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AMERICAN-EUROPEAN COMMUNITY ASSOCIATION

LONDON

"NATO - A COMMITMENT TO THE FUTURE"

MONDAY 16TH SEPTEMBER, 1985

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I have been at NATO for over a year now, and there are things about being Secretary General which I am beginning to understand. Others remain a mystery. Like this evening, for example, when I was invited to what promised to be - and has indeed turned out to be - a most enjoyable dinner; and yet was enjoined, unambiguously and even in writing, to make a serious speech.

For those of you who may not have been warned, there is still time. Just. For the rest, I will state two assumptions. The first, uncomfortable though it may be, is that all this business about a serious speech was seriously meant. The second is that a good number of you must have a bus to catch - metaphorically speaking, that is.

I shall not, therefore, burden what is meant to be a speech with an eye to the future with too much about the past; but let me nevertheless begin by recalling a point of some possible relevance to my presence here this evening. Little more than a decade ago, the European Community embraced less than half of the European members of NATO. Today, it includes eleven of the fourteen. And it is an increasingly significant influence on the relationship between North America and Western Europe on which the strength of the Alliance will continue to depend.

To say that is to invite questions, not to answer them. Is that influence a benign one? If yes, can it be made more so? And if not, why not? And what should we be trying to do about it?

These are important questions: for the United States and Canada; for the European Community; and for the Atlantic Alliance. And it is not enough that they should be asked. They need also to be placed in a framework where they can be analysed both individually and in relation to others, and found well-judged answers accordingly.

A student of international relations might reasonably seek to measure the adequacy of the intergovernmental institutions we have set up by the extent to which they encourage analysis and balanced judgement of this kind; and a student of international relations might equally reasonably come up with some not very complimentary conclusions.

It is indeed difficult to see much of a plan in the welter of Western institutions which, in descending order of membership, goes from the OECD through NATO, the IEPG, the Eurogroup and the Community down to the WEU. And which includes - though in a rather different category - the annual, primarily economic summits.

Between them, these gatherings concern themselves with the whole range of issues - economic and financial as well as military and political - which do so much to determine the present and future strength of the Western democracies. But "between them" is a figure of speech; and what is most noticeable in the real world is a marked dichotomy between those that deal with economics and those that deal with defence. The Community, for example - now nearly thirty years on - still works towards European Union, while its Defence Ministers have yet to meet. Defence Ministers for their part, both in NATO and in the Independent European Programme Group have been convinced for some time of the urgent need for more effective co-operation in arms research, development and production; but there is no institutional way for them to consider the matter collectively with their colleagues in Industry and Finance - or with those in the Commission who are working to keep Europe in touch with the leaders in high technology industry.

I could multiply examples; but it is perhaps already clear that the system - if such it can be called - works rather as British governments would work if Cabinet committees met more and more frequently and the Cabinet itself never met.

That was not what the founding fathers intended. Either in Europe, where the present community grew out of a vision which included defence as well as coal and steel. Or in the Alliance, where the North Atlantic Treaty talks not only of defence, but also of eliminating conflict in international economic policies and encouraging economic collaboration.

There is, in short, no lack of material for those whose minds turn easily to institutional reform. It is certainly possible to trace in the imagination the steps which might lead to the first joint meeting of the North Atlantic Council and a Community General Affairs Council (Security). And possibly even beyond: to joint working parties on cereals or citrus or special steels - or whatever else might at the time be thought likely to spark off the trade war so beloved of the headline writers; and to high-level task forces, with strong support from the Commission, to push through some real progress on arms co-operation.

Certainly possible - at least in theory; but perhaps not very fruitful. Because the view that institutions must be perfected before problems can effectively be tackled is not without danger; and the danger is that we would be overwhelmed by an accumulation of such problems long before the institutional utopia were reached. I, for one, would therefore have no quarrel with the advice that we should take the institutions more or less as we find them; do our best to make them work better; and concentrate for the rest on practical ways of dealing with practical problems. But advice of this kind, however sound it may be, does not of itself help to identify, balance and resolve the issues which are made more difficult precisely because they do not fit easily into the institutional structure.

One example, which I have touched upon already, is the trade war syndrome. Trade wars are now commendably economical of human life; they are not, as the saying goes, televisual; and they don't happen very often anyway. Which is just as well, because we can't afford them.

As a farmer, I contribute my bit to the grain mountain and thus have some slight personal interest in the trade war business. British farmers, as you know, are overworked, under-rewarded and at the mercy of weather and Whitehall. No finer or more deserving body of men and women could be imagined.

