

A booming industry even in a recession

A recent issue of the magazine Time (14 October) highlighted the immense profits to be made in capitalism even in a trade recession. "Need to start a war? No problem. While stock markets grate and financial institutions (and even whole countries, like Iceland) teeter on bankruptcy, one global industry is still drawing plenty of high-end trades and profits: weapons."

The article reported the case in a Paris courtroom where 42 officials went on trial for taking millions in kickbacks and organising huge arms commissions from the Angolan government during the mid-1990s. This group, which included a former French Interior minister and the son of the late French President Mitterrand, were charged with having supplied almost \$800 million worth of arms to Angola, including 12 helicopters, 6 naval vessels, 150,000 shells and 170,000 mines.

The Angolan President Jose Eduardo Dos Santos used this huge stockpile to crush the US-backed Unita rebels during Angola's devastating civil war. It is worth noting that Dos Santos is reckoned to have made millions of dollars from the transaction and that he is still in power with no prospect of a fraud trial for him.

The source of this arms hardware was the huge stockpiles of Soviet weapons left behind when the Soviet Union collapsed.

The French businessman Pierre Falcone allegedly plied Angolan officials with tens of millions of dollars - some of it stuffed in in suitcases - and deposited other sums in offshore accounts.

You might imagine that these shady dealings having been brought to light could no longer occur, but you would be dreadfully wrong. "Researchers say arms trading has boomed in the decade since the Angolagate scandal was uncovered. That's partly due to heightened supply. As ex-Soviet republics emerged as economic actors in their own right, several countries developed national arms industries, refitting weapons from their stocks and manufacturing new weapons of their own. These industries have taken off in in recent years. Ukraine has about 6 million light weapons from Soviet stockpiles, and has modernised tanks, anti-aircraft missiles and other weaponry, says Hugh Griffiths, an expert on illicit weapons at the Stockholm International Peace Research Institute."

"It is very difficult to stop arms trafficking, because there is no control," says Griffiths, who has researched Ukraine's arsenal for the US government. Although NATO funds Ukraine to destroy its stockpiles, "the Ukrainians realize how much money they can make by selling surplus weapons," he says. In an action that broke no laws, the Ukrainians shipped about 40,000 Kalashnikov rifles to Kenya last year during the tense standoff following the country's disputed presidential election."

As the struggle for oil and minerals intensifies inside capitalism we have rebel conflict in Chad, Sudan, Congo and elsewhere. This conflict needs weapons and so the arms trade legitimate or otherwise flourishes. In Africa and all over the world capitalism reigns supreme. The basis of capitalism is production for profit, so in its remorseless drive for profit it leads to conflict, and eventually armed conflict. It is the nature of the beast to maim and kill and all attempts to civilise it by such grandiose titled groups like the Stockholm International Peace Research Institute are doomed to failure. As the expert Hugh Griffiths himself admits - "there are plenty of arms out there - so long as you have the money to pay for it."

RD

Source URL: <http://www.worldsocialism.org/spgb/socialist-standard/2000s/2009/no-1253-january-2009/booming-industry-even-recession>