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## UKNDA COMMENTARY No.8

# DEFENCE

## *What the Manifestos Should Say*

by Air Commodore Andrew Lambert, Dr Andrew Roberts and Allen Sykes

The next Strategic Defence and Security Review (SDSR) is not planned until after the May general election so political parties may choose to sideline defence, while promising ever more generous sums for health, education, welfare and foreign aid, all while reducing the £90billion annual deficit. This could well result in **ill-considered cuts to defence without any serious public or Parliamentary discussion**. This neglect has been strongly condemned in numerous editorials and articles, in particular by Con Coughlin<sup>1</sup> and the former Conservative and Labour Defence Ministers, Sir Peter Luff and Bob Ainsworth.<sup>2</sup>

### *Choices*

Avoiding such serious discussion deceives the public. Perhaps this omission is because of a dangerously naïve political view that there are “*no votes in defence*”. Yet numerous surveys show the public support adequate defence if the dangers and need are properly explained.

To help to forestall this we join the growing chorus of serious media, cross-party MPs, and military experts in calling for a pre-election defence debate. Enough is already known about the major geo-political risks and the well-publicised gaps in Britain’s defence capabilities to permit sensible consideration of the three broad choices open to the next government:

- i. to cut defence expenditure significantly further;
- ii. to keep to the NATO minimum of 2% of GDP; or
- iii. to increase expenditure sufficiently to meet the threats.

The main political parties have for many years discussed the defence budget primarily in relation to cost. Cuts were dismissed as without serious consequences, and the necessity of restoring lost capabilities ignored. How wrong this was can be easily illustrated. The Coalition Government’s SDSR 2010 imposed an arbitrary 8% cut to the defence budget and eliminated the so-called “black hole” in the equipment programme. The consequence has been a major reduction in our firepower. The IISS

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<sup>1</sup> *Daily Telegraph*, ‘The military is a forgotten issue in this election [and] why that must change’, 2nd February 2015.

<sup>2</sup> *Daily Telegraph*, ‘We cannot afford not to defend our nation’, 9th February 2015.

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assesses that the 8% defence spending reduction in the SDSR 2010 produced a 20-30% reduction in overall UK conventional military combat capability across the three services.<sup>3</sup> The Maritime Patrol Aircraft force was withdrawn in its entirety, as was HMS Ark Royal and the full Harrier Force of 72 aircraft. The British army was to withdraw from Germany; Challenger tanks were reduced by 40%, and the number of naval escorts reduced by 9 to just 19. This was a major force reduction, with many of the SDSR decisions having to be revisited, with likely significant additional costs.

The next SDSR must be conducted very differently, with a balanced team given the time and resources to do this vital job properly; including a war-gamed analysis of the consequences of further cuts to the front line. Hence there must be no “*light touch*” SDSR as suggested by the Prime Minister, which would be obfuscation of a high order. Transparency is needed, and the voting public has a right to know what priority those who aspire to govern the country intend to give its defences, as much as they do to its health and education. And this means **they must clearly set out their intentions in their manifestos.**

### ***The Nature of Defence***

Most politicians declare that adequate defence and security are the “*first duty of government*”, but not one in the last 25 years has prioritised it once in power. They fail to understand the nature of defence and why it differs fundamentally from all other funding. First, any threats to security that arise are almost entirely outside government control, especially now our power and influence has been allowed to wane. Second, virtually all conflicts are unanticipated and emerge suddenly. Of the eight major conflicts from the Falklands in 1982 to Mali in 2013, all were unforeseen even a few weeks before. And the two major threats which dominate our current concerns, Russia and ISIL, both arose within the last year, and escalated rapidly.

Defence is always “*the first duty of government*” because it provides the best prospect that everything else in national life can be enjoyed in safety. This is why George Osborne, when questioned by Andrew Marr on defence cuts immediately after September’s NATO Summit, correctly replied – “***We can afford whatever it takes to provide adequate security. Defence comes first.***” Unfortunately, the Chancellor had not fully understood the implications of his unequivocal statement. Questioned again by Andrew Marr on 8th February, he reduced that primacy, stating that “***strong defence depends on a strong economy.***” Sadly, history does not support the view that strong defence can wait for a strong economy. Our perceived lack of resolve in not funding defence in the 1930s encouraged German aggression and led to WW2, perhaps the falsest economy in British history.

