By Irwin Stelzer

It would be inappropriate for an American to attempt to tell British politicians and voters how much to spend on the defence of their realm. After all, many of the threats faced by Britain are the same as those faced by America – international terrorism, nuclear weapons in the hands of North Korea and Iran, the possible toppling of a nuclear-armed Pakistan by Taliban forces that might triumph in Afghanistan, and threats to NATO allies by a resurgent Russia are only a few

of the dangers we both face, and only those that are apparent at the moment. So America has an important self-interest in a reversal of Britain's current policy of starving its military in order to fund a continued expansion of its welfare state. We are not disinterested observers.

It is not inappropriate, however, for an American to discuss the principles that might guide Britain in allocating its resources, since those principles apply as well in the United States – or to comment on the effect of Britain's decision on its relationship to America. Budgets are more than mere numbers, although Treasury bean-counters in most countries prefer to so regard them, as it moves the arguments about spending onto their narrow turf. Budgets are expressions of national priorities, a reflection of what a nation wants to be now and in the future. Budgets reflect a nation's choices, and politicians' guesses as to which expenditures are most likely to achieve their principal goal – continuance in office. That is why it is always tempting for them to cut military spending: until they retire, generals and admirals will mutter but not shout lest they be seen as usurping the role assigned to their civilian masters in a democracy. But take away some benefit from the civilian population, or fail to add new ones, and voters will make their unhappiness felt at the polls.

That is why this report emphasises that it is up to responsible politicians to take the lead – to lay before their countries the dangers inherent in under-funding the defence establishment. They will, of course, have to counter the inevitable arguments that we are at peace now, that society is entitled to the peace dividend earned in some earlier war, and that anyhow the defence establishment is 'wasteful'.

Whatever force these arguments once had, they have no weight now. We are not at peace, witness the destruction of the Twin Towers in America; the deaths in the assault on the tube in Britain and the commuter trains in Madrid; the war in Afghanistan; Iran's efforts to destabilise the Middle East and its promise to use its nuclear weapons to destroy Israel; and the threat from North Korea to launch nuclear weapons – to mention just a few of the current 'hot issues' on the boil.

Nor are we in a period in which the government has starved the civilian sector of resources, as it was forced to do, for example, during the Second World War. The end of that conflict, and the collapse of the Soviet Union in the face of steadfast resistance by America, Britain and our

allies, freed up resources that were used for an extraordinary expansion of the welfare states in Western countries. We have increased the funding of education systems, programmes that provide for the sick and elderly, and funded amenities ranging from parks to swimming pools to neighbourhood centres. Most significantly for the argument made in this paper that Britain and other NATO countries are failing to match America's contribution to the maintenance of some semblance of world order, Britain and Europe have extended the scope and depth of their welfare states far beyond anything America has attempted.

As for the charge that the defence establishments are 'wasteful', all that can be said is that there undoubtedly is some waste in military procurement, just as there is in any large government operation – or indeed in any large private-sector organisation. And such waste as can be identified – spending that can be cut without reducing operational effectiveness – should be rooted out. But after a long period of funding stringency, in which forces have been cut in all three services, it is unlikely that there is much fat left on the skeletal military establishment now charged with defending the realm – indeed, the greater worry is that the budget-makers have cut into muscle.

So, because we – your country and mine – are indeed engaged in a war that is every bit as lethal as those that saw uniformed soldiers face each other across a defined battlefield, because the peace dividend has been spent to fund lavish or at least adequate public services while military spending has not kept pace with the threat level, and because years of tight budgets make it unlikely that there is much waste in military expenditure, the usual excuses for failing to provide the military with sufficient resources to meet the commitments made by the nation's politicians are simply inapplicable.

What is needed, instead, is a budget that reflects the proper trade-off between defence and society's other needs. As this paper points out, without adequate defence spending, the benefits of social spending are at risk. The attacks on the London tube and Glasgow Airport show that no matter how much is spent on transport, the system will be highly vulnerable if we skimp on anti-terrorism intelligence efforts. And no matter how much is spent on the health services, if the nation is not adequately defended against bio-terrorism, the money will do little to keep the nation healthy.

