

**SECRET**

Nº

84 50X1

**ECONOMIC INTELLIGENCE REPORT**

**MILITARY ASSISTANCE BY THE SOVIET BLOC  
TO THE UNDERDEVELOPED COUNTRIES  
OF THE FREE WORLD**



CIA/RR 59-5  
January 1959

**CENTRAL INTELLIGENCE AGENCY  
OFFICE OF RESEARCH AND REPORTS**

50X1

**SECRET**

**WARNING**

This material contains information affecting the National Defense of the United States within the meaning of the espionage laws, Title 18, USC, Secs. 793 and 794, the transmission or revelation of which in any manner to an unauthorized person is prohibited by law.

S-E-C-R-E-T



50X1

ECONOMIC INTELLIGENCE REPORT

MILITARY ASSISTANCE BY THE SOVIET BLOC  
TO THE UNDERDEVELOPED COUNTRIES OF THE FREE WORLD

CIA/RR 59-5

CENTRAL INTELLIGENCE AGENCY  
Office of Research and Reports



50X1

S-E-C-R-E-T

**Page Denied**

S-E-C-R-E-T

CONTENTS

	<u>Page</u>
Summary . . . . .	1
I. Introduction . . . . .	2
II. Nature of the Arms Agreements . . . . .	3
III. Values and Terms of the Arms Agreements . . . . .	4
A. Egypt . . . . .	4
B. Syria . . . . .	5
C. Indonesia . . . . .	5
D. Afghanistan . . . . .	6
E. Yemen . . . . .	6
F. Iraq . . . . .	6
IV. Soviet Bloc Military Technicians . . . . .	6
A. Assembly and Maintenance . . . . .	7
B. Training of Military Personnel . . . . .	9
C. Advisory Personnel . . . . .	10
V. Military Training in the Soviet Bloc . . . . .	10
VI. Military Installations . . . . .	14
A. Egypt . . . . .	14
B. Syria . . . . .	15
C. Afghanistan . . . . .	17
D. Yemen . . . . .	17
VII. Economic Consequences of the Arms Agreements . . . . .	18
A. Foreign Trade . . . . .	18
B. Economic Development . . . . .	21
VIII. Conclusions . . . . .	22

Appendixes

Appendix A. Statistical Tables . . . . .	25
--	----



50X1

S-E-C-R-E-T

Tables

	<u>Page</u>
1. Soviet Bloc Military Agreements with Under- developed Countries of the Free World, 1955-58 . . . . .	5
2. Military Technicians of the Soviet Bloc Utilized by Recipient Countries, 1955-58 . . .	7
3. Military Personnel Trained in the Soviet Bloc, 1955-58 . . . . .	12
4. Foreign Trade of Egypt and Syria, 1954, 1956, and 1957 . . . . .	19
5. Export of Egyptian and Syrian Cotton to the Sino-Soviet Bloc . . . . .	19
6. Foreign Exchange Reserves of Egypt and Syria, 1954-58 . . . . .	20
7. Egyptian Trade Balances in Clearing Accounts with the Soviet Bloc, 1957 . . . . .	21
8. Financial Aspects of Arms Sales by the Soviet Bloc to the Underdeveloped Countries of the Free World . . . . .	25
9. Military Trainees in the Soviet Bloc, 1955-58 .	28
10. Foreign Trade of Egypt, 1954, 1956, and 1957 .	29
11. Foreign Trade of Syria, 1954, 1956, and 1957 .	31
12. Estimated Selected Arms Received from the Soviet Bloc, 1955-58 . . . . .	32

S-E-C-R-E-T

Illustrations

	<u>Page</u>
Figure 1. Egypt: Soviet-Built Jet Fighters at an Air Force Base (Photograph) . . . . .	8
Figure 2. Egypt: Training on Soviet-Built JS-3 Heavy Tanks (Photograph) . . . . .	9
Figure 3. Syria: Training in the Use of Heavy Artillery (Photograph) . . . . .	11
Figure 4. Syria: Training in Soviet-Built T-34 Tanks (Photograph) . . . . .	11
Figure 5. Syria: Example of Modernization at Hama Airfield (Photograph) . . . . .	16
Figure 6. Syria: Naval Base Under Construction with the Assistance of the Soviet Bloc (Photograph) . . . . .	16

Following Page

Figure 7. Egypt: Activity of the Soviet Bloc in the Development of Military Installations (Map) . . . . .	16
Figure 8. Syria: Activity of the Soviet Bloc in the Development of Military Installations (Map) . . . . .	18
Figure 9. Afghanistan: Activity of the Soviet Bloc in the Development of Airfields (Map) . . . . .	18
Figure 10. Yemen: Activity of the Soviet Bloc in the Development of Airfields (Map) . . . . .	18

S-E-C-R-E-T

MILITARY ASSISTANCE BY THE SOVIET BLOC  
TO THE UNDERDEVELOPED COUNTRIES OF THE FREE WORLD\*

Summary

Since mid-1955, six underdeveloped countries of the Free World have signed agreements with the Soviet Bloc for the acquisition of arms through credits valued at a minimum of \$910 million.\*\* The credits extended under these agreements are being utilized to equip completely with Bloc arms the armed forces of recipient countries. In conjunction with the purchase of Bloc arms, Bloc advisers are assisting these countries in reorganizing their military establishments and are engaged in teaching military science to indigenous military personnel. The USSR, Czechoslovakia, and Poland have been the principal contractors under the agreements concluded with these countries. The United Arab Republic accounts for about 55 percent of the value of such credit agreements concluded with the Bloc. The agreements provide for payment, usually through export of domestic commodities, over periods ranging from 4 to 10 years.

Large numbers of Soviet Bloc technicians are exported simultaneously to assemble equipment and to train indigenous personnel in its use and maintenance. In addition, Bloc technicians are utilized for training personnel in military tactics and operations and as advisory personnel for staff and line units. It is estimated that about 1,200 Bloc military technicians have been utilized by the countries receiving Bloc arms.

Since mid-1955, more than 1,600 nationals from countries receiving arms from the Soviet Bloc have undergone military training in the Bloc. Courses of instruction included many phases of ground, air, and naval training and were undertaken primarily in the USSR, Poland, and Czechoslovakia.

In addition to providing arms, training, and the services of military technicians, the Soviet Bloc also has been active in helping these countries to modernize established military installations and to construct new facilities. The Syrian airfield network is undergoing an extensive modernization with Bloc assistance. Egypt

---

\* The estimates and conclusions in this report represent the best judgment of this Office as of 1 January 1959.

\*\* All dollar values in this report are in terms of current US dollars.

S-E-C-R-E-T



S-E-C-R-E-T

also has utilized Bloc assistance in modernizing a number of major airfields and in expanding its naval facilities. Yemen and Afghanistan are receiving substantial Bloc assistance in building domestic airfield networks.

The conclusion of military aid agreements has affected directly the trade patterns of recipient countries. Between 1954 and 1957 the trade of Syria with the Soviet Bloc rose from 2 to 13 percent of total Syrian trade. During the same period the trade of Egypt with the Bloc increased from 10 to 36 percent of total trade. Approximately 10 to 15 percent of total Egyptian exports are being utilized to pay for arms purchased from the Bloc. The trade of Yemen, Indonesia, and Iraq can be expected to undergo similar changes. The already large percentage of Afghanistan's trade with the Bloc is expected to increase even further.

The burden of large defense expenditures has affected adversely the economic development plans of recipient countries. The loss in foreign exchange from the shift of large portions of exports to Soviet Bloc markets has restricted the level of trade with the West and has compelled the underdeveloped countries to seek additional economic assistance from the Bloc.

---

## I. Introduction.

Exploiting local conflicts and supporting nationalist movements which are basically anti-Western, the USSR has succeeded in achieving a position of influence in regions vital to Western interests. The present turmoil in the Middle East is the culmination of 3 years of Soviet-supported nationalist ferment in order to destroy Western influence in this strategic area.

In the Middle East, particularly in Egypt and Syria, the consequences of large-scale arms purchases from the Soviet Bloc have been the most dramatic. Latent forces developing since the end of World War II were provided explosive outlet by a series of events that occurred in 1955. A destructive raid by Israeli forces in the Gaza Strip early in 1955 and the adherence of Iraq -- Egypt's arch rival in the Arab world -- to the Baghdad Pact undoubtedly impressed upon Nasser that Egypt could never become a leader in the Arab world without military strength.

The coincident decision of the USSR to provide active economic and political support to nationalist movements in former colonial

S-E-C-R-E-T

S-E-C-R-E-T

areas presented a source from which such strength might be developed. This decision became evident in 1955 as the Sino-Soviet Bloc economic offensive gained momentum amidst the illusion of good will created by the Geneva Summit Conference. While the Conference was in session, an Egyptian government representative approached the USSR with a request for the very arms which the West recently had denied Egypt. A credit agreement for Egyptian purchase of arms from Czechoslovakia -- in which Czechoslovakia probably served as the medium through which Soviet arms could be transmitted -- was negotiated quickly.

