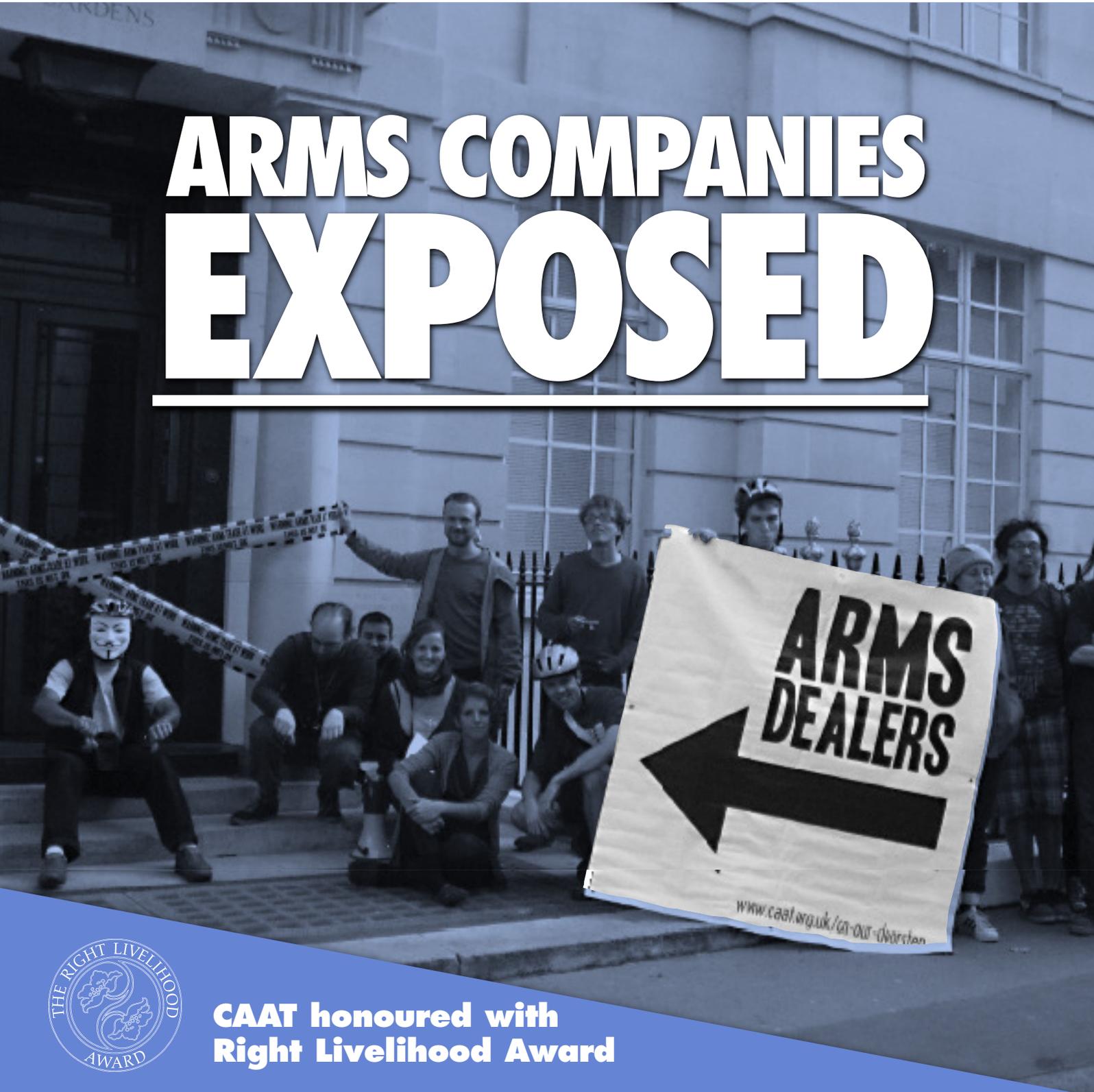


CAATnews

ARMS COMPANIES EXPOSED



**CAAT honoured with
Right Livelihood Award**

Issue 226
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IN THIS ISSUE...

Welcome to this issue of CAATnews

CAAT had some fantastic news this autumn, as we were awarded one of four Right Livelihood Awards for 2012.

This is an incredible achievement: termed the "Alternative Nobel Prize", the award honours organisations and individuals "offering practical and exemplary answers to the most urgent challenges to us today".

The award recognises the hard work of thousands of activists around the UK, and CAAT hopes



the publicity it generates will help get the argument across that it is not OK for the Government to promote weapons sales. We also hope the publicity will help our partners in other countries to get their message across.

What better time then to get involved in CAAT: Steering Committee elections take place soon and we'd really welcome your involvement – see page 10 for the particulars.

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Campaign Against Arms Trade works to end the international arms trade. The arms business has a devastating impact on human rights and security, and damages economic development. Large scale military procurement and arms exports only reinforce a militaristic approach to international problems.