The decision to decide on just how much is enough will depend, first, on what commitments Britain – or any nation wrestling with this problem – is prepared to make. As this report points out, either provide the military with the resources it needs to meet the commitments politicians make, 'or get out' – reduce the commitments. America, which chose that route in the face of mounting opposition to the war in Vietnam, is again struggling with the problem of matching funding to commitments: members of President Obama's party are questioning whether they want to fund his commitment to a stepped-up effort in Afghanistan. For those Democrats, a commitment to defeat the Taliban is a commitment too far, especially in a recession and when the possibility of a major expansion of the welfare state is presenting itself. In short, the hard decisions facing Britain face other nations, including mine. But for Britain the decision on how to allocate the nation's resources between its welfare state and its defence has an added dimension. It must decide whether it is willing to share the burden borne by the United States in maintaining world order, so as to maintain it special relationship with America, or prefers to

follow the lead of other countries and leave the chore of meeting the multiple threats we face largely to America.

Until recently, America knew that Britain would do all it could to balance its domestic and defence spending so as to be a full partner of America in coping with the threats we – and other nations – face. But then came three shocks: Gordon Brown decided to order British troops to remain in their barracks in Basra, transferring their burden to the United States; he turned down President Obama's request for more troops in Afghanistan, citing budgetary constraints while at the same time increasing spending on the welfare state; and American soldiers returned from Iraq and Afghanistan with sad tales of the inadequacy of the equipment provided to their brave British comrades. There is no question that the Pentagon is engaged in a reappraisal of the extent to which it can look to Britain for support in any effort involving the deployment of military assets, and therefore the extent of its bligation should Britain need assistance (perhaps if the Argentine government carries out its threat to reoccupy 'las Malvinas' now that the Royal Navy has withdrawn from the oil-rich area in order to meet other challenges).

If that reappraisal results in the de facto death of the special relationship between our countries, both of us will be the loser. It is fashionable in Britain, I know, to question the value to Britain of that relationship, and to argue that it is a one-way street, with America getting the benefits, and Britain incurring the costs. There is no doubt that America benefits: British soldiers are among the best trained and bravest in the world, and their presence at our side in two Iraq wars was valuable not only in the field but to provide political support for both Presidents Bush. Britain's intelligence services add valuable information to that gathered by our own, better protecting Americans as well as British citizens from terrorist attacks. And, to go back to the formative days of the special relationship, the British did as much to defeat international fascism by standing alone against Hitler as Americans did at a later date by providing men and materiel.

But I would argue that Britain, too, benefits. Your nation has officially acknowledged the assistance we provided when you sent your forces to recapture the Falklands: our then-Secretary of Defense was awarded a knighthood in recognition of our support – support that was extended with no particular political benefit to then-President Reagan, and had the negative effect of reducing US popularity in our hemisphere, as Reagan's advisers warned him it would. When the UK and its European allies could not marshal the air lift and other resources needed to end the genocide in the Balkans, it was America that responded to Tony Blair's request to join the battle and provide the needed bombers and other equipment, and to threaten to deploy ground forces if Serbia did not end the slaughter.

No one, of course, can safely predict the future balance of the flow of benefits to both our countries from the Special Relationship. As this report points out, we cannot predict when the next threat will come – will you need our help in defending your supply routes should the Iranians decide to attempt to close the Straits of Hormuz, or will we need your diplomatic support when we urge our NATO allies to stand up to further instances of Russian adventurism in what they call their 'near abroad'?

We cannot know. But we do know this, as this report points out with great clarity: if Britain does not shore up its military so that it is capable of holding up its end of the bargain implicit in the

special relationship, that relationship will be under severe threat. Fortunately, it is deep – culturally, socially, politically and militarily – and can endure temporary strains. But not a permanent decision by Britain to become still another free-rider on US military outlays. Both of our nations will be the poorer if the Special Relationship is no more, and the world will be a more dangerous place.

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