

FEBRUARY 1990

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Visit to UK of President HAVEL  
of Czechoslovakia

Czechoslovakia

Visits of Czech Prime Minister

Visits of Czech Foreign Minister

February 1990

Referred to	Date	Referred to	Date	Referred to	Date	Referred to	Date
<del>16.2.90</del>		<b>See Relations / Int Sit</b>					
<del>29.2.90</del>							
<del>18.3.90</del>							
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<del>8.5.90</del>							
<del>30.6.92</del>							
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**Filed on:**

10 DOWNING STREET  
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*From the Private Secretary*

3 July 1992

*Dear Sir,*

**CALL ON THE PRIME MINISTER BY PRIME MINISTER KLAUS:  
3 JULY**

Thank you for your letter of 2 July which was an admirable brief for the call by Prime Minister Klaus which took place this evening.

Mr Klaus said that he had come straight from the vote in Parliament on the Presidential elections. He had spoken on the telephone to President Havel from the airport. President Havel sent warm greetings to the Prime Minister.

Mr Klaus rather doubted whether President Havel would hang around as caretaker President. From what he had said to him on the 'phone he thought that President Havel might resign. If he did not, there would probably be no President. In a further round it was very likely that no-one (at least no-one who was electable) would stand. It would then be necessary for Mr Klaus to nominate President Havel as President of the Czech Lands. That might precipitate what could otherwise be a rather slow process of separation.

Mr Klaus confirmed that Mr Mečiar was not the man the demonology portrayed. There was increasing caution in the Slovak approach. Klaus was receiving hundreds of letters a day from people in Slovakia, half of them asking him not to break up the Federation, the other half saying that he should break it up because Slovakia was not worthy of the Czech Lands. Mečiar had invited him to pay a state visit. The whole idea was incomprehensible to him especially as his wife came from Slovakia. The previous day, in the Czech Parliament, only the Czech half of the national anthem had been played. This too, Klaus had found hard to come to terms with.

The message that came through loud and clear in the conversation was that, as far as Klaus is concerned, whatever second thoughts the Slovaks may have and whatever the result might be of a referendum (and he said that Havel still hankered after a referendum) separation was in fact inevitable. The point of decision would be the state budget for 1993 which was due for decision in November or December. The Czech Parliament would simply not tolerate a budget that made provision for Slovakia. Mr Klaus said that, as Finance Minister, he had disguised large subventions to Slovakia under the Federal budget e.g. as unemployment benefit. But that could not go on.

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Mr Klaus owned up to the fact that he had come to London to watch the tennis. He had also been determined to resist German blandishments to get him to go to Germany or to allow German politicians to come to Prague. He had wanted his first overseas contact as Prime Minister to be with the United Kingdom. The Prime Minister showed Mr Klaus all round No.10 (partly because when he came to leave his wife had taken the car and Klaus, who had no security with him or support from the Czech Embassy, did not know at what hotel they were staying).

*Jane,  
Joseph*

J. S. WALL

Simon Gass, Esq.,  
Foreign and Commonwealth Office.

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PRAGUE TELNO 452: CZECHOSLOVAKIA: PRESIDENTIAL ELECTIONS

## SUMMARY

## 1. HAVEL FAILS IN SECOND ROUND OF PRESIDENTIAL ELECTION.

## DETAIL

2. TUR FLAGGED THE POSSIBILITY THAT THE SECOND ROUND OF THE PRESIDENTIAL ELECTION MIGHT ALSO BE HELD TODAY. IT WAS. HAVEL FAILED TO SECURE THE NECESSARY SIMPLE MAJORITY IN THE SLOVAK CHAMBER OF THE HOUSE OF NATIONS, AND HIS ATTEMPT TO SECURE REELECTION IN THIS FIRST SET OF PRESIDENTIAL ELECTIONS HAS THEREFORE FAILED. A SECOND SET (FROM WHICH HAVEL IS PRECLUDED FROM STANDING) IS DUE TO START ON 16 JULY. NO CANDIDATES HAVE YET COME FORWARD.

## 3. THE RESULTS OF THE SECOND ROUND WERE AS FOLLOWS:

THE HOUSE OF THE PEOPLE : HAVEL OBTAINED 80 VOTES (OUT OF 150)

CZECH CHAMBER OF HOUSE OF NATIONS: HAVEL OBTAINED 45 VOTES  
( OUT OF 75)SLOVAK CHAMBER OF HOUSE OF NATIONS: HAVEL OBTAINED 18 VOTES  
(OUT OF 75)

4. THOUGH THE BALLOTS WERE SECRET, IT IS CLEAR THAT THE MAJOR SLOVAK PARTIES HELD TO THEIR DECISION NOT TO SUPPORT HAVEL. THERE IS ALSO A STONG POSSIBILITY THAT SOME CZECH DEPUTIES BELONGING TO PARTIES WHO DECLARED SUPPORT FOR HAVEL, DID NOT VOTE FOR HIM.

5. THIS IS A DISAPPOINTING RESULT FOR HAVEL. THE ALREADY SLIM PROSPECTS FOR THE SURVIVAL OF THE FEDERATION WILL TAKE A FURTHER KNOCK AS THE CZECH PUBLIC REACT TO THIS REBUFF. ON THE POSITIVE SIDE,

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THE COMPRESSION OF THE TWO ROUNDS INTO ONE DAY SHORTENED HAVEL'S DISCOMFITURE. IN THEORY HAVEL CAN STAND AGAIN IN A THIRD SET OF PRESIDENTIAL ELECTIONS (NO OTHER CANDIDATE WILL SUCCEED IN THE SECOND SET). BUT HE IS MORE LIKELY TO CONTENT HIMSELF WITH SERVING OUT AS CARETAKER PRESIDENT. HE MAY ALSO NOW BE EXPECTING TO BE DRAFTED AS PRESIDENT OF A SEPARATE CZECH REPUBLIC IN DUE COURSE.

6. CED PLEASE PASS TO PS/NO.10 IN ADVANCE OF THE PRIME MINISTER'S MEETING TONIGHT WITH KLAUS.

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Foreign &  
Commonwealth  
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2 July 1992

London SW1A 2AH

*[Handwritten signature]*

*[Handwritten signature]*

CALL BY VACLAV KLAUS

*[Handwritten initials]*

3/7

The Czech Prime Minister is calling on the Prime Minister tomorrow. Ostensibly he is here to attend Wimbledon, but his real purpose is to brief the Prime Minister on the Czech/Slovak situation early in the Presidency (he is also anxious that his first meeting in his new capacity should not be with the Germans who are pressing him). You may welcome an account of developments in Czechoslovakia since the Prime Minister's visit, and a suggested line to take.

Czechoslovakia is moving rapidly towards a split. On 20 June Meciar and Klaus agreed that the modalities for separation should be worked out between the two National Councils by 30 September. But there is no clear perception in Prague, or no doubt Bratislava, of what practical steps will be involved. Both Klaus and Meciar are keeping their cards close to their chests. Klaus believes that he has worked hard for an agreement but that Meciar's tactics have left no alternative to a split. Klaus sees the situation very much in economic terms: without the burden of Slovakia the Czech lands would, he thinks, proceed rapidly with economic reform. Meciar wants maximum autonomy rather than separation (he is certainly aware of the economic costs) but also insists on Slovakia having a separate international identity. Both leaders are probably more in favour of a split than their public opinion, but Czech attitudes are hardening. If the Slovaks block the re-election of Havel

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as Federal President, as seems likely, this could accelerate the divorce. Havel is unlikely to survive beyond October (although he may agree to become Czech President).

Havel believes that the only constitutional route to divorce is through a referendum. Both Meciar and Klaus are opposed and it therefore seems unlikely that this solution will be adopted. An interim federal government will be appointed soon to divide federal powers between the two national governments (in practice power has for some time been slipping away to the republics - as symbolised by Klaus's move from a federal ministry to the Czech Premiership).

The two sides have yet to address the economic and international aspects of the split. The Czechoslovak economy is a single entity and unravelling it will be a complex task. It is not clear how many of the existing economic links will at the end be retained. Meciar believes in keeping a large state sector and high social expenditure. Klaus is adamant that the wealthier Czech lands should not subsidize expensive policies with which he disagrees fundamentally. Meciar also wants a separate banking system and currency: this suggests that he may have to adopt protectionist measures to maintain the value of the Slovak Crown. It is not a foregone conclusion that there will be an easy divorce.

Relations between Klaus and Meciar appear to be surprisingly good. Klaus clearly seems to think that the two can continue to negotiate on the terms of the split. He has told us (speaking to the Head of CED in Prague on 30 June) that it would not help him if the West were to demonize Meciar.

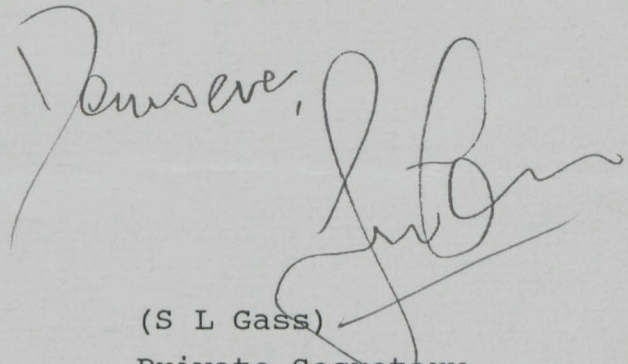
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The Prime Minister may wish to say that the UK and its EC partners have no wish to become involved in the debate on future relations between the Czech lands and Slovakia. We shall clearly need to consider a number of issues in due course, such as the future of the Association Agreement, but our decision will depend on decisions by the Czechs and Slovaks themselves about State succession etc. We will not wish to contest a decision freely supported by Czech and Slovak peoples. We shall judge both states (if there are two) by their observance of our normal criteria for political and economic reform. Nor do we wish to do anything which would increase the risk of instability in the region.

The Prime Minister might like to ask Mr Klaus to throw light on how he sees liabilities and assets being divided. Is there anything the EC can do to help? The Prime Minister will wish to know that Meciar has accepted an invitation to lunch with the Twelve EC Ambassadors in Prague on 9 July.



(S L Gass)  
Private Secretary

J S Wall Esq  
10 Downing Street

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TO IMMEDIATE FCO

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AND TO ROUTINE WARSAW, BUDAPEST, BONN, UKREP BRUSSELS

## UNOFFICIAL VISIT TO LONDON BY NEW CZECH PRIME MINISTER

1. SINCE KLAUS IS NOW TO CALL ON THE PRIME MINISTER ON FRIDAY EVENING, YOU MAY FIND IT HELPFUL TO HAVE COMMENTS ON WHAT ISSUES ARE LIKELY TO BE UPPERMOST IN KLAUS' MIND.
2. KLAUS HAS COME THROUGH A LONG ELECTION CAMPAIGN AND DIFFICULT SUBSEQUENT NEGOTIATIONS IN PRETTY GOOD ORDER. HIS ELECTORAL SUCCESS IN GARNERING NEARLY A THIRD OF CZECH VOTES, PROBABLY EXCEEDED HIS OWN REAL EXPECTATIONS. HE SEES THAT VOTE AS A CLEAR ENDORSEMENT OF HIS ECONOMIC POLICIES AND RECORD, AND OF THE PROGRAMME FOR ROOT AND BRANCH TRANSFORMATION WHICH HE PUT TO THE PEOPLE. THERE IS LITTLE DOUBT THAT THOSE WHO VOTED FOR HIM KNEW WHAT THEY WERE GETTING.
3. THE SUBSEQUENT NEGOTIATIONS HAVE BEEN MORE COMPLICATED THAN HE MIGHT HAVE EXPECTED, PARTLY BECAUSE OF THE COLLAPSE OF THE PRO-FEDERALIST PARTIES IN SLOVAKIA, AND PARTLY BECAUSE OF THE DISAPPEARANCE OF THE CENTRE PARTIES IN THE CZECH LANDS. THE RESULT OF THE FORMER HAS BEEN THE EMERGENCE OF MECIAR AS THE UNCHALLENGED SLOVAK LEADER, CAPABLE (EVEN WITHOUT THE SUPPORT OF HIS LEFTIST AND NATIONALIST ALLIES) OF PARALYSING THE FEDERAL ASSEMBLY. THE BAD NEWS FOR KLAUS WAS THAT MECIAR'S PRE-ELECTION INSISTENCE ON SLOVAK SOVEREIGNTY WAS NOT BLUFF. THE GOOD NEWS WAS THAT MECIAR HAS PLAYED HIS HAND WITHOUT MUCH FINESSE. IN PRESSING FOR SLOVAKIA TO HAVE A SEPARATE IDENTITY IN INTERNATIONAL LAW (INCLUDING A UN SEAT), HE MADE IT EASY FOR KLAUS TO CONCLUDE THAT SEPARATION WAS THE ONLY REAL OPTION.
4. HAD MECIAR PRESSED FOR A SINGLE CONFEDERAL STATE (WHATEVER THAT MEANS), WITH EVEN MORE AUTONOMY FOR SLOVAKIA, KLAUS WOULD HAVE FACED A QUANDARY. ON THE ONE HAND HE DID NOT WANT TO BE THE MAN WHO BROKE THE FEDERATION. BUT ON THE OTHER, HE RECOGNISED THE IMPOSSIBILITY OF RUNNING A COMMON STATE IN WHICH ONE HALF WISHED TO PURSUE DIFFERENT ECONOMIC POLICIES AND HAD THE

CAPACITY TO PREVENT THE PASSAGE OF LEGISLATION THROUGH THE FEDERAL PARLIAMENT.

5. IN THE CZECH LANDS (AND KLAUS IS NOW HEAD OF THE CZECH GOVERNMENT), HE HAS BEEN ABLE TO OBTAIN SUPPORT FROM THE SMALLER ODA AND KDU PARTIES, SUFFICIENT TO ENSURE THAT HIS LEGISLATIVE PROGRAMME WILL PASS. HE HAS HAD TO PAY THE PRICE OF LETTING SENIOR MEMBERS OF THOSE PARTIES OCCUPY A NUMBER OF MINISTERIAL POSTS. NONETHELESS, HE CAN FEEL THAT IN HIS OWN PATCH HE HAS GOT HIS DUCKS IN A ROW.

6. KLAUS' MAIN PRESENT CONCERN MUST BE TO TREAD SWIFTLY BUT CAREFULLY THE PATH TOWARDS SEPARATION. WITHOUT THE COMPLEXITIES AND ENCUMBRANCES OF SLOVAKIA, IT WILL BE EASIER TO BRING ABOUT RAPID TRANSFORMATION. I HAVE NO DOUBT THAT HE WOULD HAVE PREFERRED TO HEAD A LARGER FEDERAL CZECHOSLOVAKIA, HAD THAT BEEN MANAGEABLE. HE MAY TELL THE PRIME MINISTER HIS VIEWS ON THE TIMESCALE FOR ALL THIS.

7. ONE FACTOR AFFECTING THE TIMING MAY BE THE POSITION OF PRESIDENT HAVEL. HAVEL WILL BE DEFEATED ON 3 JULY IN HIS BID FOR REELECTION. HE MAY OR MAY NOT STAND AGAIN LATER, BUT THE PROBABILITY IS THAT THERE WILL BE NO NEW FEDERAL PRESIDENT AFTER HAVEL'S CARETAKER TERM EXPIRES IN OCTOBER. I BELIEVE THAT HAVEL HIMSELF MAY RECENTLY HAVE LOST HIS STRONG COMMITMENT TO THE FEDERATION AND RECONCILED HIMSELF TO SEPARATION (THOUGH HE MAY WELL HOPE THAT THE SLOVAKS WILL VOLUNTARILY RETURN TO THE FEDERATION AFTER A FEW UNHAPPY YEARS UNDER MECIAR AND CO.) AT ALL EVENTS HAVEL AND KLAUS MUST RECOGNISE THAT THEY NOW NEED EACH OTHER FOR THE FUTURE OF THE CZECH LANDS.

8. KLAUS MAY RAISE HIS CONCERN OVER THE SHORT TERM COSTS OF THE UNCERTAINTY ENGENDERED BY THE ELECTIONS. BANKS HAVE ALREADY REPORTED THAT SOME FOREIGN INVESTORS HAVE TEMPORARILY SHELVED PROJECTS, AND TRAVEL AGENCIES REPORT CANCELLATIONS OF GROUP BOOKINGS (PARTICULARLY FROM NORTH AMERICA). KLAUS WILL WANT ADVICE ON HOW TO PROJECT THE STABILITY AND CONTINUITY OF THE CZECH STATE, WITH HIS OWN PRESENCE AS A GUARANTEE OF FINANCIAL RIGOUR AND A FREE MARKET ENVIRONMENT. HE MAY ALSO ASK ABOUT HMG'S VIEWS ON SUCCESSOR REGIMES. DESPITE THE PROBLEMS, I THINK THE PRIME MINISTER WILL FIND HIM IN GOOD HEART.

10. PLEASE PASS TO MR WALL (NO.10).

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## CZECHOSLOVAKIA: PRESIDENTIAL ELECTION ✓

## SUMMARY

1. THE NEW FEDERAL ASSEMBLY WILL BEGIN TRYING TO ELECT A NEW PRESIDENT ON 3 JULY. HAVEL IS THE ONLY SERIOUS CANDIDATE SO FAR, BUT A MAJORITY OF SLOVAK DEPUTIES APPEAR DETERMINED TO BLOCK HIS REELECTION. NO OTHER CANDIDATE IS LIKELY TO SUCCEED, SO HAVEL MAY STAY AS CARETAKER PRESIDENT UNTIL 5 OCTOBER, BY WHEN A DECISION SHOULD HAVE BEEN REACHED ON THE WINDING-UP OF THE FEDERATION. AT A POPULAR LEVEL THE REJECTION OF HAVEL MAY FEED CZECH FEELINGS THAT THE SLOVAKS SHOULD BE LEFT TO GO THEIR OWN WAY.

