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CENTRAL EUROPEAN DEPARTMENT  
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CZECHOSLOVAKIA  
23 APRIL 1993

**CZECHOSLOVAKIA : THE END OF THE AFFAIR**

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

**SUMMARY**

1. Early signs of division hard to detect. (Paragraphs 1 - 2).
2. A brief history of the separate development of the two states. (Paragraphs 3 - 5).
3. The Federal constitution provides a context for tensions (Paragraph 6).
4. The emergence of nationalism following the 1989 Revolution. (Paragraphs 7 - 10).
5. Havel tries unsuccessfully to stop the rot. (Paragraphs 11 - 12).
6. The Federal election brings matters to a head. (Paragraphs 13 - 14).
7. The politicians divide the state and split the assets, trying to keep mechanisms of cooperation. (Paragraphs 15 - 19).
8. The Czech state looks set to flourish ; the Slovaks have a stonier path ahead. (Paragraphs 20 - 22).
9. Both seek their destiny in the Community, though for different reasons. (Paragraph 23).

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BRITISH EMBASSY  
PRAGUE

23 April 1993

The Rt Hon Douglas Hurd, CBE, MP  
Secretary of State for Foreign  
and Commonwealth Affairs  
London

Sir,

**CZECHOSLOVAKIA : THE END OF THE AFFAIR**

1. I suppose I should have recognised from the start that the country to which I had been sent was two nations rather than a unitary state. I had studied something of the history of the country, and been aware of the "Battle of the Hyphen" which had marked the early months after the fall of Communism in November 1989. And then on arrival I noticed that the national anthem consisted of two halves, the soulful Czech hymn and the livelier Slovak hymn. More significantly, there was a clear gap in the middle. And yet none of these clear signals registered fully, and I remained convinced that logic and habit would keep the Czechs and Slovaks inside a single federal state. Worse, as I travelled in Slovakia during my first months, the great majority of those I met assured me that neither they nor anyone they knew really wanted independence for Slovakia, and that I should not be deluded by the stridency of the rabidly nationalist minority.

2. I allowed myself to be convinced. My error was shared by many others, including most of the senior Czech and Slovak politicians. After all, there had been no bloodshed or enmity between the two peoples, and no significant religious differences (though the Catholic church enjoys greater support in Slovakia). Even the two languages are mutually comprehensible. On 1 January this year, Czechoslovakia was divided into the Czech Republic and Slovakia. Why and how did the 74 year old state of Czechoslovakia come to an end?

History

History (optional)

3. A quick glance at history is unavoidable. Not long after the Slav tribes first reached Central Europe the Czechs and Slovaks were briefly united in the Great Moravian Empire (which some Slovaks claim as essentially a Slovak creation and thus the first manifestation of their statehood). But this came to an end with the arrival of the Magyars, when the area which corresponds broadly to modern Slovakia fell under Hungarian rule, which lasted with minor interruptions for a 1000 years. For their part, in medieval times the Czechs enjoyed their golden age. Their King became Holy Roman Emperor, and Bohemia was to feature prominently in the mainstream of European history in the intervening centuries. The battles of the Thirty Years' War, Austerlitz and Konigsgratz all happened on Czech soil. When the Hapsburgs assumed the Hungarian crown, Slovakia and the Czech lands were subsumed into the greater entity of the Austro-Hungarian Empire, and so it continued until the end of the First World War when the Czechoslovak state emerged.

4. The shiny new state, the fruit of Masaryk's energetic lobbying of Woodrow Wilson, was a compilation of two uneven parts. The Czech lands were well populated, with a highly educated population, and an industrial and mercantile tradition. They had accounted for well over half the total industrial production of Austro-Hungary and had a clear sense of identity, refurbished by the 19th Century national revival. Slovakia was a relatively backward region, with a Hungarian nobility ruling in almost feudal style over the mainly peasant population, whose national identity had been all but extinguished. While the Czech lands ranked among the most advanced countries of the world (in the 1930s, GNP per capita was higher than in France), Slovakia was, poor, and inevitably needed substantial transfers from the Czech lands. With this programme came an attitude of rich and educated big brother condescending to help poor little brother. This perception of patronage has persisted, and been part of the problem. A Slovak adviser to President Havel commented that "In the house of the First Republic, the Slovaks felt themselves ... to be only lodgers".

