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DIRECTORATE OF
INTELLIGENCE

Intelligence Report

Soviet Military Aid to the United Arab Republic, 1955-66

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RR IR 67-9

March 1967

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SOVIET MILITARY AID TO THE UNITED ARAB REPUBLIC* 1955-66

Summary

Since the Western monopoly of arms supply to the Middle East ended in 1955, the USSR has extended to the United Arab Republic (UAR) military equipment worth \$1.16 billion at Soviet list prices—more than 60 percent of it as grants and the remainder on easy credit terms. About 90 percent of this aid has already been delivered. Although deficiencies remain, Soviet assistance has improved the combat capabilities of the UAR armed forces and has promoted Nasser's bid for leadership in the nonaligned world. At the same time, the program has increased Moscow's influence in the UAR and the Middle East generally and has served to reduce Western influence in the area. The Soviet military aid program has had important benefits for both countries, and the USSR will almost certainly continue it.

In addition to the aid it extended directly during 1957-65, the USSR sponsored Czechoslovak extensions of million (including downpayments of million) to Egypt in 1955-56. It also has furnished substantial military technical assistance (at UAR expense) since 1955. Soviet arms have been furnished under unusually attractive conditions: relatively low prices, large discounts from these prices, no downpayments, credits at 2 percent interest with payment in goods, lengthy repayment periods, full technical support, and no visible political strings.

Most Soviet arms deliveries have consisted of modern equipment, including surface-to-air missiles (SAM's), several generations of jet fighters and bombers, naval craft ranging from destroyers to missile-

* This report was produced by CIA. It was prepared by the Office of Research and Reports and coordinated with the Office of Current Intelligence and the Office of National Estimates; the estimates and conclusions represent the best judgment of the Directorate of Intelligence as of March 1967.

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firing patrol boats, and a wide variety of land armaments. The UAR was the first non-Communist recipient of several advanced weapons systems from the USSR.

Soviet arms deliveries have been accompanied by a rapid growth in UAR defense expenditures. These expenditures were mainly for the personnel and facilities of an enlarged military establishment, since payments to date for Soviet-supplied weapons have totaled only about \$220 million. Military expenditures have ranged from 6 to 8 percent of gross national product (GNP) during the past 10 years and have placed a heavy burden on the strained economy.

Military deliveries, together with economic aid deliveries and growing commercial exchanges, have greatly increased the role of the USSR in UAR foreign trade. The Soviet share of the recorded trade turnover of the UAR (which excludes most military imports) rose from 4 percent in 1955 to 15 percent in 1957 and has subsequently ranged from 10 to 14 percent. Including military imports, the Soviet share is considerably larger.

With his improved military establishment, Nasser has acquired increased prestige and broadened his sphere of influence. His close relationship with Moscow, however, has also made the UAR almost completely dependent on the USSR for military replacements, spare parts, and technical support and, except for Afghanistan, more dependent on the USSR economically than any other less developed Free World country. This dependence must make Cairo at the least consider Moscow's views before embarking on ventures that might be inimical to Soviet interests.

Despite the fact that Soviet interests are not always served by Nasser, the USSR apparently regards the benefits from its arms aid to the UAR as worth the cost. Military assistance is perhaps the most effective instrument of Soviet policy toward the UAR, since it so closely relates to the elemental fears and aspirations of the Nasser regime. For the next several years, at least, Moscow seems prepared to furnish additional military aid and to accept the complications in its foreign policy that arise from its support of Nasser, in the larger interests of preserving its influence in the UAR and other Arab countries.

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I. Soviet and Egyptian Motivations

In contrast to the traditional Soviet policy of fostering the growth of militant local leftwing groups subservient to Moscow in the less developed countries, the post-Stalin regime placed primary emphasis on currying favor with the existing governments of these countries. The first significant manifestation of this new policy was the extension of economic aid credits to Afghanistan in early 1954 and to India in early 1955.

The decision of the USSR to respond to Egypt's request for military assistance in 1955 was part of its overall effort to expand its influence in the uncommitted states of Africa and Asia. The formation of the Western-sponsored Baghdad Pact in 1955 provided an additional reason. The Soviet leadership saw Egypt as the best means of circumventing Western attempts to organize the Arab nations into an anti-Soviet grouping; Moscow believed that Nasser—a symbol and inspiration to Arab nationalists—perhaps could be made to serve Soviet purposes as well as his own.

The USSR found in Egypt a political atmosphere highly conducive to its plans. In Cairo's view, the formation of the Baghdad Pact was a Western attempt to weaken Egypt's claims to a leading role in the Arab world and to strengthen Iraq, Egypt's traditional rival for leadership in the area. Moreover, Cairo was disillusioned with the Western policy of supplying arms to Israel while refusing (as Nasser saw it) to provide the Arabs with weapons to balance the Israeli purchases. Nasser had initially sought to procure arms in the West, but he could not obtain the types and quantities of equipment that he wanted from Western countries, which were concerned with preventing an arms race in the Middle East.

Nasser's fear of Israel was magnified as a result of the Israeli commando raids on Arab territory which began in 1953. Among other consequences, these raids exposed the weakness of the Egyptian army. As a result, the army was anxious to acquire sizable amounts of modern equipment rapidly, and Nasser, fearful of losing its support and having his regime overthrown, felt impelled to turn to Moscow for such assistance. As Nasser saw it, the acquisition of large-scale Communist arms aid promised to strengthen his position in the country, to project him as the unchallenged leader of the Arab nationalist movement, and

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to make Egypt a leading power in the nonaligned world. Egypt consequently signed Soviet-sponsored military aid agreements with Czechoslovakia during 1955-56 and the first of a long series of direct agreements with the USSR in 1957.

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II. Magnitude and Scope of the Military Aid Program

A. EQUIPMENT

1. Extensions and Drawings

Since 1957, when the first formal Soviet-Egyptian military aid agreement was signed,* the USSR has extended nearly \$1.16 billion worth of arms aid to the UAR (*see the table*), representing about 25 percent of all Soviet arms aid supplied to the less developed countries of the Free World. This figure includes only deliveries of military hardware; military technical assistance is provided under separate agreements and at UAR expense. Drawings have followed extensions of military aid with relatively little delay (*see Figure 1*), and an estimated 90 percent of the aid extended had been delivered by the end of 1966.

2. Prices and Terms

The USSR has generally quoted low list prices for its arms assistance to Cairo, usually below those for comparable equipment from Western countries. Moreover, it has discounted these prices—often by as much as two-thirds. The military aid extended to Egypt by the USSR through 1966 carried an aggregate list price of \$1.16 billion. This

* Soviet military aid to Egypt began in 1955, in the sense that the Egyptian-Czechoslovak accords of 1955-56 were Soviet-sponsored and deliveries of Soviet-made arms and Soviet technical assistance to Egypt began in 1955. For the purposes of this report, however, the accords of 1955-56 are considered extensions of Czechoslovak rather than of Soviet aid. Czechoslovakia not only provided the financial clearing facilities for the transactions but also supplied the bulk of the equipment.

