



**Submission to the Senate Foreign Affairs, Defence and Trade References Committee
Inquiry in to the acquisition of F-35 Joint Strike Fighter**

The Medical Association for Prevention of War (Australia) is pleased to contribute to the Senate Foreign Affairs, Defence and Trade References Committee inquiry into our country's plans to acquire 72 Joint Strike Fighters. MAPW works for the abolition of all weapons of mass destruction and for a reduction of armed conflict and its many impacts on civilians. We are not a pacifist organisation.

MAPW notes the terms of reference of this inquiry:

Inquiry into the planned acquisition of the F-35 Lightning II (Joint Strike Fighter), with particular reference to:

- a). the future air defence needs that the aircraft is intended to fulfil;*
- b). the cost and benefits of the program to Australia, including industrial costs and benefits received and forecast;*
- c). changes in the acquisition timeline;*
- d). the performance of the aircraft in testing;*
- e). potential alternatives to the Joint Strike Fighter; and*
- f). any other related matters.*

This submission will primarily address points (a), (b) and (f).

Summary

- The expenditure of tens of billions of dollars for buying and operating a total of 72 Joint Strike Fighter (JSF) aircraft will necessarily have enormous opportunity costs.
- Australia's security needs would be better and far more affordably addressed by using at least some of this expenditure to greatly increase our foreign aid and our diplomatic efforts towards the resolution of conflicts.
- Developing a foreign policy that is independent from the US would go a long way towards keeping Australia out of the type of wars in which the JSF might possibly have a role.

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- Australian lives would be far more secure (using the word in its fullest sense) with a significant part of the proposed JSF expenditure being spent on fixing the many gaps in our healthcare system and other pressing community needs.
- While JSF acquisitions will create jobs in Australia, studies indicate that more jobs are created per million dollars when the spending goes into healthcare, education or clean energy than when it goes into military projects.
- Lockheed Martin's strenuous efforts to sell the JSF, against a seeming never-ending string of technological and other setbacks, should serve as a warning to Australia that the aircraft is regarded by many as representing very poor value for money and incapable of delivering the security it promises.

Introduction

The proposed F-35 acquisitions are the most costly purchases in Australia's history, and they have huge implications. While not addressing in detail the changes in the aircraft's acquisition timeline or its performance in testing, we note simply the repeatedly and greatly delayed delivery date, and the host of technological problems.

Paul Waldman, writing in *The Washington Post* in July 2014, summarised the latter: *"The problem is that the F-35 has been a disaster. Bursting into flames is just the latest mishap – it's been so unreliable that at various points the planes have been forbidden from flying at night, or in the rain, or too fast, or too steep. There have been problems with hardware and software and everything in between."*¹

a) The future air defence needs that the aircraft is intended to fulfil

While this will not be addressed in detail in this submission, it is worth noting that the JSF seems particularly *unsuited* to situations where the ADF currently finds itself fighting in the Middle East. As many commentators have observed, with terrorism we face a different type of enemy from those of past wars, and we need very different strategies. The wars in Vietnam, Afghanistan and Iraq have demonstrated the severe limitations of overwhelming technological sophistication in securing "victory" in many situations.

This relates in part to the heavy civilian casualties that result from aerial warfare, regardless of the nature of the intended targets. The civilian losses, far from being a decisive factor in bringing war to a conclusion, generally lead to renewed determination on the part of our enemy. There is no reason to believe that the JSF will be any different in this respect, as ground attack is one of its roles. This factor - if the avoidance of civilian casualties is a priority consideration in Australia's wars - is likely to limit the scenarios in which the JSF might play a role.

¹ Paul Waldman. How the F-35 boondoggle shows that deficit hawkery is a sham. *Washington Post* 25 July, 2014

The question then is: Against whom and where would a JSF be needed? China is generally regarded as the next country against whom Australia is most likely to become engaged in major warfare in the foreseeable future. However, that being the case, there is much that Australia could do to significantly reduce this possibility, including developing thinking and policies that are independent from our major ally the US. By engaging strongly with, and contributing very actively to, the US “pivot to the Asia-Pacific”, we are hastening the very militarisation of our region that we then claim necessitates greater weaponisation on our part. Former PM Malcolm Fraser, in his book *“Dangerous Allies”*, stated *“We have effectively given the United States power to take us to war”*².

