

A FAREWELL TO ARMS?

The Gulf War put the spotlight on Australia's fledgling arms industry. Mike Ticher argues that, short of pacifism, Australia can't hope to keep its hands 'clean' of the arms trade. What it can do is try to exercise a little responsibility.

Defence Minister Robert Ray's recent announcement that his department had refused clearance for huge weapons sales to foreign governments marked a new twist in the recent history of Australia's policy on arms exports. According to Senator Ray, one proposed deal involved the sale of \$450 million of (unidentified) offensive weaponry to an (unnamed) country in an "area of instability", and that this was "by no means the largest" deal rejected by the department.

In other words, the government is prepared to forgo as much as \$1,000 million worth of exports for the sake of maintaining Australia's "strict policy" on overseas arms sales. According to a spokesperson for Senator Ray: "What we're saying is that we're putting our hands up and saying that we've got to look a lot more closely at our role in the bigger picture. And if it hurts us and costs us, well that's something that we're going to have to bear."

Just how big a hurt this implies can be judged from the fact that the \$450 million deal alone would have represented considerably more than the total value of Australia's arms exports for 1989-90. There are those who doubt that this apparently highly principled stance has any basis in reality. Democrat leader Janet Powell says that "the minister's claim has either been fabricated or greatly exaggerated. Unless he reveals all the relevant details, the public should assume that he has misled them." Certainly the government's refusal to name even the country for which the equipment was intended makes it impossible to assess the way in which the guidelines on arms exports are being interpreted, even assuming that the accusation that the contracts never existed is groundless.

Nevertheless, the minister's assertion that "there does have to be a change of attitude" is a welcome, if slightly confusing, policy shift. The current guidelines on arms exports, announced in June 1988 and introduced the following year, represent a considerable liberalisation of previous controls. They maintain the ban on exports to countries subject to UN resolutions embargoing sales (this essentially has meant South Africa and, recently, Iraq). They also retain



restrictions on selling weapons to "governments that seriously violate the human rights or constitutional rights of their citizens". However, then Defence Minister Kim Beazley indicated that sales to such governments would be permitted, as long as there was "no reasonable risk of using the equipment against the citizens of a country with a dubious human rights record".

Other significant alterations were made to the old guidelines as part of the government's attempt to boost overseas sales of defence equipment. For example, a distinction was drawn between 'inherently lethal' and 'non-lethal' equipment, with only goods that are 'lethal' or 'of major military significance' now subject to controls. No specific commitment was included not to supply countries

engaged in military conflict, although subsequently the department has stated that its "strict policy" does not allow sales to "areas of instability". The processing of applications was speeded up, with a decision now required within 21 days of submission, with a presumption in favour of allowing a sale "where our friends and allies would supply comparable equipment". At the same time, the role of the Department of Foreign Affairs in assessing export applications was drastically reduced, giving Defence the clear responsibility for policy and thus weakening foreign policy considerations in the decision-making.

The stated purpose of this change in policy (which was based on the recommendations of the 1986 Cooksey Report) was to reduce the necessity to import equipment

for Australia's own defence needs, by encouraging the growth of locally-based manufacturers. At the time, Kim Beazley confidently asserted that exports could rise rapidly from \$200 million a year, to around \$500 million. The *Sydney Morning Herald* commented that "the [Cooksey] report confirmed what was already understood in defence circles—that Australia was losing many opportunities for defence equipment sales because of the extremely cumbersome bureaucratic constraints on such sales" (*SMH* 15/6/88).

Unfortunately (or fortunately, depending on your point of view), the expected bonanza did not take place. Robert Ray claims that Australia's defence supplies are now 70% locally-manufactured, compared to 20-30% under the old guidelines. Yet despite vague sums of "around \$300 million" being mentioned by Ray, the government's own figures show that the real figure for applications approved (not contracts completed) in 1989-90 was just \$157 million. The figure for actual sales may be around \$115 million (*Weekend Australian* 9/3/91) or even lower, according to analysts such as Dr Graeme Cheeseman of the Peace Research Centre at ANU. He claims that the government "embarked on this whole program, as far as we can determine, without doing any studies on the economic feasibility, or taking in the potential political costs of arms exporting. The Cooksey Report...promised pots of gold, but all the problems are well-known from other countries' experience."

