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## GREAT BRITAIN

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# Thatcher dismantles U.K.'s capabilities

by Susan Welsh

Toward the end of June, the government of British Prime Minister Margaret Thatcher is scheduled to announce cuts in defense programs amounting to some £6 billion (\$12 billion) over the next 10 years. The Royal Navy will be hit the hardest by about three-fourths of the total cuts, and will lose about 20 surface warships. The navy currently has 157 operational ships, mainly in the eastern Atlantic, North Sea, and the English Channel. About 70 percent of the NATO vessels patrolling these areas today are British; there are no ships available elsewhere in the Atlantic Alliance to replace the mothballed British ships.

The British Army of the Rhine (BAOR), which is responsible for defending a 40-mile stretch of the border between East and West Germany, will have several thousand troops retired from its present force of 53,000, of whom 4-5,000 are permanently in Northern Ireland. BAOR strength will definitely sink significantly below 50,000—even if Thatcher overrules those advisers who say it should be scrapped altogether.

These cuts are the direct and inevitable result of the "monetarist experiment" launched when Thatcher came to power in the spring of 1979. Faced with an economy already suffering from declining industrial investment and productivity, Thatcher's monetarist witch-doctors proposed to "cure inflation" by further destroying the industrial base and throwing those workers who still had productive jobs onto the dole.

As a result, Britain's economic infrastructure can no longer maintain a robust and technologically up-to-date armed forces.

- Since Thatcher took office **industrial production has fallen 19 percent**, a collapse deeper than that of the 1929-32 depression.

- **Unemployment has almost doubled** to an officially recognized level of 2.6 million—higher than the level of the Great Depression. Unemployment is expected to reach 3 million by year's end—nearly 15 percent of the population. Two-thirds of the unemployed are under 35 years of age, and 50 percent of youth are unemployed.

- **Inflation**, which stood around 7 percent when Thatcher took office, soared to a 22 percent high and then gradually dropped to its current 10 to 11 percent annual rate. But certain delayed price increases by cor-

porations will have to be made, and the fall of the pound sterling over the past several months is making imports more expensive.

- **The budget deficit** for fiscal year 1980-81 rose to £14 billion (\$28 billion). Thatcher abandoned scheduled income tax reductions and raised other taxes to try to reduce the deficit to £10.5 billion.

- **The pound sterling**, which was priced at around \$1.99 when Thatcher took over, was "strengthened" to a high of \$2.45 in 1980—but then began to fall to its current level of \$1.99, exactly where Thatcher started.

### 'Biting the bullet'

Most British defense analysts have concluded that this economic decline is inevitable, and therefore the only question is how best to control the disintegration process. Thus *The Economist* editorialized Nov. 22, 1980:

Britain is rapidly approaching another milestone on its long retreat from the front ranks of the world powers. The last such way-marker was the defence review of 1974-75, which wiped out the remaining fragments of Britain's global military system and established that henceforth its armed forces would be committed to the defence of Europe and nothing else. . . .

Sooner or later, unless Britain's economy does a miraculous upswing, the government will have to bite the bullet.

A month after that editorial appeared, a fight broke out between the Treasury and the Defense Ministry over proposed new defense budget cuts. Defense Secretary Francis Pym was ousted in January, making way for ultramonetarist John Nott, who is presiding over the current round of defense budget slashing. Opposition to Nott's policies from the defense department led to the firing of Navy Secretary Keith Speed at the end of May and the top-down reorganization of the defense bureaucracy. Thatcher eliminated the individual "special interest" service posts for the army, navy, and air force, replacing them with a minister of state for the armed forces (overall) and a minister of state for defense procurement.

British analysts insist that the changes in Great Britain are only the beginning, and furthermore must be introduced throughout the NATO alliance. Thus David Watt, director of the prestigious Royal Institute of International Affairs (RIIA), wrote in *The Times* of London May 29:

The economic dilemmas of defence policy are pressing increasingly upon Germany and France and will before long press no less heavily on the United States.

