

Call the Shots campaign



Part 2: Shut DESO

Time's up for the government's gun-runners

The Defence Export Services Organisation exists to sell arms for companies and to lobby for arms exports within government. It identifies potential opportunities for arms sales then works with the companies and other elements of government to push for deals. DESO is uninhibited by ongoing conflicts, human rights abuses, or pressing development needs. Nor is it motivated by international security or the 'defence' of the UK. It is focused purely on arms company sales and profits. DESO can be characterised as a marketing department for arms companies, but its importance goes far beyond that. Its position and role within government means that the arms industry's vested interests are relentlessly promoted across government.

Companies at the heart of government

DESO employs nearly 500 civil servants in the Ministry of Defence (MoD). Any industry would be grateful for a complimentary staff of this size dedicated to selling its output. But to have this staff based in a government department and have an official remit to co-ordinate government support for its exports is a marketing executive's dream come true. The value of DESO's staff goes far beyond the cost of their salaries.¹

The 500 civil servants are placed entirely at the service of arms companies. They are headed by a seconded arms industry executive, presently Alan Garwood, who has a formal role of advising government ministers on arms exports.² This access goes right to the top: Charles Masefield's (Head of DESO from 1994-98) biography at BAE Systems

How arms companies are calling the shots on arms exports

Arms companies wield immense influence and political power within government. They enjoy privileged access to decision-makers that others can only dream of. The insidious 'revolving door' between arms companies and government, the numerous unaccountable military-related government 'advisory bodies', and the very existence of the government's Defence Export Services Organisation that is run by an arms industry boss, are just three

examples of corporate access to the heart of government. Arms companies gain further influence over the government through their links to influential Peers, corporate donations and sponsorship, their use of lobbying companies, and the emergence of military Public-Private Partnerships.

All of these links are fundamental to a political climate that puts the interests of arms companies first, often giving them more say over government policies

than backbench MPs and the general public. This undermines democracy and results in government policies that resemble arms company wish-lists.

Shut DESO is Part 2 of CAAT's overall Call the Shots campaign. Part 1 highlighted the revolving door and Part 3 will address advisory bodies. Information on each aspect of corporate influence is available in the Who Calls the Shots? report (www.caat.org.uk).

Heads of DESO

Alan Garwood 2002 to present

Seconded from MBDA (part-owned by BAE Systems, the UK's dominant arms producer)

Tony Edwards 1998 to 2002

Seconded from TI Group

Charles Masefield 1994 to 1998

Seconded from Avro and Airbus (part-owned by British Aerospace) – Returned to GEC and BAE Systems

Alan Thomas 1989 to 1994

Seconded from Raytheon

Colin Chandler 1985 to 1989

Seconded from British Aerospace – Returned to Siemens Plessey, the TI Group, Racal and Vickers

plainly stated that he enjoyed "direct access to Major and Blair".³

There is no ambiguity as to the nature of the post of Head of Defence Export Services. While the Heads receive a civil service salary, it is 'topped-up' by the arms industry. When Tony Edwards (Head of DESO 1998-2002) was asked about any potential for conflict of interest resulting from this, he stated "I can say openly I am beholden to the industry and grateful to them for this top up but then I am working for them openly and overtly anyway."⁴ DESO provides pure insider influence for arms companies.

Many industries have trade associations, such as the arms industry's Defence Manufacturers Association and the Society of British Aerospace Companies, and these are readily understandable private groupings that represent companies. Even though they are often influential, they are separate from government. DESO is different. It merges the major arms companies and UK government in a formal, institutionalised and profoundly undemocratic relationship. The resulting influence is of an entirely different level and nature to that of normal lobbying or political persuasion.

Who's on the end of the hard sell?

DESO carries out a "Strategic Market Analysis" each year which provides world and regional market overviews as well as more detailed analysis of key country markets. The most recent version available, covering 2004,⁵ identifies 18 "priority markets" and 10 "other key markets".⁶ The US and Saudi Arabia (see box overleaf) make up the 'premier league' of these markets, followed by clusters of Middle Eastern

and East Asian countries and others such as India, Turkey and Kazakhstan.