## DETAIL

2. THE NEW FEDERAL ASSEMBLY WILL HOLD THE FIRST ROUND OF THE PRESIDENTIAL ELECTION ON 3 JULY. TO BE ELECTED IN THE FIRST ROUND, A CANDIDATE MUST RECEIVE 3/5 SUPPORT IN THE HOUSE OF THE PEOPLE, AND IN BOTH THE CZECH AND SLOVAK SECTIONS OF THE HOUSE OF NATIONS. IF NO CANDIDATE SUCCEEDS, A SECOND ROUND OF VOTING IS HELD WITHIN 14 DAYS IN WHICH A CANDIDATE REQUIRES ONLY A SIMPLE MAJORITY IN ALL THREE SECTIONS OF THE FEDERAL ASSEMBLY. IF EVEN THEN NO CANDIDATE IS ELECTED, THIS TWO ROUND SET OF ELECTIONS IS REPEATED AT FORTNIGHTLY INTERVALS UNTIL A CANDIDATE SUCCEEDS. UNSUCCESSFUL CANDIDATES CANNOT STAND IN CONSECUTIVE SETS OF ELECTIONS.

3. HAVEL, AFTER PRIVATE AGONISING, HAS COMMITTED HIMSELF TO STANDING FOR REELECTION DESPITE THE PROBABILITY THAT HE WILL FAIL. THE CRUCIAL TEST IN THE FEDERAL ASSEMBLY WILL BE IN THE SLOVAK CHAMBER OF THE HOUSE OF NATIONS, WHERE THE THREE PARTIES OPPOSED TO HAVEL (MECIAR'S MOVEMENT FOR A DEMOCRATIC SLOVAKIA, THE SLOVAK

## NATIONAL

PARTY, AND THE PARTY OF THE DEMOCRATIC LEFT) HOLD 55 OF THE 75 SEATS. THE PRESIDENT'S STAFF STILL HOLD OUT THE FAINT HOPE THAT, HAVING MADE THEIR POINT IN THE FIRST ROUND, SOME OF THESE PARTIES MAY RELENT IN THE SECOND. BUT MOST PEOPLE ARE RESIGNED TO THE PROBABILITY THAT HAVEL WILL NOT BE REELECTED.

4. NO-ONE IS LIKELY TO SUCCEED IN HAVEL'S PLACE. ONLY ONE OTHER CANDIDATE IS STANDING IN THIS FIRST ELECTION - AN UNKNOWN FROM EAST SLOVAKIA PROPOSED AS A PUBLICITY STUNT BY THE FAR-RIGHT REPUBLICAN PARTY. THE SECOND SET OF ELECTIONS MAY SEE MORE SUBSTANTIAL CANDIDATES EMERGE, BUT IT IS HARD TO SEE WHO MIGHT COME CLOSE TO GAINING THE NECESSARY CONSENSUS, AND IT WOULD BE AWKWARD FOR ANY OF THE MODERATE CZECH PARTIES TO BE SEEN TO ABANDON HAVEL. UNTIL A NEW CANDIDATE SUCCEEDS, THE CONSTITUTION ALLOWS HAVEL TO REMAIN A CARETAKER PRESIDENT, BUT ONLY UNTIL 5 OCTOBER AFTER WHICH PRESIDENTIAL DUTIES ARE TRANSFERRED TO THE FEDERAL ASSEMBLY PRAESIDIUM.

5. IN THEORY HAVEL COULD STAND AGAIN IN THE THIRD (AND FIFTH AND SEVENTH) SET OF ELECTIONS. BUT VONDRA, THE PRESIDENT'S FOREIGN AFFAIRS ADVISER, TOLD ME EARLIER THIS WEEK THAT HAVEL WOULD BE UNWILLING TO PURSUE SUCH A COURSE. AFTER FAILING IN THE FIRST ROUND HE WOULD ACT AS CARETAKER PRESIDENT AND REVIEW HIS OPTIONS ONCE THE CONSTITUTIONAL FUTURE IS CLEAR. THE GENERAL EXPECTATION IS THAT HE WOULD BE CALLED UPON TO BECOME PRESIDENT OF AN INDEPENDENT CZECH REPUBLIC: IN HIS OPENING SPEECH TO THE FEDERAL ASSEMBLY LAST WEEK HAVEL HINTED THAT HE WOULD BE PREPARED TO DO THIS.

## COMMENT

6. THIS WAY OF ELECTING THE PRESIDENT PROVIDES A GOOD EXAMPLE OF HOW THE OLD COMMUNIST CONSTITUTION CAN SMOTHER SOLUTIONS. IN FORMER TIMES, ITS COMPLEXITIES DID NOT MATTER SINCE ALL ISSUES WERE PREARRANGED BY THE PARTY. BUT IN A FUNCTIONING PLURAL DEMOCRACY IT IS CUMBERSOME AND INEFFECTIVE.

7. IN PRACTICAL TERMS THIS PRESIDENTIAL ELECTION IS SOMETHING OF A SIDESHOW. WHETHER HE SUCCEEDS OR NOT HAVEL SHOULD REMAIN IN OFFICE UNTIL 5 OCTOBER. BY THEN, THE OFFICE OF FEDERAL PRESIDENT WILL BE REDUNDANT, IF THE CZECH AND SLOVAK LEADERSHIPS HAVE AGREED ON THE DETAIL AND TIMING OF SEPARATION.

8. THE MAIN SIGNIFICANCE OF THE PRESIDENTIAL ELECTIONS MAY TURN OUT TO BE PSYCHOLOGICAL. IF THEY VOTE AGAINST HAVEL, SLOVAK DEPUTIES WILL HAVE REJECTED THE PERSON WHO MOST EMBODIES THE FEDERAL IDEAL, AND WHOM THE CZECH PUBLIC RESPECT MORE THAN ANY OTHER INDIVIDUAL. THAT PUBLIC MAY REACT STRONGLY, IN THE SENSE OF CONCLUDING THAT THE BEST SOLUTION IS TO END THE FEDERATION, EVEN IF THAT MEANT THAT THE CZECH SIDE HAVE PERFORM THE COUP DE GRACE.

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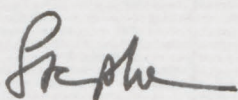
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①  
PRIME MINISTER

VACLAV KLAUS

The Prime Minister of the Czech lands, Mr Klaus, has asked if he could call on you on Friday afternoon, or over the weekend.

I attach the programme. The only possibilities I can see are at 1900 on Friday 3 July or 0845 on Saturday 4 July. Are you prepared to offer either of these?



J.S. Wall

30 June 1992

c: klaus (MJ)



file



be:pc

AS

10 DOWNING STREET  
LONDON SW1A 2AA

*From the Private Secretary*

8 May 1990

POSSIBLE CALL BY THE CZECHOSLOVAK DEPUTY  
PRIME MINISTER

Thank you for your letter of 4 May asking whether the Prime Minister could see Dr Carnogursky on 23 May. I am afraid the Prime Minister is not in London that day at all.

C. D. POWELL

Richard Gozney, Esq.  
Foreign and Commonwealth Office

1)

Foreign and Commonwealth Office

London SW1A 2AH

4 May 1990



Dear Charles,

Possible Call by the Czechoslovak Deputy Premier

Dr Carnogursky will be in the UK from 20-22 May on a private visit. He has agreed to extend this programme to include a day of official calls on 23 May. Dr Carnogursky has considerable standing in Slovakia, where before this appointment he was well known for his dissident activities on behalf of human and civil rights. He was a particular beneficiary of British pressure on behalf of dissidents, for which he is very grateful. He is leader of the newly formed (Slovak) Christian Democratic Movement which is expected to be a strong contender in the June elections. In many respects he is the leader of the Conservatives, in our sense, in Czechoslovakia as a whole. He is tipped by many to be the next Czechoslovak Prime Minister. I should be grateful to know whether the Prime Minister would like to see him.

Yours ever,

(R H T Gozney)  
Private Secretary

C D Powell Esq  
10 Downing Street

Could do 22 May

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10 DOWNING STREET

LONDON SW1A 2AA

*From the Private Secretary*

2 April 1990

*Dear Richard,*

PRIME MINISTER'S MEETING  
WITH THE CZECHOSLOVAK FOREIGN MINISTER

The Prime Minister had a talk this afternoon with the Czechoslovak Foreign Minister. Mr. Dienstbier was accompanied by the Czechoslovak Ambassador.

The Prime Minister began by remarking how successful President Havel's visit to the United Kingdom had been. In his time in office, he had succeeded in elevating politics to a higher plane, which was wholly admirable. There was a need to translate this into practical realities as well. She would welcome an account of progress in Czechoslovakia.

Mr. Dienstbier said that the Charter 77 group had originally been regarded as Don Quixotes, and no-one would have given anything for their success. Most Czechs had taken a view that they could not expect change in their lifetime. But Charter 77 had persisted and succeeded, far more suddenly than they themselves had ever expected. Now they were moving quickly to normalise Czechoslovakia's relations with all its neighbours. They had started with the Russians, because of the importance of removing Soviet troops from the country. He thought they achieved a good agreement, and the Russians had promised to do their best to withdraw before the formal deadline. Now he and President Havel were trying to think about the wider Europe and how to make progress from the structures of confrontation to the structures of cooperation. Czechoslovakia did not want to be left out of Europe. People had been very grateful for the Prime Minister's constant insistence, in her speeches, that the Eastern European countries were just as much a part of Europe as the members of the European Community. Their first aim was to see the Council of Europe become a genuinely pan-European institution. In parallel, they wanted an association agreement with the European Community.

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Mr. Dienstbier continued that peaceful evolution to democracy and a new sort of federation in the Soviet Union were possible. Moving away from existing security structures in Europe could make an important contribution to this, strengthening Mr. Gorbachev and weakening the power of more conservative groups, particularly the military. Secretary Baker had asked him what he had against NATO, to which he had replied: nothing, except that Czechoslovakia was not a member. What Czechoslovakia most wanted to avoid was being left out. They and the other East Europeans could not join NATO: but if NATO continued whilst the Warsaw PACT collapsed they would just be left on the sidelines. That was why they preferred to see something new. He had been encouraged by the Prime Minister's speech to the Konigswinter Conference to see that she was thinking on broadly similar lines. He and President Havel would be summoning all European Ambassadors in Prague on Friday to present their own plan for a European Security Commission. They wanted the widest possible discussion of this. The Prime Minister said that she had made clear in her Konigswinter Speech that the CSCE could never be a substitute for NATO, which would continue to guarantee the security not just of Western Europe but of the Eastern European countries too. But she agreed with Mr. Dienstbier that we should build on the CSCE.

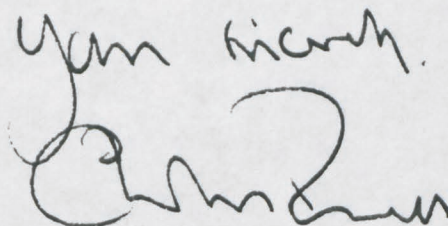
The Prime Minister asked Mr. Dienstbier what practical help Czechoslovakia most needed. Everything, replied Mr. Dienstbier: the whole country was in a frightful mess. His own view was that every Czechoslovak needed to learn English in the next six months. He had met the British Council to discuss the help that they might be able to give. They were very willing, but it seemed as though money might be a constraint. There was also a need for management training and more general educational help. The human material in Czechoslovakia was good. It was years since anyone, including members of the Politburo, had believed in communism and there had been a flourishing black (or DIY) market, which showed that the instinct for a market economy was not dead. Czechoslovakia was not a lazy society.

Mr. Dienstbier referred to President Havel's invitation to the Prime Minister to visit Czechoslovakia at the end of September, to mark the anniversary of the Munich Agreement. The Prime Minister said she would love to visit Czechoslovakia, but would not want to draw attention to Munich, which was a matter of national shame. Mr. Dienstbier said that he found this psychology hard to follow. Surely the best way to bury Munich would be to meet and say that it was all over. The Prime Minister said the people in this country simply would not understand her going to Czechoslovakia on that particular day. There were other ways to bury Munich. Mr. Dienstbier said that the proposal reflected the playwright in President Havel. The Prime Minister suggested that President Havel would have to re-write this particular script. She would much prefer to come on another day. Mr. Dienstbier replied that this could of course be arranged.

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I am copying this letter to John Gieve (H.M. Treasury), Simon Webb (Ministry of Defence), Martin Stanley (Department of Trade and Industry) and Sonia Phippard (Cabinet Office).

Yours sincerely,  


(CHARLES POWELL)

Richard Gozney, Esq.,  
Foreign and Commonwealth Office.

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PRIME MINISTER

MEETING WITH THE CZECH FOREIGN MINISTER

You have a brief talk with the Czech Foreign Minister on Monday afternoon. Since you have so recently seen President Havel, the meeting need be no more than a brief courtesy call, to underline our support for changes taking place in Czechoslovakia. But you might take the opportunity to stiffen some of their alarmingly neutralist views about security arrangements in Europe.

There has been no great change in Czechoslovakia since your meeting with President Havel, but economic reform is still making only modest progress. The Czechs have not taken the plunge in the same way that the Poles have. You might point to Poland's success in reducing inflation very substantially as a result of their "big bang" approach.

The main issues to discuss are developments in Eastern Europe and over German unification. The Czechs support independence for Lithuania and appear to have some links with the Lithuanian leaders. You might urge Mr. Dienstbier to use those contacts to encourage the Lithuanians to proceed more realistically. The worst outcome would be one in which, on the model of Tiananmen Square, Lithuania lost its independence and we all lost Mr. Gorbachev.

Mr. Dienstbier has also produced some rather complicated ideas for a European security organisation based on the Helsinki Agreements which would replace both NATO and the Warsaw Pact. He may develop this further in a speech in London during his visit. The basic message to get over to him is that we need to walk before we can run. We should stick to the tried structures of NATO (and even the Warsaw Pact) while we concentrate on political and economic reform in the former Communist countries. It is more important to preserve the substance of security than to fiddle around with institution-building. Your own proposals for developing the CSCE are not intended to create a new security structure: we will continue to depend on NATO for that. Your

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aim is to establish democracy, free elections, the rule of law and the principles of the market economy right across Europe and the Soviet Union: and at the same time to develop a forum in which all European countries, the Soviet Union, the United States and Canada can meet together to discuss Europe's security problems. In short, there is a great difference between what he is proposing and what you are proposing.

C.D.P

(CHARLES POWELL)

30 March 1990

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Foreign and Commonwealth Office

London SW1A 2AH

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30 March 1990

Dear Charles,

Visit of Czechoslovak Foreign Minister, 1-4 April

Mr Jiri Dienstbier is visiting Britain from 1 to 4 April at the invitation of the Foreign Secretary. He will call on the Prime Minister at 2.30 on 2 April.

Mr Dienstbier has been Foreign Minister since the Czechoslovak government reshuffle on 10 December which created a non-communist government. He was previously a leading dissident, employed as a stoker. Before 1968 he was a well-known journalist specialising in foreign affairs. His programme includes a speech to Chatham House entitled "From the Europe of Blocs to the Europe of Cooperation", which is expected to set new lines for Czechoslovak foreign policy. He will also fulfill a long-standing engagement to speak at a meeting of European Nuclear Disarmament, with which he had close links in his days as a dissident. The Foreign Secretary will host lunch and talks, and sign a Cultural Agreement, on 3 April.

Background

There have been no major developments in the internal political scene since President Havel's visit.

The Czechoslovak Government have made some modest progress on economic reform. Since January, the banking structure has been reorganised. In January, the crown was devalued by about 80% and has been allowed to slip further since. Legislation, either enacted or planned, includes laws on foreign investment, joint stock companies, and private enterprise. The social consequences of economic reform are controversial, with different views on the tenable pace of economic reform dividing the triumvirate of Ministers running the economy. Mr Havel himself inclines towards the gradualists. The Prime Minister might like to underline to Mr Dienstbier the need for thorough reform to allow domestic growth and closer economic links with the West. She may also wish to reaffirm UK support for Czechoslovakia's application to join the IMF; we would be pleased, if asked, to chair the committee which will consider Czechoslovak membership.

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Bilateral Relations

President Havel was in London 21-23 March and Interior Minister Mr Sacher is to visit from 8-12 April for the International Drugs Summit. The Foreign Secretary plans to go to Prague in July and we have proposed to the Czechoslovaks a visit by the Prime Minister in September. We have extended the Know How Fund to Czechoslovakia.

The first batch of projects will contribute to:

- free market and privatisation;
- small businesses, retraining and other employment matters;
- local government;
- university curricula;
- establishment of an accountable and depoliticised police force;
- environmental improvements;
- an expanded programme of English language training including courses for converting redundant teachers of Russian.

The Czechoslovaks are particularly keen to cooperate in fighting terrorism and drug trafficking. Official talks on counter-terrorism took place on 28 March. Interior Minister Sacher is to discuss cooperation on terrorism policing and drugs during his visit in April.

A Cultural Agreement will be signed by Mr Dienstbier and the Foreign Secretary on 3 April. We are keen to open a cultural centre as soon as possible and need suitable premises, perhaps the former British Council building. The Foreign Secretary raised this with President Havel, who was sympathetic and undertook to speak to those directly involved. Although the cost of our visas is regarded throughout Eastern Europe as extortionate, delays in issuing visas are not a major problem with Czechoslovakia. Most applications are processed within the declared time limit (14 days), despite a 36% increase in applications in 1989. If Mr Dienstbier requests a visa abolition agreement, the Prime Minister could say we are looking at this but no decision has been reached. (Security and immigration considerations are likely to preclude an early decision to abolish visas for Czechoslovakia).

