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FOREIGN SERVICE DESPATCH

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	REC'D	I N F O OTHER
	Com-12	Rep-2 IRC-8 ICA-10 USIA-1 E-6 USA-4 SLS-2 EUR-5
	11/9	USIA-10 OD-2 USIA-35 Navy-50 Air-24 Com-10 GCS-2

SUBJECT: WEEKLY ECONOMIC REVIEW 44-8 ~~6~~ FRB-2 11-7 LAB-5 TAR-2
 TR-3 X XMB-3

LIMITED OFFICIAL USE: Personnel and Organizational Changes of Significance in Egyptian Economic Programs. The Director of the Industrial Bank, Rashid El-Barawi, who is reputed to be far to the left politically, has been removed from his position and has been put under house arrest. Action against him was taken reportedly because of his involvement in financial and currency irregularities.

The independent administration of Liberation Province, an experimental socialistic land development project, has been abolished and the Director, Magdi Hassanein, now a member of the National Assembly, has been relieved of his administrative responsibilities according to the local press. Hassanein had been widely accused in political debate during the recent election campaign of being involved personally in graft and of carrying out the Liberation Province project in a costly, uneconomical manner.

Concurrently, appointments of "conservatives" to certain positions have been announced or forecast: Dr. Abdel-Gelil El-Emari, Director of the Nile Ginning Company, President of the Cotton Exporters Association and former Minister of Finance, to become the Governor of the National Bank of Egypt; Dr. Aly El-Giritli, Director of the Bank of Alexandria, to become Sub-Governor of the National Bank of Egypt; Dr. Abdel Hakim Rifai, former Sub-Governor of the National Bank of Egypt, to become the Director of the Industrial Bank.

UNCLASSIFIED: Anglo-Egyptian Talks. Hassan Abbas Zaky, head of the Egyptian delegation, has returned to Rome to resume Anglo-Egyptian economic discussions which were broken off October 14. It was alleged in local press commentary on the talks between Secretary Dulles and Prime Minister Macmillan that the Secretary spoke of the necessity of suspending the Anglo-Egyptian talks so as not to weaken the American economic blockade of Egypt.

OFFICIAL USE ONLY: Expansion and Adaptation of Oil Refining Facilities to Use Soviet Crude. SERCOP (Société Egyptienne pour le Raffinage et le Commerce du Pétrole) is reportedly planning to expand its production capacity and to adapt its facilities, now limited to the use of Saudi Arabian crude, to the use of crude from other sources, including the Soviet Union. SERCOP's Director has just returned from a visit to various European countries including Czechoslovakia, which was reportedly undertaken to obtain equipment for these purposes.

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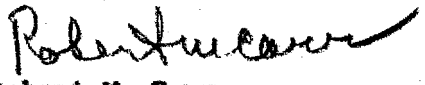
LIMITED OFFICIAL USE
(Classification)

OFFICIAL USE ONLY: Petroleum Institute to be Established and to have Russian Experts as Advisors. An American oil company has reported that, according to information which it regards as reliable, a Petroleum Institute will be established shortly by the Egyptian Government with "Russian experts" as advisors. (In the Weekly Economic Review of October 15, reference was made to local press reports which indicated that the Soviet Union was participating in supplying an oil processing and research plant to Egypt at a cost of LE 100,000 to be financed by local Government and private activities.)



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APPROVED:



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