July 2012: a month of significant developments

This particular month saw arms dealers peddling their wares in Farnborough and negotiations get underway in New York for an international Arms Trade Treaty; but the ground-breaking arms trade news came packaged in a far more prosaic form – a Parliamentary report. Ann Feltham gives details.

July's report from the Commons' Committees on Arms Export Controls (CAEC) acknowledged an "inherent conflict between strongly promoting arms exports to authoritarian regimes whilst strongly criticising their lack of human rights at the same time." CAAT has been arguing this for years of course, but for a parliamentary committee, chaired by former Conservative Defence Minister Sir John Stanley, to make this point feels like significant progress.

Getting it right

CAEC also noted that the Government reacted to the Arab Spring by revoking 158 arms export licences and, later, streamlining the procedures for revoking licences in future. However, the report stressed that with no noticeable change in the repressive regimes to which the arms were being shipped before and after the start of the Arab Spring, the scale of the revocations indicated that the initial licensing process was flawed. The decisions need to be right in the first place.

The UKTI DSO list

The Government's role in promoting military exports, including through the UK Trade & Investment Defence & Security Organisation (UKTI DSO) has also been considered by CAEC. In November 2011 arms industry representatives told CAEC that the markets envisaged for new military orders were in eastern Europe and the USA and "shouldn't really cause significant concern". CAAT wrote to



Despite considerable chaos at home, Libyan military personnel enjoyed their "priority market" status at the Farnborough Airshow, being snapped doing their rounds of the displays. Photo: Betsy Barkas

CAEC to point out that UKTI DSO had a "priority list" of countries for its export promotion activities, several of them with very dubious human rights records.

For this 2012 report, CAEC proactively requested the UKTI DSO "priority list" and has asked the Government to explain why it includes Libya and Saudi Arabia when both countries are also listed by the Foreign and Commonwealth Office in its latest "Human Rights and Democracy Annual Report" as being Countries of Concern.

The treaty

Also in July, in New York, negotiations at the United Nations for an arms trade treaty failed to reach a conclusion after governments, including that of the United States, asked for more time. The next steps may be taken at the General Assembly towards the end of the year or at another specially convened meeting in 2013 or later.

CAAT has always been rather sceptical about the difference a

treaty might make (see *CAATnews* 224). Would it, for example, have prevented the initial issuing of those export licences revoked during the Arab Spring? Or the arming of Gaddafi?

Even the UK government now seems to have limited hopes for the treaty, with Foreign Office Minister Alistair Burt telling CAEC in September that the treaty is to replace a vacuum, to have something in place in countries where there is currently nothing.

The arms fair

One UK government minister was present, briefly, for the Arms Trade Treaty negotiations. Our third July event, the Farnborough Airshow, was attended by fifteen, including the Prime Minister. While Farnborough also showcases civil aviation, there is a strong emphasis on military sales. UKTI DSO hosted 34 military delegations at Farnborough, from countries that included Algeria, Bahrain, India, Iraq, Libya, Pakistan and Saudi Arabia.

Surveillance

The UK government has made moves towards restricting sales of spying software to Egypt. This is the first time it has taken action on such an issue and could be a significant step towards the regulation of surveillance technologies.

The campaign group Privacy International had threatened to seek a judicial review of the Government's decision not to bar the export to Egypt of Gamma International's surveillance software.

Defence Images/Flickr



Such legal action could have drawn attention to the wider sale of similar technology by UK companies. Privacy International said questions remained, calling for further action to bring other UK companies under the export licensing regime.

[OBSERVER](#), 9/9/12

Representatives from the UK Trade & Investment Defence & Security Organisation (UKTI DSO) were invited by Hidden Technology Systems International Ltd to celebrate the company winning the Queen's Award for Enterprise: International Trade 2012. The Essex-based company specialises in covert tracking and surveillance systems, with customers including the Saudi Arabian police force.

[THE BUREAU OF INVESTIGATIVE JOURNALISM](#), 1/12/11; [UKTI DSO](#), 7/8/12

Drones

Former Director of Public Prosecutions Lord Macdonald of River Glaven has warned that the Government must come clean over alleged help it is giving the US to carry out drone attacks in Pakistan, saying there was compelling evidence that GCHQ had assisted the US in "locational intelligence" before drone strikes.

The family of a US drone strike victim is already taking legal action against the Foreign and Commonwealth Office over alleged complicity.

[TIMES](#), 18/9/12

UK training

The UK government has spent millions of pounds on training military, police and security personnel from oppressive regimes that have arms embargoes in place.

In the last five years, Sudan, where the president has been indicted by the International Criminal Court for genocide, war crimes and crimes against humanity, and the Democratic Republic of the Congo, where extensive human rights abuses have been documented, received £2.4m between them in training and support for military and defence personnel.