In Syria, where anti-Western nationalism had reached a fierce intensity, the opportunity to obtain large supplies of arms to defend itself against hostile neighbors, particularly Israel, was seized quickly. Within months after the Egyptian agreement, Syria also signed an arms agreement with Czechoslovakia.

In Yemen, Afghanistan, and Indonesia, the USSR was able to exploit local, rather than regional, situations. Yemen's conflict with the UK over Aden, Afghanistan's border conflict with Pakistan, and Indonesia's internal strife and territorial conflict with the Netherlands presented prime opportunities for further Soviet exploitation. In each instance the Soviet Bloc was quick to come forward with offers designed to cultivate local chauvinism and to increase antipathy toward the West..

## II. Nature of the Arms Agreements.

The arms agreements discussed in this report are those inter-governmental accords in which a Soviet Bloc country has agreed to provide on credit military goods and services up to a specified aggregate value. Presumably such agreements, which are in effect a line of credit for acquiring military assistance, outline the general categories of goods and services to be purchased, leaving the determination of specific quantities within each category to subsequent contract negotiations by military purchasing commissions.

The services of Soviet Bloc military technicians to assemble the arms probably are included in the aggregate value specified in the basic agreement. The recipient country, however, apparently concludes separate contracts for other Bloc technicians and must, in addition, provide the daily costs of the technician during his tour of duty in that country. The costs of training the nationals of recipient countries in the Bloc and of construction of military installations to utilize Bloc equipment also are not included in the basic agreement.

S-E-C-R-E-T

S-E-C-R-E-T

III. Values and Terms of the Arms Agreements.

Six underdeveloped countries of the Free World -- Egypt, Syria, Indonesia, Afghanistan, Yemen, and Iraq -- have signed credit agreements to purchase arms from the Soviet Bloc valued at a minimum of \$910 million.\* (See Appendix A.) Except for the Indonesian agreement, in which Poland is extensively involved, Czechoslovakia and the USSR have provided the bulk of the arms. (See Table 1.\*\*)

A. Egypt.

Egypt has accounted for approximately \$365 million, or about 40 percent of the value of military assistance agreements concluded with the Soviet Bloc. This estimate includes only those agreements signed with Czechoslovakia in 1955 and the USSR in 1958. Because an additional agreement may have been concluded in 1957, the actual figure may be considerably higher. [redacted] in December 1956 the Egyptian government discussed with Soviet Marshal Zhukov the replacement of arms lost during the previous month's hostilities with the UK, France, and Israel. 1/\*\*\* In mid-1957 the Egyptians received from the USSR, among other things, 20 MIG-17 (Fresco) fighters and 12 Il-14 (Crate) transport planes. 2/ How these aircraft were financed is not known.

50X1

In the agreement with Czechoslovakia in 1955 the Egyptians were required to make a 20-percent downpayment. The balance was payable in 4 annual installments at 2-percent interest through the Egyptian-Czechoslovak bilateral payment account. Egyptian exports, primarily cotton and rice, were to be the means of payment. Letters of credit presumably were to be opened in favor of Soviet Bloc trading organizations, and these, when utilized, were to be credited against debts due the Bloc for arms purchases. It is possible that the visits of high-level Egyptian officials to Moscow during the past 2 years may have resulted in some revision of the original agreement, probably easing the terms for Egypt.

\* The total value of the credit specified in a given arms agreement reflects solely the selling prices to the underdeveloped country and bears no necessary relation to costs of production or prices of arms in either the US or the Bloc. [redacted]

50X1  
50X1

\*\* Table 1 follows on p. 5. [redacted]

50X1

S-E-C-R-E-T

S-E-C-R-E-T

Table 1

Soviet Bloc Military Agreements with Underdeveloped Countries  
of the Free World  
1955-58

Million US \$

	<u>USSR</u>	<u>Czechoslovakia</u>	<u>Poland</u>	<u>Total</u>
Egypt	115	250		365
Syria	100	45		145
Indonesia	8	50	120	178
Afghanistan	25	10		35
Yemen		20		20
Iraq	168			168
Total	<u>416</u>	<u>375</u>	<u>120</u>	<u>911</u>

B. Syria.

Since early 1956 the Soviet Bloc has provided Syria with credits totaling about \$145 million to be utilized for the purchase of arms. As in the case of Egypt, the first agreements were signed with Czechoslovakia and subsequent agreements with the USSR, the latter accounting for about \$100 million.

The Czechoslovak agreement in 1956 provided for a 20-percent downpayment, the balance to be repaid over a 4-year period. As a result of domestic financial difficulties, Syria was unable to meet its first installment in 1957. Czechoslovakia agreed to postpone the payment

[Redacted]

50X1  
50X1

The Soviet-Syrian agreement in November 1956 specified a prior payment of one-third the value of the credit extended for arms purchases in cash, with the balance to be repaid in 10 annual installments at 2-percent interest. As in the case of Egypt, the Syrian installments will be met through the bilateral payments account, primarily through exports of Syrian cotton.

C. Indonesia.

Indonesia purchased approximately \$8 million worth of military vehicles from the USSR in 1957 but did not conclude a major credit agreement for the purchase of arms until early 1958. Credit

S-E-C-R-E-T

S-E-C-R-E-T

agreements providing for about \$170 million of military assistance have been signed with Poland and Czechoslovakia. An initial payment of at least 5 percent was required in the Polish agreement, 4/ and, presumably, a similar downpayment was stipulated in the agreement with Czechoslovakia. The balance is to be repaid in 10 annual installments at 2-percent interest. There is no indication that Indonesia will be permitted to pay for arms purchases with commodities. The allocation by the Indonesian cabinet in December 1957 of \$250 million for arms purchases 5/ seems to indicate that annual payments will be made in convertible currency.

D. Afghanistan.

The USSR and Czechoslovakia have provided Afghanistan with credits of \$25 million and \$7 million, respectively, to be utilized for the procurement of arms. The agreement with the USSR, signed in 1956, permits payment to be made in Afghan commodities in 8 annual installments at 2-percent interest, with the first payment due in 1957.

The agreements signed with Czechoslovakia consist of a \$3-million cash transaction in 1955 and a \$7-million agreement in 1956 which specified terms similar to the Soviet agreement. The first payment on the 1956 agreement, however, is not due until 1959.

E. Yemen.

Before 1958, Czechoslovakia agreed to provide Yemen with arms on credit to a value of about \$20 million. Annual payments apparently are to be made over a period of 15 years, presumably in Yemeni commodities. While there are indications that Yemen may have concluded another sizable agreement with Czechoslovakia late in June 1958, 6/ details are lacking.

F. Iraq.

In November 1958 the USSR agreed to extend a line of credit to Iraq for the procurement of arms. The value of the agreement is reported to be \$168 million.

50X1  
50X1

IV. Soviet Bloc Military Technicians.

Soviet Bloc military technicians in the underdeveloped countries receiving Bloc arms are utilized for three major functions, as follows:

- 6 -

S-E-C-R-E-T

S-E-C-R-E-T

1. Assembling and maintaining military equipment;
2. Training military personnel in tactics and in the operation of equipment; and
3. Advising personnel in staff and line units.

It is estimated that about 1,200 Bloc military technicians have been utilized by the countries receiving arms from the Bloc (see Table 2). <sup>8/</sup> It is believed that the cost of the services of technicians required to assemble and maintain equipment is included in the total value of the arms credits but not the cost of technicians performing training and advisory functions.

Table 2  
Military Technicians of the Soviet Bloc  
Utilized by Recipient Countries  
1955-58

	<u>USSR</u>	<u>Czechoslovakia</u>	<u>Poland</u>	<u>Total</u>
Egypt	490	150		640
Syria	180	75	10	265
Indonesia	120	30		150
Afghanistan	65			65
Yemen	60	15		75
Total	<u>915</u>	<u>270</u>	<u>10</u>	<u>1,195</u>

A. Assembly and Maintenance.

During the period of initial arms deliveries the immediate need is for Soviet Bloc technicians to assemble the equipment and to train indigenous personnel in its use and maintenance. Late in October 1955, more than 40 Soviet and Czechoslovak technicians arrived in Egypt to assemble the transport and fighter planes Egypt received from the Bloc. [redacted]

[redacted] These technicians also were used to train Egyptian personnel in the repair and maintenance of the aircraft.

50X1  
50X1

S-E-C-R-E-T

S-E-C-R-E-T

Contrary to the situation in Egypt, there was no immediate influx of large numbers of Soviet Bloc technicians into Syria, partly as a result of the slower rate of deliveries and partly as a result of the necessity of having the aircraft destined for Syria shipped to Egypt because of inadequate facilities in Syria. 11/ The hostilities in the Middle East in November 1956 delayed some deliveries of equipment as well as the arrival of Bloc technicians.

50X1  
50X1

Indonesia's arms agreements have resulted in the arrival of about 100 Soviet Bloc pilots and technicians to assemble and test the planes obtained by Indonesia. 13/

As new agreements are concluded, technicians usually are required to assemble and maintain subsequent arrivals of equipment. Although most of these technicians do not remain longer than is necessary to fulfill their functions, some are required to remain for extended periods of time to service the more intricate equipment. Soviet Bloc technicians were still assembling aircraft in Egypt and Syria toward the end of 1957, and a mission of Soviet engineers had to return to Egypt to repair damages to submarines resulting from improper operation by Egyptian naval personnel. 14/ Figure 1 (below) and Figure 2 (p. 9, below) are examples of equipment in which the Bloc has conducted training courses in Egypt.



