

SECOND REVISION SECOND DRAFT

13/06/91

DRAFT SPEECH TO CHICAGO COUNCIL ON FOREIGN RELATIONS: 17TH JUNE

Tuesday

It is a great honour to be asked to speak to you today.

My theme is wide ranging. It is the future of the post-Cold War world.

How can we secure the great gains which have been made?

How can we help the former communist countries and the Soviet Union make the painful and difficult transition to democracy and free enterprise?

And how and on what basis can we achieve peace and stability in a world where so much of the political map is changing?

The Advance of Democracy

When I first became Leader of my Party, books were being written predicting the collapse of democracy.

But today freedom and democracy are advancing across the world. Not at a uniform pace. And not at a predictable rate. But the

direction is clear.

From continent to continent that will bring prosperity and peace

- prosperity because free enterprise alone can generate wealth and jobs;

- peace because democracies do not make war on one another.

I believe that those of us here today can seriously expect to see freedom and democracy triumph from the Atlantic to the Pacific in our lifetime.

Who could have expected that communism would have crumbled in Eastern Europe, that the Berlin Wall would have come down and that in free elections the Russian people would have chosen a non-communist President?

Already, and for the first time, almost all Latin American countries are now democracies.

Freedom and democracy are slowly advancing in Asia.

India, the world's largest democracy, has just suffered a terrible blow in the assassination of Rajiv Gandhi. But its reaction has proved its democracy secure, in spite of the doubts some raised at the time.

China still seems impervious to political change: but, I believe, that the progress of economic reforms will ultimately change its politics too.

In Africa, South Africa is, of course, heading for full democracy and already has a free economy, the strongest in the whole of Africa. Let us hope that other African countries now make better progress towards multi-party democracies with a true rule of law. For that offers them the best hope of prosperity and stability.

There is nowhere more in need of prosperity and stability than the horn of Africa. The fall of the Mengistu communist Government in Ethiopia removes one of Africa's most bloody and oppressive tyrannies. We want to see governments in this area which are responsible democracies, genuinely committed to political and economic freedom. That is vital for tackling the terrible plight of so many suffering and starving families in the region.

There should be no doubt about why communist regimes have fallen. There should be no doubt either about why freedom and free enterprise are on the march. It is because we in the West set our course by the compass of liberty; that we were prepared to defend our principles in argument and in arms - and because those principles are true.

Democracy, the rule of law and free enterprise triumph when they are put to the test because they satisfy Man's deepest aspirations and ambitions.

His desire to control his own life.

His instinct for fairness.

His wish to improve his own, his family's and his country's well being.

We must nourish our own conviction of the rightness of these things if we now wish others to value and enjoy them.

Not that we should expect plural democracy, the rule of law and free enterprise themselves to provide solutions to every problem. After all, we in the free and democratic West have plenty of political, social and economic difficulties.

But democracy, law and economic freedom are the minimum requirement.

[[Characteristics of Democracy

Different countries must find different paths. That is only to be expected: and indeed it is their right. But when they reach their appointed destination with democratic freedom in its

fullness they will all satisfy three broad conditions.

First, they will be governed through the consent of the majority - expressed in free elections, which must take place regularly within a specified period. And let us remember, for a true democracy, there must always be a party or a combination of parties sufficiently strong to replace the government of the day if the electorate so decides.

Second, freedom requires a fair and just law which applies to everybody - rich and poor, citizens, politicians and government alike. It must guarantee the fundamental rights of everyone. And it must be enforceable by an impartial and independent judiciary, which cannot be dismissed by government. These things we tend to take for granted: others barely know them.

Third, there has to be a free economy in which private ownership and enterprise prevail - and in which state ownership, intervention and controls are minimised.]]

These three are also the pillars of the international structure which we in the West are determined to build.

But we will only be in a position to do that if we keep our own economies and our defences strong.

The Need for Strong Defence

Perhaps the clearest lesson of the 1980s was the oldest lesson of all - that if you wish for peace, you must be prepared for war.

It was a lesson which our leaders forgot in the 1970s, when Western armed forces were scaled down at the very time that Soviet arms stock piles were soaring. And it was a lesson which our political opponents at home refused to learn in the 1980s, when strong defences were the basis for a break through in East-West relations.

You recall how when we deployed Cruise Missiles in response to the Soviet build-up in Europe of SS-20s we were told that we would destroy the chances for arms control. But we refused to be intimidated by the then Soviet leadership. And our determination led to the achievement of the INF Treaty - the first ever treaty to reduce the number of nuclear weapons.

Only through military strength, not weakness, can satisfactory arms control agreements be secured. And even then we have to be vigilant in ensuring that they are fully implemented. Both the spirit and the letter of the CFE agreement have to be honoured.

