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At the College of William and Mary*

"Future Challenges in a Changing World"

by

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Mr. President, distinguished visitors, ladies and gentlemen, I am honored to be invited to take part in this series, especially at a time when we have the important NATO conference in this university. I shall give my own views. Some of them may have already been given to the conference. Some of them may agree with me, some of them may conflict. I will leave you to judge who is right.

Thatcher's Law of Politics is that the unexpected happens, and that when it does, you'd better be prepared for it. And also when it does, you'd better be decisive. I have learned that from quite a long time in the front line. Thatcher's Second Law of Politics is that in viewing the future, and deciding what to do at any given moment, you must have learned from history so that you do not repeat ^{its} ~~these~~ mistakes. You might not necessarily think this should come from a politician, but it does. The deepest things in politics are the enduring principles. The deepest policies are those that will last through different times, different administrations, and always will be necessary to safeguard the future of our country.

I think I got my first Thatcher's Law of Politics—the unexpected happens and when it does you'd better be prepared—from the times when I was very young indeed, because these leave a lasting impression upon you. I can remember, still

remember, the atmosphere of the '30s. I remember it very well. My sister had had a correspondent. We all had, at our school, to correspond with someone in a different language. She corresponded with someone in Austria in German, and I with someone in France, in French. All of a sudden, we had a crie de coeur from the father of my sister's German correspondent. They were Austrian, Hitler had marched in, they were Jewish—could we possibly—if Edith could be got out of Austria—take her in our home?

That brings these terrible events home to you, in a way that nothing else can. We did. We did it through Rotary, a marvelous organization, and she came to be with us for some two years, with Rotary, and people who took her in. And we learned a very great deal of that period.

I'd also learned from being a voracious reader of the newspapers, and listener. I was the youngest in the family, and listened ardently to the conversation of my elders, which I always found so much more interesting than the conversation of my contemporaries. I said I was about twelve at the time. And so, I heard some of the difficulties, the doubts. I heard of the rise of Hitler. But, I heard also sentiments that perhaps some of you would have heard in this country.

There had been World War I. We had lost hundreds of thousands of young men. A whole generation. We never expected to have to go to war again. After all, we were great idealists. We believed in fundamental principles. No one could ever be so mad as to go to war again to stop this great development, the great increase in standards of living, the great hopes for the future. No one would be so mad as to go to war again. And therefore, there was some idea that because we were right,

because we had the right ideas, because we had the right principles, this of itself was an armor against fate. Of course it isn't. Ideals never stopped a dictator. Only stronger weaponry will deter him.

But during that time, therefore, during the '30s there was a resistance to rearmament. There was a peace ballot. And I remember this very vividly, and I remember some people coming back from holiday in Nazi Germany telling us what was happening. We were slow to rearm. And when Hitler marched into Czechoslovakia, first into Sudeten Czechoslovakia where there is a German minority, we were alerted. We couldn't do very much because we hadn't really rearmed. And Neville Chamberlain, our Prime Minister, had to go to negotiate with the dictator, get the best deal he could and was assured that this was the last request for extra territory, the last claim that Hitler had. And he came back with an agreement some of you will remember, called Munich. We were a little bit ashamed, but the point I want to make to you is this: The unexpected had happened and we were not prepared.

Neville Chamberlain couldn't have done anything else at that time. Between that year of 1938 and 1939, we had to rearm as fast as we could. Because of course, this was not Hitler's last claim. The following March, he marched into Prague. The following September, he marched into Warsaw. By that time, Neville Chamberlain had given him a warning that if he continued, we would be at war. We were. All this is etched on my memory.

After World War II, things were different. Very different. We had learned the lessons. We had learned. Then Russia decided to retreat behind an Iron

Curtain. We had learned that we could not disarm, much as we wished to after six years of war, and NATO was formed in 1948—the greatest defensive alliance in the world. It was a marvelous decision. It kept America in Europe, which was vital. Eventually the largest country in Europe became Germany, particularly after reunification, but Germany carries with her the baggage of history of creating, instigating two world wars. And therefore to be certain of peace, you always have to have not only an alliance of surrounding countries, but a country of much greater power, the greatest democratic country in the world.