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sum was discounted
The balance, _____ was to be repaid in goods (chiefly
cotton) over a _____ repayment period. A grace period of several
years was granted before the repayment period was to begin.

3. Deliveries

Soviet arms aid to the UAR has been larger in amount and more diversified than that provided to other recipients of Moscow's assistance, with the possible exception of Indonesia. Under the various agreements the UAR has received a wide variety of modern equipment, including advanced aircraft, SAM's, missile-firing patrol boats, and recent models of several other types of naval craft and of assorted ground equipment (*see Appendix A* and the photographs, Figures 2, 3, and 4*).

A substantial part of the Soviet equipment delivered to the UAR has been earmarked for the air force. Included in the deliveries have been _____ jet fighters, Tu-16 jet medium bombers, and Il-28 jet light bombers. About half of the jet fighters are advanced MIG-21's, equipped with air-to-air missiles, and late-model Su-7 fighter bombers, and at least _____ of the Tu-16 bombers are configured for air-to-surface missiles. The Egyptian air force also has received _____ transports, helicopters, and trainers as well as equipment for a complete surface-to-air missile system.

The UAR navy, which originally consisted of a few old British destroyers plus some obsolete patrol craft and auxiliaries, has received Skoryy-class destroyers, _____ submarines

Osa and Komar-class guided missile patrol boats, SO-1-class submarine chasers, minesweepers, _____ motor torpedo boats, and some auxiliary vessels and landing craft. Equipment for the army has included _____ light, medium, and heavy tanks; some self-propelled assault guns; _____ armored personnel carriers; and _____ artillery pieces, rocket launchers, and mortars plus large amounts of electronic equipment, vehicles, and small arms.

B. TECHNICAL ASSISTANCE

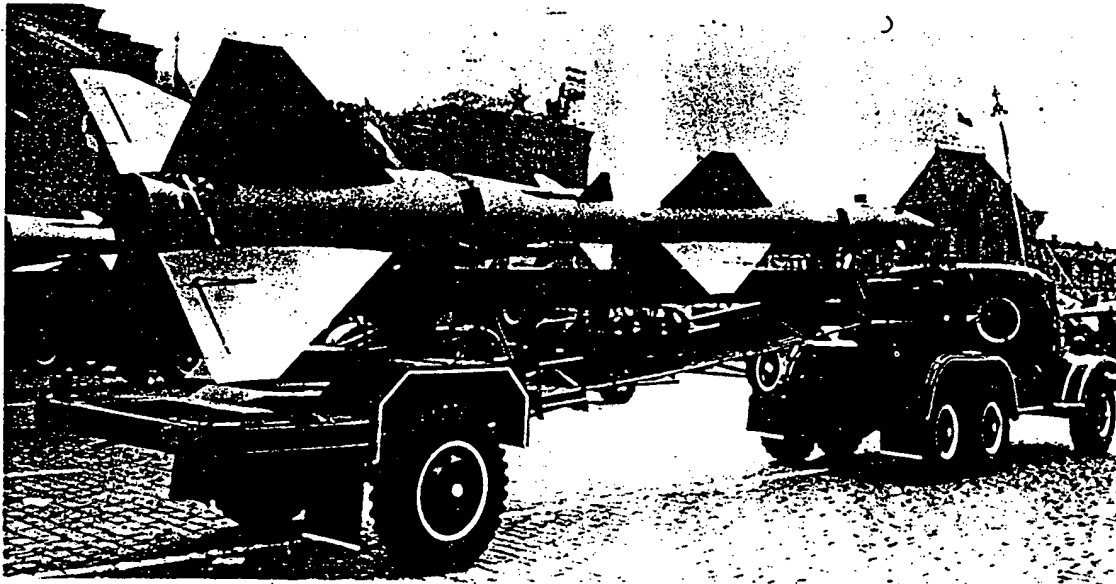
The relative complexity of the modern weapons systems received by the UAR has necessitated a high degree of skill to operate and

* Appendix A and the discussion in this subsection include deliveries of Czechoslovak- and Soviet-made equipment under the Czechoslovak-Egyptian accords of 1955-56.

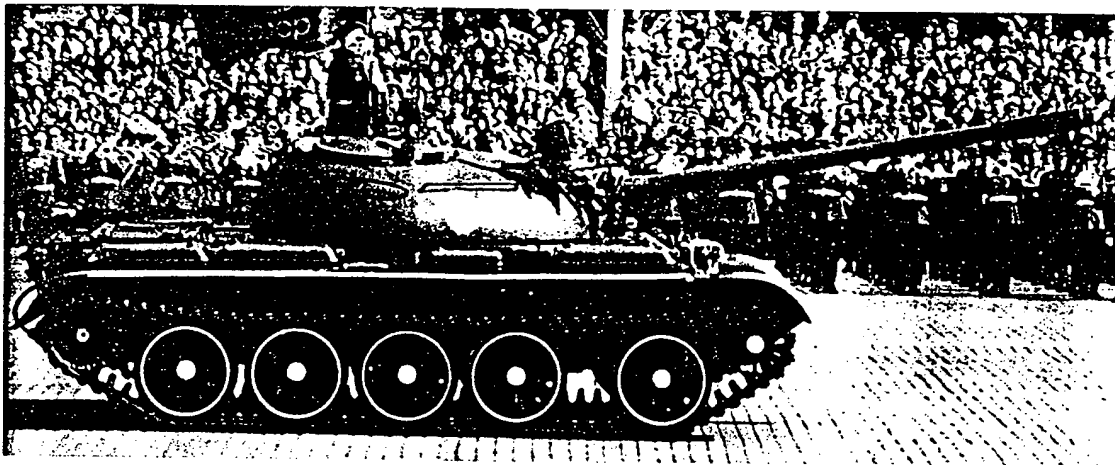
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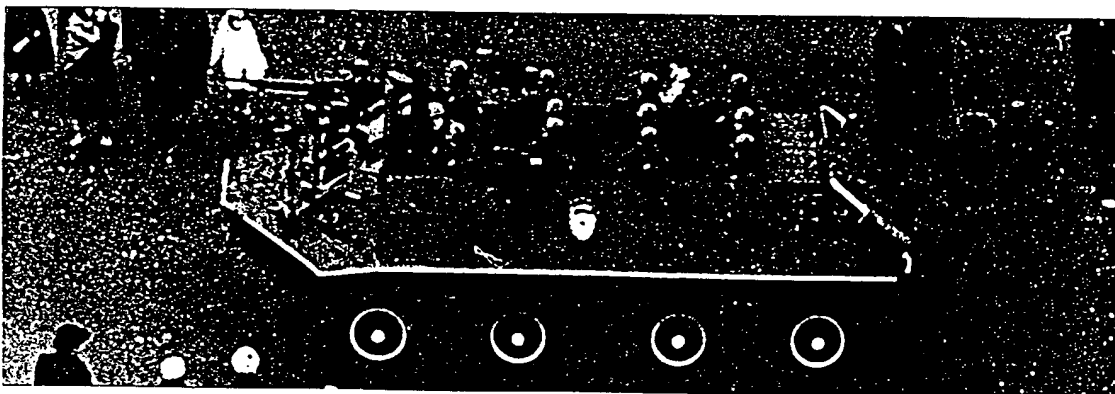
FIGURE 2. SELECTED SOVIET MISSILE AND GROUND EQUIPMENT
DELIVERED TO EGYPT



