

**SECRET**

**REPORTING ON SYRO-SOVIET NEGOTIATIONS**

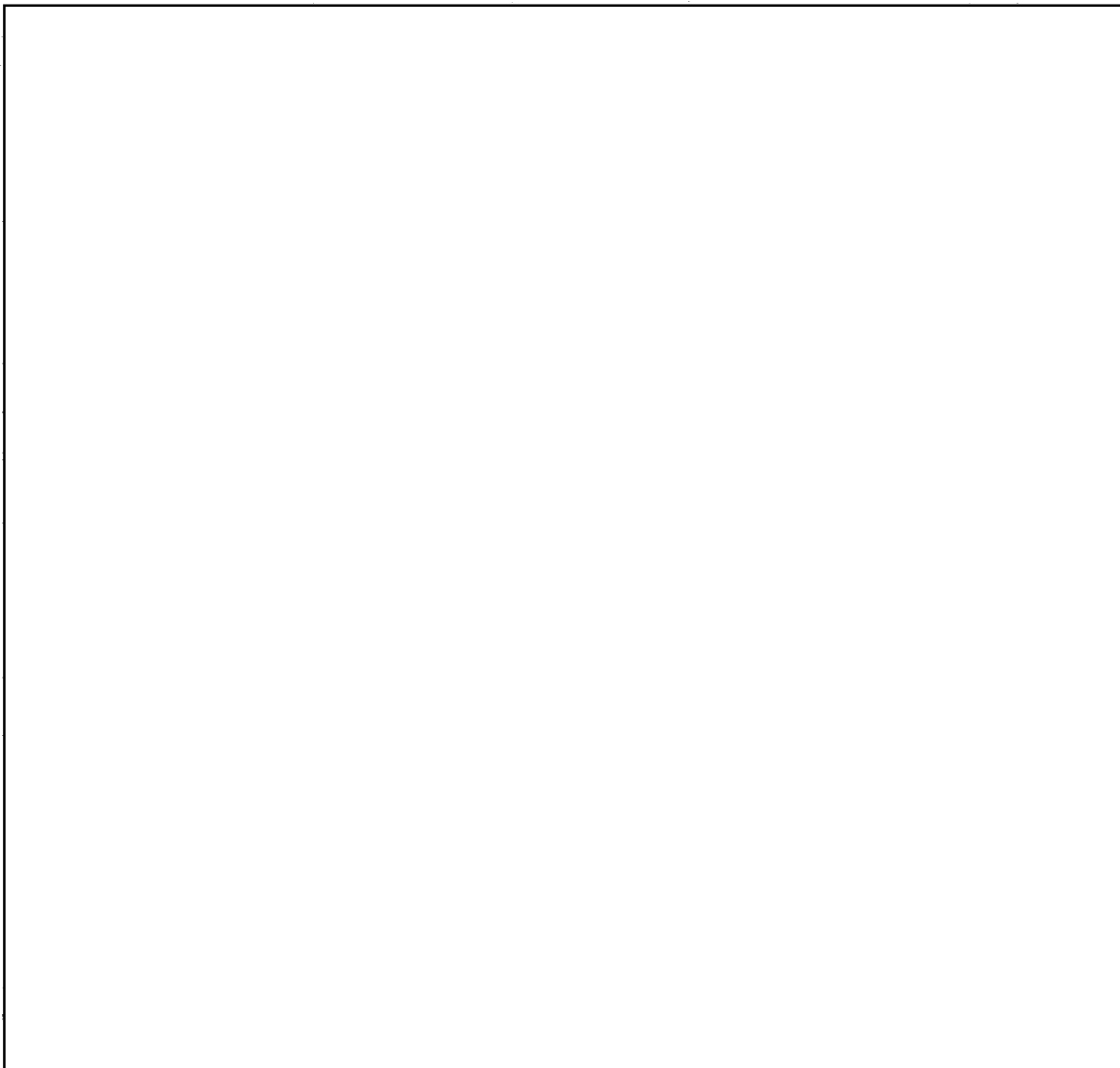
**28 August 1957**

**State Department review completed**

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**SECRET****REPORTING ON SYRO-SOVIET NEGOTIATIONS**

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31 July 1957

State telegram 281, Damascus,  
Unclassified

Moscow reports Syro-Soviet talks ended; agreement  
being drafted lending Syria \$500 million payable  
in 10 years

