

Confidential filing.

visit of Mr Stefan Andrei, the Romanian
Foreign Minister, on 20 October 1987.

ROMANIA.

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March 1987.

Referred to	Date	Referred to	Date	Referred to	Date	Referred to	Date
16-3-87 20.10.87.							
<p>PREM 19/579</p>							

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JO VLB
Romania

SUBJECT

10 DOWNING STREET

From the Private Secretary

20 October 1981

Kear Francis,

Call by the Romanian Foreign Minister

The Romanian Foreign Minister, Mr. Stefan Andrei, paid a brief courtesy call on the Prime Minister this morning. He was accompanied by the Romanian Ambassador in London, Mr. Gliga. Mr. Holmer was also present.

In the course of the initial exchange of courtesies, Mr. Andrei conveyed to the Prime Minister an invitation from President Ceausescu to pay a visit to Bucharest next year. When the Prime Minister said that she looked forward to visiting Bucharest again at some point but was not yet in a position to say when, Mr. Andrei reiterated his President's hope that the visit could take place next year. The Prime Minister undertook to "look at her diary".

The Prime Minister asked whether it was the case that Romania had been having difficulties with its agricultural production. Mr. Andrei acknowledged that this was the case and attributed the problems to a poor harvest this year and to the recent oil price rises. The latter factor had also had a damaging effect on the steel and aluminium industries. As a result a series of financial problems had been created for the Romanian Government. However, these were short term rather than long term. The Government had preferred to avoid seeking more Governmental credit and had instead opted for short-term commercial credit. Mr. Andrei expressed confidence that the problems to which he had referred would be resolved by 1983. The Prime Minister commented that when existing problems were solved, new problems invariably seemed to arise. Mr. Andrei acknowledged the point but said that his Government believed that more intensive exploitation of the country's huge methane gas reserves would prove helpful.

Turning to bilateral relations, Mr. Andrei commented on the difficulties which were being caused by the present imbalance in Anglo-Romanian trade. The relationship between Romania's imports from and exports to the United Kingdom was at present running against Romania by a factor of 3:1 (sic). If Romania was to continue to import from the United Kingdom

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at present levels, there had to be counter-balancing UK imports of Romanian products. Mr. Andrei also complained about the role played by the United Kingdom inside the European Community in the setting of quotas for the import of Romanian goods. The United Kingdom took a more restrictive line than her European partners. When the Prime Minister asked for an example, Mr. Andrei mentioned steel. The Prime Minister commented that the steel industry was a problem for the United Kingdom, for Europe and indeed for the world as a whole. 70,000 steel workers had lost their jobs in this country alone. We had to consider our own people. Mr. Andrei said that steel was merely an example. The problem was with the quota arrangements as a whole. The United Kingdom invariably argued for minimal quotas for Romanian imports. The Prime Minister said that she would be grateful to have further details.

Mr. Andrei said that Romania would also like to co-operate more closely with the United Kingdom in third country markets. He referred specifically to the contract which the Davy Consortium had recently won to build a steel mill in India. Would it not be possible for the Romanians to associate themselves with the Davy Consortium? The Prime Minister said that she thought it was too late to envisage this. The Davy Consortium had been negotiating with the Indians for two years and matters had already gone too far for any major changes to be made. Mr. Andrei appeared to accept the point.

Finally, there was a brief discussion of the situation in the Middle East in the after-math of President Sadat's assassination. Mr. Andrei said that assistance could most effectively be given to Mr. Mubarak by creating the prospect of a solution to the Arab/Israel dispute acceptable to all parties. It would be helpful if Israel could withdraw from the occupied territory in Sinai a month or two earlier than at present envisaged and if there could be a greater degree of mutual recognition between Israel and the Palestinians. The Prime Minister indicated that she agreed with Mr. Andrei's analysis. The difficulty was how to bring about the results he had advocated.

After Mr. Andrei's departure, the Prime Minister commented that the matters he had raised hardly seemed appropriate for a courtesy call on a Head of Government.

I am sending a copy of this letter to John Rhodes (Department of Trade).