[GUARDIAN](#), 25/9/12

Shell

Leaked financial data passed to the organisation Platform suggests that Shell is paying Nigerian security forces tens of millions of dollars a year to guard installations and staff in the Niger delta. In 2009 Shell spent \$65m on Nigerian government forces and \$75m on "other" security costs. A Platform spokesperson said: "It is staggering that Shell transferred \$65m of company funds and resources into the hands of soldiers and police known for routine human rights abuses."

[GUARDIAN](#), 19/8/12

BAE

BAE Systems and EADS have confirmed they are in merger talks (see page 11). Arrangements under discussion would see BAE own 40 per cent of the new grouping and EADS own 60 per cent.

BAE has hired lobby firms in Washington to help assuage any resulting US national security concerns. The firms are saying that the merger will have no impact on BAE's work for the US government.

[DEFENSE NEWS](#), 12/9/12; [THE HILL](#), 19/9/12

BAE Systems Land Systems South Africa recently signed an agreement with United Arab Emirates-based International Golden Group. The two have worked together previously and this latest deal is to supply armoured vehicles to UAE and the wider region (see quotes in 'They said it' on page 10).

[BAE](#), 20/9/12

South Korea

BAE has won a South Korean deal to upgrade KF-16 fighter aircraft over the next decade.

AgustaWestland has also signed partnership agreements with South Korean companies Firstec and Dodaam Systems. AgustaWestland said this was the first step in providing dedicated service and training centres for military helicopters in South Korea.

[DEFENSE NEWS](#), 31/7/12; [UPI.COM](#), 14/9/12

Finmeccanica

Quoting emails published by WikiLeaks, an Italian paper has reported that Finmeccanica sold its secure Tetra communications equipment to Syria as recently as February 2012. Finmeccanica said the sale was lawful and contradicted claims that the technology was for military as well as civil use.

[REUTERS](#), 5/7/12

Chemring

US private equity firm Carlyle Group has been granted an extension to the deadline by which to bid for UK company Chemring.

Chemring shares jumped when Carlyle's takeover approach was first announced in August.

REUTERS, 14/9/12; FINANCIAL TIMES, 19/8/12

Czech Republic

The American chief executive of Czech-based truck manufacturer Tatra was detained in August in connection with graft allegations (which he denies). The detention was based on testimony of a former Czech defence minister who was accused of corruption linked to the same contract.

AGENCE FRANCE-PRESSE, 21/8/12

Whistleblowers

Whistleblowers at the centre of two of the UK's highest profile corporate bribery allegations have created a support group for people in the same situation. Ian Foxley, whose allegations have prompted the EADS investigation detailed on page 13, and Peter Gardiner, who blew the whistle on BAE a decade ago, have formed Whistleblowers UK. The organisation aims to provide pro bono legal support, influence UK policy and lobby for changes to the law relating to whistleblowers.

TELEGRAPH, 26/8/12

Statistics

In 2011 the UK came third in an analysis of global arms sales with deliveries valued at \$3,000m. The US headed the list with \$16,160m of deliveries and Russia came second with \$8,700m of deliveries.

In the same year the UK came 10th in worldwide arms transfer agreements, with agreements valued at \$400m.

CONGRESSIONAL RESEARCH SERVICE, 24/8/12

UK arms licences and the Arab Spring

Below are selected UK arms export licence approvals to countries involved in the Arab Spring. They include Saudi Arabia and UAE which sent forces to Bahrain on 14 March 2011 to help suppress protests.

2011

1 Mar	Saudi Arabia – components for military combat vehicles
25 Feb	UAE – components for all-wheel drive vehicles with ballistic protection
15 Feb	Bahrain (Rv) & UAE (Rv) – weapon night sights, imaging cameras (T)
9 Feb	Bahrain (Rv), Saudi Arabia & UAE – open licences for ballistic shields and body armour
3 Feb	Bahrain (Rv) – equipment for the use of sniper rifles (T)
3 Feb	Saudi Arabia – components for military combat vehicles
31 Jan	Saudi Arabia – gun silencers and sniper rifles
27 Jan	Bahrain (Rv) & UAE – open licences for weapon sights
27 Jan	Libya (Rv) – open licence for military communications equipment
25 Jan	UAE – components for machine guns
12 Jan	Saudi Arabia & UAE – open licences for a range of small arms
7 Jan	Bahrain (Rv) – components for small arms

2010

31 Dec	UAE – a range of small arms
21 Dec	Bahrain (Rv) & UAE (Rv) – weapon day and night sights (T)
16 Dec	Egypt – body armour
26 Nov	Libya (Rv) – weapon sights
23 Nov	Egypt – imaging cameras, weapon sights (T)
19 Nov	Bahrain (Rv) – anti-armour ammunition, small arms ammunition
18 Nov	Morocco – military communications equipment
2 Nov	Saudi Arabia – components for military combat vehicles
29 Oct	UAE – military vehicle components
28 Oct	UAE – military communications equipment
26 Oct	Bahrain, Saudi Arabia & UAE – open licences for wide range of equipment including for imaging and targeting
20 Oct	Bahrain (Rv), Saudi Arabia & UAE – open licences for weapon sights equipment
14 Oct	Egypt – components for optical target acquisition equipment
13 Oct	Libya – military combat vehicles (T)
5 Oct	Bahrain – equipment for the use of sniper rifles

