

15.63.6

CAMS

Coalition
against
Military
Spending

Background Information
compiled by Rob Thomson
Ceasefire Campaign

September 2000

COALITION AGAINST MILITARY SPENDING BACKGROUND INFORMATION SEPTEMBER 2000

"Never again shall South Africa be the fountainhead of conflict in the region and further afield. Never again shall our country be the source of armaments used to suppress our neighbours. Never again shall we spend our people's resources to develop weapons of mass destruction."

-Nelson Mandela, March 1995

Introduction

On 24 July 2000 the first of a series of consultative meetings for a Coalition against Military Spending was held in Johannesburg. The purpose of the Coalition will be to campaign against the increases in military spending by the South African government as a result of the proposed weapons purchase programmes. The Coalition will call for the redirection of these resources towards socially beneficial programmes such as poverty eradication, addressing the AIDS pandemic and other development priorities.

Further meetings have since been held, including a meeting of a task group to start planning a National Consultation, develop a media strategy and suggest a name, a slogan and a logo. The task group also saw a need for a document outlining background information on military spending, which could be used as a basis of informing Coalition members about issues relating to South African military spending. This is the first draft of that document. It is intended that, once accepted by the Coalition, it will be updated from time to time as and when necessary.

Participants in the initial consultative meetings are:

- African Women's Anti-War Coalition
- the Campaign Against Neo-Liberalism in South Africa (CANSA)
- the Ceasefire Campaign
- the Centre for the Study of Violence and Reconciliation (CSVR)
- Gun Free South Africa
- the Human Rights Committee
- Hurisa
- Jubilee 2000
- the Refugees Council
- the South African NGO Coalition (SANGOCO)
- the South African Prisoners' Organisation for Human Rights (SAPOHR)
- the Southern African Human Rights NGO Network (SAHRINGON)
- Treatment Action Campaign (TAC)

Other NGOs have also indicated their support.

It is intended that strategies for the implementation of the Coalition's objectives will be developed at the proposed National Consultation, when the Coalition will be formally launched. In the mean time, NGOs, religious bodies, trade unions and grass roots organisations that support the aims of the proposed Coalition are welcome to participate. For further details contact the Campaign Co-ordinator at (011) 403-5315 or by e-mail at stopwar@wn.apc.org.

The White Paper on Defence

On 21st June 1995 the Department of Defence (DoD) published a draft white paper on Defence and invited public comment. Over 90 written submissions were received and the Parliamentary Joint Standing Committee on Defence held three special sessions on the draft.

On 7th May 1996 the white paper was tabled in Parliament.

The principle purpose of the white paper was 'to inform citizens and other states, particularly those in Africa, of South Africa's new defence policy'.

It dealt with the following issues:

- transformation;
- civil-military relations;
- the strategic environment;
- the role and functions of the South African National Defence Force (SANDF);
- human resource issues;
- budgetary considerations;
- arms control and the arms industry; and
- land and environmental issues.

To a large extent the white paper took its cue from the constitution, which states that the defence of South Africa will be military defence. Whilst it acknowledged 'the absence of a foreseeable conventional military threat', it asserted the need for a 'core defence capability because of the inherent unpredictability of the future'. It also asserted that 'the use or threat of (presumably military) force against external military aggression was a legitimate measure of last resort when political solutions have been exhausted'.

The concept of a 'core defence capability' has become a key feature of the DoD's definition of its future role and function. Together with the perception of 'inherent unpredictability', it has been used on numerous occasions as a basis for the justification of military spending.

Besides 'service in the defence of the Republic, for the protection of its sovereignty and territorial integrity', the constitution provides that the SANDF may be employed in the following functions:

- for service in compliance with the international obligations of the Republic with regard to international bodies and other states;
- for service in the preservation of life, health or property;
- for service in the provision or maintenance of essential services;
- for service in the upholding of law and order in the Republic in co-operation with the South African Police Service under circumstances set out in law where the Police Service is unable to maintain law and order on its own; and
- for service in support of any department of state for the purpose of socio-economic upliftment."

These services were seen by the white paper as being secondary, whereas the self-defence function was primary. Nevertheless, the secondary services have also been repeatedly used as justification for military spending.