However, a strong economy can only thrive in a secure environment, which adequate defence provides. Proper defence is justified even when an economy is weak because the costs of fighting a war are vastly higher than deterring one, and the cost of losing higher still. In any case, right now the British economy is not weak but growing strongly, and our living standards have hardly been higher. **Adequate defence is affordable.**

### ***Current Risks***

A year ago our defence concerns concentrated on the future of Afghanistan as NATO withdrew, the collapse of Pakistan from insurgency, the military assertiveness of Russia and China, Syria collapsing in civil war, Islamic terror in Nigeria and the fear of terrorism in Britain. None of these have gone away and most are still more threatening.

Now, on NATO’s Eastern border, an increasingly aggressive Russia threatens NATO countries, especially Baltic nations with large Russian minorities. As economic sanctions take effect and oil

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<sup>3</sup> IISS Military Balance Blog, January 2014, [www.iiss.org/en/militarybalanceblog/blogsections/2014-3bea/january-1138/robert-gates-9d51](http://www.iiss.org/en/militarybalanceblog/blogsections/2014-3bea/january-1138/robert-gates-9d51).

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prices tumble, the Russian economy is in increasingly serious difficulties, making Putin more defiant and entrenched. The Economist headlined so clearly, *“As Ukraine suffers, it is time to recognise the gravity of the Russian Threat – and to counter it”*.<sup>4</sup> Putin’s obvious aim is to *“divide and neuter [the NATO] Alliance”*. **Russia has declared NATO to be “the enemy” and stated that external threats to Russia could justify the use of nuclear weapons.** Nuclear bombers have been repeatedly sent on probing flights against the UK and Denmark etc, and Russia has stepped up its surrogate offensive in the Ukraine, using a mix of irregular and regular service personnel. One ceasefire has failed; another is in difficulties, and the US dithers over arming Ukraine. Already the British and European economies have been damaged. Russia has recently offered 12 Fencer bombers to Argentina to threaten the Falklands. Anything less than a strong and resolute response by NATO could bring Europe to the brink of uncontrollable escalation, with incalculable results.

Meanwhile, in the ruins of Syria and Iraq, a particularly aggressive and violent jihadist state, ISIL, unconstrained by norms of morality, threatens the stability of the entire Middle East, including Saudi Arabia on whose oil Europe still relies. It also seeks to prosecute a terror campaign across the homelands of the West. If not decisively thrown back, for which there seems little political appetite, ISIL may well spread terror across the whole region, increasingly acting as a magnet for disaffected Muslim youth across Europe, as seen in Paris and Copenhagen so recently.

How to deal effectively with all these problems has already sparked serious debate. One view, expressed by members of the political *intelligentsia*, is that Defence has little utility in dealing with these crises, being solely for the security of the homeland. Military power is said to offer no influence; what really counts is our soft power. There can thus be no military solution in dealing with Putin, Boko Haram or ISIL. How very curious – tell that to Saddam, Milosevic or Gaddafi! In each case, clear military success was later thwarted by political vacillation and bureaucratic incompetence.

Others argue that the new warfare means the West no longer needs strong conventional forces and we need to configure to respond primarily to terrorism and cyber attacks. But Russia, China and even ISIL all favour classical military action, and the West would be foolish indeed if it lost its strongest card, its high technology conventional firepower.

Defence has now to expand to include counter-cyber, robotic and proxy activity against what Mr Putin describes as “hybrid warfare”, designed to be deniable and “ambiguous both in source and intent”,<sup>5</sup> making it intentionally hard for alliances to respond coherently.

There are further worries. An energy sufficient America need no longer focus on the Middle East as it concentrates increasingly on China’s widespread threats to Pacific nations, drawing American forces away from Europe, leaving Britain and NATO Europe to do much more in our own defence. This trend will put more pressure on Britain to return to *“full spectrum defence”*. None can foretell the nature of the conflicts, or which combination of Services will be needed if forced to fight. Our present Armed Forces, with many world class capabilities, unfortunately now fall well short of the numbers and *full spectrum* capabilities necessary.

## ***Britain’s Place***

A current Cabinet Office Briefing Note states:

*“Britain as a country continues to have global responsibilities and global ambitions.  
We will remain a first rate military power.”*

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<sup>4</sup> *The Economist*, ‘As Ukraine suffers, it is time to recognise the gravity of the Russian Threat – and to counter it’, 14th February 2015.

<sup>5</sup> *The Economist*, ‘Russia’s aggression in Ukraine is part of a broader, and more dangerous, confrontation with the West’, 14th February 2015.

