

MR. WHITMOREKEITH SPEED

Since I will be late again tomorrow morning, because of my appointment with the physiotherapist, I thought I should let you know before you see the Prime Minister the contents of a telephone call this evening (Sunday) between herself and John Nott.

Mr. Nott said that Keith Speed's remarks over the weekend were going to cause some problems for him in MOD. He had clearly broken ranks while the Navy Chiefs, while no doubt feeling the same way as he did, had remained loyal. He did not have anything against Speed personally, but ideally it would be better if he could be moved to another Department in the light of what had happened. If that was not possible, he believed Speed should stay on as Navy Minister, but that he should be given some kind of rebuke. Firstly, he proposed to see Speed and make it quite clear that he either had to shut up or resign; and unless he was prepared to give his word that he would say no more in public, he should be asked to resign likewise. He would also like to be able to tell him that he (Nott) had spoken to the Prime Minister. Secondly, Speed was at present scheduled to speak in the Defence Debate on Tuesday or Wednesday. He now proposed that he himself should open and wind up and that Goodhart and Pattie should speak. It would be obvious that Speed had been dropped from the Debate, and this would be seen as a clear rebuke within MOD and perhaps more widely.

The Prime Minister said she was appalled at Speed's open disloyalty. She was surprised that John Nott did not want him to resign right away. There was no question of moving him to another Department: if he was going to be disloyal to the Government in one Department, he would be in another. If Nott felt that he should be given another chance, then she was prepared to go along with his proposals. (Earlier in the conversation she had suggested that she herself should speak to Speed; Nott replied that it was sufficient for him to do so). As regards the Debate, the Prime Minister wondered whether it was possible for Mr. Nott to both open and wind up; Nott said that he was pretty sure it was possible; the Prime Minister suggested that he should check with the Chief Whip.

17 May 1981

T.P.L.



COMMITTEE OFFICE
HOUSE OF COMMONS
LONDON SW1A 0AA

01-219 3280/81 (Direct Line)
01-219 3000 (Switchboard)

DEFENCE COMMITTEE

Am

Enclosed is a copy of the Report by the Defence Committee on the "Statement on the Defence Estimates 1981".

This Report, which is being published today at 2.30 p.m., gives a brief assessment of aspects of the Government's Defence White Paper.

Douglas Millar
Clerk to the Committee

15th May, 1981

RELEASE TIME FRIDAY
12:15 MAY 1964

HOUSE OF COMMONS
LONDON SW1A 0AA

Extract from a Speech given by Keith Speed M.P. (Ashford Kent) Home Minister,
to Tonbridge Conservative Association on Friday 15th May, 1964 at 8 p.m.

" With defence expenditure topping £12,000million this year we are, quite properly, having a long hard look at tasks, priorities and resources.

The Secretary of State has already told Parliament he is not in the business to make " apocalyptic decisions" and that surely is right. While we must certainly seek the very best value for money the world is a desperately dangerous place and the threat posed both by the Soviet bloc and by terrorism remains as great as ever.

Some academics have suggested that now is the time to downgrade the Royal Navy and plough the savings made into other arms of defence. I believe such suggestions would do immense damage to a unique contribution this country makes in a European context and ignores all the lessons of history.

The Royal Navy's prime role, after provision of the submarine based strategic deterrent force, is anti-submarine warfare in the Eastern Atlantic and the English Channel. This A.S.W. is done at a cost of some 23% of the defence budget to provide no less than 70% of NATO's forces in the area. (By contrast, and I say it not critically, but as a statement of fact, British Services in Germany on the Central Front of Europe cost over 40% of our defence budget and provide 10% of NATO's forces in the area).

In any future European War the supply and reinforcement of men, materials and fuel from North America to Europe is essential for the NATO battle plans. Most of that has to go by sea because, apart from vulnerability of the European Airfields, there is just not the airlift capacity to do it by air. The Soviets can put into the Atlantic some 200 submarines which could sever Europe's jugular vein. Compare this with the last war situation when Germany had less than a quarter of that number of submarines and yet was able to make an almost successful challenge to our control of vital sea lanes.

