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PP HONG KONG

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TO PRIORITY HONG KONG

TELEGRAM NUMBER 774 OF 24 SEPTEMBER

FOLLOWING FROM WALDEN (PLANNING STAFF) FOR PRIVATE SECRETARY TO THE PRIME MINISTER

CONSERVATIVE PARTY CONFERENCE: PM'S SPEECH  
DEFENCE POLICY AND THE WESTERN ALLIANCE

1. FOR THE FIRST TIME FOR MANY YEARS, THIS COUNTRY HAS HAD TO FIGHT A WAR. WE DID SO AS A LAST RESORT. IT WAS A JUST WAR, AND THANKS TO THE EXTRAORDINARY BRAVERY OF OUR MEN, WE EMERGED TRIUMPHANT FROM THE BATTLEFIELD. WE MUST CONTINUE IN OUR HEARTS TO PAY TRIBUTE TO THOSE WHO FELL. I BELIEVE THAT OUR SUCCESS IN THE FALKLANDS VINDICATES THE HIGH PRIORITY WHICH THE GOVERNMENT HAS ATTACHED TO STRONG DEFENCES.
2. THE LESSON FROM THE FALKLANDS CONFLICT IS THAT WE ARE DETERMINED TO PROTECT OUR INTERESTS, WITH FORCE IF NECESSARY. OUR DEFENCES, AND THOSE OF OUR ALLIES, MUST BE POWERFUL ENOUGH TO DETER SOVIET AGGRESSION. IN THE FALKLANDS, DETERRENCE FAILED. WE CANNOT AFFORD TO FAIL TO DETER THE SOVIET UNION. WE MUST PROVIDE THE RESOURCES, GREAT THOUGH THE COST MAY BE, TO ASSURE PEACE, SECURITY AND THE PROTECTION OF OUR VITAL INTERESTS. THAT IS WHY WE SHALL CONTINUE TO PLAN TO MEET THE NATO TARGET OF AN ANNUAL 3 PERCENT INCREASE IN DEFENCE EXPENDITURE: THAT IS WHY THE COSTS OF THE FALKLANDS CAMPAIGN AND OF MAINTAINING A GARRISON THERE WILL BE MET FROM ADDITIONAL FUNDS.
3. THE SINGLE MOST EFFECTIVE CONTRIBUTION WHICH THE UNITED KINGDOM MAKES TO THE NORTH ATLANTIC ALLIANCE IS OUR INDEPENDENT NUCLEAR FORCES. OF COURSE NUCLEAR WEAPONS ARE TERRIFYING THINGS: IF USED THEY WOULD WREAK AWFUL DESTRUCTION. THAT IS WHY THEY ARE SO EFFECTIVE AS A DETERRENT. WE WOULD ALL LIKE TO FIND A BETTER SYSTEM OF PREVENTING WAR. BUT TO SUGGEST THAT BETWEEN EAST AND WEST THERE IS SUCH A SYSTEM WITHIN REACH AT THE PRESENT TIME WOULD BE A PERILOUS PRETENCE. WE ARE THEREFORE DETERMINED TO PROCEED WITH THE INTRODUCTION OF THE NEW TRIDENT SUBMARINES TO REPLACE POLARIS, AND, IF THE SOVIET UNION WILL NOT ACCEPT NATO'S ARMS LIMITATION PROPOSALS, TO PLAY OUR PART IN THE DEPLOYMENT OF GROUND LAUNCHED CRUISE MISSILES IN EUROPE.
4. NATO IS MORE THAN A DEFENSIVE ALLIANCE. IT IS A COMMUNITY OF FREE AND DEMOCRATIC COUNTRIES WHICH SHARE A COMMON HERITAGE, VALUES AND ASPIRATIONS. BUT WHILE WE MUST AND SHALL MAINTAIN A COMMON PURPOSE, WE SHOULD NOT PRETEND THAT ITS MEMBERS' INTEREST WILL ALWAYS COINCIDE. WE ARE NOT SUBJECT TO THE ARTIFICIAL UNANIMITY OF THE WARSAW PACT. IT WOULD BE WRONG TO PRETEND THAT THE PRESENT DISAGREEMENTS BETWEEN THE UNITED STATES AND HER EUROPEAN ALLIES DO NOT REFLECT DIFFERENCES IN APPROACH TO THE CONDUCT OF OUR RELATIONS WITH THE SOVIET UNION. THESE DIFFERENCES ARE THE MORE PAINFUL BECAUSE OF THE CLOSE UNDERSTANDING WHICH IS THE HALLMARK OF TRANSATLANTIC RELATIONS.
- ~~5. WE HAVE A FRANK AND CLOSE RELATIONSHIP WITH THE UNITED STATES: AND WE CAN TELL THEM IN PLAIN LANGUAGE THAT WE BELIEVE THEIR POLICIES ON THE GAS PIPELINE ARE MISCONCEIVED. WE DO NOT BELIEVE THAT STRAIGHT TALKING WILL HARM OUR RELATIONSHIP. THE ENDURING FAITH OF BOTH AMERICANS AND EUROPEANS IN THE NORTH ATLANTIC PARTNERSHIP WILL ENSURE THAT WE RESOLVE OUR DIFFERENCES. BY EXPLAINING FRANKLY OUR CONCERNS, AND AT THE SAME TIME MAKING A GENUINE EFFORT TO MEET THE CONCERNS OF OTHERS, WE CAN ENSURE THAT THE ALLIANCE WILL EMERGE STRONGER THAN EVER BEFORE.~~