The 31 July edition of Naj al-Am (leftist, authoritative) cited a report from Moscow that Syro-Soviet talks have ended, and that an agreement is being drafted to lend Syria \$500 million payable in 10 years.

The report quoted acting Syrian Minister of Defense Khalid al-Azm as saying that a joint communique would be issued on 3 August, and that Syria, whose economy is sound, has received a loan without conditions.

Al-Alem reports the loan covers railroads, a chemical factory and a radio station.

According to Al-Nur (Communist-line), Prime Minister Sabri Asali stated that the Syrian delegation's return date has not been fixed, and that the Syrian Government has no report on the progress of talks.

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**SECRET**SOURCESUMMARY

1 August 1957

Syro-Soviet negotiations result in transactions valued at £S 400 millionState telegram 292, Damascus,  
ConfidentialReporting on the negotiations, the Damascus leftist daily Rai al-Am stated:

1. The transactions which Syria has concluded are valued at £S 1,300 million; the Syrian delegation succeeded in reducing the price to £S 400 million.
2. Payments on these transactions are to be made over a 10-year period.
3. Syria will get from the Soviet Union aid for machinery to implement its major projects.
4. Acting Defense Minister Khalid al-Azm stated in Moscow that Syria has not taken a grant but has made purchases without conditions.
5. Minister of Public Works Fakhir Kayyali said that the results are important for Syria's independence and safety.

Commenting on the Rai al-Am report, Secretary General of the Syrian Chamber of Commerce, Hammur, told a U.S. Embassy officer on 1 August that the value of "goods and service" was only £S 400 million, and that Rai al-Am's distortion was designed to increase the stature of al-Azm as a brilliant negotiator with the Syrian public.

1 August 1957

USSR reportedly offers Syria large loanOCI, Current Intelligence  
Digest, 1 Aug 57, Secret

The USSR has agreed to lend Syria \$112,000,000 including funds for Syrian development projects, according to the authoritative leftist newspaper Rai al-Am in Damascus on 31 July. The

Syrian delegation headed by Defense Minister Khalid al-Azm now in Moscow reportedly will sign the agreement on 3 August. The loan will be repayable within 10 years. The agreement reportedly will include a reduction or cancellation of arms payments.

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Comment: Another Syrian newspaper reported the same day that the projects included chemical plants, railway equipment, and a radio station.

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7 August 1957

Joint Communiqué on Syria-USSR talks

FBIS, Daily Report, Western Europe and Near East, Damascus, in Arabic to Syrian and Near East, 6 Aug 57, 2015 GMT--M, 7 Aug 57, Official Use Only

Moscow issued a joint communiqué on the discussions conducted by the Syrian delegation with the Soviet Government. Khalid al-Azm has signed this statement on behalf of the Syrian Government and I.I. Kuzmin, Deputy Chairman of the USSR Council of Ministers, on behalf of the Soviet Government.

The joint official communiqué is as follows:

From July 24 to August 6, 1957, the Soviet Union was visited by a Syrian Government delegation headed by Khalid al-Azm, Minister of State and acting Defense Minister. During the delegation's stay in the Soviet Union they were received by Khrushchev, member of the Supreme Soviet Presidium; Bulganin, Chairman of the USSR Council of Ministers; and USSR Minister of Defense Marshal Zhukov.

