

OVERCOMING THE DEFENCE CRISIS

'Defence provision should be threat driven, not budget driven.'

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PREFACE
by
UKNDA President Winston S. Churchill

Britain's Armed Forces are in crisis. Not only are ex-Chiefs of Defence Staff unanimous on the point but, such are the pressures within the system that, unprecedentedly, the Secretary of State for Defence and the Chief of Defence Staff have publicly admitted that the current Defence Budget is inadequate to meet present commitments and to provide for future contingencies. The priority accorded to Defence (2.3% of GDP) has not been lower since the 'locust years' of the 1930's, when inadequate defence provision paved the way directly to World War.

As a measure of the crisis, according to a Ministry of Defence survey of all three Armed Forces, nearly 50% of all ranks and reservists are contemplating resignation. As a result of grave under-funding of Defence, our Armed Forces are today too small for the commitments placed upon them. This in turn causes extreme over-stretch, with intervals between active service tours all too often measured in months, not years. These lead to family pressures, even breakups, and the threat of mass resignations.

With only a minimal increase in the core Defence budget over the past 10 years, our Armed Forces have been committed to five conflicts (all unforeseen), including in Afghanistan and Iraq, which are the longest and most intense since WW2. Meanwhile global threats are mounting, with an unstable nuclear-armed Pakistan, Iran building a nuclear capability and threatening to use it, China and Russia rearming, while the latter flexes its military muscles by invading its neighbour, Georgia, and threatening the Ukraine. Such is the focus on the two present conflicts that this wider view is lost.

There is an urgent requirement for a significant increase in Armed Forces pay, especially in the lower ranks, together with a thorough-going Defence Review, backed by the promise of fuller funding. The national interest requires the full-hearted engagement of Government and Opposition to rehabilitate our Armed Forces and repair our defences. Now is no longer the time for party politics.

Winston S. Churchill

OVERCOMING THE DEFENCE CRISIS

INTRODUCTION

The purpose of this paper is to alert the main political parties, Media and Public to the urgent need to address the morale and funding requirements of all three Armed Services. Action cannot be delayed any longer – and certainly not until after the next general election which may be 20 months away. Three particular reasons for this sudden urgency have emerged in the last few months. First both the Chief of the Defence Staff (CDS) and the Secretary of State for Defence have admitted in June and July that the Defence Budget is inadequate for current and contingency needs. Second, a comprehensive, authoritative Ministry of Defence (MoD) attitude survey of all three Services has revealed an alarming decline in morale with nearly half of all ranks and reservists considering resignation. This could paralyse Britain's defence. Third, on 7th August Russia invaded the former Soviet Republic and sovereign state of Georgia, a NATO and EU candidate. The two dissident regions on the Russian border, South Ossetia and Abkhazia have now been recognised by Russia as independent states. The political and military balance between Europe/NATO and Russia has been thrown into sharp focus.

These three events together show that a step change in defence thinking and particularly defence funding is an urgent, unpostponeable requirement.

In March/April the Government and Opposition both recommitted to the defence of the realm as a funding priority, and also strongly endorsed the Military Covenant to fund the Armed Services for the operational calls made upon them and the proper care of their families. These duties and commitments are far from being met.

None of our current operations were ever predicted. Adequate long-term defence thus requires both the capability to handle known threats and also the spare capacity and flexibility to meet serious but unpredicted ones. This paper identifies the numerous short, medium and long-term threats to Britain, including homeland security and the seriously underfunded Iraq and Afghanistan wars. But there are several additional major threats not anticipated in the defence budget. First are the threats from the assertive ambitions of a militant and potentially nuclear armed Iran.

Second, are the several serious threats and instabilities of Pakistan, a safe haven for *Al Qa'eda*, several other active terrorist organisations, and the Afghanistan Taliban, but, most worryingly, a possibly failing state ruled by a weak government holding nuclear weapons threatened by Islamic insurgents. Third, allowance must be made for the implications of Russia's recent invasion of Georgia and the effect on the political and military balance between Russia and Europe/NATO.

The last Strategic Defence Review was in 1998 *before any of the five subsequent wars. None was foreseen nor was the core defence budget significantly increased to pay for them, a major reason for the overstretch which is now so apparent.* The core defence budget has been only modestly increased, while the Security landscape has drastically changed for the worse. In the last ten years all other major government departments received 40% to 80% increases, with very much more for health (167%) and education (121%). There is unanimity between military experts, a majority of MPs, very senior retired officers, *and even, unprecedentedly, from the most senior serving officers right up to the CDS*, that Britain's current and planned core defence provision is seriously inadequate. ***The shortfall is incontrovertible.***

All three Services are now so run down in numbers and equipment that a major, urgent, phased, rehabilitation approach is required. *It cannot begin soon enough.* According to the recent MoD survey *general* (as opposed to frontline *battlefield*) morale is low for all three Services.

The Army is short of manpower, effective operational radios, battlefield helicopters, and mine-proof land vehicles.

Today's aircraft fleet is small, ageing and expensive. RAF manpower is insufficient, and ***all*** aircraft fleets (transport, combat, reconnaissance, air tankers, etc.) have been at least halved – with the MoD now trying to cancel the final tranche of Typhoon fighters.

The Royal Navy is in as bad a way with its fleet sharply reduced, much of it out of date, and with inadequate replacement plans. While importantly, two modern aircraft

carriers have at last been ordered, there will be too few escorts to protect them, and with the 2005 enforced budget cut of the Sea Harrier, and no early prospect of replacement, for at least the next nine years there will be an 'air gap' over the Fleet.

Core defence funding at only 2.3% of GDP is ominously the lowest percentage since the cash-strapped mid-1930s Great Depression, before serious rearmament began too late in 1938. Presently the state of all the Services calls not for the planned budget real term increase of only 1½% over each of the next 3 years, but for perhaps a 40% or more phased increase in funding over the next 3 years over the present £33bn core budget. The recommended increase will still be less than the average 10 year increases already received by other main Departments of State, and well below the highest increases.

