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MO 29/4

20 February 1990

Rin Thinin

Dear Charles,

You may like to
see this. You will
not agree it is

I enclose an advance copy of the speech Lord Carrington plans
to give in Luxembourg today.

conclusion - that

Yours sincerely we should be
Simon Webb aiming to

(S WEBB)
Private Secretary

Tom M

mt

EC into a
defence alliance
as well

20/2/90

Charles Powell Esq

3 copies.

ANNUAL CHURCHILL MEMORIAL LECTURE

"EAST-WEST RELATIONS
AND THE FUTURE OF EUROPE"

Your Royal Highness, Ladies and Gentlemen,

This is the second occasion on which you have done me the honour of asking me to give the Churchill Memorial Lecture. I am greatly flattered. I can claim to have only one minor qualification for this task. When in 1951, almost forty years ago, Winston Churchill formed his last administration, I had probably the most junior and unimportant post in the Government - Parliamentary Secretary to the Ministry of Agriculture and Fisheries. On the very rare occasions on which I attended meetings under his chairmanship, I am quite sure that, had he even noticed me, he would not have had the faintest idea who I was or what I was doing there. But I had the opportunity at first-hand of seeing one of the most remarkable men of the century whose vision and courage has helped to shape our future; a man who foresaw the catastrophe of 1939 and who, afterwards, was one of the first to advocate the unity of Europe and to encourage and to include the German people in that unity. I wonder what he would be thinking of the astonishing events of the last few months.

On the first occasion I was in this hall, though I knew a good deal about Luxembourg and had worked harmoniously with Your Royal Highness' Government over a period of years, I did not know the country or its people as intimately as I know it

now, having lived in the neighbouring country for over four years. At that time I expressed my admiration for this nation and its Head of State, for its determination to maintain its independence and for the staunchness of its friendships. Propinquity has done nothing but strengthen that admiration. I am happy to think that the close relationship which the Grand Duke has with the British Royal Family has in the intervening years been strengthened by his appointment as Colonel of the Irish Guards. I hope His Royal Highness knows how very proud the members of that regiment are to have him as their Colonel.

In the time that I was at NATO I was lucky enough to have as colleagues two outstanding public servants from this country. You are indeed lucky to have such people to represent your interests abroad, and NATO was lucky to have them.

As I have said, I am here for the second time. It may, of course, be that this second invitation can be explained by the fact that none of you was present on the first occasion and any who were have no recollection whatever of what I said. I would be very surprised indeed if that were not true but I thought it a wise precaution before coming here to have a look at what I did say on 27th October 1981 - only eight and a half years ago.

The speech was an exposition of the political situation in Europe at that time. I recorded the progress that we had made in the European Community and welcomed the fact that the ten countries (because at that time there were only ten members of the Community) by their signature of the Treaty of Rome had

inaugurated a new and exciting Western Europe. And, though they might quarrel amongst themselves about subsidies and the price of butter or the pace of integration, they would never again go to war with each other.

I then went on to talk about the military balance, the increasing expenditure by the Soviet Union on conventional armaments and the considerable military superiority of the Soviet Union compared with the West. At that time, unilateralism was very much to the fore, the dispute about intermediate nuclear weapons was at its height, and much of what I said was directed at the follies of unilateral disarmament and the need for prudence and the continuation of our deterrent capability. It was a prudent and probably predictable analysis of the situation as it then was, and it was, if I remember rightly, received if not with enthusiasm then with a good deal of agreement. It was, in effect, the received wisdom of the time and, if I may now confess it, largely written by the Foreign Office.

Eight years in terms of international affairs is not a very long time. Certainly, none of us at that time could conceivably have foreseen the events of the last few months and the staggering changes that have taken place in the Soviet Union and in Eastern Europe. One thing is certain, Europe will never be the same again. It did not ever occur to me that in my lifetime I would see the destruction of the Berlin Wall, the end of Soviet domination of Eastern Europe and the demise of Marxism.

