



The defence of Britain: what can we do?

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Tonight I want to concentrate on the Ministry of Defence and the three services. Of course our defence and security does not depend just on them. It also depends on diplomacy, the security services, the police, communication and aid. All these must work together and need co-ordinating at the highest government level.

But I have not time to talk about all the agencies I have mentioned and will limit my remarks to the Armed Services.

The last Defence Review was over 12 years ago when I was Chief of the Defence Staff and worked for George Robertson who was a much respected Secretary of State. Although eventually underfunded, it was a good attempt to define the threats facing our country and the forces which we would need to counter them.

But the world has changed since 1998. 9/11 changed attitudes but it was no accident that as soon as the Cold War was over, Europe was wracked by war in the Balkans. There was conflict in the Middle East and Africa which although never fully absent during the Cold War increased in intensity after 1989.

The revival of Russia and the emergence of China and other changes to regional power relations will undoubtedly produce both opportunities and problems. And not all threats will manifest themselves within a framework of existing international relations. The very different outcomes of Russian disputes with Ukraine and Georgia indicate this.

Today, it is quite clear that certain states are eager to assert themselves in the post Cold War era. More importantly, non-state actors, now made increasingly powerful by a range of new weapon systems and concealed within civilian populations, are not content to permit the leading states of the world to go unchallenged. Threats from extremist Islamist-Jihadist groups link together the UK's current concerns over Afghanistan, Iran, Pakistan the GCC states and UK domestic security. This is the threat of asymmetric warfare.



The diversity of current and future threats is considerable: international terrorism, nuclear proliferation, the widening stability gap of the developed and developing world which threatens our energy security, markets and resources, and so on. There are 'hot spots' we are aware of today – a nuclear-armed Pakistan wracked with political instability, or anguished Palestinians whose cause has radicalised a generation. But there are the less predictable consequences of pandemics and failing states. We need to be aware that, whatever our defence choices, we cannot insure ourselves against strategic shocks, for it is not always possible to see conflicts coming. It is not always possible to choose when and who one will have to defend against, nor is it possible to know precisely how particular crises will develop.

Some have argued that the UK will not engage in armed interventions, like Iraq and Afghanistan, again. In fact, Britain's history has many examples of where neither the government nor the people chose their enemies, or the type of conflict they engaged in, as they were forced to act in self-defence. In a globalised world, it simply may be impossible to avoid taking action, particularly when resources that make up our critical national infrastructure or the United Kingdom population are threatened. Interventions are always difficult, but they are still necessary. Governments do not have as much choice as they think they will have.

Concerns over the outcomes in Iraq and Afghanistan should not blind us the fact that there have been recent examples of successful intervention: the First Gulf War of 1991 was an exemplar of international co-operation to uphold the decision of the United Nations against an aggressive state; British military intervention in Sierra Leone in 2000 was rapid, effective and brought considerable benefits to the country in the long term. There are also examples of international failures to clarify the tasking, as in the UN intervention in Cambodia in 1992 or Somalia in 1992-94. Britain's involvement with our international partners in the Balkans has been successful so far.

Potentially the most devastating threat which we are only just beginning to face is that from non-state aggression. This would include the use of nuclear or radiological 'dirty bombs', detonated by terrorists who are able to slip across open borders with relative ease. There are suicide bombers who target our crowded transport networks or critical national infrastructure, or who operate as a proxy for states committed to the defeat of the West. There are insurgents groups overseas who conceal themselves and fight from within civilian populations, hoping to defeat not the armed forces in combat but to demoralise the public at home and to break the resolve of a British government (a phenomenon known as 'Fourth Generation warfare').



We should be concerned by the danger of a cybernetic assault which shuts down all communications and nodes of the national infrastructure, which paralyses our commercial activity, or steals information and technologies. We are already confronted by narco-terrorist cartels commanding immense wealth that corrode the fabric of our society, buy off weakened state governments and sponsor insurgency. Ideologies of violent Jihadism and nationalist Socialist movements, or disruptive movements that combine environmentalism and popular politics, but which turn to violence, could also emerge. More serious are proxy wars by states of the Middle East which will affect our international partners, or failed States in areas of economic weakness and political instability. Finally there is piracy, either inshore or increasingly in the world's major sea lanes, resulting from failed states and impoverished populations, opportunist criminal syndicates and terrorist groups.

The potential disruption to the UK resulting from these threats may include temporary loss of energy supplies, commodities and certain foodstuffs which will require a strategy of defence by diversification of sources. Piracy and terrorism at sea implies a need for enhanced security in European waters as well as globally. The UK may also be involved with military or naval action because of our multinational partnerships and because of our Commonwealth commitments which are part of our national interests.