And so the formation of NATO was quite different from what had happened after World War I. We had learned the lessons of history. I had learned, never appease an aggressor, because he will only get more and more demanding, better and better equipped. So we must at all times keep our defenses strong because the unexpected does happen. And that is why I am the greatest supporter of the continuation of NATO in its present role, its first role. We have a collective security against possible attack. We know not from where, but we must always be prepared. And that role, indeed, must continue.

We have of course a new tyranny to cope with. This has been an astonishing century, and with such great hopes by our forebears. After all of the scientific advances, there was a higher standard of living coming, we could have looked forward to a wonderful century. But we had these terrible tyrannies to fight. Twice against Germany. And then, in 1917, there was held in Russia, the first election that country had ever had. Kerenski was in charge. He won the election. But Lenin and his Bolsheviks seized power. Thus began the new despotism, that of Communism.

Perhaps the worst one, the most total one, the world has ever known. Just as evil as Nazism in the number of people massacred and murdered and maimed, but also a total tyranny: denying freedom of worship; denying freedom of speech; denying freedom to find your own job; denying anyone the right to own property. That began in 1917.

Sometimes, my friends, being in a university, and having been and spent a lot of time at university myself, you will hear people suggest that intellectual attainment will solve all the world's problems. It won't. Intellectual attainment unbridled by deep principles of faith, and love of liberty and law, can in fact lead the world the wrong way. As I often say to people, "Don't say intellect is the whole answer. Karl Marx was an intellectual and so was Lenin and they took the biggest wrong turn in history." So, you always have to remember, so many things. Shear intellect or science, in a way they are neutral—they can be used for good or bad. It's the other principles that you have and believe along with them, that really matter. And this of course, is where the great civilizing countries of America and Britain, the two countries which perhaps are the most devoted supporters of liberty, justice and democracy, come in. And why we, under your leadership, have, in fact, saved the world.

After 1945, when the Russians were not prepared to cooperate in any way with the West, it was a terrible time, but we formed NATO and we went on with life, and that policy has kept the peace, has kept another major war from developing, although we have had many regional conflicts, and was absolutely right. And we must not lose it now. I remember very well, during war time, we

had to make a temporary alliance with Russia. It was so strange; we hated every thing she stood for, but Hitler--instead of attacking Britain, after he had won across the whole of the European continent except for us--instead of attacking Britain, turned and attacked Russia.

Winston who would learn from history--he was quick on decisions because he had to be--had said, "The enemy of my enemy is my friend, and we must support Russia." He was heckled in the House of Commons. "How could it be that you are so staunchly anti-Communist, how could you urge support for Russia?" Well of course Winston was very quick witted. "Oh", he said, "If Hitler had invaded hell, I would make at least a favorable reference to the devil in the House of Commons." And so of course, we had, "The enemy of my enemy is my friend" to support this. And then we came to the end of that period, and the Iron Curtain came down. Unfortunately, it came down in a position which put Poland, Czechoslovakia, and Hungary on the Russian side of the Iron Curtain. I always remember and thought that was a terrible tragedy and a terrible irony. Of course, we were first alerted to the problems because of the invasion of Czechoslovakia by Germany. And then we actually went to war when Hitler invaded Poland and would not, in fact, retreat. And so it was doubly ironic that the war which was fought for their liberty, and so that none of the rest of us should succumb to Hitler, resulted not in freeing Poland, Czechoslovakia and Hungary, but in another kind of enslavement.

We, nevertheless, were unable to do anything about it, except continue with our defensive alliance, which Germany joined in the mid-1950s. So, the formula,

my friends, for peace is strong defenses, and the next formula is technologically advanced defenses.

I am sure many of your military students and your generals who have read as I have the commentaries on why certain wars were won, whether it was the preponderance of a greater army, whether it was a greater skill of the generals, whether it was a new set, a wholly new way of fighting war, or was it that some nations had the latest advanced weaponry. From time to time all of these factors have been responsible for winning a war, and I am certain, others losing.

In our times, I am absolutely convinced that it has helped very much to keep the peace for us against Communism or any other tyrant, because in a free society we have people who have had ideas and they've turned them into technologically advanced products or weapons. And we owe a very great deal to those who went ahead with things like cruise missiles, but also, I well remember the broadcast and when Reagan said, "Now we're going to have a strategic defense initiative." He was ridiculed at the time. In fact, it was absolutely right. Throughout the years of warfare, there has been a common thread. A new weapon established, very soon, induced a new defense. So, when you've got aircraft, you soon have anti-aircraft weapons and fighters. A new weapon induced, a new defense. From the spears, the shield. A new weapon, a new defense. A new weapon, a new defense.