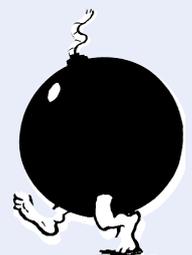
Notes:

(T) – temporary licences, often for demonstration purposes

(Rv) – licences later revoked

Licences are for specified amounts of equipment except for 'open' licences where there is no limit to the equipment that can be exported.

For further information go to www.caat.org.uk/resources/export-licences/



Call to action: Disarm the Gallery

This Halloween the National Gallery is overdoing the horror: weapons manufacturer Finmeccanica will be using its rooms to hold an evening soiree. Sarah Waldron outlines actions in the campaign to "Disarm the Gallery".

This October's booking is just the latest in a long list of events that Finmeccanica has held in the Gallery's grand surroundings. A company that sells devastating weapons, and whose customers include dictators, will entertain surrounded by paintings that the National Gallery says "inspire and enrich life." Previous events include last September's official reception for DSEi, the world's largest arms fair.

Finmeccanica purchases the privilege of using the Gallery for just £30,000 a year and gets a great deal. It can use the Gallery's facilities and prestige to lend a façade of legitimacy to its deadly work. But the Gallery's reputation can only be tarnished by association with a company that arms repressive regimes and is the subject of investigations into alleged corruption.

CAAT is calling on the National Gallery to stop supporting the arms trade and stop helping the promotion of weapons sales to repressive regimes. Art and arms shouldn't mix!

Zombies v. the arms trade

Dress up and join us at 6pm on Wednesday 31 October for a zombie protest outside the Gallery. We might not be as scary as arms dealers – but we can highlight the ghoulish business that the Gallery is supporting.

Then, in December, we'll be looking out for Finmeccanica's regular Christmas reception,



Bubbles not Bombs: on 21 September, the International Day of Peace, giant bubbles filled Trafalgar Square with the message "Bubbles Not Bombs" to highlight the National Gallery's support for the arms trade

which it says is "an opportunity to say thank you to customers and clients for their support throughout the year."

Less horror at Halloween; more peace at Christmas

If you can't make it to the Gallery, you could send a seasonal card to the Gallery's Director (Dr Nicholas Penny, National Gallery, Trafalgar Square, London WC2N 5DN), asking him to reconsider the Gallery's support for the arms trade.

Art...

We've already received some powerful submissions for our online gallery of art (see www.caat.org.uk/campaigns/disarm-the-gallery/take-action-artwork.php) that is inspired by the Gallery pieces and the Gallery's support for the arms



Image: Paul McNeill

trade. If you'd like to contribute please send high resolutions versions to campaign@caat.org.uk or by post to the CAAT office.

... not arms

The Gallery says that public criticism will be considered when it decides on whether to accept controversial sponsorship. Please help show that support for the arms trade is not OK! Contact CAAT for campaign postcards to distribute locally.

Cable's constituents speak out

Paul Tippell of Twickenham, Richmond and Kingston Network against the Arms Trade (TRAKNAT) spoke to CAAT about the network

Why did local groups come together to form a Network Against the Arms Trade?

Our local MP, Vince Cable, is responsible for the licensing of weapons exports and also the government agency that promotes arms exports (UK Trade & Investment Defence & Security, UKTI DSO). As constituents we are in a unique position to influence this key decision-maker.

How did the network start?

Kingston Peace Council organised a demo outside Cable's offices during the Arab Spring last year to challenge UK arms sales to dictators. After that, we gave presentations to local groups, asking people to sign the petition and to join the network. TRAKNAT now includes Amnesty, Green Party, Greenpeace, Friends of the Earth, Palestine Solidarity Campaign, and World Development Movement groups. We've also had support from local churches and local councillors.

What does the network want?

We campaign for Vince Cable to shut UKTI DSO and stop underwriting loans through UK Export Finance, as these enable arms sales to take place. Until the Government stops promoting arms sales, it will continue to ignore its own rules, which prohibit arms sales where they may be used for internal repression, or external aggression.

Some countries are still paying Vince Cable's department for debts that were run up through UK arms sales to their former dictators. We call for these, and other unjust debts, to be cancelled. We also want to see arms sales substantially restricted where they divert resources from



Constituents held Vince Cable to account with a vigil at his surgery

development and exacerbate poverty.

How have local people responded to your campaigning?

We get at least a 60 per cent response from people we ask to sign the petition. People are very surprised that Vince Cable is actually responsible for this. They regard him as "Mr Nice Guy" and can't believe that he is in fact licensing and promoting weapons.

