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EMBARGOED SUMMARY - CHECK AGAINST DELIVERY EXPECTED

ABOUT 4.30 P.M. PARIS TIME, 1 DECEMBER 1986

LORD CARRINGTON SAYS UNITED STATES EXPECTS EUROPEAN DEFENCE IMPROVEMENTS

PARIS - North Atlantic Treaty Organization (NATO) Secretary General Lord Carrington said Monday that mid-term U.S. election results heralded a spotlighting of U.S. expectations in Europe in the burden-sharing and conventional defence improvement fields.

He told the assembly of the seven-nation Western European Union (WEU): "As for burden-sharing and conventional defence improvements, you will know as well as I do of the need for European members of the alliance to do more - and to be seen to do more. Let me add this. The result of the mid-term election in the United States and the assumption by Senator (Sam) Nunn (D-Ga.) of the chairmanship of the Senate Armed Services Committee will bring this subject to the fore. Senator Nunn is a staunch supporter of NATO but equally firm in his belief that a greater European effort is required. This is not a subject that is going to disappear."

Lord Carrington said that Europeans "must" pool their efforts, and asked: "Why not set up European research and development establishments in key equipment sectors, with joint or common funding? Or is that too revolutionary? What about the establishment of a defence industrial policy worth the name, supported by common acquisition and procurement regulations and practices?"

Lord Carrington said the primary importance of the WEU lay in the commitment that signatories should "afford the party attacked all the military and other aid in their power," a commitment that was even more binding than that of NATO. Arms co-operation and a greater conventional defence effort were at least two areas in which NATO's European partners and the WEU could "do a great deal to promote a more effective European defence identity."

NATO's highest official said he regretted any NATO nation falling short of the target of 3% annual growth in defence spending.

He pointed out that of the seven WEU members (Britain, France, West Germany, Italy, Benelux) only two have declared plans for growth of around 3%. "I must warn you that ... now we shall be leaving a dangerous legacy of neglect to our successors and to the people of West Europe," said Lord Carrington.

He emphasized that the cost of failing "is not just financial; it affects the very foundations of our free society and the world in which for 40 years we have lived in peace and prosperity."

And he added: "Defence is the most important social service of all."

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Full text of Lord Carrington's speech follows:



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ADDRESS BY THE SECRETARY GENERAL OF NATO
THE RT HON THE LORD CARRINGTON

TO THE
WESTERN EUROPEAN UNION ASSEMBLY

PARIS
MONDAY 1ST DECEMBER 1986

CHECK AGAINST DELIVERY
EMBARGOED UNTIL 16.30 HRS LOCAL TIME, 1ST DECEMBER

I am honoured to be invited to address your Assembly today. I sometimes think that those of you who regularly attend occasions of this kind are a little like those dedicated fishermen who are to be seen sitting under green umbrellas beside rivers and lakes in all weathers. Like you, they have to sit through long periods of tedium in the often vain hope of the occasional moment of excitement. Unlike you they seem to enjoy it. I will do my best if not to produce enjoyment at least food for thought.

I suppose that, if a public opinion poll were held within the seven countries who make up the WEU, asking what the man in the street knows about the great organisation formed over the past forty years to link Western Europe, most people would immediately think of the European Economic Community. It has always been the case that, at least in times of peace, men and women are concerned above all about their standard of living and how well off they are compared to their neighbours, and compared with how they themselves lived a few years ago. Mountains of butter and lakes of wine are the ingredients which make headlines for the tabloids and headaches for the treasurers.

And I dare to guess that NATO would probably be the second most widely familiar body, if only because at fairly regular intervals vocal minorities protest or complain about something NATO has done or is supposed to have done or has not done.

However unfair it may seem, I am pretty sure that the WEU would be much less recognised, less well-known, to the public in general. Well that no doubt is a pity, though not necessarily a catastrophe. Because to those who concern themselves with the politics, and in particular, the politics of defence, of Western Europe, the WEU is well-known indeed, and much respected.

Over the past couple of years, under the active stewardship of Alfred Cahen, a major effort has been made to establish, through the reactivation of the WEU, something which has come to be called a European defence identity. After all we are European and it is the defence of Europe with which we are naturally primarily concerned. If that is what a European defence identity means, I am very much in favour of it. It would be a source of weakness, not only to Western Europe but to the Alliance as a whole, if our defence efforts came to be regarded by the general public not as an essential element in our own security, but as a tribute to some long established totem. An effort which can be seen as national defence has an immediacy which simply making a contribution to NATO does not. We Europeans, having pinned so many of our hopes for the future on a Community which has no responsibility for defence, need to be particularly attentive to the danger that the requirements of defence may be relegated to a secondary importance in the minds of the 12 members of that community.