But while the government may have failed dismally in its aim of substantially increasing arms sales, the new policy nevertheless led to some extremely dubious transactions. The most notable of these was the sale of 50 Mirage fighters to Pakistan in 1990, which raised two important issues. One, that had foreign policy considerations been given more weight, the almost derisory sum of money involved (\$36 million) would surely not have been enough to win the argument in favour of the sale. The other was the Defence Department's interpretation of the concepts of 'major military significance' and 'regions of instability'.

Robert Ray denied that the sale breached either of these conditions at a press conference on 1 February this year: "The degree of offensiveness of those weapons, I suppose, would be very much in question with the Indians, but the reason why we no longer wanted them is that we don't regard them as particularly effective weapons. The Pakistanis have a different view on that, but most of the decisions and agreements were made long before the tensions between India and Pakistan had built." Lest it be assumed that Senator Ray meant that the sale was decided upon some time in the 1930s, his spokesperson added: "at the time we sold those weapons systems, there were extremely good relations between India and Pakistan—it really did look as though those problems had been resolved, but unfortunately the situation completely turned around". (Pakistan and India threatened war over the Indian state of Kashmir.)

This begs the question of what exactly is a 'region of instability' if not the Indian sub-continent, and what exactly are 'lethal' weapons, if not fighter aircraft (albeit old

ones)? The same points could be made over the proposed sale of spares for PC9 trainer aircraft to Iraq, which was only halted after the UN embargo was imposed following the invasion of Kuwait. Clearly, such aircraft have no combat role to play in the war, but equally clearly the Iraqis felt that they were useful for training pilots who would eventually fly something a little more dangerous. It seems particularly obtuse to deny that any military assistance to a regime like Saddam Hussein's does not have the potential to be 'lethal'. It also reflects the same idiosyncratic interpretation of 'regions of instability' as Kim Beazley's comment on a defence equipment exhibition in Cairo in 1987, which he said "will provide an excellent opportunity for Australian companies to assess the market potential for their products in the Middle East".

Australia's own arms bazaar, AIDEX '91, is due to be held in Canberra in November. It has expanded considerably since the last exhibition in 1989 and this year the organisers proudly note that "particularly targetted will be government defence and industry leaders from countries in the Asia-Pacific region". As described in the *Independent Monthly* (October 1990), Asia is one of the few regions of the world where defence expenditure is rising sharply (before the Gulf War, of course), and Australia has supplied equipment to many countries in the region. Sales are not vast, as most transfers are part of government aid under the Defence Co-Operation Program. Nevertheless, approvals for sales to the Philippines (\$3.3m), Indonesia (\$1.0m) and Thailand (\$0.75m) were given in 1989-90, as well as for smaller deals with Singapore and Myanmar (Burma). If Robert Ray is seriously concerned about the dangers of regional arms races, and Australia's potential contribution to preventing them, he needs to look no further than our own backyard. Nor are the DCP deals without controversy, as the use of Australian helicopters in the Bougainville conflict showed.

A third deal which should have raised more eyebrows than it did was the proposed sale of Strikemaster trainer aircraft to Somalia in 1989-90, which was approved by the department but subsequently fell through for commercial reasons. The ethics of supplying military equipment worth nearly \$5 million to a country with such obvious needs in other areas are surely questionable (Australia also sold \$2 million worth of equipment to Bangladesh in the same year). Quite apart from this, and the notorious 'stability' of the Horn of Africa, the (former) Somali government's record on human rights was shameful, a point made by Democrat Senator Paul McLean in a question to Robert Ray earlier this year. Ray replied that the "distinction [between lethal and non-lethal weapons] is quite a clear one in terms of our export policy. I do not say that it is based strictly on morality."

