

# New evidence of Britain's arms trade with Indonesia

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The Labour government's pretence of an "ethical" foreign policy looks increasingly threadbare as new evidence mounts over its arms sales to Indonesia.

On Saturday 11 September, the government announced the suspension of further arms exports to the military-dominated regime in Jakarta. This followed the decision to cancel an invitation for Indonesian officials to attend the largest ever arms fair held in Britain last week.

This could only be described by the media as such a major U-turn because the Labour government has pursued an unfettered trade in arms with Indonesia since coming to power, when Foreign Secretary Robin Cook pledged that human rights "would be at the heart" of British foreign policy. The halting of arms sales to countries using them for external aggression or internal repression was meant to be an integral part of this.

This pledge was broken as soon as it was put to the test. The new Foreign Secretary refused to revoke licenses for £160 million of defence exports, including Hawk trainer aircraft, armoured cars and water cannon, making Britain one of the major suppliers of military equipment to Indonesia last year.

Instead of exercising greater caution when granting export licenses and government defence trading decisions becoming more transparent, there has been a deliberate campaign of obfuscation. The government continues to claim that it is virtually impossible to monitor the "end use" of the weapons it was selling. Journalists and human rights activists have disproved this contention. In July, journalists exposed the fact that the Indonesia air force had flown British-made Hawk aircraft over the East Timor capital, Dili, in a blatant act of intimidation.

Right up until the recent massacres in East Timor the British government continued to export weapons to Jakarta, and was eager to solicit more trade with a regime whose complicity in the atrocities committed against the East Timorese continues to be documented.

British arms exports to Indonesia were only halted after America had announced a similar decision 48 hours previously. However, the Ministry of Defence (MoD) remains opposed, and three Hawk fighter jets, which were stranded in transit to Indonesia in Bangkok, will still be delivered.

The discrediting of Labour's much vaunted "ethical" foreign

policy has created tensions within the Cabinet, leading to bitter recriminations. Sections of the media report that associates of Robin Cook blame Tony Blair's office, former Defence Secretary Lord Robertson, and Trade and Industry Secretaries past and present for obstructing attempts to block arms sales to "undesirable" regimes.

Ken Purchase, the Foreign Secretary's closest aide, accused the Department of Trade and Industry (DTI) of bowing to "merciless" business pressures. Purchase, Cook's private parliamentary secretary, broke the PPS's unwritten code of silence when he blamed Stephen Byers, the current Secretary of State for Trade and Industry, and his predecessor Peter Mandelson.

In the heat of this factional struggle, some aspects of British foreign policy that usually remain hidden have been exposed to public scrutiny. This concerns the activities of a government body that enjoys virtual anonymity despite its official status—the Export Credit Guarantee Department (ECGD).

The ECGD, an agency of the DTI, has a remit to assist British companies win overseas contracts. It guarantees to refund money to any UK bank lending funds to a government or company for a contract with British firms in cases of default. The ECGD also subsidises the interest rate charged by the banks. This largesse is funded out of UK tax revenues.

Last week, it was revealed that the ECGD had approved guarantees of £130 million for Hawk jets bought by Indonesia over the last year and granted £630,000 in guarantees for the completion of a project to supply electricity to central Java.

As the government official responsible, Stephen Byers was obliged to defend this publicly. Amidst reports that he had overruled concerns expressed by civil servants, Byers wrote to the *Guardian* portraying the decision as one motivated by concern for the Javanese poor.

"I am surprised at your hostile reaction to my decision to provide export credit guarantee cover for the completion of a project to supply electricity to central Java, and thus help some of the poorest people of Indonesia," he wrote. "Without my agreement a sub-station which was already completed would have remained isolated from the power grid and effectively useless. As a result of the project going ahead, it is estimated some 8 million people who suffer due to no or unreliable power

supplies will benefit."

The winning of non-military contracts has become inextricably linked to, and dependent on, the procurement of armaments sales. The share of ECGD expenditure devoted to arms exports increased from less than 10 percent in 1980-91 to 27 percent of guarantees for capital goods and projects underwritten by the agency between 1990-91 and 1996-97. In 1993-94 this peaked at 48 percent.

In the five years leading up to the war against Iraq in 1990-91, the ECGD provided more than £50 million of support for the export of military equipment to Saddam Hussein. This did not prevent Britain from then claiming that its role in the Gulf War was to stop the new "Hitler" and protect world peace.

By the end of last week, a new row broke out between Byers' junior minister Kim Howells and Labour backbencher Ann Clwyd. This centred on the sales and delivery of Saracen and Saladin armoured vehicles made by the British firm Alvis. There is evidence to show that they were used against civilians in disturbances in Jakarta in 1996 and more recently were deployed on the streets in East Timor. Last year, Ms Clwyd had called on ministers at the DTI to release the details of the contracts. This was blocked by Mr Howells, who utilised John Major's "open government" code to justify censorship on the grounds of commercial confidentiality.

Ms Clwyd pointed out that some of the information was already accessible in Defence Manufacturers Association reports and defence journals. She stated, "In this regard, it would appear that 'commercial confidentiality' is being used to withhold information from the public and MPs not because this information 'could be expected to harm the competitive position of that company', but to protect the company, and possibly ministers, from embarrassment."

This interpretation was given further credence by Kim Howell's subsequent announcement that he had lost his official papers on Indonesia when the sealed mailbag containing them disappeared en route from his constituency in Wales to Westminster.

Britain not only supplies Indonesia with an arsenal of weapons but also provides expert military know-how. On Sunday September 19, the *Observer* newspaper led with an article that the UK and US had played a critical role in training the Kopassus, the elite Indonesian armed forces units who have been orchestrating the murderous activities of the anti-independence militias in East Timor.

Last summer, seven of their members finished a post-graduate course in defence studies at Hull University. While this was initiated under the former Conservative government, the training actually began after Labour came to power. In the last four years of Tory rule only one Indonesian soldier was trained in the UK, but under Labour £1 million has been provided to train more than 50 members of the Indonesian military.

Funding has come via the Foreign Office and the MoD

through the Defence Military Assistance Fund. The cost of training one Indonesian navy officer at the Joint Service Command and Staff College and another on the International Principal Warfare Course at HMS Dryad came to £170,000. Both the MoD and Foreign Office justify this activity on the grounds that it represents "constructive engagement."

The level of fraternity between the two countries' governments is demonstrated by the fact that the training of the Kopassus members was the product of MoD liaison with General Prabawo, one of Indonesia's most notorious field commanders.

Arms production is still one of the few sectors of manufacturing where Britain remains internationally competitive. In 1997, it accounted for 22.1 percent of world exports.

It also provides a mechanism for projecting British imperialism's political power on the world stage. The ECGD is particularly used to facilitate trade with "high risk" clients, the term used to describe underdeveloped countries that are deeply in debt and so run the risk of default. Combined with military training, this allows Britain to exercise undue influence in the internal affairs of the countries concerned and develop them as client states.

These revelations as a whole demonstrate that the arms trade constitutes a major instrument of British foreign policy. Tory governments openly celebrated the fact that Britain is one of the world's leading arms exporters. They openly flouted democratic rights to secure defence contracts with repressive regimes throughout the world, particularly in the Middle East. Labour's claim was that it would balance this burgeoning trade with "humanitarian" concerns, but the case of Britain's trade with Indonesia demonstrates that the two are incompatible.



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