

Corporate accountability & the military-industrial complex

Corporate campaign strategies to challenge war profiteers

This paper is co-written by the <u>Corporate Accountability</u> team and William D. Hartung, author, political scientist, and senior research fellow at the <u>Quincy Institute</u>. It is the second installment in a three-part series that examines the state of the military-industrial complex and the movement challenging and dismantling it. While the magnitude of military contractors might seem insurmountable, we include effective strategies from the campaigning archives of Corporate Accountability where our corporate campaigning in the 90s—the boycott of General Electric—helped secure the end of the manufacturing of nuclear weapons parts by the corporation.

Introduction: The power and influence of the arms industry

These are boom times for weapons contractors. The top five U.S. weapons contractors—Lockheed Martin, RTX (formerly Raytheon), Northrop Grumman, Boeing, and General Dynamics—split over \$194 billion in arms-related contracts in 2022—the most recent year for which detailed rankings are available. That's an enormous sum—more than three times the budget requested of the U.S. Department of State and the U.S. Agency for International Development combined. In part one of this series we covered in-depth the extent of the current military budget's harm.

Special interest lobbying for a new Intercontinental Ballistic Missile (ICBM) is even more troubling. Former Secretary of Defense William Perry has <u>called</u> the ICBMs "some of the most dangerous weapons in the world" because a president would have only minutes to decide whether to launch it in a crisis, greatly increasing the danger of an accidental nuclear war based on a false alarm. The organization <u>Global Zero</u>, along with longtime nuclear experts like the late <u>Daniel Ellsberg</u>, have argued persuasively that the U.S. and the world would be safer if ICBMs were eliminated altogether. Yet Northrop Grumman, the system's prime contractor, has been joined by the <u>Senate ICBM Coalition</u> in preventing any move to reduce funding for the system, or even study alternatives. The <u>ICBM</u>



<u>Coalition</u> includes Senators from states that host ICBM bases or major development work on ICBMs—Montana, North Dakota, Utah, and Wyoming.

The same pattern of political influence that marks the funding of the F-35 and ICBMs shapes the \$30 billion plus annual budget for military ships. For example, Rep. Jared Golden (D-ME) pushed through an amendment that added a \$2 billion destroyer to be built by General Dynamics in his home state of Maine. Virginia Rep. Rob Wittman (R-VA) and former Rep. Elaine Luria (D-VA) led the charge that same year in adding nearly \$5 billion to the Navy's shipbuilding budget -- a huge boon for the Huntington Ingalls Shipyard in Newport News, Virginia.

U.S. tax dollars shape a more dangerous world

All of these efforts to expand the Pentagon's already bloated budget are underwritten by Lockheed Martin and its cohort in the weapons industry. The industry as a whole made over \$56 million in political contributions from 2022 through 2024 while spending over \$250 million—a quarter of a billion dollars—on lobbying. The industry employed 858 lobbyists in 2022—more than one for every member of Congress. Many of them passed through the revolving door from top positions at the Pentagon, Congress, and key agencies like the National Security Council to go to work for military contractors. And the revolving door spins both ways, with corporate officials going into key policymaking positions in government. Most notably, four of the past five secretaries of defense have come from the defense industry, including board members of General Dynamics and Raytheon, a longtime vice-president of Boeing, and the head of Raytheon's DC lobbying office.

In addition to lobbying for specific systems, the weapons industry also shapes the larger debate over what "threats" face the United States and how much must be spent to address them. During the Trump years, Congress appointed a National Defense Strategy Commission that advocated for an average rate of annual increase of three to five percent in base defense budget above inflation—for the foreseeable future. This goal has been met or exceeded. But the commission was far from an objective body. The majority of its members were board members, lobbyists, consultants for weapons makers, or experts from think tanks heavily funded by the defense industry.

What does the average person get for the hundreds of billions of tax dollars transferred to weapons companies year in and year out? A more dangerous world, characterized by a growing arms race



between the United States and China that could spill over into a catastrophic war; a decades-long, \$2 trillion plan to build a new generation of nuclear weapons; a risk of war with Iran in the wake of the abandonment of the nuclear agreement that had been curbing Tehran's nuclear program; and an ongoing counter-terror program involving U.S. activities in at least 78 countries.