5. During the Second World War, the Czech lands were seized and brought firmly under Nazi direct control, with Czech industry being diverted to the German war effort. Slovakia was allowed its own pseudo-independence, under the direction of the nationalist Catholic priest, Father Tiso. The Czechs did not readily forget that their sufferings during the Nazi years were great, whilst the Slovaks were spared the worst miseries of Nazi occupation. Then, after the brief reassertion of democracy, the Communists took over in 1948. The following 40 years saw the Czech economy decline continuously, in relative terms, from its former prosperity and dynamism. In Slovakia Communism brought rapid industrialisation and a massive transfer of resources for infrastructure investment. In 1953, Slovak per capita income stood at 68% of Czech levels. By the time Communism fell in

November 1989, it had reached 92%. For most of these years, the country was led by a Slovak. It is hardly surprising that the Czechs and Slovaks have tended to take somewhat different views of the merits and demerits of the Communist years.

### The Federal Constitution

6. The Slovak urge for national self-expression had asserted itself sporadically during the lifetime of the Czechoslovak state. In the years up till 1968, the Communist Government had tended to take a straightforward Moscow-centric view of events, and there was clearly no room for internal strains within a member state of the Warsaw Pact. At official level at least, the existence of separate cultures was acknowledged at the level of folklore, but strenuously denied in any political sense. After the suppression of the Prague Spring in 1968, the Communists decided that pacifying measures should include a new constitution, this time for a federal state. The constitution was impossibly complex, providing for a Czech Government in Prague and a Slovak Government in Bratislava, as well as for a Federal Government, and for three corresponding parliaments. The Federal Parliament was divided into two houses, in one of which the Czechs and Slovaks had equal numbers, whilst in the other the Czechs outnumbered the Slovaks by two to one in proportion to the relative populations. For fundamental legislation to pass, a three-fifths majority was needed in each house. This elaborately unworkable situation was of no importance during Communist days, since all government legislation passed on the nod, but it was inherited by the newly democratised state after November 1989. It played an important contributing role in creating a political *impasse*.

### The Velvet Revolution

7. In the immediate aftermath of the fall of Communism, the existence of Czechoslovakia as a common state of Czechs and Slovaks appeared triumphantly and joyfully reaffirmed. Slovak dissidents appeared and spoke in Prague, and Czech dissidents were rapturously received in Bratislava. The dissidents who became the first government after the Revolution made no distinction between the Civic Forum (the anti-Communist political grouping in the Czech lands) and the Public Against Violence (its counterpart in Slovakia). Havel, the Czech, became President, while Dubcek, the Slovak, was made President of the Federal Parliament, and they appeared together as the very image of the Velvet Revolution. But behind the superficial harmony the tensions were waiting. Some Slovak intellectuals began to recognise that the removal of Communism gave the Slovaks a further chance, perhaps the last chance, to assert their identity as a nation. After all, if the countries of Central Europe could break from under Soviet domination, why could the Slovaks not break from under Czech domination?



8. Even during 1990, the issue of greater Slovak autonomy began to make itself heard. Respected commentators argued that, though the Federation might live on, it would be impossible for Bratislava not to be granted a much greater measure of self-government than had effectively occurred under the spurious Federal arrangements of the Communist period. The Slovak National Party (SNS) was formed as a vehicle for those whose vision was for full Slovak independence. The powerful but shadowy Matica Slovenska organisation, founded in the last century to safeguard the threatened cultural identity of Slovaks, lent support to those seeking greater sovereignty for the Slovak nation. And, marginal but significant, photos of Tiso appeared at public rallies in Bratislava. The demon of nationalism was creeping out of the confinement to which the Communist reign had consigned it.

9. In the political arena, the broad umbrella groupings of anti-communists began to break up. The Civic Forum split when Vaclav Klaus led his followers off to form the right-wing ODS party, only to be followed by others staking out their own claims to parts of the political spectrum. In Slovakia, Vladimir Meciar, forced out of government by his colleagues, formed the Movement for a Democratic Slovakia and espoused the cause of Slovak sovereignty. The new Slovak Prime Minister, Jan Carnogursky of the Christian Democratic Movement (KDH), was faced with the need to decide whether he was pro-federalist or not. He tried to straddle the fence. He allowed himself to speak up from time to time in favour of a separate Slovak political entity (most memorably when he talked about the prospect that the accession of the Czech and Slovak Federal Republic to the European Community would mean putting two new stars on to the European flag), whilst at the same time seeking to behave in a statesman-like way within the Federation. This ambivalence only increased the problem. The nationalists, of all sorts, were encouraged to press harder, whilst the moderate Czechs were increasingly exasperated by Carnogursky's blend of Slovak nationalist claims and his steady resistance to negotiate any revised structure which could be regarded as Federal. Precisely because he was a respectable, conservative figure with impeccable anti-communist credentials, his balancing act succeeded only in polarising the situation.

