offer of military assistance on a barter basis is generally conceded by US officials, but the supposed proposal for free military assistance from the USSR is open to serious question. Abdel-Nasser has not shown or reported to US officials any official proposal from Soviet

~~SECRET~~

25806

representatives for such free aid, and it is highly unlikely that the Soviet Union would make an offer of such far-reaching importance only in a radio broadcast whose reception and audience was uncertain.

5
~~SECRET~~

II. EGYPTIAN MOTIVESA. Presentation of Soviet Offers to US Officials

The Egyptian Government has been engaged in protracted and so far fruitless negotiations with the US Government for military assistance on terms it can afford. Policy considerations and the possibility of setting undesirable precedents have hitherto prevented the US from acceding to Egypt's terms, which offer nominal payment. Recently, the reports of Soviet offers have been regularly brought to the attention of the US Embassy in Cairo, in efforts to influence the negotiations. The fact that successive reports have added details to the original, rather general, account of the meeting between Abdel-Nasser and Soled would seem to indicate efforts to bring increasing pressure to bear on the US decision. Although Soviet Ambassador Soled is reported to have left a list of available equipment and terms of purchase with Abdel-Nasser, the latter has never shown such a list to US officials, which casts doubt on its existence in fact.

Prime Minister Abdel-Nasser is impressed with the weakness of his position and feels strongly that he must secure arms and economic help at the earliest possible date. Whether he would, if unable to secure this type of aid elsewhere, accept Soviet military and economic assistance is not at the moment entirely clear, but there is a serious risk that for internal political reasons he might feel himself driven to this.

Egyptian motives in injecting the purported broadcast offer of free aid into the negotiations are unclear. Abdel-Nasser did not himself report this development to Ambassador Byrnes,

~~SECRET~~

but to Hussein, who in turn repeated it to Byronds. The question arises as to why the Egyptians would cite as proof of the alleged offer nothing more official than a purported transcript of a broadcast transmission made from a third country. Abdel-Hasser is reported to believe sincerely that the broadcast occurred. Yet he does not question the plausibility of the Soviet Union's making an offer of such magnitude and such obvious propaganda implications via a radio broadcast, rather than officially and secretly to the head of state. The logic of such a move on the part of the Soviet Union is doubly remote when one considers that the transmission was purported to emanate from a third country.

B. The Possibility of a Deception

The lack of any evidence confirming the alleged broadcast offer, as well as the obvious incongruities concerning Soviet motivations in initiating such a broadcast, raises the possibility of a deception, executed by persons unknown. The Soviet motive for authorizing a broadcast of the arms offer is almost incomprehensible, since such a broadcast would undoubtedly challenge the US to make counter-proposals. Several other possibilities suggest themselves. The purported bid may have been a naive attempt to force a favorable decision from the United States by climaxing increasingly embellished reports of Soviet barter

7
~~SECRET~~

proposals with an apparently ace offer. But this theory would place Abdel-Nasser in the role of party to the deception, while US officials believe that he is sincere. This leaves the possibility that certain persons in Egypt, possibly among those advising and influencing Abdel-Nasser, are trying to aggravate the insecurity of his position. The Radio Moscow attribution was added by a newspaperman before publication of the story, although the information supposedly was based on the Israeli broadcast. The paragraph relating to the military offer was deleted from the transcript before it was published; it could just as easily have been inserted into the transcript before it was typed.

C. Egyptian Expectations

There are elements in Egypt which would welcome closer ties with the USSR for their own ends, possibly including the overthrow of Abdel-Nasser, or at least a rupture in relations with the United States. These elements can be expected to press for acceptance of Soviet offers of assistance. The offers will also appeal to neutral forces in Egypt, who see acceptance of Russian aid as an example of Egypt's freedom of choice. There is no doubt that Egypt needs military equipment. Her field artillery consists of little more than 100 pieces, of which all but 17 105-mm howitzers of recent Spanish manufacture are obsolete British models. V Efforts to increase the quantity and improve the quality of artillery from Western sources have been unavailing. What cannot be obtained from the US and UK will be obtained from whatever market possible. Abdel-Nasser may not be in a position to delay indefinitely in treating the Soviet offers.

III. SOVIET MOTIVESA. Reasons for Offer

Assuming that the Soviet barter offer of arms for cotton, as opposed to the alleged free offer, is bona fide, the reasons for the Russian move are readily apparent. Egyptian negotiations with the US being so far inconclusive, the moment was psychologically ripe for an offer from the East. Even some Egyptians who may basically fear to do business with Russia are sufficiently frustrated in their efforts to work out arrangements with the West to be susceptible to advantageous bids from the Soviets. The acceptance of Soviet aid by the Egyptians would represent an achievement consistent with the over-all Communist aim in the Arab League states: their denial to the West. With extensive Soviet military aid, Egypt would emerge as the leading power in the Middle East, to the eclipse of Iraq, and the Northern Tier concept of eastern defense would be jeopardized.

There is no evidence supporting the allegation that the Soviets did indeed make this offer an offer of free military aid. A bona fide offer of free aid would be bound to bring a counter-offer from the United States, which would be more acceptable to Abdel-Nasser and would therefore nullify the Soviet effort. Therefore, if such aid was contemplated the approach would have been made secretly to Abdel-Nasser, or possibly to

someone within the RCC more amenable to Soviet friendship. But it almost certainly would not have been made openly in a radio broadcast for all the world to hear (including the possibility that it might not be heard by Egyptian officials at all).

