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Margaret Thatcher

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## THE COMMON CRISIS: ATLANTIC SOLUTIONS

### PRAGUE — THE HEART OF EUROPE

I must begin by congratulating most warmly the organisers of this glittering Congress.

It is not, of course, the first European Congress. And in the past, I must admit, such Congresses have achieved mixed results.

The Congress of Vienna in 1815 was called to restore order in Europe after the Napoleonic Wars; it began a series of such gatherings designed to achieve a Concert of Europe. But, as is usually the case in European affairs, the concert was distinctly discordant. The style was too rigid and inflexible. And finally, amid Europe-wide upheaval, Austria's Chancellor Metternich, who had orchestrated the system, had to flee to England.

The Congress of Berlin in 1878 was called to resolve the Eastern Question, this time with Germany's Chancellor Bismarck holding court as an "honest broker". Again, great power politics was

relied upon to manage awkward national aspirations, particularly in the Balkans. But the Eastern Question stayed unresolved, the Balkans became more Balkan, the shaky empires staggered on and, with fateful consequences, Germany emerged as the arbiter in Europe.

Here at our Congress in Prague, however, we have a very different purpose: the defence, entrenchment and extension of our Western inheritance of freedom. And the only concert we shall be hearing from is that performed this evening by the excellent Prague Symphony Orchestra.

The British, indeed, have a special fondness for Czech music: Dvorak and Janacek both spent some time in England. And although the phrase has since been used to rather different effect, it was Janacek who memorably remarked — on a visit to London — that the Czech nation was (I quote) “the heart of Europe — and Europe needs to be aware of its heart” . Magnificent buildings, superb art galleries, in fact on every side the accumulated evidence of a continuously rich intellectual life — anyone visiting this most beautiful of the cities of Central Europe needs no persuading of the justice of Janacek's observation.

Moreover, here in Prague we are not just surrounded by beauty, but by beauty which was paid for by business success. In the last century, Bohemia was the industrial heartland of the Habsburg Empire. And before the last war Czechoslovakia was one of the world's leading economies, enjoying an income per head equal to that of France. It is in keeping with that tradition of industrial prowess that the Czech Republic today is the outstanding economic success story of central Europe: where others have flinched under the pressures of free enterprise reform, Vaclav Klaus — my other favourite Prime Minister — has kept going down the right track. And the results are internationally recognised and admired.

Yet, we know also the darker side of Central European history, whose shadows in successive generations fell over Prague. That too makes our meeting here appropriate. We dare not forget that the freedom of this cultured, enterprising people was snuffed out by each of the two monstrous, totalitarian systems of our century — intimidated, dismembered and absorbed by Nazi Germany; subverted, betrayed and enslaved by Communist Russia; and each time with the West standing impotently aside. These are blots on the history of the civilized world. They came about because the West was selfish and unprepared. And they confirm an important truth about international affairs. In the language of Hobbes: “Covenants without the sword are but words.” No amount of promises by world leaders, no amount of guarantees by

international bodies without fire-power, mattered when the tanks rolled in. Such experience provides a poignant lesson for today's multi-lateralists who retain a naive conviction that international institutions, rather than alliances of powerful nation states, can be relied upon to preserve the peace.

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## THE POST-COLD WAR CRISIS

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The fact that now the Czech and Slovak peoples — and the Hungarians, the Poles and other former captives of the Evil Empire — are free to express their nationhood, rebuild their economies and rejoin the international community as sovereign states is, therefore, a cause not just for rejoicing but for deep reflection.

We should reflect that it was not the United Nations, or the World Bank, let alone the European Community, which overthrew communism. It was a united West, under American leadership, enjoying the support of brave dissident patriots in the lands of the Eastern bloc: together we applied irresistible pressures on the Soviet system. And it was the inherent and cumulative failures of that system that caused it to collapse in the face of our challenge. Had we waited upon international consensus and its diplomatic practitioners to win the Cold War for freedom, we would be waiting still.

But, as so often, with victory also came complacency. And it was not long before signs emerged that all was not well with the so-called New World Order. Even the expression, "New World Order", with its echoes of utopian euphoria from the League of Nations, should have sounded the alarm.

For the post-Cold War Western leaders had made a fatal confusion between two quite distinct propositions. The first — true — proposition was that international institutions, above all the United Nations, could at last begin to work as originally designed in a world free from Soviet obstruction and aggression. The second — untrue — proposition was that these institutions could themselves perform all the essential functions required to uphold global peace, prosperity and justice.

