The Politics of Defense Contracting
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THE IRON TRIANGLE

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The past decade has seen a significant change in the ability of business to obtain information on Federal policy-making, penetrate the councils of Government and move Congress and the public to support its political agenda. In the past decade, most of the Fortune 500 companies have established corporate offices in Washington to gather information, participate in public policy-making, and coordinate the firm's overall Government relations effort. At a stunningly rapid pace, corporations have taken advantage of recent legislation to create Political Action Committees, channelling millions of dollars into campaign contributions to Federal candidates.

The Council's interest in corporate political activity combines a tradition of a decade of research on defense contracting with a realization of the widespread and growing political influence of corporations. For decades contractors have had a special stake in public policy—for some, contract dollars provide the bulk of their total business. Not surprisingly, then, defense contractors have pioneered in the development of Government relations tools and policies. Consequently, this study focuses on the political power of the defense industry. We analyzed in detail individual companies choosing eight that are major defense contractors and significant part of whose sales are with the Department of Defense: Boeing, General Dynamics, Grumman, McDonnell Douglas, Northrop, Rockwell International and United Technologies. These eight companies dominated the top 10 contractor list two-thirds of the time between 1970 and 1979, receiving over $100 billion in DoD contracts, 25 percent of all DoD awards. Nearly $25 billion of this was for research and development—37 percent of the DoD total for R & D.
They also received over $11.4 billion in NASA contracts, 36 percent of the NASA total. Fifty percent of the sales of these companies in the past decade have been principally with these two Federal agencies. Grumman was high, with 82 percent, and Boeing low with 30.8 percent.

We have pulled together information from many areas: board/financial networks, political action committees, personnel transfers, grass-roots activities, lobbying, the Washington office, in order to understand the nature and scope of corporate Government relations practices. The resulting study has led to the following findings:

1. Newly released data shows that five companies in our study (Boeing, General Dynamics, Grumman, Lockheed, Rockwell International) spent a total of $16.8 million during a two-year period in the 1970s to operate their offices in Washington. Rockwell International’s Washington office, alone, spent $7 million. This amount includes substantial spending on lobbying and Government relations, much of which is subsidized by the taxpayer. These five contractors charged $15.8 million of this amount to the Department of Defense as part of general and administrative expenses, an amount later slightly reduced as a result of audits conducted by the Defense Contract Audit Agency. All eight companies had registered lobbyists in Washington in the late 1970s—Boeing the most (15) and General Dynamics the fewest (1). In terms of disclosed lobbying expenditures, Northrop’s lobbyists reported receiving the most funds for lobbying from 1977-79 ($340,000), followed by Lockheed lobbyists ($158,000). General Dynamics was again low ($1,600).

2. The Political Action Committees of the defense industry, according to the most recent available data (1977-78), are the largest corporate PACs, averaging $81,000 a year in total disbursements and $55,000 in contributions to Federal campaigns. The eight PACs in this study, created between April 1976 and February 1978 had spent over $2 million by summer 1980, 60 percent of it ($1.26 million) in contributions to Federal campaigns. General Dynamics had the largest volume of total PAC spending ($510,000 from July 1977 to August 1980) while Northrop had the lowest ($110,416 from February 1978 to July 1980). Measuring Federal campaign contributions alone, Grumman gave the most—$338,000 by June 1980—and Boeing the least, $86,000 by May 1980.

We also aggregated Federal campaign data for the first time according to contributions to members of key committees and the geographic location of the district. We found that the McDonnell Douglas PAC concentrated the highest proportion of its contributions on key committee members and candidates from areas with company plant locations (79 percent), followed by Lockheed (67 percent), with Boeing the lowest (36 percent).