What are your plans for the public meeting on 29 November?

The meeting will be a rare opportunity to hold Vince Cable to account for the policies that his Department is pursuing, and to call on local Conservative MP Zac Goldsmith to exert pressure on the Government. As constituents we will present our concerns and ask questions designed to expose the immorality of UK arms export practices and to seek specific policy changes.

I urge everyone who can to join us at the meeting to give your support to local campaigners and lend your voice to those calling on Vince Cable and the Government to change direction on UK arms trading.

What would you say to people who would like to do something similar in their constituency?

The network idea has proved surprisingly successful. Each group has nominated one person to represent them, and they often come to meetings. Everyone does just a little bit so the work gets shared and through our groups we can reach a much wider audience. That has worked really well.

TRAKNAT is co-ordinating a public meeting on 29 November to quiz MPs Vince Cable and Zac Goldsmith on the arms trade. For details see www.traknat.org.uk.

The arms trade o

Resist the arms fair

DSEi, one of the world's biggest arms fairs, is scheduled to return to London's Docklands in September 2013. The Stop the Arms Fair coalition has pledged to resist the arms fair and is calling for a massive day of action on 10 September 2013 if the fair goes ahead.

Building opposition

This September's month of action helped to show the companies that attend DSEi that wherever they operate, there is opposition. Keep building links, awareness and pressure in your local community: visit www.caat.org.uk/on-our-doorstep to find your local arms company and ideas for challenging it.

Why we're resisting the arms fair

"The arms fair is one of the grossest manifestations of the global arms trade. Huge profits are made by arms companies, but the costs are borne by the UK taxpayer and the millions of people whose lives are blighted by the arms trade."

CAMPAIGN AGAINST ARMS TRADE

"While the profits of this arms fair and ExCeL [the venue for DSEi] are exported to their owners in New York and Abu Dhabi, the shame of hosting the fair remains in London, and the slaughtered, bereaved and maimed victims are all over the world."

EAST LONDON AGAINST ARMS FAIRS

"Every bomb that is dropped, every bullet that is fired, has to be made somewhere. And wherever that is, it can be resisted."

SMASH EDO

Campaigners around the country took part in a month of action in September

1

Great Yarmouth:

Campaigners in Great Yarmouth visited a site that helps make smart weapons, military satellites, and military aircraft. One participant said: "We have exposed the arms trade and let local people know what is going on. It is surprising what just a few people can achieve."

2

Edinburgh:

Edinburgh CAAT highlighted arms company Selex Galileo, which makes drones, with a Peace Vigil (pictured below).



3

London: A picket, a musical protest and a cycle tour highlighted the arms trade in our midst.

4

Hastings: Campaigners did a cycle tour of General Dynamics sites (pictured opposite). Local campaigner Maya Evans said: "While visiting Afghanistan on a peace delegation I met innocent civilians who had lost loved ones to drone attacks. It's a particularly nasty, inaccurate and cowardly form of warfare; it's like shooting someone in the back, I don't want that kind of thing in my community."

2



n our doorsteps



Hastings campaigners on the Merchants of Death Bike Ride



5 Nottingham: In Nottingham, the Shut Down Heckler & Koch campaign leafleted as people arrived at a conference at the church next door to the arms company.

A passing taxi driver said: "There is far too much killing in the world as it is, and these people are selling more guns from here?" He took a handful of flyers and as he drove away he was still shaking his head in disbelief.

Companies

6 Lincoln: Primetake in Lincoln promoted its range of rubber ball shot, teargas cartridges and rubber baton rounds at IDEX, a massive arms fair in the Middle East, at the height of the Arab uprisings in 2011.

In the two years before, it applied to export military equipment to Bahrain and was actively promoting its weapons to the Gaddafi regime in Libya.

7 Newcastle: BAE also applied for at least one licence to export military equipment (from the categories of small arms, artillery, mortars, smoke and gas projectors, and ammunition) to Bahrain in the months preceding that country's uprising. BAE's Newcastle site manufactured the Tactica armoured vehicles that Saudi Arabia sent into Bahrain in March 2011 to aid the Government's bloody suppression of pro-democracy protests.

8 Hampshire: Accuracy International in Hampshire manufactures sniper rifles that are sold to military and police forces in over 60 countries. CAAT's research has revealed it applied to export military equipment to Bahrain in 2009-10 – and its products were promoted to Libya in the months before the February 2011 revolution.

ANNE-MARIE O'REILLY & SARAH WALDRON

How you will resist the arms fair? See www.stopthearmsfair.org.uk for info and ideas.



CAAT Steering Committee

Would you like to participate in the running of, and decision-making at, CAAT?

We are looking for enthusiastic CAAT supporters to join our Steering Committee next year. Responsibilities include attending meetings in London four times a year and sometimes assisting in other duties.