There was a counter-part of this post-Cold War confusion in the domestic policies of our own nation states. Again, the release of tension induced a slackness of political muscle. With the lifting of the forty-year threat to our very existence, the general cry was for governments to cultivate the arts of peace. The demand was for a peace dividend — and politicians were too timid to explain that the only true peace dividend is simply the dividend of peace itself. Furthermore, the dividend is only yielded if sufficient is first

invested in defence. But, in any case, the resulting — often imprudent — reductions in defence spending did not lead to governments spending less over-all: quite the contrary. For the state-welfare complex proved more rapacious than the Left's favourite ogre, the defence-industrial complex, ever was. To pay for increased welfare, governments weakened their own financial disciplines, ran deficits and hiked taxes. And all these actions in turn worsened deep seated social problems like welfare dependency, family break-down and juvenile crime.

These tendencies, as the experts have been explaining during this morning's sessions, are so general — and their results so deleterious — that we can without exaggeration talk of a “common crisis” . But it is not, of course, a crisis of capitalism.

Indeed, outside the hefty, unreadable tomes of the Marxist pseudo-economists, there was no crisis of capitalism, only a crisis of socialism — wherever and whenever it has been applied. Its sour fruits are still with us.

Where socialism has left its deepest impression — in most of the former Soviet Union — we see not Western-style democracy and free economies, but corruption, cartels and gangsterism. There is a pervasive lack of trust and civility, the breakdown of civil society in matters large and small. A dour Russian parable on the history of Soviet communism says it all:

“That's how it is with a man. He makes a bad start in his youth by murdering his parents.

After that he goes down hill: He takes to robbing people in the streets.

Soon he sinks to telling lies and spreading gossip.

Finally, he loses all shame, descends to the depths of depravity, and enters a room without knocking at the door first.”

That's how it was with communism. It began in terror and mass murder and it ended in petty corruption, inefficiency, bad service, ill manners, the loss of every social grace, and a society pervaded by rampant egoism. And the social desert thus created was unpromising ground for the economic transition to a market economy.

All the more credit then to our hosts here in Prague, and to the democratic reformers in other central European countries (like my fellow patron Leszek Balcerowicz) that they succeeded so well in their market revolution.

Alas, in some countries we have seen a reversion. There is a progressive disillusionment among ordinary people with pseudo-capitalism and — worse — a growing nostalgia for the false security of socialism. Former communists, sometimes in disguise, are returning to power in ex-communist countries. In Russia itself, there is the possibility of a government that combines communist economics with an imperialistic foreign policy.

Such a reversion is not uncommon. Kipling wrote about this as a sort of natural law:

“As it will be in the future, it was at the birth of Man

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There are only four things certain since  
Social Progress began:

That the Dog returns to his Vomit and the Sow  
returns to the Mire,

And the burnt Fool's bandaged finger  
goes wabbling back to the Fire ...

... As surely as Water will wet us, as surely as Fire  
will burn,

The Gods of the Copybook Headings  
with terror and slaughter return!”

We can and must provide against the dangers — the “terror and slaughter” — that this reversion threatens. To do so effectively, we must turn to those Atlantic solutions — which our distinguished panels will be debating this afternoon.

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## **SECURITY CHALLENGES**

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Mr Chairman, the world is today a freer, and in many ways better, place than it was when the two super-powers — America supported by her European allies — and the Soviet Union conscripting her European satellites — confronted each other. But the world is also more complex, more volatile and more dangerous. Let me give you three reasons why.

First of all, there was a kind of unholy symmetry in international affairs created by a balance of terror. Deterrence — above all nuclear deterrence — worked as it was designed to do. Neither the West nor the Soviets could afford to let any regional crisis so destabilise the system that either side was pushed to the brink; for beyond that brink lay the abyss of mutual destruction. This does not, of course, mean that the Soviet ideological commitment to

global revolution in those years was mere bravado. Had they been able to achieve their goals at a sustainable cost they would undoubtedly have done just that. But, accepting that attrition was the only possible strategy, and regarding their client states as pawns not players, they kept those client states under firm control. The breakdown of Soviet power, however, brought that discipline to an end: it allowed rogue states, often connected with terrorist movements, to emerge and set their own violent agendas.

Second, with the collapse of the Soviet Union there was also a dispersal of weapons of mass destruction and of the technologies to produce them. This has gone much further than we envisaged; and it now constitutes quite simply the most dangerous threat of our times. Yet there is still a conspiracy of silence among Western governments and analysts about it. We have, of course, known for some time about the danger of the so-called "back pack" nuclear weapon. The ability of rogue states to produce chemical and biological weapons, without detection, is a constant worry.

But it is the proliferation of advanced missiles and missile technology that has fundamentally altered the threat over the last few years. The North Koreans have developed (and continue to develop) a range of missiles which are even available for sale in a catalogue to all comers. The mail order missile business is no fantasy of science fiction: it is a fact.

