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CENTRAL INTELLIGENCE AGENCY
WASHINGTON, D.C. 20505

**CIA HISTORICAL REVIEW PROGRAM
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13 March 1968

MEMORANDUM FOR: Dr. Milton Kovner
Chief, Bloc International Economic
Activities Division
Bureau of Intelligence and Research
Department of State

SUBJECT : Information on UAR Indebtedness to Communist
Countries for Economic and Military Aid

Attached is information on the status of UAR indebtedness
to Communist countries which you requested on
6 March 1968 for the Office of International Monetary Affairs.

Acting Chief,

Attachment:
As stated above

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Information on UAR Indebtedness to Communist Countries
for Economic and Military Aid

The attached tables provide data on payments for deliveries of Communist economic and military aid to the UAR and estimates of the amount of debt still outstanding on these deliveries. Almost 40 percent of the \$1.4 billion of Communist aid delivered to the UAR between 1955 and 1967, under credit, had been repaid by the end of 1967. This leaves the UAR with approximately \$860 million of indebtedness still to be repaid.

Although the value of Communist military and economic aid deliveries to the UAR are roughly equal, about three-fourths of total repayments have been made to the military account. These larger payments on the military debt are the result of the heavy military deliveries made early in the program, the longer lag for economic aid repayments between deliveries and initial principal repayment, and the shorter amortization period for military repayments.

The UAR is believed to have met all of its scheduled commitments for the repayment of Communist economic aid due through 1966. Moreover, there have been no reports of delinquency in economic aid repayments during 1967. Requests were made, however, for rescheduling the military debt and the amounts originally scheduled for payment to the USSR for 1965-67 are believed to have been reduced by one-half.

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Table 1

Estimated UAR Indebtedness to Communist Countries for Economic and Military Aid (1955-1967)
31 December 1967

	Aid Delivered a/	Principal Repaid b/	Principal Debt Outstanding c/
Total, Communist Countries	<u>1,425</u>	<u>564</u>	<u>861</u>
Economic	<u>726</u>	<u>141</u>	<u>585</u>
Military	699	423	276
USSR	<u>983</u>	<u>282</u>	<u>701</u>
Economic	<u>509</u>	<u>74</u>	<u>435</u>
Military	474	208	266
Eastern Europe	<u>431</u>	<u>282</u>	<u>149</u>
Economic	<u>206</u>	<u>67</u>	<u>139</u>
Military	225	215	10
Bulgaria d/	<u>20</u>	<u>2</u>	<u>18</u>
Czechoslovakia	<u>283</u>	<u>244</u>	<u>39</u>
Economic	<u>58</u>	<u>29</u>	<u>29</u>
Military	225	215	10
East Germany d/	<u>47</u>	<u>19</u>	<u>28</u>
Hungary d/	<u>34</u>	<u>16</u>	<u>18</u>
Poland d/	<u>16</u>	<u>1</u>	<u>15</u>
Rumania d/	<u>31</u>	<u>0</u>	<u>31</u>
Communist China d/	<u>11</u>	<u>0</u>	<u>11</u>

- a. Under credit.
b. Estimated scheduled repayments.
c. The difference between the amount estimated to have been delivered and the amount repaid.
d. Economic aid only.

(as of March 1968)

Table 2
Estimated Scheduled Repayments of the UAR's Debt to Communist Countries for Economic Aid
1959-1967

	Million Current US \$									
	Total 1959-67	1959	1960	1961	1962	1963	1964	1965	1966	1967
Total, Communist Countries a/	184.3	3.5	7.2	7.3	10.5	16.5	27.9	31.6	37.1	42.7
Principal	140.3	2.7	6.2	6.1	8.5	12.5	20.8	23.2	28.0	32.3
Interest	44.0	0.8	1.0	1.2	2.0	4.0	7.1	8.4	9.1	10.4
USSR	108.2	0.3	2.1	2.4	3.3	6.5	17.5	21.1	26.2	28.8
Principal	74.0	0.3	1.8	1.7	2.0	3.7	11.8	14.0	16.5	20.5
Interest	34.2	0.3	0.3	0.7	1.3	2.8	5.7	7.1	7.7	8.3
Eastern Europe	76.1	3.2	5.1	4.9	7.2	10.0	10.4	10.5	10.9	13.9
Principal	66.3	2.7	4.4	4.4	6.5	8.8	9.0	9.2	9.5	11.8
Interest	9.8	0.5	0.7	0.5	0.7	1.2	1.4	1.3	1.4	2.1
Bulgaria	2.3									
Principal	2.0									
Interest	0.3									
Czechoslovakia	33.6	1.0	2.2	2.1	3.5	5.9	5.6	5.8	4.6	2.9
Principal	29.4	0.7	1.8	1.8	3.1	5.3	5.0	5.2	4.1	2.4
Interest	4.2	0.3	0.4	0.3	0.4	0.6	0.6	0.6	0.5	0.5
East Germany	22.6	0.7	1.4	1.3	2.2	3.6	3.7	3.0	3.0	3.7
Principal	19.3	0.6	1.2	1.2	2.0	3.1	3.1	2.5	2.5	3.1
Interest	3.3	0.1	0.2	0.1	0.2	0.5	0.6	0.5	0.5	0.6
Hungary	15.6	1.5	1.5	1.5	1.5	0.5	1.1	1.7	2.8	3.5
Principal	14.0	1.4	1.4	1.4	1.4	0.4	0.9	1.5	2.5	3.1
Interest	1.6	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.3	0.4
Poland	1.7									
Principal	1.3									
Interest	0.4									
Rumania	0.3									
Principal	0.3									
Interest	b/									

a. Does not include Communist China since principal repayment of its credits are not scheduled to begin until 1972. These credits carry no interest.

b. Less than \$50,000.

(as of March 1953)

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Table 3
Estimated Scheduled Repayments of The UAR's Debt to the USSR and Czechoslovakia
for Military Aid 1957-1967

	Total			USSR			Czechoslovakia		
	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest
1957	47.3	43.0	4.3	16.7	14.2	2.5	47.3	43.0	4.3
1958	46.4	43.0	3.4	16.7	14.2	2.5	46.4	43.0	3.4
1959	62.3	57.2	5.1	16.7	14.2	2.5	45.6	43.0	2.6
1960	61.4	57.2	4.2	16.7	14.2	2.5	44.7	43.0	1.7
1961	60.6	57.2	3.4	16.7	14.2	2.5	43.9	43.0	0.9
1962	43.0	36.6	6.4	43.0	36.6	6.4			
1963	43.0	36.6	6.4	43.0	36.6	6.4			
1964	43.0	36.6	6.4	43.0	36.6	6.4			
1965	22.0	18.7	3.3	22.0	18.7	3.3			
1966	22.0	18.7	3.3	22.0	18.7	3.3			
1967	22.0	18.7	3.3	22.0	18.7	3.3			
Total	473.0	423.5	49.5	245.1	208.5	36.6	227.9	215.0	12.9

Million Current US \$

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(as of March 1968)