Figure 1. Egypt: Soviet-Built Jet Fighters at an Air Force Base

S-E-C-R-E-T

S-E-C-R-E-T

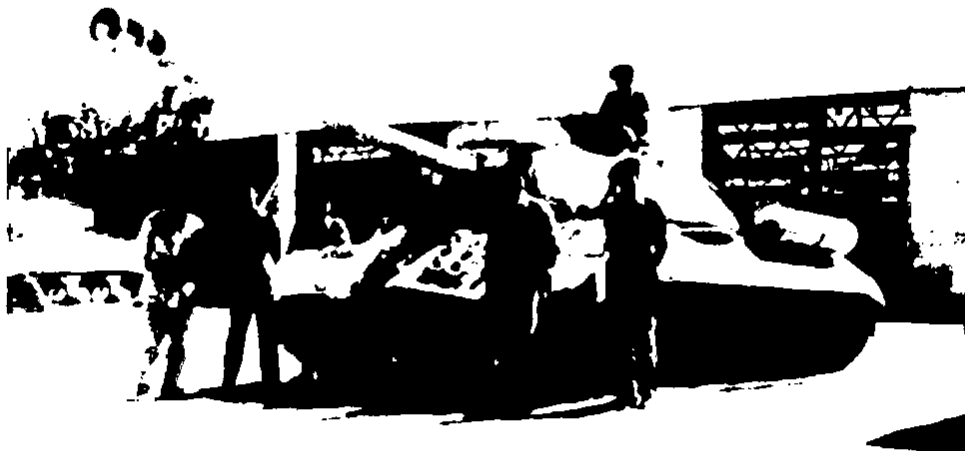


Figure 2. Egypt: Training on Soviet-Built JS-3  
Heavy Tanks

B. Training of Military Personnel.

Training of indigenous personnel has become a major function of Soviet Bloc technicians. Late in 1956 a mission of Soviet officers planned to establish a comprehensive military training program in Egypt. 15/ Soviet military technicians have set up a number of technical schools in Alexandria for training Egyptian naval personnel. A group of Soviet officers also are assisting the Egyptian air force in selecting pilots for preliminary training in Egypt before their advanced training in the USSR. 16/ Courses have been established for the utilization of the entire range of armaments from rifles to aircraft with Soviet, Polish, and Czechoslovak technicians employed as instructors. 17/

Late in 1956 a large group of Soviet technicians was requested by the Syrian government to undertake an integrated program to train Syrian military personnel in the use and maintenance of all Bloc military equipment. 18/ Polish technicians are training Syrians in the use and maintenance of radar equipment obtained from Poland, 19/ and about 15 Soviet officers are serving at a new military staff college at Qatana, Syria, where military tactics and organization are being taught. 20/ Soviet training manuals have been translated into Arabic and are being used at the staff college. 21/ Figures 3 and 4 (p. 11, below) are examples of the types of equipment utilized in training programs in Syria.

- 9 -

S-E-C-R-E-T



S-E-C-R-E-T

In Afghanistan, Soviet officers at the Mazar-i-Sharif airfield have been training Afghan air force personnel in jet fighter operation, photo interpretation, meteorology, and the use and maintenance of communication equipment. 22/ One group of Soviet officers is conducting 6-month courses at the Kabul Military School, and another group is instructing at a tank school in Herat. 23/

Since late in 1956, Soviet and Czechoslovak officers have been training Yemeni personnel in the use and maintenance of tanks, artillery, and aircraft. 24/

C. Advisory Personnel.

Soviet Bloc advisory personnel, particularly Soviet officers, have permeated the military establishments of Egypt and Syria. Soviet naval advisers are attached to elements of the Egyptian navy, Soviet and Czechoslovak officers are organized into special advisory groups and attached to divisional and army group headquarters, 25/ Soviet staff advisers have drawn up defensive and offensive battle plans, and Egypt has agreed to adopt Tables of Organization and Equipment drawn up by Soviet advisers. 26/

In Syria, Soviet officers, at the request of the Syrian government, arrived early in 1957 to undertake a reorganization of the Syrian army. 27/ A large group of Soviet officers arrived in Syria in mid-1957 and were assigned to advisory posts at staff and field headquarters.

50X1  
50X1

The extent to which reorganization of the armies of the United Arab Republic (UAR) has been effected is difficult to determine, but it would appear reasonable to expect some reorganization along Soviet lines if efficient utilization of Soviet Bloc arms and equipment is anticipated.

V. Military Training in the Soviet Bloc.

More than 1,600 nationals of the underdeveloped countries receiving arms from the Soviet Bloc have undergone military training in the Bloc since mid-1955 (see Table 3\*). Courses of instruction have included many phases of ground, air, and naval training and were undertaken primarily in Poland and in the USSR and Czechoslovakia. It is probable that the cost of this training is in addition to the total value of the arms agreements.

\* Table 3 follows on p. 12.

S-E-C-R-E-T

S-E-C-R-E-T

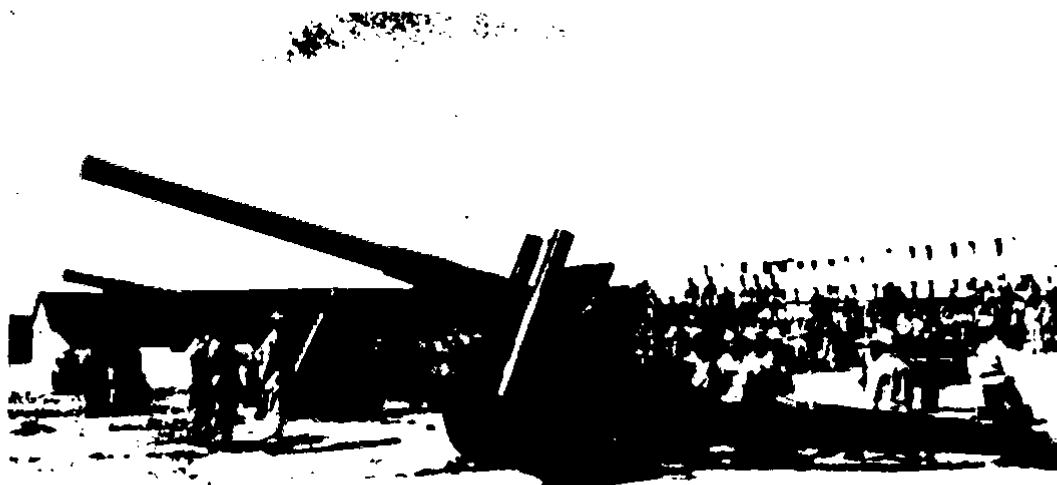


Figure 3. Syria: Training in the Use of Heavy Artillery



Figure 4. Syria: Training in Soviet-Built T-34 Tanks

- 11 -

S-E-C-R-E-T

S-E-C-R-E-T

Table 3

Military Personnel Trained in the Soviet Bloc  
1955-58

	<u>USSR</u>	<u>Czecho- slovakia</u>	<u>Poland</u>	<u>East Germany</u>	<u>Bulgaria</u>	<u>Total</u>
Egypt	347	310	460		20	1,137
Syria	295	25	65	3	25	413
Indonesia		50				50
Afghanistan	50					50
Total	<u>692</u>	<u>385</u>	<u>525</u>	<u>3</u>	<u>45</u>	<u>1,650</u>

Poland has provided training facilities for about one-third of the personnel trained and has been the site for almost all naval training undertaken. Courses have been provided in the operation and maintenance of destroyers, submarines, motor torpedo boats, minesweepers, and coastal artillery. 30/ In addition, some pilot training has been provided and perhaps some training in armor and artillery. 31/

Czechoslovakia has been a major site for flight training and has provided courses in flight instruction and operations tactics for fighter and bomber pilots. 32/ Czechoslovakia also has been a major training site for antiaircraft and field artillery operation and maintenance. 33/

The USSR is providing a considerable amount of training in land armaments and aircraft but did not become a major location for military training until 1957. This factor probably is a result of the early reluctance of the USSR to be associated directly with the extension of military aid to countries of the Free World. The Egyptian and Syrian arms credits in 1955 and 1956 were negotiated through Czechoslovakia. Since late in 1956, however, the USSR has undertaken direct negotiations in arranging for arms deliveries.