We welcome the prospect of an early agreement on strategic nuclear weapons. But we must recognise that for the foreseeable

future our defence forces must include nuclear weapons, even though fewer than now. They have proved their ability to keep the peace in Europe, even in times of great political tension.

We should never fail to recall the advice of Winston Churchill:

"be careful above all things not to let go the atomic weapon until you are sure, and more than sure, that other means of preserving peace are in your hands".

So this is the first point to be made about defence - that strong defence will continue to be necessary - and costly.

For technology does not stand still. And let us recall that it was technological superiority which, with the courage of our fighting men, enabled us so swiftly to defeat Iraq's aggression in the Gulf.

All too often, after wars, democracies rush to cut back defence only to find themselves unprepared to face a new threat. We must resolve to resist this temptation. As President Bush has recently reminded us (and I quote)

"The Soviet Union retains enormous military strength. It will have the largest land force in Europe for the foreseeable future.....and be ready for yet another round of strategic modernisation by the mid-1990s."

We must always keep in mind that the only real peace dividend is, quite simply, peace.

But that dividend only comes from sufficient investment in defence and new technology.

NATO and the WEU

Mr Chairman, NATO has been uniquely successful in maintaining liberty. It is not just a military alliance but an alliance in defence of a way of life. NATO must continue to be the heart of our defence, binding each and every member, transcending any other agreements its members may make.

It is in the interests of Europe that the United States should continue to play that dominant role in NATO for which only she is fitted.

The pursuit of a new defence role for the countries of Europe is much discussed. It is certainly true that, within NATO, the European countries should make a greater contribution.

But we should be wary of creating new institutions to replace or put at risk its unique and indispensable role.

The Western European Union has been a valuable forum in which different European countries can discuss their contribution to

NATO. But it would be a dangerous error to give the WEU wider responsibilities than it currently has.

Political institutions, both domestic and international, must reflect the realities of power. And the balance of military power in NATO will for the foreseeable future incline heavily to the United States which alone has the technology and the power to defend the freedom of the West.

It would send quite the wrong signals both to the United States and indeed to the Soviet Union if the WEU began to be regarded as either an alternative to NATO or as an independent and equal partner with the United States in Europe's defence.

Regional Wars and the Middle East

Let me also mention one specific task in which I believe that we have to cooperate more effectively. That is to prevent regional wars, which have had such terrible consequences for the people of Africa and the Middle East. Regional wars also constantly threaten to draw the nations of the world into wider conflicts.

But an aggressor must not be allowed to succeed by the device of making a claim which has little or no legal foundation to a territory belonging to another.

We have to work together to deprive unstable countries, run by

dictators and extremists, of access to advanced military technology and weapons of mass destruction. So I warmly welcome President Bush's initiative to curb the supply of arms to the Middle East.

This is an area of the world which has been fought over more than any other. It is the home of the world's three great religions. It is full of age old tensions and emotions.

For that reason we cannot expect its problems to be resolved quickly. But I give my strong support to those who are now trying to find a resolution to the Palestinian problem. It is right to try to promote negotiations between Israel and the Palestinians and to persevere until the difficulties are overcome.

There is also the outstanding question of Iraq. It is vital that the cease-fire agreement, reached through the United Nations, should be carried out in every particular. Every one of Iraq's undertakings has to be strictly monitored. We must be vigilant in ensuring that Iraq abides by the United Nations Charter of Human Rights, to which she is a signatory.

Many of us consider that so long as Saddam Hussein is in control Iraq cannot be trusted. We will only be able to turn over a new page in history when he is no longer in power.

Transition in the Soviet Union

Let me turn now to a subject which should be on the minds of every lover of freedom: that is the future of the Soviet Union.

If ten years ago President Reagan or I had suggested that we should see by the end of a decade a free election for a President of Russia and for the Mayoralties of Moscow and Leningrad we would not have been believed. Nor would it have been believed that the people should have voted to restore the historic name of St Petersburg to communist Leningrad. But it has happened: the people have spoken. All this is the answer to those who doubted the reforming fervour of the people of Russia.

It was in 1917 that Lenin and the Bolsheviks successfully derailed fifty years of economic advance. Russia before the communist revolution knew a pace of economic progress as fast as the United States. Of course, there as elsewhere, society was far from perfect. But it is interesting to consider how different the future of Russia and the rest of what constitutes the Soviet Union might have been - indeed how different the history of our troubled twentieth century might have been - without the October Revolution of 1917.

Now a true revolution of freedom and free enterprise must undo the damage and liberate the Soviet people from the poverty which communist bondage has left them.

Today's difficulties with reform in the Soviet Union arise because too much still remains of the old system. And there are too many powerful vested interests hostile to change.