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Developments in Eastern Europe/Soviet Union

The Prime Minister might like to probe Mr Dienstbier's views on cooperation in Central Europe. President Havel has suggested that Czechoslovakia, Hungary and Poland should coordinate their approach to Europe. It is far from clear what is intended and the other countries have reacted cautiously. A Czechoslovak-Hungarian-Polish summit meeting is to be held in Bratislava on 9 April, with Italy, Yugoslavia and Austria present as observers.

Czechoslovakia will probably be invited to join a "quadrilateral initiative" for practical cooperation, which has been started between Austria, Yugoslavia, Italy and Hungary.

The Czechoslovaks have made it clear that they support Lithuania's independence but believe that its status should be settled through dialogue between equal partners. The Prime Minister might like to draw on the following points:

- Gorbachev' reforms have unleashed powerful forces: they may prove increasingly difficult to control;
- Both sides risk getting pushed into a corner over Lithuania. Do not believe Soviet authorities wish to use force. Political costs enormous. But some risk of situation getting out of control. Maximum restraint on both sides essential;
- Continues to be in interest of other Europeans that Gorbachev stays and reforms continue. Will offer help where possible - but have no illusions about our influence.

Western Security Issues

The Prime Minister might like to ask Mr Dienstbier about his proposal for a new European order. At the March Warsaw Pact meeting in Prague, he advocated (speech enclosed) a collective agreement on European Security stemming from the Helsinki process, whose core should be a treaty committing its signatories to help any member attacked. An executive body with two chambers, one of Foreign Ministers and one, subordinate, of Defence Ministers, would act as a European security commission, with a permanent secretariat. This might lead to an organisation of European states involving existing structures such as the Council of Europe, and, finally, to a

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European federation. When he called on the Prime Minister on 21 March, President Havel said he accepted that the Warsaw Pact and NATO were different. But Europe needed a new security system which would not leave out the East Europeans. He stressed that the Czechoslovaks would like to preserve the best of NATO, without putting Mr Gorbachev under threat. At the recent Warsaw Pact meeting of Foreign Ministers, Dienstbier advocated membership of NATO by a united Germany, but sees a need to look beyond that and to give longer-term reassurance to the Soviet Union.

The Prime Minister could say that:

- NATO is a stable Alliance of countries with common interests and values. This must be good for Europe as a whole; and will provide a secure framework while changes in the East continue;
- NATO enshrines the transatlantic commitment to Europe: essential as a political and military counterbalance to the Soviet Union

At the Warsaw Pact meeting, Mr Dienstbier said that German reunification was a matter for the Germans, so long as it was by democratic means. The more Germany was integrated into Europe, the better it could be controlled. Czechoslovakia opposed neutrality for a united Germany.

The Prime Minister could brief Mr Dienstbier on our thinking on the security aspects of unification:

- Key point is that a united Germany should remain in NATO. It would be anomalous to have (and difficult for the Germans to accept) one Germany in two different Alliances. Membership of NATO is the most stable and reassuring solution for all - including the Soviet Union, whose concerns we must respect.

EC/Eastern Europe

Mr Dienstbier will be interested in EC policy towards Eastern Europe. The Prime Minister might say:

- We are keen to promote as liberal a trading regime as possible with Czechoslovakia, to help you consolidate your reforms. Glad that EC-Czechoslovak Trade and Cooperation Agreement was initialled on 23 March. Look forward to early signature. It will, over time, eliminate EC's import restrictions on most Czechoslovak exports. We are now pressing EC partners to speed up the timetable;

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- As reform in Czechoslovakia is implemented, UK proposes that cooperation with EC should be strengthened - perhaps taking the form of an Association Agreement. This would demonstrate the links between the Community and Czechoslovakia and also cover a political dialogue.

On possible Czechoslovak accession to the EC, the Prime Minister might say that:

There is a Community consensus on no enlargement before 1993. Will in any case take time for Czechoslovak economy to match the conditions for EC membership. Thereafter it will be for Czechoslovakia to decide whether to seek membership.

CSCE

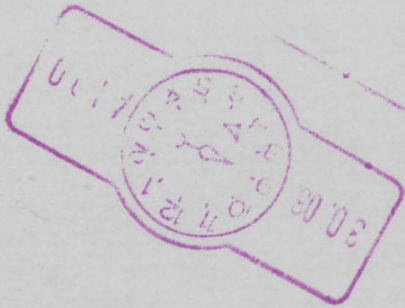
The Prime Minister may like to outline to Mr Dienstbier's own idea on the future of CSCE as in her Königswinter speech.

A handwritten signature in dark ink, appearing to read 'R. H. T. Gozney', with a long, sweeping underline.

(R H T Gozney)  
Private Secretary

C D Powell Esq  
10 Downing Street

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10 DOWNING STREET

LONDON SW1A 2AA

*From the Private Secretary*

21 March 1990

Dear Richard,

PRIME MINISTER'S MEETING WITH PRESIDENT VACLAV HAVEL  
OF CZECHOSLOVAKIA

The Prime Minister had a talk this afternoon with President Vaclav Havel of Czechoslovakia, lasting some one and a half hours. The President was accompanied by the Czechoslovak Ambassador and by Mr. Alexandr Vondra, Presidential Adviser. H.M. Ambassador in Prague was also present. The President seemed curiously tense for the first hour of the talk: the reason emerged when he finally burst, and asked the Prime Minister if he could smoke, whereupon he smoked four cigarettes in five minutes and seemed to feel much better.

The Prime Minister began by referring to President Havel's New Year speech and its remarkable use of language. She had not seen the like of it in a politician since Churchill. He had dealt with one of the most interesting questions of our time: how it was that the human spirit could be oppressed for many years without rebelling and then suddenly break out in a great act of defiance. She thought that President Gorbachev understood this phenomenon and had moved to anticipate it, at least in Eastern Europe. This was what she meant when she talked of his vision. The Prime Minister said that she would like to hear what the President had to say about developments in Czechoslovakia and how he saw the way ahead in Europe as a whole. She knew that he had discussed this latter topic extensively with President Mitterrand.

President Havel thanked the Prime Minister for the invitation to visit the United Kingdom and her kind words about his New Year speech. He was deeply flattered to be compared with Winston Churchill, who was greatly respected in Czechoslovakia. The Prime Minister said that our history in this century had been closely bound up with Czechoslovakia. We believed that Czechoslovakia would emerge more quickly than other Eastern European countries from communism, because it had already experienced democracy and a free economy. We would help in every way we could, through our Know-How Fund, with scholarships and with joint ventures.

President Havel continued that Czechoslovakia had a long democratic tradition. But a huge number of problems had accumulated over the last 40 years and expectations that the new

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Government could solve them immediately were unrealistic. There would be elections to a constituent assembly in June and he could guarantee that they would be genuinely democratic. But the real elections would be in two years' time, once a new constitution had been drawn up, laws amended and a new structure bringing together the two parts of Czechoslovakia perfected. A large number of political parties had sprung up, not all of them really serious. But he was confident that the end of communism was irreversible and that the new system could provide political stability. Economic problems were another matter. Czechoslovakia's only earlier attempt at economic reform had been crushed in 1968 and a command economy had become entrenched. Major reforms were already under way, with new laws on private enterprise and foreign investment. There would be changes in the price system even before the elections. Much more extensive and painful reforms would be required over the next two years. But Czechoslovakia could not afford the luxury of worrying about its own affairs alone. Being right at the heart of Europe, it had to take a part in discussion of the future shape of Europe. He had already developed a concept for that and had discussed his ideas with President Bush, President Gorbachev and President Mitterrand. His ideas were continually evolving in the course of discussion. He would be glad to tell the Prime Minister about them. But she might like to give her views first.

The Prime Minister said that she was encouraged by what the President had told her about the political prospects in Czechoslovakia. Fragmentation of political parties was always a bad thing. It led to factional dispute, which meant you lost the forward momentum of reform. Political parties should have a vision of the future and see the way ahead clearly. She agreed with President Havel that economic reform was more difficult than political change. When people got in the habit of looking to Government for a living, it was difficult to give them back a sense of enterprise and responsibility. In that respect, she did not believe Czechoslovakia's problems were anything like as bad as those faced by President Gorbachev in the Soviet Union. She was sure the Czechoslovak people would be ready to make sacrifices, as was happening in Poland. Their success would be a great encouragement to President Gorbachev.

Turning to the future of Europe, the Prime Minister said that she had never regarded the European Community as being the only manifestation of Europe, but looked to a more wider Europe bringing in the East European countries and the Soviet Union. Nonetheless, existing structures in Europe, above all NATO, had served us well and preserved our liberties. We should not easily give them up until we were certain there was something better to put in their place. She realised that the Warsaw Pact was quite different, a structure without substance. But NATO was not just a military alliance, it represented the collective will of West European countries to defend themselves, drawing in also the United States. It would be vital for a united Germany to remain part of NATO, otherwise the whole structure would be placed at risk. She would sum up her views in this way. There were two tasks to be undertaken. The first was to manage a transition to a new order in Europe. In this phase we had to keep NATO, maintain the European Community and extend its links with Eastern

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Europe, and absorb the unified Germany. The second task would be to build an entirely new structure of security in Europe, based on extending democracy from the Atlantic to the Urals and beyond. It was very important to get this right, and it could not be achieved overnight. The Helsinki Accords probably afforded the best foundation on which to build, although they would need to be greatly strengthened. It was simple to describe the tasks but they added up to a massive responsibility on the present generation of leaders in Europe. She felt very deeply the duty to get it right.

President Havel thanked the Prime Minister for her panorama of Europe. There was much in it with which he agreed, and he believed that such differences as there were between them could be cleared away. He accepted the asymmetry between NATO and the Warsaw Pact. NATO was a meaningful structure which had preserved freedom for Europe: the Warsaw Pact was a branch of the Soviet Army. But therein lay one of the problems. Several East European countries would like just to join NATO and make that Europe's new security system. But it would be a terrible blow to the pride and prestige of the Soviet Union, equivalent to losing the third world war. We had, therefore, to create some new system which would also take account of the fact that Europe was no longer divided into two halves, although it might be possible to accommodate NATO within that new system. He did not want the Prime Minister to have the impression that the Czechs were rascals who simply wanted to abolish NATO. They wanted instead to preserve the best of it without giving a fatal push to President Gorbachev at the very moment when the Soviet Union was in danger of falling apart. The spread of democracy throughout the former Soviet bloc was irreversible. But it should be as undramatic as possible. There was a tendency to link the extension of democracy to the person of Mr. Gorbachev. In his view, this was no longer the case. Gorbachev had started perestroika and deserved enormous credit for that. But whoever replaced him would not be able to turn the clock back. To sum up, his aim was to transform the old Europe into a new Europe, with a security system which was adapted to new reality and new threats.

President Havel said that he had one idea which he wanted to put to the Prime Minister and which he had already discussed with President Mitterrand who had been enthusiastic. He was, however, a bit nervous about how she would react. The idea had grown out of his invitation to President von Weizsaecker of Germany to visit Prague on the anniversary of Hitler's arrival there. He conceded that it was probably more the idea of a play-wright than of a politician. He would like to propose two consecutive 'state' visits to Czechoslovakia by the Prime Minister and President Mitterrand at the end of September, which would overlap. The Prime Minister said she saw no difficulty in principle with that: she got on well with President Mitterrand. President Havel continued that he, the Prime Minister and President Mitterrand might meet together at Prague Castle on 29 September, the anniversary of the Munich Agreement. The Prime Minister protested that this would be a terrible thing to commemorate. It was an awful blot in our history, and she personally felt so deeply about it that she could never bring

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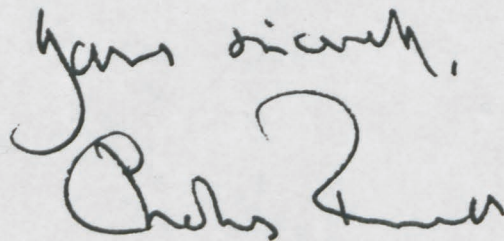
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herself even to visit Munich. President Havel said that it would surely be an opportunity to heal the trauma. He was not suggesting the commemoration of Munich but a meeting which would finally relegate it to history. It would certainly help Czechoslovakia a lot. The moral decline of their society had started then. In his view, Czechoslovakia was as much to blame for Munich as Britain or France. Now was the time finally to bury it. The Prime Minister said that it would be seen quite differently in this country. Rather than burying Munich, such an occasion risked disinterring it. It would bring back bitter and divisive memories. Personally, she recoiled from the very name of Munich. She would much prefer such an occasion to look ahead to the future. Since President Havel had made the proposal she would of course consider it and discuss it with President Mitterrand. President Havel, who appeared slightly bemused by the volcanic reaction his proposal had produced, said there was plenty of time to reflect.

The Prime Minister and President Havel subsequently spoke to the press outside No. 10, summarising their discussion but without mentioning this last proposal. I enclose a transcript of their brief comments.

I am copying this letter to John Gieve (H.M. Treasury), Simon Webb (Ministry of Defence) and to Sonia Phippard (Cabinet Office).

*Yours sincerely,*  


CHARLES POWELL

Richard Gozney, Esq.,  
Foreign and Commonwealth Office.

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TRANSCRIPT OF REMARKS MADE BY THE PRIME MINISTER AND PRESIDENT  
HAVEL OF CZECHOSLAKIA IN DOWNING STREET AFTER THEIR MEETING ON  
WEDNESDAY 21 MARCH 1990.

Prime Minister - We welcome President Harvel on this brief visit to our country. We have watched both his career and we have had people in our Parliament who, when he was in prison fought for his release. We were thrilled when he became President. We have watched his remarkable speeches and what he is doing with Czechoslovakia and building it into a democracy and with a freer market economy. We have discussed some of the security problems which the new situation gives to and started to discuss the shape of the new Europe in this decade and beyond.

Thats a very brief summary. I will now hand over to President Havel.

President Havel - I am very happy I have had the opportunity to meet personally Mrs Thatcher. I am grateful to her for her invitation to England. I am glad that I have had an opportunity to inform her about the situation in our country, to discuss with her the future developments in Europe and compare our stand and her stand and the two stands are very very close. Thank you very much for this acceptance.

Prime Minister - President Havel returns tonight and you'll be recording the speeches.

LIST OF GUESTS ATTENDING THE DINNER TO BE GIVEN THE PRIME MINISTER  
IN HONOUR OF HIS EXCELLENCY MR. VACLAV HAVEL,  
PRESIDENT OF CZECHOSLOVAKIA ON WEDNESDAY, 21 MARCH 1990 AT  
7.30 PM FOR 8.00 PM LOUNGE SUIT

51  
11

The Prime Minister

Miss Carol Thatcher

**Czechoslovak Suite**

His Excellency Mr. Václav Havel President

His Excellency The Ambassador of Czechoslovakia  
and Mrs. Duda

Mr. Milan Křáňko Presidential Adviser

Mr. Alexandr Vondra Presidential Adviser

Mr. Jiri Křižan Presidential Adviser

Prince Schwarzenberg Special Adviser

Mr. Maroslav Pribyl Counsellor, Embassy of  
Czechoslovakia

Mr. Roman Hronek Counsellor, Embassy of  
Czechoslovakia

**Her Majesty's Government**

Rt. Hon. Nicholas Ridley, MP  
and Mrs. Ridley

Rt. Hon. Cecil Parkinson, MP  
and Mrs. Parkinson

Rt. Hon. Michael Howard, MP  
and Mrs. Howard

Rt. Hon. Timothy Renton, MP  
and Mrs. Renton

Rt. Hon. Richard Luce, MP  
and Mrs. Luce

Rt. Hon. William Waldegrave, MP  
and Mrs. Waldegrave

**Conservative MPs**

Sir Bernard Braine, MP 'Father of the House' Interest  
in Czechoslovakia

Mr. Michael Marshall, MP IPU Visit to Czechoslovakia  
and Mrs. Marshall in February

Mr. Robert Rhodes-James, MP  
and Mrs. Rhodes-James historian

**S&.L Dem**

Rt. Hon. Paddy Ashdown, MP  
and Mrs. Ashdown

**Labour MPs**

Dr. John Marek, MP  
and Mrs. Marek

Treasurer, British Czechoslovak  
Parliamentary Group

**Organisations**

Mr. Nigel Forman, MP

Chairman, GB/EE Centre

Sir Trevor Holdsworth  
and Lady Holdsworth

President, CBI

**Banks/Companies**

Lady Abrahams

Wishes to set up a British  
Trade Centre in Prague. Of  
Czech origin

Sir Frank Lampl

Chairman of Bovis. Of Czech  
origin. Bovis interested in  
cooperation with Czechoslovakia

**Cultural**

Mr. Roger Michell

Director of RSC production of  
Havel's 'Temptation' in 1982  
(President Havel has video)

Mrs. Diana Phipps

friend of  
President Havel

Mr. William McAlister

Director, ICA. Organising East  
European Forum which President  
will attend

Sir Isaiah Berlin  
and Lady Berlin

Philosopher and political  
scientist

Mr. Tom Stoppard  
and Dr. Miriam Stoppard

Playwright. Friend of President

Mr. Bernard Levin

journalist and author.  
Interested in E. Europe

Mr. Timothy Garton-Ash  
and Mrs. Garton-Ash

Writes on E. Europe

Mr. Matthew Evans

Chairman of Faber and Faber.  
Publish President Havel's  
books in UK

Sir Leslie Fielding  
and Lady Fielding

Vice Chancellor of Sussex  
University. Wishes to award  
Honorary Degree to President

Mr. Karel Kyncl  
and Mrs. Kyncl

Personal friend of President

**Cultural (continued)**

Professor Roger Scruton

Professor of Philosophy,  
Birkbeck College. Trustee of  
Jan Hus Education Foundation  
for Czechoslovakia

Mrs. Jessica Douglas-Home

Trustee of Jan Hus Education  
Foundation

Mr. Zdenek Mladek  
and Mrs. Mladek

Personal friend of President

The Lord Weidenfeld

publisher

The Hon. William Shawcross

has written a book on  
Alexander Dubcek.