Directly challenging corporations at the center of the militaryindustrial complex

When President Dwight D. Eisenhower gave his now famous 1961 speech warning of "unwarranted influence" wielded by the military-industrial complex (MIC), he asserted that the only way to rein in the power of the MIC was through "an alert and knowledgeable citizenry." With companies like Lockheed Martin reaping more tax dollars than any weapons firm that existed during Eisenhower's day, the need for citizen activism is more critical than ever. Reducing the political clout of the big arms makers and clearing the way for a more equal and sustainable society, that invests more in human needs and environmental restoration than in instruments of death and destruction, will require major political reforms. Reforms include reducing money's influence in politics, closing the revolving door between government and the arms industry, and developing alternative employment options for workers

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and communities that depend on Pentagon spending for their livelihoods. To achieve these changes, it will be necessary to confront companies like Lockheed Martin directly in order to make the public understand how they are picking our pockets and promoting a militarized foreign policy that puts us all at risk.

Lessons and strategies from the successful GE boycott

There are many successful examples of confronting corporate power through citizen pressure, from the South Africa divestment campaign of the 1970s and 1980s, to the United Farm Workers Union's boycott of major agribusiness firms, to current campaigns to cut off financial support for fossil fuel



companies. But the case that is closest to what is needed now to deal with companies like Lockheed Martin is the successful boycott of General Electric (GE) over its involvement in nuclear weapons programs.

By the height of the Cold War, GE had solidified its reputation as an early leader in the nuclear weapons production field, largely due to its <u>role in the past operation of the Hanford Nuclear</u>

Reservation in Washington and the Knolls Atomic Power Laboratory in New York state. Both of these facilities played a <u>major role in the development and testing of nuclear weapons in the U.S.</u> By the mid-1980s the corporation was more focused on building parts for nuclear weapons systems, but it remained one of the <u>nation's largest military contractors</u>, producing components for aircraft, missiles, and submarines that could be used to fight a nuclear war. At the time, GE used its clout as one of the country's most powerful corporations, and relied on well-established relationships with the government (formed through contractual agreements and partnerships to produce nuclear weapons) to promote nuclear weapons at the highest levels of government.

Over the years, GE's nuclear weapons production took a devastating toll on both the environment and human health, given the release of radioactive waste from its nuclear facilities and the covering up of worker safety information. Communities living around the former GE facilities and workers at those plants began to get exposed to the pollution of groundwater and the environmental health risks.

Workers who were exposed to radioactive materials experienced cancers, birth defects, and other serious health conditions. In addition to the corporation's nuclear weapons development and impact on public health and the environment, the corporation's outsized role in influencing the government to advance nuclear weapons and war for profit's sake garnered the attention of activists and community members seeking new, effective approaches to mitigate the threat of global nuclear annihilation. In 1986, INFACT (now Corporate Accountability—the organization that previously led the international boycott of Nestlé to curb irresponsible infant formula marketing), launched a consumer boycott of GE that directly challenged the corporation's marketing claims that it "brings good things to life" given its role in the proliferation of nuclear arms.



Mobilizing influential groups to apply pressure on corporations' vulnerabilities

The boycott employed a primary strategy of reducing the value of GE's public image and equipped grassroots activists across the country with tactics to visibly juxtapose the corporation's positive image with the https://harsh.reality.of.its.public.impacts.from.nuclear.weapons development. And although the https://boycott.leaders.organized.throughout.regions.in.the.U.S., boycott leaders organized supporters strategically to include groups of people that would have particular influence with the corporation such as faith-based.groups, physicians, elected.officials, and.even.hospital administrators.

Organizers of the boycott employed deep knowledge of GE's operations, corporate structure, profit centers, and growth plans to identify vulnerabilities for the corporation that could be affected by a consumer boycott. To that end, activists across the U.S. and globally focused on boycotting key GE products, most notably lightbulbs, appliances, and medical equipment. The desired outcome of the collective boycott activities was to shift the cost-benefit ratio for GE, making it more expensive for the corporation to continue business as usual.