It is therefore just as well for a few moments to reflect upon why this has happened. It has become increasingly obvious over the last decade or so that military power by itself cannot in the long term bring the political and economic rewards which were expected of it in the past. The super powers with their nuclear weapons were, in any situation short of a global war, unable to use the vast superiority they have to impose their own policies. We saw this in Vietnam and in Afghanistan. In Afghanistan the Russians must have realised not long after their aggression that the consequences to them economically, politically and militarily were devastating. It had become a running sore, and every year had united almost the entire membership of the United Nations in a vote condemning their actions. It had done their image in the third world untold harm, and for no discernable object or gain.

Military adventures of that kind are no longer relevant or sustainable. That, no doubt, was one of the factors which triggered perestroika and glasnost. Another factor must surely have been the determination of the Western Alliance to match the Soviet intermediate nuclear missiles. That NATO decision, taken in the face of considerable domestic opposition - to some extent encouraged and orchestrated by the Soviet Union - must have convinced their leadership that the economic consequences of this arms race, escalated as it was by the decision of the US to embark on the strategic defence initiative, was too great to sustain.

To continue a policy of vast expenditure on armaments, to be committed to military and economic aid in Angola, Ethiopia, Vietnam and Cuba, together with the war in

Afghanistan, was too much. Add to that the catastrophic state of Soviet industry still largely in the smoke-stack age, a standard of living deplorably low compared with the West, and worsening every year, and it must have become apparent that radical change was essential. No country can remain a super power by virtue of its nuclear arsenal alone. Nor, indeed, can it retain its military capacity indefinitely with a bankrupt economy.

It may well be too that Mr. Gorbachev looked to the East and observed that the country which in economic terms has, since 1945, been the most successful has no large armed forces and spends only 1% or so of its GNP on defence. In two decades or so, Japan has become one of if not the dominant economic force in the world, with the strongest currency and an influence far wider than any military aggression or territorial takeover could ever have brought.

Thus, in order to revitalise the Soviet economy, Mr. Gorbachev needed two things: first, a reduction in defence expenditure; and, secondly, in order to achieve this without endangering the security of the Soviet Union, stability in foreign affairs. So we have perestroika and glasnost and the withdrawal from Vietnam and Afghanistan and a totally new style of Soviet diplomacy.

What I think is less clear is whether or not Mr. Gorbachev realised what the political consequences of perestroika and glasnost were bound to be or, at any rate, whether he realised that they would follow so swiftly. It was

surely inevitable that, if there was perestroika and glasnost in the Soviet Union, it would follow in the countries of Eastern Europe and that it would also affect the various republics within the Soviet Union itself. Whether Mr. Gorbachev foresaw this or not, it seems that he has accepted that Eastern Europe must go its own way and it has been recognised by several Soviet leaders that force cannot be used to retain unwilling communities in the Union of Soviet Socialist Republics.

How it will all end it is far too soon to say. The situation changes daily. Only one thing is certain and that is that the domination by the Soviet Union of Eastern Europe is over. Whether that will mean that those countries will become more stable, more democratic and more prosperous is not at the moment very clear. I hope so. There is a danger, as with all liberated countries, whether they be liberated from dictators or communism or colonialism, that disillusion will set in if expectations are not fulfilled and if material conditions do not improve. Each of the six European Eastern bloc countries will react differently. I shall speak of East Germany in a moment. But, for the others, it is clear that the problems of Hungary are quite different from those, for example, of Romania. Our policy must be to encourage them all along the road to democracy and the acceptance of the Helsinki accord on human rights and, subject to that progress, give such assistance as will enable them to rebuild their own economies and embark once again on the road to prosperity and freedom.