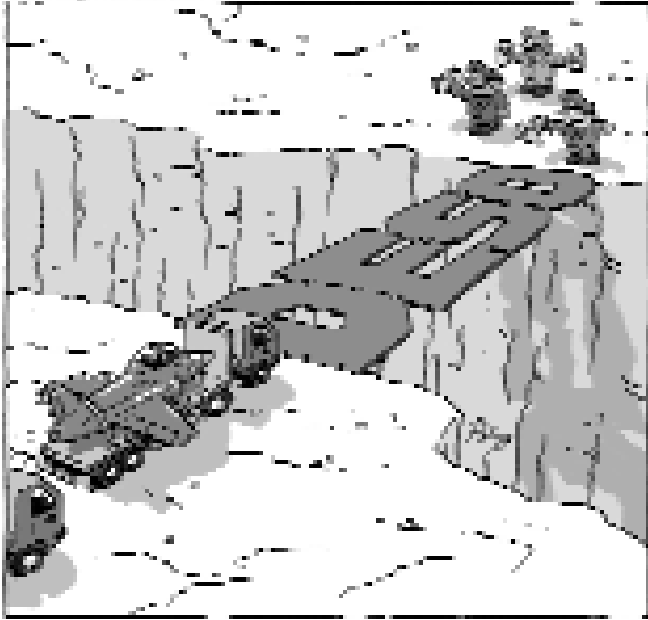
Recent strategic developments have also opened up two new markets to DESO's planners: Libya and Iraq. In July 2005, the Defence Manufacturers Association's *DMA News*⁷ reported on a joint DESO/DMA seminar about these "emerging markets". While the markets apparently posed "differing challenges, the potential rewards for UK industry were there to be had." The report went on to say that "DESO engagement to date had managed to secure a good network of contacts at influential level within the Libyan MoD" and, in Iraq, "DESO engagement with the customer was good, and improving, with Ministerial and official visits planned in the near future." The following issue of *DMA News* carried notice of a visit of DESO staff to Baghdad.⁸

But DESO's importance is not limited to sales to a few, or even a few dozen, key markets. Its website states that "Successive Customer Satisfaction Surveys of the UK defence industry revealed that over 75% of [arms export orders] would not have been achieved without the assistance of DESO."⁹ It is vital in selling UK arms around the world, and the breadth of these sales is staggering. In the first quarter of 2005 alone, UK arms were licensed for export to more than 100 countries.¹⁰ The existence of conflict, human rights abuses or development concerns are irrelevant to DESO's arms sales drive.

Conflict: There were 19 major armed conflicts underway in 2004.¹¹ The governments of Colombia, Nepal and Uganda were fighting rebel armies, Russia was at war in Chechnya, India in Kashmir, Israel in the Palestinian territories, and the US along with several other countries (including of course the UK) was at war with Iraqi insurgents. All of these countries received UK weapons in 2004. But DESO was not being partisan: where countries confront each other, DESO is very happy to sell to both sides. China, Taiwan, India and Pakistan each receive a steady stream of UK arms. In fact, India and Pakistan have both been DESO priority markets in the same year.¹²

Human rights: Regardless of the potential use of UK arms in carrying out human rights abuses or the message of international approval that arms sales convey, DESO's sales drive goes on. The 2005 Human Rights Annual Report produced by the UK government itself (specifically the Foreign and Commonwealth Office, FCO), identifies 20 "major countries of concern". In 2004 UK arms export licences were approved to 13 of these, including Saudi Arabia, Indonesia, Iraq, and Israel.¹³

Development: Arms sales not only sabotage development through the conflicts they sustain,



money wasted on military equipment cannot be spent on health, education, clean water or other public services. In 1998, South Africa spent £3 billion on arms from UK and other European companies instead of using the money to combat its ravaging HIV/AIDS crisis. DESO set up an office in the country following the deals. Pakistan is a recipient of a wide range of UK arms even though it spends more on the military than on health and education combined. In May 2005 the UK government deepened their military relationship with Pakistan through the signing of a Memorandum of Understanding on "defence collaboration". A DESO briefing about "Doing Business with Pakistan", to take place in early 2006, was announced shortly afterwards.