10. Faced with Slovak assertions of national identity, and accusations that Prague had both patronised and exploited the Slovaks, some of the right of centre politicians in the Czech Republic began to react strongly. Thus senior members of Klaus' ODS, and even more its ODA allies, talked openly of Slovak ingratitude, and asserted that over the years supporting Slovakia had cost the Czech lands dear. It did not take long before some were saying outright that if the Slovaks could not accept the responsibilities and obligations of the Federation, it would be better if the Slovaks went their own way. The centrist parties remained loyal to the Masaryk vision, and refused to contemplate the possibility of

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a break up in the Federation. The Czech Prime Minister, Pithart, went so far as to apologise publicly for Czech condescension towards the Slovaks, and for past failures to accommodate Slovak aspirations. His reward was a muted acknowledgement from the small overtly pro-federalist parties in Slovakia, and widespread criticism in the Czech lands for unnecessary and inappropriate grovelling. The leftist parties in the Czech Republic were broadly pro-federal, but simply peripheral to the main action.

The President steps in.....and out

11. Above all this stood the figure of President Havel. By the end of 1991 he was becoming seriously alarmed at the constitutional mess. His prestige towered above that of all other politicians, in Slovakia as much as in the Czech lands. As a man of conscience, he saw it as his duty to seek to prevent the slide towards incomprehension, or even confrontation between the two Republics. He was fortified in this intention by the knowledge that public opinion was with him. In the Czech Republic, the overwhelming majority backed the continuation of the Federation, whilst even in Slovakia only a modest minority favoured major change in the existing Federal system. To Havel, this was a clear indication that the problem was artificial, created by the politicians. He therefore proposed a referendum so that the people's verdict would silence the political wrangling. But the Federal Parliament would have none of it. For a variety of motives (for the nationalists, a referendum which showed massive support for the Federation was clearly unwelcome, whilst some others were so keen to preserve parliamentary powers they wished to preclude the appeal over their heads) the deputies obstructed the referendum proposal. Then there were also the usual arguments over formulating the question.

12. In the face of steady obstructions to his preferred solution, Havel allowed some of his closest colleagues to organise public petitions, expressing support for the Federation and calling for a referendum. This campaign soared like a rocket, attracting nearly 2 million signatories in a brief period, then fell to earth leaving no trace. Parliament was not impressed. Havel reflected further, and came up with a package of parliamentary measures to resolve the crisis. Unfortunately, he launched these as fully fledged draft laws, having failed to carry out the consultations and contacts so necessary to secure parliamentary support for his measures. Many deputies chose to be offended that the President had taken them for granted. Procedural devices were used to delay consideration of the measures, and when they were finally considered so many amendments were introduced they became unrecognisable. Havel learned his lesson, and made no further efforts in the Federal Assembly. But he stood by his principles, and made clear that he had not been elected to preside over the dissolution of the Federation.

### The Last Federal Election

13. The early months of 1992 passed, and the election campaign began. In the Czech lands, the parties ranged across the usual left/right political spectrum, with only the Society for Moravia and Silesia representing regional interests, and that more as a pressure group than as an autonomy movement, much less an independence movement. In Slovakia, the spectrum was far more complex. Quite apart from the left/right vector, there was also a choice across the federal/independence vector. One party, the SNS, stood openly for full Slovak independence, campaigning for the Slovaks to take their place among the nations of the earth with a state of their own. The party with the greatest backing in the opinion polls was Meciar's HZDS, and their stance was less clear cut. They stood for a sovereign Slovakia within a loose confederal structure, with the rider that if this were not achievable, then Slovakia would be compelled to declare independence. The other parties stood either for modest increases in Slovak autonomy, or in the case of two small right-wing parties, the Democratic Party and the ODS (the only Czech party to campaign in Slovakia), for an unambiguously Federal future.