We now have ballistic missiles that can travel further and further, and we are told, that gradually they will soon from one country or another, be able to reach not only America, but pretty nearly all of the countries in the world, as they can travel further. But we have refrained from developing the anti-ballistic weapon, to bring

that missile down before it could succeed in reaching its objective. At least we've had a very minor weapon, the Patriot missile, which taken one by one, was used in the Gulf War. But we deliberately refrained from having an anti-ballistic missile. This is because we did not wish to go into a new round of weaponry.

But now, the missiles are falling into the hands of rogue states. They are being sold from China into the hands of people such as Iran, Iraq, and there is no effective anti-ballistic missile. There's a treaty against it. I recently said that I thought it was time we developed an anti-ballistic missile. There was a time when only the five big powers had these weapons. Now they are being sold to many other countries. Now they can be used in order to reach many countries like some of ours, and we have no effective means of stopping sufficient of them.

And so I propose that we should in fact return to something that was rejected years ago, and put up a global anti-ballistic missile system between all of us, which we all have to contribute, and NATO would be the appropriate body to do it. I believe that most strongly. I believe that as we get more and more of them, and they can go further and further, it would be reprehensible if we did not in fact, take some measure to stop them.

George Bush had the figures for the end of this decade, that there would be twenty countries with ballistic missiles, who also could put nuclear weapons or biological or chemical weapons, on the warheads. There have been nine with nuclear weapons, ten with biological weapons, and thirty with chemical weapons. And that is why I think we should go ahead and in fact, repeal, the anti-ballistic missile treaty and start to have an effective defense. It would be particularly good.

First, you would know you could be defended. Secondly, many of the countries who are paying great sums of money to develop and to get these weapons, to obtain these weapons, would know that there wasn't much point in doing it, if those weapons could be brought down. So, you would not only have a defense, you would have a deterrent to them obtaining these things, and also, of course, they are infinitely terrible when you think of some of the cargoes they can carry in their warhead.

Now, what should we do now, in the light of all of these things? First, keep NATO. Keep its collective military security. Yes, it will have other roles, as it may have with Russia, a kind of partnership for peace, although I myself would not include Russia in NATO at all. She has a very long way to go before she comes to a stable democracy. Indeed, she is having very great difficulty. It was a country which had no rule of law and had known no freedom for a very long time. It is not able easily to come to a stable society.

But let's have a look at where we are now. We keep NATO. We keep her multiplicity of roles. What about the Poland, the Czechoslovakia, the Hungary? Now, I have had no doubt about this for some time. I think we should have taken action. I don't know what's happened to some politicians; they don't like taking decisions quickly at the right time. I found no difficulty whatsoever.

I just have to, before I go on to Poland, Czechoslovakia and Hungary, I should have pointed out that NATO only defends Europe, but it is absolutely vital, if any single country is attacked in another part of the world, when the unexpected happened, and the Argentines stopped doing exercises, and one day turned the exercise into an invasion of the islands, it was because we were such staunch

members of NATO that I was able to in a matter. . . . The invasion came on Friday, that I was able by the Monday just after the weekend, to send a task force of twenty-five Naval vessels down with 3,500 men on board, and another lot from Gibraltar of seven and also with a lot of the supporting equipment. Why did it matter? Because of NATO. I learned very quickly. In NATO one of the rules is, that you must keep all of your ships, all of your Naval craft. . . [omission due to recorder malfunction] the task force sailed on the Monday.

Again, when it came suddenly at the Gulf War, George Bush and I were together. We were two people who could make swift decisions. We both were at the same conference and I said we must never appease an aggressor. That's what I learned from the '30s. We appeased Hitler. We never appease an aggressor. He either gets out, or we have to throw him out. And so, United Nations passed a resolution on the Monday. I was with George Bush in the Oval Office. Immediately, had passed that resolution, some United States planes left from your bases and flew to Saudi Arabia to stop any further invasion into Saudi Arabia, and measures were taken to receive them in Saudi Arabia while I was there. I came immediately back to London, and ours left because we had to make arrangements for them to be received. Ours arrived on the Wednesday. Now that was the speed in which you can act, provided you keep your weaponry up to date, provided in fact you can take a decision.

