

# UK Labour chancellor pledges austerity offensive to fund military spending increase

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UK Chancellor Rachel Reeves has confirmed that the Labour government's commitment to raised military spending will be funded by cuts elsewhere.

In an interview Saturday with the right-wing *Daily Mail's* political editor Jason Groves, Reeves directly connected the astronomical costs of war abroad with austerity at home. Warning of spending cuts, her comments were to reassure the ruling class that Sir Keir Starmer's Labour government can be relied on to hike up military spending by billions of pounds.

Labour's electoral pledges included ramping up military spending to 2.5 percent of GDP from its current level of just over 2.2 percent. But, aware of the broad unease in the working class over its warmongering offensive in Ukraine, and hostility to its support for Israel's genocide in Gaza, Labour was cautious about setting a date to hit the 2.5 percent target.

On taking office, it said military spending decisions would follow a Strategic Defence Review next year, led by former Labour MP George Robertson, who was Tony Blair's Secretary of State for Defence and then became NATO Secretary General.

In an interview which the *Mail* splashed across its front page and two inside pages, Reeves said, "the trajectory for defence spending" will be set out "alongside" the review's report. Reeves pointed to her initial steps in raising defence spending by £2.9 billion in the October budget; and the £2.3 billion she allotted to Ukraine from frozen Russian assets.

Reeves would still not confirm whether the 2.5 percent target will be achieved by 2030—which could cost an extra £20 billion a year. But the *Mail* was partially assuaged by her message—given a block capitals front-page headline: "Reeves: We can't boost UK defence without making cuts".

The chancellor boasted that the defence review will take place alongside a "zero-based" audit of government

spending "line by line." Promoted as an efficiency drive to cut waste, it is being applied to departments that have already seen budgets slashed over decades of austerity. The audit review will see wider axing of projects as the timetable for increased military expenditure is established.

That the working class confronts in parliament a unified party of austerity and war was confirmed by Reeves's rhetoric borrowed from Tory predecessors such as former prime minister Theresa May: "If you spend money on one thing, you can't spend it elsewhere. There's not a magic money tree."

"There is not some magic pot for any area of government spending," she went on, "it has to come out of this [spending] envelope."

Reeves emphasised that there was no threat of cutting defence expenditure in favour of other spending on health, education, housing, etc., nor any pledge of broader social provision. These departments must learn to "live within their means." The 2 percent efficiency target imposed on the National Health Service, seamlessly carried over from the Tories—is to be extended to all departments.

Labour is looking to the public sector unions to police workers' opposition, with any future pay deals conditional on productivity deals. Reeves warned that the spending review "is going to be tough." The government is "not going to be coming back with more borrowing or more taxes... We're going to have to be ruthlessly prioritising and targeted."

The spending review would also involve intervention from the private sector, with Reeves promising, "We will also use outside people to challenge [every spending item] and look at that."

A Parliamentary debate held last month titled, "Defence: 2.5% GDP Spending Commitment," saw the major parties accusing each other of not being militaristic enough. In the words of Defence Secretary John Healey, "Everyone agrees that an increase in defence spending is

needed.”

Labour MP Graeme Downie spoke of the “need to increase defence spending in response to emerging threats around the world,” asking whether the 2.5 percent “should be kept under review.”

Downie has since written on the LabourList blog that “we should make clear that this number should not be considered a ceiling.” He echoed calls by the *Times*, the main forum where military figures demand spending of 3 percent and more.

In parliament, Healey agreed with Downie that “the starting point for any defence planning must be the threats that we face.” He recently announced the establishment of a UK Defence Industrial Council to “improve decision making and productivity by sharing information between market participants and government” and “shaping public-private investment strategies.”

This is the lucrative business of militarism, as Downie appreciatively cooed in LabourList, calling the council “the latest sign that this UK Labour government is mobilising British industry for our security and to support Ukraine in a way which supports our economy, building on work such as the loan fund to support Ukraine in buying the weapons it needs.”

Reeves’s interview with the *Mail* was part of the paper’s “Don’t Leave Britain Defenceless” campaign calling for “significant increases in Armed Forces investment, to meet the growing threat.” It is shaped by the demands of the ruling elite that Labour hand the Treasury’s keys to the armed forces to pursue their war aims against Russia and—in alliance with the incoming Trump administration in the US—a conflict with China.

In July, army head General Sir Roland Walker called for the doubling of Britain’s “fighting power” in three years and its tripling by the end of the decade to confront “an increasingly aligned axis of upheaval.” Walker said the UK and its NATO allies had to be able “to deter or fight a war in three years.”

Although the Tories included a manifesto target for 2.5 of GDP for military spending, that is now viewed as old hat. Following the general election, Tory leadership candidates James Cleverly and Tom Tugendhat both called for military spending of a minimum 3 percent. This would require a war on the working class at home.

According to a Royal United Services Institute (RUSI) think tank estimate made in 2022, going to 3 percent of GDP would cost an extra £157 billion over the course of eight years. Put into context, £157 billion is approaching the entire cost of the NHS for a year, serving a population

of 66 million people, including wages for 1.5 million full-time staff. It is more than total education spending in Britain, which was £116 billion in 2023-24. It dwarfs the housing benefit budget of about £30 billion a year.

Even this onslaught on the working class pales in comparison to what is required to wage a full-scale war against a major power like Russia. In a Q&A at the Chief of the Air Staff (CAS) Lecture at the Freeman Air and Space Institute this month, head of the Royal Air Force Chief Air Marshal Sir Richard Knighton argued, “We are witnessing a return to great power competition.” He declared, “In 1936, Britain was spending 2.9 percent of its GDP on defence. By 1945, that figure was 52 percent. War is incredibly costly”.

Speaking at a conference on reserves at RUSI in London, Labour MP Alistair Carns, the government’s veterans minister, warned, “In a war of scale—not a limited intervention, but one similar to Ukraine—our army for example on the current casualty rates would be expended—as part of a broader multinational coalition—in six months to a year.”

Carns, a former Royal Marines Colonel, pointed to the Russian casualty rate in Ukraine as an argument for the broader militarisation of society. The Russian experience, he said, “doesn’t mean we need a bigger army, but it does mean you need to generate depth and mass rapidly in the event of a crisis.” He cited the argument of military commanders that war is started by professional armies but ended by civilians taking up arms as volunteers and reservists. He described the army’s reserves as “absolutely central... Without them we cannot generate mass, we cannot meet the plethora of defence tasks.”

Carns insisted, “There is a requirement across government to remind people that freedom is not free.”



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