Mrs. Olga Polizzi

Interior Designer, Trust House  
Forte

**Officials**

Sir Terence Heiser  
and Lady Heiser

PUS, Department of the Environmen

Mr. P.L. O'Keefe

HM Ambassador, Prague

Mrs. Tessa Keswick

Special Adviser to the Secretary  
of State for Health

**10 Downing Street**

Mr. Charles Powell  
and Mrs. Powell

THE RT HON THE PRIME MINISTER

His Excellency Mr Václav Havel

His Excellency the Ambassador of Czechoslovakia

The Rt Hon Nicholas Ridley

The Rt Hon Cecil Parkinson

Mrs Duda

Mr Milan Křažko I

The Rt Hon Richard Luce

The Rt Hon Michael Howard

Mr Alexandr Vondra

The Rt Hon Timothy Renton

The Rt Hon William Waldegrave

Prince Schwarzenberg

Mrs Howard

Mrs Parkinson

*Mr Michael T. Zantovsky (Press Spokesman)* → Mr Jiří Křížan

Mrs Ridley

The Rt Hon Paddy Ashdown

Sir Trevor Holdsworth

Mrs Renton

The Lord Weidenfeld

Mrs Waldegrave

Mrs Luce

The Rt Hon Sir Bernard Braine

Lady Berlin

Sir Isaiah Berlin

Sir Frank Lampl

Lady Holdsworth

Sir Leslie Fielding

Mrs Jessica Douglas-Home

Mrs Diana Phipps

Sir Terence Heiser

Mrs Ashdown

Dr John Marek

Mr Tom Stoppard

Dr Miriam Stoppard

Mr P L O'Keefe

Lady Heiser

Mrs Olga Polizzi

Mr Robert Rhodes-James

Mrs Mladek

Mr Bernard Levin

Mr Matthew Evans

Mrs Kyncl

Mr Nigel Forman

Mrs Rhodes-James

Lady Fielding

Mr Roman Hronek

Lady Abrahams

Mr Miroslav Příbyl

Mr Timothy Garton-Ash

The Hon William Shawcross

Mr Michael Marshall

Mrs Marshall

Mr Karel Kyncl

Miss Carol Thatcher

Professor Roger Scruton

Mr Zdenek Mladek

Mrs Marek

Mr Roger Michell

Mrs Garton-Ash

Mrs Tessa Keswick

Mr Charles Powell

Mr William McAlister

ENTRANCE



DINNER

In honour of  
His Excellency Mr Václav Havel  
President of Czechoslovakia

10 DOWNING STREET  
WEDNESDAY, 21ST MARCH 1990

Mr Charles Powell



THE RT HON THE PRIME MINISTER

His Excellency Mr Václav Havel

His Excellency the Ambassador of Czechoslovakia

The Rt Hon Nicholas Ridley

The Rt Hon Cecil Parkinson

Mrs Duda

Mr Milan Křažko

The Rt Hon Richard Luce

The Rt Hon Michael Howard

Mr Alexandr Vondra

The Rt Hon Timothy Renton

The Rt Hon William Waldegrave

Prince Schwarzenberg

Mrs Howard

Mrs Parkinson

Mr Jiří Křížan

Mrs Ridley

The Rt Hon Paddy Ashdown

Sir Trevor Holdsworth

Mrs Renton

The Lord Weidenfeld

Mrs Waldegrave

Mrs Luce

The Rt Hon Sir Bernard Braine

Lady Berlin

Sir Isaiah Berlin

Sir Frank Lampl

Lady Holdsworth

Sir Leslie Fielding

Mrs Jessica Douglas-Home

Mrs Diana Phipps

Sir Terence Heiser

Mrs Ashdown

Dr John Marek

Mr Tom Stoppard

Dr Miriam Stoppard

Mr P L O'Keefe

Lady Heiser

Mrs Olga Polizzi

Mr Robert Rhodes-James

Mrs Mladek

Mr Bernard Levin

Mr Matthew Evans

Mrs Kyncl

Mr Nigel Forman

Mrs Rhodes-James

Lady Fielding

Mr Roman Hronek

Lady Abrahams

Mr Miroslav Příbyl

Mr Timothy Garton-Ash

The Hon William Shawcross

Mr Michael Marshall

Mrs Marshall

Mr Karel Kyncl

Miss Carol Thatcher

Professor Roger Scruton

Mr Zdenek Mladek

Mrs Marek

Mr Roger Michell

Mrs Garton-Ash

Mrs Tessa Keswick

Mr Charles Powell

Mr William McAlister

ENTRANCE



10 DOWNING STREET

Dear Minister

You have seen  
these papers, but  
may like just  
to glance again.

C.D.I.



Foreign and Commonwealth Office

CONFIDENTIAL London SW1A 2AH

20 March 1990

*Prime Minister  
Some late briefing  
for President Havel.  
OBT*

*Dear Charles,*

Visit of Czechoslovak President, 21-23 March

There have been some recent developments. At the Warsaw Pact meeting of 17 March the Czechoslovak Foreign Minister Mr Dienstbier proposed a new European order, without blocs. The core of any agreement on European security, he said, must be a treaty committing signatories to come to each other's help in case of attack. Such an agreement should cover peaceful settlement of disputes "from San Francisco to Vladivostok". Its executive body would be a European security commission, with two chambers, of Foreign and Defence Ministers. Prague could be the site. This idea appears to be an elaboration of earlier Czechoslovak views, as expressed by President Havel in recent weeks, that the Warsaw Pact and NATO should eventually be dissolved, and US and Soviet forces leave Europe.

The Prime Minister may wish to hear Mr Havel's views on the outcome of the East German elections. The success of the centre right (GDU-led) Alliance for Germany increases the chances of orderly progress towards unification, with the first stage, currency union (accompanied by far-reaching economic reforms) likely by the early Summer. Some East European countries have been concerned that the West Germans will now concentrate their efforts on reconstructing the GDR, and do less to assist with their economic development. The Germans have tried to defuse these fears, and other Western countries, including ourselves, will be looking for opportunities to help. President Havel has made clear that he is generally happy with the principle of German unification, and stressed this during President Weizsacker's visit to Prague on 15 March. He has said that Europe should not be afraid of unification provided the border issues and Neo-Nazi problem are resolved. But there is still deep-seated mistrust of Germany within Czechoslovakia.

/On Lithuania,

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On Lithuania, we and the Czechoslovaks are agreed that the Lithuanians should be free to exercise their right of self-determination, but that this must be in the framework of a process of negotiations with Moscow.

I enclose a scene setting telegram from Prague as well as a telegram about the President.

Yours ever,

*Richard Gozney*

(R H T Gozney)  
Private Secretary

C D Powell Esq  
10 Downing Street

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*celx*

Department of Employment  
Caxton House, Tothill Street, London SW1H 9NF

Telephone 01-273 . . . 5803  
Telex 915564 Fax 01-273 5821

Secretary of State

*2007*  
*2073*

The Rt Hon Douglas Hurd CBE MP  
Secretary of State for Foreign &  
Commonwealth Affairs  
Downing Street West  
London  
SW1

19<sup>th</sup> March 1990

*Den Douglas*

ASSISTANCE TO CZECHOSLOVAKIA

Following William Waldegrave's visit to Czechoslovakia from 27 to 28 February officials from my Department visited Prague last week to explore the assistance that we might offer to Czechoslovakia in the labour market area. The Ministers and officials in the Czechoslovak Ministry of Labour whom they met were in fact very clear about their needs: they have asked for assistance with the establishment of employment services and retraining arrangements, support for the development of small firms and help in considering the health and safety of workers. Their Minister asked for an early response to their request.

I understand that the Prime Minister will announce the extension of the 'Know-How' Fund to Czechoslovakia during her discussions with President Havel on 21 March. In the light of the discussions which my officials had last week I propose to take the opportunity if it arises to mention to President Havel that we intend to finance a programme of assistance to Czechoslovakia under the "Know-How" Fund, along the lines discussed with the Minister of Labour in Prague last week. You may wish to do the same when you meet the President on Thursday. I also intend to issue a Press Notice outlining what is proposed.





Secretary of State  
for Employment

What we envisage is in fact:

- (a) an invitation for an early visit to the UK by a group of senior officials to look at labour market policy and the institutional framework in the UK;
- (b) a visit to Czechoslovakia by UK employment service and adult training experts to advise in more depth on UK arrangements;
- (c) a larger scale project to help with the problems arising from structural change in a region or district of Czechoslovakia to take place towards the end of the year;
- (d) the organisation of a UK-Czechoslovak study group to analyze a number of specific topics (employment services, adult retraining, small firms development and training methods) and to identify areas for future Czechoslovak/UK co-operation.

Finally, I understand that the Czechoslovak Minister would welcome a meeting to seal the arrangements between us. I am therefore asking my officials to explore the feasibility of my paying a short visit to Prague towards the end of April.

I am sending copies of this letter to the Prime Minister and to Nicholas Ridley, John Gummer, Christopher Patten, John Wakeham and to Lawrence O'Keefe in Prague.

*y - ev*  
*Michael*

MICHAEL HOWARD

②



10 DOWNING STREET

Prime Minister

You will want  
to see these  
further notes about  
President Havel as  
a playwright, who  
the producer of his  
plays in London has  
put together for you.  
He is coming to the  
dinner on Wednesday.  
CDP/19/3

VACLAV HAVEL - PLAYWRIGHT

A SHORT BIO-BIBLIOGRAPHY

5 October 1936

Václav Havel was born in Prague, the son of a successful architect.

1951-1957

Havel completed his compulsory schooling but was repeatedly frustrated in obtaining higher education because of his bourgeois origins. He managed to obtain a place on an economics course at the Czech Technical High School in Prague, but failed to obtain one in the Film Faculty of Prague's Performing Arts Academy. He was unable to continue his studies and started his two year military service.

1959-1960

Havel was refused a place in the Drama Faculty of Prague's Performing Arts Academy, and instead worked as a stage hand at Prague's ABC Theatre. He moved on to the avant-garde Na zábradlí Theatre (the Theatre on the Bulustrade), initially as a stage hand, but began contributing scripts to a number of stage shows and found himself elevated to the position of theatre literary adviser.



1963

Havel's first play, "The Garden Party" received its premiere at the Na zábradlí Theatre.

1965

Havel's second play, "The Memorandum" received its premiere at the Na zábradlí Theatre.

1968

Havel's third play, "The Increased Difficulty of Concentration" received its premiere at the Na zábradlí Theatre. This play was revived at the Old Red Lion Theatre London in 1989. Meanwhile, the American premiere of "The Memorandum" in New York won him the prestigious Obie Prize.

Havel was becoming increasingly critical of the communist system, and throughout 1968 advocated the return of Czechoslovakia's humanist traditions and the revival of social democracy. When Warsaw Pact crossed his country's borders in August 1968, Havel took part in broadcasts on the Free Czechoslovak Radio.

Havel was awarded the Austrian State Prize for European Literature.

1969

Following Havel's condemnation of the post-Dubcek policy of 'normalisation' he was arrested and charged with subverting the republic, and though later released without trial, he became banned as a writer.

1970

The American premiere of Havel's play, "**The Increased Difficulty of Concentration**" in New York won him a second Obie Prize.

Havel wrote his play "**The Conspirators**", which was circulated in samizdat copies.

1975

Havel's adaptation of John Gay's "**The Beggar's Opera**" was given a single amateur performance in a village outside Prague. It was used as a pretext for a major police drive against Havel, as the company and spectators were subjected to a programme of official harassment

Havel completed two one-act plays, "**Audience**" and "**Private View**", both of which were circulated in samizdat copies. These two plays were the first to feature the Havel-like character, Ferdinand Vanek. "**Audience**" is set in a brewery, no doubt not dissimilar to the Trutnov brewery in north east Bohemia where Havel worked as a labourer for nine months in 1974.

1976

Havel completed his play, "A Hotel in the Hills", which was circulated privately in samizdat copies.

1979

Havel completed his one-act play, "Protest", the third of his Vanek plays, which was circulated privately in samizdat copies. "Protest" together with "Audience" and "Private View" were performed together for the first time in Britain by European Stage Company under the collective title "The Vanek Plays" at the Soho Poly Theatre London on 24 November 1989. This production is currently running at the Lyric Studio Hammersmith where it transferred on 28 February 1990

The previous year, Havel set up the 'Committee for the Defence of the Unjustly Persecuted (CDUP). The security police began to crack down on the CDUP and Havel was arrested and charged with subversion of the republic. This time Havel was sentenced to four and a half years in gaol and despite international pressure the authorities only permitted his release a few months before the end of his sentence when he developed pneumonia, and was in serious danger of dying in captivity.

1982

Havel was awarded the Jan Palach Prize by the International Committee for the Defence of Charter 77, for his literary works.



1989

Havel completed his latest play, "Redevelopment". This play was broadcast on BBC Radio 3 on 6 November 1989, only a few weeks before Havel was to be rehabilitated as a writer in Czechoslovakia. "Redevelopment" will receive its Czech premiere at the Realistic Theatre Prague at the end of March 1990.

Peter Casterton

18 March 1990

## A BRIEF COMMENT ON THE PLAYS

Two initial points about Havel and his plays. He was usually described as Havel, the dissident playwright. It was an epithet he disliked, as if there were two sorts of playwright, one sort which was dissident and the other which was not. Havel saw himself simply as a playwright. In a system such as that which existed in Czechoslovakia one just happened to do one's job, whether one was a brewer or a writer, and it was inevitable that one would be sucked into making a political statement of some sort. It was a feature of the communist system that it doesn't regard any activity as neutral, and a playwright was particularly under suspicion because he/she was addressing a potential audience.

Secondly, Havel's plays are often described as absurdist, in the tradition of Ionesco. But in fact he is not writing about the absurdity of a meaningless universe, but specifically about the absurdity of communist bureaucracy. What appears to a Western audience as an absurd depiction of a real system in operation, is recognised by a Czech as a real depiction of an absurd system in operation. Havel is truthfully a satirist, whose careful exaggerations and biting ironies make his plays very funny.

Havel's early plays in the sixties described the social situation as he saw it and the position of ordinary people crushed by the events of their time. The plays were about 'structures' and the fate of people within them. There was no sign during this phase of the 'dissident'.

His plays during this time were: "The Garden Party" (1963), "The Memorandum" (1965), and "The Increased Difficulty of

Concentration" (1968). The most well-known of these is "The Memorandum".

"The Memorandum" looks into the tortuous world of bureaucracy. It shows an organisation of uncertain purpose but vast complexity which suddenly finds itself confronted with the fact that someone has introduced a new official language in which all business must henceforth be transacted. This language, Ptydepe, is designed to make all misunderstandings impossible and is therefore of unimaginable complexity. The manager of the organisation is unable to get the first memorandum he finds written in Ptydepe, translated. Although a translation department has been established, the regulations that have to be followed to get a translation authorized are so complex that it is in practice impossible to get one done.

---

When Havel was later banned as a writer, and found himself in the position of a 'dissident', he began to analyse that role and write about it, particularly by taking an outsiders view of it. In the seventies, this gave rise to the series of one-act plays about the banned writer, Ferdinand Vanek. For a fuller account of these plays, see Havel's own commentary on them entitled "Light on a Landscape", appended to this sheet, and Peter Casterton's article published in Plays International, also appended.

This 'dissident experience' phase culminated in "Largo Desolato", where Havel tried to discover what happens when the personification of dissent finds itself right at the bottom. Having just been released after four years in gaol, this was a natural catharsis.

Thus purged, Havel decided to abandon the field of 'dissident experience' (which was in any event giving rise to suspicions that he could only write about himself and his predicament), and return to plays about 'structures'. The first of these was his Faustian play **"Temptation"** (1985) whose motif was that truth is not only that which one thinks, but also under what circumstances, to whom, why and how one says it.

Havel's most recent play, **"Redevelopment"** concerns a group of architects who have been assembled by the authorities to redevelop a town, regardless of the objections of the local people. It carries a literal and a metaphorical meaning, and one had only to look at Ceausescu's systemisation programme in Romania to see its motif operating at both levels.

**"Redevelopment"** will receive its Czechoslovak premiere at the Realistic Theatre in Prague, later this month.

Peter Casterton  
18 March 1990



# "UNMISSABLE"

- Time Out

"... as tough as they are amusing" - The Daily Telegraph

"Superbly played ... there is a great excitement in watching these plays"

- Observer

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PLAYS ARE  
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BY VACLAV HAVEL

"A kind of catalyst, a gleam in  
whose light we view a landscape."

**LYRIC STUDIO 28th FEBRUARY TO 14th APRIL**

Audience, Protest, and Private View.

Translated from the Czech by Vera Blackwell.  
Performed together for the first time by European  
Stage Company in a rotating series of double bills.

Monday to Saturday at 8.00 p.m.  
Saturday Matinee at 3.30 p.m.

Ticket prices: £6.00; bookings for any two  
evenings: £10.00; Friends and groups of 10,  
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# THE VANĚK PLAYS by Václav Havel

Transferred from its sell out season at the Soho Poly Theatre, European Stage Company presents its acclaimed productions of

**Audience Protest Private View**

"The three pieces contain such powerful insights, and so much pointed humour, that this production by Peter Casterton for European Stage Company would have been bound to create a huge impact, regardless of the tide of current events . . . I strongly advise you to see them all . . . Unmissable!"

*TIME OUT*

"A moving, illuminating experience . . . Though the intent is serious, the pieces are often startlingly funny . . . Peter Casterton's unfussy direction does full justice to these rich and bitterly ironic plays. There are fine performances from all the cast, with Tom Knight working comic miracles of self-effacement as Vaněk."