As Secretary General of NATO, my interest is both less personal and less easy to define. It lies in maintaining, and if possible increasing, the strength of the metaphorical glue which holds the Alliance together. There is no single instrument of policy to achieve this; and we must weave together many strands if we are to maintain a fabric which is sufficiently close-knit and resilient to do the job.

Some of these strands are very much the day to day business of the Alliance. For example, the collective assessment not only of Soviet military capacity, but also of Soviet foreign policy and the strengths and weaknesses of the Soviet economy; the elaboration of Allied strategy; the identification of deficiencies in what we have available to implement it; the consequent setting and monitoring of the appropriate force goals; and a regular programme of exercises which ensures that there is very much more to collective defence than fine words in planning papers.

There is also an important role for NATO in building up the consensus, both between and within member countries, which is the essential foundation of defence policy in a democratic alliance. But that is also very much a national responsibility - as nations never fail to remind me when I ask for more money for the NATO Information Service.

Consensus of the kind I am describing depends on two things: that NATO policies should be understood and seen to make sense; and that people in member countries generally should see the Alliance as a joint endeavour from which each benefits and to which each contributes its share. That there is no room for complacency in either respect is underlined on the one hand by the nuclear debate and, on the other, by the heightened political profile which has recently been given to the question of burden-sharing. The two, as it happens, are not unrelated: because anti-nuclear sentiment in Europe contributes to criticism of NATO and of the United States; and because the fact of vulnerability to nuclear attack makes at least some in America increasingly impatient of what they see as an insufficient European effort on the conventional side.

There is, in short, plenty of scope for misunderstanding - and for misunderstanding of a kind which is not necessarily overcome by the statistical demonstration of who is already doing what. I am not talking here about those who know the facts and figures, but who believe that we could all - Americans as well as Europeans - produce a bit more by way of effective output. I happen to believe that myself; and NATO is at present working hard to do something about it.

What I am concerned about is the residue of bad-tempered dialogue of the deaf which can be detected in some manifestations of the burden-sharing debate. I have in mind here those in Europe who seem to think that the American interest in the security of Western Europe is so lastingly evident to the US taxpayer, and so overwhelmingly strong, as to need no help from this side of the Atlantic. And those in America who argue, even if they may not entirely believe, that the job of providing an adequate counterweight to Soviet military power in Europe should be left to the Europeans, to do or not to do as they think best; and that the United States can safely be indifferent to the result.

Neither of these points of view is at present representative of mainstream opinion. Nor, in their extreme form, do I think them likely to become so. But these are dangerous undercurrents nevertheless; and we should not underestimate the extent to which they could become more so if the economic and commercial relationship between the two sides of the Atlantic is allowed to deteriorate - with a consequent strengthening of anti-American feeling in Europe; and, in the United States, of the feeling that Europe is in one way or another growing rich at America's expense.

The answer lies in partnership; and a partnership is a far-reaching thing. That is brought out very clearly in the North Atlantic Treaty, where it provides that an attack against one or more in Europe or North America shall be considered an attack against all. If our security interests are to be reliably safeguarded, it is surely important that the same spirit of joint endeavour and mutual commitment should be brought to bear in the economic field. Not only, I would suggest, in transatlantic relations; but also in the way in which the industrialised West approaches the problems of development and underdevelopment in the third world. Because these too have implications for our security.

I am not trying to attribute blame to one side of the Atlantic or another; and neither am I trying to extend the role of NATO as such. But I do think that Western governments need to ask themselves whether their view of security - rather than defence, strictly so called - is always wide enough; and, if so, whether that wider dimension is adequately provided for in the day-to-day business of international affairs. In the case of transatlantic relations, there may be particular food for thought here for the members of the Community, who have attributed wide-ranging powers in the field of trade policy to a Commission

whose portfolios include neither defence nor the politico-military aspects of foreign affairs. In the case of North-South relations, there are caps which ought to be tested for fit on both sides of the Atlantic. I have not the slightest doubt that the model which we in the West have to offer is much better than the Soviet one. But the aim must be to convince others, not only ourselves; and, while the most relevant institutions are the preserves of Ministers of Finance, there are times when some of the most relevant considerations may not be.