There is a wide measure of agreement about the direction of the economic reforms. But to succeed, the main elements must go forward together; for the effects of a partial reform would distort everything. The evidence from Eastern Europe is that the countries which are making the most far-reaching reforms are now furthest on the way to recovery and prosperity.

Devolving Power

Devolving power to the individual republics of the Soviet Union is also vital. We look forward to the treaty between the Soviet Union and the nine major republics which is at present being drafted. I believe it will go ahead faster since Mr Yeltsin's election by the people. We look forward, as well, to the day when the Baltic Republics of Lithuania, Estonia and Latvia are able to exercise their right of self-determination and decide their own future.

But, desirable as devolution of power is, it is not enough just to redistribute it between the centre and the republics. The power of government itself has to be severely limited and the

freedom of people and businesses enlarged. Voluntary institutions of the sort that flourish in our Western democracies must be allowed to emerge. And all of this has to happen within a rule of law administered by an independent judiciary - something totally outside the experience of the people of the Soviet Union.

Changing Attitudes

However, the transition from the command economy to economic freedom requires more than government action: it requires a whole change of attitude: taking the initiative, responding to opportunities, accepting responsibility. It is by convincing people that they can influence their destiny by their own efforts, that you get the best results.

It does not come easily, especially when people have been accustomed for decades to the state taking decisions for them. That has masked - but not removed - their inherent talent. And, I believe, the young people in the Soviet Union are much more willing to seize opportunities and build a better life.

But they can only do so if the Governments of the Soviet Union and the separate republics themselves create the conditions for enterprise. At present, they are often lacking.

What can the West do to help?

How can we support the reforms which have begun?

How can we help the people of the Soviet Union create the structures of political and economic freedom - without just shoring up the old, failed system?

Last year I proposed that a way be found to associate the Soviet Union with the Economic Summit of industrial countries to be held in London in July. I am glad to see the proposal has now been accepted by the countries concerned. I trust that President Gorbachev's presence following the Summit will be beneficial to reform in the Soviet Union.

I have always made it clear that I do not believe that endless credits are the answer to the Soviet Union's problems. But that does not mean we should be inactive.

Twelve years ago, when President Reagan and I took office, we would have given almost anything to see communism crumble, bringing with it all the huge benefits which we knew would follow. The effect of anything we in the West can do now will be comparatively small by the side of the enormous changes which the Government and people of the Soviet Union themselves have to bring about. Small - yes. But crucial. If we fail to make our contribution we should bear some of the blame if this historic opportunity is missed. And not only the people of the Soviet Union would suffer: future generations everywhere would lose out.

So in order to advance our goal of a world of freedom and free enterprise we have to remain strong and we have also to help the Soviet Union accomplish the reforms which are necessary in order to join the comity of democratic nations.

But there is one other condition for peace and stability which is too little recognised: that is the free and full expression of nationhood. For the lesson of history is clear: you can suppress national sentiment, but you cannot extinguish it.

The Power of National Loyalties

Any policy or programme which fails to recognise the power of national loyalties is doomed to failure. Since Metternich devised the Concert of Europe, this is a truth which has consistently first irritated and then defeated diplomats.

Just a few years ago it seemed the height of progressive wisdom to maintain -

that the days of the nation state were numbered;

that a new young generation of pseudo-cosmopolitans would discard the pride and prejudice of their parents;

And that a vast European Superstate would constitute a kind of third force between the United States and a United

Soviet Union, itself still a superpower.

In 1972 in a speech commemorating the Fiftieth Anniversary of the formation of the USSR, Mr Brezhnev uttered these words:

"the national question, as it came down to us from the past, has been settled completely, finally, and for good".

Instead his successors are today more likely to believe that the "national question" is on the point of settling communism - "completely, finally, and for good".

National awareness always attracts the disdain of left wing intellectuals. Others have disliked it too because nationalism has so often been blamed for the bloody conflicts of Europe's past.

But let us remember that throughout history it was because the Continent of Europe was never subject to one political master that freedom survived and progress was made possible.

It was the old continental European Empires - their ambitions and their weakness - as much as national fervour that lay behind the First World War.

It was the ambitions of the Nazis to impose a perverted racial order and of the Communists to impose a perverted social order -

as much as nationalism - that brought about the Second World War.

Nationalism, like any kind of commitment - political or religious - is capable of fanatical extremes. But to aim for a Continent without nations because nations disagree is thoroughly illiberal - and it flies in the face of history.

Nations in the USSR and Eastern Europe

In the Soviet Union, national pride among the people of the individual republics has certainly led to tension and sometimes violence, particularly against vulnerable local minorities. Those problems have been substantially worsened by the policies pursued by the Soviet Government over many years - policies of shifting populations at the whim of politicians and of ruthlessly suppressing cultural identity.

