

AUSTRALIA' ROLE IN THE ARMS INDUSTRY

HOW DID WE GET HERE?



PRODUCED BY
RENEGADE ACTIVISTS ACTION FORCE



From direct weapons sales to Israel such as armour plate quality steel that ends up in Israeli weapons systems to resupplying the US with 100mm mortars that replace those donated to Israel (and Ukraine) to the manufacturing of parts for weapons like the F-15 and the F-35 jet fighters being used against Palestinians, it is no longer possible for Australians or the Australian Government to claim that they are not facilitating Genocide: that the war is 'over there'.

In recent times one of the focal points of the campaign to end Australia's role in the Genocide has been to call for an end to the production of the weapons that are being used in its execution.

It would be easy to believe, and many good people do, that Australia is hell bent on increasing its military sales purely because weapons are a high profit export: The reality of our push into the murky world of the arms trade is a lot more complicated and is the flip side of the resource extraction industries that also concern readers of this zine.

To understand how we got into this mess we need to look back to the last time the world saw an arms production surge greater than the one we are now in.

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SECOND SESSION OF THE UNITED NATIONS CONFERENCE ON
TRADE AND EMPLOYMENT

THE PREPARATORY COMMITTEE OF
GENERAL AGREEMENT ON TARIFFS AND TRADE

ARTICLE XXVII - PARAGRAPH 1

Proposed by Australian Delegation

1. On the day on which the Charter of the International Trade Organization enters into force, Part II of this Agreement shall be suspended and superseded by the corresponding provisions of the Charter. Provided that within sixty days of the closing of the United Nations Conference on Trade and Employment at Havana any contracting party to this Agreement may lodge with the Contracting Parties an objection to any provision or provisions of this Agreement being so suspended or superseded or to the incorporation in this Agreement of any provision of the Charter.

2. Within sixty days after the final date for the lodging of objections, or as soon thereafter as is practicable, the contracting parties shall, if any such objection has been lodged, confer to consider the objection and to decide whether the relevant provision of the Charter to which objection has been lodged shall apply, or be amended, or whether the relative provision of the General Agreement in its existing form, or in any amended form, should apply.

3. Any decision to depart from the relevant provisions of the Charter in terms of paragraph 2 shall require a majority of two-thirds of the Contracting Parties present and voting, but shall be binding on all contracting parties.

4. On 1 November 1948 if the Charter shall have entered into force and any contracting party has not accepted the Charter the contracting parties shall confer to decide whether, and if so in what way, the Agreement insofar as it affects relations between the contracting party which has not accepted the Charter and other contracting parties shall be supplemented or amended. Or whether the Agreement shall be terminated.

5. On 1 November 1948, should the Charter not have entered into force, or on such earlier date as may be agreed if it is known that the Charter will not enter into force or on such later date as is agreed if the Charter ceases to be in force, the contracting parties shall meet to decide whether the General Agreement should be amended, supplemented or maintained.

Towards the end of the Second World War the Western powers began the process of drafting the rules for post war economics. One of the instruments developed was the General Agreement on Tariffs and Trade, commonly referred to as GATT.

Basically GATT determined and bound its signatories by law to regulating how countries could trade and more importantly introduced the concept of outlawing what it called 'unfair barriers to trade' which included subsidising local industries and imposing tariffs on some imported goods. For the most part these rules remain in place under the World Trade Organisation (WTO) which replaced it in 1995.

One key point of these rules is the 'Security Exemption Clause' which excludes all facets of security related trade from international trade agreements. The term security is defined very narrowly as military security. This essentially means that not only is military equipment exempt from international trade laws, but that military production is encouraged as a way to bypass trade and maintain national industrial capabilities.

ARTICLE XXI

SECURITY EXCEPTIONS

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I. TEXT OF ARTICLE XXI

Article XXI

Security Exceptions

Nothing in this Agreement shall be construed

- (a) to require any contracting party to furnish any information the disclosure of which it considers contrary to its essential security interests; or
- (b) to prevent any contracting party from taking any action which it considers necessary for the protection of its essential security interests
 - (i) relating to fissionable materials or the materials from which they are derived;
 - (ii) relating to the traffic in arms, ammunition and implements of war and to such traffic in other goods and materials as is carried on directly or indirectly for the purpose of supplying a military establishment;
 - (iii) taken in time of war or other emergency in international relations; or
- (c) to prevent any contracting party from taking any action in pursuance of its obligations under the United Nations Charter for the maintenance of international peace and security.