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## INTERNATIONAL TERRORISM

6. TERRORISM IS AN ELUSIVE, BUT DEADLY THREAT TO OUR WAY OF LIFE. THE PURPOSE OF THE TERRORIST IS TO BLUDGEON AND BULLY GOVERNMENTS AND INDIVIDUALS INTO SUBMISSION TO HIS DEMANDS. NEITHER THE BRITISH GOVERNMENT NOR THE BRITISH PEOPLE WILL BE COWED BY SUCH A THREAT.

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7. DESPICABLE IRA BOMB ATTACKS SUCH AS THOSE RECENTLY PERPETRATED IN LONDON WILL NOT SHAKE OUR RESOLVE TO STAND FIRM AGAINST TERRORISM. WE SHALL DO EVERYTHING POSSIBLE TO BRING THOSE RESPONSIBLE TO JUSTICE. OVER THE LAST FEW YEARS, VIOLENCE IN NORTHERN IRELAND HAS DECLINED AND THE RUC HAVE CONTINUED TO ARRES LARGE NUMBERS OF TERRORIST SUSPECTS. INCREASINGLY, COOPERATION WITH THE IRISH POLICE HAS PLAYED AN IMPORTANT PART IN PREVENTING AND DETECTING TERRORIST ACTIVITIES, PARTICULARLY IN BORDER AREAS.
8. OUR FRIENDS AND ALLIES TOO ARE SUFFERING FROM TERRORIST OUTRAGES. WE STAND READY TO DO ALL WE CAN TO CONTRIBUTE TO THE FIGHT AGAINST TERRORISTS THROUGHOUT THE WORLD. THE INTERNATIONAL COMMUNITY MUST DEMONSTRATE A UNITED FRONT IN ITS DETERMINATION TO CONDEMN THESE OUTRAGES AND TO BRING THE PERPETRATORS TO JUSTICE.
- THE EUROPEAN COMMUNITY
9. WE ARE APPROACHING THE 10TH ANNIVERSARY OF OUR MEMBERSHIP OF THE EUROPEAN COMMUNITY. IT HAS BEEN A STORMY MARRIAGE - WE ARGUE A LOT OVER THE HOUSEKEEPING - BUT IT IS A STIMULATING ONE.
10. OUR MEDIA TEND TO PORTRAY THE COMMUNITY AS AN EXPENSIVE, STRIFE-RIDDEN SHAMBLES. THERE ARE TIMES WHEN I GET EXASPERATED MYSELF. WE KNOW A GOOD DEAL ABOUT THE COMMUNITY'S WEAKNESSES. BUT WE HEAR LESS ABOUT ITS STRENGTHS:
- IT IS A LIVING EXAMPLE OF STABLE PARLIAMENTARY DEMOCRACY IN A WORLD WHERE INSTABILITY AND DICTATORSHIPS ARE ALL TOO COMMON.
  - IT IS A MASSIVE AND SUCCESSFUL ECONOMIC UNIT ACCOUNTING FOR OVER A THIRD OF WORLD TRADE AND COMMITTED TO KEEPING WORLD MARKETS OPEN.
  - IT IS A GROUPS OF TEN NATIONS COMBINING TO PLAY A ROLE OF REAL AND GROWING STATURE ON THE WORLD STAGE.
  - ABOVE ALL IT IS A GROUP OF COUNTRIES FIERCELY PROUD OF THEIR NATIONAL WAYS AND OF THEIR INDEPENDENCE, YET WITH THE WIT TO SEE THAT THEIR NATIONAL INTERESTS ARE BEST SERVED BY WORKING TOGETHER.
11. BUT THE COMMUNITY CAN ONLY LIVE UP TO ITS OWN IDEALS IF IT KEEPS ITS HOUSE IN ORDER. THIS MEANS GETTING ITS FINANCES RIGHT. THE PRESENT SYSTEM, BY WHICH BRITAIN PAYS LARGE SUMS TO PARTNERS OFTEN RICHER THAN ITSELF, IS INTOLERABLE. IT IS FUNDAMENTALLY UNJUST. IT IS ALSO SHORT-SIGHTED. WE MUST SHIFT THE BALANCE OF SPENDING FURTHER FROM AGRICULTURE TOWARDS NEW POLICIES AND PROGRAMMES DESIGNED TO TACKLE SUCH PRESSING PROBLEMS AS UNEMPLOYMENT, URBAN DECAY, SECURE ENERGY SUPPLIES, AND THE ENCOURAGEMENT OF NEW INDUSTRY.
12. I AM CONFIDENT THAT THE COMMUNITY HAS THE CAPACITY TO REFORM ITSELF. IT IS AN EXPANDING ENTERPRISE: ONE TO WHICH WE HOPE TO WELCOME SPAIN AND PORTUGAL WITH THE LEAST DELAY. MY OWN GOVERNMENT'S ATTITUDE IS CLEAR: THE COMMUNITY IS AND WILL REMAIN A CENTRAL PILLAR OF BRITISH FOREIGN POLICY.