All this means is that we need to be flexible about the size and capabilities of our armed forces so that they can meet a variety of different threats, both today and in the future. We must maintain balance in our armed forces capabilities whilst recognising that the priority for the next few years is likely to be meeting unconventional threats.

However as Winston Churchill said, "In war one cannot wait to have everything perfect". He was right, but goodness, we should do better than we have done over the last 25 years.

Today the United Kingdom faces a moment of decision – a strategic moment in the formulation of its defence strategy. This is more than just a defence review which would allocate resources to each of the three services. It must be a Strategic Defence Review: an assessment of the United Kingdom's global and regional role, the threats and risks, the opportunities, the effects it wishes to achieve, the priorities and the partners it wishes to engage in that strategy, and most importantly the ways and means by which it will achieve those effects. What sort of country do we want to be? We recognise that we cannot be a super power but surely we can and should make a difference.



Every Prime Minister says early on his time in office that the defence and security of the UK is his highest priority. But with elections ahead and a perception – which I think is wrong – that there are not many votes in defence – they forget their commitment.

There is actually a very good case for increasing defence spending although alas there appears very little hope of this happening whatever Government appears after the next election. Currently we only spend some 2.6% of our GDP on national security. To return to 3% would make a great difference – it would get us back to £44 billion. All the political parties believe that there should be a Strategic Defence Review and I think that all three recognise the huge difficulties they face in conducting one. There is a vast accumulated deficit. The Government has pushed back payments for some expensive equipment until after the election. The core annual budget is around £34 billion. Up to £20 billion is allocated to programmes which are authorised but unfunded.

The National Audit Office says that shortfalls in the defence budget could be at least £6 billion over the next decade assuming that spending merely keeps pace with defence inflation. If spending stays flat – a more realistic prospect – the gap could total £35 billion. Even this could be looking on the bright side.

I have laboured this to illustrate the enormity of the problem for a new Government. They will have three choices:

- First to give the defence budget a large increase – how likely is that?
- Second, to make large cuts, particularly to equipment programmes, and ruthlessly to prioritise – with winners and losers
- Third to do nothing, which will mean that the MoD and defence will be good at nothing and spiral downwards.

I believe that the most realistic and best choice a new Government will take is the second, although by far the best would be the first. Whatever the choice, the defence programme will need new structures and balance.

The problem is too big to massage, to trim, to rely on efficiency savings and prayer.

Defence planning is notoriously difficult, involving judgement and risk-taking. We cannot foresee all that will happen accurately. If when I was CDS an officer had come and told me that the Army in a few years would be heavily committed in Afghanistan I doubt whether I would have singled him out for high command.



There are other examples. We did not foresee the Falklands, Sierra Leone, East Timor and the Iraqi invasion of Kuwait, or even the extent of our involvement in Northern Ireland.

One cannot blame anybody: planning defence is very difficult and you cannot be prepared for every eventuality. The world is volatile.

What should one do? And here I begin to lose friends. Because there will be losers and I can already here people saying, "As a General, he would say that, wouldn't he?"

Where should cuts fall? What are the candidates?

First, Britain must I think maintain its nuclear deterrent. Our nuclear asset will continue to deter a major attack on the UK by another state for many decades to come.

But upgrading our nuclear missiles will be expensive. Replacing our four nuclear submarines, each with 16 Trident D5 missiles (each of which can mount 12 warheads) will cost about £20 billion.

Extending the life of the existing system would therefore be good housekeeping, saving the £20 billion cost of the upgrading, without losing the value of deterrence against aggressive small states. There should, however, be exploration of new lightweight options for delivery. For instance, cruise missiles.

I also believe that we should strive for a nuclear free world and limit proliferation. But we will be listened to far more if we are a nuclear power and can bargain. Would we want to leave the discussion to the US, Russia, China, Israel, Pakistan, Iran and North Korea?

A cheaper nuclear weapon system can be as effective as a state of the art weapon in creating the right strategic 'effect'. If there is a reasonable chance that our nuclear weapons could penetrate moderately advanced anti-missile defences, then our potential adversary would not take the risk and thus the deterrent effect is maintained.

The second area for consideration has to be the Navy's plan for two 'super' aircraft carriers and a large fleet of F-35 fighters. Estimates today are that the carriers will cost £4 billion while the aircraft on board will cost over £8 billion.

I am afraid that they should be cut from the programme. It would be great to have them but we really cannot afford them. They will distort the defence budget for years. And they come under the "nice to have" heading. The economic situation has changed since the last SDR. I also wonder how survivable they would be in 25 years time.