There are many imponderables in precisely assessing the timescale of the threat: but they should increase our vigilance. On present trends, it is likely that the United States will be threatened by such missiles early in the next century. And, once they are available in the Middle East and North Africa, all the capitals of Europe will be within target range. We thus face the appalling possibility — for which we are at present unprepared — of an attack on a Western city involving thousands of deaths.

It is not only the terrible consequences of their actual use, but the implications of their threatened use, that should disturb us. For that threat casts doubt on the ability of the West to project its power beyond our shores. The North Korean missiles are, for example, a threat to American defence of its allies in the Pacific. And would we have taken the punitive action we did against Libya in 1986, if Gaddafi had been able to strike with his missiles at the heart of our cities? Gaddafi himself has no doubt of the answer. (And I quote him):

"If [the Americans] know that you have a deterrent force capable of hitting the United States, they would not be able to hit you. Consequently, we should build this force so that they and others will no longer think about an attack" .

Of course, the Gadaffis may be wrong. We must maintain all possible diplomatic pressure against proliferation. And we should not forswear the possibility of preemptive strikes. But, in face of all this our response must also urgently include ballistic missile defence.

Third, we are seeing today a fundamental shift of economic power — which will certainly have political consequences — away from the West to Asia and the Pacific Rim. Unlike the first two challenges — the emergence of rogue states and the proliferation of weaponry — this should not be regarded in itself as a threat to us. Although Asian countries may initially grow wealthier at the expense of our industries by capturing our markets, they will increasingly themselves offer new markets for our goods. All the classic arguments for free trade and against protection remain valid.

The danger, though, lies in the fact that these Asian countries, which are making such rapid economic advances, generally lack the liberal traditions which we in the West take for granted. America is worthy of its superpower status because it has been not only economically but politically liberal. Therefore the advance of American interests in particular, and the West's in general, have been more or less synonymous with the advance of liberty. By contrast, China's extraordinary economic progress is occurring despite, not because of, its political tradition — which has always been one of tyranny. China's behaviour towards Taiwan demonstrates that the economic challenge from the Far East could easily become a security challenge too.

So the task we face now is to devise a framework of international cooperation which allows these and future threats to be met successfully. It is one which requires principle and shrewdness, tenacity and flexibility, resolve to apply our strength but prudence in conserving it. Above all, it requires the unity of the West under American leadership.

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## THE WEST

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This, however, is far from universally recognised. Irving Kristol once wrote that: “No modern nation has ever constructed a foreign policy that was acceptable to its intellectuals” . This was true during the Cold War years. It is true now. And in recent years we have heard repeated suggestions that the West was essentially a Cold War construct, rendered irrelevant by the end of a bi-polar world.

In fact, it was — and is — nothing of the sort. The distinctive features of the Western political, judicial, social and economic

system existed before communism and will continue after it. Those features are — the long-standing historic commitment to human rights, the rule of law, representative democracy, limited government, private property and tolerance.

Attempts today to suggest that American civilization is antithetical and antipathetic to European civilization, which itself is portrayed by contrast as some homogenous whole, are bad history and worse politics. American civilization began its life as a branch of the English oak. It has since had the cultures and traditions of other European countries grafted onto it. It is today the centre of an English-speaking civilization with cultural and ethnic links to every European country. And in our present age, in which communications increasingly obliterate distance, culture is a more important fact of life than geography.

In truth America is a European power — and must remain one. And even if we could overlook our common history and cultural ties, we dare not ignore the politics of Atlantic cooperation. Any ideology that threatens Atlantic unity is one that ultimately imperils our collective security.

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## **EUROPE — DREAMS AND NIGHTMARES**

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And here I must touch on the relationship between the Atlantic countries and the European Union. I realize that there are some amongst us here today — and among supporters of Atlanticism outside this hall — who are strong devotees of European integration.

Now, I take it as a sign of the strength of the Atlantic idea — and as a sign of its broad political appeal — that it has captured the imagination of many people who differ on other political questions.

But imagination must also be complemented by clear thinking.

Of course, some of the lesser dreams which went into Europeanism are by no means ignoble.

The dream of peace in Europe by permanent reconciliation of the old enemies, France and Germany.

The dream of reuniting a continent divided by the Iron Curtain, so that nations like the Czechs could rejoin the free West.

The dream — of a less inspirational kind — of a single European market without barriers to trade.

But the overall European federalist project, which was envisaged

by some from the start but which has only in recent years come out into the open, is in truth a nightmare. For the drive towards a European superstate — with its own government, its own laws, its own currency and its own citizenship — would achieve none of the goals which enthusiasts on either side of the Atlantic claim for it.