#### EAST-WEST RELATIONS

13. THIS HAS BEEN ANOTHER BAD YEAR FOR COMMUNISM. IN AFGHANISTAN, 100,000 TROOPS OF THE RED ARMY HAVE FAILED TO SUBDUCE THE BRAVE MEN WHO ARE FIGHTING FOR THE FREEDOM OF THEIR COUNTRY. IN POLAND, THE COMMUNIST PARTY IS REJECTED BY THE PEOPLE AND HAS HANDED THE COUNTRY OVER TO THE ARMY. IN CAMBODIA, THE VIETNAMESE WAR-MACHINE, BACKED BY SOVIET ARMS AND MONEY, STRUGGLES TO IMPOSE ITS WILL. THE SOVIET UNION ITSELF FACES ECONOMIC STAGNATION AND POLITICAL BANKRUPTCY: THOSE WHO DARE TO SUGGEST THAT THERE MIGHT BE ANOTHER AND BETTER WAY ARE RUTHLESSLY REPRESSED. THE COMMUNIST SYSTEM HAS NEVER BEEN ABLE TO PROVIDE EITHER FOOD OR FREEDOM.
14. TWELVE MONTHS AGO THE POLISH PEOPLE WERE MOVING PEACEFULLY TOWARDS THE LIBERALISATION OF THEIR SOCIETY. ALL THEY WANTED WAS A MEASURE OF THAT DEMOCRATIC FREEDOM WHICH WE IN THE WEST SO OFTEN TAKE FOR GRANTED. THE RESPONSE WAS NOT SYMPATHY AND UNDERSTANDING, BUT REPRESSION BY A REGIME ACTING UNDER SOVIET MILITARY AND POLITICAL PRESSURE. THE POLISH AUTHORITIES SHOWED THEMSELVES UNABLE TO TOLERATE THE EXPRESSION OF DISSENT AND INCAPABLE OF REMEDYING ITS CAUSE. THEIR ANSWER WAS TO RESORT TO FORCE AND COERCION.
15. BUT THE CHALLENGE POSED BY THE POLISH PEOPLE HAS SURVIVED. NINE MONTHS AFTER THE IMPOSITION OF MARTIAL LAW, THEY ARE STILL DEMANDING A BETTER LIFE. COMMUNISM HAS FAILED IN POLAND, AND THE EXTENT OF ITS FAILURE HAS REVERBERATED THROUGHOUT THE SOVIET BLOC.
16. WITH OUR PARTNERS AND ALLIES WE HAVE SOUGHT TO PERSUADE THE POLISH GOVERNMENT TO FULFIL ITS UNDERTAKING TO RESTORE CIVIL LIBERTIES AND THE PROCESS OF REFORM. ONLY THROUGH DIALOGUE AND RECONCILIATION CAN POLAND ACHIEVE THE POLITICAL AND ECONOMIC STABILITY WHICH HER PEOPLE WANT.
17. IN RECENT YEARS, SOVIET ACTIONS BOTH AT HOME AND ABROAD HAVE SERVED INCREASINGLY TO UNDERMINE INTERNATIONAL CONFIDENCE. SUCH CONFIDENCE IS ESSENTIAL IF EAST-WEST RELATIONS ARE TO BE MANAGED ON A STABLE BASIS.



18. IT IS VITAL THAT THE WEST SHOULD CONTINUE TO SPEAK CLEARLY AND FIRMLY TO THE SOVIET UNION ABOUT THE NEED FOR RESTRAINT. WE MUST LEAVE THE SOVIET LEADERSHIP IN NO DOUBT THAT PRODUCTIVE EAST-WEST RELATIONS WILL ONLY BE POSSIBLE IF THEY RECOGNISE THE RIGHTS OF ALL COUNTRIES, SMALL AS WELL AS LARGE, DEVELOPING AS WELL AS DEVELOPED, TO DETERMINE THEIR OWN POLICIES FREE FROM INTERFERENCE. IF THEY ADOPT THIS APPROACH, THEY WILL FIND A CONSTRUCTIVE RESPONSE FROM THE COUNTRIES OF THE WESTERN ALLIANCE.