Another of the instruments introduced at that time was the Bretton Woods System which pegged international currencies to the US Dollar and the US Dollar to gold.

For the period of the Western post-war economic boom, these trade agreements were largely between the western powers which controlled the global economy and were based on maintaining the North-South disparity. Australia, like the USA, UK and Western Europe, made plenty of hay while the sun shone.

In response to the US and some other Western nations supporting Israel in the 1973 Yom Kippur War, The Organisation of Petroleum Exporting Countries (OPEC) led by Saudi Arabia, instituted an oil embargo which sent oil prices through the roof and changed the nature of international trade by ending the Bretton Woods System. In turn this led to many nations floating their currencies and entering new trading relationships not based on the US Dollar.



As part of the British Empire, Australia naturally had strong trading ties with Britain. So when the UK moved its focus from the Empire to Europe along with the de-colonisation programs sweeping the Global South, one of the European Union's requirements was that the UK purchase its agricultural and primary resources from them rather than Australia and other former British Empire outposts.

This left Australia in the position of needing to find new markets for its agricultural and resource extraction products.

The 20 years between the oil crises of 1970s and the formation of the WTO in 1995 saw the rise of Asian economies as they moved from primary production to industrialisation. Australia saw in the booming economies of Asia the opportunity of markets for its primary production.

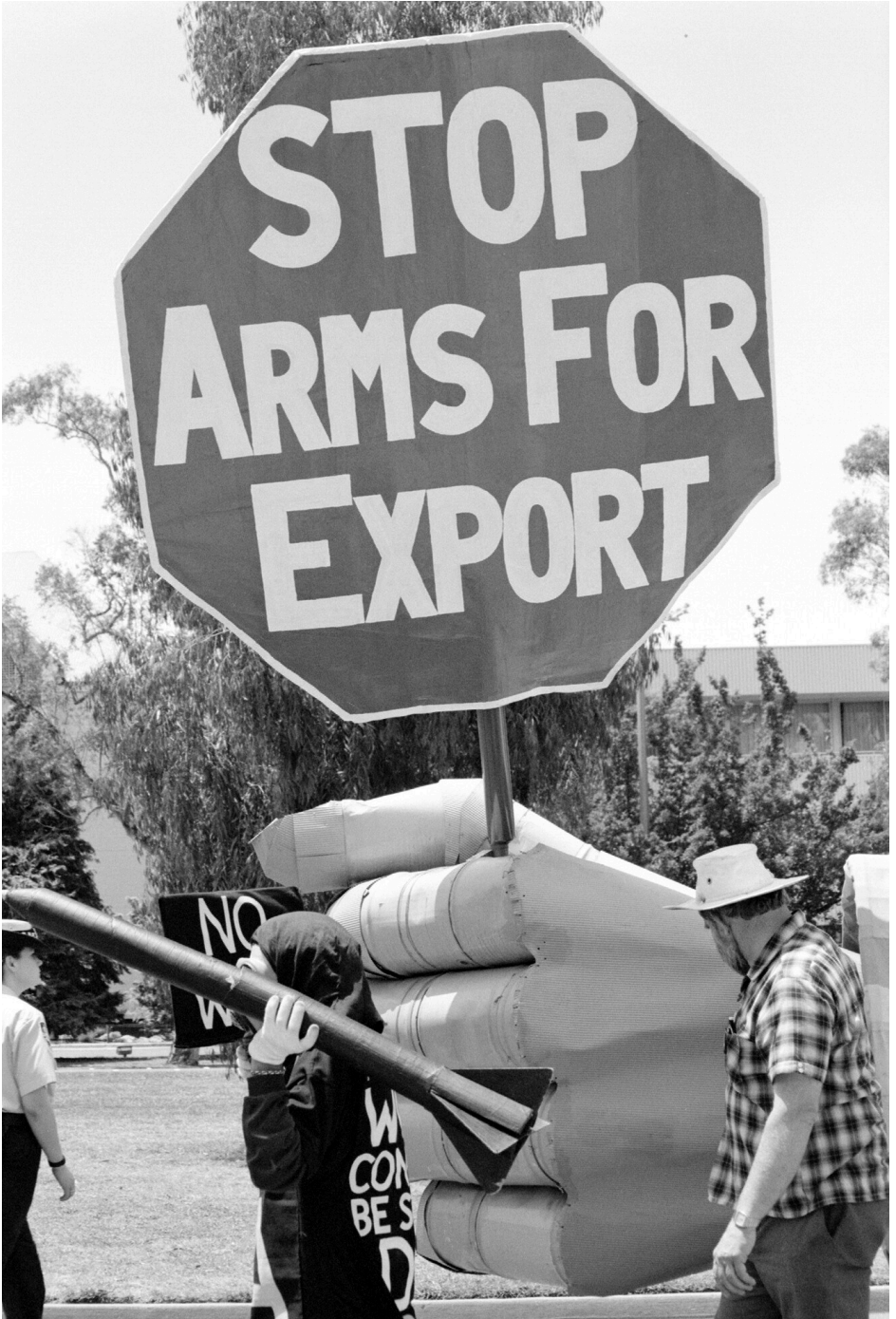
In the years following the formation of the WTO, Australia entered Free Trade Agreements with these countries to ensure ongoing markets. Agreements in which interventions such as subsidising our manufacturing industries and placing tariffs on imported manufactured goods were deemed to be 'unfair barriers to trade'. The bases of most of these agreements were: you buy our primary resources and we'll buy your manufactured goods.