Egypt and Syria have provided the bulk of all military trainees to the Soviet Bloc. It was not until December 1957 that Afghanistan sent 50 trainees to the USSR. Early in 1958, Indonesia sent approximately 50 trainees to Czechoslovakia. There may be as many as 30 Indonesian pilots in Egypt being trained by Soviet instructors. Yemen has not sent any military trainees to the Bloc, but there are a number of Yemeni students attending Egyptian military schools. 34/

S-E-C-R-E-T

The training which followed shortly after extension of Soviet Bloc arms credits was generally for short periods, usually less than 6 months, and probably was caused by the urgent need for military personnel to help utilize the large influx of Bloc equipment. In Czechoslovakia, for example, the duration of courses in antiaircraft and field artillery was from 3 to 6 weeks. The number of students varied between 5 and 25. A representative course in operation and maintenance of 85-mm (millimeter) antiaircraft artillery for Egyptian officers consisted of 22 to 25 students and included instruction in the following 35/:

1. 85-mm antiaircraft artillery operation;
2. 85-mm antiaircraft artillery ammunition with time fuses;
3. Theory of ballistics and antiaircraft artillery fire;
4. General overhaul of 85-mm antiaircraft artillery guns;
5. Measuring instrument for 85-mm antiaircraft artillery guns -- theory, practice, and repair.

During 1957 the USSR began to provide training for periods of a year and longer. Staff and line officers through the rank of general are being trained in the USSR for command assignments. Large numbers of Egyptian officers are being trained to implement the reorganization of the Egyptian army in order to utilize Soviet Bloc equipment more effectively. 36/ The Egyptian government reportedly has decided to send all key officers for varying periods of training in the USSR. 37/ High-ranking Syrian officers are being selected to undertake 4-year training programs at the Staff College of Frunze -- the senior Soviet military college located in Moscow. 38/ Fifty Afghan officers have gone to the USSR for up to 3 years of training. 39/

Historically, the military groups have been the major source of authority in many underdeveloped countries. In the Middle East the earliest indication of Western influence was evident in the organization of the military. Training of indigenous military leaders and contact with Western technical superiority strongly affected the course of political development in these areas. The effect of present Soviet Bloc training on future military leaders may be expected to influence profoundly the political orientation of these countries. The probability of ideological indoctrination is obvious, and the "demonstration effect" of the scientific and technological advances of the USSR also is certain to influence the thinking of these trainees. These

S-E-C-R-E-T

developments will be particularly true in Egypt and Syria, where the military is by far the dominant group.

## VI. Military Installations.

In addition to providing arms, training, and the services of military technicians, the Soviet Bloc also has been active in helping the underdeveloped countries to modernize existing military installations and to construct new facilities. The cost of this assistance usually is in addition to the cost of the arms credits, and, judging from evidence at hand, involves additional credits.

Soviet Bloc assistance in modernizing military installations has been confined primarily to air and naval installations and in most instances probably has entailed the use of Bloc technicians in supervisory capacities rather than to the award of contracts to construct an entire project.

Available reports often fail to make clear the size of a particular construction project or the extent of modernization involved. In some instances, modernization of an airfield may be a major undertaking. In others, it may be simply the installation of radio facilities or the resurfacing of a runway. The construction of an airfield may relate only to the construction of an additional landing strip or the construction of additional facilities. It is unlikely that very many of the airfields are being renovated or modernized to the extent that would permit them to support sustained jet fighter and bomber operations.

### A. Egypt.

Although the Egyptian government has undertaken most of the construction work for its own military installations, it has utilized Soviet Bloc technicians, and probably Bloc guidance, to a considerable extent.

In mid-1956 the USSR offered to assist Egypt in modernizing 5 airfields to accommodate jet aircraft. <sup>40/</sup> Soviet Bloc technicians have been engaged in the construction of an airfield in the Qalyub-Benha area north of Cairo <sup>41/</sup> and reportedly supervised construction work at the Dekheila Airfield. <sup>42/</sup> Soviet and Czechoslovak technicians were employed extensively in repairing damage at Almaza and other airfields after the hostilities in November 1956. <sup>43/</sup>

Soviet technicians also have been engaged in the construction of naval facilities in Egypt. In mid-1956 the USSR offered to develop Port Said and Alexandria into modern naval bases. <sup>44/</sup> A Soviet naval mission reportedly arrived in Cairo in September 1957 to discuss the

S-E-C-R-E-T

S-E-C-R-E-T

establishment of submarine bases on the Mediterranean and Red Seas. 45/ Sites considered to be possible locations for submarine and naval bases were in the vicinities of Port Said, Marsa Matruh, Hurghada, and Safaga. 46/ In Alexandria, Soviet naval engineers probably were employed in the construction of a naval arsenal and surveyed the harbor area for further developments. 47/ Soviet engineers assisted in the expansion of facilities at Adabiya 48/ and probably have been employed in construction of Abu Qir since early 1957. 49/

Figure 7\* shows the locations of military installations in Egypt being developed with the assistance of the Soviet Bloc.

B. Syria.

Since mid-1956, Syria has been engaged in a program designed to modernize and expand its basic facilities to accommodate the arms purchased from the Soviet Bloc. Bloc technicians and Bloc guidance have been utilized in accomplishing this program. Shortly after the conclusion of the first Syrian-Czechoslovak arms accord early in 1956, it was agreed that, pending the modernization and conversion of certain Syrian airfields, MIG fighters supplied by Czechoslovakia would be maintained in Egypt. 50/ In mid-1956, Czechoslovak technicians reportedly were preparing to survey the possibility of converting certain existing airfields into bases for jet aircraft. 51/

There are indications that subsequent to the conclusion of the Syrian-Soviet military aid agreement of November 1956 the USSR agreed to assist Syria in the construction of 3 new airfields and the modernization of 4 others. 52/ Subsequent reports indicated that the USSR was prepared to modernize the airfields at Damascus, Homs, Qamichliye, Deir-Ez-Zor, and Nayrab (Aleppo) and to construct new airfields at Risafe, Raqqa, and Palmyra. 53/ In mid-1957 it was reported that about 80 Soviet and Czechoslovak technicians were engaged in construction work on Syrian military airfields. 54/

The Syrians now possess 4 major airfields located at Dumayr, Hama, Mezze (Damascus), and Nayrab. The construction of the major runway for the airfield at Dumayr by a Bulgarian firm, at a cost of about \$1.4 million, 55/ was supervised by 10 Bulgarian engineers and technicians. 56/

At Hama, as many as 60 Soviet, Czechoslovak, and Bulgarian technicians may have been employed in the construction work at the airfield, 57/ which is now the main training base for Syrian pilots. Soviet and Czechoslovak officers are supervising the training of Syrian pilots at Hama. 58/

\* Following p. 16.

S-E-C-R-E-T

S-E-C-R-E-T

Soviet Bloc assistance also has been reported in connection with actual or planned construction at other important locations such as Palmyra, Risafe, Qusayr, and Qamichliye. 59/

Figure 5 shows the type of airfield modernization being undertaken in Syria.



Figure 5. Syria: Example of Modernization at Hama Airfield

Syria has developed a small naval base about 10 miles north of Latakia. A Yugoslav firm constructed the breakwater and dock installations, and the Bulgarians are constructing the military facilities and installations surrounding the port area. 60/ Figure 6 shows a Syrian naval base being developed with the assistance of the Soviet Bloc.