The Government has as yet shown no signs of increasing the defence budget significantly despite many pleas and clearly worsening world events. With America it has reaffirmed its full support for NATO over Georgia, and has also promised better support for Servicemen's families. Government defence funding policy should therefore be on the point of change,

The same should apply to the Conservatives. In March David Cameron set up his 'Military Covenant Commission' to recommend how to implement the Covenant in full including treating servicemen and their families properly. In his 1st April address on the future of NATO David Cameron gave his unequivocal support for NATO and America to preserve peace and security. He recognised the need for Britain and all of America's allies to do more. After the mid-August invasion of Georgia he flew to its capital to pledge the strongest British support for the independence and integrity of Georgia. In logic these actions all imply a major increase in defence funding.

The Government should now put in hand an urgent and comprehensive defence review and commit *in principle* to a major funding increase while the details are worked out. All 'Strategic Objectives' should be fully resourced, and there must be no more 'robbing Peter to pay Paul'. To reverse the unacceptable threat of major resignations, and to restore morale, each of the Services must be given the necessary improvements in manpower, equipment and pay.

The Conservatives, though not in power, still have a bi-partisan duty to ensure the country is properly defended. They should strongly encourage the Government to implement the recommended actions and support them in doing so.

With the defence provision in crisis, manning and recruitment and retention problems growing, major Service resignations threatened, and external threats increasing markedly, remedial action requires statesmanship from all political parties. It is to be hoped that they will rise to the crisis in the best traditions of British politics.

TABLE OF CONTENTS

		Page
	THE PURPOSE OF THIS PAPER	1
1	DEFENCE OF THE REALM – THE ACCEPTED FIRST DUTY OF ANY GOVERNMENT	2
2	THE EXTERNAL THREATS	2
3	THE RISK OF MAJOR SERVICE PERSONNEL RESIGNATIONS	3
4	MAJOR CURRENT EXPERT ASSESSMENTS OF MAJOR DEFENCE SHORTFALLS	4
5	A BROAD ASSESSMENT OF BRITAIN’S DEFENCE NEEDS AGAINST THE THREATS	5
	<ul style="list-style-type: none"> • <i>Preparing for the Future</i> 5 • <i>Maintaining the Nuclear Deterrent</i> 6 • <i>The Needs of the Army</i> 7 • <i>The Needs of the Royal Air Force</i> 9 • <i>The Needs of the Royal Navy</i> 12 • <i>The European Union</i> 14 • <i>Summary</i> 15 	
6	THE CURRENT DEFENCE POLICIES OF THE LABOUR GOVERNMENT AND THE CONSERVATIVE OPPOSITION	15
	<ul style="list-style-type: none"> • <i>Government Defence Policies</i> 15 • <i>Conservative Defence Policies</i> 16 	
7	THE RECOMMENDED RESPONSES TO OVERCOMING THE DEFENCE CRISIS	17
	<ul style="list-style-type: none"> • <i>Recommended Government Actions</i> 17 • <i>Recommended Conservative Leadership Actions</i> 19 • <i>Other Opposition Parties</i> 19 • <i>Finding the Extra Resources</i> 19 	
8	CONCLUSION – THE TIME FOR STATESMANSHIP	20
	REFERENCES	22

OVERCOMING THE DEFENCE CRISIS

THE PURPOSE OF THIS PAPER

The purpose of this paper is to alert the main political parties, media and public to the urgent need to address the morale and funding requirements of all three Armed Services. While increased funding has long been justified, the recent nexus of three apparently unrelated events has highlighted a crisis in the defence provision of this country. Remedial action cannot be delayed, and certainly not until after the next general election which could be up to 20 months away.

On 24th June the Chief of the Defence Staff (CDS), Air Chief Marshal Sir Jock Stirrup, publicly acknowledged the insufficiency of Britain's defence funding, and that funds were inadequate even to resource our operations in Iraq and Afghanistan simultaneously. This is an unprecedented action for a CDS. Then in his recent 21st July 2008 Report¹ to Parliament, the Secretary of State clearly acknowledged that he could no longer meet all his 'Strategic Contingencies' several of which were now 'at risk'.

Second, in early July, the Ministry of Defence (MoD) published a most comprehensive 2007 survey of attitudes in all three Services. This revealed an alarming decline in general morale with nearly half of all officers, other ranks and reservists considering resignation. If even only half of them were to resign Britain's defence capability would be paralysed.

Third, on 7th August, Russia invaded the former Soviet Republic and sovereign state of Georgia, a NATO and EU candidate, and long a thorn in the side of the Kremlin. The two dissident regions on the Russian border, South Ossetia and Abkhazia have now been recognised by Russia as independent states. The political and military balance between Europe/NATO and Russia has been thrown into sharp focus

These three events together show that a step change in defence thinking and funding is now an urgent, unpostponeable requirement.

1 DEFENCE OF THE REALM – THE ACCEPTED FIRST DUTY OF ANY GOVERNMENT

No British government or major political party would ever deny that its first duty was the security and defence of the realm. In March and April both the Labour Government² and the Conservative Leadership³ strongly reaffirmed this duty as a priority call on the public purse. Both also accept the long-standing 'Military Covenant'⁴ with all three Armed Services to supply enough trained manpower, equipment and medical support to enable them to discharge their responsibilities, including the proper care of families. These duties and commitments are far from being met.

2 THE EXTERNAL THREATS⁵

Adequate long-term defence requires the capability to handle known threats, and the spare capacity and flexibility to meet serious unpredicted ones. Few of the threats in the last 25 years from the Falklands onwards were anticipated. The five wars involving Britain in the last ten years (Bosnia, Kosovo, Sierra Leone, Iraq and Afghanistan) were all unforeseen. ***Nor was the core defence budget significantly increased to cope with them. This is the major reason for the overstretch which is now so apparent.***

The Government has identified numerous threats for the next five years including homeland security, and continuing conflicts in Iraq and Afghanistan, for which the existing defence budget is manifestly inadequate. But to this list must be added even more serious risks which were not considered. These include both the several serious instabilities in a nuclear-armed Pakistan (a safe haven for the Taliban, for *Al Qa'eda* and numerous other terrorist organisations which have planned the major terrorist bombings in recent years in safety),⁶ and for Islamic fundamentalists eager to destroy the insecure democratic coalition and to access some of Pakistan's nuclear weapons) together with the nuclear ambition and threats of a militant Iran.