Now, let me just turn, to why Poland, Czechoslovakia, and Hungary, why when the Iron Curtain came down, why when the Soviet Union collapsed and they became free nations again, why didn't we take them into NATO? Or promise to

take them into NATO as soon as they were able to have the requisite equipment to do so? It is for me, something of a mystery, but then my generation always felt rather guilty we hadn't been able to save them. And certainly, when they became free, it seemed like that they should be taken in. There were various people who said, "Oh no, don't do anything like that yet. It might provoke Russia." My friends, if you're going to have your whole defense policy based on the fact that something you do might provoke Russia, you'll never have a sound, sure defense. You must not let other people determine your defense policy.

When I have been to visit Poland, and when I have been to visit the Czech Republic which is doing extremely well under their marvelous free-enterprise Prime Minister, Vaclav Klaus, and when I have been in Poland, they have said to me something like this: "Don't you understand, Mrs. Thatcher, what it's like sitting here in Poland, throughout the crossroads of Europe," they said. "We were attacked by Hitler. He marched in, and then, in came Stalin," and of course as you know, Warsaw was razed to the ground in the fighting. They said, "On one side we had one enemy, and on another side you had another. Don't you understand that we need the security of NATO?" And I said yes, I did understand, and I understood in Czechoslovakia. There they are, knowing that is their history, and seeing that NATO will not take them in. Well, I think it's a disgrace.

Now at the moment, they are waiting obviously until the Russian election is over because we are a little bit uncertain about what will happen in Russia. It's not surprising that a country that has gone from a total tyranny to a freer society, has found it's not able to come to terms with it. Because it's got no rule of law. What

you've got is, they have gone from a Communist society to a corrupt society, and a corrupt society does not give you the basis for stability or security at all. But, they will have elections. I think, I know who I want to win, but we just have to wait, and I am afraid it is far from a free society in our way. But after that, we really must include Poland and Czechoslovakia and Hungary. We owe that to them. And I believe it's understood that we will. Being a woman I just wish they'd get on with it.

That is one thing. Now, the other thing I must say to you, is in order to stay secure for the free world, it is necessary to continue NATO, it is necessary to continue to have some American presence in Europe. If you're to remain free in Europe, we must, and it is not a homogeneous area, like America. America is homogeneous because you all came here to be American. There have been fifteen different nationalities, fourteen different languages, and some at odds with one another and many disagree more vigorously with one another than they agree. So, you always have to have a country that is bigger, than your main country. Your main country now is Germany, 81 million since unification. And therefore it is vital with, let's say the amount of baggage that Germany carries, always to have American troops in Europe.

The third thing is this. I've long wanted NATO to be able to extend its operations to other areas. The area is drawn really rather rigidly. When the Bosnian terror came up, that technically was out-of-area. Now, this is absolutely absurd. We really must extend our operations. It doesn't mean that the whole of NATO would have to go; it means that selected countries would go and deal with

this out-of-area, but deal with it under the NATO banner. And that should in fact be done fairly quickly and we continue to have as we have, for the Gulf, where there was no out-of-area capability of NATO, but George Bush very skillfully formed what was called a Coalition of the Willing. So, I think, those are things which we could do very quickly.

Now, may I turn to the questions of Bosnia? Bosnia was not a question of lack of military means. We had them all. It was lack of resolve. I could not understand it. We had seen what had happened in Croatia. There had been a peace in Croatia, and fortunately, the weaponry after that peace in Croatia, had been moved into Bosnia, which was asking for trouble. The Serbs were the clear aggressors into Bosnia. We saw what was happening on our television screens. Very different from World War II, when we didn't know what was going on in the concentration camps until after the war. We saw the concentration camps, we saw some of the terrible things that were happening. We'd heard in Vukovar, in Croatia about the awful massacres there and the mass graves, and yet, in Bosnia, we did not take firm action.