Mr. Gorbachev, I think, has even greater problems. So far, the reforms have not resulted in any change for the better

in the conditions of ordinary people - rather the reverse. It seems that the popularity of Mr. Gorbachev in the West is only matched by his unpopularity at home. A question mark, at any rate for me, hangs over the proposition that you can revitalise the Soviet economy within what is still essentially a Marxist philosophy and environment. The decision to abandon a one party Communist system and move towards pluralism may be the first realisation in the Soviet Union of that possibility. Is there a credible alternative to Mr. Gorbachev if his policy fails and he alienates both the old guard Communists and the new radicals? Will the events of the last few months lead to the break-up of the Soviet Union? How far is that acceptable to what are rather oddly called the "Conservatives" and would a strong independence movement in the Ukraine be wholly unacceptable to all parties? It is, I think, too soon to know the answers to these questions but the fact that we don't and can't know should help us to shape the policies of the future.

If this is an accurate, if rather general, outline of the situation, and I think it is, we have both opportunities and problems - problems for us as well as for the Soviet Union.

I start first of all with the problems of the Soviet Union. In addition to those which I have already mentioned, there is the problem of Soviet security, which looms large in any Russian mind. For reasons which all of us who know a little bit of history will understand, the Russians are particularly concerned about the security of their homeland. They have experienced through the centuries countless invasions and a particularly bloody one not all that long ago. It is not

surprising that defence plays such an important part in that thinking.

The arrangements sought by Stalin and agreed at Yalta were designed expressly for the purpose of creating politically subservient states along the Soviet border. No potentially hostile country was to be allowed on that border. A buffer zone was created against any aggression from Western Europe. Later, the Warsaw Pact - unlike NATO, a purely military alliance - was set up for the same reason - to counter a perceived threat from the newly-formed Western Alliance. Today, the cornerstone of Russian policy lies in rubble at their frontier and they must be well aware of it. Maybe the Warsaw Pact will remain nominally in existence for a period of time. If it remains of some reassurance to the Soviet Union, it can perhaps serve some purpose but, in reality, it is no longer credible.

The countries of Eastern Europe are no longer tied to their Russian masters. They have abandoned Marxism. The Brezhnev doctrine has been disavowed and could not in the changed circumstances be enforced. It is stretching the imagination too far to suppose that in the unlikely event of hostilities between East and West, those countries would rally energetically to the Soviet call. It may well be that some Russians might go even further and doubt the intentions and loyalties of those countries if war should ever occur.

Thus, in Soviet eyes, the basis on which their security has rested these last forty years has disappeared. To us, the threat they face is not very real. We know the force levels

and dispositions of the NATO forces and, to us, any Western threat is incredible. We must not forget, however, the historical Russian fear of invasion.

We in the West will do well to remember that our security is not best based on the insecurity of the Soviet Union. We must find a way of reassuring them that the cataclysm of the last few months poses no danger from the West, and there is no intention of taking advantage of it.

The second problem which affects both the Soviet Union and all the rest of us is the reunification of Germany. I don't know when this will come about. It may be sooner or it may be later but it will come about and no one outside East or West Germany is in a position to influence the decision one way or the other. If the East Germans want to unite with the West Germans and vice versa, then it will happen. This, at last, seems now to be the general concensus from Mr. Gorbachev to President Bush. Nor would it be wise to adopt any other attitude, whether of dislike or of grudging acceptance. The West long ago accepted the reunification of Germany as desirable. If it comes rather sooner than some had expected, it is a fact which has to be accommodated in any new thinking about the political arrangements and a security system for a future Europe.

But it will raise difficulties both for the Soviet Union and, to a lesser degree, for Germany's allies and partners. Where should and could a unified Germany fit in the existing or future security arrangements? A unified Germany, as a member

of NATO, seems as of now to be unwelcome to the Soviet Union. A unified Germany not belonging to NATO would be an unacceptable proposition for the rest of us. A neutral Germany should not be welcomed by East or West.

What then are our concerns in this changed scenario? In this sea of uncertainty and confusion, and in the rapid and almost daily changes which are taking place in Eastern Europe and the Soviet Union, there are two islands of stability: the European Community and NATO. We would be most unwise if in the foreseeable future we were not to base our policies, both political and security, on them.