In addition, allowance must now be made for the threats which Russia's recent invasion of Georgia poses for the Caucasus, the Ukraine (a NATO candidate like

Georgia) and the Baltic states – all NATO members – with their sizeable Russian minorities. Finally, China, and often Russia, are supporting rogue African states, and supplying military aircraft to unstable regimes. China is building up all its armed forces and Taiwan remains a point of contention.

In sum, Iraq and Afghanistan, for which the present defence budget is inadequate, are far from being the sole or even the main threats to Britain's security. Our defence needs over the next twenty years require urgent reappraisal as does the budgetary provision to meet them. Given the long lead time to acquire new equipment and bring it into operation, we cannot start soon enough.

3 THE RISK OF MAJOR PERSONNEL RESIGNATIONS

The July MoD report on the state of morale in the Armed Services⁷ has already been referred to. Resignations from the Services (current strength 180,000) have been accelerating for the last five years, culminating in 20,000 resignations in 2007/8. These losses are not being made up in either quantity, or of course, experience. Most worrying are the resignations of officers and NCOs, particularly those of many of the most able officers of mid-seniority on whom the future depends.^{8 9}

This survey shows quite unprecedented levels of concern over equipment, morale and pay, with almost half of all officers, other ranks and reservists considering resignation.

Seriously inadequate manning levels have caused tours of duty to be long and so frequently repeated that there is insufficient time for recuperation, family life and retraining. This has caused a major decline in *general* as opposed to *battlefield* morale so that pressure to resign in dangerously large numbers has resulted. If only 50% of the half of all servicemen considering resignation were to quit, the Armed Services would be paralysed. They could take a decade to recover, leaving Britain's defences severely weakened meanwhile.

The Armed Services urgently need to be reassured of a decent future, not least to overcome a *general* inability to recruit adequately, and particularly to attract the

brightest and best young men and women into the Officer Corps. This requires not merely remedying low pay and the shortage of men and suitable equipment in Iraq and Afghanistan, but also there must be a full commitment to funding the long-term defence needs in respect of the many looming threats in a dangerous, unpredictable and increasingly hostile world. The Services must be able to build strongly and quickly on their present base rather than see that base further eroded.

A step change in thinking and funding is now required.

4 MAJOR CURRENT EXPERT ASSESSMENTS OF MAJOR DEFENCE SHORTFALLS

The last strategic Defence Review was in 1998, before any of the 5 subsequent unforeseen wars including Iraq and Afghanistan. Although much of the operational cost for Iraq and Afghanistan was and is funded out of the Contingency Reserve (just over £3bn last year), the *core* defence budget has not since increased significantly, resulting in the present manifest mismatch between commitments and resources.

The current core budget of £33bn is set to grow by only 1½% in real terms in the next 3 years, whereas equipment costs are rising by 6% to 8%. This implies yet further cuts. (The core defence budget is in the region of 2.3% of Britain's GDP, a level not seen since the mid-1930s in the nadir of the Depression, and before serious rearmament began in 1938 at a dangerously late date.) While the defence budget grew by around 10% in real terms over the last ten years, this was negated by the larger rises in equipment costs, etc. So in purchasing power terms the budget increased little if at all. Yet over the last ten years, with general inflation of around 25%, all other major areas of government expenditure have seen funding increases typically of 40% to 80%, and in the case of education 121%, and for health 167%. It should therefore be a matter of no surprise that defence expenditure now needs to rise significantly. Imagine what would now be the state of health and education had they too had near static budgets for ten years.

In the last year there have been numerous assessments of the inadequacy of Britain's current low level of defence funding in relation only to *existing* commitments,

principally Iraq and Afghanistan. There is virtually unanimous agreement amongst military experts free to give their opinions, (which are believed to be widely shared within the Ministry of Defence) that defence is woefully underfunded. Last November, five of the most senior retired service chiefs in the House of Lords, all former CDSs, unprecedentedly went public to plead powerfully for more defence funds to no avail. A number of our most able colonels and a brigadier, with the most significant battlefield experience, and who were expected to rise to the highest ranks, have recently resigned. As soon as they were free to do so they gave their reasons: poor treatment of and inadequate equipment for their troops, and such severe overstretch that the strain on them and their families from minimal rest between tours of duty has become unacceptable. *Now, unprecedentedly, senior **servicing** officers are openly criticising the government.*

For all these senior officers to go public at the risk of their careers is a clear indication of the severe pressures within the system. Given the growing future threats, Britain cannot afford the loss of such distinguished officers who have never been more needed. Finally, the current Chief of the Defence Staff, Air Chief Marshal Sir Jock Stirrup, has now (24th June) given unprecedented serious warnings in public.¹⁰

We submit that in the light of all these expressions of concern from the most senior past and present officers that ***the serious inadequacy of Britain's current and planned defence provision is undeniable.***

5 A BROAD ASSESSMENT OF BRITAIN'S DEFENCE NEEDS AGAINST THE THREATS

It is not possible in a short paper to do justice to Britain's defence needs against current and longer-term threats, but the highlights are as follows:

- ***Preparing for the Future***

All three services are so run down in numbers and equipment – the lowest levels since World War II – that a 3-phased rehabilitation approach is required. Phase 1 would be a 3-year programme to restore the shortfalls which prevent the Services from performing adequately in current and imminent operations. Phase 2 would

overlap with Phase 1 and go on for a further 5-7 years. In this period the Services must be brought up to strength to meet the full range of Strategic Contingencies such that they could move from a secure baseline to a full war fighting capability rapidly should the need arise. Phase 3 would be plans for rapid rearmament to enable Britain to go to war in a crisis. ***The better and sooner Phases 1 and 2 are carried out the less the likelihood is that Phase 3 would ever arise.***

In what follows, drawn from the detailed assessments by UKNDA's military experts (see the UKNDA website: <http://www.uknda.org>) we summarise the broad needs of each of the three Services. This does not pretend to be an adequate substitute for the expertise and detailed planning of the Ministry of Defence. But enough is known to outline the main defence needs sufficiently to make the political case for an urgent defence review and a major funding re-appraisal. ***Never have all three Services had so little with which to do so much.***

- ***Maintaining the Nuclear Deterrent***

Both the Labour and Conservative Parties are agreed on the necessity of replacing our ageing submarines and their integral nuclear warhead missiles. With nine countries already possessing nuclear weapons, including endangered Pakistan and rogue state North Korea, and with a belligerent and unstable Iran trying to create a nuclear capability, Britain has to maintain a nuclear deterrent capability. Only then are our conventional defences credible.