Worse than that. Bosnia came to the United Nations. Now it's a fundamental principle of international law--even older than international law--it's a fundamental principle that every nation has the right to defend itself. Just as every person has the right to defend themselves. It's an inherent, moral right. Why then, did the United Nations, which should stand for right principles--the United Nations is no better than the nations that compose it--why then did they all vote to prevent Bosnia from having the weaponry, or the training and the means to defend

herself? It was wrong. It was wrong. Had we done that, supplied her with the weapons, supplied her with the training, then in fact she could have defended herself. No one defends themselves like those defending their homeland. We did not. And it's wrong, and I still find it very difficult to understand why it happened.

Eventually of course, there were people who were starting to arm Croatia, and also starting to arm Bosnia. But that left the Serb aggressor, a cruel aggressor, openly making attacks and also, of course, you saw the terrible things that were happening, you saw the massacres, you've seen now the mass graves. The United Nations decided that, therefore, it had better create safe havens. So, there was a resolution, safe havens and there were some NATO forces, there are some United Nations forces in Bosnia and they had the authority from the United Nations to defend those safe havens, and defending them, often means going outside the safe haven in order to stop an attack. They also had the authority to defend with force of arms the humanitarian convoys to see that they got through.

What happened was very strange indeed. Those powers were not fully used. And so the safe havens were not safe, and there weren't sufficient soldiers allocated to them. So, the very thing people had gone there, we shall be safe there, we believe the United Nations. They were not safe. Indeed, as you know, at the last one, Srebrenica, there are mass graves which have not yet been opened. Again, it was a case of the United Nations letting people down. I feel deeply about this. It should never, in fact, have happened.

At last, there is an accord, the Dayton Accord. I think it's not a model of clarity. It has in fact, provided, as you know, NATO armed forces have gone in

there to try to keep the peace, which there is scarcely a peace to keep, but to try to keep a peace; 13,000 of them are from Britain and many of the supporting services. So, we're all doing our bit. What worries me, is that it's only there for one year. What's going to happen? Are they going to come out? In one year, next November, they're going to have to start to pull out by about June. If they pull out and there is no fundamental peace, it's a great mishmash of ethnic hatred and people cannot forget those hatreds. And whereas they all lived among one another before the war took hold there, they are now in separate enclaves and we are going to have a new situation.

Apart from these things, which we are faced with in the future, there are other very considerable problems. One of the worst, since the collapse of Russia, is the massive increase in nuclear proliferation. There are many, many nuclear weapons which seem to be available in the Soviet Union, which seem to be being got hold of by people and sold outside. An enormous number, and an increasing concern to NATO, is a fear of sponsored terrorism whereby small nuclear devices, and there are quite a number of these devices that are small, or chemical warfare weapons might be used to blackmail. Iraq and Iran could build a nuclear bomb, they could get hold of some of the weapons-grade plutonium, and there are undoubtedly a large number of transactions taking place, some from North Korea, some from Russia. And the amount that's been apprehended coming out through Germany is enough to be very alarming indeed. You add some of that nuclear material to the ease of getting missiles with the absence of an anti-ballistic missile defense, and you can see the very great difficulties we're in.

And some of these states, we call them rogue states--Iran and Iraq and Syria-- would not have anything like the scruples about the use of a nuclear weapon that the nuclear powers have had all of these years. The real danger is, that the fanatical Islamic groups. . . I will not call them fundamentalists. A fundamentalist is a true believer of the faith. A fanaticist is a person who pursues policies which have little foundation in the real faith. Islam is a gentle faith, and it's not an unscrupulous one. What happened after the collapse of the Soviet Union, was that many of these fanatical groups started to destabilize the orthodox Islamic states, and that is a very serious problem. In addition to which, the nuclear weapons, I'm afraid, are getting out.

Now the next really big problem, is of terrorism. Terrorism is defined as the use of violence and threat of violence to inspire fear for political ends. The real difference between terrorism and war, is first that war has to be declared, and anyone fighting fights under the rules of war. In terrorism, terrorism knows no moral code whatsoever and is bound by no conventions. So the terrorist is determined to make maximum use of his power in a free society and it is most difficult to get at everything. You could only operate through intelligence, through artificial surveillance, and if need be, sometimes, by preemptive strike, as occasionally has been done. To some extent, the media helps the terrorist, obviously by giving publicity to what is happening.