DESO and the arms fair circuit

Trade fairs play a particularly important role in the arms industry, acting as a showcase for military industry's products and facilitating sales and procurement. As a sales organisation for UK arms, DESO is a regular at arms fairs across the globe. Since 1998, DESO has "represent[ed] the Ministry of Defence in support of the UK Defence Industry" at an average of 12 overseas arms fairs a year. In 2004, it spent over £1 million on this alone,¹⁴ attending events such as Africa Aerospace and Defence, Def Expo in India and FIDAE in Chile.¹⁵

DESO also co-ordinates the presence of UK government ministers at arms fairs. The Defence Procurement Minister (currently Lord Drayson, previously Lord Bach) is a particularly regular arms fair attendee, having visited events such as Defendory, SOFEX and Aero India in the last two years.¹⁶ In addition to these services, DESO helps companies secure the assistance of military Export Support Teams in displaying their weaponry in action. At the 2005 DESO Symposium, Lord Bach stated that

these teams had undertaken "57 overseas detachments, provided assistance to 193 UK exporters, and attended 25 exhibitions" in the past year.¹⁷

This international marketing campaign is in addition to the role DESO plays in the UK's two main arms fairs, Defence Systems and Equipment International (DSEI), and Farnborough International, which take place in alternate years. DESO invites the international military delegations (i.e. the customers) to both of these events. Its invitations to DSEI 2005, an event which it formally co-organises with the international company Reed Elsevier, included Saudi Arabia, Colombia and 'arms-embargoed' China.¹⁸

40 years of DESO

Setting up an arms sales unit

In 1965, Harold Wilson's government appointed Sir Donald Stokes, managing director of car manufacturer British Leyland, to advise on an arms export promotion strategy. The previous decade had seen the UK slip from being one of the world's two dominant arms providers (the other being the US) to a position where its share of the market was rapidly reducing under stiff competition from the USSR and France as well as the US. Stokes determined that the way to reverse this trend was to create "a small but very high-powered central arms sales organisation in the [Ministry of Defence]" and that it should be run by an industrialist with the support of a senior civil servant and a military deputy.¹⁹

The following January, Defence Secretary Denis Healey told Parliament that "While the Government attach[es] the highest importance to making progress in the field of arms control and disarmament, we must also take what practical steps we can to ensure that this country does not fail to secure its rightful share of this valuable commercial market".²⁰

Unconcerned by the contradictions in this statement, Healey proceeded to implement the findings of the Stokes Report. By July 1966, the "central arms sales organisation" which Stokes had recommended was established in the Ministry of Defence and Raymond Brown, the chairman of military radio firm Racal, had been seconded to run it. The unit became known as the Defence Sales Organisation and kept the name until 1985 when, with the completion of arms industry privatization, it was changed to the Defence Export Services Organisation. This was, apparently, a "more accurate reflection of its revised function."²¹

Although Stokes had recommended a staff of 15-20, the size of the section grew swiftly. DESO now has a staff of nearly 400 in London with another 100 located in offices in 17 countries worldwide.²² These tend to have one or two members of staff, though the India, Kuwait and Malaysia offices have around five,

Case study: Saudi Arabia

Amnesty International describes the overall human rights situation in Saudi Arabia as “dire”. There are no political parties or trade unions, nor is there freedom of association, freedom of expression, or an independent local media. Women are denied the vote, the chance to stand for election and face severe restrictions on movement. Harsh repression of all forms of opposition is commonplace. There is ongoing concern over allegations of torture and mistreatment of prisoners. Flogging remains a routine state punishment and the use of the death penalty continues: in the first four months of 2005, 40 people were beheaded.¹ There has been an escalation of killings by both security forces and armed groups and the status of hundreds of prisoners of conscience remains shrouded in secrecy.