- ***The Needs of the Army***

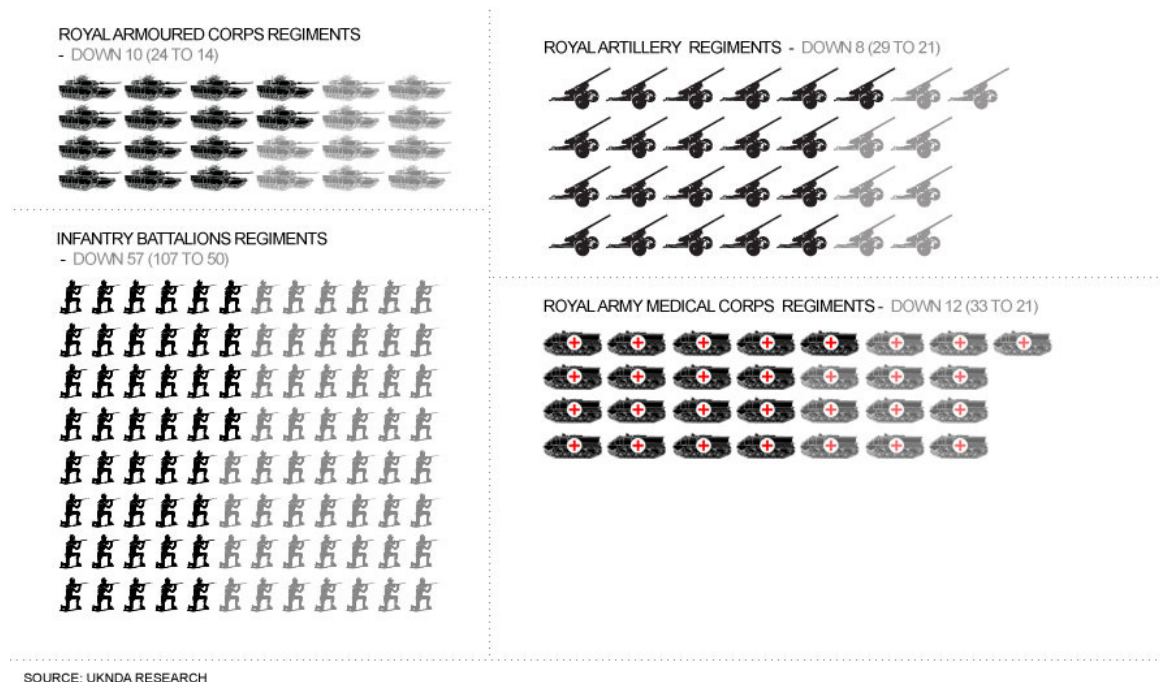
Britain has the most respected, experienced and battle-proven army in the world for its size, but that size is relatively small. We come 28th in the world, well below Pakistan (7th), Iran (8th) and Syria (15th). With just over 100,000 trained personnel the Army has neither the strength nor the resources to operate properly on current scales in Iraq and Afghanistan. Not only is this widely recognised by politicians and defence commentators but both the Chief of Defence and Chief of the General Staff have publicly acknowledged it.

In the First World War the small County of Cheshire alone raised 38 battalions of infantry. Today we have 36 regular infantry battalions in the entire Order of Battle

– from all Britain! Over the last 50 years battalion strength has fallen from 650 to 500, but most of our current infantry battalions are under strength again by an average of 70 men, with correspondingly less fighting power than is needed, which can result in additional casualties. The current casualty rate in Afghanistan is now approaching the peak rate we suffered during 1972 in Northern Ireland, and between May and August this year total coalition casualties slightly exceeded the rate at the height of the Iraq War.¹¹

Our Shrinking Army

1987-2007



There are over 12,000 Army soldiers currently on operations in Iraq and Afghanistan. That means another 12,000 are preparing to go there, a further 12,000 are recovering from recent tours and so at least 36 per cent of trained soldiers are directly involved in the twin campaigns there at any one time. This is a huge burden on the Army. Tour intervals, the time between returning from operations and then deploying again, are supposed to be 2 years. This Army Board target, to allow for leave, recovery and training, is unachievable for most soldiers – particularly engineers, signallers, medics and, of course, infantrymen. During a recent operation more than 50% of the Army's signallers were deployed.

They could not even be replaced one for one. For some, intervals between tours are thus often measured in months not years.

The problem is exacerbated by under-strength units who require to 'borrow' bayonet strength from other units, who in their turn are further depleted in numbers and individual tour interval times. Some soldiers are turned around on operations within just a month or two. This massive pressure must in turn increase the chances of long-term psychological damage to our soldiers, and to a decline in *general* morale.

The Government deserves credit for now providing better care for the wounded although the provision for visiting families needs improvement, as does hospital provision in Britain. Soldiers, like all servicemen, much prefer to be in separate wards looked after by Service medical staff, an entirely reasonable requirement.

The Government also deserves credit for now supplying better equipment. Apart from a serious lack of battlefield helicopters, unmanned aerial vehicles (UAVs) effective operational radios, and mine-proof land vehicles, the long-running problems of top quality weapons and other operational equipment have now largely been fixed. The MoD does the best it can with a seriously inadequate budget. But uncompetitively low pay, particularly in junior ranks, and far too little time for rest, recuperation and retraining between gruelling battlefield tours, have caused a marked decline in general morale to the extent of creating an imminent *tsunami* of crippling resignations.