3. These eight PACs concentrated their contributions in Congress on a small number of committee members most central to their business. In the Senate Armed Services Committee, the leading recipients of contributions from the eight PACs (to summer 1980) were:
Sen. Strom Thurmond (R-SC) $14,300
Sen. John Tower (R-TX) $13,175
Sen. John Warner (R-VA) $11,000
Sen. Sam Nunn (D-GA) $ 9,100
Sen. Barry Goldwater (R-AZ) $ 7,800

On the Senate Defense Appropriations Subcommittee the leading recipients were:
Sen. Ernest Hollings (D-SC) $13,000
Sen. Warren Magnuson (R-WA) $10,200
Sen. Jake Garn (R-UT) $ 5,500
Sen. Edward Brooke (R-MA) $ 5,300
Sen. Daniel Inouye (D-HI) $ 5,100

In the House Armed Services Committee the ranking recipients were:
Rep. Charles Wilson (D-CA) $12,925
Rep. Jim Lloyd (D-CA) $11,650
Rep. Mendel Davis (D-SC) $10,100
Rep. Bob Wilson (R-CA) $ 9,700
Rep. Richard Ichord (D-MO) $ 9,925

In the House Defense Appropriations Subcommittee, the ranking recipients were:
Rep. Joseph Addabbo (D-NY) $10,800
Rep. Robert Giiaimo (D-CT) $ 7,700
Rep. Jack Edwards (D-AL) $ 7,250
Rep. Bill Chappell (D-FL) $ 6,400
Rep. Bill Burlison (D-MO) $ 6,200

4. The eight companies have access to the defense policy process through significant movements of personnel between the Government and the firms. Our review of DoD data showed that 1,942 individuals (uniformed and civilian) moved between DoD/NASA and the eight companies between 1970 and 1979. Of these, 1,672 were hired by the companies, while 270 company employees went to work for DoD and NASA. The highest number of such transfers was with Boeing (398), followed by Northrop (360) and Lockheed (321). Grumman (96) and United Technologies (83) had the fewest transferees. Reviewing civilian transfers in particular, Northrop hired the largest number of civilian employees from DoD (50), while Rockwell had the highest number of civilian transfers to DoD (47). Grumman hired the lowest number of civilians from DoD (5), while United Technologies had the lowest civilian flow to DoD (12). We estimate, on the basis of their own descriptions, that one third of all civilian transfers involved personnel in the crucial area of research and development. Grumman had the highest proportion (41 percent), while General Dynamics had the lowest (28 percent). Based on employees' own descriptions, we estimate that 24 percent of civilian transfers (116) placed personnel in positions which constituted an "appearance of potential conflict of interest." (See Chapter 6 for definition.) While these situations do not constitute wrong-doing and
may have been resolved in ways that eliminate any conflict, the high number suggests a need for more adequate reporting requirements, stricter enforcement of conflict of interest legislation, and new legislation to put greater distance between DoD and the industry.

5. The eight companies in this study play a key role in defining future weapons systems, principally through their access to the early definition of research and development policies and projects. Initial contractor R & D activity is funded by the Federal Government through DoD's Independent Research and Development and Bids and Proposals (IR & D and B & P) programs. The Defense Department spends roughly $1 billion each year on these two programs, which have minimal Congressional supervision.

On the basis of data voluntarily supplied by Grumman, we calculate that 78 percent of company R & D investment between 1973 and 1979 was funded through IR & D and B & P, combined. On the basis of data disclosed by DoD in response to a Freedom of Information Act request, we estimate that at the high end 65 percent of Northrop's R & D investment, between 1973 and 1978, and at the low end, 14.5 percent of United Technologies' was funded through DoD's IR & D program.

6. Grass-roots mobilizations are becoming a crucial element in contractor lobbying. At least two of the companies in the study—Rockwell and Grumman—undertook major grass-roots efforts on behalf of their defense programs in the 1970s. Between 1975 and 1976 Rockwell spent $1.35 million, some of it reimbursed by DoD contracts, on efforts aimed at mobilizing employees, stockholders, communities and mass organizations on behalf of the B-1 bomber. Grumman organized a similar campaign for its F-14 program between 1977 and 1978.