SA-2 SURFACE-TO-AIR MISSILE



T-55 MEDIUM TANK

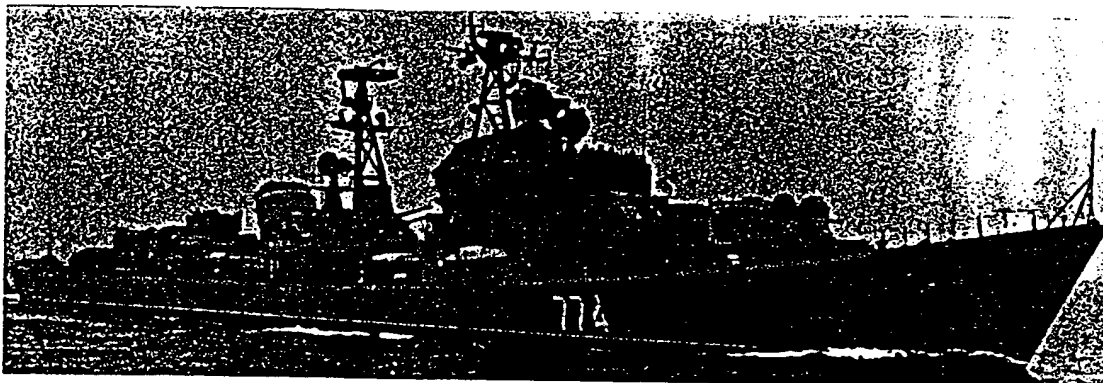


BTR-60P ARMORED PERSONNEL CARRIER

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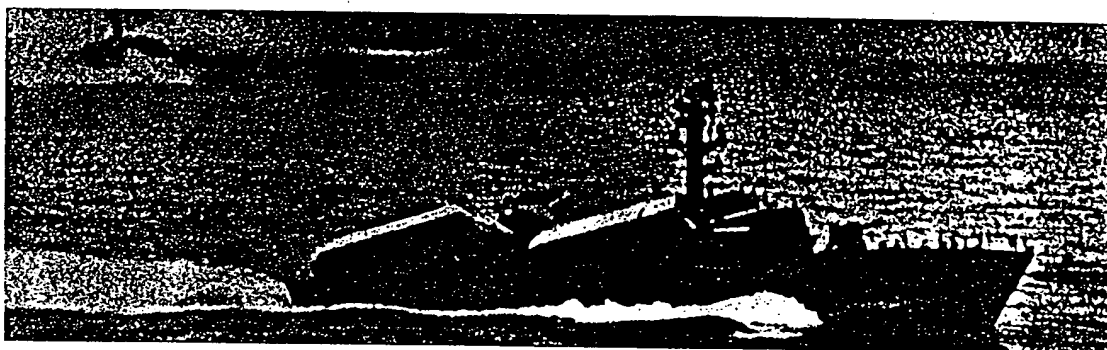
FIGURE 3. SELECTED SOVIET NAVAL CRAFT DELIVERED TO
OR ORDERED BY EGYPT



