

# German Social Democrat leader plans to expand arms industry

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On Wednesday, Germany's Economy Minister Sigmar Gabriel held a long-announced speech at the German Society for Foreign Policy on the principles of Germany's arms trade.

Packaged as a list of ethical considerations and legal restrictions, the speech culminated in a call to place the arms industry at the service of German foreign policy and the creation of a powerful army. "Foreign and security policy must be the starting point and aim of a strategy for arms policy for Germany—and as far it is achievable, for Europe," Gabriel demanded.

The economy minister, who is chairman of the Social Democrats (SPD), intends to reorganise the arms industry and focus it more strongly to this end. "It is the stated goal of the EU (European Union) and German government to reconfigure the deeply divided European defence market, and strengthen the technological basis of Europe's arms industry. Germany's strong and competitive industry could significantly benefit from such a development," he told the assembled audience from the arms industry, military, and political establishment.

The government considers "the defence and security industry as a key branch of national interest, whose core competencies and technical capacities (should be) developed further."

"To retain the necessary national core competencies on a long-term economic basis, we need stronger consolidation in the national defence industry," Gabriel continued.

The media has made great play of tensions between defence minister Ursula Von der Leyen and Gabriel. They are not in agreement on which technologies belong to the core competencies, i.e., those that are so important for the German army that their production must remain in Germany.

But these differences are of a secondary character. Gabriel and Von der Leyen are agreed that the German army must massively rearm and that the arms industry must be reorganised and utilised to give Germany more weight in the world.

As Gabriel explained, a consolidation of Germany's arms industry was well overdue and "the step in European cooperation and coordination will work best on the basis of a consolidated German arms industry, in order that we can come together with our European partners on an equal footing."

However, the new orientation in arms policy is meeting considerable problems. The development of new technologies is linked to significant costs that can only be raised by a company if the weapons developed are not only sold to Germany and NATO members, but also to so-called developing countries.

Gabriel drew the ire of the arms lobby when he declared, before a delegation of works councils from the arms industry on September 19, that arms exports should be reduced. The works councils had travelled to Berlin to urge support for the industry. Arms companies threatened layoffs and the outsourcing of production because of declining orders from the German army.

The loudest alarm was sounded by the chairman of Rheinmetall, Germany's largest arms company, Armin Papperger. He told the *Süddeutsche Zeitung*, following the refusal of the economy minister to send a combat training centre worth €123 million to Russia, "When my country is not buying from me and at the same time saying that I can't export, I won't put up with it for long."

Papperger threatened to reduce capacity and the jobs that would be connected with this, as well as relocating abroad where "other countries like Switzerland, France

or the US (would be) happy, we would invest there. We could also export more easily from there.”

Gabriel’s public call for a reduction in weapons exports was above all for propagandistic purposes. He knows that many SPD voters oppose exporting arms. In fact, Germany’s Security Council decided just three weeks ago in a secret sitting to supply a broad range of arms products to the Arab states.

Gabriel’s ministry prepared this decision, and Gabriel sits alongside German Chancellor Angela Merkel, Foreign Minister Frank-Walter Steinmeier, Defence Minister Von der Leyen, Minister for Development Gerd Müller, as well as the ministers of finance, the interior, and justice, as well as the head of the chancellor’s office on the Security Council.

The authorised weapons exports will go to Arab despots who are notorious for the brutal suppression of workers and all forms of opposition. Qatar is to receive 13 Dingo transport tanks, together with 32 Fennek armoured vehicles. The United Arab Emirates will receive several Wisent tank dozers, 3,012 machine gun pistols, 20,000 shells and munitions. Saudi Arabia will get munitions, a Wisent tank dozer for testing purposes and new systems for the surveillance of large crowds. Algeria will receive 88 utility vehicles “with military capabilities,” 1,027 fully automatic machine guns and 47 machine gun pistols.

In 2010, Germany was the third largest arms exporter in the world, with a percentage of 11 percent. This was surpassed only by Russia and the United States. Since then, exports have sharply increased. In 2013, German weapons exports amounted to €5.8 billion, around 25 percent more than in the previous year. In the same year, the export of small arms rose even more, by 43 percent. Around two thirds of exports were supplied to so-called third states, states which are not members of the EU or NATO.

The contracts of Germany’s largest arms company, Rheinmetall, increased from 2010 to 2013 by 66 percent to €3.3 billion. At the end of 2013, placed orders reached a record value of €6 billion.



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