The white paper tended to be restricted to matters of broad policy; specifics of implementation, including force structure and military spending, were left to the defence review, which was to succeed the publication of the white paper. As regards military spending, the white paper stated that the defence review would 'present, for the consideration of parliament and the public, detailed and well-motivated budgetary forecasts and proposals.'

On 14th May 1996, parliament unanimously adopted the white paper.

The Defence Review

On 12th February 1996 the Minister of Defence launched the National Defence Review process at an initial consultative conference. The intention of the Ministry of Defence was that the principles and policies enunciated in the white paper should be accepted and not reconsidered. Further consultative conferences and regional workshops were held in 1996 and 1997. The conferences and workshops were open to the public. However, in the drafting of the Defence Review, which was done by the Department of Defence, little cognisance was taken of views expressed in the conferences and workshops by those opposed to the views of the military-industrial complex.

The Defence Review dealt with:

- defence posture and doctrine;
- self-defence and the peace-time force;
- regional security co-operation;
- international peace support operations;
- co-operation with the South African Police Service (SAPS);
- non-military tasks;
- 'force design' options;
- human resources;
- the part-time force;
- the arms industry;
- land and environment issues; and
- the defence legal environment.

A feature of the rationale for the 'core defence capability' is the shift from a 'threat-specific approach' to a 'threat-independent approach'. Instead of focusing on threats, emphasis is placed on contingencies and consideration is given to the probability, impact and time-scale of each contingency. From the point of view of the military-industrial complex, the advantage of a 'threat-independent approach' is that it can be used to justify substantial military spending even when there is no perceivable threat.

The effect of this will be that South Africa will continue to dominate the sub-continent in terms of its military power. The solution proposed by the defence review is to implement 'confidence- and security-building measures (CSBMs)'. These involve military co-operation, combined exercises, secondment of personnel, goodwill visits, exchange of information etc., all of which cost money, and none of which would be necessary if South Africa did not present a military threat in the first place.

The Defence Review's treatment of international peace support operations was quite tentative. There was an apparent consciousness that South African military forces are ill-prepared for such missions. Much of the chapter is devoted to description of the

various types of peace support operations, and to preconditions for such operations. But it is made quite evident that the military establishment anticipates the necessity of preparing itself for such operations.

As regards military involvement in policing functions, the defence review was quite negative. This matter is further discussed below under "Use of the SANDF for policing functions".

One of the features of maintaining a substantial military structure is that, during peacetime, large components of military personnel, equipment and facilities are relatively idle. Whilst it makes economic sense to utilise these components for non-military functions, the inevitable result is that the functions themselves become militarised, and vested interests are created in the perpetuation of military involvement in those functions.

The defence review did not propose the discontinuance of any of the non-military tasks of the SANDF, (e.g. maritime law enforcement, air space and traffic control, disaster relief, search and rescue). Of these, only disaster relief was stated to be subject to financial reimbursement. In general, however, the SANDF does not budget for non-military functions 'since they derive from existing defence capabilities'.

Based on the 'primary and secondary functions' outlined above, the defence review described four alternative 'force designs'. In military parlance, 'force design' relates specifically to the direct costs of 'combat units', and excludes indirect or 'common support' costs, which are included in 'force structure'.

In the determination of the costs, there was no statement of the assumptions made with regard to personnel costs, operating costs, capital costs, the timing of the acquisition programme, or the basis of annualisation of capital costs. Also, the costs of the various components were not shown. This lack of transparency made it difficult to assess the reasonability of the estimates.

As indicated above, one of the main intentions of the defence review was to 'present, for the consideration of parliament and the public, detailed and well-motivated budgetary forecasts and proposals'. However, once the defence review was in process, the DoD decided that it should not address budgetary requirements for the entire SANDF but only for the 'force design'. The costs for support staff and the associated operational and capital costs were therefore not determined. The reason for this decision was that it was desired to expedite the process in order to obtain approval for expenditure on capital projects during the financial year ended 31st March 1997. In the event, the defence review process was not completed during that year anyway, and the resulting report failed to meet the intentions specified in the white paper. It was therefore impossible for parliament to exercise informed votes on the basis of the defence review.

