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CZECHOSLOVAKIA: ANNUAL REVIEW FOR 1986

HER MAJESTY'S AMBASSADOR AT PRAGUE TO THE SECRETARY
OF STATE FOR FOREIGN AND COMMONWEALTH AFFAIRS

SUMMARY

The Party Congress endorsed continuity in policy and among the leadership. Effective measures to revitalize the economy still awaited (paras 1-4).

2. Limited glasnost, offset by pressure on bodies not under official control (paras 5-7).

3. Good year for our bilateral relations: encouraging commercial results and prospects (para 9).

4. Long-awaited change may come in 1987. We must be ready to continue the dialogue with a new leadership (paras 10-11).



BRITISH EMBASSY,
PRAGUE.

5 January 1987

The Rt Hon Sir Geoffrey Howe QC MP
Secretary of State for Foreign and
Commonwealth Affairs
London.

Sir,

CZECHOSLOVAKIA: ANNUAL REVIEW FOR 1986

Introduction

1. In my Annual Review for 1985 I concluded that Czechoslovakia would remain politically quiescent, loyal to Moscow and ideologically hardline. And so it has been in 1986. From the 17th Congress of the Communist Party in March, through the appointment of a new government in June, to the December Central Committee Plenum on economic matters, nothing called in question the regime's commitment to continuity of men and policies. At the most an elderly toe or two was dipped into the waters of fresh language flowing from Moscow. The limits of change have remained ideologically determined in advance by a regime resolved to control the pace and direction of developments. Nonetheless, by the end of the year there are visible a few signs that something may happen before long to inject new energy into the system.

Internal Developments

2. As the 17th Party Congress got under way in March, the Czechoslovak people may have recalled that they derived more

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/pleasure



pleasure and benefit from the quinquennial mass physical jerks of the Spartakiad organised the previous year. But practise at Congress time also makes perfect: self-perpetuation was the safe course adopted. The health of the Secretary-General continued to defy all rumours, and Husák managed without apparent difficulty to deliver a lengthy speech to the December Central Committee meeting. Changes have been made at the regional and district level but these have not been seen locally as significant. The absence of change at the Congress did not surprise many: the system here prefers major changes to come at Central Committee meetings held between Congresses. Similarly, when the government was reconstituted in June, the changes made smacked more of prizegiving after a caucus race than jockeying for position before a new start.

3. Even for a present leadership credited with scant capability to change policy or style, these events were arthritic. True, Prime Minister Štrougal strengthened his reputation as a pragmatist by speeches showing a grasp of reality and an awareness of the need to get the cobwebs out of the system. But his analysis led to no clear conclusions on the steps to be taken. At the end of the year it is still impossible to regard the measures announced or believed to be in the pipeline as the stuff of which vigorous and efficient industries or management can be made. The choice of the jewellery and glass industries as the test bed for new economic experiments speaks volumes about the problems in the Czechoslovak engineering and electronic industries

/Another



Another example: there was talk at the Congress and since of the "unity" of the social and economic functions of the price system. This is conceptual nonsense of a high order. Its operational purpose can only be to camouflage the substantive differences between those who see planning and control as comprehensive economic instruments and those who recognise the need for prices, and thus ultimately investment decisions, to reflect the real world. Nor is there evidence that the Party has resolved the conflict between calling for greater responsibility for managers and the demand for Party supervision of the tasks achieved by the enterprise. And the local Party apparatus can be a very strong brake on any new thinking. Certainly, as I and members of my staff visit factories in Czechoslovakia, we are struck by the calibre of many of the younger technical staff, but have yet to find that they or senior management believe that they have secured greater freedom of action or more responsibility. The resulting mismatch between talent and the opportunity to use it, so characteristic of Czechoslovakia, remains a potent cause of frustration and inefficiency.

4. So it was not surprising that the Central Committee plenum on the economy, apparently postponed from November to December, recorded a distinctly spotty year. Czechoslovak exports to the non-socialist countries failed to reach anticipated levels. Quality is a major concern. Czechoslovak industry, especially in important sectors such as engineering and electronics, has failed to introduce and employ profitably the new equipment and techniques badly needed. Again, our own touring confirms that



in 1986 what really mattered for each factory manager was that he should deliver his planned commitments to the Soviet Union. This neatly encapsulates Czechoslovakia: satisfying the Soviet Union is the pre-condition for political and personal security.

5. 1986 was also the year in which Gorbachov's glasnost came out of the Czechoslovak Party closet. It is not the Soviet version: it is glasnost with a Czechoslovak face, a theme to be handled gingerly, especially by those who recall the role of criticism and open discussion in the 1968 crisis. Thus Rudé Právo is ready to criticize individual factories and managers, on whatever grounds. But this merely reflects the inveterate tendency to place the blame elsewhere. The Party leadership regularly affirms that only by keeping in contact with ordinary people and telling them the truth can their support and co-operation be ensured. However, the early stages of the Chernobyl disaster were too delicate for editors to do anything except revert to the traditional policy of suppressing bad news. Only radio or television from the West informed the Czechoslovaks about Polish or Romanian measures against radioactive contamination. However something was learned, for in November the pollution by fuel oil of rivers running north into Poland was covered in some detail, including a mention of the fact that the Poles had criticised the Czechoslovaks for being slow to warn them.

