AM: In 2015 the Conservatives made a solemn promise to the electorate about the size of the armed forces. Can you remind people what that promise was?

MF: Yes. We said we would build the Army up to 82,000 by the year 2020.

AM: And what is the size of the armed forces now?

MF: It’s coming up. It’s just over 79,000.

AM: So you have not kept that promise?

MF: We haven’t got there yet. It’s not 2020 yet. We said for the five years of the Parliament we would build up the armed forces, including reserves. We would get reserves up to just over 30,000.

AM: Well the quote was that “we were going to maintain the size of the regular armed services and not reduce the Army to below 82,000.” The current figure is 79,000 of our regular army so you have broken that promise.

MF: Well, we said we’d do this over the Parliament and we’re spending a lot of money on recruiting –

AM: But you have reduced the Army. You said you wouldn’t and you have.

MF: Well we’re increasing the size of the Army up to 2020. There are three more years to go until 2020. We have recruitment campaigns going on, we’re increasing the size of the Royal Navy, we’re increasing the size of the Royal Air Force and we’re
determined of course to improve the offer we make to our service men and women to attract the best of each generation to join.

AM: Because at the moment your recruitment is going badly. You're not getting enough people into the Army; you were meant to get nine and a half thousand in this year, it’s six thousand and you’re going backwards, not forwards.

MF: No, I don’t accept that. We are getting more people to join up, both regulars and reservists and we have -

AM: You say you don’t accept that.

MF: - several years to go before we reach our target. But we are spending more on the armed forces. The Defence budget goes up every year and we’re giving them the new equipment that they need.

AM: Well you said, “I don’t accept that. I don’t accept those figures.” Let me give you them again. The target was 9,580 people to join the Army last year and the figure you achieved was 6,900. And that is why the top brass are so worried. Worried about you and worried about the Army under you.

MF: First of all we can’t force people to join the Army. We don’t have conscription in this country. The Army has to compete with other sectors of the economy.

AM: So that was a silly promise perhaps in the first place?

MF: No, it was a promise over the Parliament. Over the five years. We’re only two years into the old Parliament and I can assure you we are spending a lot of money on recruiting, but also on giving the armed forces the equipment they need. You’ve seen our aircraft carriers being built up at Rosyth, there are our new
frigates on the way to cut steel on in July. We’re buying new aircraft and we’re investing in the equipment they need.

AM: Now you’ve said that you’re going to increase defence spending by 0.5% above inflation, yes. How much does that cost?

MF: That costs roughly over the five years of the new Parliament, added to the two years of the last Parliament, that gives the armed forces roughly a billion pounds more than they would have had if we’d simply met the 2% target.

AM: So where does the money come from?

MF: The money comes from a growing economy, it’s a commitment we made, it’s a choice to spend more on the health service, to spend more on defence and we’ve reduced spending, as you know, in other areas.

AM: So this is an unfunded commitment? You’re going a bit Diane Abbott?

MF: No, it’s absolutely funded. It’s not a wild commitment, it’s properly financed and we can afford to do that.

AM: All right, from where? Because the money has to come from somewhere. Is it more borrowing or is it more taxes or what?

MF: Well borrowing is slowly going to be reduced but it comes from a growing economy is the real answer to your question. Because we’re running the economy efficiently, because the economy’s growing each year, more people in work. We have more revenue coming in and we’re able to make choices. Not wild spending or borrowing promises like Labour, but to spend more on the NHS, to spend more on defence, the things that people really care about.
AM: That’s the extra billion. Now according to the Defence Select Committee and *The Times* Newspaper, there is a black hole in your equipment budget of between seven and a half and ten billion pounds. How are you going to fill that?

MF: Look, we’re planning the biggest equipment programme in generations. As I said, new air craft carriers, new frigates, new maritime patrol aircraft, new planes to go on the frigates, new armoured vehicles.

AM: But it was the National Audit Office who said that.

