

Committee: Czechoslovakia 1990  
Topic: Czechoslovakia 1990  
Individual: Vaclav Klaus

## A NEW CZECHOSLOVAKIA

Ever since the Prague Spring in the 1960s, Czechoslovakia's leaders have been thinking of various reforms to fine-tune the nation so that it may become a formidable force in the eastern bloc. There was a time when Prague, the withstanding capitol, was the epitome of culture and economic excellency in Central Europe; however, this was over five hundred years ago under the PreMyslid Dynasty and our nation has struggled to recover from the scars and wounds of history.<sup>i</sup> In fact, it was not until after the fall of the Hapsburg dynasty and assassination of Archduke Francis Ferdinand of Austria in 1918 did Czechs and Slovaks unite under a common flag.<sup>ii</sup> Throughout World War I, neither wanted to fight so they banded together until eventually, after negotiations with Austria-Hungary failed, the Allies would officially recognize them as a sovereign entity. Under the first president of the First Republic, Tomas Masaryk, the government was a successful parliamentary democracy and the economy was among the strongest in the world. Once again, the nation had succeeded all expectations.<sup>iii</sup>

However, everything started to worsen after a new president was elected: Edvard Benes. To avoid another war with Germany in 1938, the Munich Pact was signed, allowing Hitler to invade and reclaim the German Sudetenland.<sup>iv</sup> As the rest of World War II carried out, tensions between Slovaks and Czechs fueled as Slovaks declared independence in their own self-interests; as Prague crumbled under Hitler's regime, Slovaks prospered and entered an increased state of nationality. In fact, it was under German occupation that I, Vaclav Klaus, was born and raised in Prague.<sup>v</sup> I vividly remember the Soviet Red Army marching down my street and liberalizing my country from the fascists. Transitions into the Communist Era and the Velvet Revolution would once again bring Czechoslovakia together.

1989 marked a period of euphoria among the people. However, there is one pressing issue: for so long, we have been united against Communism but without any true intentions of becoming a truly democratic capitalist nation. In fact the word "democracy" was never once uttered by our revolutionaries and rather advocated for the rejection of liberalism so that they may nearly deepen perestroika. Trust for the free market is nonexistent and our politicians have basically placed the evolution of our fragile economy into the hands of the Internet and rising social media entity.<sup>vi</sup> We, as a whole, must abandon our idealistic tendencies and realize that the nation is never going to fix itself without immediate, radical change.

The only realists that realize the capitalist democratic goal of Czechoslovakia are made up of a political group that I am the leader of: the Civic Forum.<sup>vii</sup> If all goes as planned, our former leader, Vaclav Havel will be elected as president of our nation. If he is elected, I implore the committee to consider instituting a traditional parliamentary democracy, which is necessary for an immediate transition into a western-style democracy. This means that the parliament will be split between a faction that supports the current provisional government made up of the Czech Civic Forum and the other faction that supports the opposing Slovak VPN. I realize that many Czechs will be hesitant to place their trust in Slovaks who have time and time again betrayed the nation

for the sake of what was best for them, as can be seen in WWII. With this in mind, my plan may seem counterintuitive, but where there is no opposition, freedom will never survive. As numerous western governments have proven, a normal parliament is the most effective and in the best interest of the people.

To prevent the rebirth of Communism, my proposed system of government will abide by a written Constitution. In the 18th century, a small nation wrote one as well and eventually it grew into the political-socioeconomic powerhouse we know today as the United States. By protecting our people's basic natural rights, it will ensure that the abuse of tyranny will never be an issue, all the while providing a greater sense of nationalistic unity. Concerning the exact articles of our Constitution, we look forward to debating them in committee.

Moreover, as the Minister of Finance of Czechoslovakia, I, Vaclav Klaus, have developed the Klaus Process not just to reinstate the nation's title as the economic superpower of Central Europe, but rather of the entire world. Because I prefer radical reform over gradualism, the plan is made up of four steps that rely on immediacy: eliminating COMECON, liberalizing prices and international trade, and the privatization of successful state enterprises.

We must go beyond theoretical promises that the nation will change and the first step towards making this happen is the complete eradication of COMECON, the destructive economic policy imposed upon us by the Soviets over 50 years ago. Because of its restrictive trade barriers, over 70% of our trade is with other communist nations, thus restricting our economy from its potential. Therefore, by destroying this economic plan we will import competition and therefore increase revenue and quality among private and state enterprises. Being done before the liberalization of prices and wages, we can ensure that we gain control over the nation's macroeconomy before having to risk inflation and loss of employment. As an extra act of precaution, we will impose a regulation that outlaws barter deals between corporations, no matter the need for them, in an effort to avoid drastic influxes of inflation.

Furthermore, we have to look for privatization techniques that are faster than all others in order to take advantage of all the interest groups that have been weakened by the revolution. The only feasible answer is rapid privatization of businesses, which are in fact over 99% state owned. To avoid companies from being able to offer unrealistically high wages that could result in inflation, we as a government must declare subsidies completely illegal. The economy must be for the people by the people and this can only be done if we provide a completely hands off approach. Initially, small businesses will be auctioned off to domestic buyers while larger corporations will be open to employee investment. This will allow employees' voices to matter more when it comes to important corporate decisions all the while keeping the company's best interest at heart. To ensure this is affordable for all, I vouch for the availability of Alternative Payment for Privately Liberated Enterprises (APPLE) investment system, which will work like quasi-money that can only be used for this particular type of investment. By doing this quickly, we can prevent foreign investors from coming in and taking over our economy. All the while, the liberalization of prices and wages is the only gradual effort of the Klaus process for it will basically parallel the level of success the rest of the plan is having.

As a whole, I plan to bring in all knowledge I have as the Minister of Finance with a PhD in economics. In my youth, I studied all over the world, including Harvard

University in the United States along with other western nations.<sup>viii</sup> I am well versed in western fiscal and political dealings that I will use as a base for the radical transformation of Czechoslovakia. I believe that we should give unity among Czechs and Slovaks a fighting chance because if it is successful, our nation will be unstoppable. However, if the Slovaks continue to be a drag on our economy with their unproductive business sector and overall level of untrustworthiness, I find it imperative that we push for separation. I will always put the Czech people first and will do anything it takes to ensure our nation drastically changes without any adverse effects.

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- <sup>i</sup> <https://www.britannica.com/place/Czechoslovakia>  
<sup>ii</sup> <https://www.britannica.com/place/Czechoslovakia>  
<sup>iii</sup> <http://countrystudies.us/czech-republic/19.htm>  
<sup>iv</sup> <http://www.historyplace.com/worldwar2/triumph/tr-czech.htm>  
<sup>v</sup> <https://www.hrad.cz/en/president-of-the-cr/former-presidents/vaclav-klaus>  
<sup>vi</sup> <http://econ.as.nyu.edu/docs/IO/28042/EconomicTransition.pdf>  
<sup>vii</sup> <https://www.britannica.com/biography/Vaclav-Klaus>  
<sup>viii</sup> <https://www.britannica.com/biography/Vaclav-Klaus>