The Joint Standing Committee on Defence accepted the defence review.

The DoD found that 'it could not muster sufficient interest for cabinet approval of the defence review prior to tabling ... [it] in parliament' and the parliamentary debate was twice postponed. However, the cabinet 'approved the policy proposals contained in the Review, concerning defence posture, defence functions, defence force design, human resources and part-time forces'.

The first and second report of the defence review were finally debated and adopted by parliament on 20th August 1997. Because of the failure of the defence review to present the budgetary implications of its proposals, its acceptance by parliament effectively constituted the signature of a blank cheque.

Arms purchase programme

On 18 November 1998 the Cabinet announced that it had considered a report from the Cabinet subcommittee on the Procurement Program for the South African National Defence Force. The sub-committee had made recommendations on six core defence procurement programmes. The sub-committee recommended that a seventh program for battle tanks not be considered at that time.

The sub-committee also made recommendations on the preferred suppliers. The total industrial participation programmes¹ were set out for Cabinet. Cabinet authorised the sub-committee and the Minister of Finance to enter into further negotiations with the preferred suppliers to achieve an affordable final package.

The sub-committee would report back to the Cabinet. These negotiations would commence shortly. In addition all bidders would receive a debriefing in the next few days. The quantities of the products were in line with revised recommendations based on the Defence Review.

A schedule of the arms purchase programme is attached as Appendix A.

The Ceasefire Campaign drew it to government's attention that:

1. Cabinet had not made a decision in principle to purchase these weapons; it had merely approved the continuance of negotiations on the matter;
2. the arms purchases were premised on a Defence Review, which:
 - had failed to quantify the costs of its proposals, despite the fact that this had been part of its mandate;
 - had required reductions in personnel complements that had failed to materialise;
 - was based on a threat scenario that was now out of date.

The demilitarisation lobby had argued since the deals were first proposed that South Africa could ill afford the massive costs involved, particularly at time when reconstruction and development must be the priority for government spending. When the costs had been quantified, the impression had been created that the arms purchases would more than pay for themselves through foreign investment in South Africa and through foreign and local sales arising from those investments. Cabinet apparently gave no consideration to the even greater outflow of moneys that would be required by the investors as returns on their investments, or to the costs of the sales. They were apparently misled into thinking that the sales constituted returns additional to the capital invested.

In fact, even on the basis then quoted, the foreign investment emanating from the arms deals was less than the costs of the arms themselves - for some components quite considerably less. The amount paid to encourage foreign investment should be a small fraction of the amount invested, otherwise it is best to rely on local investment.

Nobody seemed to notice that the much-touted 65 000 jobs that were supposed to be created by the arms purchases were costing nearly R500 000 each. For that outlay, we should be getting far more jobs than 65 000. If experience elsewhere is anything to go by, the actual number of jobs created in the long run is likely to be

¹ An 'industrial participation agreement' is an arrangement whereby the seller agrees to invest in productive capacity in the country of the buyer. The terms of the agreement are decided before the purchase is concluded. Defence industrial participation refers to investment in the buyer's defence industry. Offset agreements may be either investment in industrial participation or counter-purchases (whereby the seller agrees to buy goods from the buyer).

much less than that suggested by the parties to the arms deal, all of whom have an interest in ensuring that the arms deal succeeds. Instead we should be creating jobs in labour-intensive industries.

As pointed out by Terry Crawford-Browne of Economists Allied for Arms Reduction:

Any costs incurred by arms companies as a result of offset deals negotiated on defence sales are simply passed onto the recipient, and the level of job creation and technology transfer over and above that which would have occurred without offsets is generally minimal.

Offset work placed in recipient states simply disappears at the conclusion of the offset obligation. Thus, not only do recipient states pay more for their arms imports, but they also derive little in the way of economic benefits.

Suppliers still withhold cutting edge technology. Consequently, recipient states attempting to build up armaments industries remain dependent upon major exporters for access to key elements of military technology.

The only real function that offsets perform for recipient countries is to provide political legitimisation for the large outlays required for military equipment, by allowing governments to point to apparent, but ultimately non-existent, economic benefits that can be derived from offsets.