MF: You asked it, let me answer it. That is a ten year programme and part of the cost of that programme has to come from efficiency savings. Get rid, for example of the land and barracks and buildings that we don’t need, being more efficient in the way that we work. Now we have to deliver –

AM: £7.3 billion of getting rid of fields?

MF: 7.3 billion over the ten year period – over the five period, I’m sorry, of efficiency savings on top of the efficiency savings we’ve already made. Now that means if you’ve got airfields you don’t need you shut them down and you release them for housing –

AM: That’s very expensive airfields, Mr Fallon.

MF: Well, we have 60 airfields. We don’t need 60 airfields. You have to look at what you don’t need, you have to be more efficient as a large organisation and look at ways of working. And it’s absolutely right that to invest in that programme we have to reinvest the efficiency savings that we make. And the big change in the last few years by the way is that we keep all of those efficiency savings. The Treasury doesn’t come and nab them back.
ANDREW MARR SHOW, SIR MICHAEL FALLON

AM: All right, well you haven’t persuaded your top brass, you haven’t persuaded senior military people who wrote a letter to the Prime Minister recently. Let me read you a little bit of it. It says that your statements about the defence budget have been disingenuous quoting irrelevant financial statistics and they go on to say: “The government boasts of spending 2% of GDP on defence. That’s widely criticised as an accounting deception. The armed forces are having to seek further, very damaging savings in manpower, support and training at a time when the likelihood of combat operations is increasing.”

MF: The 2% figure is not our figure. It’s the NATO figure. It was confirmed –

AM: No, but it’s the way you’ve met it that they’re criticising.

MF: No, on the contrary. It is the NATO figure, the Secretary General of NATO, Stoltenberg was in London this week seeing myself and the Prime Minister and he confirmed publicly that according to the NATO definitions we are meeting the 2%, in fact we’re meeting nearly 2.2%. It is other countries that are not spending up to the 2%. He has confirmed that our spending is defined according to the NATO Guidelines.

AM: But these are former Chiefs of the Defence staff. These are guys covered in brass.

MF: Andrew, have you ever met somebody covered in brass, a former Defence Chief who doesn’t want more spent on defence?

AM: So they’re just rattling the pan are they?

MF: They are passionate about defence and so am I. I’m proud that the defence budget is increasing this year. It was 35 billion
last year. It’s 36 billion this financial year. It’ll go up to 40 billion over the next few years and we will be investing in the biggest equipment programme the armed forces have seen in generations. Now to do that we also have to be more efficient about the way we work.

AM: What patently this government has not properly invested in is defences against cyber attack. You did not give the NHS the proper support and proper money to stop this cyber attack with terrible results for patients up and down the country.

MF: In our Security Review just over a year and a few months ago we identified cyber threats as one of the three principle threats and we set aside £1.9 billion to protect us better against cyber, and a large chunk of that went to the NHS.

AM: You didn’t pay for the upgrades in 2015.

MF: Hang on. We’re spending around £50 million on the NHS cyber systems to improve their security. We have encouraged the NHS Trusts to reduce their exposure to the weakest system, the Windows XP: Only 5%, less than 5% of the Trusts actually use that system anymore and there is money available to strengthen these systems.

AM: But you did not pay for them to strengthen that system at the crucial moment in 2015, did you?

MF: That was an old system. We didn’t want them to use that. We wanted them to use modern systems that are better protected.

AM: So you left those doors open?

MF: No, we warned them and they were warned again in the Spring.
AM: It’s the fault of the Trusts, not of the government, is that what you’re saying?

MF: Well we all have to work at this. The NHS wasn’t particularly targeted, the same attacks applied to NISSAN on Friday and in other areas of the economy and indeed around the world. But let me just assure you, we are spending money on strengthening the cyber defence of our hospital system.

AM: Is it the case still that the nuclear submarines, the Trident submarines are using Windows XP?

MF: We never comment on the different systems obviously for reasons of security that our submarines use.

AM: They’d better not be.

