

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

~~TOP SECRET SENSITIVE~~  
~~CONTAINS CODEWORD~~

October 30, 1976

NSA REVIEWED 08-Sep-2011: NSA REVIEW COMPLETED

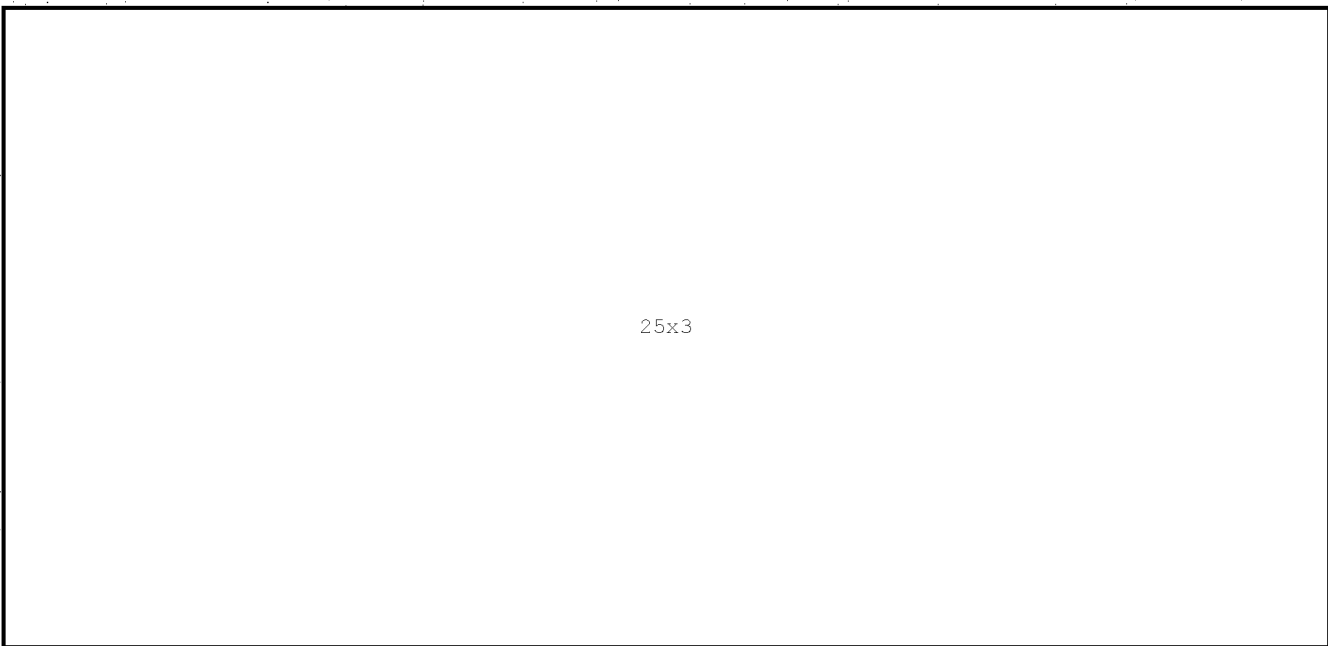
REFER TO OSD

REFER TO DOS

MEMORANDUM FOR GENERAL SCOWCROFT

FROM: The Situation Room

SUBJECT: Additional Information Items



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DOS REVIEWED 26-Sep-2011: NO OBJECTION TO RELEASE AS SANITIZED

OSD REVIEWED 02-Dec-2011: NO OBJECTION TO DECLASSIFICATION

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THE WHITE HOUSE

WASHINGTON

TOP SECRET-SENSITIVE  
CONTAINS CODEWORD

February 5, 1976

MEMORANDUM FOR:

THE PRESIDENT

FROM:

BRENT SCOWCROFT

SUBJECT:

Information Items

Egyptian Discontent: Several violent incidents in Egypt during the past few days suggest the possibility of more serious internal problems for Sadat in the future. The root cause is increasing hardship at the lower economic and social levels of Egyptian society, rather than ideological or political discontent. The latter will, however, exacerbate and provide a justification for anti-regime and anti-establishment activity by malcontents of many persuasions -- such as students, Moslem conservatives and leftist groups.

Over the past several years, a cyclical pattern of Egyptian popular protest has emerged in which dissent tends to surface first in the late fall -- around November -- and then again in January. The pattern of activity this year is no different.



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The significant change over past years is the deepening aggravation of the poorer Egyptian masses caused by inflation, distribution and transportation breakdowns, and the widening gap between themselves and the new rich.

The latter class of individuals has profited considerably and visibly by the large-scale influx of foreign funds since the October War (e.g., from Saudi Arabia, Kuwait and the U.S.); and their sumptuous life-style stands in increasingly stark contrast to that of the average Egyptian. Lower-class alienation was a fact of life in the days of Farouk and the monarchy, but is a new factor in Republican Egypt. It portends a significant problem for Sadat, particularly if it is intensified by political disgruntlement caused by lack of movement toward a settlement and loss of confidence in Sadat's policy of accommodation with the U.S.

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MEMORANDUM

THE WHITE HOUSE

WASHINGTON

*Egypt*

TOP SECRET-SENSITIVE  
CONTAINS CODEWORD

October 1, 1976

MEMORANDUM FOR GENERAL SCOWCROFT

FROM: The Situation Room

SUBJECT: Additional Information Items

Egypt Receives \$3.4 Billion in Loan/Aid Agreements and Disbursements: Egypt's ever increasing current account deficit and its limited access to private bank loans has caused a greater Egyptian reliance on large-scale concessionary loans from primarily OPEC nations, according to information available since the end of June. Between July 1 and September 15, Egypt concluded loan and aid agreements worth about \$3.4 billion, of which over \$3 billion was pledged by OPEC countries. The major OPEC contribution consisted of \$2 billion to be provided by four OPEC countries through the newly created Gulf Authority for Egypt; OPEC countries were also instrumental in providing Egypt with \$50 million in syndicated bank loans which were disbursed during this period and \$20 million in direct loan placements. Another \$1 billion in credits was reportedly pledged by Iran. Non-OPEC nations provided over \$350 million through several aid institutions. Noteworthy among these funds was almost \$20 million in credits from Japan; and, according to additional information, the EEC signed concessionary loan agreements for \$204 million.

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