The demilitarisation lobby argued that it was time for the new cabinet to demand that each of the packages be reconsidered. It contended that, when this was properly done, it would become evident that the arms purchase programme does not make economic, let alone military sense. South Africa's peacekeeping role in Africa does not require the type of military hardware required for conventional warfare.

Furthermore, the South African economy was already burdened with a huge apartheid era debt, which to a large extent was created for military purposes. We were already spending over R40 billion (or more than 20%) of our total budget on debt servicing. To add to this extensive debt for military purposes was completely unjustifiable at this juncture in the history of South Africa. The proposed purchases comprised weapons systems largely designed for conventional military threats. Yet they were being purchased at a time when, even by the DoD's own admission, there was no "medium-term conventional military threat". By the time any such threat arises these systems would therefore be obsolete, and the capital costs, as well as the interest charges, would have been wasted. In the mean time the country would be unable to finance the reconstruction and development needed to address the far more pressing security threats created by the social dislocation caused by apartheid.

The demilitarisation lobby was aware of a media campaign to highlight the alleged economic benefits of these arms purchases. However, at the end of the day it must be recognised that the arms must be paid for. If a number of countries make investment in South Africa contingent on the purchase of their own weapons systems, we should effectively be reducing our chances of attracting capital from those countries whose bids are unsuccessful. The other countries might well have invested in South Africa anyway.

To suggest that every rand invested in South Africa as a result of the arms deals was a reduction in the cost was economic nonsense. The investors would want

to see a return on their investments, and the payment of dividends abroad would represent an ongoing drain on the country's resources. Furthermore, while investors might invest in capital ventures, they might disinvest from the secondary markets so as to avoid overexposure to South Africa. Also, foreign investment means foreign control, which would mean further surrender to the neo-liberal economic agenda.

To suggest that the proceeds of exports and sales arising from industrial participation constituted a reduction in the cost was also economic nonsense. The costs of production and finance must be deducted, as well as the profits payable to third parties.

To add the investments to the proceeds from those investments, as was done in the Cabinet news release, amounted to double-counting and was misleading in the extreme.

The Ministry of Defence and the Defence Secretariat are supposed to be responsible for curtailing the tendency of the military-industrial complex to escalate military spending. Instead, time and again we have heard the Ministry and the Secretariat championing the SANDF and arguing in favour of increased military spending. This makes nonsense of the Ministry's responsibility to parliament and of the credibility of the supposedly civilian Secretariat.

In view of the facts:

- that the Defence Review had failed in its mandate to quantify the full budgetary implications of its proposals;
- that the costs of the proposed weapons procurement programme were exorbitant, even after allowing for offset and counter-trade agreements;
- that there is no medium-term conventional military threat;
- that the major threats to the security of South Africa are socio-economic;

the Ceasefire Campaign reiterated its position that the defence budget should be substantially reduced and that the savings should be transferred to those departments which were contributing directly and substantially to the reconstruction of the country and the development of its people, and we urged government to reconsider the Defence Review and to cancel the proposed arms purchase programme.

It was subsequently reported (in June 1999) that government was reconsidering aspects of the proposed R30 billion arms purchase programme. Jayendra Naidoo was appointed to oversee this process.

Senior ANC MPs were now starting to realise that the Corvette purchase was overpriced, resulting in considerable disaffection with the programme. However, they were reluctant to break ranks over the issue. But Patricia de Lille of the PAC has been more outspoken. She called on Cabinet to cancel the deal. Allegations have also been made that other items of the purchase programme are grossly overpriced.

In September 1999, arising out of Naidoo's report, the Minister of Defence announced details of a revision of the weapons purchase programme, including delivery dates. The revised programme is shown in Appendix B. Although the number of fighter and trainer aircraft was reduced, the SANDF was retaining an option (exercisable by 2004) to buy the balance of the numbers originally specified. The announcement was couched in terms of a reduction in the cost of the programme. However, it is noted that the unit cost of each weapon was now greater than originally specified. Furthermore, industry sources suggested that there was no intention on the part of government not to implement the options. The Minister of Defence has indicated that they will "most probably" be exercised. The effect of this

announcement was therefore an overall increase in the cost of the programme. Naidoo's claim that the revision resulted in "saving billions and making billions" was therefore grossly misleading.

