

McDonnell Douglas F-18 Hornet has an F-404 engine produced by GE. These F-18s are supplied to the US Navy and Marine Corps, as well as to the armed forces of Canada, Australia and Spain. GE also manufactures engines for Northrop's F-56 Tigershark, which is mainly produced for export. The company further provides the highly sophisticated radar and "mission display" for this aircraft. "Over-the-horizon radars" are manufactured for the US Air Force.

On top of this, the company provides the engines for the following military aircraft: the Grumman F-14 and General Dynamics F-16 combat aircraft, and the Boeing flight refuelling tanker KC-135, the McDonnell Douglas extended cargo aircraft KC-10, serving the Rapid Deployment Force which is charged with protecting "vital US interests" anywhere in the world.

Rockwell International's B-1 strategic bomber and the new version of the Lockheed large capacity transport aircraft C-5B Galaxy will be equipped with GE engines too. GE was one of the companies decisively involved in the Vietnam war by producing installations for strategic bombers. Furthermore, the company supplies engines for the US Army Black Hawk combat helicopters and for Spruance and Aegis class battle-ships of the US Navy. The company was or is involved in the development and production of strategic nuclear missile systems such as Polaris, Poseidon, Minuteman, Trident and MX. In this context, GE mainly develops and produces the guidance systems.

In 1980, the company installed its first three-dimensional radar system in Belgium as part of NATO's spying system. In the field of space technology, the company became the main contractor for the development of the Landsat 4 satellite for NASA and DSCS III spy satellite. Small wonder that it is highly interested in Reagan's plans to militarize outer space.

## Armaments yield high profits for GE

Arms deals are highly profitable for the company. As a direct consequence of the US government's lunatic pursuit of confrontation and arms build-up, both the share of armaments in the overall turnover and the profits have grown unabatedly. Declared profits have risen from \$338.9 million in 1966, to \$1,817 million in 1982. Overall turnover increased 3.7 fold during the same period while the official gains, which by no means represent total company profits, rose 5.4 fold.

Even in the 1981 company report, the military activities of the company were emphasized as the principal source of increased profits. This development continued in 1982: Even though the overall turnover dropped by 7 per cent, profits went up by 10 per cent, the profit per share from \$7.26 to \$8.00; the dividend rose by 6 per cent up to \$3.35, and the price of the company shares from \$55 to \$100.

According to the West German employers' paper *Capital* (January 1981), the price of GE shares has woken up from a "deep sleep" since Ronald Reagan was elected President.

General Electric has produced arms since 1896, when it supplied the first guns for the US Navy, and it has always been big business for the company. That is why, in 1944, the then GE president, Charles E. Wilson, was gravely

concerned about the end of World War II. "What about war production in the USA when the war is over?" (*World of a Giant Corporation*, New York, 1975) he asked and demanded that the military "gets things going for a permanent war production" (*Army Ordnance Magazine*, March/April 1944).

As we see, the military and the politicians, the ideologists and company representatives of the military-industrial complex in the United States saw to it that Wilson's demand came true.

## Close ties between state, military and GE

The company, which belongs to the Morgan group, is a typical example of the close ties existing between the arms industry, the military top brass and the governmental machine. Between 1954 and 1962, President Reagan was also on the company's payroll. His Secretary of Housing and Urban Development, Samuel Pierce, was GE's Managing Director until 1979. On top of this, the company employs dozens of former officers who make profitable use of their connections and knowledge in the field of armament.

Three Secretaries of Defence who made sure GE got billion dollar orders were former members of the company's board of directors: Neil McElroy, Secretary of Defence between 1957 and 1959, Thomas Gates between 1959 and 1960, and Clark Clifford from 1968 till 1969. When, in the 1960s, the US allegedly had to fill an "existing missile gap as compared with the Soviet Union", GE, with Polaris and Minuteman missiles, was consequently amongst the main benefactors of the campaign to launch a new round of the arms race.

There is also a steady movement back and forth between top GE positions and the Pentagon. Thus Lewis T. Preston, for example, GE's Managing Director, is member of the Council on Foreign Relations, which is composed of leading figures from the economy and government and is "probably the private interest group exercising the strongest influence on American foreign policy" (*World of a Giant Corporation*, New York, 1975). Edward E. Hood, GE Vice Director, represents the company in the Aerospace Industries Association, and Jack Parker, also Vice Director, looks after GE's interests in the National Security Industrial Association, comprising 300 arms manufacturers.

Hence General Electric is tied up in various ways with the state and political centres of power, giant banks and the military. You can hardly find any better example of the anatomical structure of the military-industrial complex in the United States.