The Syrian delegation conducted negotiations with a Soviet Government delegation. Soviet representatives who took part in the negotiations were: Kuzmin, Deputy Chairman of the Council of Ministers; (name indistinct--Ed.), Deputy Minister of State for Foreign Affairs attached to the Council of Ministers; the Deputy Finance Minister; Semenov, Deputy Minister for Foreign Affairs; (Borisov), Deputy Minister of Foreign Trade; and Chief of the Soviet General Staff Sokolovskiy.

The Syrian side consisted of: Khalid al-Azm, Minister of State and Minister of National Defense; Fakir al-Kayyali, Minister of Public Works and Communications; Maj. Gen. Tawfiq Nizam and adDin, Chief of Staff; Jamal ad-Din al-Farra, Syrian Ambassador to the Soviet Union.

The negotiations were conducted in a cordial and friendly atmosphere. The two sides exchanged with frankness a wide range of questions of interest to the Soviet Union and Syria, within the framework of the good and cordial relations existing between the Soviet Union and Syria and in accordance with the desire of both sides to promote peace and security in the Near and Middle East.

During the negotiations, the question of promoting economic relations between the two countries was discussed. It became apparent that the Soviet Government's efforts to consolidate Syrian independence, both politically and economically (few words indistinct).

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**SECRET**SOURCE

7 August 1957 (cont'd)

SUMMARY

The Soviet delegation declared that the Soviet Government, in its desire to promote the development of the Syrian economy and in response to the wishes of the Syrian Government, is ready to co-operate with the Syrian Government regarding the construction of railways, roads, irrigation establishments, power plants, industrial plants, and other projects.

The Syrian delegation has received the above with satisfaction. Both sides have decided that this cooperation should also include the undertaking of geological studies, surveys, prospecting, the drafting of plans, the building of industrial institutions, and such things. Furthermore, the Soviet Union should dispatch experts for this to Syria as well as equipment not found in Syria.

Both sides decided that for the sake of achieving the agreement which has taken place between them on economic cooperation, an economic delegation from the Soviet Union consisting of experts in the above-mentioned fields should go to Syria as soon as possible. It was also decided that as a result of the visit of this delegation, the appropriate agreement will be concluded with regard to implementing measures of the economic cooperation between the Soviet Union and Syria.

The USSR Government has agreed to give positive consideration to the question of offering the Government of the Syrian Republic credit to pay the cost of planning, surveying, equipment, experts, and such technical work. The type and duration of technical support, the amount of credit, and the conditions on which it will be given--all these will be specified after the experts from both sides have prepared the recommendations for them.

The Soviet side has declared that this economic and technical cooperation will take place without any political or similar conditions. It will be on the basis of equality, mutual advantages, nonintervention in internal affairs, and complete respect for national security and the sovereignty of the Syrian Republic.

In the course of the negotiations the two parties felt with satisfaction that the trade exchange and payments agreement concluded between the Soviet Union and Syria at the end of 1955 had helped to expand trade relations based on the exchange of benefits by the two countries. The two parties also realized that the present scope of trade exchange between the Soviet Union and Syria has not yet attained the limit of the possibilities in this connection.

The two parties stressed the need for the adoption of the necessary measures to widen the scope of trade between them since this is consistent with the interests of the two countries. Consequently, the two parties decided to carry out at the earliest possible opportunity negotiations in Moscow between competent representatives of the two governments regarding the question of increasing the volume of goods and their varieties.

In accordance with the wishes of the Syrian side, competent Soviet authorities will consider favorably the sale to Syria of its requirements for machines, equipment, commodities, and other goods, and the purchase by the Soviet Union from Syria of grain from the current crop, larger quantities of cotton, and other goods. These matters will be discussed in detail during the negotiations which are scheduled to be held.

The negotiations also dealt with the question of the payment of the value of goods previously consigned (to Syria--Ed.).