The Community, whatever its imperfections, has in a remarkably short time brought together in friendship twelve countries with a long history and tradition of rivalry and war. It would be idle to pretend that it is not more difficult to manage a Community of twelve than of six, or that the progress towards a more united Community would not be made a great deal more difficult by the addition of further members. There are two exceptions to that proposition: should Norway wish to join, there would not, I think, be very difficult obstacles to overcome; and, secondly, it had already been envisaged that, in the event of the reunification of Germany, no obstacle would arise. This does not mean, of course, that there would not be problems to solve.

For the time being, therefore, with those two exceptions, there should be no enlargement. Rather, we should seek, with the new Germany as our partner, to reinforce the

progress that has been made in these last few years.

To add further to our problem by seeking to include friendly countries of EFTA, such as Austria, or countries still members of the Warsaw Pact, such as Hungary, would weaken not strengthen the stability which the Community gives us in this changing time.

This does not, of course, mean that there should not be close economic collaboration with all other European countries. But full membership must be for the future.

In security terms, how are we going to deal with a situation in which the perception of any threat from the Soviet Union is rapidly disappearing? It does not seem likely that public opinion will endorse the continuing level of expenditure for defence forces, nor does it seem probable that in the current situation in the United States, with a large budget deficit and a balance of payment problem, that there will not be a radical re-think of the American contribution in Europe. We have indeed already seen the beginning of this inevitable trend both in the USA and Europe.

How then are we to ensure our security in these changing circumstances? We must at one and the same time be seen to grasp the opportunities which are clearly there to live securely in a world of greatly reduced weapons and defence expenditure, whilst at the same time ensuring our safety until such time as there is evidence that the military threat has gone for good and the weapons with which it could be carried out have been

destroyed.

At the present moment, though we may say with some certainty that the changes in Eastern Europe are irreversible, we cannot be absolutely sure that this is so in the Soviet Union. What if Mr. Gorbachev fails? The military potential in weapons and men still remains and, though as of today the threat of war seems to be very remote, a different leadership might have different intentions. No responsible politician should take chances with security. Before we decide to reduce our defence, we must see the evidence of the destruction of the military capacity of the Soviet Union.

I do not believe that there can be radical change in our arrangements until the conventional forces on both sides have been reduced to such an extent that aggression across the borders in Central Europe is out of the question. Tanks, artillery, bridging equipment, attack aircraft - all those items of equipment which are offensive in character - must be at a level which reassures both sides that conventional war on a large scale is out of the question. This means that there must be a greater impetus given to the talks in Vienna on conventional arms reductions. Fortunately, it is in the interest of both parties that this should happen. We must be realistic however. To reach agreement and reduce these weapons with proper verification of their destruction will take some little time and, in the intervening period, there will be pressures for unilateral reductions which it will take courage and leadership to resist. NATO must take the lead in speeding up these talks and there should be a greater political input

than is usual in the alliance if the necessary impetus is to be achieved. Each country might, for example, designate a senior Minister to sit on a steering group under the chairmanship of the Secretary General of NATO.

At the same time, of course, the USA will be continuing negotiations on the reduction of strategic nuclear weapons. Future progress depends then on the Vienna talks, whose success is an essential prerequisite of further change.

So, NATO will remain vital for us. And it must be a NATO which includes a united Germany. Herr Genscher has made some proposals which should allay Soviet fears of such a move.

But when and if we reach a situation in which the threat of large-scale aggression in Central Europe, leading inevitably to a third world war, would, to all intents and purposes, have disappeared, there will be an opportunity, and indeed a necessity, to re-think our political and security strategy. What shape should it take and what would be the most practical form?

Let me emphasise that what I now say lies very much in the future, and depends on successful arms control talks, the verification of the destruction of weapons of aggression and the continued progress of democracy in Eastern Europe and change in the Soviet Union.

