



Foreign and Commonwealth Office

London SW1A 2AH

7 October 1986

Dear Charles,

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I enclose a draft reply to President Ceausescu's message to the Prime Minister, enclosed with your letter of 24 September, calling for reductions in conventional forces and military spending. The suggested reply from the Prime Minister is also intended to serve as a response to the identical message sent to The Queen.

President Ceausescu's message reflects long standing Romanian concerns to mark out for themselves a distinctive position within the Warsaw Pact on arms control issues. Within the CSCE process they have consistently put forward proposals on military matters separate from those of the rest of the Warsaw Pact; and at the United Nations General Assembly Romania sponsors each year a resolution on reductions in military budgets. President Ceausescu's statement that Romania will unilaterally proceed to a 5% reduction in forces and military expenditure this year probably also reflects domestic budgetary pressures.

The draft reply reminds President Ceausescu of the Allied proposals put forward at UK initiative at MBFR last December. These proposals were rejected out of hand by the Warsaw Pact in February this year. Although Romania is only an indirect participant in the MBFR talks (ie any reductions agreed would not apply to its forces), there would be advantage in reminding President Ceausescu that it is not the Allies who are blocking movement towards reductions in conventional forces in Central Europe. The draft also refers to the UN system for the annual reporting of military expenditure set up in 1980 at Western initiative. In 1985, for the first time, Romania submitted a (partially completed) return. No other socialist country has done so.

I am copying this letter and its enclosure to Sir William Heseltine at Buckingham Palace, John Howe (MOD) and Michael Stark (Cabinet Office).

Yours ever,

Golin Budd

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(C R Budd)
Private Secretary

DS (Revised Sept 85)

DRAFT: minute/letter/teleletter/despach/note

TYPE: Draft/Final 1 +

FROM: Prime Minister

Reference BRUABH (2)

DEPARTMENT:

TEL. NO:

Your Reference

BUILDING:

ROOM NO:

SECURITY CLASSIFICATION

- Top Secret
- Secret
- Confidential
- Restricted
- Unclassified

TO: President Ceausescu

Copies to:

VSCABA

To issue.

SUBJECT:

PRIVACY MARKING

..... In Confidence

Thank you for your message regarding conventional force reductions in Europe, a copy of which was also sent to Her Majesty The Queen.

CAVEAT

We share your concern about the high levels of conventional forces in Europe. That is why we continue to attach great importance to the Mutual and Balanced Force Reductions talks in Vienna. As you will recall, the United Kingdom with its Allies put forward in December last year far-reaching proposals for an interim agreement. This would have entailed initial reductions by the United States and the Soviet Union, followed by a three year agreement that forces within the reduction zone should not be increased. These proposals, which sought to build on earlier Warsaw Pact ideas, reflected our determination to set aside for the time being issues which had blocked progress for the past 12 years. It was extremely disappointing, therefore, that in February this year the Warsaw Pact participants in the negotiations in Vienna rejected our proposals. We now

Enclosures flag(s)

very much hope that, against the background of the successful conclusion of the Stockholm Conference, the Warsaw Pact side will be willing to reconsider and to agree to make early progress on the basis of the ideas we have put forward. I hope that, in the light of your particular concerns about conventional arms, you will be prepared to support this approach.

We also share your concern about high levels of defence expenditure. We believe that gradual reductions might contribute to curbing the arms race provided that they are carried out on a mutually agreed ^{and balanced} basis and without detriment to the national security of any country. I am aware of your particular interest in this issue and I welcome the fact that Romania has now joined the United Kingdom and other states in participating in the system set up by the UN General Assembly in 1980 for reporting national military expenditure using standardised methods. This is intended to form the data base which will be a prerequisite for any international agreement on the reduction of military budgets. However, I must add that it is regrettable that a number of other militarily significant countries have declined to participate in the UN reporting system. Their inaction is a real obstacle to progress on this issue.

EJG