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Will the Conservatives stick to this and will the other main parties agree? What then is our place and role in the world? What geo-political factors will impact on national interests and how will Britain's hard and soft power need to be marshalled? From this everything else flows.

## ***UK Defence in 2015***

Over the last 25 years defence expenditure has fallen from just over 4% of GDP to 2%; defence neither caused the deficit, nor can cure it.

If we are indeed forced into confrontation with Russia then our force levels today seem pitifully small compared with those at the end of the Cold War. Then we had some 306,000 regular servicemen as well as 340,000 Reserves. The army alone had 153,000, with 3 Armoured Divisions and 1 Infantry Division, including 1330 main battle tanks. The Royal Navy had some 50 Principal Surface Combatants, including 2 Carriers, together with 28 attack Submarines, 3 Squadrons of Harriers and a Marine Commando Brigade. The RAF fielded 26 operational fast jet squadrons, 11 Reserve squadrons and a full complement of early-warning, Intelligence gathering, transport, helicopter and maritime patrol squadrons.

During the next Parliament the army will be reduced to just 82,000 men, the RN is already down to just 19 Surface Combat ships and 7 attack submarines, and the RAF just 7 (soon to be 6) fast jet squadrons. Commitments far exceed the ability of current forces to sustain them. For example, the RAF has commitments in Afghanistan, Iraq, the Baltics, the NATO Rapid Deployment Force, the Falklands, Nigeria and in defence of the UK. The cupboard is bare.

For the future, the two new carriers have yet to be commissioned, aircraft for them remain unordered, there are no Maritime Patrol Aircraft, no means for suppressing enemy air defences and no effective counter against ballistic missiles.

## ***The Three Choices***

The British economy is growing strongly in real terms by 2½% to 3% a year. The current deficit is £90bn a year, down from £150bn in 2010, and still falling. The Liberal Democrats plan to eliminate the deficit within three years, the Conservatives in four, and Labour in somewhat longer. The deficit will fall with economic growth but some further cuts in Government expenditure will also be necessary. Ring-fencing health, education, pensions and, of all things, foreign aid, threatens all the other Departments of State, including Defence. **Defence, far from being the first priority of government, is effectively fifth or lower.**

In assessing the parties' likely choices the political battle lines are already being drawn.

### **Choice # 1 – Cutting the defence budget significantly**

The Liberal Democrats are likely to see defence as an easy target for cuts with the continuous at sea nuclear deterrent ended. The SNP want to discontinue nuclear weapons altogether and the Greens to reduce the armed services to essentially a home guard. Conservatives and Labour say they will act responsibly on defence and continue the nuclear deterrent. But at £35bn the defence budget is perilously close to the 2% of GDP NATO minimum. New cuts would have an irreversible impact on Britain's relationship with America,<sup>6</sup> by far our most important and irreplaceable ally. Our seat on the UN Security Council would be questioned. We shall be left with little global influence.

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<sup>6</sup> Three recent articles stand out:

*'Defence cuts risk US anger, says ex-attaché'* by Ben Riley-Smith, Political Correspondent, *Daily Telegraph*, 14th January 2015. This comprises an interview with Sir Anthony Dymock, Britain's top military officer in America and later at NATO for much of the last decade.

*'Our special relationship hangs by a thread'* by Sir Christopher Meyer, a former British ambassador to the United States, *Daily Telegraph*, 15th January 2015.

*'White House home truths for Cameron'* by Philip Stephens, *Financial Times*, 16th January 2015.

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This could well be last straw for USA's commitment to European security. America could reasonably conclude that if even Britain can no longer be relied upon why then should America continue to shoulder 70% of the NATO burden? If America effectively withdrew from NATO, could Continental Europe stand firm against Putin's Russia? We doubt it. Peace could then only be bought through appeasement.

Such cuts, resulting inevitably in further loss of capabilities and standing, would be a very serious blow to the morale of the Armed Forces, already a cause for concern, where recruitment and retention of regulars and reservists are already failing to meet targets. Reduction would be likely to precipitate an irreplaceable exodus of experienced and ambitious Service personnel.

