

In a speech to the Royal United Services Institute in London this morning Defence Secretary Dr Liam Fox has said that the Strategic Defence and Security Review (SDSR) will make a clean break from the thinking of the past and will be 'ruthless and without sentiment'.

Dr Fox began by saying that the SDSR would be led by the requirement to deliver and support the sort of foreign policy the country needs.

Dr Fox said:

"It will be strategic, cross-government and comprehensive, covering all areas of defence and security.

"We will make sure that the capabilities we invest in are those best placed to provide the security we need for the future.

"We will bring defence policy, plans, commitments and resources into balance, and produce over time a transformative change to British Defence."

Dr Fox said the SDSR would be carried out against the background of a 'dangerous and unpredictable' security environment and a dire financial situation, worse than had been anticipated when he was in opposition:

"I want to make sure that there are no illusions about the daunting scale of the challenge we face," Dr Fox said.

The Secretary of State then reminded his audience that the first duty of Government is to protect our way of life and provide security for our citizens.

He said:

"While many arms of Government are directed towards or contribute to this aim, it is the Armed Forces that are central to this effort.

"Of course there are many things our Armed Forces can do in the promotion of our national interest and to support Government policy more widely.

"Our Service personnel are highly committed and extremely capable with a 'can-do' attitude, and with the equipment, logistics and know-how to deal with a wide range of situations.

"We know that we can rely on them to fulfil whatever task is thrust upon them.

"That might be resilience operations here in the UK, such as helping in the aftermath of flooding; or where there is a need for military capability to assist an urgent life-saving humanitarian crisis abroad.

"But we must not lose sight of their primary mission - to maintain the capability to apply lethal force where needed so that political decision makers have the widest possible range of choices when making strategic decisions."

Dr Fox said that this primary mission had two aspects. The first of which was for the Armed Forces protect our citizens and territory by deterring and containing threats - 'preventing possibilities from becoming actualities':

"We underestimate the value of deterrence at our peril and we do ourselves a disservice if we merely confine it to the concept to nuclear weapons.

"The nuclear deterrent is of course fundamental to our ability to deter the most destructive forms of aggression.

"But we must also remember the powerful deterrent effect of our conventional forces. Recently we have perhaps failed fully to recognise this.

"I want the SDSR to change that, to take a fresh look at what we are doing to dissuade aggression, and how we might do this better."

The second core mission for Defence, said Dr Fox, is for it to also be there for when everything goes wrong, 'when deterrence and containment have failed, when diplomacy is exhausted, and as a last resort, the use of lethal force is required':

"No other arm of Government can deliver this or is designed for this purpose and it cannot be outsourced or delegated, even to our friends.

"So our Armed Forces must be structured first to deter and second to deliver the use of force in support of our national interest and to protect national security."

Dr Fox said this primary mission was currently being played out in Afghanistan and that British Forces were in the country 'out of necessity, not choice':

"Our mission in Afghanistan is vital for our national security, vital for the security of the region and vital for global stability.

"We cannot allow Afghanistan to be used again as a haven for terrorists or a launch-pad for attacks on the UK or our allies.

"So Afghanistan remains our top priority, and our people in theatre will get the best support that is possible.

"Counter-insurgency needs strategic patience, and we're committed to seeing the mission through to resolution - creating a stable enough Afghanistan to allow the Afghan people to manage their own internal and external security.

"This is no time for us to lose our nerve and we must find the language to persuade the British people to stick with us."

He said he expected significant progress by the end of the year, consolidating ISAF's hold in

central Helmand and accelerating the training of the Afghan National Security Forces.  
He added:

"There is no absolutely reason why any NATO country cannot do more for the training mission - it is a measure of our commitment and resolve as an Alliance - and it is the route to bringing our troops home without leaving a security vacuum behind."

Acknowledging that conducting a defence and security review while the country is engaged in war is not ideal, Dr Fox said that after 12 years a review was something the country could not afford to delay:

"Change is not an option, it is a necessity," Dr Fox said.

"Even if defence spending kept pace with inflation, we face a deficit of many billions of pounds over this life of this parliament and more over the next decade."

Dr Fox said that reductions in administration costs and increases in efficiency would not be enough on their own:

"The problem is structural so the response must be structural to put Defence on a stable footing.

"The MOD itself must face reform.

"We intend to reorganise the whole organisation into three pillars- first Strategy and Policy, second Armed Forces and Procurement and third Estates.

"We intend to create a more efficient and leaner centre where everyone knows what they are responsible for and who they are accountable to - with the deadlines and budgetary disciplines taken for granted elsewhere.

"Major reform of our procurement practices will be accompanied by a number of industrial consultations that I will outline shortly to Parliament.

"But as much as structural reform is required, I am equally determined that the Armed Forces are re-configured to meet the needs of the evolving security environment and satisfy the ambitions this country has.

"We do have to operate in the financial climate we have inherited and Defence cannot be immune from that challenge.

"We will have to be tough and unsentimental to boot if we are to do what needs to be done.

"But while the SDSR may be resource-informed, it is policy-led."

On the strategic environment facing defence Dr Fox said that the new Government's foreign policy would pursue the defence of UK interests with the recognition that our prosperity and security is bound up with those of others:

"This will require the enhancement of diplomatic relations with key partners, using Britain's unique network of friendships, bonds and alliances, working bilaterally as well as multilaterally," Dr Fox said.

"We will need to be smarter about when and how we deploy power, which tasks we can do in alliance with others, and what capabilities we will need as a result.

"In the final analysis we will need to retain the capacity to deploy military strength in defence of our own national interests."

Dr Fox said listed several of the possible security challenges the country could face over the coming decades.

These included:

State failure such as we have seen in Afghanistan and Somalia, creating new focal points for exportable Islamist terrorism that threatens our citizens and our allies; A nuclear capable or nuclear armed Iran, destabilising Shia-Sunni and Arab-Persian fault lines, as well as those with Israel and the rest of the world; The emergence of old or new regional powers, and the return of state-versus-state competition and confrontation; And more immediately, competition for energy and other resources (including fresh water) could take on a military nature.

"That is the reality of the world in which we live and we must break away from the recent habit of planning for the best case scenario and then hoping the worst never happens," Dr Fox said.

"Unlike the Cold War, we cannot be confident about how, and how quickly, these trends might evolve.

"I shall therefore be conducting a thorough stock take of our contingency plans in the months ahead."

The Secretary of State for Defence said that responding to such events would not be for Britain alone and that Britain's relationship with the United States will remain critical for our security. He also said NATO will remain our first instrument of choice for responding to the collective security challenges we face and increased cooperation and with other nations would be required, therefore he intends to treat, and consequently fund, a Defence Diplomacy programme separately within the SDSR.

Concluding, Dr Fox said that the SDSR will be a major reform agenda - 'informed by the pressure on resources but driven by the changing world in which we live and the nature of the threats we face'.

He said:

"Let me reassure you that the SDSR will be strategic, cross-Government, and a comprehensive exercise overseen by the newly formed National Security Council, to provide a coherent approach to security, and informed by a new National Security Strategy."

He said that there are competing priorities, risks to manage and budgets to balance but 'we must act ruthlessly and without sentiment':

"It is inevitable that there will be the perception of winners and losers as we go through this process. But Defence as a whole must come out in a stronger position."

Dr Fox said that the conclusions of the review would be published in a white paper by the end of the year.