It has never been clear to me how in the long term a Community increasingly close, economically and politically, can

exclude from its authority and deliberations the question of its own security. As time goes on, the increasing integration of the twelve makes the exclusion of defence from its concern less and less credible. It is an anomaly which can easily be remedied by amendment of the Treaty of Rome. There would be problems. The Irish Government's policy is that of neutrality but I cannot believe that there would be objection on their part to involvement in the defence of a Community to which they are so closely tied. There are too the other European members of NATO who are not members of the Community, particularly Norway and Turkey - the only two countries which have a border with the Soviet Union. I see no difficulty in associating them with any arrangements which the Community may make.

But most important of all is the vital matter of the association of the United States (and Canada, if it so wishes) with the Community now responsible for its own security. This would be the most important element in the new structure. The involvement of the USA in the defence of Europe is both necessary and reassuring - necessary because of its nuclear strength, and reassuring because of its economic power and the long-standing friendship and alliance of interests between us. I would envisage a treaty between the USA and the Community, the stationing of such forces as were considered necessary in Europe, and a close economic collaboration between the European Community and the USA. It would be for the Community in association with the USA to assess and decide on the level of defence effort.

In the Community there would be a close military and

technical collaboration between Britain and France, with their nuclear weapons, and the removal of the French problem over integration in the military structure of NATO would be attractive to the French Government.

At the same time we should seek an accord with the Eastern European states to create an Austrian-cum-Finnish treaty style of regime in those countries, limiting the level of their defence forces and creating a neutral zone in Central Europe reassuring to both Russians and ourselves.

Such an outline plan would, it seems to me, have several advantages:-

It would tackle realistically the changed situation of a much-reduced threat, a new Eastern Europe and a reunited Germany.

It would, by treaty, retain and need a close association, both military and economic, with the United States - an objective recently emphasised by the Secretary of State, Mr. Baker.

A united Germany would be firmly anchored in the European Community - something which should be reassuring to the Soviet Union and greatly welcomed by Germany's friends and allies in the West.

For the Americans, there would be an opportunity greatly to reduce their defence effort in Europe whilst

still retaining an involvement in European affairs.

For the Soviet Union, an Eastern Europe neutral and non-allied politically and militarily, creating a zone of reassurance for the Soviet Union.

For the Eastern Europeans, there would be economic help and collaboration with the Community and, in their difficult economic situation, a large saving on defence expenditure.

For the EFTA countries, close collaboration with the European Community, short of political and security matters.

Some umbrella organisation to provide a forum for debate and offer a means of coordination may well be necessary, and perhaps a revitalised and revamped Council of Europe would be a suitable vehicle.

There are, and it will no doubt be forcibly pointed out, many drawbacks and unanswered questions in what I have suggested. For example, it will be necessary in some form to guarantee the existing 1945 Eastern European boundaries. But a lot of thinking has to be done if we are not going to risk missing the opportunity in these changing circumstances to create a more sensible and stable Europe.

I, who from boyhood was brought up first of all in an age where the inevitability of a Second World War was widely

recognised and cast a shadow over our lives, to a period after the Second World War when we lived for forty-five years in a world of suspicion and distrust and vast expenditure on weapons of destruction, have seen for the first time in my life a realistic opportunity to create something better. We shall not do it if we are too timid in our thinking, nor shall we achieve it if we do not understand that we cannot buy our safety at the expense of somebody else's insecurity.

Sir Winston Churchill made a speech to the House of Commons in August 1945 which, it seems to me, has its echoes today. He said this:-

"I do not underrate the difficult and intricate complications of the task which lies before us. I know too much about it to cherish vain illusions.

"It is a time not only of rejoicing but even more of resolve.

"When we look back on all the perils through which we have passed and at the mighty foes we have laid low, and all the dark and deadly designs we have frustrated, why should we fear for our future? We have come safely through the worst."

20th February 1990.