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**SECRET**SOURCESUMMARY

10 August 1957

Public comments on Syro-Soviet communiqueState despatch 68, Damascus,  
10 Aug 57, Confidential

Public comments by Cabinet officials, leftist deputies and press were generally ecstatic, while opposition deputies and papers were generally either non-committal or berated the

United States for forcing Syria into a deal with the Soviet Union. No individual or organization publicly criticized the agreement.

US Damascus Embassy Joint Weeks comment

The communique, while not conclusive, furnishes the framework for future definitive agreements in the commercial and development fields; appears to represent the public commitment of Syria to a pro-Soviet, anti-United States course and an abandonment of "positive neutrality"; reflects an apparent disrespect of the ruling clique for internal and external opposition; and presages further penetration of Syria by Soviet personnel and organizations, possibly including entry into Middle East oil exploration and exploitation.

The communique omits mention of Soviet security guarantees, amounts and types of Soviet credit or loans, revised terms for arms payments, as a commitment to make continuing purchases of specific amounts of Syrian agricultural products. The scope of the agreement will be largely dependent upon future negotiations.

Zhukov and Khrushchev alleged to have promised Syria full Soviet aid

The co-editor of Damascus daily Rai al-Am (leftist) reported interviews from Moscow in which Khrushchev was quoted as stating "Syria's safety is guaranteed and the Soviet Union will not permit an aggression against it," while Zhukov promised Syria "every possible aid from the Soviet people, Government and Army." Khrushchev also allegedly accused American imperialists of provoking their agents to change Syrian liberative policy, asserted Israel's existence would be endangered if its aggressions continued and stated that the Soviet Union will never deviate from supporting the Arabs.

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14 August 1957

Syro-Soviet agreement reported to total \$ one billion; \$ 650 million for economic and technical assistance, \$ 350 million for military aidState, unnumbered telegram,  
Beirut, Unclassified

The most detailed story on the Syrian-Soviet accord which the Embassy has so far seen in the Lebanese press was published August 7 by the Beirut daily As Siyasa, owned by Abdullah Yafi, a prominent opposition leader and former Prime Minister. The article, written by the paper's "special diplomatic correspondent" and published under two banner headlines on page one, stated the agreement signed in Moscow was for economic aid and technical assistance totaling \$ 650 million and for military aid of \$ 350 million including two submarines and heavy artillery.

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**SECRET**SOURCESUMMARY

14 August 1957 (continued)

According to this exclusive article, 120 Syrian naval officers and men will be trained at Gdynia, Poland, in the operation of submarines and other naval craft; Syrian army personnel will receive training in the use of field artillery, anti-aircraft weapons and radar in Czechoslovakia; and Syrian air force crews will be trained in Moscow for the operation of MIG-17 and IL aircraft.

The article also says that the US 650 million of economic aid will be used for agricultural and industrial projects and will be disbursed to Syria in a four-year period. It will be repaid by Syria in 10 years with terms of payment providing for two-third's payment in products and one third in currency generated from Soviet purchase of Syrian products and goods. The military aid is a 20-year loan. (Provisions of repayment were not given.)

According to As Siyasa, the Soviet Union has agreed to intervene on "the side of Syria" against any armed aggression. A cultural agreement was concluded at the same time providing for increased exchange of delegations and "publications" between the two countries.

The article concluded with an account of the ceremonies held at the conclusion of the talks in Moscow and of a reception given by Khalid al Azm, Syrian Minister of State and of National Defense, who led the Syrian delegation to Moscow.

Although the Tass release of the Syrian-Soviet talks was published by many papers, there has been no other similar detailed account published in Beirut to date.

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State, Tel. 172, Bern,  
Confidential

Egyptian Ambassador in Moscow reported to have stated that al-Azm "has gone too far" in his Moscow negotiations

The alleged statement by the Egyptian Ambassador was reported by Nadim Dimashqiyyah, Lebanese Minister to Bern, who quoted a "reliable report" from Moscow.

