

Freedom and the Future

By the Rt. Hon. Margaret Thatcher OM, FRS, MP

Mr. Chairman, Ladies and Gentlemen,

It's a very great pleasure to be here today, to be invited to address this distinguished audience, and in particular to be the guest of the five prominent conservative organisations which, though normally fierce rivals in the struggle for influence, philosophy and funds, have come together to be our joint host. An astounding event, Mr. Chairman, it is, perhaps, what inspired President Bush's vision of a "new world order".

We have before us today the opportunities created by two great victories: President Reagan's victory over communism in the Cold War, and President Bush's victory over aggression in the Gulf.

Both those victories were hard won. They required courage, the vision to see what was possible when others could not, and the persistence to fight through to a full and final conclusion.

Very few leaders possess that combination of qualities. But in the Gulf War, President Bush showed leadership of the very highest order.

He built a grand coalition of twenty-eight allies; he assembled overwhelming force from around the world; he gave full backing to a brilliant military concept which produced one of the greatest feats of arms with the fewest casualties in history; and he helped lay the foundations of future stability in the region. He can truly say, as Pitt said in 1804:

amid the wreck and misery of nations, it is our just exaltation that we have continued superior to all that ambition or that despotism could effect; and our still higher exaltation ought to be that we provide not only for our own safety but hold out a prospect for nations now bending under the iron yoke of tyranny of what the exertions of a free people can effect.

But that victory was not won solely in the last six months. It was the culmination of a decade's achievement —

- ◆ The military build up of the 1980s,
- ◆ The recovery of America's and the West's self confidence,

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She addressed an audience of more than 400 conservative leaders, members of Congress, and Administration officials at the Four Seasons Hotel, Washington, D.C., on March 8, 1991. The luncheon in her honor was sponsored by The Heritage Foundation, the American Enterprise Institute, the Hoover Institution, the Manhattan Institute, and *National Review*.

ISSN 0272-1155.

- ◆ The technological advance that created the Patriot missile and the Apache attack helicopter, and
- ◆ The revival of our economies that made these miracles possible.

Someone once said that “the past is another country – they do things differently there”. It is difficult today to conjure up the despairing and defeatist atmosphere of the post-Vietnam '70s. But in those days the West was on the decline and on the defensive.

Our defences were neglected. The Soviet Union steadily reinforced its military superiority.

Our allies felt abandoned. They felt they could no longer rely on a hedonistic West. We coined the cynical joke: “lose a country, gain a restaurant”.

In the battle of ideas, we had all but ceased to aim at furthering freedom and had settled for containing communism.

This political weakness only mirrored deeper weaknesses in our societies. Every such crisis is ultimately a crisis of the spirit. We knew we had lost time, lost nerve and lost ground.

The '80s - A New Direction

So, as the '80s began, we in the United States and Britain, set out in a new direction.

We wrestled with the challenge of reviving our economies.

We rebuilt our shattered defences.

We faced up to the threat of a Soviet Empire at the peak of its military might, made still more dangerous by knowledge of its own economic weakness and social fragility.

We made it clear that arms control would proceed on the basis of genuine equality of weaponry between East and West – or not at all. The Soviet Union built up its SS-20s. We deployed Cruise and Pershing missiles. The result – the first ever agreement to reduce nuclear weapons.

When the Soviet Union said that Germany could only be united if it left NATO, President Bush and I stayed firm. The result – a reunified Germany fully *within* NATO.

At home we liberated enterprise and cut taxes, producing higher living standards, more jobs and the spread of ownership.

Capitalism made our peoples prosperous at home and enabled us to feed the hungry abroad. Socialism, by contrast, proved the road to poverty and serfdom.

The Truth Revealed

As Eastern Europe emerges from the darkness, the truth is now fully known, and told even by communists:

- ◆ Behind statistics boasting of bumper crops, food rotted;
- ◆ As economic growth rates soared on paper, people queued for hours to buy goods that a Western supermarket couldn't even give away;

- ◆ **As five year plan followed five year plan, command economies turned out products that no one wanted to buy, and created an environment in which no one wanted to live.**

But the world was strangely reluctant to observe these facts.

A World Bank report praised the Romanian economy for achieving high rates of growth from the early '50s on. A perceptive economist whose name is not unknown to you, Alan Walters, calculated backwards from the current Romanian living standards to show that if these figures had been accurate, the Romanian people would have all been dead in 1950.

Since then, Mr. Chairman, the life has drained out of communism entirely. And with it the heart went out of socialism.

Make no mistake. These communist regimes were not some unfortunate aberration, some historical deviation from a socialist ideal. They were the ultimate expression, unconstrained by democratic and electoral pressures, of what socialism is all about:

- ◆ **State ownership at the expense of private property;**
- ◆ **Government control at the expense of individual enterprise;**
- ◆ **The pursuit of equality at the expense of opportunity for all.**

In short, the state was everything and the individual nothing.

Mr. Chairman, I freely acknowledge that socialists and statists often begin by finding injustices and wanting to remove them. But they go on to the notion that only state ownership and state regulation can solve such problems. You can only believe that by ignoring the lessons history, the lessons of politics and the lessons of economics. After the experience of this century and the testimony of Eastern Europe, intellectual irresponsibility on this scale is also moral irresponsibility.

