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According to a source close to the talks, the Soviet delegation promised the president to convey to Gorbachev Cairo's desire to cancel the interest rate on the military loans so the Egyptian-USSR agreement on rescheduling debts could become a model for correct relations between superpowers and Third World countries during the current economic crisis. According to the same source, the talks between the two sides were characterized by extreme warmth after the Soviet side sensed the Egyptian Government's interest in correct and developed relations with the Soviet Union. Within this framework, President Mubarak agreed to the reestablishment of the Egyptian-Soviet Friendship Society, whose presidency may be given to Butrus Ghali, minister of state for foreign affairs.

The political editor has learned the Soviet delegation expressed to Prime Minister 'Atif Sidqi its extreme admiration of the Egyptian High Dam electric power station, describing its management as perfect, as its production rate surpassed that of the Soviet Union and of most countries. The head of the Soviet delegation expressed his country's readiness to supply all the spare parts the station needs without any delay and without reservation to maintain the high production rates.

The political editor has also learned the talks covered supplying Soviet spare parts for a number of weapons still owned by the Egyptian Armed Forces which continue to be serviceable despite their supposed expiration. The political editor also learned the two sides concluded about 20 sub protocols, the most important of which deal with enlarging Halwan's iron and steel factories, enlarging the aluminum complex with complementary industries, adding a fourth battery to the coke fuel factory, and renovating the Shubra glass factory.

The political editor has learned the Egyptian side showed understanding of the need to reconsider the exchange rate of the pound sterling, on whose basis trade between the two countries were calculated, although differences are still rife on defining its final rate.

Soviets Send Message to Mubarak on High Dam
NC201128 Beirut AL-SAFIR in Arabic 19 Jan 87 p 1

[Text] Cairo — Egyptian President Husni Mubarak has received a message from the Soviet leaders in which they stressed the need for Soviet experts alone to undertake repair of the High Dam turbines "without enabling the Americans to exploit this symbol of Egyptian-Soviet friendship."

According to sources close to the Egyptian presidency, "Soviet Ambassador Zhuravlev gave the message to Egyptian Foreign Minister 'Isamat 'Abd al-Majid, who in turn passed it on to President Mubarak. In their message, Soviet leaders said that 26 experts, 12 of whom had designed and supervised the construction of the High Dam, are awaiting Cairo's approval to proceed to Aswan to inspect the turbines which are in need of repair." The message noted these experts will supervise the installment of new Soviet turbines to replace the old ones having a diminished capacity to generate electricity. The message expressed the Soviet desire to coordinate efforts with Egypt to put an end to the Iraq-Iran war through mediation between the warring factions.

Salah Basyuni, the Egyptian ambassador to Moscow, also sent a report to Mubarak in which he praised Egyptian-Soviet relations. He noted the current stage is characterized by mutual understanding. Both countries, he added, seek to exchange opinions and hold consultations for the sake of achieving a comprehensive peace in the Middle East.

In his report, Basyuni said the Soviet have expressed a readiness to participate in the promotion and expansion of industrial projects. They also conveyed a willingness to cooperate in the implementation of the power plants which are to become operational in accordance with the 5-year plan, scheduled to begin in mid-1987.

IMF Official Arrives For Talks on Loans
NC192211 Cairo MENA in English 2116 GMT 19 Jan 87

[Text] Cairo, 19 Jan (MENA) — The executive director of the International Monetary Fund arrived here tonight on a few days' visit.

He said upon arrival that talks between the IMF and Egypt would start tomorrow on the issue of the loans to be extended by the fund to Egypt. The European countries and the United States support Egypt for solving its debt issue, he added.

The IMF executive director also said he would meet during the visit with Prime Minister Dr 'Atif Sidqi, Deputy Premier and Minister of Planning Dr Kamal al-Janzuri, Minister of Finance Muhammad al-Razzaz, Minister of Economy and Foreign Trade Dr Ysri Mustafa, and Central Bank Governor Dr Salah Hamid. The IMF operations director for the Middle East, Dr 'Abd al-Shakur Sha'lan, had arrived in Cairo earlier today to take part in the talks.

Cypriot Interior Minister Begins Visit 18 Jan
NC180906 Cairo MENA in Arabic 0830 GMT 18 Jan 87

[Text] Cairo, 18 Jan (MENA) — Cypriot Interior Minister Konstandinos Mikhailidhis arrived in Cairo this morning for a 2-day visit, during which he will deliver a written message to President Muhammad Husni Mubarak from Cypriot President Spiros Kiprianou.

The Cypriot interior minister will hold talks with Dr 'Isamat 'Abd al-Majid, deputy prime minister and foreign minister, and Zaki Badr, the interior minister.

Mr Konstandinos was received at the airport by Ambassador Wafa' Hijazi, assistant foreign minister; Major General Ra'fat al-Sayyid, assistant interior minister; and Sotiris Ellinas, the Cypriot ambassador in Cairo.