Morality aside, it is nonsense to suggest that the distinction is a clear one, or one which facilitates a consistent policy. The minister himself admits that "these are not easy distinctions to make", but nevertheless maintains their resolution ensures that "we are avoiding selling lethal weapons...into areas of instability". But the sheer vagueness of the terminology means that gross anomalies are bound to occur. For example, no controls whatever are applied to sales to our third largest customer, the UK (along with the US, New



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Zealand and Canada they are specifically exempted). Yet who could seriously argue that Northern Ireland does not constitute an area of instability? The inability to predict political developments overseas is another obvious hazard. Australia's arms transfers to Fiji, for example, were halted after the coups of 1987 but, of course, that didn't prevent equipment supplied previously from being used by the military. In this case the quantities and type of materiel were insignificant, but it shows the problems inherent in supplying goods even to apparently 'stable' countries. The same applies to the recent coup in Thailand.

And then, of course, the question of morality does arise, whatever the minister might say. Unless we take a completely pacifist stance, an arms industry in Australia will continue to exist, and a certain amount of exports will help to offset the cost of imports for our own military. It can hardly be argued that importing weapons is somehow morally superior to exporting them. The important thing is to be clear about the function of an export industry and the restrictions that should be applied to it. At the moment, the government seems caught between the Beazley doctrine of positively encouraging sales within guidelines which make a mockery of most people's understanding of the English language, and Ray's apparent concern to see Australia take a lead in curbing sales worldwide.

Australia is by no means in the big league of arms dealers, and compared to countries such as the Soviet Union, France and the UK, does have more or less 'clean hands': although, it might be added, not for want of trying in the last couple of years. The fact that the expansion of the industry has

largely been a failure does not mean that we can afford to be complacent about Australia's moral standpoint. A return to stricter guidelines would give Australia a firmer moral base from which to argue for a reduction in the global arms trade.

These should ensure that Australia is not only not supplying weaponry for use in dubious circumstances, but is also seen to be sensitive to the issue. Sweden, a country with a proportionately large arms industry, but whose export policy the Defence Department quotes approvingly as a model for Australia, takes a distinctly different line from Kim Beazley on exports to countries with dubious human rights records. Its government accepts that "consideration of human rights involves a detailed assessment of the situation in a country, and not merely of whether Swedish military equipment is likely to be used to suppress these rights".

Australia should also rely on its own judgment about what is or is not acceptable, rather than favouring sales where "our friends and allies" would supply comparable equipment. Some of our friends and allies—France for example—seem perfectly happy to supply huge quantities of weapons to almost anyone who can pay for them. A more sensitive attitude in general would be engendered by toning down expectations of the volume of business Australia should expect to do in a contracting international arms market and by re-integrating the Department of Foreign Affairs into the decision-making process. Gareth Evans admitted on Channel Nine's Sunday program in February that he was unaware of both the Iraqi and Somali deals until after the decisions had been taken, and criticised the present guidelines for "not being sufficiently explicit about the kinds of foreign policy considerations that should be taken into account".

If the horrors of the Gulf War have convinced Robert Ray that the political problems involved in upping arms exports may not be worth the revenue (even \$1,000 million of it), then some good at least would have come of it. But it seems optimistic to hope that his recent pronouncements signal a genuine change of heart and a re-evaluation of Australia's priorities in this area.

Last June he described AIDEX as "an appropriate forum for manufacturers to promote their products and services to both local and international visitors", adding that he "would anticipate that AIDEX 91...will promote awareness of our defence industry potential". Ray now says that "the great lesson that everyone has learned out of the Gulf is that we must control the international arms trade". However, action to match his bold words, such as withdrawing government participation in AIDEX, seems to be unequivocally off the agenda.

For all the talk of cancelled contracts, Australia does not seem likely to deviate from the worldwide pattern of response to the devastation caused in the war—a brief period of public hand-wringing over arms sales, immediately followed by a return to 'business as usual'.

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