This led directly to the closing down of Australia's automotive industry, which in turn had a flow on effect on the manufacturing sector that supplied it. Meanwhile Australia's resource extraction sector went through the roof, supplying metals and fossil fuels to the countries that were now manufacturing just about everything we use.

This is what is meant by trade liberalisation: where each country must compete on the so-called 'level playing field', with no account taken of things like workers' rights, wages or environmental laws.

An impact of this focus on resource extraction at the expense of manufacturing was that Australia lost its economic complexity. Economic diversity is a key indicator of the health of an economy and a society. While Australia likes to compare itself economically and socially to the countries of Western Europe, the UK, USA and Canada, these countries are all within the 20 most economically complex on the planet: The Australian economy comes in at number 82 in the company of Uzbekistan, Sri Lanka, Paraguay, Kenya, Honduras and Azerbaijan.

Successive Australian governments have not been blind to the dangers of having such a simplified economy and have made attempts over the years to diversify its base. Australia needs to rebuild its manufacturing industrial capacity in order to both diversify its economy and guard itself against losing industrial capacity.



STOP AIDEX '91 - LEO BILD

And there's the rub: In order to diversify its economy, Australia must enact measures to subsidise its manufacturing industries as it cannot compete on a 'level playing field' with its trading partners. The measures that would need to be taken are precisely the measures seen as 'unfair barriers to trade': If Australia were to support any domestic production in say, automotive or white-goods manufacture, those measures would be seen as illegal under the WTO rules and as a consequence Australia would jeopardise its exports and quite probably be fined.

In 2018 Prime Minister Turnbull announced a A\$4 Billion project to launch Australia into the ranks of the Top Ten global arms manufacturers. Contrary to the views of many on the left and within the peace movement, this was not just based on the Government's war mongering tendencies but on a desperate bid to inject some complexity into the economy and help rebuild the national industrial base. A previous attempt to do this in the 1980s by the Hawke & Keating governments in an effort to forestall the problem had failed miserably.

Looking at the issue purely from an economic perspective and putting aside any problematic issues like, you know... basing your economic recovery on killing people... this was a reasonable economically responsible move.

The Turnbull Government's policy of turning to the arms industry to rebuild industry lost due to the implementation of a globalised 'free trade' regime has been continued by every government since, regardless of party. And it has been successful.

Companies that had previously been on the brink of collapse have been assisted by State and Federal government grants to reorient their factories towards weapons manufacture. Companies that are now the subject of protests due to their role in producing parts for the very weapons systems used in the Genocide in Palestine: names like Lovitt, HTA, Electromold, Levitt, Hoffman, Rosebank and Marand to name just a few, were all making parts for the automotive industry prior to its collapse only a decade ago.