7. Members of company boards of directors can provide a useful informational and Government relations resource, though data on their role is limited. Directors of these eight companies have a large number of ties with financial institutions, many of which lend to the companies. Members of Lockheed's board are also directors of 18 financial institutions; Rockwell has 17 such shared memberships; and Boeing 16; while Northrop (10), and McDonnell Douglas (9) were lowest in such shared memberships. Some major banks are lenders to several companies in the study: Chase Manhattan (5), Citicorp (4), Morgan Guaranty (4), and Security Pacific (4). In addition, 41 percent of the directors of these eight companies are directors of other companies which received nearly $2 billion in 1979 contracts from DoD.

8. All eight companies are prominently represented on the key advisory committees of the Department of Defense and NASA, where, at an early stage, they discuss and help formulate projects in which they have a direct corporate interest. Boeing had the highest membership total on such committees—23—followed by Lockheed—20.

9. Lavish entertainment of Federal officials, once a frequent practice in the defense industry, appears to have declined markedly as a result of stricter measures taken by DoD in the late 1970s.
10. Although with the exception of Northrop there is little evidence of illegal political contributions by these firms in the U.S., all eight admit to some involvement in overseas payments about which questions have been raised (see Chapter 14). In some cases, such payments were linked to military sales. The three companies most involved with overseas sales—Boeing, Lockheed and McDonnell Douglas—also have the highest amounts of such overseas payments.

11. The eight companies in the study all refused to disclose information on their Government relations practices, pleading cost, lack of time, proprietary information, and national security. In response to our request that each company review the preliminary draft of its profile, three companies—General Dynamics, McDonnell Douglas and Rockwell—failed to respond in any way. Northrop and Lockheed replied with hostile and totally uninformative communications. We rate all five very poor on disclosure. Boeing and United Technologies provided a small amount of additional information, rating poor in disclosure. Grumman provided an informative review of the profile, making its fair rating the best in the study.

12. Information on Government relations is hard to come by. The secrecy of the contractors is matched by the inadequacy of Federal record keeping and requirements on disclosure. Data on research and development spending is uneven and uninformative. Data on sub-contracting is undisclosed, and lobbying data is thin.

A powerful flow of people and money moves between the defense contractors, the Executive branch (DoD and NASA), and Congress, creating an “iron triangle” on defense policy and procurement that excludes outsiders and alternative perspectives. The concluding chapter of this study discusses ways in which the public might penetrate the triangle, reclaiming its right to a voice in this critical area of national policy.
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THE POLITICS OF DEFENSE CONTRACTING
PART I
THE IRON TRIANGLE: CONGRESS, THE PENTAGON, AND THE DEFENSE CONTRACTORS
The defense budget of the United States, which now accounts for roughly one quarter of all Federal spending, will rise rapidly in the 1980s. Many justifications are offered for its dramatic increase: inflation, the high price of increasingly sophisticated weapons, the rivalry between the military services, and the need for an arms build-up to protect United States interests in an unstable world. Rarely mentioned, however, are the pressures that the defense contracting industry exert on the Government, their chief "customer."

In approaching the Government, contractors take advantage of both their opportunities as members of the "big business" community and their unique role and special access as manufacturers of weapons that guarantee "national security." The benefits to the industry of aggressive "Government relations" practices are great. The cost to the country, however, in an inflated budget and a narrowing of the debate on strategic and foreign policy, is high.

**Business as Usual**

For over a century, private industry has asserted its power in American politics. "Big business" has both sought Government favors and battled Government efforts to control it. Business leaders constantly warn that Government has become too large and exercises too much influence in the private sector. They castigate regulatory agencies as costly, restrictive, and inefficient. But alongside this apparent antagonism another, more cooperative set of relations has developed. During World War I business leaders were brought into the Federal Government as wartime production planners for virtually all sectors of U.S. in-
dustry. In the 1920s Secretary of Commerce Herbert Hoover organized permanent advisory commissions to the Department composed of business representatives from different sectors of the economy. President Roosevelt attracted a number of businessmen into Government positions first to combat the Depression and later, in World War II, to plan wartime production. As the war ended, many Government commissions and the new Council on Economic Advisors turned to business for staffing and ideas about post-war economic, foreign and military policy.