The number of jobs expected to be generated from the purchase programme is also misleading. The German submarine consortium, for example, suggests that the number of jobs to be created from the Coega harbour and stainless steel plant will not be 16 251 as suggested to Cabinet, but 4000, of which 3000 will be during construction only. Other problems with the Coega scheme include environmental degradation, adverse consequences for tourism and agriculture, expropriation and removal of residents, decreased usage of Port Elizabeth harbour and the financial viability of the project. Recent reports indicate that the consortium has failed to guarantee productivity targets and that the purchase has now been deferred. Similar problems have been encountered with the British and Swedish offset deals.

The purchase agreements were signed on 3 December 1999. Details of the associated industrial participation agreements are shown in Appendix C.

Numerous reports have alleged that officials involved in the arms deals (including acquisitions and procurement director Chippy Shaik) and the former Minister of Defence have benefited either directly or indirectly from them. British Aerospace admits that bribes are standard practice in winning export orders. On 10 September 1999 the Minister of Defence rejected all such allegations.

It was also subsequently reported that Saab-BAe was having difficulty persuading government about how much value the Gripen jet deal would create for South Africa. The Demilitarisation lobby argued that it was time for the new cabinet to demand that each of the packages be reconsidered. It contended that, when this was properly done, it would become evident that the arms purchase programme did not make economic sense.

In January 2000 the Minister of Finance signed loan agreements to cover the costs of the weapons purchase programme over a 12-year period. South Africa would be entitled to draw on the loans over that period and to repay them over periods of 15 to 20 years.

Opposition to the weapons purchase programme is now growing. In June, the President of the Constitutional Court, Judge Arthur Chaskalson, stated: "In real terms it is the law of capitalism that is the highest in the land and not that of the 'democratic' Constitution. . . . But it is possible and necessary for those who lack the basic necessities to take the government to the Constitutional Court for failing in its obligations. The way to answer [the constraint of resources on delivery of social and economic rights] is to socially and morally contrast that with the R32-billion the government will spend on unnecessary arms purchases. . . ."

Yet the government is now planning still more weapons purchases. In June 2000 it was announced that a further amount of R10 billion of taxpayers' money was to be spent on an integrated ground-based air defence system and armoured vehicles. And the DoD is now said to be reconsidering the battle tanks that were struck off the list in the initial programme. At the time it was expected that these would cost about R3,6 billion. Including these purchases, the total amount of taxpayers' money to be spent on the proposed arms purchase programmes is R44,4 billion as shown in Appendix B.

Use of the SANDF for policing functions

In the Defence Review in 1997, the Department of Defence reported as follows:

The history of South Africa and many other countries indicates that it is inappropriate to utilise armed forces in a policing role on a permanent or semi-permanent basis. This perspective is based on the following considerations:

- Armed forces are not trained, orientated or equipped for deployment against civilians. They are typically geared to employ maximum force against an external military aggressor.
- On-going employment in a law-and-order function may lead to the defence force becoming politicised and increasingly involved in non-military activities.
- Such employment may also undermine the image and legitimacy of the defence force amongst sections of the population.
- Internal deployment places a substantial burden on the defence budget. It also has a disruptive effect on the economy where large numbers of part-time soldiers are called up.
- Efforts to apply military solutions to political problems are inherently limited and may undermine resolution of these problems.

In the light of the above, the Departments of Defence and Safety and Security are currently formulating plans to allow for the withdrawal of the SANDF from a policing role. The SANDF would then be deployed only in exceptional circumstances, such as a state of emergency or national defence or a breakdown of public order beyond the capacity of the SAPS.

The Ceasefire Campaign endorsed these sentiments, which had now been enshrined in government's "policy framework" on military involvement in policing. Ceasefire, however, added the following considerations:

- The organisation of policing needs always to hold centralisation and decentralisation in tension. Centralisation is required in order to ensure the maintenance of high standards in policing. Decentralisation is needed in order to ensure the sensitivity of the police to the concerns and needs of the communities they serve. Military organisation, by contrast, is centralised.
- Reference is still frequently made to "the security forces", which suggests that the police is still not perceived to be a service but (as in apartheid days) an armed force to be deployed against an enemy. The use of non-military titles in the SAPS is evidently not enough to liberate the minds of South Africans from the shadow of the past. A change of culture and of perceptions is required. This will not be achieved if the SANDF is deployed for policing duties.
- All too often, instead of ensuring security for the citizens of third-world countries, the military forces of such countries have been used to mount coups against democratically elected governments. Whilst this is unthinkable in South Africa at present, the maintenance of a strong police force, independent of the military, is sound insurance against such possibilities in the future.