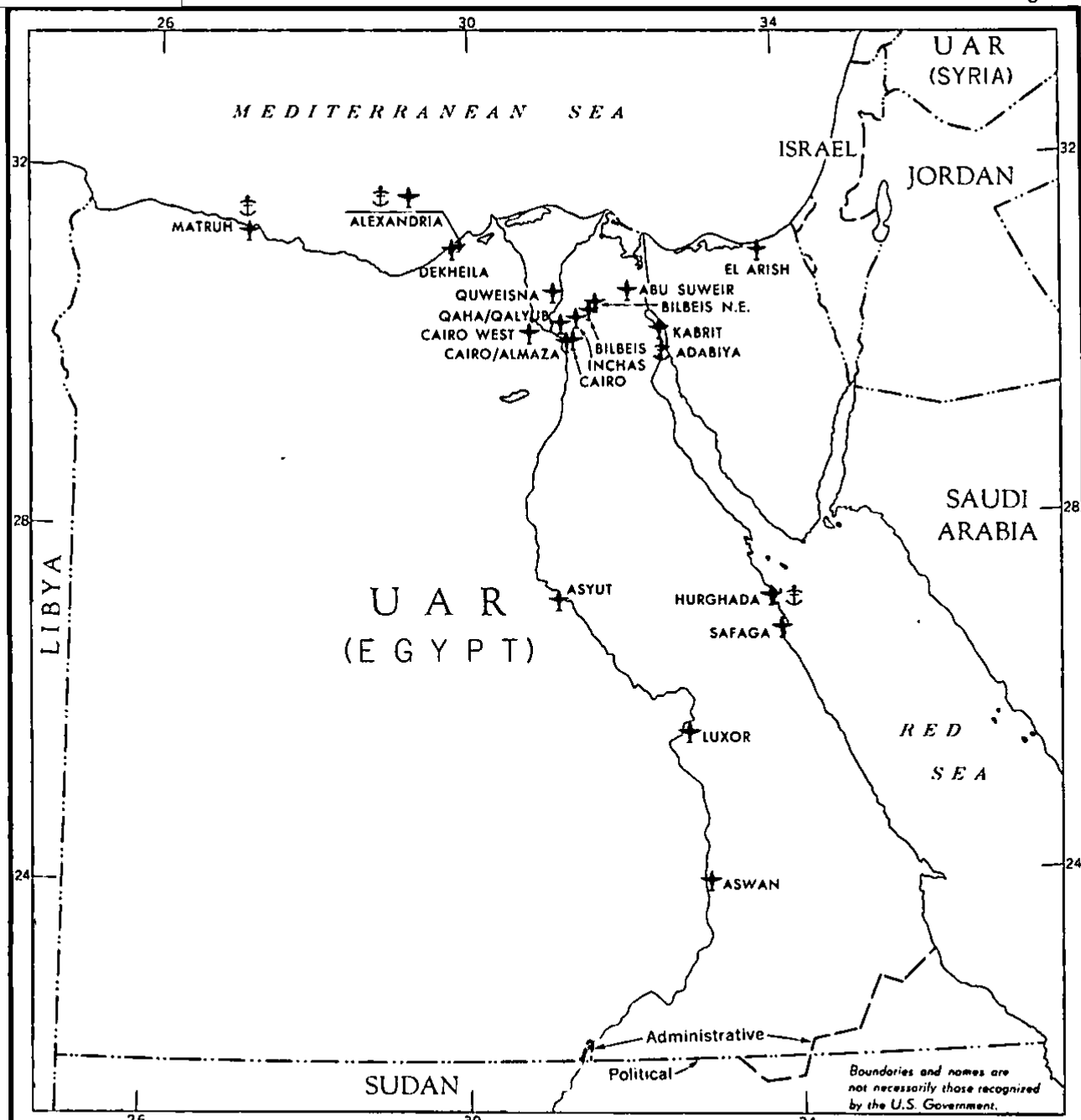


Figure 6. Syria: Naval Base Under Construction with the Assistance of the Soviet Bloc

- 16 -

S-E-C-R-E-T

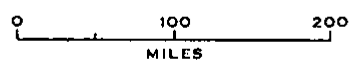
Figure 7 50X1



**EGYPT: ACTIVITY OF THE SOVIET BLOC IN THE DEVELOPMENT OF MILITARY INSTALLATIONS**

- ✚ Major airfield
- ⚓ Naval installation

*Installations with reported Soviet Bloc activity shown in red*



50X1

27444 1-59

**SECRET**

50X1



S-E-C-R-E-T

Bulgaria also has constructed a group of military barracks in the Latakia area at a cost of about \$1.4 million. 61/

Figure 8\* shows the location of military installations in Syria being developed with the assistance of the Soviet Bloc.

C. Afghanistan.

Early in 1956, official sources in Afghanistan announced that the USSR would assist in the construction of 4 airfields, utilizing the \$100-million line of credit extended by the USSR in 1955. 62/ The installations probably under consideration were to be constructed at Kabul, Mazar-i-Sharif, Jalalabad, and Baghram. 63/

A contract reportedly has been signed with the USSR to construct the Baghram military airfield at an estimated cost of \$7.5 million. 64/ About 60 Soviet technicians are engaged in construction work at the site of the field, which is to have a usable runway by 1959. 65/

The Afghan air force originally planned to separate the Kabul civil and military airports, designating Khwaja Rawash as the military airfield. 66/ In 1957, however, the Afghan government decided to postpone construction indefinitely, after a Soviet engineering survey indicated that the cost would be about \$6 million and would require about 225 Soviet engineers and technicians. 67/

Soviet technicians are reported to have begun construction of an airfield at Mazar-i-Sharif in late 1956. 68/ The civil and military installations were separated, and a new landing strip -- estimated to be 6,000 feet in length -- was completed at the military site by the end of 1957. 69/

The airfields at Herat and Jalalabad are reported to be under construction, but the stage of completion cannot be determined at present. 70/ Figure 9\* shows the location of airfields in Afghanistan being developed with the assistance of the Soviet Bloc.

D. Yemen.

Late in 1957 the USSR extended Yemen a loan of \$25 million to be utilized for the construction of transportation facilities. Included in the loan was a provision to construct 3 major airfields with concrete runways and 4 other minor installations. 71/ It is not known whether these are to be new airfields or merely the

\* Following p. 18.

S-E-C-R-E-T

modernization of existing natural-surfaced fields. Early in 1958 it was reported that Soviet technicians were nearing completion of reconstruction work on an old airport south of San'a which is to be the site of a flight training school. 72/ Work reportedly has begun on a new airport 6 miles north of San'a under the supervision of 15 Soviet technicians. 73/ Four Soviet technicians arrived in Yemen in May 1958 ostensibly to undertake reconstruction of the airfield near Al Hudaydah. 74/

In September 1957, there were indications that Yemen planned to fortify an area near the Bab al-Mandeb at the entrance to the Red Sea. 75/ Early in 1958, two teams of Soviet technicians surveyed the site. 76/ In June 1958, two Soviet engineers arrived in Yemen reportedly to supervise construction of the Shaikh Said airport planned for the Bab al-Mandeb area. 77/

Figure 10\* shows the location of airfields in Yemen being developed with the assistance of the Soviet Bloc.

#### VII. Economic Consequences of the Arms Agreements.

In addition to the direct increase in trade brought about by Soviet Bloc exports of military hardware and services, agreements on military aid also have provided a basis for closer political and additional economic ties with the Bloc. The closer ties with the Bloc, engendered by the arms credits, have fostered a willingness to seek economic aid from the Bloc. Thus, in some cases, Bloc credits for economic development have followed soon after the signing of arms agreements. Military agreements have served as a means for extensive economic penetration.

In the UAR -- especially Egypt -- the arms credits are of relatively long standing and are not coupled with sizable economic development credits. The large economic loans came later. These circumstances offer a better basis for analyzing economic effects of the arms credits alone than would be possible for Indonesia, Afghanistan, Yemen, and Iraq which had earlier or concurrent economic credits. Examination of the UAR case may be expected to indicate the probable influence of arms credits on the financial relations of the Soviet Bloc with Indonesia, Afghanistan, Yemen, and Iraq.

##### A. Foreign Trade.

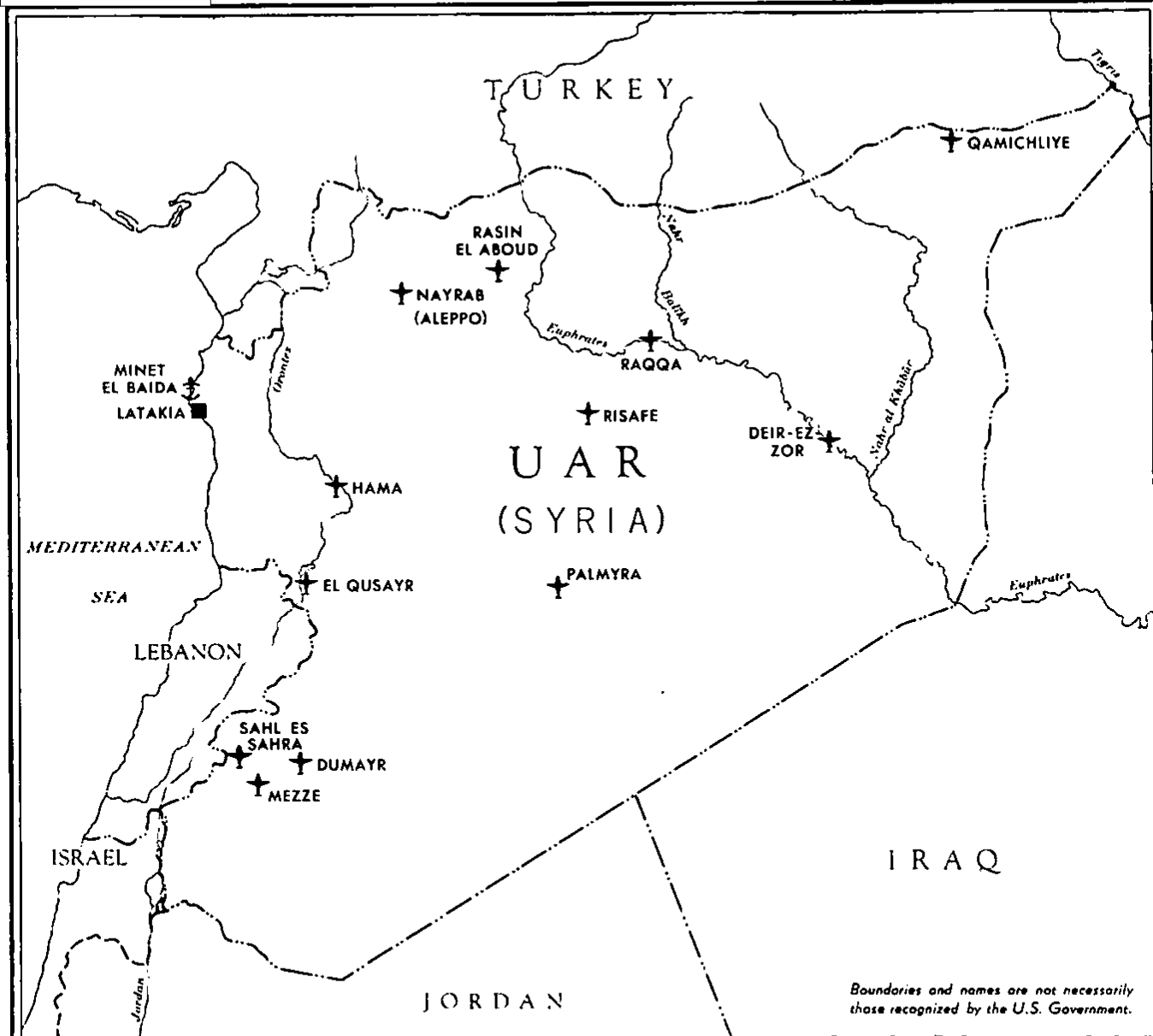
The most striking short-run development subsequent to the purchase of arms from the Soviet Bloc has been the rapid shift of

---

\* Following p. 18.