MF: But our Vanguard Submarines I can absolutely assure you are safe and operate in isolation when they’re out on patrol and I have complete confidence in our nuclear deterrent.

AM: So there is no possibility of a malware attack against the military as we’ve seen against the NHS?

MF: I can assure you the nuclear deterrent is fully protected.

AM: Let’s talk about the nuclear deterrent. You used a strange phrase a little while ago when you said that in certain circumstances you thought we would use ‘first strike’ in nuclear weapons. Can you explain what those circumstances would be?

MF: Yes, the key to the nuclear deterrent is to leave uncertainty in the mind of any potential adversary if he’s looking at a country to attack as to exactly what kind of response he can expect. It’s to
leave ambiguity in the mind of your enemies and that’s why we never rule out whether we would apply first strike or not.

AM: So you can imagine actually using nuclear weapons before anybody else?

MF: Well we use them every day, Andrew, every night.

AM: Not like I’m talking about.

MF: Well, what I’m talking about. We use them as a deterrent.

AM: I’m talking about firing things.

MF: Yes, but the job of the nuclear weapon is to deter. It’s done that successfully for over 50 years since we’ve had our submarine fleet.

AM: You see you’ve been very, very critical of Labour on the nuclear issue and defence generally.

MF: And rightly. Look at their policy –

AM: Nonetheless, they might say that the problem with your side is they want to talk first and bomb later. You want always want to bomb first and talk later. Can I ask you is there a single war since the Second World War that you haven’t been in favour of?

MF: Well we obviously when we voted on the Iraq War we were under the impression given by the then Labour government –

AM: But you voted for it.

MF: I voted for it like a lot of MPs because we were told there were weapons of mass destruction there, and it turned out actually there weren’t.

AM: Were you wrong and do you regret voting for that war?
MF: Well I regret the prospectus on which it was embarked. It was right –

AM: But do you regret voting for it?

MF: Well hang on. I regret voting for it on the basis there were weapons of mass destruction ‘cause there clearly weren’t. But we were dealing with a dictator who had invaded other countries and we were part of an international coalition. And the problem with Labour’s approach is they’re now saying they would never commit. And you even heard Emily Thornberry now suggesting they might negotiate over the Falklands. I think that’s shocking.

AM: Well let’s turn to another war that you supported. You were very much in favour of use of force in Libya and let’s read you again the Foreign Select Committee Report on what’s happened in Libya after the war that you were so keen on. “It resulted in political and economic collapse, inter-militia and inter-tribal warfare, humanitarian and migrant crises, widespread human rights violations and the spread of Gaddafi regime weapons across the region, and the growth of ISIL in North Africa.” In short it was a total disaster and you voted for it.

MF: Well the reason for it if you remember was to prevent a humanitarian catastrophe in Benghazi where an entire city was potentially going to be wiped out. That’s why we had the intervention. Now you’re right, when you do intervene we need to learn the lessons of each of the conflicts that there needs to be a proper plan for stabilisation afterwards. I’ve been working with other Defence Ministers in the coalition for precisely that in Iraq after Mosul is eventually liberated that we stabilise these areas and bring in security after the war is over to ensure that the Sunnis there for example have a proper stake in the running of their country.

AM: One domestic question, if I may. You’ve launched a new housing policy, council housing policy this morning. There are two
small gaps in that policy so far as we can see so far. How many houses and how much money?

MF: Well the money is coming from the 1.4 billion we earmarked for capital expenditure from the Autumn Statement last year, so the money is there.

AM: Well it’s not new money, you’re taking it from something else?

MF: Well it’s not new money but the amount of money for each council will depend on the deals we strike with places like Manchester and Birmingham to get more social housing built in these areas of a high enough quality that tenants eventually will be able to buy. It’s a very attractive policy that will give people a real alternative to waiting and waiting and waiting to get into a council house or a flat of their choice.

AM; Well you and Emily Thornberry are coming back in a little while for a love in, but for now thank you very much indeed.

MF: I’m not sure about the love in!

Ends