20 August 1957

Air, AA, C-331, London,  
21 Aug 57, Confidential

Soviets to build 8 airdromes and deliver 120 aircraft, according to terms of a secret agreement between Azm and Soviets

The 21 August issue of London Daily Telegraph referred to a France Soir article published on 20 August reporting the signing of a secret agreement in Moscow between Khalid al-Azm, Syrian Defense Minister, and the Soviet Government. The main point of the agreement is that the Russians will build 8 airdromes in Syria before 1960 and 8 others in subsequent years; Russia also agreed to deliver 120 aircraft to Syria including a Wing of MIG-15 fighters, a Wing of MIG-17's, and later supplying a Wing of MIG-19's. France Soir did not reveal the source of its information.

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21 August 1957  
 State, SS telegram 562,  
 Damascus, 24 Aug 57, Confidential

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Secretary General of Syrian Foreign Office Tarazi  
tells [redacted] that no agreement was  
signed in Moscow and that only an understanding  
was achieved

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In answer to a question made by [redacted] concerning the terms of the agreement between the Azm mission and the Soviets, Tarazi, according to Kural, vigorously stated that no agreement was signed, that only an understanding was achieved, and that Azm had no power to negotiate an agreement. Tarazi further stated that since there was only an understanding which required further negotiations of Syro-Soviet trade and payments agreement, there was nothing to be submitted to the Parliament. He added that the Soviets had agreed informally to take part of the Syrian 1957 wheat surplus.

[redacted] reported that during their conversation, Tarazi strongly belittled Azm. Tarazi stated that Syria turned to the USSR because (1) the US refused military aid to Syria, (2) the Soviets adopted the strongest position against the invasion of Egypt, (3) the Soviets supported Syria against Israel; and (4) Syria can obtain from the USSR unconditional aid for economic development and pay for most of it in products.

21 August 1957  
 State telegram 535, Damascus,  
 Unclassified

Syrian Foreign Minister Bitar says Syria has not  
signed agreement accepting Soviet aid, but only  
issued joint communique defining framework which  
could be basis for development of Syria

Bitar's statement was made in an interview with the representative of Universal Television, as reported in the Syrian press on 20 August.

21 August 1957  
 State telegram 535, Damascus,  
 Unclassified

Syro-Soviet agreement said to include purchase of  
two submarines and training of Syrian officers in  
Poland

Various Syrian papers reported on 20 August a Middle East News Agency story that the Soviet agreement includes purchase of two submarines and despatch of Syrian officers for training in Poland.

21 August 1957  
 State telegram 535, Damascus,  
 Unclassified

Syrian Economic Development Council to present to  
Azm shortly outline of economic program envisaged  
in Moscow and Prague agreements

According to 20 August Syrian press reports, the President of the Economic Development Council, Jabbara stated:

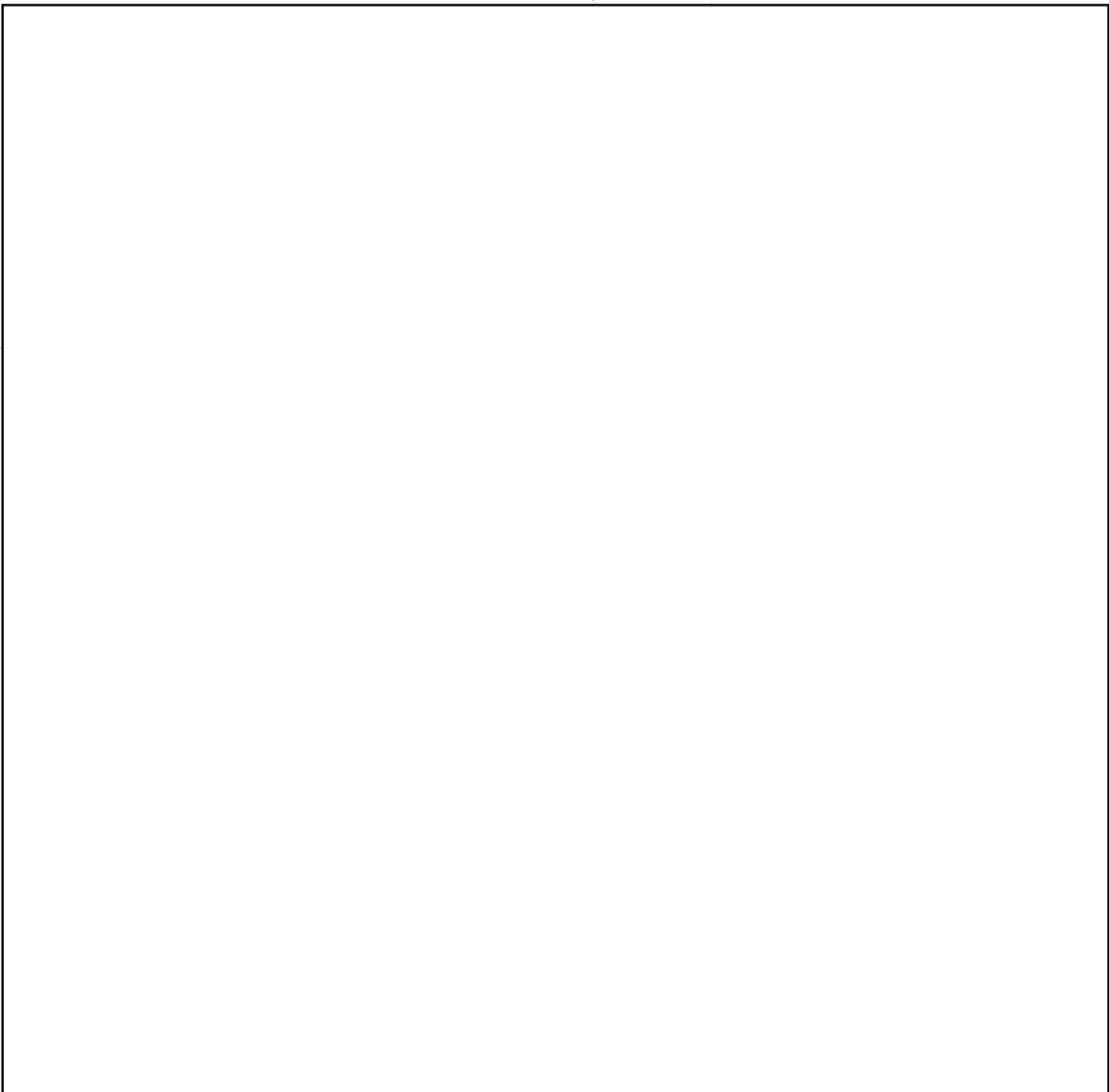
- (1) The Council will present to Acting Defense Minister al-Azm shortly an outline of the Syrian economic program envisaged in the Moscow and Prague agreements, including development of communications, hydraulic power, dams, and industrial enterprises.
- (2) Following consideration of the outline, the next step is the early departure of the (Syrian) delegation to Moscow.

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23 August 1957

State telegram 569, Damascus,  
Unclassified

Al-Azm's Moscow negotiations covered by 6 August  
joint communique, says Tarazi

In a 22 August interview with American and foreign correspondents, Foreign Office Secretary General Tarazi stated that al-Azm's negotiations were covered by the 6 August joint communique. He added that no other agreements were concluded and that execution of the projects is to be left in the hands of experts and technicians of both countries. (In this connection, note State telegram 562, dated 24 Aug)

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SOURCE

SUMMARY

23 August 1957

Al-Azm reportedly had no powers of negotiations from Government of Syria; no formal agreement was signed

State telegram 564, Damascus, Confidential

On 22 August a reliable Arab source with excellent local contacts told US Charge d'Affairs Strong that Prime Minister Asali had informed him that (1) Al-Azm had no powers of negotiation from the Government of Syria; (2) Azm went to Moscow without a Cabinet decision; (3) no formal agreement was signed; (4) the Arab Socialist Resurrection Party is opposed to the Moscow understanding but it is faced with a fait accompli and lacks the courage to face down to Al-Azm over these differences.