Battlefield morale, however, presently remains high as it does in the other two Services, but it cannot continue to remain high indefinitely unless funding is much improved. The recent Command Paper issued by the Ministry of Defence to improve conditions for our troops and their families could help in part, but it remains largely aspirational as it is not apparently supported by additional funding.

The Army, like the Navy and Air Force, is seriously under-resourced. There is a huge mismatch between what it is asked and what can be done properly, hence

our recommendation for an urgent MoD Defence Review. The means must match the needs far better. Operational commitments are unlikely to lessen, indeed in the medium and certainly the longer-term they are more likely to increase as the world becomes more hostile and unpredictable. General Sir Richard Dannatt has publicly expressed the belief that he really needs another 3,000 infantry soldiers (about 6 extra infantry battalions) to carry out current operational commitments. The infantry is currently about 28,000 strong – out of an Army establishment of around 100,000 trained soldiers. That would imply the Army would need to expand by about 10,500 trained soldiers to be adequately staffed for Iraq and Afghanistan. But, to meet increasing unpredictable future needs a significant contingent increase in manpower is also required.

- ***The Needs of the Royal Air Force***

None of our Armed Services has been on the receiving end of enemy air superiority arguably since Crete in 1941, and with the Falklands Campaign serving as a healthy reminder. No-one should assume lightly that we will always be dominant in the air. A total of 62 nations now field third and fourth generation high-agility fighters and gaining air superiority against any such opponents would present a considerable challenge.

Control of the air makes freedom of manoeuvre possible for all forces, as it enables the air and ground forces fully to exploit the air environment to deliver whatever effects are needed, wherever they are required. No one aircraft can achieve all this, and so a layered and integrated approach is necessary which requires a combination of platforms.

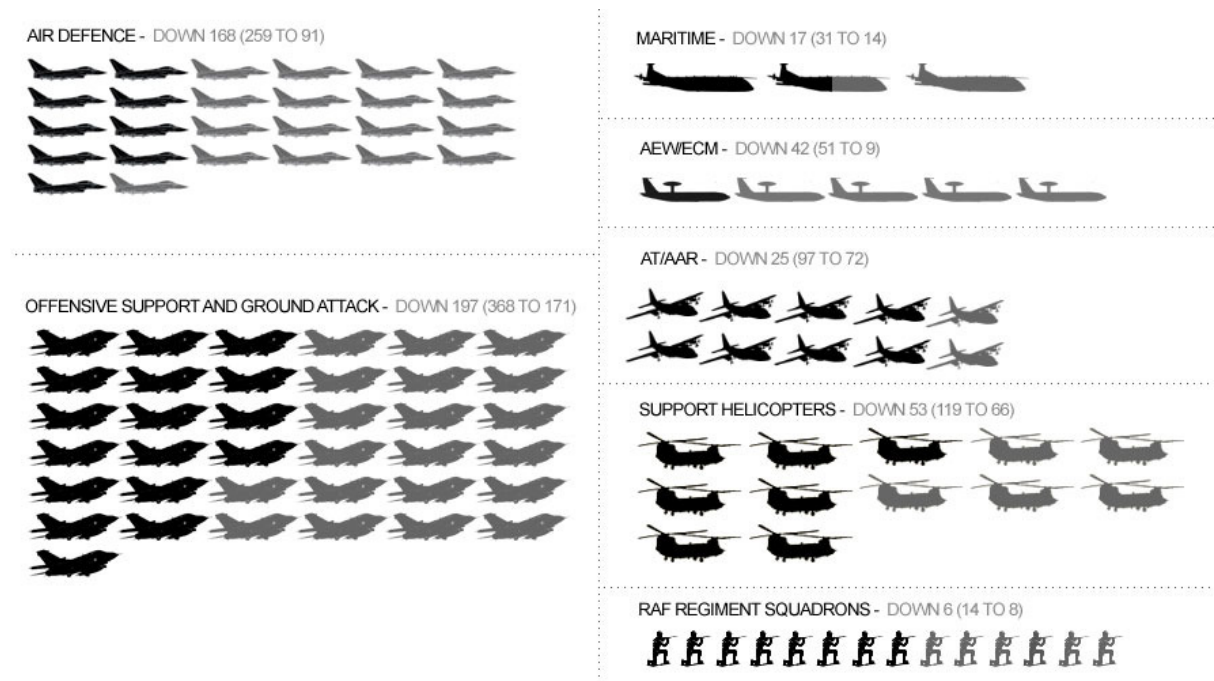
Given the scope of today's operations, it means that they should also be capable of operating across a broad spectrum of operations – from benign to hostile; from aid to the civil power right up to a full war-fighting capability against a peer competitor. This means that the UK must field a balanced, agile and responsive air force. This requires a broad range of aircraft to meet all its roles.

Sadly, today's RAF is so run down in numbers and capability that it is currently unable to meet its commitments by a wide margin. The RAF fields an ageing and

expensive fleet, many of which are legacy aircraft from the Cold War and some twenty years old or more. From a Cold War complement of 93,000 men and women there are now only 41,000 left. Combat aircraft are down by more than half. Although the new Typhoon is slowly coming into service, the MoD is now seeking to cancel the much needed final tranche of 88 of this advanced fighter to try to save the £5bn, even though huge cancellation penalties may result. It would be highly imprudent to make such arbitrary cuts ahead of a proper Defence Review especially given the importance of Air Superiority and the unpredictable future.

Our Shrinking Air Force

1987-2007



SOURCE: UKNDA RESEARCH

Since 1987 air defence aircraft have fallen from 259 to only 91, offensive and ground support aircraft reduced from 368 to only 171, maritime aircraft from 31 to 14 (a mere shadow of former levels just when Russia is increasing its maritime air and sea patrols), electronic support aircraft from 51 to only 9, transport and air to air tankers, many very old, from 97 to 72, and support helicopters from 119 to only 66. Of course technological improvements have made aircraft more effective but so too have they improved those of our potential adversaries. Moreover the real costs of defence aircraft have risen so steeply that budgetary constraints

have caused the RAF to lose the technological edge it once had, lacking for example such vital systems as Stealth. By contrast, the Russian Air Force is resurgent, the Chinese Air Force modernising and re-equipping, and Iran is modernising and attempting to go nuclear.