Available evidence indicates Russian capability to supply Egypt with arms and ammunition. The Red Army reportedly is replacing much of its artillery with newer weapons, and it is these discarded models which would probably be offered to Egypt. 8/ Last spring, following the Gaza incident, Egyptian officials purchased some arms from Czechoslovakia, 9/ and the Czechs have recently also offered military planes in exchange for cotton. 10/

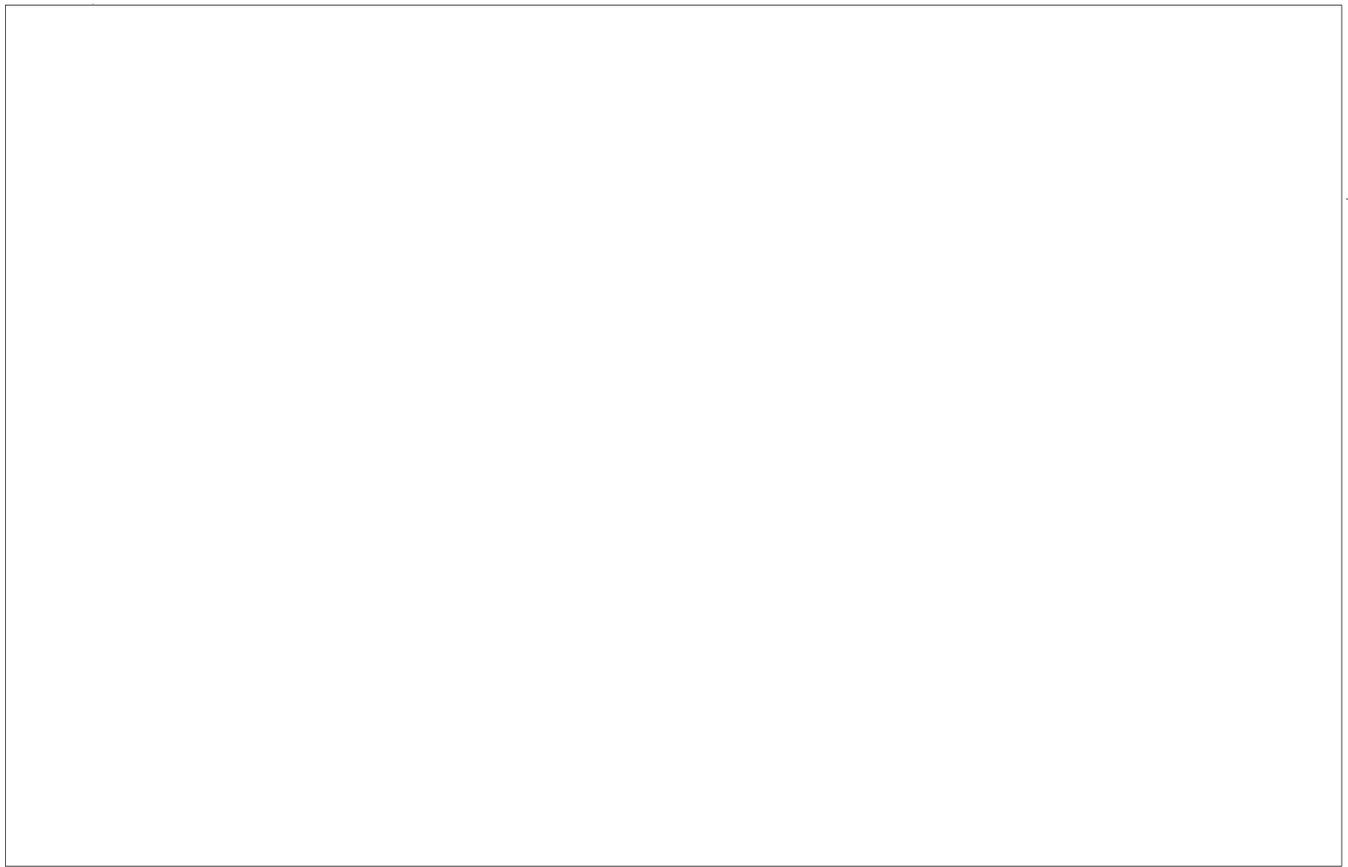
B. Intentions

An arms agreement with Egypt could be presented by the USSR as a legitimate trade arrangement advantageous to both sides, although to secure an agreement it is possible that the Soviets would agree to terms more favorable to Egypt. As stated, the Soviet Union probably has sufficient surplus equipment outmoded by newer models to fill many of Egypt's needs. Even if the Soviet Union itself could not supply the armaments, Czechoslovakia could, which would have the same effect.

The possibility cannot be excluded, nevertheless, that the Soviet offer was made with the expectation that it would be rejected by the Egyptians.

Aware of Abdel-Nasser's basically anti-Communist attitude, and possibly counting on his refusal to negotiate an arms agreement, the Russians may have sought to weaken his position in the NUC. They may also have hoped to sow seeds of distrust of Abdel-Nasser in the minds of US officials, who could be expected to resent any implication that he was secretly dealing with the Russians. At the same time, the Soviets could count on a wave of public opinion favorable to the USSR as the result of such an offer. Nationalistic pride would swell at the prospect of Egypt's not being dependent on the West for aid; the possibility of a choice of allies, whether exercised or not, is a ready experience.

~~SECRET~~



~~SECRET~~