23 August 1957

Alleged secret terms of Syro-Soviet Moscow agreement disclosed by Turkish Embassy in Moscow

25X1 State telegram 382, Moscow  
25X1 Secret

On 23 April [redacted]

25X1 [redacted] terms of a secret Soviet-Syrian agreement signed during the recent visit of the Syrian delegation to Moscow.

The USSR supports Syrian aspirations for the creation of greater Syria by territorial acquisitions from Turkey, Lebanon, Israel, Iraq and Jordan.

Syria is to adopt a Communistic form of government and coordinate its policy with the USSR. Khalid Bakdash is to become president and Khalid al-Azm, Prime Minister.

The USSR is to provide sufficient support to Syria, Egypt and Greece (Cyprus) to neutralize the Turkish threat to Syria.

The USSR is to assist in the reorganization and reequipment of Syrian armed forces, police, gendarmes, press and radio.

The Soviet Union promises economic, military, political and cultural support, as required, to implement the foregoing.

Additional agreements provide for:

- (a) Soviet assistance for improvement of rail, highway, port and irrigation facilities;
- (b) Construction of 4 grain elevators, 3 hydroelectric power stations, 3 cement plants, 2 textile factories and 1 each cotton gin, locomotive and automotive repair shops.
- (c) Extension of long term credit of \$120,000,000.
- (d) Military aid; conversion of 6 infantry regiments to 6 mechanized brigades; organization of a tank brigade; and conversion of a desert (camel) brigade to a motorized infantry regiment. Construction of a submarine base 16 kilometers from Latakia and acquisition of 3 to 5 Coast Guard cutters. Acquisition of 48 MIG 15 and MIG 17, and 36 IL 28. By 1960 the completion of construction of 8 jet airfields and establishment of E/W, meteorological and logistical systems for the Air Force. Increase the present 225 Syrian Army, Navy, and Air Force personnel receiving training in the Soviet Union to 500.

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24 August 1957

Prague negotiations dealt only with postponement of payments for arms receivedState telegram 96, Prague,  
Confidential

At the Rumanian reception last night in Prague the Syrian Minister said that in spite of the communique and the "noise" in the press in Prague,

the recent Syrian delegation in Prague only discussed the postponement of payment for Czech arms thus far received. The Czechs, he said, had agreed in principle, and a Syrian delegation was coming to Prague in September to discuss new payment terms. The Syrian Minister mentioned "160 million" as the amount involved, but due to interruption at this point, I did not learn in what currency. The Syrian Minister also stated that the only "important" negotiations were held in Moscow, but there was no opportunity to expand on this point.

26 August 1957

Syrian Minister of Public Works discloses main points of Syro-Soviet agreementState telegram 594, Damascus,  
Unclassified

In a 24 August press conference, Syrian Public Works Minister Kayyali, who returned to Damascus on 23 August from Moscow and Prague stated that:

- (1) An agreement has been reached whereby the USSR will help Syria to implement development projects, furnish the necessary equipment for the Latakia-Qamishuys railroad and highway network, undertake geological surveys, construct industries ("fertilizer, paper, etc."), and provide the necessary materials for factories without any condition of any type."
- (2) A mission of Syrian experts will study projects and costs.
- (3) Long-term payments agreed on at an interest rate not exceeding 2.9 percent.
- (4) Soviet experts will supervise building of the Czech refinery for LS 350-400 thousand, whereas a Belgian firm had asked for nearly LS one million.
- (5) Soviet translation and study of the refinery blueprints will be completed within 50 days.

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