

Information from Prime Minister for free economic and military aid and new credits to

Nicaragua, 24 March 1986

[Source: Central State Archive, Sofia, Fond 136, Record 86, File 1042, p. 2-6]

Declassified as of 10.06.2004
On the grounds of Article 34, § 1 and 3 of the
Law for protection of the classified information

Confidential

TO
CC BCP POLITBURO

REPORT

from GEORGI ATANASOV,
Member of CC BCP Politburo and Prime Minister

REFERENCE: Providing economic aid to the Republic of Nicaragua

COMRADES,

At the 27th Congress of the Communist Party of the Soviet Union, Comrade Todor Zhivkov met the leader of the delegation from the Republic of Nicaragua, Bayardo Arce Kastaño – vice-coordinator of the Executive commission of the National leadership of the Sandinist front for national liberation. Comrade Вацардо Агъе brought up several issues, requesting positive outcome.

- In 1986, to provide the same quantity of assistance as in 1985.
- To increase the credit for military purposes.
- To deliver 20 000 tons of oil in 1986, the same quantity as in 1985, apart from other goods and investment credit.

Comrade Arce talked in detail about the necessity to solve the above mentioned problems, giving as arguments the ongoing aggressive policy of the USA and the continuous attacks of Somosa's gangs, organized with US support, invading Nicaragua from Honduras and Costa Rica, imposing financial and material efforts, impossible for their economy. He pointed out that over 40 % of their budget was allocated for military purposes, at the same time export was decreasing, and external debts were increasing, exceeding 1,5 billion US dollars.

In addition, he mentioned the successful repulsion of rascal attacks and pointed out that it was the result of the assistance, provided by Bulgaria and other socialist countries.

In 1985, we provided assistance amounting to about 10 million US dollars, including 20 000 tons of oil at the amount of 3,2 million US dollars, credit at the amount of 10 million US dollars for special equipment, with the possibility to double it. By the end of last year, special equipment was delivered for 19,8 million US dollars.

All issues, related to the further development of cooperation, were discussed and solved in February 1986, at the Third session of Bulgarian-Nicaraguan commission for economic and scientific and technical cooperation. The only problem, which was not resolved, was giving a credit for delivery of machines. Taking into account the willingness of Nicaragua to pay off the credits with goods at a moment when many developing countries are asking for postponing their payments by 5-10 years, even after 2000, it would be right to give new credits to finish industrial facilities and start several new ones, in order to complete the industrial cycle. This will help materialize the instructions of Comrade Todor Zhivkov to render assistance to build industries to ensure production for the domestic market, as well as for export, and to open opportunities to pay off credits. In order to meet the request of Nicaragua for 1986, it would be expedient to provide 15 million US dollars investment credit, and 5 million US dollars credit for delivery of machines and equipment.

In July 1985, Nicaragua sent a request to Comrade Todor Zhivkov for special equipment, including grenade launchers with ammunitions, and 4 amphibious landing ships type “Vidra”.

Our investigation shows that we are in a position to deliver the requested equipment. It is more difficult to deliver amphibious landing ships, because transportation will cost about 1 million leva. Taking into consideration the difficulties related to transportation, and the complex political situation, it would be wise to deliver only grenade launchers and ammunitions, increasing their number from 72 to 100, and not to provide ships. This support could be included in an expanded credit for special equipment, at the amount of 10 million dollars.

In 1985, in compliance with a decision of the Executive committee of the Council for economic mutual assistance, a certain quantity of oil was delivered to the Republic of Nicaragua. Our country sent 20 000 tons of oil. In 1986, due to the severe climatic conditions, we expressed our readiness to deliver oil, without specifying the quantity. It would be right, in addition to the 20 000 tons of oil, delivered in 1985, to deliver not more than 20 000 tons of oil in 1986.

Taking into consideration all the above, I request that the Politburo of the Central Committee of BCP give consent to the following:

1. In addition to the 20 000 tons of oil, delivered in 1985, to deliver 20 000 tons of oil in 1986.
2. To increase the investment credit by 10 million US dollars, the credit for delivery of machines by 5 million US dollars, to finish building the installations in order to complete the industrial cycle, as well as to give a new credit of 10 million US dollars for special equipment.

Sofia, 24 March 1986

PRIME MINISTER: [Georgi Atanasov]

[Translated by Greta Keremidchieva]