Australia could instead encourage recognition and acceptance on the part of the US of the reality of China’s growing power, and could exert pressure on all parties (including ourselves) to prevent provocative gestures. To be taken seriously by other nations on these matters, Australia needs to establish our own independent (from the US) voice rather than consistently echo and help implement US positions. That would greatly reduce, rather than augment, the chances of Australia being involved in a major war with China, which surely is in our best interests. The case for JSFs then would be significantly weakened.

b) The cost and benefits of the program to Australia

Economic and opportunity costs

The most direct and obvious cost of the JSF plans for Australia are the economic costs, and the implications of that for other areas of budgetary need. A billion dollars spent on fighter jets cannot be spent on healthcare, education, social services, public transport, environmental remediation or a host of other needs, all of which bring “security” in various forms.

It has been extremely difficult to even know what the economic cost to Australia of the proposed purchase will be. In 2008 the previous estimate of \$75m per plane was challenged, with a new figure of \$131 million per plane appearing³. In April 2014, a figure of \$100m per plane but \$200m with weapons and systems included was reported⁴. The latter report stated that \$12b would cover only the aircraft and equipment, but that figure would need to be doubled – to \$24b - if we want to keep them operational. Presuming that we would want to keep them operational with weapons and systems included, the 2014 revelations about the cost appeared as a huge increase.

² Malcolm Fraser. *Dangerous Allies*. Melbourne University Press, 2014. Page 290

³ Fighters set to cost about \$131m each. *Canberra Times* 26 July, 2008.

⁴ New jets’ price tag hits \$24b. *Canberra Times*, 24 April 2014.

On 21 October 2015, ADF officials told Senate Estimates (after Canada's withdrawal from the project) that the total budget for the project was \$17b⁵. Astonishingly, when asked about the reasons for Canada's withdrawal, the ADF reply was "Put that question to the Canadian government". Whether Australian officials had no interest in why Canada had dropped this multi-billion dollar project, or they would not tell one of our elected representatives – either way one senses big problems.

Despite some inevitable price fluctuations over time with a major project, and the great complexity of this particular piece of technology (including a \$770,000 helmet for each pilot⁶), variations and uncertainty of the magnitude we are seeing do not inspire confidence in the project. Perhaps the best description of the problem came from an opposition spokesperson in Canada before that country's withdrawal from the JSF program, likening it to a "flying credit card"⁷.

Among many critics of the program, Winslow Wheeler, of the US Centre for Defense Information, wrote in 2012 that there were severe and fundamental problems in all key areas of cost, schedule and performance. He stated that the full life-cycle operating costs - for the US - would be many times higher than the \$395.7 billion initial expense. He labelled it an "unaffordable mediocrity"⁸.

In June 2011, the US Senate Armed Services Committee came within one vote of endorsing the cancellation of the entire F-35 program because of the spiralling costs. In 2014, the US House Armed Services Committee was told that the planes were not affordable, and that countries such as Australia could end up paying millions more per aircraft because of foreign buyer delays. Waldman commented that "*the F-35 was designed to evade not just enemy fighters, but political accountability as well*"⁹.

Australia has had plenty of warnings about the long-term staggering economic costs of the JSF, which will necessarily lead to cuts in other areas of our budget.

Jobs

While some will argue that there are economic spin-offs in the form of jobs, one could equally argue that putting billions of dollars into any sector of society will create jobs. It's simply a matter of which jobs we prize more highly, and evidence indicates that weapons projects are in fact poor value for money in terms of job-creation.

⁵ Australia's new Joint Strike Fighter jets could cost extra \$100m after Canada withdrawal. ABC News, 23 October, 2015.

⁶ Fighter pilots get God's-eye view with \$770,000 high-tech helmet. Canberra Times 25 February, 2015.

⁷ William Hartung. "Prophets of War: Lockheed Martin and the making of the military-industrial complex". Nation Books 2011, 2012. Page 257.

⁸ Why the Joint Strike Fighter is a calamity in progress. Sydney Morning Herald. 10 May 2012.

⁹ Paul Waldman. How the F-35 boondoggle shows that deficit hawkery is a sham. Washington Post 25 July, 2014

Hugh Gusterson, writing in *The Bulletin of the Atomic Scientists* on 8 September 2011, stated (in relation to the US) that “\$1 million spent on the military creates 8.3 jobs, whereas \$1 million spent on education creates 15.5 jobs, and \$1 million spent in healthcare creates 14.3 jobs.”

A study at the University of Massachusetts-Amherst in 2011¹⁰, titled “*The US employment effects of military and domestic spending priorities*”, reported similarly. It concluded that:

- \$1 billion spent on clean energy, health care or education would create substantially more jobs within the US economy than \$1 billion spent on military projects; and
- The additional jobs in clean energy, health care or education were across all pay ranges, including mid- and high-paying jobs.

While these studies were conducted in the US, there is no reason to believe that the situation in Australia would be greatly different.