Please note that the deadline for nominations is 14 November, not 1 December as stated in error in the last issue of CAATnews. This means that there isn't long to go, so don't delay – we'd love to hear from you!

Contact Claire on 020 7281 0297 or office@caat.org.uk for more information.

Make a date with CAAT in 2013

CAAT National Gathering, Saturday 9 March 10.30am-4.30pm (Registration from 10am), Conway Hall, 25 Red Lion Square, London, WC1R 4RL

Cost (includes tea, coffee and a delicious veggie lunch): £7 waged / £3 unwaged

Vital public services are being cut, yet UK military spending is among the highest in the world. Elsewhere, repression and death are a direct result of the UK government's zealous promotion of weapons. Help stop this outrage manifesting itself in

September 2013, when DSEi, one of the world's largest arms fairs, is due to take place in London's Docklands (see pages 8-9).

Exactly six months before DSEi, make a date with CAAT's National Gathering. For one day, we can be together to share ideas and inspiration, hear from experts, engage in debate and plan how to make a direct impact on the arms trade.

Book now for an inspiring and eye-opening day: www.caat.org.uk/nationalgathering

Greetings cards

Show your support for CAAT by purchasing our beautiful greetings cards. Choose from this year's card (pictured), or take advantage of the special offers on previous years' cards. Cards come in packs of ten with envelopes. You can order them using the enclosed form or at www.caat.org.uk



They said it

"Due to the nature of some of our business we do not publicise our location. Please call or email for details."

OVIK SPECIAL VEHICLES WEBSITE

"The idea that you should produce weapons of mass destruction in order to keep 1,500 jobs going in the Barrow shipyard is palpably ludicrous. We could give them all a couple of million quid and send them to the Bahamas for the rest of their lives, and the world would be a much better place, and we would have saved a lot of money."

NICK HARVEY, LIB DEM MP AND FORMER DEFENCE MINISTER, ON WHY THE UK SHOULDN'T REPLACE TRIDENT, 26 SEPTEMBER 2012

"His Majesty's very generous donation [£3 million] to the Royal Military Academy Sandhurst has been received and with much gratitude. I would be most grateful if you would please convey my humble duty and my sincerest thanks to His Majesty for providing these funds."

MAJOR GENERAL PATRICK MARRIOTT, LETTER TO THE KING OF BAHRAIN, 24 MAY 2012

"The Government's attitude to Bahrain is completely different to the rest of the Arab Spring, and if anything, over the last six months, it's moved [to be] far more sycophantic to the regime than before."

ANDY SLAUGHTER MP, CHAIR OF THE ALL-PARTY PARLIAMENTARY GROUP ON BAHRAIN, 2 SEPTEMBER 2012

"The Middle East is an important region for us and working with local industry and assisting the UAE defence industry to grow, is our goal."

JOHAN STEYN, MANAGING DIRECTOR, BAE LAND SYSTEMS SOUTH AFRICA, 20 SEPTEMBER 2012

A new and dangerous liaison

BAE and EADS, two of the world's largest arms companies, have proposed a merger. Kaye Stearman considers the implications.

News of the proposed merger between BAE Systems and EADS, maker of Airbus and armaments, leaked to the press on 12 September. Together they would be the world's largest arms and military services company. In the new entity – nicknamed BEADS – EADS would comprise 60 per cent and BAE 40 per cent.

The controversial tie-up is complicated by the need for government approvals – the French, German and Spanish governments have political vetoes and financial stakes in EADS and the UK government has a “golden share” in BAE. In addition, the US government, a major BAE customer, will also need to give the deal the nod. The initial date for merger agreement is 10 October but this is likely to be extended.

What does it mean for campaigners?

In campaigning terms, the merger will make little difference to CAAT and other anti-arms trade organisations. The political, economic and ethical arguments against arms exports, especially to abusive, undemocratic and aggressive governments, remain solid and compelling.

Both companies have been subject to criminal investigations. Rather than campaigning against two large, dangerous and unethical companies, we would campaign against one giant, dangerous and unethical company.

Jobs and security

On the positive side, BAE's self-generated image as an ultra-patriotic British company would be damaged by the merger. It would be much



Campagne tegen Wapenhandel (Dutch Campaign Against Arms Trade) protest outside EADS AGM in Amsterdam. Photo: ENAAT

harder to maintain their oft-repeated fiction that they protect UK jobs or support national security or provide value for the taxpayer.

As Tory MP Douglas Carswell tweeted: “If EADS’ takeover of BAE goes ahead, then perhaps we can

towards other sectors, such as renewables, which would increase UK and international security; and that this would provide a more stable base for creating new jobs and industries and retaining skilled UK workers.

“Rather than campaigning against two large, dangerous and unethical companies, we would campaign against one giant, dangerous and unethical company.”

stop pretending there is anything patriotic about defence procurement scams.”