The personnel situation is no better. RAF morale is badly undermined according to the recent MoD survey.⁷ A third wish to leave when their current engagement ends and a further 17% as soon as possible. Only 22% manage to get their full annual leave. Numbers need to rise from 41,000 to at least 55,000 over 3 years, and perhaps by a further 10,000 over the next 5-7 years, with sufficient new aircraft to meet the growing known threats and the unpredictable. There needs to be better pay, better retention terms and sufficient inducements to attract back recently retired officers and other ranks whose experience is irreplaceable. This process cannot begin too soon if the risk is to be avoided. Equipment procurement of modern aircraft takes so long that most of the necessary expenditure will fall into Phase 2, some 3 to 7 years hence.

We recommend that all extant procurement plans should be completed in full and cutbacks reversed. Given the uncertainties in the world and the overriding need for Air Superiority wherever we may operate, the final tranche of the Typhoon is most certainly required and should not be cancelled before the requirement is fully analysed in a Defence Review. The planned cutback of air-to-air tankers – so essential for modern operations – from 26 to 13 as planned – should not be implemented.

There are many other enhancements that could, and should, also be made as a priority, for example in the modernisation and even expansion of the ancient Air Transport fleet, the expansion of UAV capabilities, and the continuing need for Joint interoperability. Moreover, if we in NATO are ever again to face a maritime threat then we must have a force level in being that offers the minimum capability necessary. In this context, the full procurement of MRA4 Nimrods should go ahead, and funding must be allocated and ring-fenced for the stealthy Joint Strike Fighter which will be so important for both maritime and all expeditionary operations.

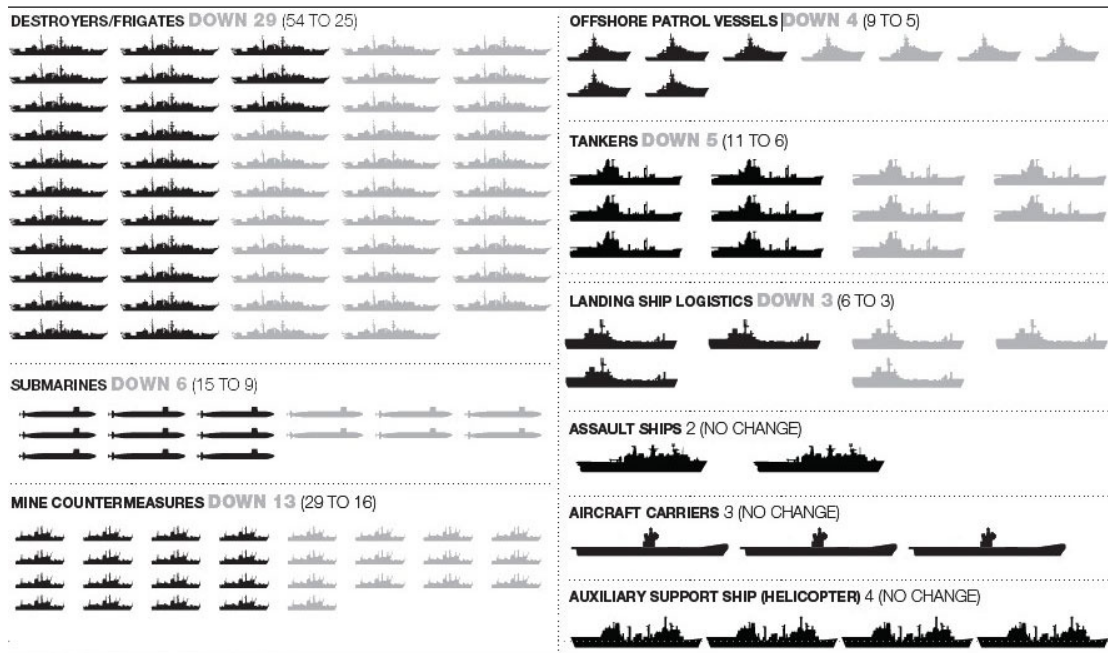
This is not some 'wish list' Britain cannot afford. It is the level of provisions envisaged in the last, 1998, Strategic Review (SDR 98) before the budget was so heavily pared. Importantly, we should make no arbitrary cutbacks purely for short-term savings until we have properly assessed our needs in the recommended wide-ranging urgent Defence Review.

- ***The Needs of the Royal Navy***

The Royal Navy, in numbers of ships and personnel, is much smaller than it has ever been. Personnel numbers have been halved, down from 70,000 in 1982 to only 36,000 today, and still shrinking.

Our Shrinking Navy

1987 - 2007



SOURCE: COURTESY DAILY TELEGRAPH

The 1998 Strategic Defence Review (SDR 98), well before the Iraq and Afghanistan wars, stated a minimum essential requirement for 2 large aircraft carriers, 32 escorts including 12 *Daring* (Type 45) class large destroyers, and 10 SSNs (nuclear powered, hunter killer submarines). Today the carriers are still 7 and 8 years away, the numbers of SSNs is dropping to 8 and the number of escorts is already down to 25 and still falling. Only 6 Type 45s (*Darings*) are being built – (a 50% cut in the requirement identified in SDR 98) - with no follow-on class

(the 'Future Surface Combatant', 'FSC' - see below) until 2017 at the earliest. As ageing ships have to be withdrawn the escort fleet/flotilla will fall to 17 or 15 and lower, and the average age of the remaining ships will rise substantially.

In 2005, due to shortage of funds to upgrade the aircraft, the Navy withdrew from service its designed for purpose Sea Harrier FA2 equipped with the relatively long range AMRAAM ('Advanced Medium Range Air to Air Missile). These aircraft were designed specifically to provide air cover for the Fleet. ***There is now, therefore, and will be for at least another nine years, an 'air gap' over the Fleet,*** unless the fleet is close to a large US Navy Carrier battle-group or there is effective land based air cover.