I hope that my credentials as an advocate of the usefulness of the WEU have now been established. In my view, the primary importance of the WEU lies in the commitment that underlies it. That commitment, embodied in the Brussels Treaty provides that the parties should "... afford the party attacked all the military and other aid in their power". It is a more binding commitment than that of the North Atlantic Treaty and because of that it joins the seven countries very closely together. You can therefore make a great contribution to defence collaboration within Europe and across the Atlantic.

Some people spend a lot of time calling for new institutional structures to improve our efforts. It would be hard to deny that we are not ideally served by those we have at present. Of the European members of NATO, the French are not members of the EUROGROUP. The process of political co-operation within the Community, for reasons which are well-known and fully understandable - though not necessarily wholly admirable - does not address defence issues. And the WEU leaves out seven of the fourteen European members of NATO, including the two which happen to share frontiers with the Soviet Union.

There is no way in which we are going to reform or recast these institutions to remedy their deficiencies. It is much more constructive to try to make them work more effectively together towards what is, after all, our common objective: to strengthen the contribution of the European allies to the transatlantic relationship, which is the cornerstone of our security.

So let me, and I hope you will not think me presumptuous, suggest that there are at least two areas in which the European partners in the Alliance and particularly you in the WEU could do a great deal to promote a more effective European defence identity - armaments co-operation and a greater conventional defence effort.

I have to admit that I have developed, quite deliberately, but perhaps not attractively, the habit of giving my audiences a regular and constant stream of advice about the need for more and better arms co-operation. There is no way I can know how much impact my pleas have, but I believe in the value of the constant dripping of water on a stone. Even on the granite of some of my industrial and political colleagues who nod politely and do nothing.

We delude ourselves if we believe that we can continue to produce military equipment in the same old ways - each country going its own way trying to do too much on its own with inadequate resources and paying attention to its national interests at the expense of Alliance priorities and interests. Well we are getting better but there is still too much of the project-by-project, deal-by-deal, with shorter production lines style of armaments production. We can't afford it. In virtually

all areas of our civil economy we in the West have a pretty good story to tell when comparisons are made with Eastern bloc nations. But, in the area of defence production, it is the Warsaw Pact which is doing rather better and we in the West who have to get our act together.

Describing the problems is easy. Everyone here will be familiar with the nonsense of different allied tanks that cannot fire the same shells, and of different communications equipments that require expensive black boxes before soldiers can even speak to each other. And we've all heard the old joke about the only common thing in NATO's jeeps or personnel carriers being the air in the tyres, although I suppose that the advent of solid rubber tyres has probably wrought havoc even in that area of standardisation.

Tough decisions will have to be taken before things improve satisfactorily. They will require high-level political action. There is no shortage of good intentions, and some of the recent initiatives on both sides of the Atlantic are bearing some fruit, but we haven't yet begun to grapple with the fundamental issues. In Europe we can no longer afford to dissipate resources through duplication of efforts. We must pool our efforts. Why not set up European research and development establishments in key equipment sectors, with joint or common funding? Or is that too revolutionary? What about the establishment of a defence industrial policy worth the name, supported by common acquisition and procurement regulations and practices? We can no longer afford to miss opportunities for co-operation because individual nations pursue parochial commercial and technological interests.

As for burden sharing and conventional defence improvements you will know as well as I do of the need for European members of the Alliance to do more - and to be seen to do more. Let me add this. The result of the mid-term elections in the US and the assumption by Senator Nunn of the Chairmanship of the Senate Armed Services Committee will bring this subject to the fore. Senator Nunn is a staunch supporter of NATO but equally firm in his belief that a greater European effort is required. This is not a subject which is going to disappear. Arms co-operation and greater European efforts; these to my mind are the two issues among others, no doubt, in which the WEU can be of great benefit not just to its members but to the Alliance as a whole.

I don't suppose that I can come here as Secretary General of NATO without saying something about the current state of East-West relations in the aftermath of the Reykjavik Summit.

Reykjavik, like most other noteworthy events in East-West relations, has been analysed almost to death and I have no wish to add to the mass of the "what might have been" commentaries.

Few, if any of us, expected anything very substantial to emerge. It was, after all, billed as a summit to discuss a summit, not as a potential breakthrough to a major new arms control agreement. But things turned out rather differently. There was a negotiation and serious proposals were made. Proposals which went much further than anything hitherto envisaged.

