



COMPANY HISTORY AND PRODUCTS

BAE Systems became the biggest arms producing company in the world after merging with GEC and acquiring \$1.67 billion of Lockheed Martin's Aerospace Electronics Systems. According to a December 23, 2000 issue of The Economist, 82% of BAE Systems' profits are from arms sales, a total of \$19 billion. BAE Systems is collaborating with Lockheed on the Theatre Nuclear Missile Defence.

BAE Systems has 120 locations in the United Kingdom, and offices in North America, Europe, Australia, the Far East, Africa and India.



THE DIRT THEY MAKE

- ◆ **Nuclear Submarines:** BAE Systems makes the Astute Class of nuclear submarine. A contract to build three of the submarines for U.K. Royal Navy program is worth \$4.5 billion.
- ◆ **Depleted Uranium Weapons:** BAe Royal Ordnance manufactures depleted uranium (DU) missiles, used extensively in both Iraq and Kosovo. DU burns on impact, releasing radioactive dust into the atmosphere. It is widely accepted that DU may be linked to child leukemia cases in Iraq and elsewhere and has been connected to Gulf War Syndrome.
- ◆ **Destroyer Ships:** BAE Systems is also the prime contractor for the new Type 45 destroyer, also a \$4.5 billion program.
- ◆ **Joint Strike Fighter (JSF):** BAE will be responsible for about 10-15% of work on Lockheed Martin's Joint Strike Project.
- ◆ **The Eurofighter Typhoon:** It is the world's most advanced "swing-role" combat aircraft.
- ◆ **Hawk Fighter Plane**



BAE SYSTEMS' CUSTOMERS

- ◆ **United States:** BAE Systems sells more to the U.S. Department of Defense than it does to its own Ministry of Defense.
- ◆ **Indonesia:** BAE Systems' sales to Indonesia are notorious. BAE Systems' Hawks were exported to the Suharto regime despite the military sponsored violence that erupted after the 1999 independence referendum in East Timor. Eyewitnesses tell of Hawk aircraft being used against the East Timorese and Acehnese.

- ◆ **Turkey:** BAe has won a contract to supply 600,000 Heckler and Koch assault rifles, and a Rapier missile system to Turkey, despite the well-documented suppression of the Kurdish community in Turkey. Heckler & Koch, BAE's subsidiary supplies the bulk of Turkey's infantry weapons. Now these weapons are produced by Turkish companies under license in order to escape German and UK exports controls.
- ◆ **Qatar and Algeria:** The Sunday Times (June 16, 2000) reported that BAE Systems had made an application to export £5 million worth of military equipment to Qatar, which Qatar intended as a gift to Algeria.
- ◆ **Saudi Arabia:** In its statement, BAE said the controversial Al Yamamah military program in Saudi Arabia would "continue to contribute substantially" to the company's performance. BAE said it would be stepping up investment aimed at expanding its Saudi business. The Al Yamamah deals of the mid-late 1980s for the sale of Tornados and Hawks were unprecedented. Al Yamamah II alone was, in the words of a July 9, 1988 article in the Financial Times "the biggest [UK] sale ever of anything to anyone." The deals were a clear endorsement of a country with a history of brutal repression and a "persistent pattern of gross human rights abuses" (Amnesty International Report 1999). The Economist, in an article dated December 23, 2000, suggests that "the company not only supplies Saudi Arabia with fighter aircraft but virtually runs its air force".
- ◆ **South Africa:** BAE Systems is part of the pan-European arms deal with South Africa, and is due to provide Hawks and Gripen fighters. Churches and NGOs in South Africa have condemned this deal, as it will divert resources from health, education and social welfare.
- ◆ **India:** BAE Systems appears to be on the edge of finalizing a contract for the sale of 66 advanced trainer jets to India (Hawk jets) for £1.42 billion.
- ◆ **Zimbabwe:** BAe exported Hawk Aircraft spare parts to Zimbabwe, enabling that nation to continue bombing raids on the Congo, and contributing to a brutal conflict which threatens to engulf the whole of central Africa.



BAE SYSTEMS' SUBSIDIARIES AND DIRTY PARTNERS

There are hundreds of joint ventures and projects between BAE Systems and other companies.

- ◆ Airbus Integrated Company (AIC): BAE Systems currently holds a 20 per cent interest in AIC. AIC develops and manufactures the company's fleet of short, medium, long and very long-range airliners for sale to airlines around the world.
- ◆ Astrium: The largest space company in Europe. BAE Systems has 25% of the shares while the European Aeronautic Defence and Space Company owns 75% of the shares. Astrium specializes in science programs, civil and military Earth observation and communications satellites and ground systems, navigation constellations, launchers and space infrastructure.
- ◆ BAE Systems Canada: Most of BAE Systems Canada is owned by BAE Systems. The company produces both commercial and military avionics products, including flight management systems based on the Global Positioning System (GPS) for manufacturers like Boeing, for installation and retrofitting on airlines. The U.S. Marines and Army are also customers for products such as line-of-sight and high frequency tactical radios.
- ◆ Northstar: Designs, manufactures and produces marine navigation systems including marine, avionics, and other land-based positioning equipment. Based in Acton, Massachusetts.
- ◆ RO Defence: "Global Footprint Operations": RO Defence is an international business supplying weapons and technology to more than 50 countries, and is a major supplier to both the U.K. and U.S. armies. RO Defence focuses on weapons systems, munitions, rocket motors and small arms ammunition. The unit even provides training, testing and logistic services for all of its products.
- ◆ SAAB AB: BAE Systems announced a 35% share in SAAB AB in April 1998. The company's main operations focus on defense, aviation and space. SAAB AB is the maker's of the Gripen aircraft, which BAE Systems is marketing, especially to South Africa and Eastern Europe.

SOURCES:

- ◆ Company www.baesystems.co.uk
- ◆ Campaign Against Arms Trade, BAE SYSTEMS - Alternative Report 2000 Christopher Wrigley, April 2000, www.caat.org.uk/caatwork/index.html
- ◆ "The Ownership Jigsaw". The 'Jigsaw' contains detailed listings of subsidiaries, including their bases of operation and main activities: defence-data.com

Partners in Mass Destruction

Bechtel
Bechtel manages operations at the Nevada Test site where they conduct defense-related nuclear experiments and national security experiments. In the last ten years, Bechtel has contributed almost a million dollars to election campaigns of members of Congress.

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