

CZECHOSLOVAKIA: ANNUAL REVIEW FOR 1990

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

SUMMARY

1. A year of solid achievement building on revolutionary gains of 1989, coloured by anxiety for the future.  
(Paragraph 1).
2. National and local elections impeccably conducted. Results demonstrated strength of anti-communist forces over a surprisingly solid bedrock of communist sympathisers.  
(Paragraphs 2 - 3).
3. Czech-Slovak question dominated political agenda.  
(Paragraph 4).
4. Civic Forum has moved to the right, probably precipitating its break up and the onset of a conventional political spectrum. (Paragraph 5).
5. Economic reform has taken Czechoslovakia firmly towards a free-market system. Privatisation, price liberalisation and currency devaluation all underway by end of 1990.  
(Paragraph 6).

6. After an uncertain start foreign policy developed constructively. Main emphasis on rejoining European mainstream and building on an image as a responsible member of the world community. Tender relations with Soviet Union. Staunch support for coalition on Gulf. (Paragraphs 7 - 8).

7. President Havel's essential role in foreign and internal policy. (Paragraph 9).

8. Excellent bilateral relations. Failure so far to regain old British Council premises the only irritant. Vital to exploit opportunities presented by interest in English language. (Paragraph 10).

9. Achievement of objectives and predictions for 1991. (Paragraphs 11 - 13).

BRITISH EMBASSY  
PRAGUE

30 January 1991

The Rt Hon Douglas Hurd CBE MP  
Foreign and Commonwealth Office  
London SW1A 2AH

Sir

CZECHOSLOVAKIA: ANNUAL REVIEW

1. Czechoslovakia built well on the achievements of November/December 1989; free elections at both the national and the municipal level; an economic reform programme endorsed by the IMF; an ambitious programme of legislation for the most part enacted; the abolition of the secret police and the full restoration of civil and political rights. The prevailing mood at the end of the year, however, was less satisfaction than anxiety at the uncertainties of the situation both internal and external.

2. The June elections were a model of their kind. More than 96% of the electorate voted as if responding to some religious imperative. The Civic Forum/Public Against Violence campaigned skilfully and persuasively, picking up support as they progressed while the Christian Democrats, their only serious rivals and then only in

Slovakia, lost ground through grievous misjudgements of the public mood. The subsequent coalition has proved solid enough to begin the task of underpinning the democratic reality with legislation of worthy intent if, perhaps, still uncertain application. The tripartite system of government, and the elaborate network of Federal Assembly committees makes the task of steering Bills through to the Statute Book intensely wearing on the participants; and progress was slower than many would have wished.

3. Local elections were held in November, again with an impressive turnout. These were as important as the general elections in June, clearing out the apparat from its privileged position throughout the country. By this time the Communist Party itself had been in full retreat for some months and the secret police, officially disbanded in February, had long ceased to be a factor in the life of the ordinary citizen. Even so, local government could now be seen to be in charge of the democratically elected and the broad lessons of the June elections endorsed: the overwhelming strength of the anti-Communist forces; the surprisingly solid core of Communist sympathisers mainly among the elderly; the lack of enthusiasm for separatists everywhere; and the continuing appeal of the Christian Democrats in Slovakia (who indeed recovered somewhat from their poor showing earlier).

4. Despite the evidence of solid support for the Federation among the electorate, the Czech-Slovak issue emerged as the dominant constitutional question. Few foresaw the depth of feeling of the new Slovak political class against the former Communist centralism of Prague; or their determination, reckless at times, to wrest as much power for themselves at the expense of the Federation in

which, in the new dispensation, the rights of Slovakia are already well protected. [REDACTED]

[REDACTED] It remains the case, however, that on the Czech-Slovak issue the politicians have been more ardent than those they represent. The pretensions of the Slovak separatists, in particular, were exposed in the local elections where they obtained only 3.2% of the vote.