6. These signs are healthy as far as they go. Rudé Právo, set pieces apart, is more interesting and informative than two years ago. Local papers, especially the Bratislava Pravda, appear to have more scope for publishing critical or contentious articles



than the national press. Even though this amounts to little more than honesty about matters that cannot be suppressed, the limits of Czechoslovak glasnost are already being drawn. There is no licence to challenge party policy, let alone the system. Fojtik, who has the main ideological brief under Bilak, has warned against mechanical copying from the Soviet Union. There has been no detectable easing of the constraints on writers. Sensitive questions like privileges available to Party members remain on the index of prohibited subjects. Elsewhere, the familiar techniques of selection and suppression remain. January saw the death of Jaroslav Seifert, Czechoslovakia's winner of the Nobel Prize for literature. The regime honoured him by an official lying-in-state; some hundreds of ordinary Czechoslovaks by attending a Church service later the same day. Only the first event was mentioned in the Czechoslovak media. And when later in the year the centenary of the birth of Jan Masaryk took place, the authorities, well fortified with pro-Soviet quotations, gave official notice to the occasion, while simultaneously omitting virtually all reference to his distinguished and still secretly loved father. More grotesquely still, when in November the ninetieth anniversary of the birth of Gottwald was celebrated, Husák said that he had to admit, in the interest of historical truth, that mistakes had been made in Gottwald's last years. That these mistakes included judicial murder, and that Husák himself almost met this fate, was not mentioned.

7. While the past can be dealt with by such Orwellian techniques, stronger action has been taken against contemporary dissidents and

/moral



moral forces standing outside the Communist system. In 1986 the authorities, behind the smokescreen of a rock festival organised in the Prague Palace of Culture, finally took action against the committee of the Jazz Section, whose real offence was the attention they had paid to the implementation of Czechoslovakia's commitments to human and cultural freedoms after Helsinki. In November Vaclav Havel, Czechoslovakia's most celebrated dissident in residence, received boorish treatment from the press as their response to the Erasmus Prize awarded for him in Holland. Hopes of improved relations with the Vatican remained unfulfilled, and the activities of the Roman Catholic Church continue to be hampered by ten vacant bishoprics. The ageing Cardinal Tomášek still offers stalwart opposition to the pressures of the system. However, the regime must now hope the time will be increasingly on its side and that after the Cardinal's death organisational imperatives will induce the Church to compromise on new nominations.

Foreign Policy

8. As the calendar of events documents, 1986 has again been a year full of inward and outward visits. Many of these were undoubtedly purely formal in nature. In bilateral meetings and on international occasions, the Czechoslovaks have again promoted faithfully Soviet objectives. Perhaps their most interesting "initiative", formally tabled at the Vienna Review Meeting in December, is for an Economic Forum to be held in Prague.

/Czechoslovakia



Czechoslovakia has played a part in the gradual warming of relations between China and Eastern Europe. The commercial imperatives for both sides are there, nor are the Czechoslovaks anxious to be left behind in any thawing of relations with China at the Party level. When in the autumn Czechoslovak border guards shot and killed a Bavarian hiker well on the German side of the frontier, the Czechoslovaks were certainly embarrassed. But if the border guards were punished by the Ministry of the Interior, it was more probably for missing the Polish refugees whom they were trying to catch. Such border incidents cast large shadows but for short periods. FRG/Czechoslovak relations are at the end of the day influenced more by commercial factors and by what the Soviet Union thinks of Chancellor Kohl.

Anglo-Czechoslovak Relations

9. These have had another good year. In 1986 the emphasis shifted (rightly so, for the time being) from the political to the commercial. The Czechoslovak Federal Minister of Foreign Trade (Urban) and the Deputy Prime Minister (Gerle) responsible for virtually the whole of the industrial sector of the economy paid separate visits to the United Kingdom. Both were highly successful occasions. The Czechoslovaks were excellently received, and I am grateful to the busy senior Ministers who acknowledged the importance of making time available for their visitors. It is useful that Deputy Prime Minister Gerle returned from his visit to Britain surprised and pleased by the extent of British firms' knowledge of Czechoslovak requirements.





In the other direction, the then British Minister of Health visited Prague in March, the Governor of the Bank of England two months later. As the year closes, it looks as if our bilateral trade will be more or less level with the record total achieved in 1985. In the first year of a new Five Year Plan this is promising. British industry will continue to find Czechoslovakia a good market, and a solvent one, if they can set aside the time and resources to pursue systematically market opportunities here. Our exports are now in the region of £100 million and a useful increase in volume terms is obtainable if we can wean the Czechoslovaks away from traditional suppliers in the Federal Republic of Germany and Austria.

The Future

10. Husák's Czechoslovakia is not entirely immobiliste, but the cast of mind and experience of his generation and those who have flourished since 1968/69 rule out all but creeping and experimental responses to identified problems. The dinosaurs in the Presidium do not behave as if they fear extinction from a comet called Gorbachov. Developments here know little of Western imperatives, timetables or rationality. Czechoslovakia's problem is that the present leaders continue to talk today of seeking tomorrow the solution to yesterday's problems. However, Czechoslovakia has a people skilled in turning circumstances to their own advantage, a competent work force and well-educated managers and scientists, so the system will deliver to the Soviet Union the goods and stability it requires, and will keep enough of both at home to ensure that its people remain unenthusiastic but quiescent.

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12. I am sending copies of this despatch to HM Representatives at Moscow, other East European posts, Bonn, Vienna, the Holy See and NATO.

I am, Sir,

Yours faithfully,

Stephen J. Barrett

S. J. Barrett