Members of regulatory commissions are often drawn from the regulated industry; personnel move steadily between the agency, the industry being regulated and its legal support community. In certain areas, regulation—far from being the whipping boy of the business community—is welcomed. Much is gained by industry through regular Federal involvement in price-setting and entry and exit from the markets.

Since 1946, and especially in the sixties and seventies, America’s corporations expanded and developed practices and structures to influence Congressional and Executive policy-makers. A growing number of major companies now have a corporate office responsible for “Government relations.” Most of the Fortune 500 companies have offices in Washington whose purpose is to gather information and exert political pressure. Government relations is the art of making connections: between the company’s needs, its potential support at the grass roots (workers, communities, stockholders), its campaign spending, the key staff and members of Congress, and officials in agencies in the Executive branch.

At a stunningly rapid pace, companies have taken advantage of the Federal Election Reform Act of 1971, as amended in 1974 and 1976, to establish Political Action Committees to channel their campaign contributions. Increasingly, PACs are being used as the corporate forum for determining a company’s Government relations strategy. Corporations in America today are more sophisticated, more thorough and more coherent in developing political strategies than ever before. As Fortune noted:

The business community has become the most effective special interest lobby in the city. Suddenly business seems to possess all the primary instruments of power—the leadership, the strategy, the support troops, the campaign money—and a new will to use them.4

According to Philip Shabecoff of The New York Times Magazine, “These are the days of wine and roses—of champagne, even, and orchids—for business interests in Washington. . . . Quietly, cautiously, but with growing success, the business community has been moving to influence legislation, administrative decision-making and the regulatory process.”5
A Special Kind of Business

While the defense industry holds many characteristics in common with other members of the “big business” community, contractors play a unique role in American society. As manufacturers of strategic weapons, they are widely identified as guardians of “national security.” The Federal Government not only regulates their activities but serves as one of their best customers. The weapons they manufacture follow the specifications of their Federal client; the procurement process is initiated and sustained by members of both the industry and the Government. This close interdependence has made them pacesetters in developing Government relations practices that safeguard their interests.

This intimacy developed early. Dependence on Government procurement began during World War I; many firms disappeared between the wars when procurement declined. In response, defense industry leaders, the financial community, and Government officials made vigorous efforts in the 1920s to establish national policies—air mail subsidies, Federal regulation, and consistent defense procurement—that would help the industry survive. After World War II, industry pressure and Government decisions led to Federal support for a private defense capacity, in effect subsidizing industry to keep critical personnel in working teams and production facilities open.

The decision to maintain a large, privately-owned defense manufacturing capacity has led to a bewildering variety of Federal procurement policies, many of which foster a high degree of intimacy between the Pentagon and its contractors and inhibit cost control. Contractors expect that the Federal Government will not force them to do business at a loss; they assume that their productive capacity will be maintained and that profit margins will be ensured as their costs are reimbursed. DoD practices perpetuate these expectations: most defense contracts are negotiated rather than competitive. There are, in fact, 17 exceptions to the procurement requirement for competitive bidding and they cover important areas:

—Public exigency
—Supplies or services for which it is impractical to secure competition by formal advertising
—Experimental, developmental, or research work
—Technical equipment requiring standardization and interchangeability of parts
—Technical or specialized supplies requiring substantial initial investment or extended period of preparation for manufacture
—Negotiation after advertising
—Purchases in the interest of national defense or industrial mobilization.

Through frequent contract changes initiated by both sides of the
relationship, most DoD contracts turn into cost-plus. In addition to a visible profit, the contractors are the recipients of indirect benefits. Federal procurement policies provide defense contractors with a large amount of rent-free production space and equipment, offer interest-free loans for "progress" on work completed by contractors, and rotate contracts among firms to ensure that no major contractor is without a contract for too long a period of time.

Some see this interdependence as a form of Government control. The Department of Defense now maintains a bureaucracy of three million people, one million of whom are civilians, to design, produce, use, and repair weapons. Some critics of the DoD such as Seymour Melman and John Galbraith describe this "military-industrial complex" as a corporation that is dominated by a Government that saddles it with the frustrating task of producing non-commercial goods at high prices, using inefficient methods that reduce profits, sap management capabilities, hinder their commercial effectiveness and drain the productivity of the American economy as a whole.