*THE DAILY TELEGRAPH*

Václav Havel

*"Everything's happening at a mad pace, there are no ready-made politicians of tomorrow able to step in today. So, for a short period at least, people will have to do with symbols - and they are taking me for one, though God knows why. I am on supply, an amateur standing in for a professional politician. I hope that soon, I will be allowed to step down and be a playwright again."*

*Václav Havel, a few weeks before he was elected President of Czechoslovakia.*

Václav Havel was the most popular playwright in Czechoslovakia in the early 1960s following the success of *The Garden Party* (1963), *The Memorandum* (1965) and *The Increased Difficulty of Concentration* (1968). Banned since the Soviet invasion of 1968, Havel was one of the first three spokesmen for Charter 77. His human rights campaigning has led to three spells in prison, including a term of 4½ years in 1979 and a further four months in 1989.

## The Vaněk Plays

Havel's three one act plays, *Audience*, *Protest* and *Private View* all feature the pivotal character of Ferdinand Vaněk who, although not truly autobiographical, is based on the author's own experiences as a proscribed and persecuted writer. Vaněk is both a character and a dramatic principle; a generally undemonstrative man whose effect is to invoke his fellows to declare and justify themselves. Havel himself describes Vaněk as "a kind of catalyst, a gleam in whose light we view a landscape."

## Diary of performances

Cycle of three plays presented in a series of rotating double bills with a matinee performance of all three plays on Saturdays.

Mondays	8.00 p.m.	Audience, Protest
Tuesdays	8.00 p.m.	Protest, Private View
Wednesdays	8.00 p.m.	Audience, Private View
Thursdays	8.00 p.m.	Audience, Protest
Fridays	8.00 p.m.	Protest, Private View
Saturday Matinees	3.30 p.m.	Audience, Protest, Private View
Saturday Evenings	8.00 p.m.	Audience, Private View

All three plays will be performed on Monday, 5th March at 7.00 p.m.



Ticket prices: £6.00; bookings for any two evenings: £10.00;  
Friends and groups of 10, £1.00 reduction (Mondays to Thursdays).

Box Office 01-741 8701 (Credit Cards 01-836 3464/2428)  
LYRIC STUDIO, King Street, Hammersmith W6 0QL.



10 DOWNING STREET

LONDON SW1A 2AA

*From the Private Secretary*

19 March 1990

PRIME MINISTER'S SPEECH AT THE DINNER  
FOR PRESIDENT HAVEL

I enclose a draft for the Prime Minister's speech at the dinner for President Havel in the form which I have put it to her, with which she seems broadly content. If you have any comments it would be helpful to receive them by 1600 tomorrow, 20 March.

CHARLES POWELL

Richard Gozney, Esq.,  
Foreign and Commonwealth Office

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CCD/King



Foreign and Commonwealth Office

CONFIDENTIAL London SW1A 2AH

19 March 1990

Dear Charles,

CO 19/3

Visit of Czechoslovak President, 21-23 March

Mr Vaclav Havel is visiting Britain from 21-23 March at the Prime Minister's invitation. He will have talks and an official dinner at No.10 on 21 March. I enclose a copy of Mr Havel's programme and personality notes. A scene setting telegram will follow. Mr Sasa Vondra (Presidential Adviser and an ex Charter 77 spokesman) and Ambassador Duda will sit in. Mr Lawrence O'Keefe, HMA Prague, will also be present.

Mr Havel has been President since December 1989. He enjoys widespread popularity in the country for his refusal to compromise his beliefs (he was repeatedly imprisoned in the past) and for his commitment to democracy. His basis of support is Civic Forum, the umbrella group which he helped found and which is a key force in the government.

He has been careful since his appointment to take an apolitical stance. Despite his intention to stand down after the election in June, he may be persuaded by popular appeal to stand for a second term as President. He arrives in the UK after a visit to France as part of a series of overseas visits.

British Objectives will be to:

- demonstrate our moral and practical support for the establishment of democratic structures and a market economy in Czechoslovakia;
- announce the extension of the Know How Fund to Czechoslovakia and explore possible fields of cooperation;
- seek Havel's views on Czechoslovakia's future role in Europe; on developments in Eastern and Western Europe; and on German reunification.

Czechoslovak Objectives will be:

- to convince the Prime Minister that Czechoslovakia is on an irreversible path of economic and political reform and deserves Western support;
- to seek British assistance and technical advice on the restructuring of society and the economy;

/- to press

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- to press for British support for Czechoslovakia's return to the mainstream of European development and association with international organisations.

Political Background

Political liberalisation has been swift since the "Velvet Revolution" in November 1989. A provisional government was established in December to prepare for free elections. These are to be held in June under a system of proportional representation. Of the 10 Ministers who joined the government as Communists, only 4 retain their Party cards. Since the resignation from the Party of Prime Minister Calfa, all top portfolios are in non-Communist hands. The Communist Party is in crisis, unable to arrest its decline. Despite its continued representation in the armed forces and police, membership is falling rapidly and it is not expected to gain more than 10% in the elections. The umbrella groups Civic Forum and the Slovak Public Against Violence remain the dominant political forces, although more than 40 new parties have been formed. Five or six major parties are expected to emerge from the elections, with a coalition government the most likely result. Public support for the present government is high, with the majority of the population accepting the need for short term sacrifices.

The Prime Minister could pursue with Mr Havel:

- prospects for the elections and key electoral issues;
- the question of which reforms he sees as most urgent;
- the role of Civic Forum and Public Against Violence in the long term.

Economic Situation

President Havel does not occupy centre-stage in economic policy making. The Czechoslovak Government have made clear commitments to economic reform but some Ministers wish to go much faster and further on privatisation than others. Consequently, while some reforming laws have been passed, other legislation has been delayed. The Prime Minister might like to underline to the President the pressing need for thoroughgoing reform.

The Czechoslovak Government is unanimous that the country must reintegrate its economy with Western systems and institutions. The Prime Minister may wish to reaffirm UK support for this, particularly Czechoslovakia's application to join the IMF. We would be pleased to chair the IMF committee which will consider Czechoslovak membership.

On bilateral trade and economic relations, the Prime Minister could say that:

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- our trade in the past has been sound but unspectacular. Hope private sectors in both countries will draw closer;
- the skills and expertise of the City of London could make invaluable contribution; note a Czechoslovakia Fund is being put together by Lloyds Merchant Bank - could not only channel equity investments to Czechoslovak industry but provide spin-off benefits for both countries.

Bilateral Relations

Foreign Minister Dienstbier will be in London 2-4 April, the Foreign Secretary plans to go to Prague in July and we have proposed to the Czechoslovaks a visit by the Prime Minister in September.

The Prime Minister can announce the extension of the Know-How Fund to Czechoslovakia as a mark of our confidence in the country's commitment to reform. There is no fixed ceiling or time-limit on the funds available. The Czechoslovaks have repeatedly said they do not want aid but would welcome "intellectual know-how". Following Mr Waldegrave's discussions in Prague we can offer initial projects in the following areas:

- free market and privatisation (an exploratory mission in April for discussions with the Ministry of Finance);
- local government (a Department of the Environment/local government team for exploratory talks);
- small businesses, retraining and other employment matters (Department of Employment team in Prague this week);
- university curricula (team of Vice-Chancellors to visit Czechoslovak universities);
- establishment of an accountable and depoliticised police force (Police team to Prague);

We are also open to any Czechoslovak ideas and will want to discuss an overall strategy with them.

We are also offering:

- a greatly expanded programme of English language training including crash courses for converting redundant teachers of Russian;
- cooperation in fighting terrorism and drug trafficking. Official talks will take place later this month to follow up successful cooperation over SEMTEX.

/A

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A Cultural Agreement will be signed during Mr Dienstbier's visit. We are keen to open a cultural centre as soon as possible and need suitable new premises. We are angling for the former British Council building. President Havel is sympathetic (his mother learnt English there) but lower-level officials are dragging their feet. The Prime Minister could usefully underline our urgent need for new premises to enable greatly to expand British Council activities.

President Havel may press for the re-establishment of the old English High School. The British Council will prepare a feasibility study but the bulk of the funding would have to come from the private sector.

We are increasing scholarships, with £186,000 earmarked for existing programmes in 1990-91. The Prime Minister can also tell President Havel that 20 postgraduate "Masaryk scholarships" are to be inaugurated, to be jointly funded by London University and the FCO. This will be announced when the President visits London University the following day to launch an edition of President Masaryk's letters.

We wish to open an honorary consulate in Bratislava and await Czechoslovak consent.

Although the cost of our visas is regarded throughout Eastern Europe as being extortionate, delays in issuing visas is not a major problem with Czechoslovakia. Most applications are processed within our agreed time limit, despite a 36% increase in 1989. Following recent concessions, Czechoslovak businessmen are now eligible for multi-entry visas for up to two years and journalists for one year. If Mr Havel requests a visa abolition agreement, the Prime Minister could say we are looking at this and are in touch with our EC partners; but no decision has yet been reached. (Both security and immigration considerations are likely to preclude any early decision to abolish visas for Czechoslovakia). We are also working on possible improvements in the work permit regime to allow more young Czechoslovaks to gain work experience in the UK.

If raised the Prime Minister can say that we regard the Munich agreement as long since dead. (We have legal difficulties over declaring it null and void ab initio, as the Czechoslovaks earlier wanted - though this has not been raised lately.)

/Developments

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Developments in Eastern Europe/Soviet Union

The Prime Minister might like to probe Mr Havel's views on cooperation in Central Europe. He has suggested that Czechoslovakia, Hungary and Poland should coordinate their approach to Europe: integration into wider European structures such as the EC would be more difficult if each country tried to do it alone. It is far from clear what is intended and the other countries have reacted cautiously. A summit meeting is to be held in Bratislava on 9 April. Czechoslovakia will also probably be invited to join the "quadrilateral initiative" grouping of Austria, Yugoslavia, Italy and Hungary. A further possibility, promoted by the Italians, would be regional agreement involving Czechoslovakia, Poland, Sweden, Finland and possibly a united Germany. It is not clear whether this idea is taken seriously by the Czechoslovaks (or anyone else).

The Prime Minister may wish to hear Mr Havel's views on Gorbachev's prospects following his triumph at the Congress of People's Deputies. He is now Executive President with wide ranging powers; the CPSU's monopoly on power has been destroyed; and the concept of "individual" property is now allowed under the Constitution. None of this however will significantly help fundamental economic reform. Nor will it help Gorbachev solve the nationalities issue. Lithuania's declaration of independence highlights the scale of difficulties he faces.

The Soviet Union has agreed to withdraw all Soviet troops from Czechoslovakia by July 1991. A substantial part will be withdrawn before the elections this year. Public resentment of the troops is high in Czechoslovakia and Mr Havel had originally asked for all troops to be withdrawn by the end of the year. This demand was dropped after the meeting with Gorbachev in February. Mr Havel's views on the future of the Warsaw Pact would be of interest. He has in recent weeks appeared to favour the eventual dissolution of both the Warsaw Pact and NATO; and the withdrawal of both Soviet and US forces from Europe. President Bush told the Ambassador in Washington that he had tackled President Havel on the importance of US forces staying in Europe, and that he believed he had made some headway. The Prime Minister could make the following points:

- NATO is still essential for our security. A stable alliance of countries with common interests and values must be good for Europe as a whole; and will provide a secure framework for changes in the East to continue;
- NATO enshrines the transatlantic commitment to Europe. One essential aspect of this is the presence of US forces in Europe.

/Germany/NATO

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Germany/NATO

The Prime Minister could say:

- A united Germany should remain in NATO. It would be anomalous (and very difficult for the Germans to accept) to have one Germany in two different alliances. Membership of NATO is the most stable and reassuring solution for all - including the Soviet Union, whose concerns we must respect.
- In Western discussions we are focussing on arrangements for NATO countries to fulfil their obligation to defend GDR territory; and on transitional arrangements for Soviet troops in the GDR.

German Unification

Although all major parties in the GDR now favour unification, they have different ideas as to what this might involve and how fast the process should go. Czechoslovakia has welcomed German unification: President Havel's first official visit abroad was to the two German states. There remains a small German minority in Czechoslovakia, though most Germans were expelled at the end of the Second World War. (President Havel has angered many of his people by apologising for their ill-treatment.)

The Prime Minister might like to explain the importance we attach to proper discussion of the external aspects of unification in the 4+2 talks. She might ask if there are any areas of particular concern to Czechoslovakia.

EC/Eastern Europe

President Havel will be interested in EC policy towards Eastern Europe. The Prime Minister might say:

- We are keen to promote as liberal a trading regime as possible with Czechoslovakia, to help you consolidate your reforms. Understand EC-Czechoslovakia Trade and Cooperation Agreement could be concluded 22 March.
- As reform in Czechoslovakia is implemented, UK proposes that EC cooperation should be deepened - perhaps taking the form of an Association Agreement. This would demonstrate the links between the Community and your country and also cover political dialogue.

On possible Czechoslovak accession to the EC, the Prime Minister might say:

/- there

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- There is community consensus on no enlargement before 1993. Will in any case take time for Czechoslovak economy to match the conditions for EC membership. Thereafter it will be for you to decide whether membership should be sought.

The Prime Minister might wish to present the case for London, as a major financial market, for the site of the European Bank for Reconstruction and Development. Mr Havel has bid for Prague, and has some US support. Foreign Minister Dienstbier has just written to the Foreign Secretary to seek British support. We recognise the symbolic value of Prague, but believe London is the natural, practical home for the Bank. (We would however like to see Prague as the site of some future pan-European institution.)

EC/GDR

If Mr Havel asks about the integration of the GDR into the Community, the Prime Minister may wish to make clear that we shall seek to ensure the smoothest - and shortest - possible absorption process, which means thorough and transparent negotiations, beginning as soon as possible after the GDR elections, on detailed arrangements. The informal meeting of heads of government in Dublin on 28 April is expected to agree on the procedures.

Council of Europe

We welcome Czechoslovakia's desire for closer links with the Council of Europe. Its request for guest status in the Parliamentary Assembly is likely to be approved. An application for full membership is expected in May when President Havel will address the Parliamentary Assembly. Whilst welcoming Czechoslovakia's interest, the Council of Europe will wish to make sure that its stringent membership requirements are fulfilled. The Czechoslovaks have made it clear they want to meet the criteria, not have them diluted.

CSCE

President Havel believes that Helsinki II should be brought forward to act as a final peace treaty and to fix borders. In the long term, he argues, both NATO and the Warsaw Pact should be disbanded to be replaced by a pan-European security system constructed through the Helsinki process. The Czechoslovaks favour convening a CSCE Summit in 1990. Formal agreement by all CSCE participants is expected in May/June with preparatory work being launched at the same time. We consider that a Summit should address all main CSCE areas, as well as ideas for the future of the CSCE process. It should be used to strengthen democratic structures and the rule of law throughout Europe, and to stimulate East/West

/economic

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economic cooperation. A Summit should be linked to CFE signature and, if possible, to a CSBM agreement, although we should avoid setting a deadline for these talks. If ready, a German unification agreement could be brought to the Summit's attention. It should end with a communique whose main elements should be agreed in advance, and which should give guidelines for future CSCE work.

Theatre in the UK

We understand President Havel may lobby the Prime Minister for increased Government support for the theatre in the UK. (He has many friends in theatrical circles here.) The Prime Minister might like to say:

- The Arts Council grant in 1990/91 is £175m, rising steadily over the next three years.
- We look for partnership in arts funding between the public and private sectors (box office and sponsorship). We have introduced a number of incentive schemes to encourage this plural funding.

The Minister for the Arts will announce in Mr Havel's presence at the Institute of Contemporary Arts on 21 March the grant of an extra £55,000 to the Arts Council's International Initiatives Fund, to encourage visits to this country by East European arts companies.

I am copying this letter to Robert Canniff, in the Office of the Chancellor of the Duchy of Lancaster (at his request).

*John ...*

*Richard Gozney*

(R H T Gozney)  
Private Secretary

C D Powell Esq  
10 Downing Street

KAREL DUDA

CZECHOSLOVAK AMBASSADOR-DESIGNATE

Born on 31 May 1926 in Lom U Mosti.

After graduating from elementary school, he attended a professional gymnasium but had to leave school in 1943, reportedly because he is Jewish. During World War II he spent some time in a Bohemian internment camp. Joining the Czechoslovak Communist Party in 1945, Duda received special training as a youth organiser at the Prague Regional Political School. After finishing his studies at the gymnasium in 1945 he entered Charles University in Prague. He graduated from Charles University in 1950 with the degree of Doctor of Law.

Duda worked on the staff of the Exchange Control Department of the Ministry of Finance until 1954, when he transferred to the Ministry of Foreign Affairs and was assigned to its American-British Section. During the following years he acted as a representative in the Czechoslovak-US economic talks which were held at intervals between 1955 and 1963. In February 1956 he assumed his duties as Second Secretary at the Embassy in Washington and in November 1956 was promoted to First Secretary. While at the Embassy in Washington Duda handled Czechoslovak lawsuits, did preparatory work on the Czechoslovak-US economic negotiations, and also acted occasionally as Chargé d'Affaires. He returned to Prague in May 1959 to become Chief of the North American Department in the Foreign Ministry.

Duda was designated as Ambassador to the United States in August 1963. He served in such position until his removal in August 1969. After his removal as Ambassador, Duda served as Deputy Chief of the then Sixth Section (United States, Western Hemisphere, Cuba, Australia, New Zealand) at the Ministry of Foreign Affairs. (We have no information regarding when Duda might have left the Ministry of Foreign Affairs, although it is likely he was removed from the Diplomatic Corps in 1970 or 1971 during the process of "normalisation".

During the period in which Duda served as Ambassador he gave the appearance of being an economic liberal and a political moderate. He was a supporter of the economic reformer Ota Sik, and during the spring of 1968 was an outspoken follower of Dubcek and his policies.