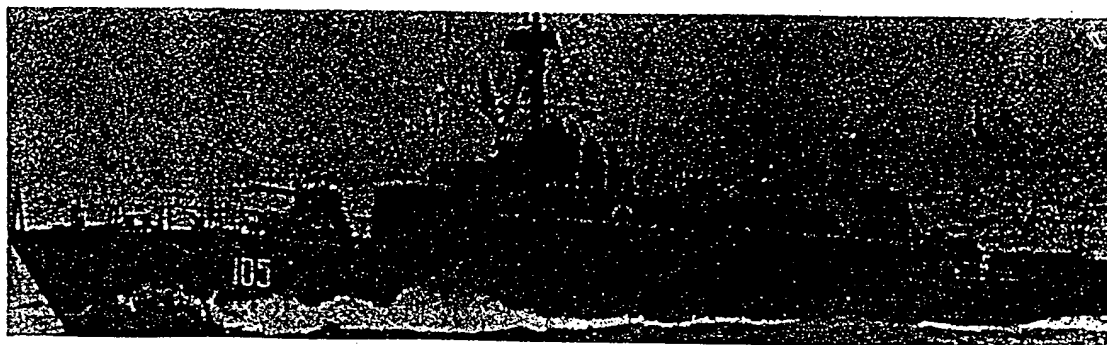
KOTLIN-CLASS DESTROYER



R-CLASS SUBMARINE



OSA-CLASS GUIDED MISSILE GUNBOAT

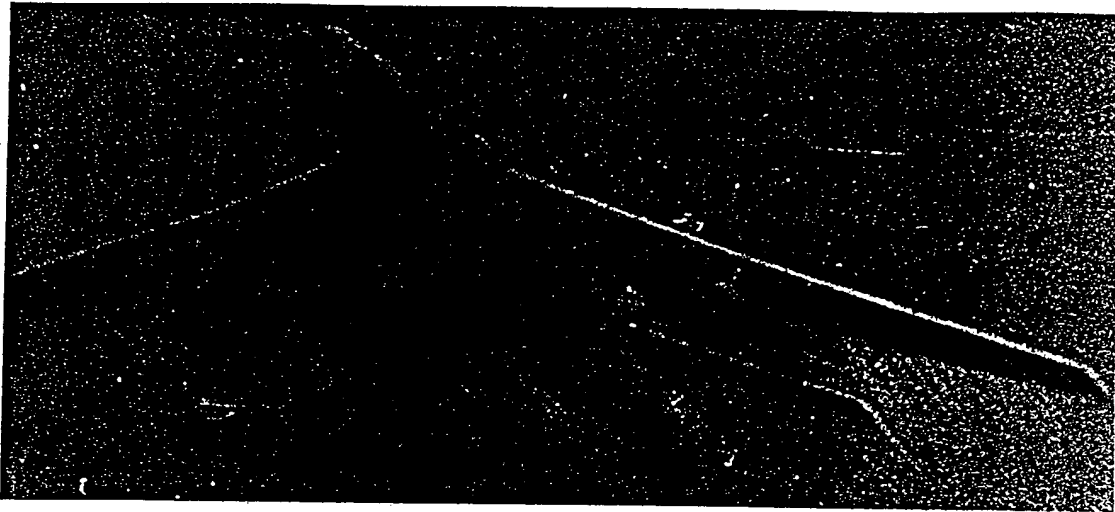


SHERSHEN-CLASS FAST PATROL BOAT

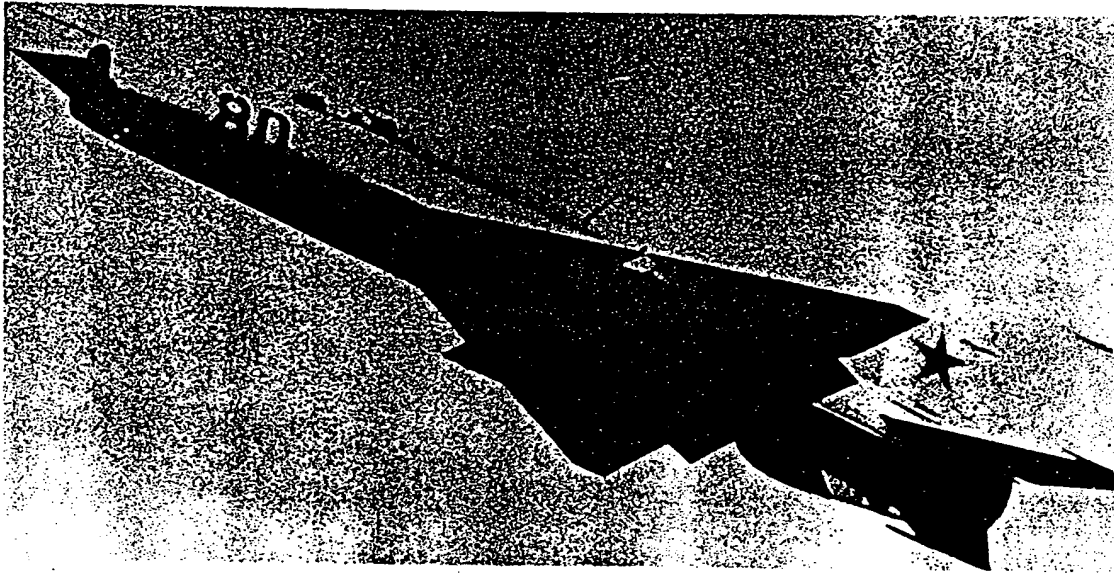
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FIGURE 4. SELECTED SOVIET AIRCRAFT
DELIVERED TO EGYPT



TU-16B JET MEDIUM BOMBER (WITH AS-1 AIR-TO-SURFACE MISSILES)



MIG-21 FL LIMITED ALL-WEATHER FIGHTER



SU-7 FIGHTER BOMBER

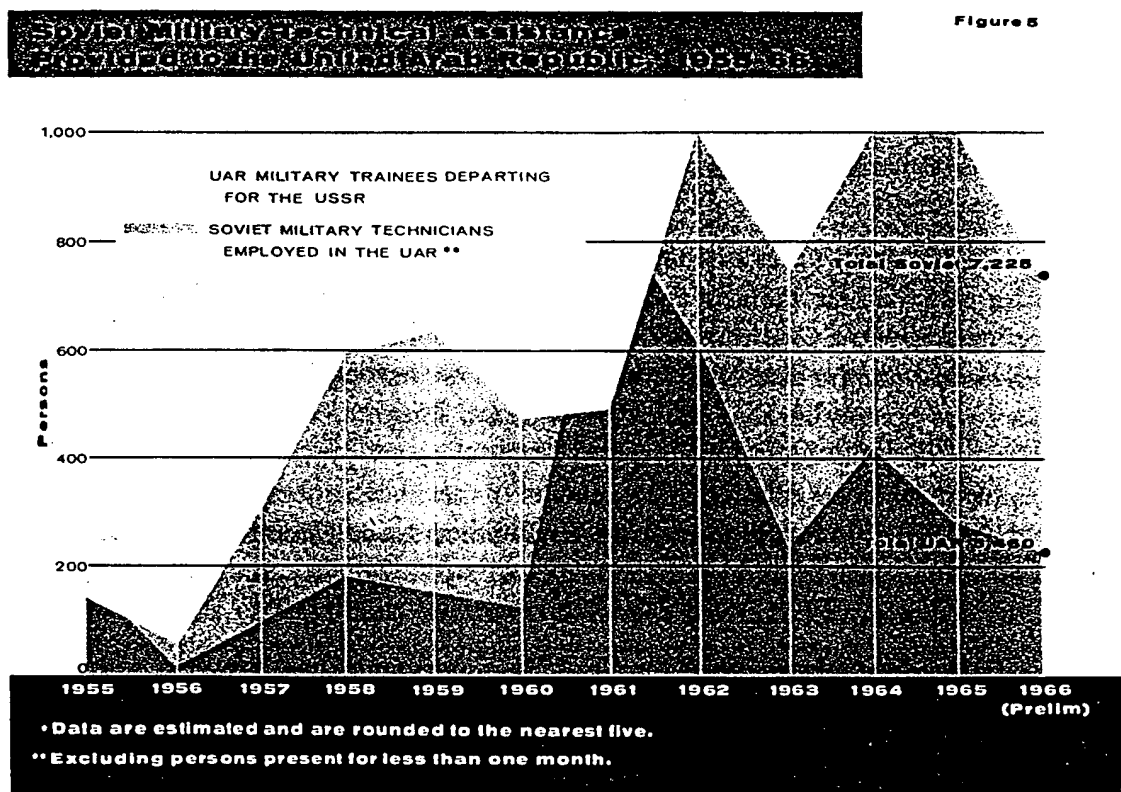
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maintain the equipment. Consequently, the USSR has provided a parallel program of military technical assistance. Some 3,500 Egyptians departed for military training in the USSR during 1955-66, and an annual average of 600 Soviet military technicians have been employed in the UAR since 1955. The total cost to the UAR of the technical services, training, travel, and maintenance associated with Soviet military technical assistance during this period is estimated to have been about \$90 million. Such assistance generally has not been covered by credits but has been provided through separate contracts and paid for on a current account basis.