John Rhodes

F. N. Richards, Esq.,
Foreign and Commonwealth Office.

Michael Alexander

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Foreign and Commonwealth Office

London SW1A 2AH

16 October 1981

Dear Willie,

Call by the Romanian Foreign Minister: 20 October 1981

I enclose a brief for the Romanian Foreign Minister's courtesy call on the Prime Minister at 0930 hours on Tuesday, 20 October.

Mr Andrei will doubtless be looking forward to hearing the Prime Minister's views on the major current international issues, and in particular on Cancun, the Middle East (Romania was the only Warsaw Pact country represented at Sadat's funeral) and perhaps East/West relations. We have assumed that the Prime Minister needs no further briefing on these. But short notes are enclosed on:

- (a) Bilateral relations
- (b) The internal situation in Romania and Romanian foreign policy
- (c) Mr Andrei

We understand from Marsha Fenwick's telephone conversation that you are prepared for Mr Gliga, the Romanian Ambassador, and Paul Holmer, the Ambassador at Bucharest to attend this call.

Yours ever,

A handwritten signature in dark ink, appearing to read 'F N Richards', written in a cursive style.

(F N Richards)
Private Secretary

Willie Rickett Esq
10 Downing St

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BRIEF FOR CALL BY ROMANIAN FOREIGN MINISTER, MR ANDREI,
20 OCTOBER 1981 AT 0930 HOURS

BILATERAL RELATIONS

POINTS TO MAKE

1. Glad that following President Ceauşescu's (pronounced Chowshesskoo) State Visit in 1978 and later visits, our bilateral relations are now in good repair. Warmly recall my meeting with your Prime Minister, Mr Verdeţ (pronounced Verdetz) in April this year. Value Romania's stand on various international issues and hope this will continue. Will be leaving for CANCUN tomorrow. Aware of Romania's interest in north/south relations. What are your current preoccupations?

State Visit to Romania (if raised)

2. The Queen appreciates President Ceauşescu's invitation. But normally a lengthy interval before return state visits; and number of overseas visits by The Queen severely limited.

Invitation to Prime Minister to visit Romania (if raised)

3. Have accepted in principle. But not possible now to give any precise indication about dates.

Commercial Relations (if raised)

4. Attach importance to bilateral trade. Turnover is still below potential. Concerned at increasing number of cases of late payment to British companies. Hope Romania's current financial difficulties are short-term. But present unsatisfactory position may have

/detrimental

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detrimental effect on decisions by British companies on whether to trade with Romania.

Romania's Trade Deficit with the UK (if raised)

5. Recognise your concern at imbalance. There is nevertheless a wide range of products which Romania could sell here; we hope that the Romanian trade promotion team of about 40 people which recently visited the UK found their trip worthwhile. Many areas where UK industry could assist Romania in the achievement of her industrial objectives, including chemicals, electronics, agriculture and metallurgy and especially energy.

Credit (if raised)

6. ECGD's decision to come off Section 1 cover and to only consider Section 2 case by case has been taken in the light of Romania's current financial difficulties which are causing us some concern. Important that neither Romania nor ECGD should allow unmanageable problems to develop. We are keeping the situation under constant review and, when it is seen to improve, ECGD will certainly be willing to reconsider their position.



BRIEF FOR CALL BY ROMANIAN FOREIGN MINISTER, MR ANDREI,
20 OCTOBER 1981 AT 0930 HOURS

ESSENTIAL FACTS

British/Romanian Relations

1. Our political and commercial relations with Romania are probably as good as they could be with a member of a basically hostile alliance. But they are more restricted than we would wish in cultural and other fields which touch on individual freedom.
2. The Romanians see Britain as a relatively distant country which poses no threat, as a source of modern technology, and as an influential power with wide international links. They find it useful to be on good terms with a permanent member of the Security Council and a leading member of the Commonwealth (which contains many of the third world countries Romania seeks to cultivate).
3. Like other Eastern Europeans the Romanians tend to gauge the level of relations largely by the frequency of high level visits. President Ceausescu regarded his State Visit to the UK in 1978 as a great success, and his major foreign policy objective with regard to Britain is no doubt to bring about a return State Visit to Romania as soon as possible.
4. Our own objective for the future is to give further encouragement to Romanians to resist erosion of their independent line in foreign policy, to continue to increase our exports while taking care not to become over committed in the provision of credit, to encourage the Romanians to introduce a greater measure of individual freedom internally thus facilitating easier human contacts, and to deal more humanely and promptly with bilateral cases concerning British nationals.