Saudi Arabia became DESO's focus after the fall of their previous leading customer, the Shah of Iran, and it remains the priority today. An estimated 40% of current DESO staff work to provide the country with weaponry² (a third of them, those in the Saudi Arabian office, are paid for by the Saudi government).

In 1986 and 1988, the UK signed massive arms deals with Saudi Arabia, known as Al Yamamah ('the dove' in Arabic) I and II. The deals revolved around Tornado fighter and ground-attack aircraft, along with associated weaponry, spares and extensive support contracts. Mrs Thatcher and British Aerospace (now BAE Systems) were the main actors on the UK side, but the deals also involved notorious figures such as Jonathan Aitken, Mark Thatcher, Adnan Kashoggi and Wafic Said. The Al Yamamah deals have been the basis of the arms trade relationship between the UK and Saudi Arabia ever since, including



Tony Blair and Crown Prince (now King) Abdullah at Riyadh Air Base in July 2005 ZAINAL ABD HALIM/REUTERS

the current location of 5,000 BAE Systems staff in the country.

Over the past few years, however, Al Yamamah had begun to run down and BAE Systems and DESO put their efforts into securing a further phase for the deal. This centred on the sale of Eurofighter Typhoons, an aircraft that was noticeably failing to secure significant export orders other than a small contract with Austria. The sales drive had the full support of the UK government including, in July 2005, Tony Blair and Defence Secretary John Reid travelling to Riyadh to lobby for the deal.³ In December 2005, the efforts of ministers and DESO bore fruit with the military agreement between the Saudi Arabian and UK governments, which included the commitment to buy at least 24 Eurofighters. The deal is thought to be worth more than £6 billion⁴ although the MoD has declined to provide information on prices. This latest phase of Al Yamamah ensures that Saudi Arabia will remain the key focus of DESO's work.

Corruption

Since the first Al Yamamah deals were signed there have been allegations of corruption which have generally disappeared inside a complicit UK government. Early concerns led to a 1992 National Audit Office report into the allegations involving the MoD. The Report was, and continues to be, suppressed. In 2001, when the Serious Fraud Office wrote to the MoD's top civil servant about allegations against BAE Systems, he not only prevented the MoD's Fraud Squad from investigating, but also tipped off BAE Systems' Chairman.⁵ Only following televised eye-witness statements regarding a “slush fund” linked to this deal did the Serious Fraud Office begin an investigation into BAE Systems. This is ongoing at the time of writing.

1. Amnesty International, *Annual Report 2005: The State of the World's Human Rights*, 2005
2. *Defence Director* magazine, September 2005
3. *The Guardian*, 27 September 2005
4. BBC news, 21 December 2005
5. *The Guardian*, 13 October 2003

UK weapons at war

2003, Invasion of Iraq UK weapons were not only used by UK forces, but by the US as well. BAE Systems is now a major supplier to the Pentagon. Other UK-based companies such as Cobham, GKN and Smiths all produce components for aircraft such as the F-15 and F-16, which are widely used by the US Armed Forces.

2002, Israel in the Occupied Territories

Israel used UK-supplied Centurion tanks in the invasion of Lebanon in 1982.¹ The Centurions were later modified and used as armoured personnel carriers in the Occupied Territories.²

1998–2002, Democratic Republic of Congo War

BAE Systems Hawk jets were used by Zimbabwe in the war in the Democratic Republic of Congo. The UK continued to issue licences for Hawk spare parts until May 2000.³

1990s, Indonesia DESO opened an office in Jakarta in 1991 and the UK went on to become Indonesia's biggest weapons supplier during the 1990s.⁴ Alvis armoured vehicles were just one type of military export which were used against the civilian population in both East Timor and Aceh, and during protests in Jakarta in 1998 when protesters were killed.⁵

1980–88, Iran-Iraq War Ships from Yarrow Shipbuilders in Tyneside were sold to Iran, and 300 military Landrovers to Iraq. The UK's 'strictly impartial' position during the Iran-Iraq war saw a series of military equipment sales to both sides.⁶

