

Canada's Military Industrial Complex

Ottawa's Complicity in the Multibillion Dollar Arms Trade

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Stoking the Tsunamis of War and Repression

Finally, after years of delays and just a few hours after Japan's horrifying earthquake on March 11, the government finally released its latest deeply-flawed report on Canada's military exports between 2007 and 2009. This timing ensured that the latest data on Canada's shameful role in the international weapons trade was conveniently buried beneath a tsunami of news about Japan's natural catastrophe.

Corporate media institutions have not deigned to report on Canada's new arms-export figures, let alone expose how the government's report covers up far more than it reveals.

Although Canada's top military-industry association states that Canadian companies exported \$15 Billion in so-called "defence" and "security" products between 2007 and 2009, the government's extremely-limited report accounted for less than \$1.5 Billion during that period.

Despite massive loopholes in the government's report, their data does reveal that almost all of Canada's military exports went straight into the arsenals of about 40 belligerent nations fighting in the Iraq and/or Afghan wars, which have killed over 1.5 million people. (See COAT data table.)

Although reprehensible, the highly-profitable business of fuelling war has been conducted with impunity by all Liberal and Conservative governments. And, because this trade in arms contributes to a virtual tidal wave of war, repression and environmental destruction, it is arguably even more disturbing than Japan's natural catastrophe.

But what makes the arms-trade tsunami more horrifying than an earthquake, is that the misery it creates cannot be explained away as a natural disaster beyond human control.

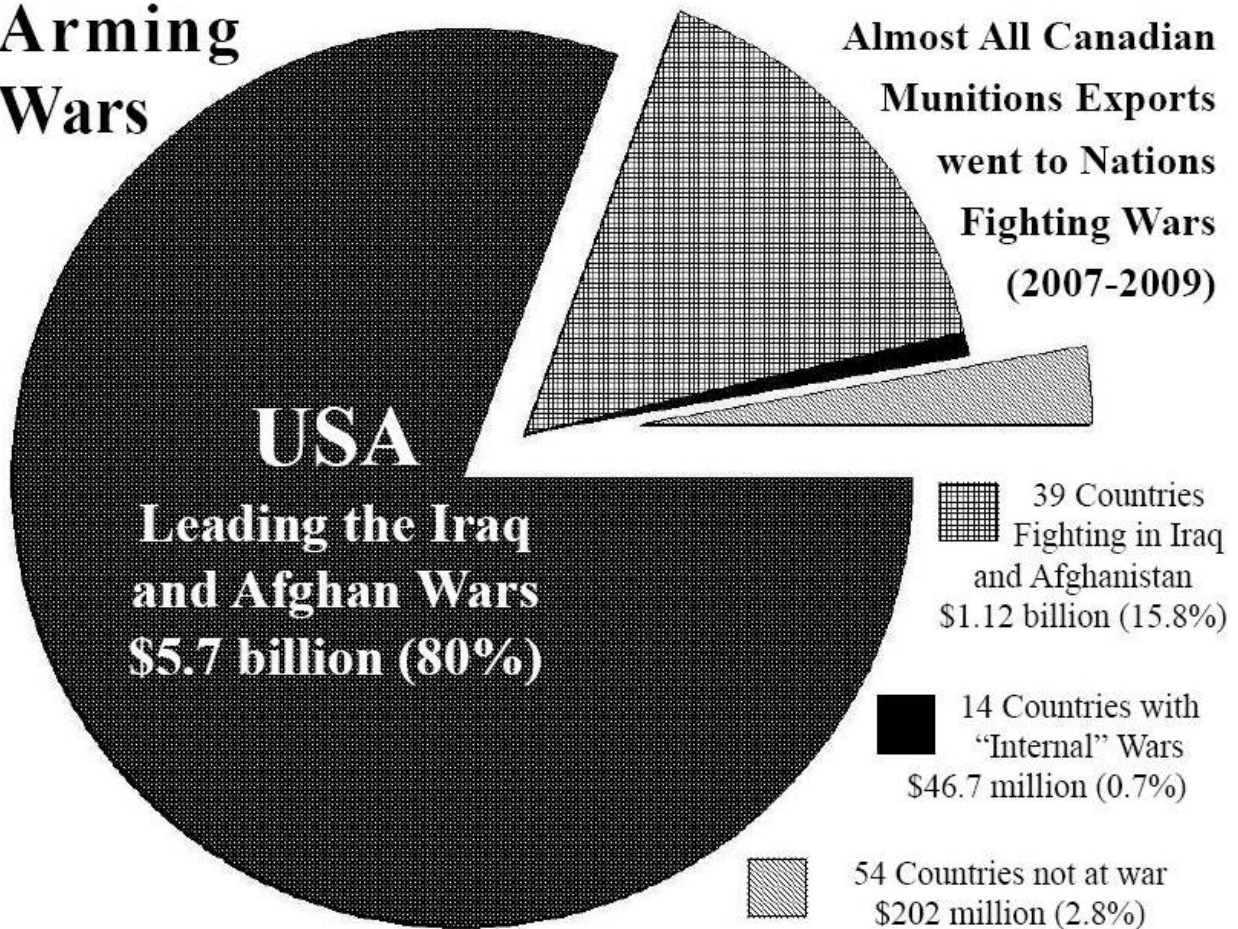
On the contrary, the arms trade - as our government proudly explains - is "closely controlled" using "policy guidelines mandated by Cabinet."