Even now the best hope for implementing the necessary economic reforms throughout the Soviet Union is to disperse power to the governments of the Republics. This will allow new talents to emerge. And it will recruit patriotism to rally people behind necessary programmes of painful reform.

East Europeans attach even greater importance to national pride. In Poland, for example, patriotism and faith together have allowed the people to hold fast to the path of radical economic reform in spite of great hardships.

Yes - there are tensions between differing nationalities in Eastern Europe; nor do I minimise the seriousness of these. But when you try deliberately to construct artificial states, you will always create tensions. For you will run up against the loyalties and hopes of real people.

And if in order to keep an artificial state together, you rely on terror or compulsion exercised from the centre, in the end the whole edifice will shatter - and then the suppressed animosities between its different parts will break out in greater bitterness than ever.

Our best - our only - hope is that the coming of true democracy with strict limitation of central power and maximum local autonomy will, over time, provide a new and better framework for the different peoples to learn to live together.

Nationhood and Europe's Future

It is against this background that we must be wary of the attempt to create a new federal Superstate out of the European Community - twelve nations speaking at least as many languages, each with its own distinctive history and culture. It is a curious folly that just as the Soviet Union is forced to recognise reality by dispersing power to its separate states and limiting government, some people in Europe are trying to concentrate powers at the centre away from national states.

It may seem to those far removed from the centre of debate about the European Community's future that the issues under discussion today are principally economic. But that is not so. They are deeply political - and deeply concerned with relations between Europe and America.

There are risks - of which you will be well aware - that the new Europe could help plunge the world economy into a 1930s bout of protectionism. If that were to happen, it would endanger the prosperity which free enterprise and free trade have created.

Still more serious in the longer term than these risks, however, are the political risks. And these are barely grasped.

We in Britain joined the European Community because among other things we passionately believe in open trade; and that is why we are determined to ensure that the Community should not build barriers against it. For the same reason, we want to enlarge its membership to include the new East European democracies, lending stability to a region that has all too often created a conflict which has eventually involved our two countries.

I believe passionately in true international cooperation - that is cooperation between nation states. And I do not want to see greater cooperation in building a protectionist Europe if the price of that is - as it would be - the collapse of cooperation across the Atlantic.

The cooperation I want to see goes far beyond the confines of the present European Community. What I reject is not internationalism - the internationalism embodied in NATO, in the GATT, in the CSCE and in the alliance which helped win the great victory of Desert Storm. I believe profoundly in such internationalism. That is cooperation between nations, not subjugation to a non-democratic Superstate. It is time to recognise, even in Brussels, that the age of Empire is past.

The United States and Britain

To return to a wider canvas.

The United States and Great Britain have achieved the most beneficial cooperation of nation states in the history of liberty. We must stand together to grasp the opportunities and avoid the risks which the end of the Cold War has brought. And I believe we will.

Fifty years ago our peoples joined together in what Winston Churchill called "the Grand Alliance". That alliance, forged in the heat and intensity of war, has lasted through the trials of peace.

In recent months, once again, American and British servicemen have fought tyranny and injustice shoulder to shoulder. Once again, our two nations have been bound together in a common and

noble cause - to reverse and punish aggression.

I believe that it must continue to be the primary objective of British foreign policy to seek to preserve and strengthen not only the special relationship between Britain and America but also the Atlantic Alliance as a whole.

National interest will rightly continue to be the prime mover of foreign policy on both sides of the Atlantic. But we would be foolish to ignore those things which engage the hearts as well as the minds of the British and American people.

Let us not forget the ties of language.

But beyond shared language, history and culture, there is another force which binds us. It is the force of a shared ideal - our common belief in freedom, based on traditional and democratic institutions.

Winston Churchill put it so well in that famous speech of 1942 in Fulton, Missouri:

"...we must never cease to proclaim in fearless tones the great principles of freedom and the rights of man which are the joint inheritance of the English-speaking world and which through Magna Carta, the Bill of Rights, the Habeas Corpus, Trial by Jury and the

English Common Law find their most famous expression in the American Declaration of Independence.

"All this means that the people of any country have the right and should have the power by constitutional action, by free unfettered elections, with secret ballot, to choose or change the character of the form of government under which they dwell; that freedom of speech and thought should reign; that courts of justice, independent of the executive, un-biased by any party, should administer laws which have received the broad assent of large majorities or are consecrated by time and custom. Here are the title deeds of freedom which should be in every cottage home. Here is the message of the British and American peoples to mankind".

Ladies and Gentlemen, that is still our message. And mankind is listening.