**No responsible British government could cut the defence budget from present levels in the light of such far reaching consequences.**

## **Choice # 2 – Keeping the Defence Budget at the NATO minimum of 2% of GDP**

In a recent analysis in the Guardian<sup>7</sup>, UBS stated:

*“We are increasingly concerned about the outlook for UK defence budgets, especially under a potential Conservative government, but we see little political will to increase defence spending on either side of the political spectrum. Possible scenarios could see ~20% nominal declines from 2015 to 2019 under a Conservative government and ~10% nominal under Labour.”*

As the distinguished commentators Sir Anthony Dymock, Sir Christopher Meyer and Messrs Stephens and Riley-Smith make plain (see footnote 6), spending just 2% of GDP on defence is the minimum necessary for the Special Relationship. At last September's NATO Summit David Cameron strongly urged all NATO European members to raise defence expenditure to that minimum. Yet he has neither ring-fenced our defence nor ruled out new cuts. If by the 2016 NATO Summit he presides over a British defence budget spending only 1.6% of GDP he would forfeit all credibility in NATO and the White House. While President Obama seeks to increase the US defence budget by 4%, Britain prevaricates. There is already growing concern over Britain's reliability as America's primary ally; the Conservatives have much to live up to.

According to Labour<sup>8</sup>, *“We live in a dangerous and unpredictable world, with new challenges emerging and old challenges re-emerging. Britain's global role in responding to these must be based on strength, safety and stability, and that is why defence, and our party's approach to it in preparing for government, is of such critical importance.”* Despite these fine words, historically Labour has cut defence expenditure with few regards for the consequences.

As it stands, even a 2% expenditure will still leave large gaps in force levels and capabilities. In battle, Britain sorely needs the USA, and even if we continued to spend 2% we still could hardly fight without them. We simply lack capability and mass.

## **Choice # 3 – Matching the Defence Budget to Threats**

As part of SDSR 10 the Prime Minister stated his **“strong view that the defence budget would need to grow in real terms in the period after 2014/2015”** to provide the force levels necessary<sup>9</sup>. He is

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<sup>7</sup> [www.theguardian.com/business/marketforceslive/2015/feb/03/uk-defence-budgets-set-to-be-cut-whoever-wins-election-says-ubs](http://www.theguardian.com/business/marketforceslive/2015/feb/03/uk-defence-budgets-set-to-be-cut-whoever-wins-election-says-ubs). UBS AG is an international global investment banking company with its headquarters in Basel and Zürich.

<sup>8</sup> Vernon Coaker, Shadow Defence Secretary, Labour Party Conference 2014. <http://press.labour.org.uk/post/98135471954/speech-by-vernon-coaker-mp-to-labour-party-annual>.

<sup>9</sup> Written Evidence to HCDC: “As for the period beyond 2014-15, in announcing the SDSR, the Prime Minister was clear that his own strong view was there would need to be real terms growth in the Defence budget in the years beyond the current Spending Review to make this force structure affordable by 2020.” [www.publications.parliament.uk/pa/cm201012/cmselect/cmdfence/761/761we05.htm](http://www.publications.parliament.uk/pa/cm201012/cmselect/cmdfence/761/761we05.htm).

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surely not going to argue that in the four years of coalition rule the economy has deteriorated to the extent that this is no longer possible? On the other hand the world security scene has demonstrably deteriorated sharply. Is the Prime Minister's word then not to be relied on?

In their letter in *The Times* of 4th February, a cross-party group of 6 MPs<sup>10</sup>, all experts in defence, called for a strategic view of the situation and said:

*“While we recognise the budgetary challenges ... **the UK should continue to devote at least 2 per cent of its GDP to defence, and should sustain the promised real-terms increase of 1 per cent per year in the defence equipment budget.**”* [Our emphasis]

We agree; there must be no back-sliding now. A real-terms increase, with a future budget set at no less than 2% of GDP is the minimum essential for our future national and collective security. At the current GDP growth rate, the defence budget would climb gently to some £50bn over the next 10 years. Even at this level it would still be half of that spent on education, a third of that spent on the NHS, and less than a quarter of Social Budgets, but it would at least enable some repair to the gaps in capability, show some resolve to NATO Allies and opponents, and hopefully convince the USA that we remained a worthwhile partner.

## ***Decision***

But let us be clear, after years of cuts and neglect, even Choice 3 would not restore full spectrum capabilities, nor reprove our nuclear deterrent. The need for these capabilities is what a truly objective and honest SDSR 15 must judge when set against the world situation. But then, once the case is made, the money must be found. This is what each of the Parties must honestly commit to in their manifesto.

With the world in turmoil, it will not matter a jot how good is the UK's welfare provision if the next government gets this one wrong.

**Which party has the foresight and statesmanship to rise to this challenge?**

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<sup>10</sup> Messrs Luff, Arbutnot, Ainsworth, Campbell, Dodds and Ms Stuart, *The Times*, 4th February 2015.



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