MARAND

International weapons companies like Thales (France), Elbit (Israel), BAE (UK), Hanwha (Korea), Rhinemetall (Germany), Boeing (USA) and others have taken advantage of the situation to move in and use their massive capital and global production to become prime contractors, replacing the role previously played by Holden, Ford and Toyota.

As government and industry embrace the arms trade, it also creates new opportunities for expansion by previously small Australian firms in the arms industry. As an example, Nioa, previously making small arms and bullets for hunting and law enforcement have expanded to the point where they are exporting guns all over the world, including sniper rifles to Israel and look set to play a major role in Australia's new guided missile system.

With Australia is embedding its economy so deeply in the international arms trade, it follows that industries other than manufacture are after a slice of the pie.



STOP AIDEX '91 - LEO BILD

Foremost amongst these is the tertiary education sector, who have found a natural fit in providing research into materials, communications and robotic technologies needed to keep the arms industry constantly upgrading... thereby providing jobs, diversifying the economy and ensuring that the balance of wealth can be maintained.

At the end of the day, as Australia depends on increased global arms spending, it becomes important to ensure that that market continues to grow. Companies that control the industry have the added benefit of gaining the ears, and affecting the policy of, governments. Industry bodies have established 'think tanks', actually lobby groups who have an unprecedented access to policy makers in government. In fact many of the industry lobby groups, along with the major arms companies have created a pathway for former Prime Ministers, Defence Ministers and senior Department of Defence bureaucrats and military personnel in a process that has become known as 'revolving doors'.

These lobby groups funded by global weapons companies and employing the best connected people in Canberra are instrumental in developing government policies and naturally, it is their interests to shift policies towards creating the most favourable conditions for the people who pay their wages.

They beat the drums of war.



ANTI IRAQ WAR PROTEST, SYDNEY 2003

This situation is not unique to Australia: it is replicated all over the world. The so called Global Rules Based Order used to justify the West's expanding militarism through projects such as AUKUS and the fear mongering over China, is nothing more than the natural outcome of an economy based on the preparations for war. This phenomena really took off where this article started: in the latter stages of World War Two and the determining of a post war economic model based in the United States who owed the major corporations big time for the role they played in developing the hardware to build their military; not least the of which were the atomic bombs dropped on Japan.

These corporations were amongst the greatest beneficiaries of the post war economic instruments. They immediately began amassing so much power that President Eisenhower, no peacenik himself, put the term 'the Military Industrial Complex' into the lexicon and warned against its undue influence on government policy in his farewell address in 1961.

Does all this mean that it is useless to campaign against the arms industry and their expos such as Land Forces 2024 and Avalon 2025? That it is too big to fall?

No: Renegade Activists Action Force have been campaigning against the arms industry since the Hawke-Keating (and of course Defence Minister Beazley) push of the 1980s. But it is important to recognise the scope and history of the industry. In 1990 Renegade Activists said that "the first step in challenging the Masters of War is to expose them" and we continue to play a part in exposing the role of these companies in atrocities like the Palestinian Genocide.

However, without an understanding of the role the Military Industrial Complex plays in the whole of our society, including in the rise and fall of governments, we can (and often do) find ourselves fighting against shadows with no clear idea of where the fault lines and choke points lay.

But the fault lines do exist.

The military Industrial Complex is indeed complex and Western military leaders are already complaining that the commercial control over the manufacture of weapons parts are causing serious delays. When we understand the global supply chains required to provide weapons to a war zone, what parts are in short supply, what parts are breaking, who makes them, where they leave from and the route they take... we can have an outsized affect on deliveries.

As the old adage goes “for want of a nail the shoe was lost, for want of a shoe the horse was lost, for want of a horse the battle was lost...” The task of anti-arms trade activists in the war is not just to expose the people making a killing, but to find the fault lines in the supply chains.

We may not be strong enough yet to take on the biggest nastiest companies that have ever existed on this planet who control global economics and the wars they need, but we can and do have the ability to interrupt the supply chains.

By working with activists, academics, workers and their unions, we can and must do whatever is necessary to impact the delivery of Australian made weapons to the Palestinian Genocide and every other theatre of destruction.

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STOP AIDEX 1991



DISRUPT LANDFORCES 2024

AT THE HEART OF EVERY JUST CAUSE IS THE CAUSE OF JUSTICE