- Support for the increased involvement of the SANDF in policing functions comes to quite a large extent from those who have had unfortunate experiences of the police in the past. This is entirely understandable. The solution, however, is not to deploy the SANDF, but to transform the SAPS.

The Demilitarisation lobby argued that the budget for Safety and Security should be increased substantially, so that a higher calibre of staff could be recruited, trained and supported. Not only was the continuous use of the SANDF for policing contrary to the policy framework set out in the Defence Review. It was a shortsighted, ill-conceived, anti-democratic and ultimately dangerous policy. It would only serve to perpetuate the militarisation of South Africa that was set in motion by the apartheid regime.

Military budget

For the year 2000/01 the DoD's budget is R13 767 million compared with the estimated expenditure of R10 727 million for the previous year—an increase of about 30%. Of the increase of R3040 million, R2782 million was for financing the arms purchase programme. Despite this increase, the budget allocation was not sufficient to sustain the force design and force structure set out in the Defence Review. Government's policy was therefore to re-evaluate the force design and structure to bring it in line with the medium-term expenditure allocation for defence. For the next two years the budget is expected to increase to R15 272 million and R16 491 million respectively—an increase of over 50% from the 1999/2000 figure. At that stage military spending will amount to over 6% of the national budget. It will continue to increase thereafter until 2004/05. Once again the 'justification' is the arms purchase programme, although numerous arguments for military spending have also been advanced. In response to criticism, government has stated that the arms purchases would be carried out 'without putting a strain on the budget'. Clearly that is deliberately misleading.

Based on the latest figures available, South Africa's military spending is more than three times the total of all its neighbours' military spending combined. Details are shown in Appendix D. This imbalance will tend to increase instability in the region and promote a regional arms race. Already, Ian Khama of Botswana has cited the South African arms purchases as a reason for increasing that country's arsenal.

The following arguments presented in some quarters in support of the continuance of current levels of military spending are fatuous:

A Arguments comparing current military spending with that of 1989.

South Africa was at war at that time. Military spending is always vastly greater during times of war than during times of peace. The South African regime at the time was extremely militarist and ignored the socio-economic threats to peace and security. Our military spending should at most be a small fraction of what it was then.

- B Arguments that it takes 15 years to integrate major weapons systems.

The short delivery periods on most of the weapons systems currently being offered to the DoD (including training) make it obvious that much shorter integration times are possible. If a 15-year integration time were true then the three-year horizon of the medium-term expenditure framework² would be totally inappropriate for the DoD budget and a much longer budget forecast should be used for that department.

- C Arguments that military spending cuts cost jobs in the arms industry.

The military-industrial complex is notoriously capital intensive, and in South Africa it is apparently becoming increasingly so.

- D Arguments that cuts in military spending will force soldiers onto the streets.

It is not cuts in military spending that are forcing soldiers onto the streets, it is South African military policy as expressed in the Defence Review itself. The retraining of soldiers for civilian careers is not being taken seriously enough; anyway, it should not be seen as a military function and the necessary funds should be made available for it to be carried out by organs of civil society.

- E Arguments that the current need for increased policing justifies high military spending.

The police budget should rather be increased and demobilised soldiers offered training as police recruits as discussed above.

- F Arguments that our military spending is under the UN guideline of 2% of GDP.

In our case, rules of thumb are meaningless. As mentioned above, our military spending is over three times that of all our neighbours combined. The only country capable of fielding a force in Southern Africa comparable to that envisaged by the Defence Review is the USA. The USA wouldn't use the sort of weapons we could defend ourselves against anyway. The 'threat-independent approach' on which our defence policy is based is merely a shallow attempt at some sort of justification for the continuance of excessive military spending. In any case, the UN guideline is not intended to be a norm but a maximum. The circumstances of South Africa suggest that our military spending should be considerably lower. Within three years our military spending will have reached the UN limit.