To tackle this Soviet submarine threat needs a combination of submarines, maritime patrol aircraft, surface ships and anti submarine helicopters. The threat could build up in a pre-war tension period long before the first shot was fired. The determination and capability of NATO to reinforce Europe is a key part of its credibility in deterring continental war.

From: KEITH SPEED, R.D., M.P.



HOUSE OF COMMONS
LONDON SW1A 0AA

2

Without the Royal Navy's 70% contribution that capability and credibility will be lost. There is no other NATO Country now or in the foreseeable future that can provide it without making massive and probably unacceptable changes in its own defence dispositions.

Those who argue that the U.S. Navy could fill the gap have ignored the U.S. Chief of Naval Operations stark message. "We have a 3 Ocean commitment with a 1½ Ocean Navy". Nor would the new defence orientated administration in the U.S. look favourably at the one European ally that has been a robust member of NATO these past two years, degrading so seriously its most significant contribution to the alliance. Not least when in the Trident acquisition negotiations the U.S. were given assurances our conventional forces would not be sacrificed to pay for the programme.

To those who argue that maritime patrol aircraft and submarines only can effectively do the A.S.W. task, the answer alas, is not so. The Russians are learning that noisy submarines can be easily detected by passive listening equipment which can be carried in Sonobuoys dropped by M.P.A.'s, other submarines, surface ships and helicopters. So they are making their submarines quieter and faster, and stronger and deeper diving. This means that active sonar (the pinging type) of great power will be vital in the next few years. For technical reasons this cannot be effectively used in sono-buoys, and we come back to helicopters, surface ships both in their own right and as helicopter platforms and submarines. We shall never have enough A/S-submarines which although very effective are also very expensive.

If we are serious about A/S warfare therefore we need the right mix of passive and active sonars together with the right mix of M.P.A.s, anti-submarine helicopters, surface ships and submarines. Incidentally thank heavens co-operation between the RAF Nimrod Squadrons and the Royal Navy is so good as I have seen for myself. Many other Navies including the United States, the Soviet Union, the German, the Dutch and the French have their own very substantial Fleet Air Arm, with maritime patrol aircraft and in the Soviet case a large number of "Backfire Bombers" a thought to be borne in mind when we look at Soviet air expenditure !



HOUSE OF COMMONS
LONDON SW1A 0AA

3

Apart from the anti-submarine warfare Europe and the U.K. could be thwarted by a determined mining campaign. The Warsaw Pact has over half million mines which can be laid by ships, submarines or aircraft, to say nothing of merchant ships with virtually free access to our ports.

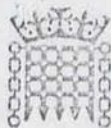
As Vietnam showed the laying vessel can be an unsophisticated fishing boat if needbe. It is often forgotten more ships were sunk by mines in World War 11 than any other weapon. In the late 1950s the Royal Navy had more minesweepers than NATO altogether now has operational. Yet the danger has increased rather than diminished. While even the threat of mining in areas like the Gulf of Oman or the Straits of Gibraltar could cause major disruption to merchant shipping.

If World War 111 however is to last only a few days and all this supply and reinforcement is a waste of time, as some suggest, the corollary of that line of thought, is that the nuclear threshold in Europe is virtually non-existent because within hours one side or the other would engage in a rapidly escalating nuclear exchange. This argument may be used by the C.N.D., I do not believe it myself, nor do the NATO planners. In addition whatever happens in the land battle it is unlikely that the fleets of Soviet submarines armed with strategic and cruise missiles would meekly surface in due course, missiles unfired !

There is, however, a danger in that concentrating on one very unlikely scenario for a World War 111 that won't happen we shall lose the 'no peace no war' situation which has been with us, and has largely been contained for the past 30 years. I do not believe the Kremlin wants a nuclear holocaust, any more than Whitehall or the Pentagon. And while there is a rough parity and NATO keeps its political nerve on deterrence for both strategic and theatre nuclear weapons then the overwhelming odds are against such a catastrophe.

The same is not true however about Soviet ideological ambitions on a World wide basis backed up by military power falling short of all out war.