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7. The new Foreign Minister, Dienstbier, made an uncertain start with an attempt to set Czechoslovakia up as the architect of new Europe with little regard for the ambitions of other participating CSCE states and the sensitivities of the NATO partners. Gradually things improved and Czechoslovakia played a helpful and constructive part within the Warsaw Pact in settling the details of the CFE treaty and in preparing for the Paris Summit where Prague was chosen as the headquarters of the new CSCE Secretariat. Relations with the Soviet Union were tender even after the Soviet troop withdrawal agreement was signed in February: while the programme of withdrawals has been adhered to, arguments remain over the environmental damage done by the occupying forces and anxieties have arisen over Soviet policy more generally as a result of the events in the Baltic states. Relations with the West went from strength to strength. No opportunity was missed at home or abroad to underline the country's ambitions to join the Council of Europe (now fixed for next month) and the European Community in due course. A visit by Prime Minister Calfa to Brussels in May to sign an agreement on trade and economic relations was the first step on the road to Association.

8. Much effort went into presenting the new Czechoslovakia as a responsible and moderate member of the world community. Dienstbier's end-of-term speech to the Federal Assembly this month highlighted his energetic travelling programme and the establishment or re-establishment of relations with Israel, South Korea, South Africa, and several Arab states. Czechoslovakia has been staunch over the Gulf despite penalties for her external trade; and the despatch of a chemical warfare defence team has demonstrated this government's commitment to international

law. Relations with neighbours were not neglected either, despite some irritation with what is regarded here as Hungary's ethnocentricity and some outrage at the insensitive demands of the Sudeten Germans.

[REDACTED]

10. Our own relations with Czechoslovakia could scarcely be better. Dienstbier told you in New York in October that the failure to return the Kounicky Palace to the



British Council was the one remaining thorn. We are still no nearer to a solution on this - hell hath no fury like a "Socialist" woman defending stolen goods - but I am to see Dienstbier this week to convey your hope for an early solution. Our commercial exchanges do not seem to have profited much from the new situation yet; but there are now 46 registered Joint Czechoslovak/British Ventures which is certainly a start. [REDACTED]

[REDACTED]

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[REDACTED] We can also view the popularity of the British Council and its programmes with satisfaction. But while the English language is our greatest asset this is not a third world country where we can take an anglophone inheritance for granted. The agreement to rebroadcast the BBC World Service on VHF and BBC television news on local television here has accordingly been most welcome; and we are hoping to start a modest programme of English-medium instruction at secondary school level to gain some foothold with the younger generation where our rivals are intensely active.

11. I have sent the Department a full account of our management achievements and objectives separately. Our first target last year, drawn up before the November Revolution, was to assist in the process of turning Czechoslovakia into a pluralist democracy with a free market economy. Our principal means to this end, I observe, were the cultivation of as wide a cross-section of society as possible and the encouragement of ministerial visits. Sir, I think it can be said that in all these respects the Embassy has out-performed any reasonable expectation. We have, it is true, been more actively responsible for the means than the ends: 14 ministerial visits in the course of the year must constitute an all-time record here. The highlight was Mrs Thatcher's triumphal progress, but all have played an invaluable part in the renewal and

restoration of relations often in very practical ways. I am grateful to all members of the Embassy for their outstanding work in preparing the way amid the confusion, dirt and noise of the Embassy refurbishment: but we must also be grateful to you and your colleagues for finding the time to assist us in ways only Ministers can. In this respect, at least, the battle for influence here has been most staunchly fought. Our next task is to redress the balance of visits a little. I shall be making proposals.

12. Against a background of public anxiety about the economic outlook, the situation in the Soviet Union and rising crime rates, the following are my reasonably optimistic predictions for 1991:-

- a) the break-up of the Civic Forum into its constituent parts - itself no tragedy;
- b) further thrills and spills in the negotiations over the competencies of the three governments but no break-up of the Federation;
- c) a difficult but manageable economic situation with some labour unrest over unemployment and inflation;
- d) the final removal of all Soviet forces; withdrawal from the military side of the Warsaw Pact and possibly from the Pact as a whole if the situation in the Baltic states deteriorates;
- e) membership of the Council of Europe and association with the Community.

I hope I am not tempting Providence.

13. I am copying this Despatch to HM Representatives in the East European posts, in Paris, Bonn, Washington and Vienna, at UKMis New York, UKDel NATO, and UKDel Vienna.

I am, Sir

Yours faithfully

*Laurence O'Keefe*

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