S-E-C-R-E-T

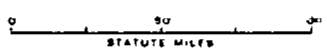
Figure 50X1



**SYRIA: ACTIVITY OF THE SOVIET BLOC IN THE DEVELOPMENT OF MILITARY INSTALLATIONS**

- ✈ Major airfield
- ⚓ Naval installation
- Military barracks

*Installations with reported Soviet Bloc activity shown in red*



50X1

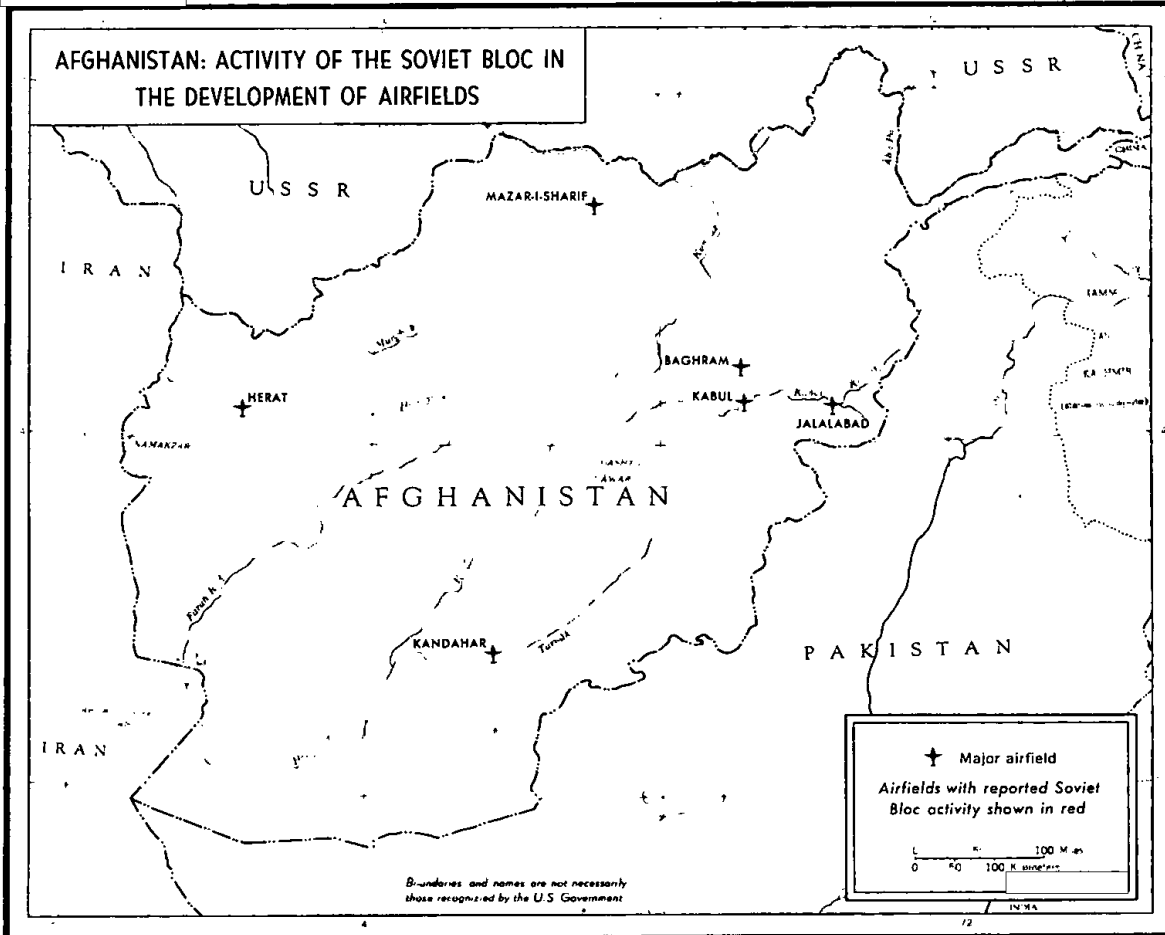
27443 1-59

**SECRET**

50X1

Figure 9

50X1



27445 1-59

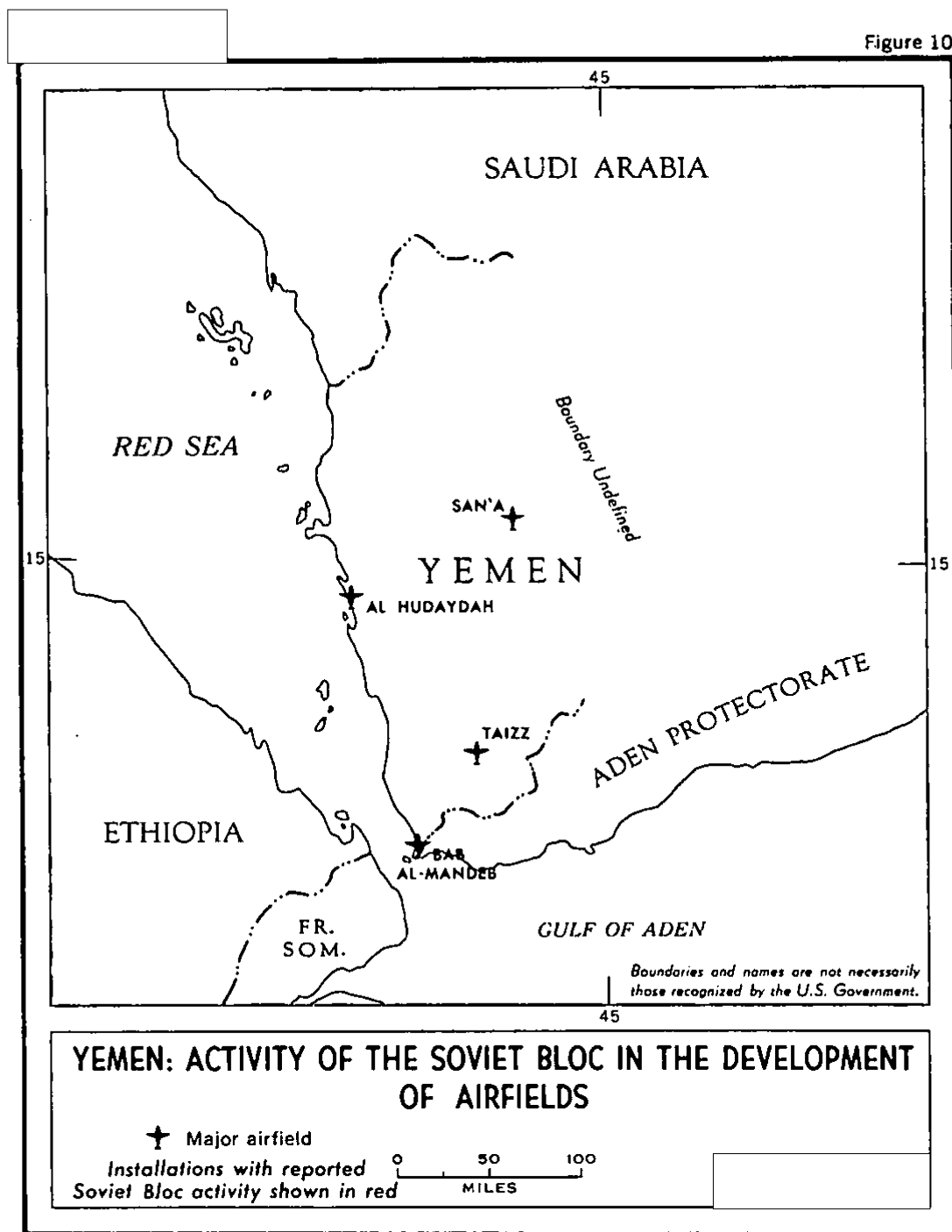
**SECRET**

50X1

50X1

Figure 10

50X1



27446 1-59

**SECRET**

50X1

50X1

S-E-C-R-E-T

Egyptian and Syrian trade toward the Bloc. The speed and magnitude of the shift is indicated in Table 4.