Ministerial Visits

5. The Romanians have an insatiable appetite for high level visits. Since May 1979 there have been visits to Britain by the President of the Romanian Grand National Assembly (ie speaker of the Romanian parliament), and by a number of Romanian ministers. Lord Carrington visited Romania in 1980. The Lord Mayor of London, Mr Parkinson, and Mr Julian Amery have also paid visits. Mr Verdet, the Romanian Prime Minister visited London in April this year.

State Visit to Romania

6. The Queen has accepted in principle President Ceausescu's invitation for a return visit but does not wish to take it up soon.

/Trade



Trade

7. Bilateral trade statistics are as follows:

	£m				
	<u>1976</u>	<u>1977</u>	<u>1978</u>	<u>1979</u>	<u>1980</u>
British Exports	49.2	86.9	74.9	70.4	98.9
Romanian Exports	49.3	55.8	51.7	65.9	64.8
Balance	-0.3	+31.1	+23.2	+4.5	+34.

(No figures for 1981 yet available)

Credit

8. The Romanians have been borrowing heavily to meet their present current account deficit and have been meeting liquidity problems. These have been highlighted by the worsening delays in payments to Western suppliers, (FRG companies are said to be owed DM40m and Austrian companies \$22m along with our own companies £6.6m). ECGD have therefore withdrawn medium and long term Section 1 cover and are now willing only to consider Section 2 cover case by case and have down-graded Romania from 'C' to 'D'.

Romanian Internal Situation

9. Romania has the strictest and most orthodox internal regime in Eastern Europe. The Romanian Communist Party (RCP) exercises its 'leading role' aggressively, and this is backed by a large, and feared, secret police force (Securitate).

10. There are certain serious social problems. The food supply is claimed by some Romanians to be the worst since World War II (the result of neglect of agriculture and of the immediate demands of the hard currency export market). An elementary rationing system already seems to have been introduced in a number of regions. There are deeply rooted problems of industrial working and safety conditions. The continuing housing shortage particularly affects workers.

11. The expression of discontent, both privately and in the market place, has increased sharply. There have been isolated collective manifestations of industrial unrest through the 1970s, of which the most serious was the Jiu Valley miners' strike (1977). But Romanians are not temperamentally inclined to collective action and conditions which could sustain a democratising 'renewal' do not exist in Romania.

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12. For the present, the regime appears confident that the immediate threat of Polish contamination has been contained. But Ceaușescu's authority could become vulnerable to a combination of economic and financial pressures, associated with a deterioration in labour discipline and of the general morale of the long-suffering consumer.

The Economy

13. The Romanian economy is in deep difficulty. Too many projects have been attempted; there has been over-investment in certain sectors (eg petrochemicals) and under-investment in agriculture; and Romanian goods are too shoddy to compete in Western markets. The hard currency debt is at least \$10 billion and may be as high as \$14 billion. The energy crisis has been a further complication. In the face of these problems retrenchment was clearly necessary. But plan targets remain ambitious, particularly in the energy sector, where the Romanians plan to reach self-sufficiency in energy by 1990 is clearly unattainable.

Romanian Foreign Policy

14. Romania's geographical position and recent history allow no alternative to membership of the Warsaw Pact and CMEA. But unlike the case of the other members of the Warsaw Pact, Romanian foreign policy is not formulated in Moscow. Its aim since the early 1960s has been to develop Romania's independence from the Soviet Union. Romania has accordingly resisted moves towards greater integration with the Warsaw Pact and the CMEA, and has established extensive contacts with the West and the Third World (including Chile and Israel, though not South Africa, Taiwan or South Korea).

