

Deception in High Places
a history of bribery in Britain's arms trade
Nicholas Gilby
London: Pluto Press, 2015, p/b, £14.00

This is very good: clearly written, massively documented¹ and carefully done. Mark Thatcher, for example, some of whose wealth is widely believed to come from BAE's 1985 Al Yamamah deal with the Saudis, isn't mentioned. What might be sayable on the Net is not sayable in print.² What can be safely said is impressive enough. I was surprised by how much could be found out given a tenacious researcher and a couple of dead participants in the trade who left revealing documents.³

Bribery exists because, where weapons are concerned, in most cases the goods are not needed. If the Saudi state is going to buy 175 British tanks and the Kuwaitis another 165 (both discussed here), which neither state really has a use for, the point of the deal from the purchasing end isn't acquiring the goods, it is the bribe – the 'commission'; and we're talking about millions and occasionally tens of millions – built into the price. Gilby quotes Sir Donald Stokes, then head of the Leyland Motor Corporation and studying the British arms trade for the government, acknowledging this in writing in the mid 1960s. From the seller's end the game becomes finding the bent official with influence.

A process which involves 'commissions' is no big problem for business – in which 'commissions' are commonplace – but it has been for politicians, especially members of the Labour Party whose official ethos before messrs. Blair and Brown was something vaguely along the 'merchants of death' line. The Labour government of Harold Wilson solved that problem in 1966 by creating an insulation layer, the Defence Sales

1 Over a hundred source notes to several of the chapters, for example.

2 It's suggested but not demonstrated in Thatcher's Wiki entry. In the preface the author thanks the Rowntree Trust for the money to have this read by a libel lawyer.

3 The author can be seen discussing this book at <<https://www.youtube.com/watch?v=a99sxfnQsk8>>.

Organisation (DSO), about whose activities ministers could be resolutely uninformed. Before the DSO, enterprising freelance fixers had done most of the work. The details of the various deals, mostly with Arab states, is one of the major themes here.

The second big thread is the protracted struggle to provide a national and international legal framework against bribery which culminated in national legislation and international agreements. Has the legislation worked? The author shows the British dragging their feet at every opportunity until the Serious Fraud Office began digging into the 1985 BAE–Saudi Al Yamamah deal while Blair was in office.⁴ The author shows the British state in full obstruction and evasion mode before the SFO inquiry was killed by Blair, citing ‘security’ issues, after he was leaned on by the Saudis.

Gilby is rather positive about the American experience. Other estimates are less sanguine and I will need more evidence than he offers here that the anti-bribery legislation is effective. Yes, some American companies have been fined for breaches; but the fines are small compared to the size of the deals. (Fines become business expenses.)

The major British casualty of the anti-corruption legislation has been British Aerospace, BAE (or BAe) and the centrepiece of the book is a detailed account of BAE’s activities through Al Yamamah and beyond. For non-Al Yamamah deals BAe has been fined \$500 million; but, as the author notes, this is just 1.5% of the company’s income from military sales in 2010. My guess would be that the American state is just putting on a better show of anti-corruption activities than the British. As a campaigner against the arms trade Gilbey is perhaps inclined to hope that such campaigns are effective. But I might be wrong. I hope I am wrong.

Robin Ramsay

⁴ BAE got the Al Yamamah contract because its US rivals were being obstructed by the Israeli lobby’s hostility to arming Israel’s enemies.

