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MASTER PERSONNAL IMESSAGE

10 DOWNING STREET NO. 7/86/86

THE PRIME MINISTER

13 October 1986

Vear. L. Priviled.

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

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 twelve 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 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.

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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.

> Lour sieurs Quyanishalite