European Union ramps up ammunition production and organizes war economy

Johannes Stern 9 March 2023

The meeting of European Union defence ministers in Stockholm on Wednesday was dominated by NATO's escalation of the war with Russia. The aim was to quickly provide the Ukrainian army with massive amounts of ammunition in order to repel the Russian army on the front in eastern Ukraine and to move on to the counter-offensive.

Significantly, Ukrainian Defense Minister Olexiy Resnikov also attended the meeting. He called on the EU member states to provide Ukraine with 1 million rounds of ammunition worth €4 billion so that Kiev can "continue to defend itself."

The EU ministers agreed in Stockholm to supply Kiev ammunition. Josep Borrell, the EU's foreign policy chief, called it a "fundamental agreement on a procedure." He proposed initially to release €1 billion from the so-called European Peace Facility in order to supply Ukraine with rounds of ammunition from its own stockpiles.

At the same time, further steps are already being prepared behind the scenes. "In order to help Ukraine, the EU must make fresh money available, and quickly," said Estonian Defence Minister Hanno Pevkur. After the meeting, Swedish Defence Minister Pal Jonson promised, "We will act quickly to meet Ukraine's demand for ammunition."

NATO Secretary General Jens Stoltenberg, who attended the meeting, said that work was underway to massively ramp up ammunition production. "NATO countries have reached agreements with the defense industry to increase production," and several NATO countries have already agreed on "joint projects for the procurement of various types of ammunition, but also for the storage of ammunition," he announced in Stockholm. "The demand is enormous and the current consumption and production rate of ammunition is not sustainable."

According to reports, about 300,000 155 mm artillery shells are produced in Europe every year. That is about as

many as the Ukrainian army shoots within three months. In order to meet demand, replenish their own stockpiles and prepare for a long and comprehensive war against Russia, the European states are in the process of organizing a veritable war economy.

This goal was openly formulated in Stockholm. To ramp up capacity, the arms industry should switch to the "war economy mode," demanded EU Commissioner Thierry Breton. Borrell said the same thing. He said he was sorry to say so, but a "war mentality" is needed. After all, we are in "times of war."

German Defense Minister Boris Pistorius (Social Democrats) began by saying that he "definitely does not adopt the concept of the war economy." The EU and Germany are "not at war" and "war economy" would mean "that we subordinate everything to the production of weapons and ammunition."

In fact, that is exactly what is happening. And Pistorius left no doubt about this in his further remarks in Stockholm. Among other things, he called it "worthwhile" to subsidise the defence industry at the ramp-up of ammunition production. "In fact, the arms industry is making real money, that's macabre, but in times of war it's just like that, demand rises, and then sales also rise," he cynically explained. That is why "it is all the more important that we now react flexibly."

German imperialism in particular is driving the massive rearmament in Europe and the transition to a war economy. In his government statement on the first anniversary of his declaration of a "new epoch" for German foreign policy, Chancellor Olaf Scholz told the German parliament last Thursday that he and Pistorius were currently talking to the defense industry "about a real lane change to a fast, predictable and efficient procurement of armaments for the Bundeswehr and other European armies." This requires "an ongoing production of important weapons, equipment and ammunition" and

"long-term contracts and down payments to build up manufacturing capacity" and "an industrial base here in Germany."

Behind the backs of the population, these plans are being aggressively pushed forward. Last November, representatives of the arms industry met in the Chancellery with the relevant top officials of the federal government for an "arms and ammunition summit" to increase production. According to reports, Germany plans to spend €20 billion on ammunition alone in the next few years.

In doing so, the same corporations that played a central role in the war economy of the Nazis and rearmed the Wehrmacht for the Second World War within a few years are once again rubbing their bloody hands. Shortly before the notorious summit in the Chancellery, Rheinmetall announced the acquisition of its Spanish competitor Expal Systems for €1.2 billion. With an annual turnover of €400 million, Expal Systems is one of the largest ammunition producers in Europe.

Since then, one announcement has followed another. Rheinmetall is currently setting up a new ammunition production facility for the so-called Mittelcaliber cannon rounds (20 to 35 millimeters) at the Unterlüss site in the Lüneburg Heide, a rural area in northern Germany. For safety reasons, the planned annual capacity is secret, but the goal is "to set up the ammunition supply in Germany again in principle independent of foreign production facilities," said a company spokesman.

The Unterlüss site, where thousands of forced labourers were employed during the Second World War, is already the largest Rheinmetall ammunition site, covering over 55 square kilometres. Currently, large-caliber ammunition is being produced there, including for the Leopard tank, which the Bundeswehr (German army) is supplying to Ukraine. Previous production levels are being massively ramped up.

When Pistorius visited the plant at the end of February, Rheinmetall CEO Armin Papperger boasted that production had been doubled and in some cases trebled, especially in Unterlüss. They are operating "on full steam" and will increase the production with another shift even more, he commented. Pistorius praised the arms industry and declared that the "new epoch"—a euphemism for the return of German militarism—was "not possible" without it.

In order to defeat nuclear-armed Russia—after the terrible crimes of two world wars—in a third attempt, German imperialism is even planning the production of

battle tanks directly in Ukraine. "We are ready to build a plant for the production of the Panther in Ukraine," Papperger recently announced in the *Handelsblatt*. So far, the pledges of battle tanks have increased Ukraine's "clout," but they are "not enough." "Russia has vastly greater reserves." Further "help" is therefore necessary, also and especially with battle tanks," he continued.

The cost of the insanity of war, which is already claiming the lives of hundreds of Russian and Ukrainian soldiers every day and threatens the survival of all humanity in the event of a nuclear escalation, is also borne financially by the working class. Already last year, when the German army special fund of €100 billion was decided, there were massive cuts to health and social affairs. Now Pistorius is calling for an additional €10 billion a year in the war budget, which will lead to further attacks.

But in Germany and throughout Europe, resistance is growing to this ultra-militaristic and reactionary policy, which is being pursued by the entire EU. Tens of thousands of public service workers are currently participating in warning strikes in Germany every day. On Thursday, 120,000 postal workers voted for an all-out strike. In France, several million took to the streets on Wednesday against the planned pension reform, and in Greece hundreds of thousands protested after the deadly train disaster. In other European countries, major strikes and protests are also developing.

The sentiments that drive millions of workers and youth into struggle across the continent are increasingly anticapitalist, anti-militarist and socialist. The decisive task is to transform this movement into a conscious movement for socialism. This means combining the struggle against war with the struggle against its root, capitalism, and building the European sections of the International Committee of the Fourth International—in Germany the Sozialistische Gleichheitspartei—as new revolutionary parties of the working class.



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