This is the real horror veiled by the latest dry, statistical report from the Department of Foreign Affairs and International Trade (DFAIT) on Canada's big business of war-industry exports.

But Canada's arms trade is not just monitored, administered and controlled by DFAIT, it is applauded and promoted by our government. As DFAIT explains, with its usual penchant for euphemism, "Canada's defence industry makes a valuable contribution to the nation's

prosperity.”

Arming Wars



So Don't Worry, It's all Under Control

Since 2003, each of DFAIT's arms-trade reports has opened with the same audacious claim, saying: "A key priority of Canada's foreign policy is the maintenance of peace and security." Similarly, DFAIT's eight previous annual reports began: "The promotion of international peace and security constitutes a key Canadian foreign policy objective."

Every arms-export report, since its inception in 1990, has extolled the government's "export control policy guidelines," which unequivocally state that "Canada closely controls the export of military goods and technology to countries...involved in or under imminent threat of hostilities."

Canada's "guidelines" also blithely assert that DFAIT "closely controls" military exports to countries "whose governments have a persistent record of serious violations of the human rights of their citizens, unless it can be demonstrated that there is no reasonable risk that the goods might be used against the civilian population."

Although DFAIT bureaucrats see "no reasonable risk" that Canadian munitions exports "might be used against the civilian population," those facing repression in the Middle East and elsewhere may view those risks differently. Canadian officials seem ever-willing to "risk" the lives of innocent civilians, if a tsunami of profits might make a "valuable contribution to the nation's prosperity," or at least enrich Canadian military corporations.

To be clear, Canada's strict "guidelines" are meant to "control" the flow of weapons

systems, not actually stop them. Canada's military products are in great demand not only by governments waging war, but by business-friendly regimes that control their populations through intimidation, threats and the fear of state "security" forces.

But, there's no need for concern. Our government has it all under control.

And, Canadians generally aren't concerned, because we too are under control. Thanks to government obfuscation, the corporate media's acquiescence, and national myths portraying Canada as a global peacemaker, most citizens have no idea this country is awash in war technology. Few know that in 2009, Canada was virtually tied in a three-way race for sixth place among the world's top arms exporters, right behind the U.S., Russia, Germany, the UK and China.

War is a booming business. And, as U.S. Major-General S. Butler said following his retirement in the early 1930s, "war is a racket." A racket, he explained, "is not what it seems to the majority.... It is conducted for the benefit of the very few at the expense of the masses."

Speaking of his 33-year Marine-Corps career, Butler said: "I had, as the boys in the back room would say, a swell racket.... I could have given Al Capone a few hints. The best he could do was operate his racket in three districts. I operated on three continents."

Nowadays, with \$4 billion a year in military products streaming stateside, Canada is America's top military supplier, and our hardware is deeply embedded in U.S. weapons fighting on three important war fronts: North Africa (Libya), the Middle East (Iraq and Israel) and Central Asia (Afghanistan). Such U.S.-led invasions, occupations, proxy wars and regime changes have long enforced unjust structures of economic control over resources in the Third World. Canadian complicity in manufacturing, exporting and deploying the instruments of war, has helped maintain our high-rank among the world's most prosperous nations.

But because one would never know this from the tsunami of corporate news inundating Canadians, the world remains secure for those back-room boys who profit from the "swell racket" of war.

Loopholes to Fly a Warplane through

According to the Canadian Association of Defence and Security Industries (CADSI) — a government-funded lobby group representing 860 member companies — Canada now exports \$5 Billion to \$7.5 Billion in military and so-called "security" products per year. This represents an increase over the previous five years, when CADSI reported annual exports to be worth \$5 Billion.

DFAIT's recently-released military-export data only documents \$475 million in military exports per year between 2007 and 2009. That's less than 10% of CADSI's estimates.

