

Report from Minister of Defense on the results of his visit to the UAR, 8 November 1966

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SECRET

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TO THE PRIME MINISTER

Comrade Todor Zhivkov

REPORT

from Army General Dobri Dzhurov,
Minister of the people's defense,
head of military government delegation,
visiting the United Arab Republic

REFERENCE: Outcome of the negotiations with the United Arab
Republic on economic cooperation in the area of special deliveries

Comrade Prime Minister,

In the implementation of resolution № 498 dated 22 October this year of
the Council of Ministers, a military government delegation, headed by myself,
visited the United Arab Republic in the period 24 October – 2 November 1966.

The mission of the delegation – to discuss with the Egyptian side possibilities for mutual cooperation in the area of special deliveries and signing a long-term agreement, was successfully completed.

On 31 October 1966 in Cairo, an Agreement between the government of the People's Republic of Bulgaria and the government of the United Arab Republic on mutual delivery of special products in the period 1967-1971 was signed. On Egyptian side the Agreement was signed by the Minister of war of UAR Mr. Badran, on Bulgarian side – by the Minister of defense of PR Bulgaria Army General Dzurov.

I consider it important to point out that the Egyptian side, through the statements of Marshal Amer, the Minister of War Badran, the Minister of defense industry El Bishri, the Chief of General Staff General Favzi and other state and military leaders, emphasized their desire to expand economic cooperation between our countries in the area of special deliveries. There are opportunities to be used on equal basis and in mutual interest.

It also became clear that the United Arab Republic encounters serious financial difficulties in solving their economic problems. They are supporting large military personnel and equipment. Therefore, they gladly accepted the credit facilities regarding our special export. In order to point out the equal basis in economic cooperation, the Egyptian side proposed and we accepted reciprocal credit conditions.

Our delegation was authorized to propose a 10-year credit amounting to 10 000 000 dollars, with 2,5 % annual interest, for provision of goods from stockpiles, as well as a 5-year credit at the amount of 20 000 000 dollars, with 2,5 % interest for provision of specially produced goods. The five-year credit shall be paid off with 20 % of the value paid at the time of delivery, and the rest 80 % - in 5 equal annual deposits.

It was agreed to grant UAR respectively a ten-year credit for items from stockpiles not exceeding 5 000 000 dollars, a five-year credit for produced items not exceeding 15 000 000 dollars.

UAR will give Bulgaria a 5-year credit at the amount of 5 000 000 dollars at reciprocal terms.

We believe that the economic cooperation in the area of special deliveries in a five-year plan, is a good progress in our relations with the United Arab Republic. In order to implement the Agreement, it is necessary that our government approve. The government of UAR shall be notified of this approval through diplomatic channels, so that the Ministry of foreign trade and the Bulgarian foreign trade bank could start its implementation.

Comrade Prime Minister, I request that you review this report, and if appropriate, propose to the Council of Ministers for approval the following

RESOLUTION:

1. To approve the work of the military government delegation of the People's Republic of Bulgaria, headed by the Minister of defense Army General Dobri Dzuov, during their visit to the United Arab Republic.

2. To approve the Agreement between the government of the People's Republic of Bulgaria and the government of the United Arab Republic on mutual delivery of special products in the period 1967-1971.

The Ministry of foreign affairs shall enhance through diplomatic channels the approval of the Agreement by the government of the United Arab Republic.

3. The implementation of this resolution and the signed Agreement, with all obligations for the PR Bulgaria, shall be carried out by the Ministry of foreign trade, the State planning commission and the Foreign Ministry.

MINISTER OF NATIONAL DEFENSE
ARMY GENERAL DOBRI DZHUROV

[Translated by Greta Keremidchieva]