1982, Falklands War UK weaponry was used by both sides in the Falklands War. UK companies supplied the Argentinian navy with frigates, ship-to-air missiles and Westland's Lynx helicopters throughout the 1970s, both before and after the 1976 military coup.⁷

1973, Military coup in Chile British Hawker Hunter aircraft played a prominent role in the military coup in Chile. A House of Commons motion to impose sanctions was narrowly defeated and military exports continued to Pinochet's regime.⁸

1967–9, Biafran War UK arms supplied to Nigeria during the Biafran war included Saracen armoured personnel carriers and many small arms and ammunition. Nigerian forces committed widespread atrocities against civilians.⁹

and there are 65 in DESO's Saudi Arabian office (though the cost of 64 of these staff are met by the Saudi Arabian government). In addition to its offices in "priority market" countries, DESO is able to draw on the substantial support of the military attachés who are located in around 82 UK embassies.²³

The world has changed

DESO was set up to promote arms exports at a time when the UK arms industry was primarily owned by the government, was focused on providing equipment for the UK armed forces and where most of the deals involved selling-on ex-RAF/army/Royal Navy equipment. Each of these situations has changed radically:

- **The UK arms industry is now privately-owned.** In 1966 the majority of the UK arms industry was in public hands and the government of the day could argue that there were benefits for both companies and government. Forty years on, the benefits flow only one way. Arms companies and their shareholders pocket the profits while the tax-payer provides an extensive marketing and sales service free of charge. Its hard to imagine a more distasteful example of corporate welfare. To make matters worse, this level of support is ONLY available to the arms industry. DESO's head, Alan Garwood, himself insists that "No other industry sector has such a dedicated support department".²⁴ Relative to its share of total UK exports (which is less than 2%), DESO receives thirteen times the budget of the government organisation which promotes civil exports, UK Trade and Investment.²⁵ However, it is not just DESO's budget that is important, DESO is the hub of a range of other arms export subsidies totalling hundreds of millions of pounds of tax-payers money each year.²⁶
- **The arms business is now international, not national.** It may have been possible in the past to make an economic case for supporting the export of equipment that had been produced by UK companies, in the UK, primarily for the benefit

1 Mark Phythian, *The Politics of British Arms Sales since 1964*, MUP, 2000, p.3

2 *Hansard*, 11 March 2002, Col. 689W

3 *The Times*, 20 January 2000

4 Phythian op cit p.148

5 TAPOL Briefing, January 1999

6 *The Sunday Telegraph*, 28 July 1985

7 CAAT, 'British Military Involvement in Argentina', 1981

8 Phythian op cit pp.105-113

9 Mark Curtis, *Unpeople: Britain's secret human rights abuses*, Vintage 2004, pp.174–9

Official knowledge of arms trade corruption

The arms trade is immersed in corruption. Because of the size of individual deals and, more importantly, the secrecy that surrounds them, they are "hard-wired" for bribery.¹ Transparency International estimates that the official arms trade "accounts for 50% of all corrupt international transactions" and that a conservative estimate of the level of arms deal commissions, the means by which bribes are generally made, is around 10% of the value of deals.²

The minutes of meetings leading up to the establishment of DESO record quite clearly that government ministers were well aware of the role of corruption in the arms industry. As Donald Stokes put it, "a great many arms

sales were made not because anyone wanted the arms, but because of the commission involved en route".³ Concerns from civil servants over the corruption implications of an aggressive arms export policy received short shrift. Soon after the establishment of DESO the MoD's Director of Army Sales responded to one such concern by writing, "I am completely mystified by just what your problem is... people who deal with the arms trade, even if they are sitting in a government office, live day by day with this sort of activity and equally day by day they carry out transactions knowing that at some point bribery is involved."⁴

Yet this complicity is by no means consigned to the dim and distant past. An investigation by

The Guardian in 2003 revealed that an MoD contracts manual dated 1999 required that "all requests for special commissions should be referred [to DESO]".⁵ When the story broke, the MoD quickly claimed that this was an old policy which in any case was designed to ensure that everything remained legal.