15. But the more striking assertions of independence now lie in the past. Economic difficulties have considerably reduced Romania's room for manoeuvre. Nor can it hope for much help from outside. Fifteen years of ceaseless diplomatic activity by Ceaușescu have brought Romania few friends. The Russians are therefore likely to gain increased leverage over Romania's foreign policy; indeed Romania already seems to be taking care to avoid offending the Soviet Union. Ceaușescu is now more careful to avoid open opposition on such matters as Afghanistan.

East European & Soviet Department
15 October 1981

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HIS EXCELLENCY ȘTEFAN ANDREI

Minister of Foreign Affairs: Member of the Permanent Bureau of the Political Executive Committee of the Romanian Communist Party.

Born 29 March 1931.

Andrei, one of the youngest men at the top in Romania, graduated in civil engineering in 1956 from a Bucharest Institute. A member of the Communist Party since 1954 his political career has been exclusively concerned with foreign affairs. From 1960 to 1965 he was in charge of international relations in various communist youth organisations. In 1965 he transferred to the Central Committee Secretariat where he was Deputy Head of the International Relations Section. In 1972 he became a full Member of the Central Committee and Secretary responsible for International Relations, a job he retained until his transfer, in April 1978, to the Government as Minister of Foreign Affairs. His importance as a leading Party theoretician was confirmed when in 1974 he was elected one of the then five-member Permanent Bureau of the Political Executive Committee of the Party. Re-elected to all Party Posts at the XLLth Congress in November 1979, although, surprisingly, he remained only a candidate member of the Political Executive Committee. He thus takes precedence after many less significant figures.

Andrei has travelled extensively and has normally accompanied the President on his trips abroad. His responsibilities for inter-Party relations as CC Secretary, gave him a particular knowledge of Romania's relations with her 'socialist' partners. He has frequently visited the West, including the United Kingdom in 1969, 1972 and 1975. He accompanied President Ceaușescu on his State Visit to Britain in June 1978.

Andrei is Ceaușescu's principal foreign policy adviser. He is an impressive man and has a reputation for flexibility and lack of dogmatism. He must take much of the credit for the Romanian Communist Party's aggressive and successful foreign policy in the last years. He is unusually experienced at standing up to the

/Russians

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Russians and is regarded by some as a potential successor to his fellow-Oltenian, Ceașescu. But he lacks experience of economic management and there is a soft streak in him which makes him a more natural 'Number 2'. There have been for some time persistent rumours that he may soon leave his present job.

Andrei is married to an actress, and has one son. He speaks French, Russian, a little English and Spanish. He likes risqué jokes.

VISIT OF HIS EXCELLENCY MR STEFAN ANDREI, MINISTER OF FOREIGN AFFAIRS OF THE SOCIALIST REPUBLIC OF ROMANIA.

19 - 22 OCTOBER 1981

Administrative Plan

(to be read in conjunction with programme attached)

MONDAY 19 OCTOBER

When the aircraft doors open a representative of the British Airport Authority will escort the greeting party to the aircraft. The Romanian Ambassador will board the aircraft and accompany the Minister of Foreign Affairs to the tarmac where he will present the following (in order):

Sir Derek Dodson, Special Representative of the Secretary of State for Foreign and Commonwealth Affairs.

Mr P C H Holmer, Her Majesty's Ambassador to Romania.

Mr J Watt, Government Hospitality Fund

Group Captain J A O'Neill, Government Hospitality Fund,
Escort Officer.

The party will proceed to the VIP lounge where the Ambassador will present members of his staff.

Transport

Cars are provided for the Minister of Foreign Affairs and members of his official suite throughout the period of the official visit. Cars are distributed as follows:

Car 1 Minister of Foreign Affairs
HE Mr V Gliga
Escort Officer
Security Officer

Car 2 Mr R Neagu
Mr D Aninoiu
Mr P C H Holmer
Mr R W H du Boulay

Car 3 Mr L Niculescu
Mrs E Mateescu
Dr N Bujor
Mr D Galbinski
Mr C Ghirdă

Interpretation

Dr N Bujor will interpret for the Minister of Foreign Affairs throughout the visit. The Foreign and Commonwealth Office has engaged the services of Mr D Galbinski who will also interpret at all events on Tuesday 20 October.

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The following section of the administrative plan indicates which members of the official suite will accompany the Minister on each occasion.