Duda is said to speak some Spanish as well as fluent Russian, German and English. He was married during the time of his Ambassadorship in Washington. His wife Danuse Dadova was born in Prague on 2 April 1928. She was reportedly the daughter of a high Communist Party official. Her marriage with Karel Duda produced at least three children.

CH2AAJ

HAVEL, VÁCLAV

PRESIDENT OF CZECHOSLOVAK SOCIALIST REPUBLIC

1936 Born in Prague; son of the owner of the Barrandov film studio.

1961-68 Resident dramatist at the Theatre Na Zábřadli (The Balustrade).

1968 Chairman of the Independent Writers Club.

1977 One of three first spokesmen of Charter 77.

Oct 1977 Sentenced to 14 months imprisonment, suspended for 3 years.

Nov 1978-  
Feb 1979 Charter 77 spokesman.

Oct 1979 Sentenced to 4 and half years imprisonment for subversion, as member of the Committee for Defence of the unjustly prosecuted (VONS).

1983 Released on health grounds.

1985 Awarded Erasmus Prize (presented in his absence in November 1986) in Netherlands.

1987 Consigned letter to Gorbachev in support of reforms in Czechoslovakia.

1988 Member of Czechoslovak Helsinki Committee.

DC7AAP/1

Jan 1989            Jailed for part in demonstrations.

May 1989            Released from prison.

Nov 1989            Helped found Civic Forum and demanded  
                         resignation of Communist hardline leaders.

Dec 1989            President of the Czechoslovak Socialist  
                         Republic.

Held in widespread esteem for his moral authority. Stated he wishes to step down as President after the elections in June, but public pressure may force him to stand again. Seen by many as guarantor of Czechoslovakia's transition to democracy.

VISIT OF HIS EXCELLENCY MR VÁCLAV HAVEL, PRESIDENT OF  
CZECHOSLOVAKIA

Wednesday 21 March

1000           Arrival.  
                  Met by Rt Hon William Waldegrave, Minister of  
                  State for Foreign and Commonwealth Affairs.

1115           Call on Mr Speaker.

1200           Return to Hotel.

1235           Leave Hotel.

1245 for       Luncheon given by Her Majesty the Queen.  
1300

1430           Leave Buckingham Palace for Hotel.  
(approx)

1550           Leave Hotel.

1600           Talks with the Prime Minister, The Rt Hon  
                  Margaret Thatcher.

1740           Leave No 10.

1745           Launch East European Forum at Institute of  
                  Contemporary Arts (to be televised).

1830           Leave ICA for Hotel.

1920           Leave Hotel.

LK7AAP/1

1930 Official dinner hosted by the Prime Minister  
at 10 Downing Street.

Thursday 22 March

0800 Breakfast meeting with the BBC at Royal Garden  
Hotel.

0915 Call by Mr Kinnock, Leader of the Opposition,  
at hotel.

0955 Leave Hotel.

1000-1030 Press Conference at Czechoslovak Embassy.

1055 Leave Embassy.

1115-1235 Call on Confederation of British Industries.

1255-1515 Luncheon hosted by the Lord Mayor at Mansion  
House. Address by President Havel (15  
minutes).

1530 Launch Masaryk publication at School of  
Slavonic and East European Studies. Meeting  
with Czechoslovak community.  
Return to hotel (subject to amendment).

1645-1745 Call by the Secretary of State for Foreign and  
Commonwealth Affairs, Rt Hon Douglas Hurd MP  
at hotel (venue subject to amendment).

1900 Leave Hotel.

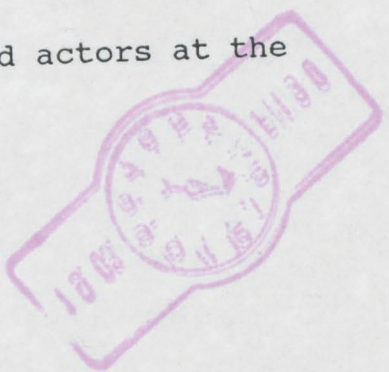


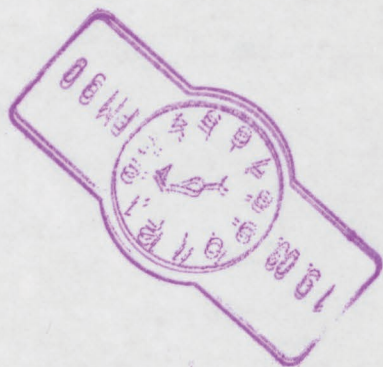
1930

Attend a special performance of "Singer", The Pit Theatre, Barbican by the Royal Shakespeare Company.

Followed by supper with selected actors at the Barbican.

Friday 23 March

- 
- 0900 Leave Hotel.
- 1000 Wreath laying ceremony at Brookwood cemetery.  
Czechoslovak community to be present.
- 1015 Depart Brookwood.
- 1100 Departure.



(1)



10 DOWNING STREET

Prime Minister Lord  
Pemberton  
mt

I have taken  
to liberty of  
adding Carol  
to the list for  
the dinner for  
Princess Gavel. She  
is very keen to  
meet him. C.D.?

PRIME MINISTER

MEETING WITH PRESIDENT HAVEL OF CZECHOSLOVAKIA: 21 MARCH

You are seeing President Havel on Wednesday afternoon and giving dinner for him that evening. He is only here for just over a day, having come from an equally brief visit to France. He has already visited the United States and the Soviet Union, as well as West Germany. His programme has a strong, cultural and artistic flavour taking in visits to London University and the Institute for Contemporary Arts.

You will have read the Ambassador's telegram about Havel. he is 53 and comes from a wealthy family. He is highly regarded as a playwright (I am trying to obtain texts of his better known plays, which I confess I have never read or seen myself). He is also clearly a brave man, having been a founder member of Charter 77 and imprisoned several times. He provided moral and intellectual leadership for Czechoslovakia's extraordinary peaceful revolution last autumn. As President, he stands above the political fray and provides national leadership. You are already familiar with some of his speeches, which show a remarkable quality of thought and language, but not much practical grasp of difficult issues. One point which you will wish to bear in mind is that many of his friends in this country are on the Left of the political spectrum, such as Harold Pinter. I am told on good authority that they have been "briefing" Havel for his visit: as an antidote I have encouraged Hugh Thomas to write to the President, giving his account of you and your policies.

Havel has been very quick to establish good relations with Germany, indeed to a point where one is dubious of his judgment. As the Ambassador's telegram recalls, he apologised to the Germans for Czechoslovakia's expulsion of people of German origin at the end of the War well before the Germans got round to apologising for having more or less eliminated his country. He recently invited President von Weizsaeker to visit Prague on the

anniversary of Hitler's arrival there. As you discussed with President Mitterrand, this may reflect lingering resentment in Czechoslovakia at the way in which they were let down by Britain and France at the time of Munich in 1938.

There is not a lot of practical substance to your talks. The main thing we have to offer is extension of our Know-How Fund to Czechoslovakia and a certain amount of help in the field of education. We have also proposed that you should visit Czechoslovakia in September. It is not absolutely certain that Havel will still be President then: technically he is only in office until the elections in June. But there is every likelihood that he will in fact continue thereafter, despite his protestation that he wishes to go back to being a playwright. Incidentally there are grounds to think that he has been briefed by his friends in London to raise with you the question of Government support for the arts and particularly the theatre.

The main points to cover in your talk are, therefore:

- you will want to congratulate him on his role in Czechoslovakia's peaceful revolution and the moral leadership he has given his people and Eastern Europe as a whole. He was very much in the minds of people here even during the dark days and there was a constant campaign, led by Bernard Braine among others to secure his release;

- you will want to ask him about the political and economic prospects in Czechoslovakia and in particular about the pace of economic reform. (There is a lively debate between supporters of the Big Bang approach, as in Poland, and those who favour a more gradual process of reform.) This would be the point to tell him of our willingness to extend the Know-How Fund to Czechoslovakia. We shall also support their application to join the IMF;

- you might mention that you are ready to provide particular help with education and shall be announcing, during his visit to London University the following day, the inauguration of 20 Masaryk scholarships. We are also ready to look at re-

establishment of the Old English high school in Prague;

- these matters apart, you will want to talk more generally about developments in Eastern Europe and the Soviet Union, the future of the Warsaw Pact, German unification and the scope for closer association between Czechoslovakia (and other Eastern European countries) and the European Community.

A fuller note by the Foreign Office is in the folder, together with the Ambassador's telegrams.

C.D.P?

(C. D. POWELL)

17 March 1990

a:\foreign\havel (srw)

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*Y/Dr Powell No 6*

*216/100*

MIPT: PRESIDENT HAVEL'S VISIT TO LONDON

## SUMMARY

1. CHARACTER AND PERSONALITY OF THIS MOST UNUSUAL PRESIDENT.

## DETAIL

2. THE RISE TO POWER OF THE PLAYWRIGHT-PRESIDENT HAS ALREADY BEEN WELL-DOCUMENTED. HIS BACKGROUND AS A POLITICAL PRISONER, A FOUNDER MEMBER OF CHARTER 77, AND HOST TO COUNTLESS MEETINGS OF DISSIDENTS IN THE FAMILY FLAT LOOKING ACROSS THE RIVER VLTAVA TO THE CASTLE HE WAS EVENTUALLY TO OCCUPY, GAVE HIM THE MORAL AND PERSONAL AUTHORITY TO STEP FORWARD AS THE LEADER OF THE OPPOSITION FORCES WHEN THE COMMUNIST EDIFICE BEGAN TO CRUMBLE.

3. THIS AUTHORITY IS, IF ANYTHING, INCREASING. HAVEL IS PERSONALLY LOOKED UPON AS THE GUARANTOR OF DEMOCRATIC FREEDOMS AND THE EMBODIMENT OF THE GOVERNMENT'S COMMITMENT TO FREE AND FAIR ELECTIONS. THERE ARE SEVERAL STRONG PERSONALITIES IN THE GOVERNMENT, BUT NONE WITH HAVEL'S STRUCTURE OR PUBLIC APPEAL.

4. HAVEL'S LACK OF PRACTICAL POLITICAL EXPERIENCE OCCASIONALLY SHOWS. EXAMPLES ARE THE DALAI LAMA'S VISIT (AT HIS INVITATION) IN FEBRUARY, AND HIS OFFER OF AN APOLOGY TO THE GERMANS FOR THE FORCED REMOVALS AT THE END OF THE WAR BEFORE ANY OF THE GERMANS HAD OFFERED RECIPROCAL APOLOGIES FOR THEIR ATTEMPT TO DESTROY THE COUNTRY IN 1939. HIS OWN MINISTERS AND THE INTERNATIONAL ECONOMIC COMMUNITY ARE CONCERNED THAT HE MAY NOT HAVE A CLEAR ENOUGH GRASP OF ECONOMIC REALITY OR THE CONSEQUENCES OF DELAY IN IMPLEMENTING REFORM. BUT OVERALL HIS TOUCH IS SURE. HE HAS CLEAR OPINIONS PROFOUNDLY HELD AND A STRONG WILL: HIS LEADERSHIP OF THE REVOLUTION WAS NEARLY FAULTLESS AND ON HIS VISITS ABROAD HE HAS SHOWN UNCOMMON INSIGHT INTO THE PSYCHOLOGY OF EACH INDIVIDUAL COUNTRY, IMPRESSIVE IN A MAN WHO HAS HITHERTO BEEN DENIED ALL FOREIGN TUAVEL.

5. HAVEL IS CLEARLY IN TUNE WITH THE THINKING OF THE CZECH MASSES WHO APPRECIATE HIS COMBINATION OF AN INFORMAL STYLE (HE IS CLEARLY HAPPIER IN AN OPEN NECK SHIRT AMONG HIS ARTISTIC FRIENDS) AND HIS NATURAL DIGNITY WHICH STEMS PARTLY FROM HIS UPPER CLASS BACKGROUND AND PARTLY FROM THE PROFOUND THOUGHT AND POWERFUL LITERARY LANGUAGE OF HIS POLITICAL SPEECHES. ALTHOUGH NOT SO WELL KNOWN IN SLOVAKIA AT THE TIME OF HIS ELECTION HE HAS APPROACHED THE NATIONAL QUESTION SENSITIVELY AND IS ACQUIRING NATIONWIDE APPEAL.

6. HAVEL'S INTERLOCUTORS IN LONDON WILL FIND HIM EASY TO DEAL WITH. ON HIS DEPARTURE FROM PRAGUE IN FEBRUARY MR WALDEGRAVE COMMENTED THAT HE HAD MET TWO PEOPLE IN PRAGUE OF WHOSE ACQUAINTANCE HE WOULD PROUDLY TELL HIS GRANDCHILDREN: HAVEL AND CARDINAL TOMASEK. HE UNDERSTANDS ENGLISH ADEQUATELY, BUT PREFERS TO SPEAK CZECH IN ORDER TO EXPLOIT TO THE FULL HIS MASTERY OF EXPRESSION IN HIS NATIVE TONGUE. HIS APPARENTLY HESITANT MANNER IS DECEPTIVE, DUE TO A TENDENCY FOR HIS THOUGHT TO RACE AHEAD OF HIS TONGUE. HE HAS A QUICK, RATHER SARDONIC WIT AND A LIVELY MIND.

7. HOW LONG WILL HE BE PRESIDENT? ACCORDING TO A CIVIC FORUM CONTACT CLOSE TO HAVEL, THREE THINGS ARE SURE: HE ENJOYS THE JOB, HE WILL STAY ON FOR THE 2-YEAR DURATION OF THE CONSTITUENT ASSEMBLY, AND HE WILL TAKE HIS OWN DECISION AFTER THAT WHETHER TO STAY ON LONGER. THERE IS NO RIVAL OR APPARENT SUCCESSOR TO HAVEL, WHO - ALTHOUGH HIS ADMINISTRATIVE SKILLS HAVE YET TO FULLY TESTED IS A FITTING SUCCESSOR TO THOMAS MASARYK IN HIS MORAL STRENGTH AND INTELLECTUAL STANDING.

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4/ J. V. Powell N°10

R. G. L. M.

PRESIDENT HAVEL'S VISIT TO LONDON, 21 - 23 MARCH

SUMMARY

1. A SCENE-SETTER IN ADVANCE OF PRESIDENT HAVEL'S VISIT NEXT WEEK.

2. HAVEL'S VISIT TO THE UK COMES AT A CRUCIAL STAGE IN THE POST-REVOLUTIONARY ERA. THE MOOD OF EUPHORIC SELF-CONGRATULATION AT HAVING ACHIEVED THE OVERTHROW OF COMMUNISM WITH ASTONISHING SPEED AND WITHOUT BLOODSHED IS GIVING WAY TO A REALISATION THAT ECONOMIC AND POLITICAL FREEDOM ENTAILS NEW KINDS OF SOCIAL AND INDIVIDUAL RESPONSIBILITY. HARD WORK AND AUSTERITY LIE AHEAD. THE CZECHOSLOVAKS ARE THE LAST PEOPLE TO THINK THAT THE WORLD OWES THEM A LIVING: BUT FOR SOME TIME THEY WILL HOPE FOR UNDERSTANDING AND ADVICE AS THEY WORK TOWARDS RECOVERING THE POSITION THEY ONCE HELD AS AN INDUSTRIAL AND INTELLECTUAL SOCIETY FULLY INTEGRATED IN EUROPEAN LIFE AND CULTURE.

3. THE CZECHOSLOVAKS ARE RIGHTLY PROUD OF THEIR PROGRESS SO FAR. SIX MONTHS AGO FEW WOULD HAVE PREDICTED THE TUMULTUOUS EVENTS THAT WERE TO PRECIPITATE THIS GOVERNMENT INTO POWER WITHIN FOUR WEEKS OF THE 17 NOVEMBER STUDENT DEMONSTRATION, LEAVING THE BEWILDERED COMMUNISTS WONDERING HOW TO COMPETE IN A MULTI-PARTY ELECTORAL CAMPAIGN. WITH HINDSIGHT THE CRACKS IN THE OLD SYSTEM ARE APPARENT. BUT IT SAYS SOMETHING ABOUT THE CZECHOSLOVAK CHARACTER THAT IT TOOK SO LONG, AND REQUIRED THE CATAclysmic CHANGE IN GERMANY, FOR BOTH REGIME AND DISSIDENTS TO DRAW THE CONSEQUENCES OF THE WITHDRAWAL OF THE SOVIET SAFETY-NET, WHICH GORBACHEV HAD IMPLIED IN HIS APRIL 1987 VISIT HERE AND WHICH HAD LED TO THE INEXORABLE MOVEMENT AWAY FROM COMMUNISM IN POLAND, HUNGARY AND EAST GERMANY.

4. THE ACHIEVEMENTS SO FAR ARE CONSIDERABLE. DESPITE THEIR LACK OF PRACTICAL EXPERIENCE, THE NEW GOVERNMENT IS COMPOSED OF MEN AND WOMEN OF HIGH INTELLECTUAL AND MORAL FIBRE, WITH SOUND POLITICAL ANTENNAE (IT WAS THE COMMUNISTS WHO HAD LOST TOUCH WITH REALITY HERE). DESPITE A HIGH DEGREE OF IMPROVISATION

WHICH OCCASIONALLY LEADS TO ADMINISTRATIVE HICCOUGHS THEY HAVE SETTLED DOWN WELL TO THEIR TASK OF MOULDING AN EFFECTIVE STRUCTURE, MAKING GOOD USE OF THE POWERS OF PRESIDENT, CABINET, PARLIAMENT AND BUREAUCRACY. THE MODEL IS FAMILIAR TO US, BUT IS STRANGE TO A GENERATION THAT HAS HAD THE COMMUNIST PARTY AS THE SOLE POLICY-MAKING ORGAN. PERSONAL FREEDOMS HAVE BEEN ASSURED BY CONFINING TO VIRTUAL HOUSE ARREST THE VAST MAJORITY OF THE STATE SECURITY POLICE (STB). POLITICAL FREEDOM, ALREADY A FACT, IS GUARANTEED BY THE LEGISLATION FOR THE 8 JUNE ELECTION OF A FEDERAL ASSEMBLY WHICH WILL HAVE AS ITS REMIT THE DRAWING-UP OF A NEW CONSTITUTION AND THE INTRODUCTION OF FAR-REACHING ECONOMIC REFORM.