Table 4  
 Foreign Trade of Egypt and Syria  
 1954, 1956, and 1957 a/

	Million US \$					
	Egypt			Syria		
	<u>1954</u>	<u>1956</u>	<u>1957</u>	<u>1954</u>	<u>1956</u>	<u>1957</u>
Free World	767	721	648	300	319	286
Sino-Soviet Bloc	82	214	360	6	19	43
Total trade	<u>849</u>	<u>935</u>	<u>1,008</u>	<u>306</u>	<u>338</u>	<u>329</u>
Bloc as a percent of total	10	23	36	2	6	13

a. See Appendix A, Tables 10 and 11, for a geographic distribution of trade.

Perhaps even more significant than the sizable increase in total trade is the large increase in the export of Egyptian and Syrian cotton to the Soviet Bloc and a corresponding drop in cotton exports to the West (see Table 5). Cotton is the major source of foreign exchange for Egypt and the most important commodity source of foreign exchange for Syria.

Table 5  
 Export of Egyptian and Syrian Cotton  
 to the Sino-Soviet Bloc

	Percent of Total Cotton Exports			
	<u>1954/55 <u>a/</u></u>	<u>1955/56</u>	<u>1956/57</u>	<u>1957/58</u>
Egypt	28	40	53	59
Syria		6	43	49

a. Crop year, 1 September to 30 August.

S-E-C-R-E-T

S-E-C-R-E-T

The loss of foreign exchange resulting from the reduction of cotton exports by the UAR to the Soviet Bloc restricts the amount of trade which can be undertaken with the West, particularly dollar and sterling trade. In order to pay for necessary imports from the West, both Egypt and Syria have had to draw upon dwindling foreign exchange reserves to such an extent that the stability of their domestic currencies has been threatened (see Table 6).

Table 6

Foreign Exchange Reserves of Egypt and Syria a/  
1954-58

	Million US \$				
	<u>1954</u>	<u>1955</u>	<u>1956</u>	<u>1957</u>	<u>1958</u>
Egypt	558	467	378	277	273 (Apr)
Syria	30	29	43	30	27 (Feb)

a. 78/

Table 6 indicates the rapid decline in foreign exchange holdings by Egypt and Syria in the years following the purchase of arms. Between 1955 and 1957, there was a 40-percent decline in Egyptian foreign exchange reserves. Syrian foreign exchange reserves declined about 38 percent between 1956 and 1958 despite a transit revenue payment in early 1957 of more than \$13 million from the Iraq Petroleum Company. 79/

Egyptian balance-of-payments problems probably have been compounded by the necessity of servicing its arms debt and thereby developing an export surplus in trade with the Soviet Bloc. With a sizable part of its exports going to pay for military goods, Egypt has been hard-pressed to maintain the flow of needed imports of non-military commodities. The comparison, as shown in Table 7,\* between commodity trade and financial clearing balances in the Egyptian - Soviet Bloc accounts for 1957 suggest the extent to which shipments of Egyptian commodities to the Bloc are currently paying for earlier imports.

Part of the trade surplus shown, and therefore part of the discrepancy, is a statistical illusion, because some commodity

\* Table 7 follows on p. 21.

S-E-C-R-E-T

S-E-C-R-E-T

Table 7

Egyptian Trade Balances in Clearing Accounts  
 with the Soviet Bloc a/  
 1957

	Million US \$				
	<u>Recorded Commodity Trade of Egypt</u>		Trade Surplus or <u>Deficit</u>	Change in Clearing Accounts <u>b/</u> 1 Jan - 31 Dec 57	Discrepancy Trade and Clearing Account Movement
	<u>Imports</u>	<u>Exports</u>			
Czechoslovakia	17.6	40.9	+23.3	+1.1	-22.2
Poland	7.7	18.9	+11.2	-2.7	-13.9
USSR	52.1	87.6	+35.5	-8.7	-44.2

a. 80/

b. Egypt's clearing account with each Bloc country records the total financial dealings with that country which are within the framework of the clearing agreement. These financial dealings include commodity trade, tourist expenditures, embassy expenditures, and other services and the payment of interest and amortization charges on credits. Thus, although its trade account with Poland shows an export surplus of \$11.2 million, Egypt has an over-all deficit of \$2.7 million in the clearing account, indicating that it paid Poland \$13.9 million for goods and services not included in the commodity trade statistics.

imports -- petroleum, for example -- do not appear in the current commodity trade account. In addition, Egyptian imports of such services as the training of Egyptian nationals in the Soviet Bloc are not reflected in the commodity account. Certain financial transactions, including ad hoc tri-lateral clearing arrangements within the Bloc, also may contribute to the \$80-million discrepancy in Egypt's clearing balances. In all, these transactions would amount to only a few million dollars. The bulk of this discrepancy, however, probably reflects payment on the arms debts owed to the USSR, Czechoslovakia, and Poland, amounting to 10 to 15 percent of total Egyptian commodity exports, or 25 to 30 percent of exports to the Bloc.

B. Economic Development.

The general political instability in the Middle East and the UAR's emphasis on military, at the expense of economic, development; shifting of trade patterns; and the loss of foreign exchange have affected seriously

S-E-C-R-E-T



S-E-C-R-E-T

economic development in the UAR. Before the announcement of the Soviet-Syrian economic aid agreement, Syria was on the verge of a financial crisis. Large outlays for defense expenditures in 1956 caused a shortage of government funds sufficiently critical to curtail all public projects except those considered absolutely necessary. 81/ Certain developmental projects were canceled and their original appropriations transferred to the Ministry of Defense. 82/ In July 1957 the Director of Taxation in the Syrian Ministry of Finance indicated that the budgetary situation was so bad that normal governmental operations would cease unless special measures were undertaken. 83/ The demands of the Czechoslovaks for payment of the installment due on the arms debt in 1957 and Syria's inability to meet this payment compelled the Syrian government to send a delegation to the USSR and Czechoslovakia to request more liberal payment terms and additional economic aid. 84/

Before the Soviet-Egyptian economic aid agreement in January 1958, the outlook for a major economic development program in Egypt was dim, particularly after the West refused to assist Egypt in financing the Aswan Dam. Even with the Soviet loan of \$175 million, however, there are still doubts that Egypt's industrialization program can be achieved without sizable amounts of additional capital. The President of the Board of the National Bank of Egypt stated: "... Other than the Soviet loan, investment capital from abroad is small. The Soviet loan is the only major contribution toward Egyptian economic development in the next 3 or 4 years. For the rest, Egypt must rely upon current income in foreign exchange." 85/ Subsequently, however, Egypt has received sizable long-term credits from West Germany and Japan totaling about \$130 million. The West German credit, however, is for both regions of the UAR.

#### VIII. Conclusions.

The countries receiving arms from the Soviet Bloc find themselves surrounded by political and economic pressures which portend a long-run close relationship with the Bloc. Politically, they must continue to rely upon the Bloc for the type of support which compelled them to turn to the Bloc for arms. From an economic point of view the recipient countries must continue to maintain close relations with the Bloc, at least until the existing Bloc credits have been repaid. Economic difficulties and offers of arms and industrial equipment at relatively favorable repayment terms encourage these countries to continue enmeshing themselves in the web of Soviet accommodation. As indigenous military forces become heavily equipped with Bloc arms, they become dependent upon the Bloc for replacement and spare parts.

S-E-C-R-E-T

S-E-C-R-E-T

From the point of view of the Soviet objective of eliminating Western influence in certain of the underdeveloped areas of the world, agreements to purchase arms from the Soviet Bloc have accelerated nationalist unrest and have served to postpone, or perhaps eliminate, the possibilities for peaceful settlement of regional conflicts in the areas receiving Bloc arms. The burden of heavy defense expenditures siphons off domestic resources which normally would be utilized for badly needed economic development.

In the long run, there is the possibility of more ominous developments. In addition to the large numbers of military trainees, hundreds of students from these countries are being trained in Soviet Bloc military, professional, and technical schools. Within a generation or less, there could well be a displacement of the Western-educated middle class from positions of authority by a class educated in the Bloc. The combination of socialist orientation and authoritarian control does not provide an atmosphere within which Western types of institutions can flourish or to which significant quantities of Western risk capital can be attracted.

S-E-C-R-E-T

S-E-C-R-E-T

APPENDIX A

STATISTICAL TABLES

Table 8

Financial Aspects of Arms Sales by the Soviet Bloc  
to the Underdeveloped Countries of the Free World

				Million US \$
<u>Country</u>	<u>Date of Agreement</u>	<u>Value</u>	<u>Payment Terms</u>	<u>Estimated Interest</u>
Egypt				
Czechoslovakia	1955	250	Twenty percent down-payment in sterling; balance in 4 annual installments; interest at 2 percent. Annual payments to be in Egyptian commodities, particularly cotton and rice.	10
USSR	1957 1958	15 <u>a/</u> 100		
Syria				
Czechoslovakia	1956	45	Twenty percent down-payment in hard currency; balance in 4 annual installments in Syrian commodities; interest probably at 2 percent. First installment due in 1957 could not be paid. Czechoslovaks agreed to an extended period of repayment.	2
USSR	1956	25	One-third downpayment in hard currency; balance in 10 annual installments in Syrian commodities; interest at 2 percent.	2

a. Value of aircraft delivery.