Military spending in western countries is in decline, which is why BAE is so keen on the merger. This development reinforces our arguments that public resources (like government subsidies to arms companies) should be directed

Stronger campaign links

The merger, if it takes place, will give further possibilities for greater cooperation between Europe's anti-arms trade organisations.

CAAT's Right Livelihood Award highlights its achievements in campaigning against BAE – and if there is a merger we will campaign just as effectively against BEADS.

Serious Fraud Office investigates Saudi arms deal (again)

Nicholas Gilby reports on a current investigation into bribery allegations relating to a subsidiary of EADS.

Readers of CAATnews may recall the furore in 2006 when the Serious Fraud Office (SFO) had to stop their investigation of BAE Systems's lucrative Al Yamamah arms deal in Saudi Arabia because of threats from the Kingdom of Saudi Arabia, and huge pressure from the UK government and BAE Systems.

Although the SFO was unable to finish its investigation, the Americans did: BAE was found guilty of false accounting and making misleading statements, and fined almost £300 million. As part of the settlement, BAE Systems accepted it had provided "substantial benefits" to a Saudi Arabian official with "influence" over the Al Yamamah deal.

Another arms company now under investigation

More recently, on 7 August this year, the Director of the SFO quietly announced he had decided to open a criminal investigation into allegations concerning the company GPT and aspects of the conduct of their business in the Kingdom of Saudi Arabia.

UK-registered GPT is ultimately a subsidiary of the European aerospace conglomerate EADS, which may soon merge with BAE Systems. GPT's project, on which the company is wholly dependent and which is said to be worth around £2 billion per year, is known as SANGCOM. Like Al Yamamah, the project is supervised by the Ministry of Defence (MoD).

Allegations

Since autumn last year, allegations have been aired in the media (in particular on the Exaro News website) about corruption in the SANGCOM project. Ian Foxley, a



Gagging justice – CAAT outside the SFO offices in 2007

former British Army officer, was in 2010 appointed by GPT as Programme Director and has alleged that GPT paid bribes in Saudi Arabia. He has also alleged that at least some of the MoD SANGCOM team knew of, and acquiesced, in such practices.

Exaro News revealed that Mr Foxley's predecessor, Eddie Fisher, had told the SFO GPT conducted "unethical and inappropriate" business practices.

Payments

In May Exaro published a schedule of payments made between 2007 and 2010 by GPT to two Cayman Islands-registered companies: Simec International and Duranton International. The schedule, said to have been compiled by a "financial officer" of GPT, shows that a total of £14.5 million was paid. Exaro reports that the "financial officer"

says that the payments are highly irregular because the two companies perform no work under the contract.

MoD approval of "fees"

Back in 1976, when the SANGCOM deal was first negotiated, the then MoD Permanent Secretary, Frank Cooper, approved the inclusion of "agency fees" of three per cent for a company called, by remarkable coincidence, Simec International. A draft of the submission put to Cooper described these fees as being in practice intended for the "exertion of influence to sway decisions in favour of the client." According to Exaro, the MoD was told of the recent payments to Simec in 2008 but the payments continued until 2010.

More recently Exaro has claimed GPT gave luxury cars worth £200,000 in total to four Saudi officials, and paid a Saudi general rent for a lavish Riyadh villa.

EADS has said the allegations are being "properly addressed" by it, and the MoD has refused to comment. The SFO investigation continues.

Write to Rt Hon Margaret Hodge MP, Chair of the Public Accounts Committee, House of Commons, London SW1P 3JA, and demand a National Audit Office investigation into the adequacy of the MoD's anti-bribery procedures.

Campaigners' to-do list

- Haunt the arms dealers at the National Gallery on 31 October! (page 6).
- If the DSEi arms fair goes ahead, be there on 10 Sept 2013 (page 8).
- Expose the arms company on your doorstep (pages 8-9).
- Interested in joining CAAT's Steering Committee? Deadline is 14 Nov (page 10).
- Make a date with CAAT in 2013: book now for the National Gathering on 9 March (page 10).
- Call on Shadow Foreign Secretary Douglas Alexander to respond to the challenge to stop promoting weapons sales to repressive regimes (page 12).

Universities challenged

Beth Smith looks forward to a year of student activism.

Recruiting new supporters

At the beginning of each year, universities organise Freshers' Fairs where student societies advertise themselves to the student body. These fairs are a great opportunity for student groups to attract new members and to tap into the excitement felt by incoming students looking for new and interesting groups to join. CAAT will be represented on a record number of Freshers' Fairs stalls this autumn, helping the student network to expand even further this year.

Kicking arms company recruiters off campus

With the start of the academic year comes a renewed attempt by arms companies to recruit students. However, there is a grand tradition of students countering the promotion of arms companies on their campuses with creative and dynamic demonstrations. Arms companies will

face protests at recruitment events across the UK this autumn. Expect to see Grim Reaper costumes, fake blood, die-ins and all sorts of creative and attention-grabbing demonstrations over the coming months!