1. Soviet Military Technicians in the UAR

The estimated number of Soviet military technicians employed in the UAR rose from about 140 in 1955 to as many as 1,000 in recent years (see Figure 5). The number decreased to about 750 in 1966, however, largely because of reduced activity in the construction of SAM installations. The services of these technicians have cost the UAR an estimated \$40 million since 1955, including about \$7 million in 1966.



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The major function of Soviet technicians in the UAR has been to train Egyptian personnel and to serve as military advisers. Courses have been established on the operation of armaments ranging from small arms to aircraft and naval vessels, with recent emphasis on SAM equipment. Soviet officers also serve as instructors in the major military academies and schools of the UAR. For example, the Senior Military Staff College, established in March 1965 near Cairo, is staffed exclusively with Soviet military instructors, and 17 Soviet naval officers are attached to the UAR Naval Academy. In their capacity as advisers, Soviet officers have played key roles in the modernization and reorganization of the UAR military establishment.

Soviet military personnel appear to have maintained generally cordial relations with their Egyptian counterparts, in spite of occasional Egyptian irritation over the arrogant conduct of some Soviet officers. Soviet military personnel apparently have not engaged in overt proselytizing of Egyptian personnel, and in any case their freedom to do so has been circumscribed by Egyptian security officials.

2. Military Training of Egyptians in the USSR

About 235 Egyptian military trainees are believed to have departed for the USSR in 1966, compared with a peak of 870 in 1961 (*see Figure 5*). About 240 UAR military trainees were in the USSR at the end of 1966. The total estimated cost of this training to the UAR during 1955-66 was \$50 million. At the recent rate of new departures, the annual cost totals about \$4 million.

In the early years of the program, training courses were generally for less than six months and were designed to familiarize UAR personnel quickly with the Soviet equipment which was then being delivered. In the late 1950's, however, there was a gradual change to a more comprehensive program requiring longer periods of training for more sophisticated weapons. Under the new program, UAR staff and line officers through the rank of general have been trained in the USSR. Many high-ranking UAR officers, for example, are sent for a four-year training program to the Frunze Military Staff College, the senior Soviet military school in Moscow.

Extended Soviet training of Egyptian personnel has provided the USSR with valuable opportunities for indoctrination. Many company and field grade Egyptian officers have had little or no contact with Western military methods, their whole military experience having been with Soviet equipment, training methods, and military doctrine.

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III. Chronology of Soviet Military Aid

A. SOVIET-SPONSORED ACCORDS WITH CZECHOSLOVAKIA, 1955-56

Nasser apparently took the initiative in the kaleidoscopic series of developments leading to the initial arms deals with Communist countries. In May 1955 he contacted the Soviet Ambassador to Egypt concerning the purchase of arms from the USSR and received an affirmative reply. The USSR even offered to allow Nasser to conclude the agreement with Czechoslovakia or Poland if he was concerned about the political ramifications of dealing directly with Moscow. Nasser temporized for several months, however, while he sounded out the United States on the availability of arms and pondered the possible impact of a Communist deal.

After receiving what he considered to be an unsuitable offer from the United States, Nasser decided to conclude an arms agreement with Czechoslovakia, which was in effect acting as an intermediary for the USSR. The first Communist arms agreement with Egypt was announced on 27 September 1955. Followup agreements were concluded with Czechoslovakia in November 1955 and April 1956—the three agreements together providing (including downpayments of ...). Although the precise degree of Soviet involvement in these transactions never has been determined, it seems reasonably clear that the USSR provided overall guidance in the discussions and arrangements. Czechoslovakia, however, supplied the bulk of the equipment and provided the financial clearing facilities.

The first Communist arms shipment arrived in Egypt only a few weeks after the September 1955 agreement. By the fall of 1956, deliveries had included MIG-15/17 jet fighters, Il-28 jet light bombers, Skoryy-class destroyers, and motor torpedo boats. Deliveries of land armaments included medium and heavy tanks, self-propelled guns, armored personnel carriers, and substantial amounts of artillery, rocket launchers, radar, and communications equipment. Hundreds of Egyptians were sent to the USSR and Eastern Europe for military training under these agreements, and by the fall of 1956 several hundred Soviet, Czechoslovak, and Polish military technicians were present in Egypt.

The rapid delivery of Communist arms made the 1955-56 programs the most disorganized and wasteful of the entire series arranged with

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Cairo. Czechoslovakia and the USSR paid insufficient attention to the absorptive capacity of the Egyptian military establishment and delivered too much equipment too quickly. The Egyptians could not possibly assimilate such sizable amounts of modern arms without extensive training and support programs to accompany them. Consequently, when the joint British-French-Israeli attack was launched in November 1956, the ineffectively used and poorly dispersed Communist equipment suffered extensive destruction. Approximately one-third to one-half of Egypt's Communist-supplied aircraft were destroyed, and about one-half of its ground equipment was either captured or destroyed. Subsequent delivery programs were planned much more carefully in the light of these early experiences.

B. DIRECT SOVIET INVOLVEMENT

1. Agreements of 1957-63

In July 1957 the USSR signed its first direct arms agreement with Egypt, Deliveries of aircraft, naval craft, and ground equipment under this accord replaced many of the losses of the Suez debacle. At the same time, planning began for the reorganization of Egypt's armed forces along standard Soviet organizational and operational lines. Shipments of modern equipment continued through 1958 and included new all-weather MIG-19 jet fighters, transports, helicopters, T-54 medium tanks, and improved artillery and mortars.*

An agreement was signed in 1958, largely for replacements, spare parts, ammunition, and miscellaneous equipment, and another accord for equipment and technical support, valued was concluded in 1960. During 1961-62 several additional agreements,

were signed. Included in these transactions were arrangements for the installation of a complete surface-to-air missile system in the UAR as well as for the supply of modern Tu-16 jet medium bombers, advanced MIG-21 jet fighters, An-12 turboprop assault transports, Mi-6 heavy helicopters, and Komar-class guided missile gunboats.

During these years the reorganization of the Egyptian military establishment along Soviet lines was completed, which included a shift from the former British brigade pattern to the Soviet regimental-divisional system.

* Following the formation of the UAR in 1958, Syria was required to divert new Soviet arms shipments to Egypt and to transfer some of its recently acquired Soviet equipment—including two W-class submarines, MIG-17's, and armored personnel carriers—to Egypt.

In June 1963, during UAR Defense Minister Amir's visit to Moscow, the USSR and the UAR signed a military aid agreement

Air and naval equipment covered by this accord included additional MIG-21 jet fighters and An-12 assault transports, more W-class submarines, and additional *Komar*-class missile boats. Ground forces equipment included antiaircraft and coastal defense guns, additional T-54 medium tanks, and other armored vehicles. Antitank, air-to-air, and *Styx* cruise missiles for the *Komar*-class missile boats also were provided.