This huge discrepancy is largely due to two bookkeeping loopholes. Although celebrated by successive governments since 1990 as proof of their commitment to "transparency," DFAIT's arms-trade reports have never included Canada's exports to the U.S. According to CADSI, the U.S. gets the lion's share (80%) of Canada's military exports.

Another limitation is that DFAIT's reports only include restricted munitions on Canada's "Export Controls List." So, even when Canadian helicopters were sold to Colombia's Air

Force, DFAIT didn't count them, because no weapons were attached.

According to DFAIT's 2007-2009 report, Canadian companies sold \$1.1 Billion worth of restricted munitions to 107 countries. Of these, 39 were fighting in Iraq and/or Afghanistan. Knowing that the U.S. absorbs 80% of our military exports, Canadian sales to the U.S. were about \$5.7 Billion. This means 96% of the munitions types tabulated by DFAIT went to countries waging these two wars.

DFAIT's list includes 14 other countries fighting armed struggles within their own borders or, in Israel's case, within occupied territories. Between 2007 and 2009, these belligerents received \$47 million in munitions tracked by DFAIT. This increased the value to 97% of Canada's military exports to warring governments. (See COAT data table.)

Only 2.8% of the value of Canada's restricted munitions exports went to countries that are not at war. (See COAT data table.)

Because we too are at war, and half our military production flows into Canada's armed forces, the total percentage of our military-industrial output that is supplying belligerents, reaches 98.5%. This gives the lie to DFAIT assurances that it "closely controls" the stream of military hardware to those "involved in or under imminent threat of hostilities."

Controlling the Middle East and North Africa

For decades, Conservative and Liberal governments have preached peace and human rights, while issuing a steady flow of export permits for military sales to repressive, undemocratic regimes in the Middle East and North Africa. DFAIT data for 1990 to 2009, reveals Canadian exports of \$1.99 Billion in restricted munitions - including small arms, ammunition, tear gas, rockets, missiles, armoured vehicles and high-tech electronics for major weapons — to sixteen countries in that region:

Algeria (\$21.4M), Bahrain (\$1.4M), Egypt (\$34.1M), Iraq (\$59K), Israel (\$18.4M), Jordan (\$5M), Kuwait (\$4.1M), Lebanon (\$1.5M), Morocco (\$2.5M), Oman (\$80.2M), Qatar (\$1.9M), Saudi Arabia (\$1.7B), Tunisia (\$3.1M), Turkey (\$67.6M), the United Arab Emirates (UAE) (\$39.5M) and Yemen (\$500).

If all Canadian military and police-equipment was included, these amounts would be perhaps twice as high, considering the disparity between DFAIT and CADSI figures. And, although Border-Services' customs data includes Canadian small-arms exports to Iran, Libya and Syria, their absence from DFAIT's report is unexplained.

(See seven sets of COAT data tables on Canada's military exports to the Middle East.)

The heavily U.S.-backed governments gracing DFAIT's list include undemocratic regimes where human rights abuses are systemic, and torture is endemic.

- The absolute monarchies of Qatar, Saudi Arabia, Oman and the UAE are run by royal decree, political parties are banned and elected legislatures do not exist. (Although the UAE finally had an election in 2006, only 2% of those over 18 were allowed to vote, and half the legislature was appointed by hereditary Emirs from the country's seven absolute monarchies.)
- In 2008, women held less than 5% of parliamentary seats in Egypt, Kuwait, Lebanon, Turkey and Yemen.
- Lebanon, Oman, Saudi Arabia and UAE spent more on their militaries than on health and education combined. (Saudi military expenditures were almost

twice their combined health and education budgets.) · Israel and Jordan spent more on their militaries than on either health or education.

Workers' Rights Under the Gun Trade union rights in Middle East and North Africa are among the least protected in the world. Migrant workers in particular face extremely exploitative conditions, sometimes resembling slavery. Underpaid and often confined to employers' homes, they are forced to work excessive hours and have their passports confiscated. Foreign workers are also victimised sexually and face beatings, arrest and deportation for asserting their rights. Composing a large percent of the workforce in Persian-Gulf states, they are particularly at risk in Bahrain, Jordan, Kuwait, Oman, Saudi Arabia and the UAE.

· In Saudi Arabia, all unions, collective bargaining and strikes are illegal and the crime of union organising can lead to dismissal, imprisonment or deportation. · UAE labour law does not permit unions, strikes or collective bargaining. · Collective bargaining is also illegal in Bahrain and Jordan, while unions are still rare in Oman. · The right to strike is very limited in Oman, Qatar and Yemen, and is illegal in the Kuwaiti and Qatari public sectors. Meanwhile in Jordan, strikes are illegal without government permission. · The governments of Bahrain, Jordan, Kuwait, Oman, Qatar and Yemen impose a trade union monopoly, granting official recognition to only one union. · In Algeria, unions have been unduly denied registration in 2010, and hundreds were arrested for legitimate union activities. · In 2010, Egyptians were permitted to form their first independent union in half a century, but its members have been intimidated and assaulted.

