



10 DOWNING STREET

PRIME MINISTER

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## NEWS SERVICE

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Extract from a speech by the Rt Hon Francis Pym MP (Cambridgeshire), Secretary of State for Defence, speaking at the Horncastle Conservative Association Dinner, on Friday, 14th November 1980

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I was privileged last weekend to be among those who attended the Royal British Legion's Festival of Remembrance, and also to stand before the Cenotaph. Many of those there, like me, must again have had occasion to reflect on the enormous prices that we had to pay in both World Wars by allowing war to start. We had failed to take out the insurance policy of a credible deterrent against aggression and then, because of our lack of preparedness, we had to take so very long, and lose so very many lives, to secure ultimate victory.

Those in Whitehall last Sunday must also have remembered the other great scourge of the Thirties, unemployment, and have had a real desire - as I have - that we must turn every effort to secure a renewed and stable economy. And strong defences can only be built on a strong economy.

Defence is extremely expensive. It has always been expensive, there have always been ways in which the Government of a democracy would prefer to spend the taxpayer's money, and there have always been heavy and competing demands on the national budget. There is nothing new about this but, as in other aspects of our national life, the choices to be made seem over the last few years to have become much starker. The difficulties facing us have become more acute because precisely at a time when our economy is in a decline which must be arrested, the world has become a more uneasy place and the military threat facing us significantly greater. And these difficulties cannot be dreamt, or voted, away.

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It is the Government's responsibility to ensure that the slice of the national cake which the MOD consumes is the smallest that is necessary. But it is also our responsibility to be mindful that the first call on any Government is the defence of the State. It is not only the debt of which we reminded ourselves last weekend that requires this: it is the inescapable duty of the Government to protect the lives of all its citizens, so that it can then help and aid their livelihood. The Government is clear about its duty and about the commitments it made to the electorate in May last year.

We must ensure that our national defence resources, and those of the North Atlantic Alliance as a whole, are used in the most cost effective way; we must strive to secure a lower level of armaments in both East and West; and we must waste neither manpower nor money. But that the country's defence needs both manpower and money we must be in no doubt.

Events over the last 12 months have increased, not diminished, international instability; and only the most biased observer will have allowed it to escape his attention that the military threat we face is ever-increasing. In this situation we must have effective armed forces, they must be properly equipped, and we must have the wherewithal to deter, and, if need be, to withstand attack.

This costs money - a lot of money - and there is no way of avoiding this. You cannot have good quality, properly motivated men and women in the Forces, prepared to do a difficult and at times a dangerous job, and one which increasingly requires

highly technical skills; if they are not paid the proper rate for the job. And that relates directly to the Private Sector. If wages go up in Private Sector they must inevitably go up for the Forces. And if the Services are to do what they are employed to do they must be properly equipped. 3,000 tanks have come off the Russian production line so far this year. You cannot have a credible defence against the highly trained and heavily armed forces of the Warsaw Pact if you make do with old tanks or allow other gaps to arise in your armoury. This is not to say that NATO must match the Warsaw Pact weapon for weapon: that is not necessary. But it is to say that you cannot use a peashooter against a FOXBAT. Re-equipment of the Services is kept at a minimum level and one of my specific aims as Defence Minister has been to resist the quite understandable trends towards over sophistication of weapons systems. But, to carry out their task, the Services do need a reasonable level of equipment, and equipment which is up to date. Even when all the frills have been cut out there remains a quite inexorable increase in the real cost of defence equipment, mainly because it has to be capable of meeting the rising threat. More than 40% of this year's budget will go on equipment, providing in its turn much work for British industry, and many jobs. This represents a substantial, but also an essential, investment for the future.

The case I have to make for defence spending may be inconvenient. But the facts do not go away if you refuse to confront them. And those facts are that this country needs - as much as at any other time in its history - fully effective defences and a credible defence policy; and that is bound to cost a lot of money. Put in that perspective I am not embarrassed about asking the tax payer to make his contribution for the essential benefits which the Defence Services provide.

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