Analysts of defense spending also note bureaucratic pressures to expand military programs. Like all bureaucracies, the DoD and the services need to justify and perpetuate their existence. Defense budget-making is riddled with tales of bureaucratic policies in which the military have redefined the policy to fit a particular program. The Strategic Air Command (SAC) fought hard to keep manned bombers alive, despite Secretary of Defense Robert MacNamara's effort to kill them in the early 1960s. Without the B-1, SAC had no airborne role, a function that they wanted to maintain. The Navy argued for submarine-based weapons partly because they wished to keep a strategic function under their control.

The interdependence of supplier and purchaser in this highly political market creates special problems. Richard Kaufman, counsel to the Congressional Joint Economic Committee, lists some of them: padded costs, the use of government-owned equipment for commercial activities, the cash flow advantages of progress payments, the privilege of making late delivery of products that do not meet original specifications, bail-outs and get-well devices for contractors with cost overruns, executive salaries and fringe benefits and the personal career opportunities for those who oscillate between the Pentagon and the defense industry and who operate within those two powerful publicly-supported institutions.

In spite of—and often because of—inefficiency and red tape, weapons manufacturers have received steady income from doing business with DoD. There is evidence that, contrary to the denial of contractors, profits for defense firms have run higher than the general manufacturing average, when one measures income as a proportion of capital investment rather than of sales. For some aerospace companies a significant proportion of profits, for others corporate survival itself, depends on Federal contracts. Between 1972 and 1976, 36 firms...
on the DoD top contractors’ list received contract awards that totalled over 10 percent of company sales.\textsuperscript{13}

Their dependency on Federal procurement places the contractors and their constituents in a special position. As contractors are quick to point out, more than company profits are at stake. The net of defense spreads outwards from the contractor to the labor force and the community. In the absence of alternatives, defense contracting provides careers and jobs for scientists, engineers, technicians and production workers, a group who numbered 1,170,000 in 1980, according to the Aerospace Industries Association.\textsuperscript{14} Defense firms are major employers and sources of revenue in the areas where their production facilities are located. Union leaders know that contracts mean strengthened membership for the aerospace divisions of such unions as the United Auto Workers (UAW) and the International Association of Machinists (IAM). Local officials in San Jose, Los Angeles, Seattle, Dallas, Fort Worth, Hartford, Groton, St. Louis, Cincinnati, and Long Island—politicians from heavily defense-dependent states such as California, Connecticut, Missouri, Washington, Texas, Ohio, and New York—all know that there are few real alternatives to the work from defense contracting. To succeed in the weapons business, they must succeed in the “influence business.” Accordingly, they have created “Government relations practices,” a variety of tools and relationships that has taken them far beyond the classic model of the free enterprise system.

Government Relations

Contractors’ Government relations, like those of other corporations, trade in two commodities: information and influence. A contractor seeks information from Congress and the Executive in answer to many questions: what programs are forthcoming and where and how are they being defined; what are Federal procurement plans and regulations going to look like, where do bureaucrats and members of Congress stand on particular systems, when will legislation be considered and what form will it take? The company reworks this information, which flows in vast quantities, to focus on company needs and possibilities. In other words, it becomes intelligence.\textsuperscript{15} The need for such intelligence is virtually endless, and contractors’ Government relations officers and Washington staff spend a substantial portion of their time talking on the phone, visiting Pentagon and Congressional offices, reading documents, and deciphering information useful to the company. In addition, Government relations specialists play a key role in providing information in the other direction—from the company to the Government—on company plans and needs.

This flow of information facilitates the other principal task of Government relations—the exerting of influence. Corporate officers for Government relations advise their company on how to gain access and manipulate the Government to serve their needs, often recommending changes in policy.\textsuperscript{16} They manage the most important direc-
tion of communication: that towards the Government, becoming expert at neutralizing opposition in Congress, selling a company plan in the Executive branch, reversing unfavorable decisions and regulations, directing campaign contributions, focusing grass-roots lobbying efforts, and even taking a hand in drafting proposed legislation.