S-E-C-R-E-T

S-E-C-R-E-T

Table 8

Financial Aspects of Arms Sales by the Soviet Bloc  
 to the Underdeveloped Countries of the Free World  
 (Continued)

				Million US \$
Country	Date of Agreement	Value	Payment Terms	Estimated Interest
USSR (Continued)				
	1957	30		
	1958	45		
Yemen				
Czechoslovakia	1956	20	Payment probably in 15 annual installments in Yemeni commodities.	
Afghanistan				
Czechoslovakia	1955	3	Cash purchase.	
	1956	7	Payment over 8 years in commodities; in- terest at 2 percent; first payment due in 1959.	1
USSR	1956	25	Similar payment terms; first payment due in 1957.	2
Indonesia				
USSR	1957	8		
Poland	1958	120	At least 5 percent down and the balance in 10 annual install- ments at 2-percent interest.	13
Czechoslovakia	1958	50	Terms are presumed to be the same as the Polish agreement.	6

S-E-C-R-E-T

Table 8

Financial Aspects of Arms Sales by the Soviet Bloc  
to the Underdeveloped Countries of the Free World  
(Continued)

<u>Country</u>	<u>Date of Agreement</u>	<u>Value (Million US \$)</u>	<u>Payment Terms</u>	<u>Estimated Amount of Interest</u>
Iraq				
USSR	1958	168	Thirty percent down-payment; balance in 5 annual installments; presumably in convertible currency.	
Total		<u>911</u>		

S-E-C-R-E-T

S-E-C-R-E-T

Table 9  
 Military Trainees in the Soviet Bloc  
 1955-58

	USSR			Czechoslovakia			Poland			Bulgaria <sup>a/</sup>	East Germany <sup>b/</sup>	Grand Total
	Land Armament	Air	Total	Land Armament	Air	Total	Navy	Air	Total			
Egypt												
1955							300		300			300
1956					100	100	50	80	130			230
1957	85	60	145	60	150	210	30		30	20		405
1958	25	177	202									202
Total	110	237	347	60	250	310	380	80	460	20		1,137
Syria												
1956				10	15	25	40	25	25	25		25
1957	80	130	210						40		3	303
1958	5	80	85									85
Total	85	210	295	10	15	25	40	25	65	25	3	413
Afghanistan												
1957		50	50									50
1958												
Total		50	50									50
Indonesia												
1958					50	50						50
Total					50	50						50
Grand total	195	497	692	70	315	385	420	105	285	45	3	1,650
Percent of total			42.0			23.3			31.8	2.7	0.2	

a. Flight training.  
 b. Communications.

S-E-C-R-E-T

S-E-C-R-E-T

Table 10

Foreign Trade of Egypt  
1954, 1956, and 1957

Million US \$

	1954			1956			1957		
	Imports	Exports	Total	Imports	Exports	Total	Imports	Exports	Total
UK	58.4	40.8	99.2	62.4	13.4	75.8	7.7	0.3	8.0
France	45.3	45.0	90.3	27.4	29.3	56.7	5.9	9.1	15.0
West Germany	50.7	32.5	83.2	59.8	19.4	79.2	51.6	15.9	67.5
Italy	35.3	29.6	64.9	33.9	23.4	57.3	39.1	17.9	57.0
US	50.7	18.2	68.9	71.3	13.4	84.7	35.3	22.2	57.5
India	11.4	52.4	63.8	19.9	25.4	45.3	23.6	21.4	45.0
Japan	5.7	19.6	25.3	10.5	30.2	40.7	20.8	29.6	50.4
Sudan	N.A.	N.A.	N.A.	13.4	26.7	40.1	13.9	21.4	35.3
Belgium	14.4	7.1	21.5	14.5	3.9	18.4	15.9	15.7	31.6
Other Free World	161.3	88.2	249.5	140.7	81.8	222.5	173.2	107.1	280.3
Total Free World	<u>433.2</u>	<u>333.4</u>	<u>766.6</u>	<u>453.8</u>	<u>266.9</u>	<u>720.7</u>	<u>387.0</u>	<u>260.6</u>	<u>647.6</u>
Bulgaria	0.3	0.3	0.6	1.7	4.3	6.0	2.6	3.7	6.3
Communist China	0.8	11.1	11.9	11.1	23.9	35.0	20.5	41.9	62.4
Czechoslovakia	7.7	17.1	24.8	10.8	59.3	70.1	17.9	41.6	59.5
East Germany	1.4	1.9	3.3	8.3	9.4	17.7	18.5	19.7	38.2
Hungary	3.7	5.1	8.8	4.6	4.8	9.4	6.5	3.1	9.6
Poland	1.4	6.8	8.2	2.8	11.1	13.9	7.9	19.4	27.3

- 29 -

S-E-C-R-E-T

S-E-C-R-E-T

Table 10  
Foreign Trade of Egypt  
1954, 1956, and 1957  
(Continued)

	Million US \$								
	1954			1956			1957		
	<u>Imports</u>	<u>Exports</u>	<u>Total</u>	<u>Imports</u>	<u>Exports</u>	<u>Total</u>	<u>Imports</u>	<u>Exports</u>	<u>Total</u>
Rumania	4.8	7.6	12.4	14.2	9.4	23.6	5.4	9.4	14.8
USSR	6.6	5.4	12.0	22.5	15.9	38.4	53.0	89.2	142.2
Total Bloc	<u>26.7</u>	<u>55.3</u>	<u>82.0</u>	<u>76.0</u>	<u>138.1</u>	<u>214.1</u>	<u>132.3</u>	<u>228.0</u>	<u>360.3</u>
Grand total	<u>459.9</u>	<u>388.7</u>	<u>848.6</u>	<u>529.8</u>	<u>405.0</u>	<u>934.8</u>	<u>519.3</u>	<u>488.6</u>	<u>1,007.9</u>
Bloc as a percent of total	5.8	14.2	9.7	14.3	34.1	22.9	25.5	46.7	35.7



S-E-C-R-E-T

Table 11

Foreign Trade of Syria  
1954, 1956, and 1957

Million US \$

	1954			1956			1957		
	Imports	Exports	Total	Imports	Exports	Total	Imports	Exports	Total
Lebanon	10.9	34.7	45.6	12.6	33.9	46.5	7.0	26.1	33.1
UK	13.7	8.1	21.8	23.5	3.1	26.6	13.2	1.7	14.9
France	13.4	20.2	33.6	15.9	17.6	33.5	12.0	15.7	27.7
West Germany	10.9	8.4	19.3	19.6	8.7	28.3	18.5	8.4	26.9
US	13.7	5.3	19.0	21.6	5.8	27.4	19.3	5.9	25.2
Italy	7.3	5.0	12.3	10.6	15.9	26.5	11.5	17.9	29.4
Iraq	1.7	4.5	6.2	12.3	7.8	20.1	9.5	7.3	16.8
Other Free World	99.8	42.1	141.9	69.6	40.5	110.1	68.4	43.9	112.3
Total Free World	<u>171.4</u>	<u>128.3</u>	<u>299.7</u>	<u>185.7</u>	<u>133.3</u>	<u>319.0</u>	<u>159.4</u>	<u>126.9</u>	<u>286.3</u>
Communist China	0.2	1.0	1.2	0.3	1.6	1.9	0.5	10.0	10.5
Czechoslovakia	1.7		1.7	2.7	5.9	8.6	3.2	3.4	6.6
USSR	0.1		0.1	0.5	1.1	1.6	3.2	6.3	9.5
Other Bloc	2.7	0.1	2.8	4.4	2.7	7.1	6.9	9.8	16.7
Total Bloc	<u>4.7</u>	<u>1.1</u>	<u>5.8</u>	<u>7.9</u>	<u>11.3</u>	<u>19.2</u>	<u>13.8</u>	<u>29.5</u>	<u>43.3</u>
Total trade	<u>176.1</u>	<u>129.4</u>	<u>305.5</u>	<u>193.6</u>	<u>144.6</u>	<u>338.2</u>	<u>173.2</u>	<u>156.4</u>	<u>329.6</u>
Bloc as a percent of total	2.7	0.9	1.9	4.1	7.8	5.7	8.0	18.9	13.1

S-E-C-R-E-T

S-E-C-R-E-T

Table 12

Estimated Selected Arms Received from the Soviet Bloc  
 1955-58

Item	Egypt	Syria	Indonesia <sup>a/</sup>	Afghanistan	Yemen
MIG 15/17 jet fighter	120	36	55	45	
Il-28 jet bomber	60		20 to 30		
Il-14 transport	22	3	20		
Yak trainers				30	
Il-10 piston fighter					36
Helicopter	2	4	8	2	2
T-34 medium tank	140	130 to 200		120	20
JS-3 heavy tank	40				
BTR-152 armored vehicles	130	200 to 235			75
SU-100 self-propelled gun	70	55			60
Artillery	270	255		235	300
Assorted vehicles	4,700	3,500	3,500 to 4,000	8,000	273
Destroyers	2		4		
Motor torpedo boats	20	12			
Submarines	6		2		
Submarine chasers			8		

a. Aircraft include orders and deliveries.

S-E-C-R-E-T

**Page Denied**

Next 3 Page(s) In Document Denied

**SECRET**



50X1



**SECRET**

50X1