14. Public opinion polls showed, well ahead of the election period, a clear lead in the Czech lands for Klaus' ODS party, and in Slovakia for Meciar's HZDS. Nothing in the campaign suggested that these predictions would be wrong, and the results proved their accuracy. Meciar swept up nearly half the seats in Slovakia, and of the right wing parties only the KDH managed to secure any seats, whilst in the Czech lands Klaus and his right of centre rivals came home with a clear lead. Klaus and Meciar had now to negotiate the formation of a new Federal Government. Given that Klaus was wedded to a strongly Federal concept of Czechoslovakia, and to rapid and total economic transformation, while Meciar was committed to the most tenuous confederation and to moderating the speed and manner of economic transformation, forming a Federal Government would not be straightforward.

### The Split

15. Meciar's vision of two sovereign republics joined in a weak confederation was not acceptable to Klaus, who recognised that such a structure would simply prolong constitutional agonies and slow down his beloved economic reforms. Meciar was forced to choose between a full federation and a dissolution of the federation. Aware of the weight of expectations he had created in promising sovereignty for Slovakia, and aware that he would inevitably be the junior partner within the Federation, he opted for separation. On 20 June, the two leaders pronounced the future demise of the Czechoslovak state. The Autumn was taken up with the details of negotiating that separation, and preparing for full independence from 1 January 1993.



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16. The opening meetings, usually held in castles, alternating in Slovakia and the Czech lands, were generally good humoured but frank. The two sides recognised the need to limit the damage which would result from destroying a state which had existed for 74 years. Thus there was an avowed determination to ensure that there should be no interruption to trade between the two republics, to the movement of people, or to financial transfers. A Customs Union was agreed, and a set of financial arrangements to sustain a common currency beyond the life of the Federal Republic. The Customs Union was in fact a free trade area masquerading as a Customs Union, since Klaus was unwilling to see a full supranational secretariat monitor the workings of the Union, lest the Slovaks should point to it as evidence of a de facto confederal structure. As for financial arrangements, these initially provided that the single currency should last until June 1993, and that thereafter the two currencies would be sustained at par for as long as possible.

Dividing The Assets

17. The sceptics believed that the big problems would be in dividing the armed forces and Federal property. In the event the military separation proved the smoothest of all. The simple principle of two to one was applied throughout, in recognition that the Czech lands had twice the population of Slovakia. The fact that military hardware could be moved, and men transferred, enabled this ratio to be followed with precision. Buildings and land belonged to the government in whose territory they fell, so the new Slovak air force has few bases from which to operate, while the Czechs will have to rely on renting access to training installations in Slovakia. Other Federal real property was divided on the same principle. And the property overseas was also divided without too much difficulty. More bothersome was the division of national gold and currency reserves, and linked to that attribution of debt. The Czechs pushed their maximum demands, presumably in the hope that the Slovaks would make significant concessions to which the Czechs could respond with generosity. In fact, the Slovaks contrived to negotiate by procrastination, thus infuriating the Czechs and setting back the solution. The Slovaks also showed ingenuity in constructing counter claims ; they even sought massive compensation for the notional loss to them resulting from the new Czech state adopting the old Federal flag.

18. The prospects for keeping the single currency always looked fragile, particularly since there was no formal agreement. The Czechs' version of what happened in January this year is that speculative pressures built up to the point where it became no longer possible to sustain a single currency for the six months originally envisaged. In these circumstances they had to prepare for an early division by over-stamping Federal notes with an identifying Czech marking. The knowledge that this was being done triggered

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further nervousness. Prudent Czechs began to change their Crowns into Marks, while Slovaks (who after all had the strongest motive for fearing that their currency would be worth less) sought to transfer their accounts to Czech banks, or to switch the maximum amount possible into Austrian Schillings. The resulting pressures on the reserves made the early division of the currency even more urgent. The infant Slovak National Bank, though it needed help from the Czechs to set the process in motion, performed very credibly. The Czechs, enjoying the advantage of having effectively succeeded to the old Federal State Bank, organised things immaculately. The change took place with no fuss, and with minimum disruption. For prestige reasons the Slovak Government refused to accept formal devaluation, which would have settled nerves and given Slovak industry a chance to find some competitive margin, and in the process managed to alienate the IMF. In the markets, the Slovak Crown inevitably slid to a modest if unacknowledged discount.

