

German government supports ThyssenKrupp in fight to secure submarine contract in Australia

Elisabeth Zimmermann
14 August 2015

The German armaments corporation ThyssenKrupp Marine Systems (TKMS) is fighting for an Australian contract for submarines worth billions, in close collaboration with the German government and army.

Over the next 20 years, the Australian government intends to invest A\$89 billion (Australian dollars; €60 billion) in the construction of new warships. At the beginning of last week, Prime Minister Tony Abbott announced that the programme would be sped up by three years.

The massive naval programme is part of war preparations against China, which the US is leading with its “pivot to Asia.” Australia is an important ally in the so-called pivot, serving as a key forward base. The US has therefore been pushing for some time for the modernisation and rearmament of the Australian navy.

Part of the project is the building of twelve new submarines. The contract for this, worth A\$45 billion (€35 billion), is the prize being sought by TKMS.

TKMS is the section of the ThyssenKrupp conglomerate that concentrates exclusively on the building of military ships, including frigates and submarines, and their maintenance. Formed through the merging of ThyssenKrupp Werften with Howaldtswerke-Deutsche Werft AG (HDW) and Blohm +, the firm, with its headquarters in Kiel, employs 3,200 workers around the world.

The lucrative contract for the Australian submarines is being hotly contested. Japanese, French and German armaments companies are competing to obtain the largest possible portion. In addition, Australian politicians and the media are demanding that the submarines be built in Australia. The Australian government is demanding that the applicants make proposals for several options, including construction in Australia, construction abroad,

and a combination of both.

In its bid for the contract, which is to be awarded in the coming months, TKMS is receiving the support of the German government and defence ministry. In April, Australian defence minister Kevin Andrews made a secret trip along with high-ranking military officials to the TKMS Kiel shipyard, and then travelled directly to Berlin for a meeting with German defence minister Ursula Von der Leyen (Christian Democrats, CDU).

Economics Minister Sigmar Gabriel (Social Democrats, SPD) expressed optimism prior to Andrews’s visit that the Kiel shipyard would secure the deal to build the Australian submarines. “The German government, including the Chancellor and I, have worked very hard to ensure Australia gets to know the quality of the German shipyards, and I think that HDW has a big chance,” he told the German Press Agency (DPA).

Under the headline, “Doing business in uniform,” the August 1 edition of *Der Spiegel* detailed the close collaboration between the German government, German army and armaments industry in the global arms market. In one instance, TKMS was able to sell two frigates worth €2 billion to the authoritarian regime in Algeria after the German army committed to training Algerian naval personnel in the operation of the frigates’ highly modern technology.

Der Spiegel criticises this practice because of fears that the training of German soldiers will be neglected. It cited an insider with the remark: “And Algeria is only one example of many. Currently, the German submarine fleet is only conditionally ready for deployment. Not least, because the crews are active as ‘teachers’ for TKMS clients like Greece, South Africa, Israel, Portugal, Colombia or Singapore.”

Since the 1960s, a total of 20 countries have purchased

submarines from the Kiel shipyard. TKMS is thereby the world leader in the construction of conventional, non-nuclear submarines. In total, TKMS and its predecessor have built 161 submarines during this period, of which 50 have been built in the country awarding the contract.

In the bidding for the Australian contract, the German embassy in Canberra is acting as a sales office for the armaments corporations. *Der Spiegel* cited an embassy document marked “classified,” which calls for “continued dialogue between the German government and TKMS” to “formulate and promote” the offer from Germany. To this end, “a significant strengthening of the military attaché’s office” in Canberra was necessary.

In a letter in March, Heinrich Hiesinger, chairman of ThyssenKrupp’s supervisory board, called for Defence Minister Von der Leyen to “name an interlocutor from your office,” and “initiate a process of formal dialogue between ThyssenKrupp Marine Systems and your office.” This should make possible “the drafting and determination with the operational centre of the German army as well as trilaterally with the Australians” of the required “concepts.”

It is not possible to express more clearly the integration of the German government, army and arms industry.

Given these sorts of dealings, it is no coincidence that firms like ThyssenKrupp and Siemens, which export armaments, surveillance systems and police equipment, are regularly caught in allegations of bribery and corruption.

For example, financial daily *Handelsblatt* is in possession of thousands of pages of internal documents indicating dubious practices in connection with the sale of submarines by ThyssenKrupp. Several years ago, a London subsidiary of the company, named Marine Force International (MFI), sent money to questionable consultants in purchasing countries so as to secure contracts. Greece, South Korea and Turkey were given as examples.

The promotion of arms exports is a significant component of the German government’s efforts to make Germany a global military power once again. The domestic arms industry required for this can only be financed if it can export large quantities of expensive weaponry abroad.

Contradicting the statements of Economics Minister Gabriel, the German government has not reduced arms exports, but doubled them. In the first half of this year, arms exports totalling €6.35 billion were authorised equivalent to the figure for all of 2014.

Der Spiegel of reported, German government plans to subsidise the development of tanks and submarines with cross-department funding. A closed-door meeting of state secretaries agreed to define these areas as so-called key technologies. Tank producers like Krauss-Maffei, Wegmann or TKMS can draw on financing if they develop new weapons systems and invest in new technologies. In tending to the German army, they would receive contracts ahead of foreign competitors. The promotion of exports was also part of this programme.

Largely behind the backs of the population, a major rearmament programme is taking place, which increases the danger of war while securing lucrative contracts for the arms industry. The developments are reminiscent of the years before World War I, when companies like Krupp massively armed the German army and those of other countries, and was among the strongest war-mongers. Krupp profited in the war between Germany and France, as its weapons were used on both sides of the front.

The revolutionary SPD deputy Karl Liebknecht persistently warned of the criminal machinations of the arms industry and its close connections to the military and war ministry. Due to Liebknecht’s exposures, legal proceedings were even launched against Krupp.

But Liebknecht did not limit himself to parliamentary manoeuvres in his struggle against the threat of war and militarism. He attempted to organise an international struggle against the arms industry and spoke at mass rallies and meetings in France, Belgium, the Netherlands and England.

In April 1913, the SPD organised a major campaign under the slogan “Down with military expenditure!”, “No man and not a cent for new armaments!” led by Liebknecht. In Berlin and the immediate vicinity alone, 60 popular meetings protested against increased spending on armaments.

However, the SPD leadership betrayed its own programme with the outbreak of war in the summer of 1914 by voting for the Kaiser’s war credits, while Liebknecht remained true to his principles and organised the opposition to war along with Rosa Luxemburg.



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