Arming Enemies of the “Arab Spring “

Although this year's protests throughout the Arab region have inspired the progressive world, popular demands for democracy and human rights have come up against the heavily-armed bulwark of state “security” institutions. Military and police forces are powerful obstacles to achieving peace, democracy, security and human rights.

According to DFAIT's reports, the vast majority of Canada's restricted munitions' exports to the region went to one country, Saudi Arabia, which received about 87% (\$1.74 Billion) of the \$2-Billion total since 1990.

According to Human Rights Watch's 2010 report, Saudi authorities:

“continue to systematically suppress or fail to protect the rights of nine million Saudi women and girls, eight million foreign workers, and some two million Shia citizens. Each year thousands of people receive unfair trials or are subject to arbitrary detention. Curbs on freedom of association, expression and movement, as well as a pervasive lack of official accountability, remain serious concerns.”

Although the Saudi theocracy has imported Canadian small arms, ammunition, electronics and various weapons-systems and components, their main import was armoured military vehicles from General Dynamics (formerly General Motors) in London, Ontario. Since 1992, DFAIT issued export permits totaling about \$1.5 Billion for these vehicles. Apparently, DFAIT saw no “reasonable risk” they “might be used against...civilian[s].” (Canadian customs data reveals \$1.85 Billion in armoured-vehicle exports to Saudi Arabia during the same period.)

On March 5, with protests spreading throughout the region, Saudi Arabia banned all

demonstrations. Then, on the ides of March, Saudi armoured vehicles carrying more than a thousand troops were sent into neighbouring Bahrain. Saudi and UAE troops have been aiding Bahrain's deadly crackdown on nonviolent protests in this kingdom which hosts the U.S. Fifth Fleet. Saudi troops have since attacked peaceful Bahrainis rallying for democracy.

Meanwhile in Egypt, millions took to the streets to end decades of autocratic corruption. Being the most populous Arab nation and a centre of culture and communication, Egypt has stirred the region. But despite mass peaceful uprisings, Egypt's military has not relinquished power, or ended the country's 30-year emergency rule.

DFAIT reports show about \$35 million in restricted-munitions exports to Egypt since 1990. Most were aircraft parts, probably for nine Canadian-made military transport planes, built by de Havilland.

But Canada's direct sales to Egypt and Saudi Arabia, represent only one way for munitions to end up there. More significantly, Canadian military hardware is funneled through the U.S.

For example, Egypt's arsenal includes U.S. weapons systems embedded with ample Canadian technology, such as F-16, F-4, C-130 and E-2C warplanes, and CH-47, AH-64 and UH-60 helicopters. The Saudi Air Force also has billions worth of U.S. war machines equipped with Canadian components, including F-15s, C-130s, AH-64s and UH-60s.

Since 1979, Egypt received about US\$2 Billion per year in U.S. military aid, second only to Israel, which now gets about US\$3 Billion. Canada's direct exports of \$18.4 million to Israel since 1990, probably pale in comparison to the value of Canadian-made parts within U.S. weapons given to Israel. For example, many Canadian companies have supplied parts for U.S.-made F-16 and F-18 fighter planes and AH-64 helicopter gunships used in Israeli airstrikes against Lebanon (2006) and Gaza (2008-2009).

No Quick-Fix Solutions for Long-term Problems

Military powers have been arming client states in the Middle East for thousands of years. Canada is now part of this long-running saga. The solution to the age-old problem of brutal autocratic regimes, is not to authorise those who armed the dictators in the first place to launch humanitarian invasions to protect human rights. Such naïve, quick-fix military remedies perpetuate violence and merely empower new, hand-picked regimes with better PR.

Long-term solutions are required. Primary among these is to stop arming regimes that use war and repression to take or maintain power.

Citizens can use boycotts, divestment and electoral campaigns to withdraw consent from companies and governments complicit in militarism.

Given the widespread ignorance of Canada's complicity in the arms trade, public education is essential. One approach is to focus on the most glaring manifestation of the military-industrial complex, the perennial arms bazaar.

In Canada's case, the biggest weapons exhibition is CANSEC, to be held in Ottawa, June 1-2. Organized by the CADSI, it will include some 250 companies, of which about one third are known to have exported directly to the Middle East or North Africa. It is therefore a potent symbol of Canada's control over the horrifying flood of military products that inundate

warzones and oppressive regimes around the world.

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