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As part of the GE boycott, millions of people mobilized to engage elected officials, developers using GE products for construction, retail outlets including large grocery chains, faith-based organizations, and hospital administrators responsible for purchasing GE's expensive medical equipment. Activists spent countless hours organizing regionally to accumulate signatures, conduct community meetings, and gather at retail outlets and public spaces to hand out campaign materials.

As the boycott advanced, <u>over five hundred endorsing organizations announced their support</u> and then quickly activated their supporters including large institutions like the <u>United Methodist Church</u> (the third largest religious denomination in the U.S. at the time) and <u>major retail stores</u> like Target and Safeway that began stocking lightbulbs made by other companies. One key way the boycott activists shifted the cost-benefit ratio for the corporation was taking up time of top executives. So activists in



the medical, public health, religious, and even international communities directly engaged GE's top executives with creative tactics. In addition to a steadfast commitment to purchase alternative products, boycotters organized letter-writing campaigns, phone-in sessions to corporate offices, vocal and direct engagement at GE shareholders' meetings as well as a steady drumbeat of protests at GE facilities.

The strategy to affect GE's image began to solidify during the course of the boycott and facilitated a rapid increase in people taking actions to apply direct pressure in ways that exacted significant costs onto the corporation. In particular, the focus on boycotting GE's medical equipment and the organizing of faith-based communities who had ties to hospitals (most notably Catholic women's communities) threatened the long-term financial viability of the corporation as medical equipment was a key component of GE's growth plan. INFACT calculated that the commitments organizers secured from hospitals to end the purchase of GE equipment cost the corporation well over \$100 million in just a few years. The boycott was truly inescapable for GE's executives, especially after INFACT worked with filmmakers to release an Academy Award-winning documentary film Deadly Deception: General Electric, Nuclear Weapons and Our Environment, which interviewed people from communities adversely affected by GE's making of nuclear weapons.

Long-term, ongoing pressure forces GE to end weapons business and deflates its lobbying power

Approximately six years of boycott activities by millions of activists around the world culminated in 1992 with definitive pressure on GE, which had clearly shifted the cost-benefit ratio for the corporation's weapons-making operations. In November 1992, GE announced that it would get rid of its aerospace division that manufactured its nuclear weapons components (GE's aerospace division included work on the Trident II missile, Star Wars, nuclear submarines, and military satellites). Given that the corporation met the activists' demands to end the corporation's involvement in nuclear weapons, the GE boycott was officially called off in 1993 and GE ended almost fifty years of "leadership" in the nuclear weapons industry. After announcing victory, Elaine Lamy, the Executive Director of INFACT at the time, noted that "The success of this grassroots campaign shows that ordinary people can move a transnational corporation and make a real difference." In addition to demonstrating that people power can prompt significant changes in corporate practices and operations, boycott organizers understood the political impacts of the victory. Simply put, GE's



departure from the nuclear weapons industry removed one of the most influential driving forces behind nuclear policy decisions at the time given that GE was then considered the largest lobby of any nuclear weapons contractor.

GE boycott campaign lessons for today's movement builders and activists

Although times have changed since the GE boycott, there are clear lessons from the campaign that can be applied to leading military contractors like Lockheed Martin—despite their entrenched political power and a positive public image propped up by false promises of increased national security. As evidenced by the GE boycott, to successfully challenge corporate power directly it's important to deeply understand the corporate target. Transnational corporations of the military-industrial complex may not have the same vulnerabilities as a corporation with more consumer-facing products. However, understanding the corporation's financial outlook, expansion plans, supply chains, revenue flows, profit centers, as well as key corporate relationships that facilitate its operations (e.g. political relationships), will help guide activists on where to apply the pressure needed to shift the cost-benefit ratio for the corporation, stopping business as usual.