Student Gathering

After a successful student gathering last February we're excited to announce that the next Student Gathering will be on Saturday 24 November. We're holding the gathering earlier in the academic year to give students more time to develop campaigns afterwards.

The gathering will be a day of workshops and discussions, relevant



A student calls on his university to "disarm and discuss"

to everyone from new students to seasoned campaigners. It will also be a great opportunity to meet people from other universities also looking to kick arms companies off their campuses.

Contact universities@caat.org.uk for more details.

Get involved

- Find out what's happening at your university and across the network at universities.caat.org.uk
- Interested in getting involved? Get in touch at universities@caat.org.uk
- Left university? Contact Anne-Marie on outreach@caat.org.uk for information on local CAAT groups.

What's wrong with universities accepting military funding?

It supports arms companies

By participating in military-funded research projects, universities are carrying out research that arms companies want done. They are directly helping those companies. Even research that has civilian applications helps arms companies succeed and thrive.

It presents arms companies as legitimate

In addition to any direct impact of the research itself, participation in military-sponsored research confers legitimacy onto arms companies. By

partnering with an arms company in any way – whether through a research project, investments, or other links – a university sends the message that the company is respectable. Universities should not support this devastating trade.

The trade hurts students too

Even if a university is solely concerned with supporting students and giving them opportunities, it must consider the impact that its work has beyond the campus edge. A number of university students will have had their lives directly impacted upon by

the arms trade, and all students live in a more dangerous world because of it.

There is an alternative

Most of the research money that universities receive from arms companies originates with the government, as the government pays arms companies to do research and development (R&D).

The Government needs to shift its R&D priorities so that this money is instead invested into socially productive technologies like renewables.

Military funding revealed

How much do universities receive in military funding? Kaye Stearman and Tom Greenwood give some answers but we need to know much more.

In the past three years 16 leading UK universities have received at least £83 million worth of funding from arms companies and the military. Most is directed to engineering and science departments.

However, the real total is much higher. Of the 24 Russell Group Universities sent Freedom of Information requests on military funding, six refused, or were unable to supply, relevant information. Even so, the information supplied reveals that many UK universities are prepared to accept military funding, seemingly without ethical qualms.

Where the funding goes

In terms of individual universities receiving funds from military sources, government and private, the "top" universities were Imperial College with £15.2 million, Sheffield with £13.8 million, Cambridge with £13.8 million and Oxford with just over £9 million. They were followed by Bristol with £6.5 million, Nottingham with just under £6 million, Kings College with £5.3 million, York with £3.9 million and Southampton with £3.8 million. Apart from Newcastle with just over £2 million, all other universities received less than £1 million.

Direct UK government military funding to the 16 universities totalled £23.6 million over the three years – 28 per cent of the total from UK military funding sources. The funding agencies were the Ministry of Defence, Atomic Weapons Establishment and Defence Science Technology Laboratory. The largest recipients were Imperial College with £7.8 million and Kings College with £5.4 million.



Nottingham students stage a die-in in 2009

Most military funding came from private companies (public listed companies). This totalled £59.9 million over the three years – 72 per cent of total UK military funding. By far the largest company was Rolls-Royce, which totalled at least £36.8 million, followed by BAE Systems with £10.6 million and QinetiQ with £3.2 million. Other companies included Babcock and MBDA.

The largest recipients were Sheffield with £13.5 million,

Cambridge with £9.5 million, Oxford with £8.7 million and Nottingham with just over £5 million. Most private funding appears to be Government funding, in the form of research and development (R&D) grants to UK arms companies, which then subcontract to universities.

The original story, by Dina Rickman, was published in the *Huffington Post* on 28 August 2012

Focus on Nottingham

The University of Nottingham states that its mission is to "improve life for individuals and societies worldwide". Yet it is one of the largest recipients of military funds, taking just under £6 million over three years 2009-12. Almost £5 million (83 per cent) came from Rolls-Royce.

The relationship between the two is close and symbiotic. The campus has two Rolls-Royce University Technology Centres. The company says it gains "significant business benefits from such links, as advanced academic research techniques are applied to specific industrial needs to provide the innovative solutions that yield step

change improvements in products and processes." In turn, the university describes itself as "a cog in [the] continuous process" of maintaining the status of Rolls-Royce as a "world-famous brand, synonymous with quality and innovation."

Some of the Rolls-Royce funding goes to civil projects (although the university has not specified which). Non-military research demonstrates the capacity of Rolls-Royce to pursue technologies with civilian applications. However, by working with Rolls-Royce, the university condones the manufacture and sale of lethal weapons technologies.

Donate today!

You can donate to CAAT by either visiting our website at www.caat.org.uk, or by completing the form below (in block capitals) and returning to: Freepost R5YR-UCBS-GHEE, CAAT, Unit 4, 5-7 Walls Terrace, London N4 3JU



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