The first reaction on learning of the breakdown of the talks was disappointment. But closer examination later showed how far the two sides had progressed and the areas of agreement between them. Discussion on matters which even a few months ago would have been regarded as hopelessly visionary were reported. It seemed that the logjam which had blocked progress for so long might be about to break up.

After the lapse of a few weeks, the consequences of Reykjavik can be seen in a rather calmer atmosphere. We have all had time to reflect on those two momentous days. Reactions have differed. Some Americans have been surprised that Europeans who have, it seems to them, been hesitant in their support for American nuclear weapons in Europe, should now feel that their withdrawal puts them at risk. Some Europeans on the other hand have been surprised that the Americans went, as they see it, so far and so fast, and implicitly criticize the lack of consultation. This last point is, in my judgement, unfair. The day before the Reykjavik meeting, Ambassadors Nitze and Ridgway came to brief the Council. It was clear that there was no expectation of a negotiation of the kind that in the event took place. It surely is equally evident that in the light of the proposals put forward at Reykjavik it would have been impossible for the Americans not to have entered into serious discussion. As soon as the meeting ended Secretary Shultz came to Brussels to debrief and consult. There really can be no complaint of the Americans seeking to keep their Allies in the dark.

Most of us were astonished at what did emerge in the form of agreed elements in a possible future negotiating package or, for the more cautious spirits, at least the shape of such package. The realisation grew that the leaders of the two superpowers had come fairly close to, or had at least discussed seriously, the abolition of ballistic missiles and INF nuclear weapons. And West European politicians and diplomats began to debate about the consequences of such an eventuality.

One more thing. Even if outline agreements had been signed, there would have been many months of patient negotiation. Verification - the key to confidence building - had been barely touched on in the talks and problems of satisfactory verification in a closed society such as the Soviet Union are fraught with difficulty. We had a long way to go before the conditions under which the Americans had made their proposals could be fulfilled.

Some of the proposals made in Reykjavik may indeed come about. I hope so. If the Soviets abandon the linkage with the SDI there is no reason why a satisfactory INF agreement cannot be reached. Nor if the problem of compliance is solved should it be too difficult to agree on a 50% reduction of strategic arms.

But whether or not we succeeded in those two directions, three major things have happened as a result of Reykjavik. First, President Reagan and Mr. Gorbachev have now had experience of direct across-the-table negotiations with each other. They will have learned lessons about how to do business with each other, and that must be to the good. Second, public perception has been changed by the glimpse that radical nuclear disarmament was a real possibility. That will have a major impact on the shaping of the debate from now on. Consider, for example, the way in which those who advocate nuclear disarmament have been able to claim the near agreements in Reykjavik as evidence that they had been right all along. The very fact that such radical proposals have been made will mean that Allied strategy will in future be viewed in a totally different light.

One of the most important consequences of Reykjavik has been to remind the Alliance of the relationship between the nuclear and conventional components of our defences. In particular, it has drawn attention to what is perhaps NATO's most vulnerable point; the imbalance in conventional forces between the Alliance and the Warsaw Pact. And if the aftermath of Reykjavik leads to progress in reducing nuclear arsenals, then the need to make parallel progress in eliminating conventional disparities becomes even greater.

When I was addressing the Atlantic Institute a week or so ago, I made the point that the conventional disarmament process was likely to be more complex and more difficult than nuclear disarmament. The MBFR talks, which were comparatively straightforward, have made little progress in 13 years. That is not to suggest that we should not put every effort into solving the problem and do a lot more work than we have done in the past. The Alliance cannot complain of conventional imbalance and do nothing to reduce it.

It may be that Mr. Gorbachev is really interested in freeing resources for a re-vitalisation of the Soviet economy; conventional forces, with their need for manpower and equipment which account for the great bulk of military expenditures on both sides, provide an excellent opportunity. For our part, we are already preparing through the work being done in the High Level Task Force. I cannot predict exactly what that body will produce but it is working hard on the substance of a problem which has become more important and more urgent.

But for the present, the Alliance must continue to require a range of nuclear systems as well as conventional arms to provide deterrence. There is little alternative as we note the continuing improvements and additions to the already overwhelming Soviet conventional forces. In such circumstances, our strategy of forward defence and flexible response is the only one available to us.

At the same time, allied governments must live up to their undertakings to improve their conventional forces. Conventional forces cost a lot of money. At a time when governments have more than enough demands on their resources,

spending on the armed services does not always have the high priority which those of us who are most concerned with defence would like to see. Nor paradoxically are those who are most anxious about nuclear weapons prepared to draw the logical conclusion that more must be spent on conventional arms. Nuclear defence is defence on the cheap, particularly if the nuclear weapons are American.

