

Through Making Large Profits from the War, the Arms Sales of US Achieves Reverse Growth

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For a long time, the United States has been the largest arms seller in the world and even occupied the monopoly position. According to the research report released by a famous foreign think tank recently, the arms sales of US achieves reverse growth under the circumstances that global arms trade is suffering a “cold winter”.

With the continuous fermentation of conflict between Russia and Ukraine, casualties are increasing, which will bring immeasurable losses to Europe and even the whole world. However, giants of American military industry are gaining huge profits with their share prices dramatically increasing. Franklin Spinney, an American former official, said, “After the outbreak of conflict between Russia and Ukraine, the Pentagon (U.S. Defense Department), K Street (a hub for Washington lobbying firms), military enterprises, and even the whole Capitol are popping champagnes to celebrate secretly”.

1. The foreign arms sales of US achieves reverse growth

On March 14th, Stockholm International Peace Research Institute (SIPRI) in Sweden released a report, saying that from 2017 to 2021, the global volume of arms trade decreased by 4.6% compared with that from 2012 to 2016, while the foreign arms sales of US increased by 14% at the same period, with the global share rising from 32% to 39%.

Cato Institute, an American think tank, also issued a report, pointing out that, in the past decade, America has sold heavy weapons worth \$ 16 billion to 28 countries and regions with active military conflicts around the world. According to US media reports, when coming into office, the Biden administration once promised to restrict foreign arms sales, and claimed to stop selling arms to Saudi Arabia in order to solve the Yemen crisis. However, after a few months, he approved the sales of 280 air-to-air missiles worth about \$650 million to Saudi Arabia, which is like “punching itself in the face”. According to relevant foreign media reports, American foreign military sales show the following distinctive characteristics in recent years.

In the aspect of type, airplanes are the most main exported weapons of America, accounting for 62% of total arms exports, followed by missiles (17%) and armored vehicles (10%). In addition,

the state also has many export orders of weapons of mass destruction in progress, including 600 F-35 fighter planes and 278 other new types of fighter planes for 23 countries and regions.

In terms of scale, data exposed by American Defense Security Cooperation Agency shows that in the fiscal year of 2021, the total arms exports approved by the US government reached \$ 138 billion, including AH-64E “Apachi” gunships worth \$ 3.5 billion provided for Austria and CH-53K heavy helicopters worth \$ 3.4 billion for Israel. In the past three years, the average value of total American arms exports is \$ 161.1 billion.

According to media reports, the conflict between Russia and Ukraine provides a new opportunity for American military enterprises to make large profits from the war. Franklin Spinney once worked in the office of U.S. Defense Secretary for 26 years, who said, “After the outbreak of conflict between Russia and Ukraine, the Pentagon (U.S. Defense Department), K Street (a hub for Washington lobbying firms), military enterprises, and even the whole Capitol are popping champagnes to celebrate secretly”. From the recent actual situation, American military enterprises actually reap large profits.

2. After the outbreak of conflict between Russia and Ukraine, stock prices of American military enterprises rise rapidly, and the increase of Western military expenditure promotes the growth of those enterprises

According to media reports, after the outbreak of conflict between Russia and Ukraine, stock prices of American main military enterprises increase dramatically. The share price of Lockheed Martin Corporation, “the leader”, had risen from \$ 354 per share at the beginning of this year to \$ 453 on March 25th, an increase of 28%. Raytheon Company nearly increased by 20% at the same period. Meanwhile, share prices of Northrop Grumman and General Dynamic also increased rapidly.

Analysts point out that the conflict will bring extra profits to American military enterprises from military assistance of US to Ukraine and increasing defense budgets of US and Europe.

After the outbreak of conflict, the US immediately announced providing military assistance worth \$ 350 million to Ukraine. On March 16th, the state announced additional arms assistance worth \$ 800 million. Meanwhile, both parties of US Congress have increasingly strong desires to reach a consensus for the increase of defense budget. Earlier this month, the state senate passed the omnibus appropriations bill of federal government involved in \$1.5 trillion for the fiscal year of 2022, including \$ 782 billion of defense project expenditure, an increase of \$ 42 billion from 2021.

According to media reports, on the March 24th of local time, the NATO summit held in the headquarters of NATO in Brussels, Belgium, at which member states agreed with the increase of military expenditure and would ensure that the expenditure of every member in this aspect reached or approached to the 2% of their own GDP. Such countries as Germany and Belgium had announced the increase of military expenditure before the summit.

On the same day, Maria Zakharova, a spokesman of the Ministry of Foreign Affairs of Russia commented on the NATO summit in Brussels. She pointed out that NATO is preparing for the

new concept of strategy to consolidate its anti-Russian route for a long term, and the momentum of militarization in Europe is intensifying, which incites anti-Russian emotions and ultimately results in the purchase of a large number of new weapons. However, American military enterprises are the main suppliers of those weapons.

3. Take advantage of chaos to seek personal gains and expand arms exports and bind the defense industry with employment

On the whole, in the big environment of COVID-19 epidemic prevailing, economic weakness and arms sales declining around the world, the “reverse growth” of foreign military sales and the “great days” of military enterprises in the US are not phenomena. When we look back at history, it is not difficult to find that making large profits from war is the consistent practice of America, and foreign military sale is an important component of national strategies of American successive administrations.

As Eric Sperling, the executive director of “Fair Foreign Policy” of American Anti-War Organization said, in Washington, D.C., the capital of the US, all people know that military enterprises are one of driving forces for the state to use all armed might to indulge in aggressive wars. Looking ahead, as “the community of shared interests“ of American foreign arms sales and wars, American arms dealers, politicians and congressmen will probably promote foreign arms sales to create a new high by all means.

On the one hand, the state will seek personal profits in virtue of chaos in Ukraine. America will probably use the fear of European countries for Russian threat and their defects in the system of defense industry to sell more air defense and missile defense systems and precision guided munitions to those countries with methods such as simplifying the process of foreign military sales and forcing them into increasing defense budgets, in order to achieve a “harvest” of military sales to Europe.

On the other hand, it will make troubles everywhere to expand export orders of weapons. In addition to Europe, the next step of America will probably continue to take “Strategic Threat of Great Power” and “Resolve Crises” as gimmick stunts to constantly stir up the security situation in the Asia-Pacific, the Middle East, and other regions. Furthermore, the state will also entice and even force allies and partners such as Japan, South Korea, Saudi, and Israel into purchasing more weapons and military equipment made in US through methods such as binding political interests and crushing competitors, in order to further consolidate its monopoly position in global arms export market.

When working in the Congress, Sperling contacted with lobbyists, so he has be familiar with the “means” of those enterprises. He told to the reporter of Xinhua News Agency that American military enterprises usually distribute employment positions all over the country to make thousands of jobs related to national defense industry and form the binding of interests. That means that if it promotes the reduction of defense expenditure, the Congress will face huge resistance, because the practice will be likely to cause mass unemployment of people in the constituency of congressman.