Now, in a nuclear age, international terrorism has taken on an increased strategic importance. In by-gone days, when the Soviet Union was still the Soviet Union, they had regarded violence as legitimate to achieve their aim. Indeed Karl

Marx's oft-quoted sentiment that the Communist would be content with nothing less than the violent overthrow of contemporary social order, was well known. But officially, the Russians now adopt the full codes of conduct, and the full ideas that if there were to be a war, which we hope there will not be--because I'm afraid you'll get regional conflicts--then the rules of war must in fact be observed. So, these are the new problems which are infinitely worse.

In by-gone days, Russia would keep a tight hold on her client states. Don't forget, Saddam Hussein only invaded from Iraq after the collapse of the Soviet Union. Russia kept a strong hold on her client states: Iran, Iraq, and Syria. When it collapsed, that hold no longer pertained, and so you're getting far many more local wars and local hostilities and local terrorism than you did in the past. This, I am afraid, is not really very cheerful for anyone, but is something that we have to face in the modern world. We also have to reckon, that the advance of science is constantly putting more powerful weapons than ever before in the hands of evil men.

And so, how does that leave us? My friends, I have but little of your comfort except that we have kept a major war from starting and we have been able to go and put out a number of local wars or could have done, had we taken action quickly enough.

There will always be conflict. Now this is very difficult for young idealistic people to accept. There is always thinking if only we could all live together peacefully. Wouldn't it be nice? It would. But the good Lord put evil in to the hands of men. There will always be conflicts. It is part of human nature. It is part

of the eternal battle between good and evil. There will always be those who are prepared to use force to obtain their objectives. Dictators will not suddenly become an extinct species. And our experience in the Gulf War taught us a vital lesson. Never appease an aggressor. And if we're to adopt that course, and we should indeed, then, we must in fact, keep our defenses strong, so that if we are to resist future tyrants, it's vital that democracies maintain their military strength and keep up their technological lead. It is not strength which causes wars. It is weakness which attracts an aggressor.

My friends, it's not a bad recipe, where I started at the beginning: Thatcher's Law of Politics. The unexpected will happen. So just see that in case it does, you're always fully prepared for it. Better by far to keep up defense to prevent war than to lack strong defenses and to attract war. We at least owe strong defenses to the future generation who are learning so much now at this splendid university. Thank you very much.

I've gone a little over time--women usually do. Could we have questions?

Q: Lady Thatcher, how do you assess the relationship between the NATO alliance and the future evolution of the European Union, especially with regard to Eastern Europe?

A: The European Union will never form a coherent pillar in the NATO alliance. Forget it. Forget it. Never. But here you are with Greece and Turkey virtually at odds with one another over some of the islands. Forget it. The important thing is to keep our military defenses under NATO. If you were ever to have a successful European pillar, which is very, very doubtful indeed, the danger would be that you

had a division between America and the European pillar. The European Union is not a cohesive, consistent force and we must never have the European pillar. We must keep our particular contributions to NATO. And we must extend NATO's duties to out-of-area. And I hope that was clear and brief. Right.

Q: Lady Thatcher, there is a view that NATO should have an option to undertake military activity without United States forces or American command, but still under the NATO flag. Do you consider that approach feasible?

A: There could be in certain instances a British commander. Or a deputy commander. Now, for certain operations, there could be. I wouldn't rule that out. Mostly, I think it would be under an American command, but there are certain activities which we could and should do.

Q: Lady Thatcher, how do you assess the future development of post-Communist Russia, and how important is the reelection of Boris Yeltsin for the security of Western Europe?

A: It's very difficult to assess the future development. I think the collapse of the Soviet Union came much faster than we expected, and there had really been, I think, not sufficient thought. And when it happened, it was insufficient action. It stands to reason that the people who have been kept down and punished, if they had any initiative, can't take easily to a life of responsibility. Also, a nation that has had the total means of production and distribution exchange fully nationalized is going to find it quite difficult to privatize. Although that program is going reasonably well, your hope lies in the younger people who did not know Communism for so long.

Your older people will have known Communism for 73 years. It took 73 years for it to collapse. The hope is with the younger people. We are doing excellent work with them, and have small foundations which have enabled us to bring them over to see how a free society works.