2. Agreements of 1964-65

In November 1964 another delegation headed by Defense Minister Amir traveled to Moscow and concluded a new military aid agreement, the exact content and terms of which still are not known. On the basis of the list of items offered by the USSR, followup action by UAR inspection teams, and the magnitude of subsequent deliveries, it is estimated that the agreement

provided for a major reequipment and modernization program for the UAR. New items covered under this accord included newer model Tu-16 jet medium bombers (equipped with air-to-surface missiles), Su-7 jet fighter bombers, MIG-21 *FL* limited all-weather fighters, missile-equipped destroyers, *R*-class submarines, *Osa*-class guided missile gunboats, *Shershen*-class patrol boats, T-55 medium tanks, and BTR-60P armored personnel carriers. Except for the Tu-16 bomber, none of these items had yet been supplied to non-Communist countries.

The USSR began to implement the 1964 accord early the following year. At least 10 Soviet freighters delivered military materiel—including SAM equipment and Mi-6 helicopters*—in the first half of 1965. The pace of deliveries quickened in the second half of the year, following Egyptian entreaties to the USSR to expedite shipments of equipment. Deliveries of the MIG-21 *FL* limited all-weather fighters began in August 1965, and at least of these aircraft had arrived by the end of 1966. of the newer model Tu-16 jet bombers were delivered in December 1965, raising to the number of these aircraft in the UAR. Other aircraft deliveries included additional An-12 assault transports, bringing UAR holdings of such aircraft to

After several years of relatively small deliveries of naval equipment, Soviet assistance for the Egyptian navy increased substantially in 1965-66. of the UAR's obsolete W-class submarines were ex-

* The acquisition of Mi-6 helicopters has greatly increased the UAR's airlift capability, and it is now estimated that 3,000 troops could be airlifted in a single operation.

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changed for modified versions, which arrived in December 1965, and more of the older W-class craft were returned to the USSR in May 1966. In addition, new R-class submarines were delivered to the UAR during 1966, as were modern Osa-class guided missile patrol boats in 1966 and early 1967. The UAR reportedly will also receive several missile-equipped destroyers—probably of the *Kotlin* or *Krupnyy* classes—in the next few years. Another important development was the initiation of an assembly program in the UAR involving imported Soviet components. Thus far, at least SO-1-class subchasers and small tugs have been assembled under this program at the Alexandria naval shipyard. In addition, preparations are under way for introducing the coastal defense version of the *Kennel* cruise missile into the UAR some time in 1967.

Ground equipment deliveries in 1965-66 included late model T-55 medium tanks as well as other armored vehicles. A wide range of artillery (including coastal defense guns), infantry weapons, and hundreds of support vehicles also were delivered during the period. In addition, some reports have indicated that the USSR may shortly provide FROG tactical rockets to the UAR.

In September 1965 an agreement involving military aid was signed. Although little information is available on this accord, it apparently was earmarked for repair facilities and technical assistance.

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IV. Assessment of the Military Aid Program

A. CONTRIBUTION TO THE MILITARY CAPABILITY OF THE UAR

Since 1955 the UAR's military establishment has been completely reequipped with Soviet materiel and its capabilities significantly increased. From a modest force of seven infantry brigades and three armored groups numbering about 71,000 men, the army has been expanded to about 175,000 men (excluding paramilitary units), organized into four infantry and two armored divisions plus other specialized units including paratroops and commandoes. Although the term "brigade" has been retained, the units bearing this name are in fact patterned on Soviet regiments, each with three organic infantry battalions and an artillery battalion. Soviet-supervised training of Egyptian units through division level has been intensive and has included exercises employing large forces from all the services.

The combat capability of the 11,000-man UAR air force also has improved considerably since 1956. With at least 164 MIG-21's now available, an SA-2 system being established, and the installation of an early warning system proceeding apace, the UAR is rapidly improving its air defense capability. Ship strength of the 13,000-man UAR navy has more than doubled in the past 10 years and now includes a diversified line of naval craft ranging from destroyers to missile-firing patrol boats.

In spite of this accretion of military hardware, the operational effectiveness of the UAR armed forces still is seriously hampered by a shortage of trained manpower, an inefficient logistical system, and a lack of maintenance facilities—and the UAR is looking to Soviet sources to supply these needs. Some improvements in these areas have been made in the past decade,* but deficiencies continue to plague the Egyptian military establishment.

Continuing weakness in the combat effectiveness of the UAR armed forces has been evident in the campaign in Yemen—the scene of the first combat action for the UAR forces since the 1956 Suez conflict. An average of about one-third of the army has been in Yemen since 1963, and most UAR combat units have seen service there. Although about 70,000 Egyptian troops were committed in Yemen at the height

* Until recently, all time-expired jet aircraft engines, for example, had to be sent back to the USSR for general overhaul. Now some of these overhauls are performed in the UAR.

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of action, the outcome has been inconclusive. The guerrilla-type opposition encountered in Yemen is admittedly difficult to suppress. Nevertheless, the Egyptian forces have in general made a poor showing, in spite of their superior Soviet arms, and this belies Cairo's claims of military superiority over Israel.

B. IMPACT ON THE UAR ECONOMY

1. Defense Expenditures

Although the willingness of the USSR to provide military equipment on highly favorable terms has facilitated the buildup of the UAR armed forces, a rapid rise in defense expenditures has been a necessary accompaniment. Growing defense expenditures, in turn, have been a major element in the continuing pressures on the UAR's severely strained economy.

The "armed forces budget" (which omits important items of military expenditure) grew from less than \$100 million annually in the early 1950's to \$210 million in fiscal 1956. It has subsequently risen considerably more, reaching \$394 million for fiscal 1967. Total allocations for defense in fiscal 1967—including those for the Ministry of War, advanced weapons development, and the United Arab Command—are estimated at \$435 million to \$460 million. Expenditures have ranged from 6 to 8 percent of GNP during the past 10 years.

Payments of principal and interest on the debt to the USSR for deliveries of military equipment make up a relatively small part of defense expenditures because of the favorable terms extended to the UAR. These payments totaled an estimated _____ during 1959-66, _____. Most Egyptian defense expenditures have been for personnel and facilities and, in recent years, the war in Yemen. Military expenditures have risen markedly since late 1962, when the UAR became involved in Yemen. This adventure has been costing Cairo an estimated \$30 million to \$40 million annually. The availability of Soviet weapons to replace those lost in Yemen undoubtedly has been a factor in Nasser's decision to continue supporting the new Yemeni regime.