I certainly think that the Navy needs a larger fleet of relatively cheaper and smaller ships. Ships to keep the sea lanes open, to conduct anti-narcotic operations and to counter pirates. I was very struck by the size of the Navy when I was CDS. On one occasion, we had just one frigate responsible for Sierra Leone, for policing narcotic trafficking in the West Indies and for the Falklands at the same time. Whatever the penalties for cancellation are, it would be much cheaper to do without the aircraft carriers.

The Royal Navy is now smaller than at any point in the last century despite the rising number of demands on it. We could probably increase the numbers of the fleet if the carriers and their aircraft were discarded.

The Royal Air Force has committed to buying 232 Typhoon Eurofighters at a cost of £20 billion. This number will reduce but surely here is an area where we can take a risk. The missions that the RAF have conducted over the last 25 years have hardly ever involved more than a dozen aircraft. We are contracted to buy more aircraft than we really need.

If we have to take the numbers we have committed to, then we should mothball or sell many Typhoons thus saving running costs, aircrew training and flying costs. A number of air stations could also be closed.

Of course there is some risk but surely it is one we should take.

There is also the likelihood that if the international situation deteriorated the US will be there; and their aircraft numbers are very considerable.

The RAF does however need increased numbers of helicopters, UAVs and transport/support aircraft. They would be expensive but nothing like the cost of 232 Typhoons.

Of course there are other areas where savings can be made but carriers and fast jets are where the greatest can and should be made. We just cannot afford to do what we are planning.

I am only going to mention two other areas which I feel the SDR must examine urgently. First, defence procurement. Despite any number of studies over the years this remains a sorry tale. Minister after Minister has tried to balance the books by short-term savings. We have created an ever-growing "bow-wave" of unfunded commitments that may finally break when the overdue SDR is held.



Some would say that the mismanagement of procurement is the MoD's single largest failure. Both the Defence Select Committee and the NAO have been critical. The excellent Lord Drayson, who has too many responsibilities apart from Defence, can make a difference. The Centre for Policy Studies has produced an excellent study by Antonia Cox and Bernard Gray – who has great experience and understands the MoD – also produced an important report. Gray's report needs to be taken very much more seriously than it has been by the MoD. Some 23,000 work in this department and still equipment costs escalate, equipment takes longer than it should to be delivered, and does not always perform as it should. Perhaps it is because so many people are involved in procurement that decision making is so difficult and so often wrong. Bernard Gray's report should not be shelved by those with vested interests.

The second area concerns the number of Headquarters and their size. With the size of the force we now have, do we really need the number of HQs we still have? Do we need an MoD and a Permanent Joint Head Quarters? Can we afford both? Do we need as many subordinate HQs as we have? Dr John Reid, when he moved from Defence to the Home Office questioned whether it was fit for purpose. Could he have asked the same question about the MoD? Large HQs tend to lack agility and agility is what today's armed forces are all about. I think that the way that the MoD goes about its business needs reviewing.

Lastly, I turn to the Army.

It is here that I suspect I will draw the greatest fire and can already hear some saying that I am a prisoner of my past.

The threats of the present, and the future, point to the need for more troops, not less. This will mean that cuts have to be found elsewhere in the budget. Land operations are likely to be by far the most important operations we will undertake. Peace-keeping, counter-insurgency and counter-terrorism are all manpower intensive. Manpower is expensive but is what we need now. We used to hear a saying that in a general war you need as few soft-skinned people as possible on the battlefield. But in other types of operations, you do need as many soft-skinned people as possible.

We have become accustomed to treat all three armed services roughly the same in terms of allocating our defence budget and appointments, even though, historically, this was not the case. Before 1914, the Royal Navy, as our primary arm of defence, was allocated the lion's share. In 1940, the RAF took precedence. Today, the nature of the threat requires a similar prioritisation for the Army.



This reorganisation of the armed forces must be accompanied by pruning of the bloated administration of defence. There are too many headquarters, too many civilian staff and too many vested interests supervising the front line organisations and the sluggish procurement chain. We need to trim the equipment we think it would be 'nice to have', and think in terms of what we 'must have'. These should be the priority for making savings.

We should not underestimate the difficulties of holding a Strategic Defence Review at this time. The services are all perilously small and the Chiefs of Staff will, understandably want to defend their own services. And the Treasury demands will be inescapable. It will take political courage and determination to ensure that the best interests of the UK are secured. And I wonder whether the MoD, because of the vested interests concerned, will be capable of achieving this.

In sum, if we try to do everything, underfund, and avoid ruthless prioritisation, we will be good at nothing. What we require is a lean, agile and powerful defence to meet the threats of today and tomorrow.

Lord Guthrie was Chief of the Defence Staff between 1997 and 2001 and Chief of the General Staff, the professional head of the British Army, between 1994 and 1997.