Ship replacements are neither being planned nor ordered in sufficient numbers to maintain the Fleet even at its existing low level. ***On present trends by 2020 the Fleet could be half its present shrunken size.***

On the personnel front, numbers in the Navy – about 70,000 in 1982 – are now down to 36,000 (including the Royal Marines) – and still shrinking. Opportunities for promotion and thus for improved pay and living standards for Officers and Ratings alike are being reduced with damaging effects on morale. As in other Services the rate of deployment of the declining numbers of people has put a strain on them unsurpassed since WWII. The disparity between the quality of life of Naval personnel, particularly married personnel, and the rest of the UK community is now so great as to adversely affect recruiting. General morale, as identified by the recent MOD survey, is low and retention/re-engagement rates are falling.

So-called 'efficiency measures' and catch-phrase measures such as 'Front line first' and 'Teeth before Tail', are simply the 'spin' put on enforced cuts to save money. There are fewer submarines, minesweepers and patrol vessels than ever before resulting in insufficient sea-training opportunities for younger officers and ratings, with the result that operational and command experience is lacking and consequently, through no fault of the Navy, standards are dropping.

This is a frightening picture of a Royal Navy which even 20 years ago was the third largest and which in many respects, ship-for-ship and man-for-man, remains the most effective navy in the world. Our maritime and national security, and our prosperity, are increasingly threatened by this neglect. ***Still 90% of all our international trade is seaborne, more than for any other nation.*** We are a maritime nation with 14,000 miles of shoreline. Our very existence depends on being able to defend our home waters and our sea lines of communication around the world – yet our Navy has been grievously weakened, with yet further weakening in prospect.

The recommended urgent MoD Defence Review of the Royal Navy should consider providing:

- (i) the essential and long discussed 'Future Surface Combatant' (FSC) series of ships to replace and increase numbers of the RN's current 'flotilla' of ageing Type 42 destroyers and Type 22 & 23 Frigates;
- (ii) more nuclear powered 'Astute' class general purpose submarines (or a successor class), (Placing such ship orders will have the additional benefit of supporting and enhancing the nation's much reduced ship building industry);
- (iii) the maritime version of the Joint Strike Fighter in sufficient numbers and in time to provide two full air groups for the two new carriers;
- (iv) the modernisation of the vital Royal Fleet Auxiliary support ships; and
- (v) the recruitment of the full numbers of personnel required to fully man all the ships and necessary shore establishments.

Given present severe budgetary constraints the three Services are forced to fight over who gets what. Such interservice squabbling is utterly counter-productive and destructive of service co-operation, morale and effectiveness; it is caused by the chronic underfunding of all three Services over a long period.

- ***The European Union***

Barring a sea change in the defence policies and funding of EU defence forces Britain cannot look to them for effective help in meeting our present seriously underprovided defence needs. Many EU members, led by France, are keen to

provide a 'European Defence Force' largely separate from, and perhaps even designed to weaken the American led NATO, the very core of Britain's security. Europe remains heavily dependent on America for security against all major global threats but does not bear anything like an appropriate share of the defence burden. It may be many years before realism changes all this. The immediate catalyst of Russia's invasion of Georgia should, however, cause Europe to reconsider its trust in 'soft power' as an excuse for low defence spending.

- ***Summary***

We do not pretend to have the resources and specialised expertise to cost the additional funds which all three Services need for an adequate future defence of the realm. It is apparent, however, that after ten years of very best modestly increased defence budget, considerably more funds are needed than the present £33bn core provision. Our best estimate is that the core defence budget will have to increase gradually over the next three years by 40-50%, to a range of £46bn-£50bn. There are no cheap victories in defence, but failure would be even more expensive. The aim is to deter war by being prepared and able to fight if we must. The long-term neglect must be put right without delay, as defence is necessarily the first priority of any government. We cannot begin too soon for the dangers are growing.

6 THE CURRENT DEFENCE POLICIES OF THE LABOUR GOVERNMENT AND THE CONSERVATIVE OPPOSITION

- ***Government Defence Policies***

The Government is explicitly committed to the adequate defence of the realm.² It states that it also accepts the Military Covenant, including both the 'military' and 'social' requirements. It repeatedly claims to be delivering both of these. These claims are unsustainable in the view of virtually all military experts right up to the present and former Chiefs of the Defence Staff. Not only is there marked underprovision for the existing commitments – principally Iraq and Afghanistan – there is too little provision for other and larger threats (see 2 above). Indeed the major further threats posed by Iran, Russia and increasingly by an unstable

Pakistan with nuclear weapons, are not allowed for, let alone specifically budgeted in the Government's recent National Security Strategy paper.²

The inadequate defence budget has forced all three Services to become seriously rundown, to the point that they are and is increasingly incapable of meeting even existing commitments. All this is reflected in the most worrying of data, the accelerating trend of resignations in all three Services (including reservists) culminating in the recent MoD report⁷ that nearly half of all servicemen are considering resignation. This includes too many of the brightest and best senior officers vital to our future defence. These stark facts make more clear than words that priority commitment to the defence of the realm and the honouring of the Military Covenant are far from being met. We understand the Government's strong commitment to better health, education and welfare provision, but not at the expense of providing adequately for defence. Proper defence alone guarantees the safe enjoyment of all these other priorities.

- ***Conservative Defence Policies***

The Conservative leadership under David Cameron have so far also ruled out any commitment to significant increases in underfunded areas of public expenditure, including defence. In his April address to Chatham House on the future of NATO³ David Cameron stated unequivocally that '...defending our nation's security must come before anything else.'

The same applies to the Military Covenant where the full support promised was not only unconditional but backed up by setting up in March a powerful 'Military Covenant Commission' to consider the full requirements of the Covenant.⁴ This includes the 'military requirement' (enough manpower, training, equipment, etc.) but concentrates on the equally neglected 'social requirement', the well-being of servicemen and their families.

There was, however, one inhibiting caveat, namely that ***any recommendations must be paid for within existing and planned defence budgets*** [our emphasis]. Wisely the Commission chose to ignore this restriction in its constructive early-July interim report,¹² and would be wise to do so in its final

report. With both the social and military needs seriously underfunded it makes no sense to underfund either requirement at the expense of the other. It would only make a bad situation worse.