The GE boycott also emphasized the value of organizing large numbers of people to directly challenge the corporation through creative tactics that easily allow anyone to take action. The boycott provided a runway for people across the world to apply direct pressure on the corporation, often in the form of ending key relationships that are critical to a corporation's operations. For the GE boycott, corporate relationships with retailers and hospitals proved to be critical vulnerabilities. For military contractors like Lockheed Martin, activists can explore similar vulnerable corporate partnerships that present campaign opportunities to shift the <u>cost-benefit ratio</u>, such as relationships with research institutions, leading experts, investors, universities, local governments that may contract with the corporation, and even recruitment agencies.

Another advantage of organizing large numbers of people to directly engage is the potential to affect corporate image, reputation, and brand value. Corporations like Lockheed Martin invest heavily in creating and maintaining a positive image to secure supporters, investors, and political goodwill. A large base of people working collectively to visibly expose corporate abuses and show the true societal impacts of its operations will inevitably prompt the corporation to spend more on marketing



and advertising in an attempt to bolster public image in the face of inescapable criticism. During the first few years of the GE boycott, according to INFACT's reports in 1989, the corporation's image advertising rose 300 percent (between 1984 and 1987) in an attempt to counteract the damage activists were piling on through an array of pressure tactics.

Lastly, the GE boycott targeted the political power of the corporation by exposing political interference and engaging public officials to both seek alternatives and end these problematic political relationships. Given the political activities of corporations like Lockheed Martin as noted above, focusing on disrupting political relationships and goodwill is a good place to start (especially considering inherent corporate conflicts of interest that exist between the goal of national security policy and corporate profit motives). The exposure of corporate political interference through activities such as lobbying, campaign contributions, junk science, and even charitable contributions can provide fodder to engage public officials and others to effectively reduce the corporation's political power.

Another way to reduce a corporation's political power is removing corporate conflicts of interest, which often position the corporation as an equal stakeholder at the policymaking table despite the primacy of its profit motive over public interest. Activists can seek to end corporate conflicts of interest by focusing on closing the revolving doors between corporations and government, ending corporate campaign contributions, and stopping the millions spent from corporate coffers to influence elected officials through lobbying. By increasing the exposure of corporate political interference, the GE boycott provides a successful example that it is indeed possible to reduce the political power of the largest and most politically active corporations.



Corporate campaigning for people-powered movements

A major public campaign targeting corruption and war profiteering by specific weapons corporations will give a much-needed boost to organizing that is already happening to build a more peaceful world where all people can thrive, while also educating the public about the devastating consequences of the undue influence wielded by the military-industrial complex. Pressure on corporations like Lockheed Martin can be linked to campaigns that move lawmakers to reduce the flood of taxpayer

dollars that weapons makers receive. For example, the People Over Pentagon Act supports legislation sponsored by Representatives Barbara Lee (D-CA) and Mark Pocan (D-WI) to cut \$100 billion from the annual Pentagon budget. The Poor People's Campaign has made cutting funding for the war machine one of its primary demands. There are also measures supported by groups like the Project on Government Oversight to combat corporate price gouging by weapons contractors. Mobilizing people to expose and isolate the corporations at the center of the military-industrial complex, in partnership with these existing groups, will help to advance the larger movement to end wars.

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Together, we can win: The power of collective action

As the GE boycott and other successful corporate campaigns have demonstrated over the past fifty years, the ultimate key to victory will be predicated on the collective ability to build people power. By organizing large numbers of people to directly apply pressure to a corporation through engaging, visible tactics, it is possible to shift the cost-benefit ratio for a corporation to the point where it simply becomes too expensive to continue business as usual.



So, whether it's disrupting key relationships necessary for corporate operations, impacting a corporation's public image, or reducing corporate political power, pursuing these strategies will inevitably create severe costs for the corporation that will eventually prompt changes in corporate practice. The largest U.S. military contractors such as Lockheed Martin, Boeing, and Northrop Grumman remain vulnerable to these strategies when fueled by large numbers of people exercising their power by taking direct action to end corporate abuses. And despite the industry's entrenched, seemingly unwavering political power, well-executed public pressure campaigns can effectively erode the political goodwill these very corporations rely upon to operate.