19. Politically, the separation was very clear cut. Politicians of both sides said to me, in the first weeks, how strange they found it to be sitting across the table dealing at arm's length with those who until very recently had been their colleagues. But they soon adjusted, and learned to treat the others as foreigners. The Czechs have already indicated (for example in the context of admission to the Council of Europe) that they do not wish to be coupled always with Slovakia. Both sides have played rough in bilateral quarrels, but each knows the costs of allowing relations to deteriorate further. The sharp drop in mutual trade early this year was a reminder of the advantages of close cooperation.

### The Future

20. What difference does it make that there are now two states in the heart of Europe instead of one? Is Europe any less secure? Are the Czechs and Slovaks any worse off? It must be the case that the continuation of a functioning democratic Federal state of nearly 16 million people would have been a greater factor for stability than today's reality. However, few observers expect that the Czech state will not prosper. History, and even more geography, condemn it to a relative economic success. The fact that the first Prime Minister of the new state has propelled it so determinedly towards the objective of a full market economy, has gained a strong initial advantage. Few in the Czech Republic have any doubt that their future lies wholeheartedly as part of Western Europe. Their deepest fear is perhaps that of becoming a satellite of Germany rather than of any return to Communism, or of conquest from the East. There are some negative aspects to the Czech picture, including a rather unpleasant *schadenfreude* as they observe the problems facing the fledgling Slovak state. But there is no real expectation that the Slovaks will decide that they want to rejoin some new Czechoslovakia. That past has gone and is probably now irrecoverable. The new Czech state has set its course determinedly towards full participation in Western institutions, and is unlikely to be diverted from that course.

21. In Slovakia, the picture is different, though not hopeless. The new nation becomes the smallest in Central Europe. Though the government in Bratislava may boast of the wealth of talent they have available, and of the powerful effects of national pride, the reality is that much of the key decision taking was Prague-based, and the new body had to develop its central nervous system almost from scratch. In the economy too, Slovakia had a significantly more uphill task. Nationalist propaganda had asserted that true Slovaks abroad would rally to the support of their independent homeland. In reality, the Slovak diaspora have not invested. And because of their poorer image, Slovakia has not been successful in attracting foreign investment, despite generous incentives and proximity to Austria.

22. The Government has no very clear sense of purpose. Meciar has declared his intention of becoming a market-based economy, and a member of the Western family, but qualifies that with an explanation that Slovakia must chose a more cautious path than the better developed Czech economy. Hence the need for the State to maintain a significant, if reducing, role for the next few years. The problem is how to fund transformation with a truncated economy and weak direction. Though the infrastructure is in fairly good shape, only a hopeless optimist would expect Slovakia to thrive in the short to medium term. And politically, Meciar no longer has the freedom to push through legislation regardless of the opposition. Although no other party is willing to join the Government and share responsibility, none yet want to bring the Government down. The immediate prospect is therefore that Slovakia will continue broadly in the direction in which it is at present facing. As for regional security, I believe the dangers of internal unrest with the Hungarian minority have been much overplayed, usually by those with an axe to grind. The Slovak Government have committed themselves internationally to respect minority rights, and know that they cannot get away with reducing them, even if they wanted to.

23. I have concluded without a mention of the regional grouping, Visegrad, to which both belong. That is perhaps because both regard it as a temporary expedient on the road to membership of the European Community. The Slovaks choose to stay quiet about it, the Czechs to proclaim its limited nature. The Czechs want to be in the Community because they are convinced they belong there, and that they will soon meet all the membership criteria. The Slovaks want to join because they inherited the aspiration from Czechoslovakia, because they need to place their fragile new nation state within a robust context, and because they see no alternative. If both achieve membership of a substantially expanded Community, with no internal frontiers, with a Common Security and Foreign Policy, and with some sort of monetary mechanism, tomorrow's historians will ask themselves why the Czech and Slovak Federal State had to be dissolved. I hope this despatch will help to answer the question.

24. I am sending copies of this despatch to Her Majesty's Ambassadors at Bonn, Budapest, Vienna and Warsaw.

I am, Sir

Yours faithfully

A handwritten signature in cursive script, appearing to read "David Brighty".

David Brighty