Government relations efforts also aim towards defending the industry and its views on policy from outsiders, critics and alternative perspectives. The industry makes the most of its unique role: as manufacturer of weapons it assumes a major role in defining national and global security. Industry spokesmen guard the terms of debate, challenging the legitimacy of alternative views and scoring participants who are not members of the fraternity. Even unlikely targets face criticism. The top defense planners of the Reagan Administration, until recently considered outsiders, were described by pro-industry spokesmen, columnists Roland Evans and Robert Novak, as follows:

Casper Weinberger: Weinberger's nearly total ignorance on defense questions... was fully revealed in his Senate confirmation hearings.

Frank Carlucci, Deputy Secretary of Defense: a civil servant with no Defense Department background.

William Howard Taft, III, adviser to Weinberger: a Washington lawyer who knows even less about defense than Weinberger and Carlucci.

Richard Stubbing, adviser to Taft: a Carter administration anti-defense expert at the Office of Management and Budget whose views generally coincide with Sen. George McGovern's.17

The Iron Triangle

Over the years the defense industry has become a de facto participant in the policy-making process. As in other areas dominated by powerful corporate interests, a policy sub-government or "iron triangle" has emerged.

Political scientists describe an "iron triangle" as a political relationship that brings together three key participants in a clearly delineated area of policy-making: the Federal bureaucracy, the key committees and members of Congress, and the private interest.18 In defense, the participants are the Defense Department (plus NASA and the nuclear weapons branch of the Department of Energy); the House and Senate Armed Services Committees and Defense Appropriations Subcommittee, as well as Congressional members from defense-related districts and states; and the firms, labs, research institutes, trade associations and trade unions in the industry itself.

The special interests and the Federal bureaucracy interpenetrate each other. Policy-makers and administrators move freely between the two arenas and policy issues are discussed and resolved among participants who share common values, interests, and perceptions. As
Senator Aiken has put it, "Agencies and their clientele tend to develop coincident values and perceptions to the point where neither needs to manipulate the other overtly. The confident relationships that develop uniquely favor the interest groups involved." The distinction between public and private starts to disappear as a sector of industry begins to "appropriate" Government authority.

The creation of an "iron triangle" takes time and active efforts of its participants. All three sides work to maintain it as economic circumstances change. There is continuous communication between the Executive, Congress and the industry, creating a community of interest in which it becomes difficult to answer the question. "Who controls whom?" Once molded, the triangle sets with the rigidity of iron. The three participants exert strenuous efforts to keep it isolated and protected from outside points of view. In time they become unwitting victims of their own isolation, convinced that they are acting not only in their own but in the public interest.

In the day-to-day performance of their tasks, administrators see very little of the more general public support which accompanied the establishment of the agency. The only people who are likely to come to the attention of administrators are those whose problems are uniquely a part of the administrative environment. . . . Under such circumstance it is not surprising that the administrator's perception of the public interest is in reality defined by the interests of the regulated parties.

In Congress, defense-related committees and their members jealously guard their sovereignty over defense legislation and appropriations and other committees and members tend to follow their leadership. Other Congressional forums for debating defense policy have little legislative power and almost no influence over policy debates. The Joint Committee on Defense Production, the Joint Economic Committee, and Government Operations committees in both houses have regularly debated defense policy and procurement issues, but have had little access to actual legislation and appropriations bills. The Joint Committee on Defense Production was abolished in 1978 as part of committee reforms in Congress, and its functions were absorbed by the banking committees, eliminating one significant forum for public discussion of alternative approaches to defense procurement policy.

Even in the Executive branch, there is little opposition to the defense "iron triangle." DoD's Office of Economic Adjustment, founded to help communities adjust to base closings and contract terminations, has limited authority and almost no influence over procurement policy planning. The Arms Control and Disarmament Agency, which seeks to reduce defense spending through arms control, has little say in policy-making.