TUESDAY 20 OCTOBER

Calls on the Secretary of State for Foreign and Commonwealth Affairs,
Prime Minister and Minister for Trade

The following will also be present:

Romania

Private Secretary
H E Mr V Gliga

United Kingdom

Private Secretary
Mr P C H Holmer

Luncheon hosted by Lord Trefgarne

The following are also invited:

H E Mr V Gliga
Mr R Neagu
Mr D Aninoiu
Mr C Ghirdă
Mr L Niculescu
Mr P C H Holmer
Dr N Bujor

Talks with the Secretary of State for Foreign and Commonwealth Affairs

The following will also be present:

Romania

H E Mr V Gliga
Mr R Neagu
Mr D Aninoiu
Mr C Ghirdă
Mr L Niculescu
Dr N Bujor

United Kingdom

Private Secretary
Mr P C H Holmer
Mr J Bullard or Mr E A J Fergusson
Mr N H R A Broomfield
Mr C L G Mallaby
Mr J C R Gray

Dinner hosted by Lord Carrington

The following are also invited:

H E Mr V Gliga
Mr R Neagu
Mr D Aninoiu
Mr C Ghirdă

/Mr L Niculescu

Mr L Niculescu
Mr P C H Holmer
Dr N Bujor

WEDNESDAY 21 OCTOBER

In the event of a rail strike alternative arrangements will be made for the party to travel by road and cars will leave the hotel at 0700 hours (Mr Theodosie will travel in Car 3).

The following will accompany the Minister to Wales:

H E Mr V Gliga
Mr R Neagla
Mr D Aninoiu
Mr C Ghirda
Mr N Niculescu
Mr R W H du Boulay
Mr P C H Holmer
Dr N Bujor
Mr Theodosie.

Separate programme for members of the official suite

The following programme has been arranged at the Foreign and Commonwealth Office for Mr R Neagla, Mr D Aninoiu and Mr C Ghirda on Tuesday 20 October:

0900- 0945	Meeting with Mr N H R A Broomfield, Head of Eastern European and Soviet Department, Room W 100.
0945- 1100	Meeting with Mr J E C Macrae, Head of Cultural Relations Department Room G 126/1
1100- 1130	Meeting with Mr C L G Mallaby, Head of Planning Staff, Room W11.

14 October 1981

J H W Reid

J H W Reid (Miss)
Visits Section
Protocol and Conference Department

FOREIGN AND COMMONWEALTH OFFICE

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Private Secretary/PUS (1)
Mr J Bullard (1)
Mr E A J Fergusson (1)
Mr P C H Holmer (1)
Mr N H R A Broomfield (1)
Mr C L G Mallaby (1)
Mr J E C Macrae (1)
EESD (6)
News Department (3)
Resident Clerks (1)
PCD (6)
Miss D Lothian (1)

Government Hospitality Fund

Department of Trade

Private Secretary/Minister for Trade (2)

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vb

Romania

16 March 1981

Visit of the Romanian Foreign Minister

The Prime Minister has seen your letter to me of 13 March. She would be prepared to receive Mr. Andrei for a brief call early in the morning of 20 October, if Mr. Andrei is here then. Otherwise a call will not be possible since the Prime Minister will probably be leaving for the North/South Summit in Mexico after Questions on that day.

MODBA

F.N. Richards, Esq.,
Foreign and Commonwealth Office.

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Foreign and Commonwealth Office

London SW1A 2AH

Prime Minister

Apex?

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- Brief

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And

13 March 1981

Dear Michael,

Lord Carrington has invited Mr Stefan Andrei, the Romanian Foreign Minister, to visit the UK for talks on 20 October. The Romanians have made clear that they attach a great importance to an opportunity for Mr Andrei to call on the Prime Minister to deliver a message from President Ceausescu. The message may not in fact materialise, but a courtesy call is what Romanian ideas of protocol and amour propre require. It need only be brief and I hope that the Prime Minister will agree to fit Andrei in on 20 October or 21 October.

Yours ever,

(F N Richards)
Private Secretary

M O'D B Alexander Esq
10 Downing Street

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