The Nasser regime has resorted to deficit financing in a vain attempt to support its enlarged military forces, develop the economy rapidly, and raise living standards. The result has been inflation, foreign payments problems, and some internal discontent. Until mid-1966 the military establishment was virtually unaffected by the austerity that had been introduced in late 1964 in other sectors of the

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economy. In recent months, however, it, too, has been feeling the effects of the government's financial stringency.

2. Foreign Trade

The Soviet military aid program has considerably increased the role of the USSR in Egyptian foreign trade. Part of this change is the direct result of large Egyptian imports of Soviet military equipment and Egyptian exports required as payments on the military debt. Indirectly, the change also reflects the contribution that military aid has made to improved Soviet-Egyptian relations and thus to the expansion of economic aid deliveries and repayments as well as regular commercial exchanges.

Most military deliveries are omitted from the official UAR trade statistics. Nevertheless, the recorded Soviet share of total UAR trade turnover jumped from 4 percent in 1955 to 15 percent in 1957. Implementation of a large program of Soviet economic aid, the willingness of the USSR to act as a residual market for UAR exports, and (from 1959 on) payments in goods for military credits maintained the recorded Soviet share of UAR trade at a minimum of 10 percent after 1957 and raised it to 14 percent in 1965. These shares would be much larger if UAR imports of military equipment were reflected in the trade statistics. Such imports amounted to an estimated \$1,045 million during 1957-66, or about one-third more than the recorded value of imports.

In spite of the generous terms under which Soviet military items have been supplied, payments on military credits through deliveries of UAR goods have had a significant impact on the Soviet share of UAR exports. The initial abrupt rise in this share—from 4 percent in 1956 to 18 percent in 1957—occurred before payments began on the military debt and reflected closer Soviet-Egyptian economic relations following the Suez crisis. But the maintenance of the share at 15 to 22 percent since 1959 reflects sizable UAR deliveries of goods in servicing this debt. During 1959-66 these deliveries constituted about one-third of UAR exports to the USSR and some 5 percent of total UAR exports. Especially striking is the growth in the Soviet share of the UAR's dominant export item, cotton. The USSR accounted for only 6 percent (by weight) of total UAR exports of cotton during the 1955-56 marketing year but has accounted for 19 to 30 percent of the total in subsequent years.

Since 1964 the UAR has had increasing difficulty balancing its foreign payments. It therefore has successfully sought two revisions in

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the payments schedule for its military debt to the USSR. In January 1965 the USSR agreed to reduce scheduled annual payments for 1965-66

In June 1966, Moscow further agreed to postpone until 1971-74 the payments due during 1967-70,

although this rescheduling will help to ease the financial squeeze on the UAR in the next several years, it results in fairly large scheduled payments in the early 1970's (see Figure 6).

Figure 6

C. RELATIONSHIP TO POLICY OBJECTIVES OF THE UAR AND THE USSR

The USSR's provision of military aid to Egypt has promoted the foreign policy objectives of both countries and has contributed to their improved relations. Nasser has reason to be pleased with the aid program. It has supported his efforts during the past decade to eliminate what he considers to be imperialist influences in the Middle East, to play a more vital role in Afro-Asian affairs, and to develop the Egyptian economy. Soviet military aid, in particular, has supported the efforts of Egypt to wield influence out of proportion to its resources.

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The inescapable counterpart of Nasser's policies and his acceptance of Soviet military aid in support of them has been growing UAR dependence on the USSR. At the same time, since the traditional foreign influences in the Middle East have been largely those of the West, Nasser's policies have brought him into frequent conflict with Western interests and have alienated many sources of Western financial assistance. Nasser's proclivity for maintaining good relations with the USSR thus reflects, in part, his heavy dependence on it for all types of aid—military, economic, and technical. His dependence on Soviet arms has been particularly acute because some of his policies in the Middle East have required a strong military posture.

The aid program also has furthered Moscow's policies, yielding closer relations with the largest and most influential Arab country and bolstering UAR policies in which the USSR has a strong parallel interest. These policies include the overthrow of conservative Arab regimes, reduction of Western influence in the Middle East, opposition to Western policy in other parts of the world, and the fostering of socialist-oriented institutions in the area. For example, Cairo's intervention in the Yemeni revolution in 1962 provided a new opportunity for the USSR to expand its influence in the Middle East. Moscow has underwritten Nasser's policy in Yemen and has enabled the UAR to support a substantial military force there. Egyptian pressure on other Arab governments to purchase Soviet arms through the United Arab Command as a means of standardizing military hardware in the Arab world also serves Soviet policy. Moreover, Moscow undoubtedly has been pleased with Egyptian criticism of US and British policy in various parts of the world as well as by Egypt's severance of diplomatic relations with West Germany over the latter's arms deliveries to Israel.

Although the USSR has generally been reluctant to associate itself with efforts to overthrow moderate regimes in the Middle East and Africa, it has encouraged the UAR to engage in such activities. On its own or in collaboration with the USSR, Egypt has delivered arms to the Congolese and Angolan rebels, to dissident groups in the South Arabian Federation, and to the Algerians before they achieved independence in 1962. The UAR has also provided military training for "freedom fighters" from Angola, Cameroon, Nigeria, Portuguese Guinea, and other areas and has made significant financial contributions to the African Liberation Committee of the Organization of African Unity. In addition, the UAR served as an intermediary in providing Soviet military equipment and training for the armed forces of Cyprus,

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Indonesia, Iraq, and Somalia prior to the conclusion of Soviet agreements with these countries.

Moscow's support for Nasser's policies has not been without its drawbacks. Such support frequently has impeded Soviet efforts to improve relations with Middle Eastern countries opposed to Nasser's aspirations in the area, with Cairo tending to view these efforts as strengthening opposition regimes. Moreover, Soviet support for countries considered by the UAR to be within its sphere of influence occasionally has elicited unfavorable reactions from Nasser. Soviet military aid to the Kassem regime in Iraq in November 1958, for example, added an important irritant to those already existent in Soviet-Egyptian relations at the time and triggered the first polemical exchange between Nasser and Khrushchev.

Nasser's suppression of local Communists has remained an irritant in Soviet-Egyptian relations. Soviet criticism of such treatment resulted in a heated exchange between Nasser and Khrushchev in May 1961. Frictions of this kind, however, have been brief, and the USSR apparently has been willing to overlook Nasser's domestic anti-Communism in the overall interests of Soviet foreign policy.