The power to exclude is the mirror image of special access. Because of its entrenchment and paramount role in defining national security, the "iron triangle" of defense has acquired a special clout and
protection from criticism. This is especially apparent at the Executive level. The Office of Management and Budget (OMB) has virtual final say over the budget requests of all agencies with one exception—the Defense Department. The Department has wide-ranging power to appeal to the President, who often overrules the OMB. As former Budget Bureau Deputy Director Philip Hughes put it:

The most relevant consideration is, in blunt terms, sheer power—where the muscle is—and this is a very power-conscious town, and the Secretary of Defense and the defense establishment are a different group to deal with, whether the Congress is dealing with them or whether the Budget Bureau is dealing with them.24

The development of the "iron triangle" has put an end to those brave days described by political theory when, in the "separation of powers," Congress legislated, the Executive administered, and corporations did business with the government at arms' length. Instead, according to economist Murray Weidenbaum:

The close, continuing relationship between the Department of Defense and its major suppliers is resulting in convergence between the two, which is blurring and reducing much of the distinction between public and private activities in an important branch of the American economy.25

This study examines the "iron triangle" in defense, extracting the role played by eight contractors and describing the techniques they have developed to strengthen their side of the triangle. It presents profiles of individual companies and examines in some depth the Government relations practices common to the industry, analyzing current issues, detailing current disclosure and reporting requirements, discussing brief cases of corporate practice in each area, and evaluating the available data for each of the eight companies. While the limitations of data prevent us from offering a definitive analysis, we hope that these portraits will serve as a starting point for further work by scholars, journalists, activists, members of Congress, corporate officials, and the general public.

FOOTNOTES

1. There is a wide range of literature debating these various explanations for the growth and contents of the defense budget. Inflation and other elements of cost growth in weapons spending are discussed, for example, in A. Ernest Fitzgerald, The High Priests of Waste (New York: Norton, 1972); Jacques S. Gansler, The Defense Industry (Cambridge: MIT Press, 1980); and Richard F. Kaufman, The War Profiteers (Garden City, NY: Doubleday,


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8. Each company in our study operates plants and equipment which are actually owned by the Federal Government [usually called Government-Owned, Contractor-Operated (GOCO)]. Richard Kaufman gives estimates of Federal investment in GOCO as at least $15 billion (pp. 141-142). This investment is often justified as a necessary subsidy to the industry for doing defense business.

Using GOCO plants and equipment is a real benefit for the contractors. Instead of borrowing capital or using company funds to invest in productive capacity, these are provided virtually rent free. The relatively lower capital costs of defense contracting may be a factor in the higher rate of return as a proportion of invested capital in this industry. (See Murray Weidenbaum, "Arms and American Economy: A Domestic Convergence Hypothesis," Papers and Proceedings of the 80th Annual Meeting of the American Economic Association, American Economic Review, 58, no. 2, May 1968.) Use of GOCO floor space may confer other advantages on the company. Pratt and Whitney division of United Technologies, for example, used GOCO facilities for nine years in the 1950s and 1960s to produce 10,000 jet engines for commercial buyers, paying no rent to the Federal Government and making reductions in contract prices on Government engines as a result of the unit price in savings (Kaufman, p. 174). Grumman has disclosed that it intends to use Government-owned facilities on Long Island to carry out subcontract work for Boeing on the latter's new 767 commercial air transport.


## TABLE III

**DEPENDENCY ON GOVERNMENT AND FOREIGN CONTRACTS AND SALES**

(% of Total Company Sales)

(RANK BY PERCENTAGE OF SALES)