But we must recognise that we are not going to get all the money we need. We have therefore taken the practical course of trying to concentrate our efforts on areas that matter most - areas where there are critical deficiencies and where a special effort will provide the greatest returns for collective defence. This programme called - with the imagination for which we international organisations are famed - the Conventional Defence Improvements (CDI) - provides a framework and focus for our efforts. It should also encourage Ministries of Defence to make greater efforts at long term planning and the exploitation of new technologies. None of this will produce dramatic change. But CDI is already helping to shape our collective efforts.

I would be deceiving you if I let you believe that deterrence can be had on the cheap. The cost of armaments grows steadily: that is why NATO Ministers accepted the target of 3% annual growth in defence spending. Whatever we do by way of armaments co-operation and efficiency improvement, the capabilities we shall need in the 90s will still be expensive. For that reason, I regret any falling short of the 3% target. Of the WEU member countries only two have declared plans for growth of around 3%. The remainder, after notable efforts which have improved the equipment, readiness and sustainability of their forces, no longer intend to do so. I must warn you that, just as we are now benefitting from the efforts of the past, so now we shall be leaving a dangerous legacy of neglect to our successors and to the people of West Europe.

Of course it is expensive. Of course it places burdens on the taxpayer. But the cost of failing is not just financial; it affects the very foundations of our free society and the world in which for forty years we have lived in peace and prosperity. Defence is the most important social service of all. It is up to us parliamentarians, legislators, leaders of public opinion to make our fellow countrymen and women understand.

One final word about arms control. We have made some progress.

First, the conclusion of the Stockholm Conference marked the first multilateral security arrangement since 1975. The set of confidence and security building measures adopted are a considerable improvement on the measures set out in the Helsinki Final Act of 1975, particularly in lowering thresholds for the notification and observation of military activities, and in providing for on-site inspection without a right of refusal. And the inclusion of the whole European part of the Soviet Union

establishes another important principle in terms of security policy. Though the verification proceedings fall far short of what ideally we would wish, they are at any rate a step forward from the hitherto wholly negative Soviet attitude to on-site inspections.

If properly implemented, the Stockholm results will lead to more openness of military activities, diminish the risks of misunderstandings, and could pave the way for still further-reaching steps.

There are also signs of progress over chemical weapons. The prospect that the US will end its 17 year unilateral ban on the production of chemical arms seems to have persuaded the Soviets of the need to do something. The West has put forward constructive proposals at the CD in Geneva. It is now time for the Soviet Union to match its rhetorical support for a complete ban on chemical weapons, and for the effective verification of such a ban, with further practical steps. We hope that such steps will be forthcoming shortly, as indeed Mr Shevardnadze indicated would be the case in his recent speech in Vienna to the opening of the CSCE Follow-up meeting.

Progress in the conventional field has been much less impressive. In the Vienna MBFR talks, both sides largely agree on the structure of an initial agreement that would provide for reductions of US and Soviet forces. So they should, after thirteen years of talking. The main obstacle to overcome is still verification. And the bad news is that the latest Soviet position on MBFR verification, unlike the position at Stockholm, is, if anything, a clear step backward.

We should remember too that at no stage in the thirteen years of negotiation has the Warsaw Pact side been prepared to concede the key underlying fact that there exists a substantial conventional imbalance in their favour. I find this ominous. We are trying to embark on new attempts to kick life into conventional disarmament, and we shall get nowhere unless we can make both sides face the facts and then work on drawing appropriate conclusions.

As we look back on 1986 and enter into 1987, we can certainly say that we have had an eventful twelve months. It has been a long time since so much movement in relations between the two blocs has taken place. I think it has been movement forward.

For example, the wide-ranging public debate on arms control which has started by Reykjavik, is bound to throw up new ideas. That must be healthy.

The Soviet willingness to discuss at Reykjavik the previously unthinkable shows that it is worthwhile to continue to pursue agreements with them. And that is hopeful.

Most important of all, the Alliance remains strong and united. Not as strong as we would like, but strong enough to deter an aggressor; and united despite the many attempts to drive wedges between us. It is our strength and cohesion which brings the Soviet leaders to the point of serious negotiation. They are realistic. They have no need to take account of parliamentary or popular opinion; and they will consider concessions only when they see that they cannot win their prize by simply waiting for it to drop into their lap.

It is the duty of the Alliance - and, of the WEU - to remain firm, united and resolute but at the same time ready to seize opportunities not only for arms control agreements and reductions but also for the relaxation of tension between East and West and the creation of a more stable relationship in a world with too many arms and too little trust. We are ready. We must hope the Soviet bloc will respond.