The conclusion is that there is no time to be

lost in starting a major re-examination by all the NATO countries, but particularly by the most powerful, of the functions of the alliance, and how they can best be carried out. . . .

In the British case, Mr. Nott will no doubt cobble together a compromise for the moment. The Rhine army will survive with a few minor adjustments; the RAF [Royal Air Force] will get its Tornados; the Navy will be allowed to keep some of its through-deck cruisers but be forced to give up others. The "savings" of £6,000 million thus achieved will permit the Trident nuclear programme to go forward. But savings of this kind over a decade or more are not going to solve the fundamental problem for us or for anyone else. If we are to combine economic and military stability in Europe in the late 1980s and early 1990s something more radical, and on a NATO-wide basis, must be devised.

The "radical" solution proposed by the Royal Institute and John Nott is to revert to *less expensive and less advanced technologies*. Nott's April 1981 Defense White Paper insists that "we have too full an equipment programme for the financial resources available for defense. . . . The demands of meeting an ever-increasing threat will pull toward solutions which are sophisticated and therefore expensive. On the other hand, the limitations of money must pull toward simpler and cheaper solutions if the necessary range of equipments is still to be provided."

A defense analyst cited by the *Sunday Times* May 24 called for building cheaper tanks for the Rhine Army. "That is one area where we really can learn from the Soviets. They want a lot of them so they build them cheap; it is a classic example of their substituting clever design for high technology."

Lawrence Freedman, top defense analyst for the Royal Institute, added: "Our trouble is that we have tended to go for quality all the way through. Obviously we need some high-quality equipment, but I'm coming round to the view that quantity rather than quality must now be re-stressed."

Warsaw Pact tanks now deployed in Central Europe alone outnumber NATO tanks nearly 3 to 1. Moreover the commonplace of Soviet "quantity, not quality" is fast becoming a relic of the past, as Soviet military technology is now recognized to be equal or superior to that in the West in many areas. The Soviet Union places a particular emphasis on the most-advanced technologies and basic physics research which will lead to the weapons of the 21st century—laser and particle-beam weapons. Once breakthroughs in these technologies are achieved, what good will Britain's cheap tanks be—even if there are a few more of them?

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## FRANCE

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# Will Mitterrand keep the force de frappe?

Despite assurances to the Reagan administration by the visiting French Foreign Minister Claude Cheysson that "continuity" will prevail in French policy, and soothing words to State Department and other channels that French-U.S. relations could well improve under Giscard's successor, the actual picture is very different.

"There will be no Franco-German axis" under the new regime of Socialist President François Mitterrand, Cheysson told *Le Monde* in a May 28 interview. With these words the Mitterrand government put an end to the alliance that kept the world at peace during four years of Jimmy Carter's presidency, and, it was hoped, would do so during Alexander Haig's tenure at the State Department.

A general review of France's military role is now under way: from the continued development of the *force de frappe*, France's independent nuclear capability, to arms exports and internal military reforms. This must be seen in the context of a foreign policy which gives Latin American guerrilla supporter Régis Debray official foreign policy advisory status; a shift in Middle East policy toward close ties with Iran, Libya and Israel; and a shift in Africa policy which will mean support for Libya-backed liberationist movements.

The policies of previous Gaullist or Gaullist-inspired governments have made France the third most powerful military force in the Atlantic Alliance. Combined with the U.S. strategic strike force, the conventional military forces of West Germany, and some aspects of the British military, the French *force de frappe* is a crucial component of Atlantic Alliance capabilities.

Out of the Franco-German alliance arose a division of labor in which the Federal Republic of Germany built up its conventional armed forces, while France concentrated on its strategic and tactical nuclear forces. The outcome, for France, was a strategic force of five missile-launching nuclear submarines, with a sixth under construction; a force of approximately 50 Mirage VIs equipped with H-bombs and 18 ground-to-ground missiles buried in the southwestern Albion plateau, and a tactical nuclear force comprising five regiments of Pluton missiles and a tactical air force of three squadrons of Jaguars and two squadrons of Mirage IIIs equipped with the AN-52 nuclear weapons.