My reference to the responsibilities of the European Commission leads on to another area where problems of substance are compounded by problems of procedure, because the institutions do not always match the demands which may be placed on them. There has, as you know, been renewed interest in the idea of a stronger European defence identity; and I have an interest of my own to declare here: I am for it. For it, because it would be an effective antidote to the debilitating idea that defence is something that Europeans have to bother about only to please the Americans or contribute to an American-dominated Alliance. And for it, because it would help to ensure that security considerations are given their proper weight in dealing with the sort of questions I have been talking about. But the problem with the idea of a stronger European defence identity is that there is still no consensus about what we mean and how we expect to get there.

One approach is the reactivation of the WEU. Some of my best friends are in the WEU. And, more seriously, I have no doubt that there are things which it could usefully do, by getting Foreign and Defence Ministers to apply themselves together to the right issues. But there is also a disappointing side to the recent focus of attention on the WEU, because the reasons for looking to the seven are at least as much negative as positive: there are things which could usefully be done in the twelve, or by all the European members of NATO; but which can't be done because one or more - no names no pack drill - won't agree.

For as long as these developments are a fact of life, it will no doubt be sensible to accept them as such; and to begin, or to do, at seven what cannot now be done in a wider grouping. But the implications for the Alliance as a whole will need to be kept very carefully in mind. To build up a European defence identity by weakening the security link between Western Europe and North America would put at risk the security we seek to strengthen: the aim should be to build up the weight which can be placed on one foot, not to shoot ourselves in the other. And I would be concerned also at any suggestion that the seven European members of NATO who are not members of the WEU, or the three who are not members of the Community, were being less involved than they should be.

Here again, it is a question of ensuring that security considerations are properly taken into account. I was strongly in favour of political co-operation among the ten when I was Foreign Secretary; and I am no less strongly in favour of political co-operation among the twelve now that I am Secretary General of NATO. But the job must be done in a way which serves to strengthen the wider cohesion on which the Alliance depends; and that in turn will mean ensuring that political consultations within NATO - which bring in Iceland, Norway and Turkey as well as the United States and Canada - are not taken any less seriously. And if anyone doubts the political and strategic importance of that, let them look at a map, look at the figures and see for themselves what the countries I have mentioned contribute to our common security.

I mentioned buses at the beginning of these remarks; I have not forgotten them; and I won't look for more examples to illustrate my theme. The central point is a simple one, and an important one: that the security interests of North America and Western Europe are bound up together; that they are best defended and promoted in partnership; that the strength of that partnership can be affected for better or worse by a variety of factors which need to be weighed one against the other by governments collectively; and that the collectives in which governments have chosen to group themselves for various purposes are not always sufficiently flexible, or sufficiently compatible, to allow this to be done as effectively as one might wish.

The answer I would like to suggest is not that things will be hopeless without institutional reform. It is rather that governments themselves should have the wider picture of their security interests constantly in view; and thus be ready to identify in good time any signs of trouble where there are mis-matches of substance, of membership or of departmental responsibility in or between the institutions. If these conditions are met, then I am optimistic that the problems themselves can be solved by making full and imaginative use of the many channels already open to us.

That wider security picture will not, of course, appear identical in every capital; and effective collaboration will mean allowing for difference as well as emphasising common features. But the picture will become dangerously blurred if we do not keep the main focus on NATO and collective defence - and find the means to take policy decisions accordingly.

The Alliance is a defensive one. Not in the sense that we have any reason to feel defensive about the relative powers of attraction of the Western and Soviet systems: where peaceful competition between the two is concerned, the writing is on the Berlin Wall; and, despite a recent coat of whitewash, it reads as it always has - "we lost" in Russian. But defensive in the sense that we shall never be the first to use our weapons; and that we keep them only to ensure that we are left to go about our business in peace.

To do that, we shall need to go on doing what we have done so successfully up to now: which is to maintain a sufficient counterweight to the military power - both conventional and nuclear - of the Soviet Union. The task is certainly within our means - but we cannot afford to take its accomplishment for granted; or to regard security as residual concern of government, to be bothered about if there is time and resource left over after the rest of the day's work is done. Security is rather the essential foundation, without which governments cannot hope to build soundly what they seek to do in other fields. We must see to it that that is how it is weighed in the balance when policy decisions are taken, both domestically and internationally.

So security begins at home. And the wider picture goes beyond NATO. But the Alliance, and the transatlantic partnership on which it rests, remains crucial if we are to get the rest right. And that is what I mean when I talk of NATO as a commitment to the future. It is a commitment which remains in the best interests both of America and of Europe; and which both adds to and depends on the strength of the transatlantic relationship. A relationship to which your Association has contributed much and has much to contribute. Which allows me to conclude by indulging a selfish pleasure - that of wishing you continuing success.