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V. Outlook

As long as Egypt and the USSR can pursue their separate but parallel objectives in the Middle East, the USSR probably will continue to provide substantial amounts of military assistance to the Egyptian military establishment. The military equipment that Nasser requires to pursue his regional objectives is not likely to become available elsewhere. For its part, Moscow has almost certainly concluded that the military aid program serves Soviet objectives reasonably well and ought to be continued. The program will afford the USSR further opportunities for developing influence in the UAR and other Arab countries not available through more conventional means. Moreover, the UAR's estrangement from the West, its serious economic difficulties, and Moscow's deepening involvement in the UAR's economy and military establishment have created a dependence which the USSR will seek to continue as long as it serves Soviet purposes.

Present trends suggest that the USSR will continue to expand the list of advanced arms and weapons systems made available to the UAR (see *Appendix B*). It is highly unlikely, however, that the USSR will reverse its longstanding policy of refusing to provide either nuclear weapons or strategic missile systems. The increasingly complex equipment being sold to the UAR in any case requires a high level of training both for the troops operating and maintaining the equipment and for the staffs controlling its use. Thus, training and technical assistance will continue to be emphasized.

Although they are a continuing burden on the hard-pressed economy, expenditures for a strong military establishment—which Nasser considers vital to his ambitions—will almost certainly continue to be accorded high priority by Egypt. Military outlays probably will at least be maintained at the current high level during the next few years in order to finance continued modernization of the armed forces and the development of advanced weapons.

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APPENDIX A

Soviet Military Equipment Delivered to the United Arab Republic * September 1955-March 1967

	Units
<i>Land armaments</i>	
Heavy tanks	60
Medium tanks	1,100
Light tanks (amphibious)	75
Self-propelled assault guns	215
Personnel carriers, armored and amphibious	1,000
Artillery pieces	1,400
<i>Naval ships</i>	
Destroyers	4
Submarines	15
Minesweepers	8
Submarine chasers	12
Motor torpedo boats	31
Guided missile patrol boats	18
Auxiliary vessels	15
<i>Aircraft</i>	
Jet medium bombers	26
Jet light bombers	50
Jet fighters	440
Heavy transports	25
Other aircraft	320
<i>Guided missile systems</i> ^b	
Air-to-surface (ASM's) ^c	6
Air-to-air (AAM's) ^d	164
Surface-to-air (SAM's) ^e	34
Surface-to-surface (ship-launched) (SSM's) ^f	18
Antitank ^g	N.A.

* Including deliveries to the UAR by Czechoslovakia under the Soviet-sponsored accords of 1955-56.

^b Aircraft, ships, vehicles, and sites having a missile capability.

^c Tu-16 aircraft equipped with ASM's (two per aircraft).

^d MIG-21 aircraft equipped with AAM's (two to four per aircraft).

^e Identified SAM firing sites (six launchers per site and four missiles per launcher), only about half of which are operational.

^f Komar- and Osa-class patrol boats equipped with SSM's (two or four per vessel).

^g Vehicles equipped with missiles (three or four per vehicle).

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APPENDIX B

United Arab Republic Advanced Weapons Programs*

1. Surface-to-Air Missiles (SAM's)

Besides supplying a great variety of conventional armaments to the UAR, the USSR has introduced several types of advanced weapons systems into that country. During Defense Minister Amir's visit to Moscow in December 1960, the USSR agreed to provide equipment for SA-2 surface-to-air missiles (SAM's)** to protect Cairo and the Nile River Delta. Subsequent negotiations took place in 1961, and Soviet missile equipment and technicians began to arrive in the UAR in 1962. Construction first began at the SAM training complex at Dahshur in 1962, while work on missile launch sites began shortly thereafter. As of 1 January 1967, SAM sites in varying stages of construction were identified in the UAR.

About half of these were believed to be operational. Construction bottlenecks and lack of trained personnel to man the sites have been the primary difficulties which have delayed achieving operational status for the entire system.

A group of Soviet missile experts visited the UAR late in 1965 to direct the integration of SAM's, antiaircraft artillery, radar, and aircraft into a coordinated air defense system. When the SAM system becomes fully operational, perhaps in several years, the UAR will possess a vastly improved air defense capability. The present SA-2 system is effective to a distance of about 17 to 19 nautical miles and at an altitude of 80,000 to 90,000 feet. Its minimum effective altitude—depending heavily on sighting conditions and technical modifications—is considered to be 1,500 to 3,000 feet. Even when the missile

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complex is fully completed, therefore, the UAR will still lack an adequate defense against low-level aircraft attack—the type of attack most likely to be experienced in the event of open hostilities with Israel.

2. Surface-to-Surface Missiles (SSM's)

With the assistance of Austrian technicians, the UAR has had under development two types of liquid-fueled short-range surface-to-surface missiles (SSM's)—the *Victor* and the *Conqueror*. Cairo's missile program has been plagued by technical, personnel, and financial difficulties practically since it began in 1960. The two missiles under development thus far have proven to be unreliable and inaccurate. Although troublesome, time consuming, and costly, the problems associated with the program apparently have not been considered critical enough by the UAR to override the regime's desire for a domestically produced advanced weapons status symbol. Although the USSR has not participated in the UAR's SSM program to date, Moscow reportedly has recently agreed to provide missile technicians and some components beginning in early 1967. Without vastly expanded foreign technical assistance, however, the prospects for a deployable SSM system in the UAR remain remote.

3. Other Types of Missiles

a. Air-to-Surface (ASM's)

The presence of the AS-1 *Kennel* in the UAR was suspected at the time deliveries of Tu-16 medium jet bombers* were first anticipated. The first of these aircraft delivered, however, were early models not equipped for mounting the missile, but the that arrived in December 1965 were believed to be so equipped. The AS-1, a beam-riding missile with a 50-nautical-mile range, can be equipped with a high-explosive or nuclear warhead. About 85 *Kennels* were known to be in the UAR by the end of July 1966.

b. Air-to-Air (AAM's)

All of the MIG-21 jet fighters delivered to the UAR are believed to carry AA-2 *Atoll* AAM's. The *Atoll* is an infrared homing missile possessing a five-nautical-mile range and carrying a high-explosive warhead.

* Although the AS-1 missile can be employed in a ground-launched coastal defense role, the standard launching vehicle for this missile is the Tu-16 medium jet bomber.

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c. *Surface-to-Surface (Ship-launched)*

The UAR has received eight *Komar*-class missile patrol craft, each armed with two SS-N-2 cruise missiles, and 10 *Osa*-class craft, each mounting four missiles. The SS-N-2, a short-range 15- to 20-nautical-mile vehicle, is primarily an antiship weapon, but it can be used for shore bombardment and coastal defense as well.

4. Nuclear Capability

Neither the UAR nor any other Arab state now has any capability to develop nuclear weapons. The UAR has a small Soviet-built reactor, but its operation has been confined to basic research and limited isotope extraction. It is unlikely that the country could develop any sort of nuclear weapons capability without extensive outside assistance.