William Hartung, Director of the Arms and Security project of the Centre for International Policy, wrote in *New Internationalist* in December 2011:

“When an arms company starts bragging about how many jobs its pet project creates, hold onto your wallet. It often means that the company wants billions of dollars’ worth of your tax money for a weapon that costs too much, does too little, and may not have been needed in the first place.”

Hartung also states that Lockheed Martin’s jobs claims were grossly exaggerated as they claimed many more indirect jobs than other studies in the field¹¹.

Unlike other jobs, military jobs are generally in large identifiable locations that can be directly linked to a parliamentary decision. Other jobs are less visible and more widely dispersed, and their advocates lack the huge lobbying resources of a large weapons manufacturer.

Therefore MAPW concludes that, although the JSF project would create jobs in Australia, this would be at the expense of jobs in non-defence sectors, possibly healthcare. This is of particular concern, as we see many areas of our healthcare system struggling with inadequate resources, and the Australian people suffering as a result.

Perceptions of security and how to achieve it

There is a further cost to the Australian people, and that is the strong messaging that accompanies major weapons acquisitions, to the effect that our security lies fundamentally

¹⁰ R Pollin and H Garrett-Peltier. The US Employment Effects of Military and Domestic Spending Priorities: 2011 Update.

¹¹ Lockheed Martin inflates F35 jobs claims, non-profit says. Tony Cappacio, Bloomberg News 22 January 2014

in our technological capacity to fight. While the severe limitations of technological superiority in “winning” wars has been repeatedly demonstrated in Australia’s recent wars (for which read, US wars), the myth of military might being the final arbiter prevails. As a nation therefore, we grossly undervalue and underfund other options in dealing with security threats.

For example, Australia’s diplomatic activity via the Department of Foreign Affairs and Trade (DFAT) is underfunded. Professor John Langmore, Assistant Director Research (Security and Political Engagement) in the Melbourne School of Government at Melbourne University (and former federal parliamentarian) states that the Australian diplomatic service has been starved of funds for 20 years and that we have fewer diplomatic posts overseas than any other of the G20 countries.

DFAT does not have an integrated, focussed approach to supporting mediation or other forms of conflict resolution; we tend to instinctively respond to conflict by planning military action. In the 2014 budget, the Defence Department received 21 times as much as diplomacy and aid administration¹².

Australia’s overseas aid program, which could be a powerful means of creating goodwill between Australia and other nations, has also reached shamefully low levels. In 2014, in an astonishing act, Australia ceased its humanitarian aid to Iraq, the nation we had invaded and helped destabilise 11 years earlier; only a small amount of that aid has been restored. Such extraordinary foolishness undermines the building of positive relationships with other countries and peoples, in this case in a part of the world where Australia has already acquired many dangerous enemies. To send in the military, withdraw humanitarian aid, and expect to win “hearts and minds” defies credibility. We place far too much faith in the role of weapons and the capacity to kill in making us “secure”.

In 2010, Professor Peter Leahy, former chief of the Australian Army and head of the University of Canberra National Security Institute, stated that more emphasis should be placed on non-military security and aid programs, and he advocated the purchase of only 50 rather than 100 JSF planes¹³.

It goes without saying, but we should remind ourselves nonetheless, that Lockheed Martin’s interest is not in making us secure; it is in making profit. At the Credit Suisse Third Annual Industrials Conference in the US in early December 2015, Lockheed Martin executive Vice-President Bruce Tanner said that the war in Syria brought “indirect benefits” for his company. He cited the Turkish military’s shooting down of a Russian plane on 24 November last year, stressing that the Russian intervention would highlight the need for the new F-

¹² Presentation to conference of MAPW (Australia) , Melbourne, 31 October 2015

¹³ Slash cash for arms, says ex-Army chief. The Age. 29 July, 2010.

35s¹⁴. Any perspective that sees some benefit in the war in Syria would be anathema to the views of most Australians.

f) Any other related matters

MAPW would like to comment briefly on the matter of how the F-35 decision has been or will be made, and in particular the impact of defence company lobbying and other promotions.

Concerns about this go back many years. An ABC *Four Corners* program on 18 February 2013 (still available online) indicated that the Australian government had abandoned the proper tender process, beginning in 2002 when PM Howard made a secret deal with Lockheed Martin officials. The program's website states:

"The question is how and why did Australia lock itself into a project that both experts and senior US politicians say is dangerously flawed? Four Corners asks three crucial questions. Why was the plane chosen without an open and competitive tender? Why did the then head of the RAAF give the plane and the project his stamp of approval when it was barely off the drawing board? And will the aircraft's capabilities have to be downgraded before it gets into service?"

