Information from CC BCP Foreign Policy & International Relations Department re:

<u>Todor Zhivkov – Bayardo Arce talks in Moscow, 4 March 1986</u>

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PERSONAL, TOP SECRET TO BE RETURN TO CC BCP PERSONELL DEPARTMENT

No. 121

INFORMATION

REFERENCE: Comrade Todor Zhivkov talks with Bayardo Arce Kastaňo (Nicaragua)
On 4 March 1986

On 4 March 1986, during the proceedings of 27th CPSU Congress, comrade Todor Zhivkov met with the leader of the FSLN delegation, led by the vice-coordinator of the Executive commission of the National leadership of the front Bayardo Arce Kastaňo, on his request. During the talks Bayardo Arce raised few issues.

Currently in Honduras were prepared two new military operations against Nicaragua. US 82^{nd} division builds new military airport at about 50 - 60 km from the border. According to the actual debates within the US Congress, approximately 100 million USD shall be allocated for those operations.

The leadership of Nicaragua was convinced that all kinds of peace initiatives from its side meet a negative reaction in Washington. All US TV channels activity are directed toward undermining the prestige of the Nicaraguan leadership. In the United States consider that they can neutralize the successes gained by Nicaragua in 1985. According to Bayardo Arce, the successful drove back of the mercenaries that invided Nicaragua

from Honduras territory was made due to the support rendered by Bulgaria and other socialist countries.

Now Nicaragua tries to neutralize the new acts of aggression against the country; however it strives for retain the level of mobilization with the price of enormous efforts (40 % of the budget have been used for military needs; they have to reduce the funds for social programs). The main aim is to break down the plans of Reagan. According to Bayardo Arce, they can not expect the changes of the USA policy until Reagan remains in power.

The situation in Nicaragua is complex; the country needs the help from the socialist countries, in particular from Bulgaria. The country's export has been reduced to 330 million USD; the import reaches 1 billion USD, and the foreign debts are 1, 5 billion USD. For this reason at his visit to Bulgaria Henri Ruiz raised the issue for rendering of support. On behalf of the government Bayardo Arce renew three request:

- to be preserved the size of the aid, rendered for 1985 also for 1986;
- to be increased the credit for military purposes;
- to be provided 20 000 tons of oil in 1986, with a separate credit.

The last request appeared in connection with the suspension of the aid from Mexico. Nicaragua asked for help from the USSR. The Soviet government agreed to compensate a part of this aid; however, it advised Nicaragua to request more aid from the other socialist countries.

Comrade Todor Zhivkov assured his interlocutor that PR Bulgaria shall consider carefully the raised issues, and will try to satisfy them, in the range of its own resources.

Comrade Bayardo Arce assured comrade Todor Zhivkov that they will send to the 13th BCP Congress a possible highest level FSLN delegation, bearing in mind the sympathies, support, and solidarity of socialist Bulgaria to the struggle of the Nicaraguan people for neutralization of the aggressive act.

4 March 1986 [Ivan Boev]

[Translated by Greta Keremidchieva]