I am more optimistic than I was, although the lack of getting enterprises working, the lack of getting agriculture organized, the lack of improving the transport is meaning the food is not being properly distributed and some people are worse off than before. Now that is the danger. When you come from tyranny to a free society, you can't get everyone out at the same rate. You have to get those people out who can come out and will build businesses up. And I'm afraid it's often meant that in privatizing the big nationalized industries, it would be the former Communists at the top of those industries who were leading the privatization and the ordinary people saying, "There you are: It's that same privileged lot."

Now, this is one of the problems that we have. Nevertheless, I think the privatization is developing. There are large, considerable numbers of small businesses, in fact, starting. But you've got this terrible lack. You can have no free society without a rule of law. There is no rule of law. It was only the diktat of the Communist Party. Very soon after the collapse, I, after I left office, was lecturing in Russia. The young people would ask me, "What's a rule of law?" They wanted to say, why didn't I say "the law," or "the diktat of the Communist Party." A rule of law, of course, is something, we know what it means; it has been developed through the common law through the ages by great judges who have wonderful, marvelous decisions on the basis of equity and fairness. You try to explain equity to a Russian

student. So they don't necessarily have the concepts because they have not had the chance, and so there is no rule of law there, no effective independent law. Of course, all of the judges were accustomed to run up to the Communist Party and say, "What decision do you want?" Now, without that, you have, you have unbridled freedom. It is unbridled freedom for the Mafia and for crime to operate. And that is what is happening.

The danger, then as you know, is what people will want is order. And they will say, "We didn't like Communism, we didn't like totalitarianism, but at least we had order under it." And some of them will go back and say, "Maybe we should have a bit more authoritarianism." That is the danger. What they want is the kind of order they had under totalitarian society without the totalitarianism. So they really want an effective rule of law, so that they can live in some hope of peace again. Now that's the danger.

Now because of this, the former Communists are making quite a comeback, as you know. And the runoff will be between a former Communist and possible Yeltsin, though there are some other very good people like Yavlinsky, but he is only attracting 12 percent or 13 percent of the vote. I don't know what the result will be. I would be fearful if Russia took the path that I am afraid some of the other countries have taken, like Poland, and when they put back former Communists, but the former Communists are saying that we're not like the Communists before. So, I must say this for Yeltsin, he is a believer in a free society. Mr. Gorbachev was a believer in free enterprise, in the economic freedom. Mr. Yeltsin came to see me before he was President of Russia and said "Economic freedom will not last unless

we have political and personal freedom with it." So he is a believer, but it is not easy to turn that great country, the largest country in the world, into a free society.

And one final thing to say, if Russia hadn't had 73 years of Communism but had gone the way towards freedom after fall of the Czars as she was developing free enterprise, she would now be the richest country on earth. Because she has got more natural resources than any other country in the world. She's got oil. She's got gas. She's got diamonds. She's got gold. She's got platinum. She's got all of the industrial metals in abundance. She's got marvelous forestry. She's got a wonderfully rich soil. She just had Communism. If she had a free enterprise society, all of this would have been developed. All of it. But unfortunately she had a tyranny.

So if we can get her through, she has a promising future ahead. But it's going to be a tricky time over the coming three months, and let us hope that they vote the right way and that the reforms continue and that a rule of law gradually comes to those people who need it so much.

Q: This will probably be the final question. Three or four persons have inquired along the same lines concerning the special relationship with the US and the UK. Is it a victim of the post-Cold War period?

A: Is what a victim?

Q: The so-called special relationship between the United States and the United Kingdom.

A: Of course it isn't. It will endure. Of course it will. We're the same kind of people. Look, the whole ideal of western civilization didn't come from Central Europe. It came from the Pilgrim fathers who came from Britain bringing with them the Biblical ethic, bringing with them their freedom and a sense of responsibility. And they knew that as they prospered themselves, they would also voluntarily look after their neighbor. This is very much an Anglo-Saxon belief, and ancient Greece. That's where we got it from--from ancient Greece and ancient Rome. But it is very much that what we know as civilization today is founded on the principle of liberty, founded on the principle of justice and our way of thinking, and also founded on the free enterprise economy. It would just go on because the links are far greater than just people to people. They're history to history. They are principle to principle. They're liberty to liberty. No one else could have done it, but we two. And I know that we're quite small, but we're staunch.

MT/mmp