5. IN FOREIGN AFFAIRS HAVEL MADE CLEAR CZECHOSLOVAKIA'S REGIONAL PRIORITIES, AND DETERMINATION TO RETAKE HER PLACE AT THE EUROPEAN TABLE, BY IMMEDIATELY VISITING THE TWO GERMANIES: AND THEN PUT HIS PERSONAL STAMP ON THE NEW STYLE OF RELATIONSHIP WITH THE SUPER-POWERS BY HIS EARLY VISITS TO THE USA AND SOVIET UNION. THE AGREEMENT ON SOVIET TROOP WITHDRAWALS RESPONDED TO A PROFOUNDLY FELT RESENTMENT IN THE CZECHOSLOVAK PEOPLE, AND WAS SUCCESSFULLY NEGOTIATED AGAINST REAL SOVIET PRACTICAL DIFFICULTIES. HAVEL'S DECISION TO INVITE PRESIDENT WEIZSAECKER TO VISIT PRAGUE ON THE ANNIVERSARY OF HITLER'S ARRIVAL IN MARCH 1939 GAVE BOTH PRESIDENTS THE OPPORTUNITY TO SET OUT THEIR ATTITUDES TO THE PAST AND TO THE FUTURE UNIFICATION OF GERMANY.

6. IT IS IN ECONOMIC POLICY, WHERE THE INITIAL OMENS WERE SO GOOD, THAT THE NEW GOVERNMENT HAS ALLOWED A GAP TO OPEN BETWEEN INTENTION AND ACHIEVEMENT. ESSENTIALLY THIS CAN BE PUT DOWN TO THE INTENSE DEBATE BETWEEN THOSE FAVOURING THE BIG BANG APPROACH AS IN POLAND AND THOSE ADVOCATING GRADUALISM. THE FINAL OBJECTIVE, A FULL MARKET ECONOMY INTEGRATED WITH THE EC AND THE 'WEST', AND EVEN THE MEANS OF ACHIEVING IT, ARE NOT IN DISPUTE. THE SPEED OF CHANGE IS. AT PRESENT THE GRADUALISTS HAVE THE PRESIDENT'S SUPPORT, ARGUING THAT ONLY THIS WAY CAN THE EFFECTS OF INFLATION AND UNEMPLOYMENT BE ADEQUATELY CONTROLLED, AND DRAWING SUPPORT FROM PARTY MANAGERS IN THE FORUM WORRIED ABOUT ELECTORAL RISKS IN AN AUSTERITY PROGRAMME AND PARTICULARLY RISING PRICES. BUT THEY FACE A GROWING NUMBER OF MINISTERS WHO FEAR THAT THE POPULAR MANDATE FOR REFORM MAY MELT, AND THAT SUPPORT FROM FOREIGN BBNKS AND GOVERNMENTS WILL ALSO ERODE, IF SUBSTANTIVE MEASURES ARE NOT IMPLEMENTED SOON. THE DEBATE OVER PRICES POLICY HAS INTENSIFIED

AS A RESULT OF THE DIFFICULTIES WITH AUSTRIANS STREAMING ACROSS THE BORDER TO BUY UP FOOD AND PETROL: DIENSTBIER TOLD ME LAST EVENING THAT IF THE GOVERNMENT HAD NOT ACTED TO STEM THE FLOW THE COUNTRY WOULD HAVE RUN OUT OF PETROL BY THE END OF NEXT WEEK AND THAT ALREADY THERE WAS UNREST IN THE SOUTH OF THE COUNTRY.

7. THE FUND OF GOODWILL FOR BRITAIN IN CZECHOSLOVAKIA IS DEEP, BUT NOT BOTTOMLESS. THEY CANNOT ALTOGETHER FORGET THE 'BETRAYAL' OF 1938, BUT IN GENERAL THEY LOOK TO US WITH RESPECT FOR OUR DEMOCRATIC AND HUMANITARIAN INSTITUTIONS, INDEPENDENCE OF OUTLOOK AND EXPERIENCE OF WORLD AND EUROPEAN AFFAIRS. ABOVE ALL THEY WISH TO IMPROVE THEIR ENGLISH LANGUAGE CAPABILITY IN ORDER TO SPEED THEIR RETURN TO THE EUROPEAN FOLD AND THEIR ECONOMIC RECOVERY. FROM US THEREFORE HAVEL WILL BE SEEKING SUPPORT

- IN THE CONSTRUCTION OF A LIBERALLY-CONSTITUTED PLURALIST DEMOCRACY,
- IN THE PROCESS OF BUILDING THE NEW EUROPE, PARTICULARLY AS A COUNTER-BALANCE TO THE NUMERICAL STRENGTH AND ECONOMIC POWER OF A UNIFIED GERMANY,
- IN RESTORING CZECHOSLOVAKIA'S ECONOMY AND HER RETURN TO THE INTERNATIONAL ECONOMIC INSTITUTIONS,
- IN INTRODUCING TECHNOLOGICAL, INDUSTRIAL, ADMINISTRATIVE AND ENGLISH LANGUAGE EXPERTISE IN AREAS WHERE THE COUNTRY HAS FALLEN FAR BEHIND.

IN NONE OF THIS WILL THE CZECHOSLOVAKS BE LOOKING FOR AID, AT LEAST IN THE FINANCIAL SENSE - ALTHOUGH THEY ARE WELL AWARE THAT KNOW-HOW TRANSFER DOES NOT COME FREE. THEY WILL GRATEFULLY ACCEPT WHAT WE OFFER, CONFIDENT THAT THEY WILL PROVIDE A GOOD RETURN ON OUR INVESTMENT BY THEIR IMPROVED POSITION AS A TRADING AND CULTURAL PARTNER IN YEARS TO COME.

8. OUR RESPONSE TO CZECHOSLOVAK NEEDS HAS SO FAR BEEN SEEN AS PATCHY, LACKING THE BIG GESTURE: A VIEW WHICH SHOULD BE SPEEDILY REMEDIED NEXT WEEK. THEY HAVE BEEN COMING ROUND TO SEEING THE VALUE OF OUR MORE PRACTICAL APPROACH, IN THE STEADY FLOW OF MINISTERIAL VISITS IN BOTH DIRECTIONS AND THE GATHERING MOMENTUM OF COMMERCIAL, INDUSTRIAL AND GOVERNMENT CONTACTS. PRESIDENT HAVEL'S VISIT OFFERS THE OPPORTUNITY TO SET THE

POLITICAL SEAL ON THE PROCESS, AND BY THE ANNOUNCEMENT OF PLANS TO MOVE AHEAD QUICKLY ON KNOW-HOW TO DEMONSTRATE OUR WILL TO PARTICIPATE IN CZECHOSLOVAKIA'S POLITICAL AND ECONOMIC RECONSTRUCTION, AND HER RETURN TO EUROPE.

9. ON HAVEL'S OWN PERSONALITY, SEE MIFT.

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Foreign and Commonwealth Office

London SW1A 2AH

16 March 1990

Dear Charles,  
Sorry about the poor state of this - word processors here broken down.

VISIT OF CZECHOSLOVAK PRESIDENT, 21-23 MARCH

CBM

Mr Vaclav Havel is visiting Britain from 21-23 March at the Prime Minister's invitation. He will have talks and an official dinner at No 10 on 21 March. I enclose a copy of Mr Havel's programme and personality notes. A scene setting telegram will follow. Mr Sasa Vondra (Presidential Adviser and an ex Charter 77 spokesman) and Ambassador Duda will sit in. Mr Lawrence O'Keefe, HMA Prague, will also be present.

Mr Havel has been President since December 1989. He enjoys widespread popularity in the country for his courageous refusal to compromise his beliefs (he was repeatedly imprisoned in the past) and for his commitment to democracy. His basis of support is Civic Forum, the umbrella group which he helped found and which is a key force in the government.

He has been careful since his appointment to take an apolitical stance. Despite his original <sup>intention</sup> determination to stand down after the election in June, he may be forced to stand for a second term as President. He arrives in the UK after a visit to France as part of a ~~high profile~~ series of overseas visits.

persuaded by popular appeal

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British Objectives will be to:

- demonstrate our moral and practical support for the establishment of democratic structures and a market economy in Czechoslovakia.
- announce the extension of the Know How Fund to Czechoslovakia and explore possible fields of cooperation.
- seek Havel's views on Czechoslovakia's future role in Europe; on developments in Eastern and Western Europe; and on German reunification.

Czechoslovak Objectives will be:

- to convince the Prime Minister that Czechoslovakia is on an irreversible path of economic and political reform and deserves Western support.
- to seek British assistance and technical advice on the restructuring of society and the economy.
- to press for British support for Czechoslovakia's return to the mainstream of European development and association with international organisations.

Political background

Political liberalisation has <sup>been</sup> happened swiftly since the "Velvet Revolution" in November 1989. A provisional government was established in December to prepare for free elections. These are to be held in June under a system of

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proportional representation. Of the 10 <sup>Ministers who joined</sup> ~~Communists~~ <sup>as Communists</sup> ~~originally in the government~~, only 4 retain their Party cards. Since the resignation from the Party of Prime Minister Calfa, all top portfolios are in non-Communist hands. The Communist Party is in crisis and unable to arrest its own decline. Despite its continued representation in the armed forces and police, membership is falling rapidly and it is not expected to gain more than 10% in the elections. The umbrella groups Civic Forum and the Slovak Public Against Violence remain the dominant political forces, although more than 40 new parties have been formed. Five or six major parties are expected to emerge from the elections, with a coalition government the most likely result. Public support for the present government is high, with the majority of the population accepting the need for short term sacrifices.

The Prime Minister could pursue with <sup>the</sup> Havel:

- prospects for the elections and key electoral issues
- <sup>the question of</sup> which reforms he sees as most urgent
- the role of Civic Forum and Public Against Violence in the long term

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Economic Situation

President Havel does not occupy centre-stage in economic policy making. The Czechoslovak Government have made clear commitments to economic reform but ~~different views on the tenable pace of reform divide the triumvirate of Ministers running the economy.~~ <sup>Some</sup> The Ministers of Finance (Klaus) wishes to go much faster and further on privatisation than others. Consequently, while some reforming laws have been passed, other legislation has been delayed. The Prime Minister might like to underline to the President the pressing need for thoroughgoing reform.

The Czechoslovak Government is unanimous that the country must reintegrate its economy with Western systems and institutions. The Prime Minister may wish to reaffirm UK support for this, particularly Czechoslovakia's application to join the IMF. We would be pleased to chair the IMF membership committee if asked which will ~~be~~ consider Czechoslovak membership.

On bilateral trade and economic relations, the Prime Minister could ~~add~~ <sup>say</sup> that:

- our trade in the past <sup>has been</sup> sound but unspectacular. Hope private sectors in both countries will draw closer, ~~as time goes on~~

<sup>there is a</sup>  
- need for both partners to become more aware of the mutual opportunities offered;

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- the skills and expertise of the City of London could make invaluable contribution; note a Czechoslovakia Fund is being put together by Lloyds Merchant Bank - could not only channel equity investments to Czechoslovak industry but provide spin-off benefits for both countries.

Bilateral Relations

~~We are hoping for a marked thickening up of bilateral links in the new climate.~~ Foreign Minister Dienstbier will be in London 2-4 April, the Foreign Secretary <sup>plans to</sup> ~~goes~~ to Prague in July and we have proposed <sup>to the Czechoslovak</sup> a visit by the Prime Minister in September.

The PM can announce the extension of the Know-How Fund to Czechoslovakia as a mark of our confidence in the country's commitment to reform. There is no fixed ceiling or time-limit on the funds available. The Czechoslovaks have repeatedly said they do not want aid but would welcome "intellectual know-how". Following Mr Waldegrave's discussions in Prague we can offer initial projects in the following areas:

- free market and privatisation (an exploratory mission in April for discussions with the Ministry of Finance).
- local government (a Department of the Environment/local government team ~~in April~~ for exploratory talks).
- small businesses, retraining and other employment matters (Department of Employment team in Prague <sup>this</sup> next week).

- university curricula (team of Vice-Chancellors to visit Czechoslovak universities).

- establishment of an accountable and depoliticised police force (Police team to Prague)

We are also open to any Czechoslovak ideas and will want to discuss an overall strategy with them.

We are also offering:

- a greatly expanded programme of English language training including crash courses for converting redundant teachers of Russian.

- cooperation in fighting terrorism and drug trafficking (we have proposed official talks <sup>will take place later this</sup> with ~~months~~ <sup>to follow</sup> up successful cooperation over SEMTEX.

A Cultural Agreement will be signed during Mr Dienstbier's visit. We are keen to open a cultural centre as soon as possible and need suitable new premises. We are angling for the former British Council building. President Havel is sympathetic (his mother learnt English there) but lower-level officials are dragging their feet. The Prime Minister could usefully underline our <sup>urgent need for new premises</sup> wish to ~~press ahead~~ <sup>to enable</sup> ~~and greatly~~ <sup>greatly to</sup> expand British Council activities.

President Havel may press for the re-establishment of the old English High School. The British Council <sup>will prepare a feasibility study</sup> ~~are keen to do~~ but the bulk of the funding would have to come from the private sector. ~~this and are hoping to attract finance from the City.~~

We are increasing scholarships, with £186,000 earmarked for existing programmes in 1990-91. The Prime Minister can ~~also tell President~~ <sup>Havel</sup> ~~also announce~~ <sup>that</sup> the inauguration of 20 postgraduate "Masaryk scholarships" to be jointly funded by London University and the FCO. <sup>are to be inaugurated,</sup> ~~this~~ will be announced when the President visits London University the following day to launch an edition of

ABIAAM/6

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President Masaryk's letters.

We wish to open an honorary consulate in Bratislava and await Czechoslovak consent.

*Although the cost of our visas is regarded throughout Eastern Europe as*

*being  
a consistent  
delay in  
issuing*

Visas are <sup>(65)</sup> not a major problem with Czechoslovakia. Most applications are processed within our agreed time limit, despite a 36% increase in 1989. Following recent concessions, Czechoslovak businessmen are now eligible for multi-entry visas for up to two years and journalists for one year. If Mr Havel requests a visa abolition agreement, the Prime Minister could say we are looking at this and are in touch with our EC partners; but no decision has yet been reached. (Both security and immigration considerations are likely to preclude any early decision to abolish visas for Czechoslovakia). We are also working on possible improvements in the work permit regime to allow more young Czechoslovaks to gain work experience in the UK.

If raised the Prime Minister can say that we regard the Munich agreement as long since dead. (We have legal difficulties over declaring it null and void ab initio, as the Czechoslovaks earlier wanted - though this has not been a <sup>raised</sup> live issue of late).

#### Developments in Eastern Europe/Soviet Union

The Prime Minister might like to probe Mr Havel's views on cooperation in Central Europe. He has suggested that Czechoslovakia, Hungary and Poland should coordinate their approach to Europe: integration into wider European structures such as the EC would be more difficult if each

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country tried to do it alone. It is far from clear what is intended and the other countries have reacted cautiously. A summit meeting is to be held in Bratislava on 9 April. Czechoslovakia will also probably be invited to join the "quadrilateral initiative" grouping of Austria, Yugoslavia, Italy and Hungary. A further possibility, promoted by the Italians, would be a regional agreement involving Czechoslovakia, Poland, Sweden, Finland and possibly a united Germany. It is not clear whether this idea is taken seriously by the Czechoslovaks (or anyone else).

The Prime Minister may wish to hear Mr Havel's views on Gorbachev's prospects following his triumph at the Congress of People's Deputies. He is now Executive President with wide ranging powers; the CPSU's monopoly on power has been destroyed; and the concept of "individual" property is now allowed under the Constitution. None of this however will significantly help fundamental economic reform. Nor will it help Gorbachev solve the nationalities issue. Lithuania's declaration of independence highlights the scale of difficulties he faces.

The Soviet Union has agreed to withdraw all Soviet troops from Czechoslovakia by July 1991. A substantial part will be withdrawn before the elections this year. Public resentment of the troops is high in Czechoslovakia and Mr Havel had originally asked for all troops to be withdrawn by the end of the year. This demand was dropped after the meeting with Gorbachev in February. Mr Havel's views on the future of the Warsaw Pact would be of interest. He has in recent weeks appeared to favour the eventual dissolution of both the Warsaw Pact and NATO; and the withdrawal of both

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Soviet and US forces from Europe. President Bush told the Ambassador in Washington that he had tackled President Havel on the importance of US forces staying in Europe, and that he believed he had made some headway. The Prime Minister could make the following points:

- NATO is still essential for our security. A stable alliance of countries with common interests and values must be good for Europe as a whole; and will provide a secure framework for changes in the East to continue.

- NATO enshrines the transatlantic commitment to Europe. One essential aspect of this is the presence of US forces in Europe.

Germany/NATO

The Prime Minister could say:

- A united Germany should remain in NATO. It would be anomalous (and very difficult for the Germans to accept) to have one Germany in two different alliances. Membership of NATO is the most stable and reassuring solution for all - including the Soviet Union, whose concerns we must respect.

- In Western discussions we are focussing on arrangements for NATO countries to fulfil their obligation to defend GDR territory; and on transitional arrangements for Soviet troops in the GDR.

German Unification

Although all major parties in the GDR now favour unification, they have different ideas as to what this might involve and how fast the process should go. Czechoslovakia has welcomed German unification: President Havel's first official visit abroad was to the two German states. There

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remains a small German minority in Czechoslovakia, though most Germans were expelled at the end of the Second World War. (President Havel has angered many of his people for <sup>by</sup> apologising for their ill-treatment).