Were it to come about, another great power would have been born — equal or nearly equal in economic strength to the United States. Does anyone suppose that such a power would not soon become a rival to America? That it would not gradually discover different interests from those of the United States? That it would not by degrees move toward a different public philosophy — one less liberal, more statist? And that it would not eventually seek to establish its own military forces separate from those of the United States?

If this new Europe were not to follow the path to separate great power status, it would be the first such power in history to renounce its independent role. It would have pioneered a new course in self-abnegation. It would have chosen moral influence over political power. The history of Europe — bloodstained as well as idealistic — should not encourage us in these fantasies.

Europe separated from the United States would in my view be unequivocally a bad thing — bad for America, bad for Europe, and bad for the world at large.

For America, it would transform an ally into a rival — or, at the very least, permanently threaten to do so.

For the world at large, it would increase instability by dividing the West and so hasten the move to a multipolar world.

And for Europe itself, it would remove from our continent the one power which has kept the peace for fifty years — and which no European really fears.

How quickly lessons are forgotten and deductions from events distorted! Two world wars have flowed from American disengagement from Europe. By contrast, the Cold War was won because America defended Western Europe's security as its own. So talk by some continental political leaders of the possibility of war unless Europe moves towards political unity is profoundly misguided — as well as unbelievably insensitive. Only if America, as a global superpower, remains directly engaged in Europe is there a guarantee against any Continental European power asserting dominance.

The shortcomings of a common European foreign and security policy have been shown by Europe's feebleness in the former

Yugoslavia. There is no reason to believe that attempts to apply a common European defence policy would be any less risible or chaotic — though they could do untold harm to the Atlantic alliance.

All this means that our energies must be directed towards strengthening NATO, which is as important in the post-Cold War world as in the circumstances of its creation. NATO's role should be expanded. It must be prepared to go out-of-area, where so many of today's threats lie. It must be prepared to accept the Czech Republic and other Central European countries as full members, giving them much needed reassurance in a time of growing fear about future instability to the East. NATO can also coordinate support for the construction of that system of global ballistic missile defence which is now an imperative requirement. And if, as I hope, there is a renewed enthusiasm for such a system in the United States, Britain and other European countries must make a fair contribution.

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## ATLANTICISM

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Mr Chairman, economic integration on an Atlantic basis can nurture this vital Atlantic relationship in defence and foreign policy. It will also help to counter some unwelcome trends in European economics. For Europe today is far from being synonymous with free enterprise and open trade: it too often also stands for burdensome controls. In fact, that classic victim of Austro-Hungarian bureaucracy, the Good Soldier Sveik, might have felt gloomily at home in today's highly regulated Europe where like then (and I quote) "every day brought new instructions, directives, questions and orders" .

The most practical way forward, I believe, is to merge the North American Free Trade Area with the European Community, including the countries of Central and perhaps in time Eastern Europe. Of course, in terms of pure economic analysis global free trade is the ideal. But trade cannot be divorced from politics, no matter how hard we try: it is politically realistic as well as economically beneficial to concentrate now on creating a Trans-Atlantic Free Trade Area. Such a bloc would be able to push effectively towards global trade liberalisation. It would prevent trans-Atlantic trade wars from jeopardising wider trans-Atlantic links. It would bring our Atlantic civilisation closer together.

Finally, as part of this endeavour we must try to develop a real Atlantic political consciousness and public opinion. Of course, this will take time to emerge. Such transformations come about organically and subtly — or not at all. So, I am not talking here about cultural politics. The stupidities of attempts to remould old

national identities into new artificial forms — whether ruthlessly in the Soviet Union, or absurdly in the European Union — should not be repeated. But the Atlantic political consciousness is different — for three reasons.

It reflects the realities of recent history.

It does not seek to eliminate national identity, it respects it.

And it makes excellent strategic and economic sense.

For that we may need new institutions; we may need revived ones; but we certainly need more contact. This will follow our Atlantic Initiative and it is not the least of its advantages — and pleasures.

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### **SPRING IN PRAGUE**

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Ladies and gentlemen, my first visit to Prague was as Prime Minister six years ago. Memories of communism's inelegant death throes were still fresh and the joy of national liberation still sweet. Vaclav Havel's translation from prison as dissident to Palace as President seemed to symbolise not so much a new era as a new world, in which the meek — and the brave and true — would finally inherit the earth.

We in the West won a great victory in the Cold War. Let us not now forget why we fought. The mission of this Congress is to recapture that sense of purpose and clothe it with practical action. Spring in Prague is the time — and the place — to do so.