² The medium-term expenditure framework (MTEF) is the method used by the South African government to project budgets over a three-year period. Each department is required to specify (and justify) its expenditure requirements over that period and departures from the MTEF must be negotiated.

- G Arguments that military spending is akin to insurance against unlikely contingencies.

The difference between military spending and an insurance policy is that an insurance policy pays out when the insured event occurs. When war occurs, however, military spending increases dramatically. Prevention is better than cure. The Defence Review declared its support for the 'national imperative of channelling the financial resources of the state to the Reconstruction and Development Programme (RDP)'. Since then the RDP has been forgotten. Its successor, Growth, Employment and Redistribution (GEAR), has failed to deliver any of those objectives.

It should be borne in mind that, in addition to the DoD's budget, there are numerous other items of military expenditure in the budgets of other departments such as expenditure on military buildings and property and military research, as well as interest on military debt.

The Auditor General's report for 1999 stated that inadequate controls are in place in the Department of Defence, that there is limited compliance with Treasury regulations, and vigorous internal control is far from what it should be. Most disturbing however, is that the regulations of SCOPA, which are passed by parliament, are either ignored or flouted.

In March 2000 it was announced that the SANDF was to retrench staff to bring its complement down from 83 000 to 70 000 so as to achieve its spending targets. The process was to start the following month.

The military industrial complex

"This conjunction of an immense military establishment and a large arms industry is new in the American experience. ... We recognise the imperative need for this development. Yet we must not fail to comprehend its grave implications. ... In the councils of government, we must guard against the acquisition of unwarranted influence, whether sought or unsought, by the military-industrial complex. The potential for the disastrous rise of misplaced power exists and will persist."

- Dwight David Eisenhower
Farewell Address to the American People 1961

References

Material in this document has been obtained from the following sources:

Business Day
Ceasefire Campaign
Citizen
Coalition for Defence Alternatives
Department of Defence Website
Economists Allied for Arms Reduction
Finance Week
Hansard
Mail and Guardian
SA Defence Review 1998
SA White Paper on Defence 1996
SA Government Website
SIPRI Yearbook 1999
Sowetan
Sunday Times

Details of the sources are available on request.

APPENDIX A

WEAPONS PURCHASE PROGRAMME
November 1998

Weapons	Preferred supplier	No.	Cost	Investment	Exports*	Local sales*	No. of jobs
			(R million)				
Corvettes	German Corvette Consortium	4	6 001	2 112	2 109	11 786	10 153
Submarines	German Submarine Consortium	3	5 212	6 262	22 950	1 062	16 251
Maritime helicopters	GKN Westland, UK	4	787	268	227	2 225	2 536
Light utility helicopters	Agusta, Italy	40	2 168	431	2 847	1 407	4 558
Light fighter aircraft	SAAB Sweden & BAe, UK	28	10 875	14 387	26 481	7 445	23 195
Trainer aircraft	BAe, UK	24	4 728	2 552	4 566	1 462	7 472
Total			29 771	26 012	59 180	25 387	64 165

*Exports and sales are calculated (quite arbitrarily) over the first seven years.

APPENDIX B

REVISED WEAPONS PURCHASE PROGRAMME
September 1999

Weapons	Preferred supplier	Type	No.	Cost (R million)	Delivery period
Corvettes	German Corvette Consortium		4	6 917	2003-2005
Submarines	German Submarine Consortium	Class 209 Type 1400 diesel-electric	3	5 354	2005-2007
Maritime helicopters	GKN Westland, UK		4	787	2005
Light utility helicopters*	Agusta, Italy	A109	30	1 949	2003-2005
Light fighter aircraft	SAAB Sweden & BAe, UK	Dual-seat Gripen JAS39	9	4 740	2006-2008
Trainer aircraft	BAe, UK	Hawk dual-seat lead-in fighter trainer	12	2 370	2005
Total Tranche 1				22 117	
Light fighter aircraft	SAAB Sweden & BAe, UK	Dual-seat Gripen JAS39	19	8 662	2008-
Trainer aircraft	BAe, UK	Hawk dual-seat lead-in fighter trainer	12		2008-
Total Tranches 1 & 2				30 779	
Additional weapons purchases proposed:					
Ground-based air defence system				10 000	
Armoured vehicles					
Battle tanks	France/UK	GIAT LeClerc/Challenger	95	3 600	
Grand total				44 379	

*This item was omitted from the list quoted in the medium-term expenditure estimates for 2000/01.