The Prime Minister might like to explain the importance we attach to proper discussion of the external aspects of unification in the 4+2 talks. She might ask if there are any areas of particular concern to Czechoslovakia.

EC/Eastern Europe

President Havel will be interested in EC policy towards Eastern Europe. The Prime Minister might say:

- We are keen to promote as liberal a trading regime as possible with Czechoslovakia, to help you consolidate your reforms. Understand EC-Czechoslovakia Trade and Cooperation Agreement could be concluded ~~tomorrow~~ 22 March.

- As reform in Czechoslovakia is implemented, UK proposes that EC cooperation should be deepened - perhaps taking the form of an Association Agreement. This would demonstrate the links between the Community and your country and also cover political dialogue.

On possible Czechslovak accession to the EC, the Prime Minister might say:

- There is community consensus on no enlargement before 1993. Will in any case take time for Czechoslovak economy to match the conditions for EC membership. Thereafter it will be for you to decide whether membership should be sought.

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The Prime Minister might wish to present the case for London, as a major financial market, for the site of the European Bank for Reconstruction and Development. Mr Havel has bid for Prague, and has some US support. Foreign Minister Dienstbier has just written to the Foreign Secretary to seek British support. We recognise the symbolic value of Prague, but believe London is the natural, practical home for the Bank. (We would however like to see Prague as the site of some future pan-European institution).

EC/GDR

If Mr Havel asks about the integration of the GDR into the Community, the Prime Minister may wish to make clear that we shall seek to ensure the smoothest - and shortest - possible absorption process, which means thorough and transparent negotiations, beginning as soon as possible after the GDR elections, on detailed arrangements. The informal meeting of heads of government in Dublin on 28 April is expected to agree on the procedures.

Council of Europe (CDC)

We welcome Czechoslovakia's desire for closer links with the Council of Europe. Its request for guest status in the Parliamentary Assembly is likely to be approved. An application for full membership is expected in May when President Havel will address the Parliamentary Assembly. Whilst welcoming Czechoslovakia's interest, the Council of Europe will wish to make sure that its stringent membership requirements are fulfilled. The Czechoslovaks have made it

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clear they want to meet the criteria, not have them diluted.

CSCE

President Havel believes that Helsinki II should be brought forward to act as a final peace treaty and to fix borders. In the long term, he argues, both NATO and the Warsaw Pact should be disbanded to be replaced by a pan-European security system constructed through the Helsinki process. ~~This would prevent the exclusion of the Central and East European countries.~~ The Czechoslovaks favour convening a CSCE Summit in 1990. Formal agreement by all CSCE participants is expected in May/June with preparatory work being launched at the same time. We consider that a Summit should address all main CSCE areas, as well as ideas for the future of the CSCE process. It should be used to strengthen democratic structures and the rule of law throughout Europe, and to stimulate East/West economic cooperation. A Summit should be linked to CFE signature and, if possible, to a CSBM agreement, although we should avoid setting a deadline for these talks. If ready, a German unification agreement could be brought to the Summit's attention. It should end with a communique, whose main elements should be agreed in advance, and which should give guidelines for future CSCE work.

Theatre in the UK

We understand President Havel may lobby the Prime Minister for increased Government support for the theatre in the UK. (He has many friends in theatrical circles here). The Prime Minister might like to say:



- The Arts Council grant in 1990/91 is £175 m, rising by ~~22%~~ <sup>steadily</sup> to ~~£90m~~ over the next three years.

- We look for partnership in arts funding between the public and private sectors (box office and sponsorship). We have introduced a number of incentive schemes to encourage this plural funding.

The Minister for the Arts will announce in <sup>the</sup> Havel's presence at the Institute of Contemporary Arts on 21 March the grant of an extra £55,000 to the Arts Council's International Initiatives Fund, to encourage visits to this country by East European arts companies.

With renewed apologies for the faulting of  
our word processors,

Yours ever,

Richard Gozney

(R H T Gozney)  
Private Secretary

C D Powell Esq  
10 Downing Street





Foreign and Commonwealth Office

London SW1A 2AH

15 March 1990

CF/C

EM 1873

Jean Charles,

Visit of President Havel

/ / I enclose a possible text for the Prime Minister's speech at her dinner for President Havel on 21 March. The speech talks about Havel's predecessors because Havel is consciously modelling himself on Czechoslovakia's former philosopher-presidents.

Yours ever,

(R H T Gozney)  
Private Secretary

C D Powell Esq  
10 Downing Street



SRW  
76

10 DOWNING STREET

LONDON SW1A 2AA

*From the Private Secretary*

14 March 1990

*Dear Richard,*

**PRIME MINISTER'S MEETING WITH PRESIDENT HAVEL**

Sir Bernard Braine MP has telephoned me to say that he understood from a good source that President Havel has been briefed by some British theatre friends to raise with the Prime Minister the inadequacy of British Government support for the theatre and for the arts generally. You might like to co-ordinate with the Office of Arts and Libraries to make sure that some appropriate material is included in the briefing for the Prime Minister (although she is actually pretty much up to the mark on this).

I am copying this letter to Martin Le Jeune (Office of Arts and Libraries).

*Yours sincerely,  
C. D. Powell*

C. D. POWELL

Richard Gozney, Esq.,  
Foreign and Commonwealth Office

*27*

DRAFT ANSWERS TO THE CZECHOSLOVAK NEWS AGENCY

1. We are all very much looking forward to President Havel's visit. He is greatly respected in Britain and will be very warmly welcomed here, for his courage and his role in bringing Czechoslovakia peacefully to democracy. We have read the President's speeches with admiration for their soaring language and thought. What has made the greatest impression is that, despite all that has happened to Czechoslovakia and to him personally in recent years, he speaks so passionately of reconciliation and hopes for the future: hopes for Czechoslovakia and for Europe as a whole. His visit to Britain, the first by a President of Czechoslovakia since the war, will mark a welcome new beginning in our relations.

2. The most important task facing all of us in Europe is to sustain and strengthen democracy in Eastern Europe. The changes which have taken place there are historic and must have our support. We are providing help both directly and through the European Community. We in Britain have always regarded Prague, Budapest and Warsaw just as much great European cities as London, Paris and Rome. We want to see the Eastern Europe countries return to play their rightful part in the affairs of Europe as a whole, through the Council of Europe and through closer association with the European Community.

In the next months, a very important task will be to deal with the consequences for the rest of Europe of German unification: and by that I mean the confirmation of the borders of a united Germany, her relations with her neighbours, her membership of the European Community, and future arrangements for Europe's defence and security. I believe that the Helsinki agreements will have a very important part to play, in particular in strengthening democracy and observance of basic human rights. We should be looking at ways to make those agreements more effective. But none of this will be at the expense of the institutions which have kept Europe safe and brought us to our present level of prosperity, NATO and the European Community. They will remain just as vital in the years ahead.



FILE KK  
c/Foreign/Gozney  
bc PC  
AP

10 DOWNING STREET  
LONDON SW1A 2AA

*From the Private Secretary*

22 February 1990

VISIT BY PRESIDENT OF CZECHOSLOVAKIA

Thank you for your letter of 21 February about the dates of President Havel's visit. I confirm that the Prime Minister could offer President Havel talks at 1600, followed by a dinner at 2000. Assuming this is convenient, I should be grateful if you could let me have a guest list for the dinner as soon as possible, together with appropriate briefing for the talks.

(C. D. POWELL)

Richard Gozney, Esq.,  
Foreign and Commonwealth Office.

✓

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10 DOWNING STREET

Charles

I understand from Andrew that he has cleared it with the Palace for the PM not to attend the Queen's Awards reception.

I assume therefore that we could have talks at 1600 with Pres Havel and a dinner that evening.

AP

22/2



Foreign and Commonwealth Office

London SW1A 2AH

21 February 1990

Dear Charles,

Amanda  
Can we have a  
word. CBP.

Visit by Czechoslovak President

The Czechoslovak President, Vaclav Havel, has accepted the Prime Minister's open invitation and would like to come to London on 21-22 March. I have discussed with Amanda Ponsonby. Because the effects on the diary are not straightforward, I agreed to put the request in writing.

We wonder if the Prime Minister could offer talks and a dinner, perhaps talks on the afternoon of 21 March and dinner the same evening. We understand the Prime Minister has an early evening engagement which would separate the talks from the dinner. Mr Havel might at that time speak at Chatham House. We are working out the rest of the programme, which will include a request for an audience with The Queen.

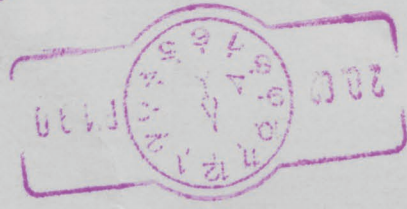
Given the early dates proposed by Mr Havel, and since the Czechoslovak Foreign Secretary is visiting London in April, we believe that an official invitation to the Czechoslovak Prime Minister, Mr Calfa, would be better delayed until after the Czechoslovak elections in June.

Yours ever,

(R H T Gozney)  
Private Secretary

C D Powell Esq  
10 Downing Street





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TO DESKBY 161730Z FCO

TELNO 132

OF 161620Z FEBRUARY 1990

AND TO INFO PRIORITY WASHINGTON, BONN, PARIS, MOSCOW, UKREP BRUSSELS,  
AND TO INFO PRIORITY UKDEL NATO, BELGRADE, BUCHAREST, BUDAPEST,  
AND TO INFO PRIORITY EAST BERLIN, SOFIA, WARSAW, ROME, VIENNA

YOUR TELNO 73: VISIT BY PRESIDENT HAVEL

1. SASHA VONDRA HAS JUST RUNG TO SAY THAT THE PRESIDENT WOULD BE MOST HAPPY TO COME TO LONDON AS A GUEST OF THE GOVERNMENT FROM THE EARLY AFTERNOON OF 21 MARCH AND FOR THE WHOLE OF 22 MARCH. VONDRA SAID THAT THE PLAN WAS TO SPEND 20 MARCH AND THE MORNING OF 21 MARCH IN PARIS AND TO LUNCH ON THE AEROPLANE PARIS/LONDON. I REPLIED THAT I WAS SURE THAT THE BRITISH GOVERNMENT WOULD BE ABSOLUTELY DELIGHTED AT THE NEWS.

2. IT IS PERHAPS TYPICAL OF THE CURRENT SITUATION HERE THAT ALMOST IMMEDIATELY AFTERWARDS I RECEIVED TWO SLIGHTLY DIFFERENT VARIANTS ON THIS PROGRAMME, ONE FROM A BRITISH BUSINESSMAN OF CZECH ORIGIN AND A FRIEND OF THE PRESIDENT FROM HIS SCHOOLDAYS AND THE OTHER FROM VANICEK FROM THE MINISTRY OF FOREIGN AFFAIRS. VONDRA IS HOWEVER NOW ON HIS WAY TO THE UNITED STATES AND FOR PLANNING PURPOSES WE MUST ASSUME THAT THE VERSION HE GAVE ME IS THE CORRECT ONE.

3. I LOOK FORWARD TO HEARING THE DECISION IN THE CASE OF PRIME MINISTER CALFA.

O'KEEFFE

YYYY

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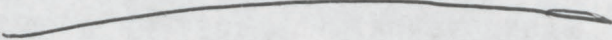
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MR TAIT  
MR KERR

ADDITIONAL 6

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MR MOUNTFIELD, HM TREASURY

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NNNN

PAGE 2  
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File KK

c/Foreign/Visit

bc PC

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10 DOWNING STREET  
LONDON SW1A 2AA

*From the Private Secretary*

11 February 1990

VISIT BY PRESIDENT HAVEL

The Prime Minister has seen Prague tel. no. 113 about the possibility of a visit by President Havel in the period 19 March to 2 April. She agrees that we should pursue this. I should be grateful if you could consult us about a precise date as soon as possible.

(C. D. POWELL)

Richard Gozney, Esq.,  
Foreign and Commonwealth Office.

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TO DESKBY 091330Z FCO

TELNO 113

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AND TO IMMEDIATE BONN, EASTERN EUROPEAN POSTS, PARIS, UKDEL NATO  
AND TO IMMEDIATE UKREP BRUSSELS, WASHINGTON  
INFO PRIORITY ROME, VIENNA*Rine with  
Agree to X?  
on*YOUR TELNO 73: MINISTERIAL VISITS TO AND FROM CZECHOSLOVAKIA

1. I SAW PRESIDENT HAVEL THIS MORNING AND HANDED HIM A COPY OF THE PRIME MINISTER'S LETTER. HE WAS VERY PLEASED AND BEFORE I COULD ADD ANYTHING HE ASKED WHETHER THIS WAS TO BE CONSIDERED A FORMAL INVITATION. WHEN I CONFIRMED THAT THIS WAS SO AND POINTED TO THE POSSIBILITY OF A VISIT IN MAY HE SAID THAT UNFORTUNATELY MAY HAD BEEN PRE-EMPTED BY VISITS TO THE NETHERLANDS, THE SCANDINAVIAN COUNTRIES AND THE COUNCIL OF EUROPE.

2. HAVEL ADDED THAT THERE WAS AN INVITATION OUTSTANDING FROM PRESIDENT MITTERRAND WHO HAD PROPOSED FEBRUARY 20, AN IMPOSSIBLE DATE BECAUSE OF THE STATE VISITS TO CANADA AND THE UNITED STATES. THE PRESSURES ON HIS TIME WERE SUCH THAT HE HOPED THE PRIME MINISTER WOULD ALLOW HIM TO VISIT LONDON FOR ONE DAY EITHER BEFORE OR JUST AFTER A ONE DAY VISIT TO PARIS, IN RESPONSE TO MITTERRAND. THE ONLY WINDOW APPEARED TO BE IN THE PERIOD 19 MARCH TO 2 APRIL. HIS ASSISTANT, SASHA VONDRA IS LEAVING TODAY FOR PARIS WITH DIENSTBIER WHO IS THE GUEST OF FABIUS THIS WEEKEND. THE PRESIDENT SAID HE WOULD ASK VONDRA TO DISCUSS A RANGE OF POSSIBLE DATES WITHIN THIS TIME FRAME WITH THE ELYSEE.

*X/*  
*Shred*  
*not*

3. AFTERWARDS VONDRA SAID THAT HE WOULD LIKE TO DISCUSS THIS AGAIN WITH ME WHEN MR REDWOOD CALLS ON PRESIDENT HAVEL NEXT TUESDAY, 13 FEBRUARY AT 1100 LOCAL. GRATEFUL TO KNOW BY THEN WHETHER THERE ARE DATES THAT ARE PARTICULARLY ACCEPTABLE OR IMPOSSIBLE.

4. HAVEL WAS IN VERY GOOD FORM, LOOKING EXCEPTIONALLY FIT AND WELL. HE WAS QUITE OBVIOUSLY TOUCHED BY THE PRIME MINISTER'S MESSAGE. HE SAID HE WOULD NOT BE GIVING PUBLICITY TO THE INVITATION BUT RESERVE THIS FOR THE TIME WHEN A DATE COULD BE ANNOUNCED.

O'KEEFFE

YYYY

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10 DOWNING STREET

LONDON SW1A 2AA

*From the Private Secretary*

8 February 1990

**MINISTERIAL VISITS TO AND FROM CZECHOSLOVAKIA**

Thank you for your letter of 7 February about Ministerial visits to and from Czechoslovakia.

I have already written about the question of a visit by President Havel. Sir Bernard Braine now tells me that he has heard that President Havel would be free to come here between 19 March and 1 April. I have said this is best discussed through our Embassy in Prague.

The Prime Minister would be ready to invite Mr. Calfa. I suggest you discuss possible dates with Amanda Ponsonby. The Prime Minister would see Mr. Dienstbier at 1430 on 2 April.

C. D. POWELL

J. S. Wall, Esq.,  
Foreign and Commonwealth Office

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*File M*  
*c: / for / Czech*  
*CCPC*  
*AP*

*DS.*

1430 2 April.

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① cjk



Prime Minister

Foreign and Commonwealth Office

London SW1A 2AH

A. You have already written to Havel.

B. Agree to invite Calfa? 7 February 1990

C. Agree to a brief meeting with Dienstbier?  
Jean Charles,

Yes  
Yes  
COP 7/2

Ministerial visits to and from Czechoslovakia

In your letter of 11 January, you asked for clarification of our proposals for visits by President Havel and Prime Minister Calfa.

Ⓐ

The Ambassador in Prague has consulted Foreign Minister Dienstbier. President Havel is keen to come here but could not fit in an early visit. He would, however, welcome an invitation now, leaving the date to be determined later.

Ⓑ

We hope the Prime Minister can issue such an invitation; and agree to a visit by Prime Minister Calfa, preferably within the next two months. Calfa has now resigned from the Communist Party, and enjoys the respect of President Havel and the non-Communist members of the government. The latter consider him an exceptionally effective Prime Minister and would regard a call by him on Mrs Thatcher as showing support for the whole government - only 7 of whose 21 members are now Communists. They hope, and we believe, that Calfa will continue to play a prominent role even after the June election.

Ⓒ

Foreign Minister Dienstbier is now coming here from 2-4 April on a visit which grew out of an invitation to lecture at Chatham House. He is a long-standing dissident, a former journalist and founder member of Charter 77. He is seeking to re-orient Czechoslovakia's foreign policy away from the Soviet Union and towards the West. If the Prime Minister could receive him for a short call, this would be a mark of respect for his past record and recognition of Czechoslovakia's new direction. At the moment his programme is free on the afternoon of 2 April, morning of 3 April or morning of 4 April.

Jones  
Stephen Wall

(J S Wall)  
Private Secretary

C D Powell Esq  
10 Downing Street

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PM: Int Commitments  
Pt 2



# Grey Scale #13



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