Over the past 25 years Admiral Gorshkhov has turned the Soviet Navy from being very much concerned with home defence into a wide ranging blue water fleet. Their current strength are, 2 Aircraft Carriers, 2 Helicopter Carriers, 1 Nuclear Battle Cruiser, 380 submarines, 38 Cruisers, 87 Destroyers, 185 frigates, over 370 Minesweepers plus many hundreds more supporting vessels



HOUSE OF COMMONS
LONDON SW1A 0AA

4

of all types and a massive building programme currently taking place of submarines and surface ships, with for example, 1 new nuclear submarine entering service every $5\frac{1}{2}$ weeks.

The Soviets with their satellite and sympathetic partners have established a world wide chain of access ports and naval bases east and west of Suez. As Gorshkov has said "The Soviet Fleet is a powerful factor in creating favourable conditions for the building of Socialism and Communism". He is certainly practising what he preaches. Every Ocean of the world is part of their operating territory above and below the waves. While their intelligence gathering ships the ubiquitous A.G.I.s are stationed worldwide to listen, watch and report on both naval and merchant shipping activity of the Western Allies.

We do well to remember that every day some 120 ocean going ships arrive in the ports of North West Europe. Every day there are 200 tankers between the middle east and western Europe carrying supplies of oil to NATO Countries. Overall we still have some 12,000 ships of over 1000 tons at sea bringing in not only this vital oil (increasingly coming closer to home) but also essentials such as copper, tin, chrome, potash, manganese and bauxite to name but a few.

Some 96% of our exports and imports go by sea and as an Island Nation we are particularly vulnerable to disruption or severing of the sealines of communication.

It is on the sea that the Soviets can mount their severest challenge with the least risk if we were foolish enough to let them. It is by maritime power that political and military ends can be projected together as we have not failed ourselves to do on occasions. Again Admiral Gorshkhov has got it right when he said "In many cases a show of Naval strength without taking armed action may achieve political ends merely by exerting pressures through its latent power or by threatening to take military action".

As I speak R.N. Ships, with our friends, are patrolling the Gulf of



HOUSE OF COMMONS
LONDON SW1A 0AA

5

Oman, other R.N. Ships are on regular patrol in the Caribbean ready to render assistance if required to Belize or other friendly countries threatened by disruption whether man-made or brought about by nature. In Hong Kong more R.N. Ships curb the would-be flood of illegal immigrants, piracy and smuggling in the South China seas. In the Antarctic another R.N. Ship and the Royal Marines shows a welcome presence to the Falkland Islanders. Around our coasts both in the fishery protection role and in safeguarding our off-shore energy supplies the Royal Navy has a crucially important task for British economy. Soon to become more important with the patrolling and security of 200 mile Exclusive Economic Zones and the exciting developments in the exploration of the seabed. Working alongside all this are the 13 RN Hydrographic Survey Ships who provide an internationally recognised service that is unequalled anywhere else in the world.

As I reminded parliament last June all defence equipment gets more and more expensive. Increase in costs are often way above the average level of inflation. We need men and women of the highest quality in our services and their back-up support. We cannot compromise on quality here. However in equipment we have to be careful of "The best being the enemy of the good"

We cannot afford to continue indefinitely with large and expensive frigates, now costing £130million each. Nor with very good, very sophisticated Mine Counter Measures vessels at £30million a time. That is why as a matter of urgency we are developing the Type 23 Frigate which will have a good anti-submarine capability but will be simpler, smaller and half the cost of a current frigate. The same goes for the Single Role Mine Hunter and the Minesweeper (Fleet) both of which are very very much cheaper than the more expensive vessel. We are now designing ships easier to clean, easier to maintain, requiring smaller crews.

This must be the way forward so that we can match resources to the tasks and priorities we face. To irreversibly run down the Royal Navy would be to ignore this Country's history, its geography, its economic trading base and the security facts of life as Members of the North Atlantic Treaty Organisation.

From: KEITH SPEED, R.D., M.P.



HOUSE OF COMMONS
LONDON SW1A 0AA

6

I have no doubt that the Government and the Conservative Party would reject such a defeatist and dangerous course which could threaten the security of every man woman and child living in Britain.

Let me leave the last word with another famous Russian. It was Solzhenytzen who said " The threat lies not so much in the capabilities of its enemies as in the indifference of the West". If that has been true in parts of Europe we must not allow it to become true here."