1 Joe Roeber, *Parallel Markets: Corruption in the International Arms Trade*, CAAT, February 2005

2 Transparency International, press release, 25 April 2002

3 The National Archives, WO32/21301, 7 July 1965

4 The National Archives, FCO 46/190, 2 February 1967

5 *The Guardian*, 13 June 2003

of the UK armed forces. Now, however, the UK's arms production has internationalised. There can be no justification for UK tax-payer support for international arms businesses. The major UK arms companies are rapidly buying up smaller US companies and seeking to become more and more American. BAE Systems is a striking example of the trend. It sells more to the US Department of Defense than the UK MoD, most of its shares are held outside the UK and less than a third of its workforce is employed in the UK. It would already be a US company if one of the massive US companies could have been persuaded to buy it. The major arms companies exist to maximise profits for their international shareholders and have little or no commitment to the UK or UK 'defence'. Astonishingly, DESO has responded to this trend not by being more selective about whom it supports, but by broadening its assistance. Weaponry needs only tenuous links to the UK to receive its support. Swedish Gripen fighter aircraft receive DESO support as they "use some UK-manufactured components",²⁷ as would exports by the UK subsidiary of US giant Lockheed Martin.

- **Deals revolve around new arms, not surplus UK military equipment.** Forty years ago, second-hand UK armed forces equipment formed the bulk of UK arms exports. Today the situation could scarcely be more different, with surplus UK arms now little more than another tool

to help arms companies sell their new equipment. Since the mid-1990s it has been the task of the Disposal Services Agency (DSA) to find overseas markets for surplus weaponry. Having been located in DESO until April 2005, the DSA has now been moved into the Defence Logistics Organisation.²⁸ It was decided that the DLO, as the owner of these "assets", should determine how to dispose of them. However, DESO continues to decide where the "major items": ships, aircraft, helicopters and tanks, go. And, as Alan Garwood says, "Obviously, we do aim to get best value for money when we sell them, but we are also able to use them to facilitate other deals".²⁹

Despite the very different circumstances that pertain today - the supposed separation of the arms industry from government via privatisation, the internationalisation of the arms industry, and the complete change in the role of surplus UK equipment - 40 years on, DESO still exists. There have always been strong ethical reasons for shutting DESO, but now it is difficult to see ANY public interest in retaining it. DESO remains open not because of the national interest, but as a result of inertia and arms company influence.

Shutting DESO

DESO exists to sell arms for big business. It should have no place within government. It is tragic enough that arms companies are allowed to sell their weaponry around the world, but it is astonishing that a democratically-elected government provides financial and political support to help them do it. At a time when civil servant posts are being cut across government, there remains a unit that is dedicated to selling weapons purely in pursuit of shareholder profit. DESO should be closed down.

The decision to shut DESO is effectively in the Prime Minister's hands. While Tony Blair's enthusiasm for arms companies and arms exports is well known, sufficiently widespread criticism from the public, media and parliamentarians could still make a difference to him. However, a more likely scenario is that a change of climate might persuade or allow a following Prime Minister to close DESO.³⁰

Spending constraints provide another mechanism for applying pressure on the government to close DESO. During 2006 there will be preparation for the 2007 Comprehensive Spending Review in which the Treasury assesses the needs of each department. It is possible that DESO could be singled out for attention on the basis that it is a waste of hundreds of civil service posts, is against the public interest, and undermines (much less well resourced) initiatives around counter-proliferation and conflict resolution.

The arguments are clear; what remains to be seen is whether these arguments, together with pressure from the public, can counter the disproportionate influence of the arms lobby and persuade the government to shut DESO.