#### MIDDLE EAST

19. THE RECENT EVENTS IN THE MIDDLE EAST, AND PARTICULARLY THE BARBARIC SLAUGHTER OF SO MANY INNOCENT CIVILIANS IN LEBANON, HAVE ONLY SERVED TO STRENGTHEN OUR RESOLVE TO PURSUE A JUST AND LASTING PEACE IN THE REGION. IN THE MIDDLE EAST, AS IN THE SOUTH ATLANTIC, IMPORTANT INTERNATIONAL PRINCIPLES HAVE BEEN VIOLATED: THE ILLEGAL INVASION OF ANOTHER NATION'S SOVEREIGN TERRITORY AND THE DENIAL OF THE RIGHT OF SELF-DETERMINATION CAN NEVER BE CONDONED BY THIS GOVERNMENT. WE ARE DETERMINED THAT THERE MUST BE A FULL WITHDRAWAL OF ALL FOREIGN FORCES FROM LEBANON SO THAT THE LEBANESE PEOPLE CAN BE LEFT TO GOVERN THEMSELVES IN PEACE.

20. BUT WE MUST NEVER LOSE HOPE, AND OUT OF THE DARKNESS OF THE HOSTILITIES THIS SUMMER HAS COME A NEW OPPORTUNITY FOR PROGRESS. WE WELCOME PRESIDENT REAGAN'S COURAGE IN TAKING THIS OPPORTUNITY TO BRING FORWARD HIS NEW INITIATIVE. THIS IS A BOLD ATTEMPT TO RECONCILE THE CONFLICTING ASPIRATIONS OF THE PARTIES. WE HAVE STRONGLY URGED THE GOVERNMENTS AND THE PEOPLES OF THE REGION TO RESPOND POSITIVELY. THE OUTCOME OF THE ARAB LEADERS SUMMIT IN FEZ WAS A FURTHER RAY OF LIGHT AGAINST A DARK BACKGROUND. WE HOPE THEIR UNITED WILL TO WORK FOR PEACE WILL BE RECOGNISED BY THEIR TRADITIONAL ADVERSARIES. THE PROBLEMS ARE IMMENSE, BUT TOGETHER WITH OUR EUROPEAN PARTNERS WE ARE DETERMINED NOT TO RELAX OUR EFFORTS TOWARDS A PEACEFUL AND COMPREHENSIVE SETTLEMENT FOR THIS TROUBLED REGION.

#### NAMIBIA

21. IN SOUTHERN AFRICA WE HAVE BEEN PLAYING A FULL PART IN THE FIVE'S NEGOTIATIONS AIMED AT BRINGING ABOUT INDEPENDENCE FOR NAMIBIA. AFTER MANY YEARS OF FRUSTRATIONS AND SETBACKS WE MAY AT LAST BE EDGING TOWARDS A SOLUTION WHICH COULD HAVE ECONOMIC AND POLITICAL BENEFITS THROUGHOUT THE WHOLE SOUTHERN AFRICAN REGION. IN LARGE PART THE OUTCOME DEPENDS ON THE SUCCESS OF NEGOTIATIONS NOW IN PROGRESS BETWEEN THE AMERICAN AND ANGOLAN GOVERNMENTS. SUCCESS HERE COULD OPEN UP OPPORTUNITIES FOR A NEW AND CLOSER RELATIONSHIP BETWEEN ANGOLA AND THE WEST, AND FREE THE PATH FOR NAMIBIAN INDEPENDENCE - FOR WHICH ITS PEOPLE, AND THE WORLD, HAVE WAITED FOR SO LONG.

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*cc Mr Mount*



Foreign and Commonwealth Office

London SW1A 2AH

1 October 1982

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*Dear John,*

A draft passage on international issues, to be included in the Prime Minister's speech to the Conservative Party Conference, was telegraphed to you in Hong Kong on 24 September. The section on defence policy and the Western Alliance emphasises our determination to maintain our defence effort but does not, perhaps, sufficiently highlight the Government's commitment to arms control.

You may therefore think that it would be useful to insert an additional passage. This would come before the last sentence of paragraph 3 of the original draft so that it would read as follows:

'NATO is seeking arms control agreements with the Soviet Union on balanced reductions with the aim of substantially reducing the levels of nuclear and conventional forces. These efforts will be pursued energetically. We shall support them wholeheartedly, since it is vital to curb the arms race and reduce the level of the balance of terror. But in the meantime we are determined to proceed ...'

*Yours ever*

*J E Holmes*

(J E Holmes)  
Private Secretary

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