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CIA HISTORICAL REVIEW PROGRAM
RELEASE AS SANITIZED

(Prepared by
Staff, per request

White House
(ODDI))

Project No. 5-1053
10 July 1963

5014

USSR-Egypt Assistance Agreement

On 15 June 1963, the USSR and the UAR (Egypt) signed an agreement for the further expansion of cooperation which covers a \$44.4 million industrial credit and may include a new arms agreement. The Egyptian signatory was Vice President and Field Marshal Amer, commander in chief of Egyptian armed forces. USSR Defense Minister Malinovsky was among several high Soviet officials present at the signing ceremony and connected social functions. (ODD)

Upon the return of Amer to Cairo, Egyptian news media announced only that the USSR had granted the UAR a new loan amounting to 40 million rubles (\$44.4 million) to be used for certain important industrial projects. (SECRET)

During Amer's visit, Western diplomats predicted that a new arms agreement would be forthcoming. The American Embassy in Moscow quotes the UAR Minister there as saying that military matters were discussed separately from the new 40 million ruble credit. Efforts in both Moscow and Cairo to determine the exact relation between Egyptian military requirements and the new credit have not been successful thus far, and the Egyptian ministers of Industry and Economics claimed ignorance of the details of the agreement. (SECRET)

The Egyptian operation in Yemen obviously has been costly in terms of equipment, and there is every likelihood that a new USSR-UAR military assistance agreement has been negotiated. However, we have no evidence (film or rumor) to date on the amount or terms of any new military agreement. Since only about \$15 million of the \$175 million economic credit extended to Egypt by the USSR in 1963 remains unobligated, a supplementary credit for industrial projects clearly is feasible. Currently available evidence suggests the possibility of a \$44.4 million economic credit, as announced.

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