Unfortunately there is very little information readily available to the public about the extent and detail of weapons companies' lobbying of Australian parliamentarians, including in informal settings. However we get glimpses of the problem when particularly controversial examples come to light, such as the weapons industries' (including Lockheed Martin) use of the Australian War Memorial for private functions that inevitably serve the purpose of promoting their brand name. That the nation's primary memorial to our war dead is made available to be used in this way for corporate purposes - particularly by those who profit from war's carnage - is regarded by MAPW as a betrayal of those who died.

Lockheed Martin and other major weapons producers also have prominent weapons industry advertising at Canberra Airport. Of the large display ads at the airport (inside and outside the terminal building), 10 out of the 13 are (in February 2016) for weapons. In 2015 MAPW initiated a campaign, No Airport Arms Ads, for the removal of these ads, believing them to be a totally inappropriate and unwelcoming image of our nation to greet people arriving in our national capital, especially as Canberra Airport will start receiving international flights later this year. As Canberra Airport's website says, quoting travel writer Pico Iyer: "Airports say a lot about a place because they are both a city's business card and its handshake". Similarly major newspapers run full-page ads extolling the virtues of various weapons makers, proclaiming their concern for our security and our unemployed.

¹⁴ Lee Fang and Zaid Jilani. Defense Contractors Cite "Benefits" of Escalating Conflicts in the Middle East. The Intercept 5 December 2015

The point of raising this is that we should not overlook the power of advertising, for which weapons companies have very large budgets. We should also ask who the adverts are targeted at. As the vast majority of newspaper readers and those who fly into Canberra do not buy fighter aircraft, the target of the Lockheed Martin ads is presumably those who decide whether or not Australia will buy the JSF. One could argue that the ads have no impact, subliminal or otherwise, in persuading our defence bureaucracy that the JSF is needed *“for jobs, for security and for Australia”*. However it would be surprising if corporations persisted with marketing strategies that consistently have no impact. The alternative, that the ads and their slogans help to improve the prestige of Lockheed Martin, and therefore the chances of this particular Lockheed Martin product being chosen, is deeply worrying when it is tens of billions of taxpayers’ dollars that are at stake.

William Hartung’s book *“Prophets of War: Lockheed Martin and the making of the military-industrial complex”* examines Lockheed Martin’s ascendancy to a position of enormous power and influence as America’s largest weapons manufacturer ¹⁵. It contains lessons and cautions for other countries such as Australia. Hartung writes:

*“Lockheed Martin’s campaign to scare us into spending more on defense is a work in progress. Its success or failure will have a major impact on how our tax dollars are spent, including how much we have left to pay for health care, education, roads and bridges and other basic public investments. But it’s about more than just money. It’s about who has power over the most fundamental decisions facing us as a society, from war and peace to the health of our democracy. We need to rein in Lockheed Martin and its cohorts in the military-industrial complex so that other voices can be heard in the effort to create a fair budget and maintain a genuine democracy.”*¹⁶

The many reviews of “Prophets of War” include:

- *“Mr Hartung paints a portrait of a company with tentacles everywhere, from the Pentagon and Congress to agents in foreign governments, a company that feeds the forces of militarism around the world and enriches itself in the process, especially through cost overruns.”* Wall Street Journal.
- *“A careful meticulously-documented book.....In Prophets of War, Hartung examines several of Lockheed Martin’s major projects and how the company has – usually – succeeded in persuading various agencies to fund them.”* Washington Post.

¹⁵ William Hartung. “Prophets of War: Lockheed Martin and the making of the military-industrial complex”. Nation Books, 2011, 2012

¹⁶ Ibid, page 270

In the face of growing concerns about the future of the F-35 project, Lockheed Martin has engaged in all-out efforts to prevent any budgetary cuts to the military. The company employs a huge number of lobbyists in the US, in addition to providing significant political campaign contributions. The website Open Secrets reports Lockheed Martin's expenditure on lobbying in 2015 as nearly \$14 million¹⁷, and of all the weapons manufacturers' contributions to politicians in the US, Lockheed Martin's is the biggest¹⁸.

Significantly for Australia, the company also set targets for increased foreign sales, using "jobs" as a key argument. Although the company has diversified into new products, it is the big-ticket items such as the F-35 which will largely determine its future. Helping secure Lockheed Martin's future is not a job for Australians' tax dollars.

ENDS

Author – Dr Sue Wareham, on behalf of Medical Association for Prevention of War
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¹⁷ <https://www.opensecrets.org/lobby/clientsum.php?id=D000000104>

¹⁸ <https://www.opensecrets.org/industries/indus.php?Ind=D>