Notes

- 1 DESO's net operating costs for 2004-05 were £16.9 million and are forecast to be £14.4 in 2005-06 (*Hansard*, 9 November 2005, Col. 554W)
- 2 DESO, www.deso.mod.uk
- 3 BAE Systems, Leader Biographies, www.BAESystems.com/aboutus/cmasefield.htm (No longer online)
- 4 House of Commons, Defence Committee, *Second Report: The Appointment of the New Head of Defence Export Services*, HC 147, March 1999
- 5 DESO, *Strategic Market Analysis: Country Analysis & Overview*, 2004
- 6 The 28 countries are Brazil, Brunei, Bulgaria, Canada, Chile, Czech Republic, Greece, Hungary, India, Italy, Japan, Kazakhstan, Kuwait, Malaysia, Oman, Poland, Qatar, Romania, Saudi Arabia, Singapore, Slovak

Republic, South Africa, South Korea, Switzerland, Thailand, Turkey, UAE, USA

- 7 *DMA News*, July 2005
- 8 *DMA News*, September 2005
- 9 DESO, www.deso.mod.uk/origin.htm
- 10 Foreign and Commonwealth Office, *Strategic Export Controls Quarterly Report*, January-March 2005
- 11 Stockholm International Peace Research Institute, *2005 Yearbook*, OUP, 2005. The 19 conflicts refer to those in Algeria, Burundi, Rwanda, Sudan, Uganda, Colombia, Peru, USA, India, Myanmar (Burma), Nepal, Philippines, Sri Lanka, Russia, Iraq, Israel and Turkey
- 12 *Private Eye*, 27 December 2002. Both Pakistan and India were "priority markets" in 1998.
- 13 Foreign and Commonwealth Office, *Human Rights Annual Report 2005*. The 20 "major countries of concern" are Afghanistan*, Belarus*, Burma, China*, Colombia*, Cuba, Democratic Republic of Congo, Democratic People's Republic of Korea, Indonesia*, Iran, Iraq*, Israel*, Nepal*, Russia*, Saudi Arabia*, Sudan, Turkmenistan*, Uzbekistan*, Vietnam*, Zimbabwe. (* indicates that arms export licences were approved)
- 14 Quote and cost from *Hansard*, 26 October 2004, Col. 1209W
- 15 The full list can be found at www.caat.org.uk/armsfairs/deso.html
- 16 See for instance *DMA News* in November 2004 and March 2005
- 17 DESO, *DESO Symposium 2005: Creating UK Success*, March 2005
- 18 For a full list see www.deso.mod.uk/latest.htm
- 19 The National Archives, CAB148/24, 12 November 1965
- 20 *Hansard*, 25 January 1966, Col. 64
- 21 DESO, www.deso.mod.uk/origin.htm
- 22 *Hansard*, 26 October 2005, Col. 376W. There are DESO offices (with number of staff in brackets) in: Australia (2), Brunei (2), Chile (2), Greece (2), India (5), Japan (2), Kuwait (2 + 3 in project office), Malaysia (4.5), Oman (2), Qatar (1), Romania (1), Saudi Arabia (1 + 64 in project office), Singapore (1), South Korea (2), Turkey (1), UAE (2), Vietnam (1). The South African office closed 2004/5
- 23 A 1989 National Audit Office survey estimated that 40% of a defence attaché's time was spent promoting military exports. More recent figures provided by the government estimate 16% (*Hansard*, 14 October 2003, Col. 157W) and around 10% (*Hansard*, 30 June 2004, Col. 350W)
- 24 *Defence Director* magazine, September 2005
- 25 Calculated from: *Hansard*, 9 November 2005 Col. 554W; UK Trade and Investment, *Resource Accounts 2004-05*; DASA, *UK Defence Statistics 2005*; ONS, *Exports and Imports of Goods and Services*
- 26 CAAT, *Arms Export Subsidies*, 2004
- 27 Letter from Alan Garwood to CAAT, 9 August 2005
- 28 At the time of moving from DESO, the DSA employed 130 staff. (MoD Press Release, 29 March 2005)
- 29 *Defence Director* magazine, September 2005
- 30 A policy of closing DESO is not unprecedented. During the late 1980s, it was Labour Party policy to dismantle DESO. This was quietly dropped during the early 1990s. Present Liberal Democrat Party policy is to shut DESO (*The Guardian*, 14 June 2003).

January 2006

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