We knew that communism was spiritually bankrupt — and we said so. We knew that the Stalinist system would always produce misery and tyranny, but could never produce prosperity — and we said so.

We knew that the “captive nations” under communism wanted and deserved to be free — and we said so. We even dared use the phrase “captive nations”.

And the more we told the truth, the more we restored our own peoples' self confidence and the hopes of those still living under tyranny.

In the decade of the '80s, Western values were placed in the crucible and they emerged with greater purity and strength.

Mr. Chairman, so much of the credit goes to President Reagan. Of him it can be said, as Canning said of Pitt, that he was the “pilot that weathered the storm”.

The world owes him an enormous debt and it saddens me that there are some who refuse to acknowledge his achievements.

For the whole world changed;

- ◆ The Cold War was won without a shot being fired; Eastern Europe regained its freedom; its peoples elected democratic governments and they announced their intention to leave the Warsaw Pact;
- ◆ The Berlin Wall came down and Germany was reunified within NATO; she and Japan, the vanquished nations in the Second World War, prospered mightily and ironically became the the creditors in the new world of peace.
- ◆ A weakened Soviet Union was compelled by the West's economic and military competition to reform itself; a new more realistic and clear sighted leadership came to the top;
- ◆ *Glasnost* was launched, *Perestroika* was started and we saw the beginnings of democratic politics;
- ◆ As the Soviet Union abandoned its revolutionary role in the world, the United Nations became a more effective forum for active diplomacy;
- ◆ And the United States once again became the preeminent power in the world.

Mr. Chairman, these are great and for the most part beneficial changes. They have been confirmed by the progress of the Gulf War in which America has led, Britain and France have helped militarily, together with many Arab nations, Germany and Japan have contributed financially, the United Nations has given its blessing, and the Soviet Union while pursuing her own diplomatic course at times, never quite departed from the U.N. resolutions she had originally supported.

Mr. Chairman, a new world means new problems and the need for new approaches. How do we deal with the crisis in the Soviet Union? How do we reshape NATO in the post-Cold War world? How do we preserve and strengthen the economic foundations of the Western Alliance? How do we defend Western interests elsewhere and extend stability beyond the West in the aftermath of the Gulf War? In my view, we shall tackle all of these problems more effectively, as we won the Gulf War, by the tested policy of Western unity based on the firm U.S. leadership of sovereign nations in alliance.

Nationhood and East-West

But not every change in recent months has been for the better.

In the Soviet Union there is accumulating evidence that progress towards reform has been slowed, possibly halted. Dark forces of reaction are on the rise. At such a time, it is vital that *all* those committed to reform should not falter. No doubt some reformers never expected reform to extend to multi-party democracy and a free economy. "But no man can fix the boundaries of the march of a nation". And divisions among reformers now would only hand victory to the hard liners, whom I at least refuse to call conservatives. The Soviet people have not gone so far to have the prize of freedom and genuine democracy wrested from their grasp.

But the task of reforming and liberalising the Soviet Union is a far more difficult one than any of us had supposed a few years ago.

How do you persuade people brainwashed by egalitarian propaganda that inequalities are the side-effect of rising prosperity for all? How do you tell them that higher living standards can only be attained at the short term price of higher unemployment? And how do you do any of this while the demoted bureaucrats, the discredited politicians and all those who flourished under totalitarian mediocrity are out to undermine everything you do?

I am often asked: can we still do business with Mr. Gorbachev?

Mr. Chairman, we should not underestimate the future reforming zeal of a man who allowed Eastern Europe to grasp its freedom; who has begun the withdrawal of Soviet troops; accepted arms reduction for the first time; and cut support for communist insurgencies across the world. We have to go on doing business with him. In the same way, he has to do business with the democratic reformers if he is to succeed.

The pessimists among you will perhaps reply that the Soviet leader embarked on reform so as not to be left behind by the military build up and economic progress of the West in the '80s. I am the last person — or maybe the second to last person — to deny that these played a major role in Mr. Gorbachev's calculations. We had an economy driven by information technology: he had an economy fuelled by vodka!

And the very realism that prompted these reforms will persuade him to step up liberalisation, if he can, when the present slowing of *perestroika* pushes the Soviet economy further into crisis, as it must.

Perhaps, it does not really matter whether the optimists or the pessimists are right. Because optimism and pessimism dictate the same policy. If Mr. Gorbachev remains a reformer at heart, as I believe, he will privately welcome Western pressure for reform and employ it against the hard liners. If he himself has succumbed to the hard liners, as others believe, the West's pressure will push him too in the direction of reform.

So what kind of reform should we be seeking for these people who have rejected a false ideology but have not yet learnt the ways of freedom?

It is fashionable in some circles to argue for credits for the Soviet Union. But to give large credits to fill shops will not help to build the necessary structures of liberty; they would be dissipated quickly leaving an increasing burden of debt.

Any assistance to the Soviet Union must, therefore, be granted only in response to practical economic reforms. Helping the present structures will only keep reform at bay.

