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10 DOWNING STREET

9 May 1986

From the Private Secretary

NEW YUGOSLAV FEDERAL GOVERNMENT: MESSAGES

Thank you for your letter of 9 May proposing draft messages from the Prime Minister to Mr. Mikulic and Mrs Planinc.

bf | That to Mrs Planinc can issue as drafted. But the Prime Minister does not in a first, courtesy message wish to advise Mr. Mikulic how to run the Yugoslav economy. The message to him should therefore read:

"Please accept my warm congratulations and best wishes on your appointment as President of the Federal Executive Council."

C.D. POWELL

C.R. Budd, Esq.,
Foreign and Commonwealth Office.

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Foreign and Commonwealth Office

London SW1A 2AH

9 May 1986

Dear Charles,

New Yugoslav Federal Government: Messages

Branko Mikulic will take over on 15 May as the new Federal Prime Minister of Yugoslavia.

The Prime Minister may wish to send a message to Mikulic, and to the outgoing Prime Minister, Mrs Planinc. Sir Geoffrey Howe saw Mikulic during his visit to Belgrade in March, and emphasised the need for Yugoslavia to stick to market-oriented economic policies. A message from the Prime Minister would be an opportunity to reinforce this, and to indicate the continuing importance of efforts by the Yugoslav federal government to co-ordinate suitable economic policies applicable to the whole country.

I suggest messages along the following lines:

i) To Mikulic

Please accept my warm congratulations on your appointment as President of the Federal Executive Council. [You and your colleagues face a difficult task in coordinating the further stabilization of the economy. But your determination to give appropriate scope to the market realities set out in the Long Term Economic Stabilisation Programme, which you explained to Geoffrey Howe in March, will be an important asset.] I should like to assure you of my continued support and to send you my best wishes.

ii) To Mrs Planinc

I send my best wishes to you and those of your colleagues who are now handing over to your successors in the Federal Executive Council. I remember your visit to the United Kingdom with particular pleasure, and am grateful to you for the part you have played in building up the warm relationship between our two countries.

Yours ever,

Colin Budd

C D Powell Esq
PS/10 Downing Street

(C R Budd)
Private Secretary

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