APPENDIX C

INDUSTRIAL PARTICIPATION AGREEMENTS ASSOCIATED WITH WEAPONS PURCHASE PROGRAMME
(excluding investment projects still under consideration)

German frigate consortium:

mini steel mill for automotive parts
 crankshaft foundry: transfer of technology and production from *Darcast* to *ADE*
 exports: automotive components for *Budd Thyssen*

German submarine consortium

stainless steel plant, Coega (subject to finalisation)
 stainless steel fabrication

Agusta light utility helicopters:

ABS/Danielli special steel mini-mill
 manufacture of gold chains, *Filk*
 mohair products, *Alpha Tops*

GKN maritime helicopters:

returnable transport packaging, *GKN Chep SA*
 powdered metal component technology and production, *GKN Sinter Metals*
 specialised stainless steel tubes, *Salmac/Stemcor*
 assembly of Land Rover Defender chassis, *Sankey/Regbaudi*, Brits

BAe/SAAB light fighter trainers and Gripen aircraft

mining equipment, *Atlas Copco*
 remote control systems for electricity, water and gas distribution, *Radius*
 absorption refrigerators and floor-care products, *Electrolux*, Cape Town and Bronkhorstspuit
 plastic injection moulding facilities, *Irenco*
 automotive component procurement, *Volvo*

manufacture of capacitors, pre-paid electrical metering and solar power equipment, low-voltage circuit-breakers etc., *ABB*

Powertech Westingcorp /Conlog

spring manufacture, *Lesjofors*

manufacture of AKD wax, *BIM Kemi/Sasol*

marketing and development of SA railway bogies, *Transwerk/Transtrade/SJ International*

manufacture of GSM base station enclosures, *MIAB*

fish processing facility, *Swedefish/SMME SA*

furniture manufacture and distribution

depending on exercise of option for additional light fighter trainers:

planning, design and management of development of industrial parks and manufacture of components for *BAe, BAe*

investment in *Denel*, subject to approval of *DTI* and *Armcor*

APPENDIX D

SOUTH AFRICAN MILITARY SPENDING COMPARED WITH ITS NEIGHBOURS*

	Year [†]	Military spending (US\$m. [‡])
Botswana	1998	229
Lesotho	1997	33
Mozambique	1998	75
Namibia	1998	97
Swaziland	1997	26
Zimbabwe	1998	223
Total		683
South Africa	1998	2 196

*source: SIPRI Yearbook, Oxford, 1999

[†]latest year for which figures were available

[‡]at constant 1995 prices and exchange rates

Collection Number: AG1977

END CONSCRIPTION CAMPAIGN (ECC)

PUBLISHER:

Publisher:- Historical Papers Research Archive

Location:- Johannesburg

©2013

LEGAL NOTICES:

Copyright Notice: All materials on the Historical Papers website are protected by South African copyright law and may not be reproduced, distributed, transmitted, displayed, or otherwise published in any format, without the prior written permission of the copyright owner.

Disclaimer and Terms of Use: Provided that you maintain all copyright and other notices contained therein, you may download material (one machine readable copy and one print copy per page) for your personal and/or educational non-commercial use only.

People using these records relating to the archives of Historical Papers, The Library, University of the Witwatersrand, Johannesburg, are reminded that such records sometimes contain material which is uncorroborated, inaccurate, distorted or untrue. While these digital records are true facsimiles of paper documents and the information contained herein is obtained from sources believed to be accurate and reliable, Historical Papers, University of the Witwatersrand has not independently verified their content. Consequently, the University is not responsible for any errors or omissions and excludes any and all liability for any errors in or omissions from the information on the website or any related information on third party websites accessible from this website.

This document is part of a collection held at the Historical Papers Research Archive at The University of the Witwatersrand, Johannesburg, South Africa.