We must instead encourage the dispersal of power from Moscow to the republics. Five Soviet republics are now negotiating for such a dispersal of power — let us hope those negotiations succeed.

Second, we have to stress to the Soviets just how essential private property is to freedom. History teaches that human rights will not long survive without property rights; nor will prosperity be achieved without them.

Nor is freedom secure without independent courts and a rule of law. Here we have experience and knowledge totally denied to people who have grown up in a totalitarian system.

Perhaps we should consider extending the Know-How funds for the Soviet Union so that lawyers can go towards developing an independent judiciary — a precondition of freedom.

We must also draw the Soviet Union closer to the institutions of the international trading and payments system. Associating the Soviet Economy more closely with these will, over time, help to transform that economy internally. Their rules will help promote sound money, competition and genuine trade. No economy will prosper if it is strangled by regulations and bureaucrats.

So let us say to Mr. Gorbachev that he can count on our help when he makes reforms. But the reverse of this is that any evidence of a return to repression must prompt from the West a swift and effective response. The constant raising of human rights cases in the Soviet Union over many years, especially since the Helsinki accords, did undoubtedly have an effect — we must remember that lesson and act upon it.

In particular, we cannot overlook or condone the disgraceful abuses of those rights which we have seen in the Baltic States. These States were seized by the Soviet Union not by law but by fraud and violence. That seizure has never been regarded as legal by the West. We fully support the right of the Baltic States to determine their own future. We must make it clear to the Soviet Union that it is not a question of whether they will be free — but only of when they will be free. And they *will* be free.

How Do We Reshape NATO?

There are signs that the Soviet Union is failing to fulfil either the letter or the spirit of the terms of the treaty for reduction of conventional forces in Europe, signed in Paris. And there are signs of pressure by the Soviet military to reassert its position.

Moreover, the reemergence of tension and uncertainty on Europe's eastern border ought to remind NATO's continental European members both that international dangers can rarely be predicted and that sustained commitment is necessary to deal with them.

We must never forget that it is NATO — because it is strong defence — which underpins that peace with freedom and justice which we in the West enjoy and now have the opportunity to extend to others.

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 not be discarded.

It is in the interests of Europe that the United States should continue to play that dominant role in NATO to which we have become accustomed. Indeed, as was demonstrated in the Gulf, for all the assistance which Britain and other powers gave, only one nation really has the power to defend freedom and security in the world today. That is and will for the foreseeable future remain the United States.

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.

The European countries must also be prepared to take a more active military role in response to events outside NATO's present area. Germany's interpretation of its constitution has so far prevented it making such a military contribution. But a full commitment to the defence of international freedom and stability requires risking life as well as treasure.

NATO has been a great success. We should be wary of creating new institutions to replace or complement its unique and indispensable role. Perhaps the most extraordinary suggestion yet to come out of Brussels is that the disunity and half-heartedness of most European nations during the Gulf crisis demonstrate the need for a united European foreign and defence policy. A new structure, even if it were necessary, can never be a substitute for will. Any arrangements which denied Britain and France sovereign control of their foreign and military commitments, especially determining these vital questions by a majority vote, would almost certainly have excluded Anglo-French forces from the Gulf – or at least long delayed their arrival and limited their number. In those grim early days after Iraq's invasion, America would have been left to stand alone. And it is far from certain that, even if after prolonged deliberations, the European Community would have contributed military assistance. The methods of compromise which underpin such decisions would almost certainly have left Europe on the side lines.

For many years, successive American Governments believed that progress towards a United States of Europe would relieve America of the burden of defending freedom. That hope, alas, turned out to be greatly exaggerated. Moreover, this kind of geo-political grand strategy should be regarded with the greatest scepticism. If a European super-state were to be forged, it would almost certainly develop interests and attitudes at variance with those of America. We would thereby move from a stable international order with the United States in the lead to a more dangerous world of new competing power blocs. This would be in no one's interest, least of all America's – and certainly not of Europe.

So NATO must remain the principal defence organization of the West: instead of seeking to supplant it, we should aim to adapt and extend it to meet the challenges of the post-Cold War World.

Enlarging NATO's Role

Our first step should be to enlarge its political role. This great trans-Atlantic partnership should not confine itself to matters of defence but should extend its discussions into other political and economic areas. This would be of benefit to countries on both sides of the Atlantic.

Second, those Eastern European countries which have left the Warsaw Pact should be given a new, special status in NATO – something short of full membership but well beyond mere observer status. Perhaps France has pointed the way in this respect. Such a new status could be an added source of stability in a traditionally unstable area and reassure these countries in troubled times. Even in periods of warmer relations, you can have a chilly spell.

Third, I believe that NATO's role should be extended to threats which are out-of-area. When I addressed the NATO Council at Turnberry, Scotland, last June, I warned that, "there is no guarantee that threats to our security will stop at some imaginary line.... With the spread of sophisticated weapons and of military technology to areas like the Middle East, potential threats to NATO territory may originate more from outside Europe".

Within two months Saddam Hussein had invaded Kuwait. Fortunately, although there was no coordinated NATO response, several NATO nations acted vigorously to ensure that aggression did not pay.

