



Foreign and Commonwealth Office

London SW1A 2AH

4 April 1989

Jean Charles,

Thank you for your letter of 20 March enclosing a letter of 17 March from Mr Calovski, the Yugoslav Ambassador. I enclose a draft reply.

When Lyn Parker wrote to you on 29 December 1988 your reply of 29 December made it clear that the Prime Minister would only consider a call if it were of the highest category of importance. The Foreign Secretary did not consider Mr Loncar to be in this category and we have subsequently told the Ambassador that the Prime Minister would not be able to receive Mr Loncar.

Although the Ambassador has now approached you direct, the Foreign Secretary sees no reason to recommend that the Prime Minister reconsider the matter. Although the new Yugoslav government has proposed measures of reform, the deteriorating situation and serious bloodshed in the province of Kosovo now strengthen the arguments against such a call.

Jans.

Stephen Wall

(J S Wall)
Private Secretary

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10 Downing Street

DSR 11 (Revised Sept 85)

DRAFT: minute/letter/teleletter/despach/note

TYPE: Draft/Final 1 +

FROM:

Reference

PS/No 10

DEPARTMENT:

TEL. NO:

Your Reference

BUILDING:

ROOM NO:

SECURITY CLASSIFICATION

TO:

Copies to:

Top Secret

Mr Mitko Calovski
Ambassador of the Socialist Federal
Republic of Yugoslavia

Secret

5 Lexham Gardens

Confidential

LONDON

Restricted

W8

Unclassified

SUBJECT:

PRIVACY MARKING

Thank you for your letter of 17 March and for the enclosed copy of Mr Markovic's statement.

..... In Confidence

CAVEAT

As you know the Prime Minister supports Yugoslavia's attempts to restructure her economy. She realises the difficulties that confront Yugoslavia, but believes that recovery can only be achieved through real reform. The measures outlined in Mr Markovic's statement appear to be a step in the right direction. The Prime Minister hopes they will be implemented with vigour, and wishes Mr Markovic well in his endeavours.

The visit to Britain by Mr Loncar in April will, as you say in your letter, be an opportunity to discuss Yugoslavia's reform programme at length with Sir Geoffrey Howe. I am afraid that the Prime Minister's other engagements mean that a call will not be possible, but she will hear about Mr Loncar's talks from the Foreign Secretary.

Enclosures flag(s)

cm.

Yugoslavia - Visit of An Sec Mar 81