David Cameron has stated unequivocal support for NATO and Britain's long-standing support for America. He also stated that neither Britain, for long second only to America as a major NATO contributor, nor Europe, could expect to be listened to by America if they did not share in the collective duties and costs, clearly implying a greater military contribution. (America spent \$578bn on defence in 2007, 4.2% of its GDP, some 45% of total world defence expenditure, and more than the next 15 or so highest defence spenders put together.¹³) A recent UKNDA opinion poll of Members of Parliament in February-March showed 91% of Conservative MPs supporting increased defence funding in the next Parliament, and indeed a 54% majority of all MPs. Finally, Cameron fully recognised the need to be fully prepared for future conflicts '...which are inevitable if unpredictable.' This strong re-affirmation of support for NATO and America is very fine, but such aspirations cannot be met from within the existing defence budget which is widely agreed to be insufficient to cover even the Iraq and Afghanistan commitments.

7 THE RECOMMENDED RESPONSE FOR OVERCOMING THE DEFENCE CRISIS

In the light of the facts and analysis so far provided we submit that the present defence budget is manifestly inadequate to meet the threats facing Britain in either the short, medium or long-term. ***Defence provision should be threat driven, not budget driven.*** Given the serious decline in general morale, by far the worst since the War, such that nearly half of all Service personnel are considering resignation, ***remedial action is required now.*** It cannot be deferred.

- ***Recommended Government Actions***

First, the Government should re-affirm its commitment to its acknowledged prime responsibility, the adequate defence of the realm, in the light of the great changes

in circumstances to ten years ago, since when defence, alone of the major departmental budgets, has been little increased.

Second, the Government should put in hand an urgent comprehensive defence review.

Third, while the Government cannot instantly be expected to commit to *a detailed* increase in the defence budget, it must publicly commit *in principle* to an early major increase in defence spending to reassure Service personnel that material improvements in numbers and equipment will happen as soon as feasible.

Fourth, the MoD should be asked to consider its recommended budget increases for each of the three Services as part of its joint services planning. As part of this exercise each Service should submit its own requirements to meet the identified existing and likely future threats – far wider than in the Government's March assessment in the National Security Strategy Review² – with an adequate contingency for the unpredictable.

Fifth, as an earnest of its intentions, the Government must forthwith address uncompetitively low pay, particularly in the junior ranks. The Armed Services Pay Review Body should be asked to report urgently on the scale and extent of pay rises needed to counteract existing and contemplated resignations, and the incentives needed to attract back recent retirees.

Sixth, and finally, the Government should continue the process recently begun to look after Service personnel and their families much better, and to reassure servicemen and their families that they have full Government support for an acceptable future. Public support for the Armed Services is now growing significantly. If all Members of Parliament were to support and reinforce this process, that would help voters to accept the urgent necessity of priority increases in defence expenditure. On such a complicated and arcane issue the public needs a lead from members of Parliament.

- ***Recommended Conservative Leadership Actions***

It is strongly in the national interest that the Conservatives should give disinterested bi-partisan support to a fully adequate national defence.

Since September of last year the Conservative leadership have refused to make any spending commitments for any part of government responsibilities until it sees the state of the economy it may inherit. This is understandable for most areas of government expenditure, but it is now, we suggest, completely inappropriate to the present defence and security challenge. The Defence Budget, alone, has been denied sufficient funds for eighteen years, or more. If our national security and defence are not adequately funded then everything else is at risk. As Churchill observed, 'Courage is the first of human qualities because it guarantees all the others.' So too is it with defence and security expenditure, for they govern the safety and deliverability of all other government responsibilities.

- ***Other Opposition Parties***

The Liberal Democrats and other significant political parties should equally support a full commitment to the defence of the realm. The greater the political support the greater the reassurance to the Armed Services, and the more likely it is that they will stay committed themselves. While *general* morale is poor and declining, *battlefield* morale presently remains high, but it will not stay high indefinitely if the Armed Services are not fully supported. All political parties have an important role to play, not just those likely to form a government.

- ***Finding the Extra Resources***

This paper, as stated earlier, does not pretend to be the result of deep expert study. That could be based only on the resources of the Ministry of Defence, or an equivalent body. It has, however, made use of the best military opinion available. It is our contention that enough is known of the defence threats to Britain over the next twenty years to be confident that on the present defence budget those threats cannot properly be met. Also, sufficient is known of the increased costs of an adequate national defence to indicate the broad order of funding required – certainly sufficient to realise that a crisis is upon us and that major political

decisions can no longer be delayed without serious risks to Britain's national security.

With only around 2.3% (£33bn) of GDP currently devoted to the core defence budget compared with 5% twenty five years ago, we estimate core defence expenditure must recover gradually over the next three years to the order of 3.5% (perhaps more - it is for experts to say), i.e. by £12bn to £17bn. Just as, for the past quarter century, and more, defence funding has been cut and cut again with such 'savings' being transferred to the really big budgets of Health, Education and the plethora of 'welfare' budgets and quangos – it is now time to reverse the trend. Salami slicing of Defence must stop. Around £5bn or so should be transferred each year for three years from the 'other budgets' to Defence – which should be a manageable adjustment compared to the severe reductions in Defence's share of the Nation's GDP over the years. It is now time for the other big-spending departments to be subjected to the same 'efficiency savings' discipline as defence. This should be achievable without major cuts elsewhere with even modest GDP growth and some trimming of public sector waste which both the main parties are promising. With overall public expenditure exceeding £600bn a year these transfers should be feasible. It is the duty of government always to seek value for money. It is equally its duty to provide money for value, and what could be more valuable than an adequate defence provision.

8 CONCLUSION – THE TIME FOR STATESMANSHIP

The provision of an adequate defence of the realm is now in crisis. Remedial action can no longer be delayed without running the unacceptable risk of mass retirements from the widely demoralised Armed Services. Such remedial action requires statesmanship of a high order from all of the main political parties. It is to be hoped that they will rise to the crisis in the best traditions of British politics. The Armed Services and the Nation are watching. And who knows, the European Union may be encouraged to follow Britain's example in making the world a safer place. But that will never happen if Britain does not give the lead.

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