<table>
<thead>
<tr>
<th>Company</th>
<th>DoD/NASA Contracts*</th>
<th>Foreign Government Sales</th>
<th>Military Sales Contracts</th>
<th>Overseas Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>Boeing</td>
<td>31.2%</td>
<td>30.8%</td>
<td>.82%</td>
<td>41.8%</td>
</tr>
<tr>
<td>General Dynamics</td>
<td>77.0%</td>
<td>64.1%</td>
<td>10.4%</td>
<td>under 10%</td>
</tr>
<tr>
<td>Grumman</td>
<td>93.8%</td>
<td>82.3%</td>
<td>8.4%</td>
<td>18.2%</td>
</tr>
<tr>
<td>Lockheed</td>
<td>57.9%</td>
<td>67.7%</td>
<td>4.0%</td>
<td>22.0%</td>
</tr>
<tr>
<td>McDonnell Douglas</td>
<td>62.4%</td>
<td>61.9%</td>
<td>11.4%</td>
<td>34.5%</td>
</tr>
<tr>
<td>Northrop</td>
<td>60.00%</td>
<td>71.6%</td>
<td>34.9%</td>
<td>46.6%</td>
</tr>
<tr>
<td>Rockwell</td>
<td>34.6%</td>
<td>39.9%</td>
<td>.52%</td>
<td>21.1%</td>
</tr>
<tr>
<td>United Technologies</td>
<td>33.5%</td>
<td>32.6%</td>
<td>2.3%</td>
<td>32.0%</td>
</tr>
</tbody>
</table>

* Data on contracts covers 1970-79; data on sales covers years as noted in Table I.

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**FOOTNOTES**

2. The only partial substitute would be to count advertising pages over a given period of time in specific publications and multiply by the publication's advertising rates. In spite of a vast expenditure of effort, this procedure would have produced only partial and imperfect data. CEP did make a preliminary effort of this kind earlier; see "Advertising to the Military," Economic Priorities Report (New York: Council on Economic Priorities, Nov./Dec. 1972).

3. Aggregate data is now reported by DoD in U.S., Dept. of Defense, Geographic Distribution of Subcontract Awards, Washington Headquarters Services, Directorate for Information Operations and Reports. For 1979, moreover, DoD maintains a print-out of first and second tier subcontractors for most major prime defense contractors. This data will not continue to be maintained, however. Other researchers have noted this problem: Barry S. Rundquist, "On Testing a Military Industrial Complex Theory," American Politics Quarterly, 6, no. 1, Jan. 1978, p. 45. Some journalistic or partial data is available by regular reading of Aviation Week & Space Technology and DMS (Defense Marketing Service).

4. We received no response at all from eight of the 15 companies: General Dynamics, McDonnell Douglas, Rockwell, E-Systems, Hughes, LTV Corporation, Litton and TRW.

5. Several elements led to the elimination of some firms. Our original list numbered 29, an impossibly large number. We reduced the list to 15, eliminating companies which were very small or specialized, or for which little data on Government relations are available. This latter decision may have left out firms which did considerable Government business, but which felt little need for massive Government relations apparatus. However, we felt that their omission would not affect our findings. We focused instead on major, long-term dependent contractors, whose Government relations practices had higher visibility. Our list of 15 was further reduced to eight, in order to make the volume of data manageable.

6. If one averages the ranking of these companies over the past ten years, Lockheed has averaged 2.0; McDonnell Douglas 3.1; General Dynamics 4.0; United Technologies 5.1; Boeing 6.1; Grumman 7.4; Rockwell 10.0; and Northrop 16.5. The other 32 position in the top 10 over this period were occupied by General Electric (10); Hughes Aircraft (7); Litton Industries (5); AT&T (4); Raytheon (2); Tenneco (2); LTV (1); and Textron (1). Average rank for these companies was General Electric 4.4; Hughes 9.5; Litton 10.4; AT&T 11.9; Raytheon 12.5; Tenneco 18.4; LTV 20.1; and Textron 16.6.

7. There are several ways to estimate defense dependency of a firm. One is to calculate DoD and NASA contracts as a proportion of annual sales. Since contract awards are paid out over several years, however, and since fiscal years for companies and the Government rarely match, this figure does not reflect actual defense dollar cash flow to the firm in any given year. It does, however, suggest a range of dependency over time. The other method computes total Government sales as a proportion of total corporate sales. This figure, not always disclosed by the company, includes non-defense as well as defense contract dollars. In spite of this limitation, it provides an accurate measure of Government cash flow to the firm over a set period of time. A similar limitation applies to the relation between foreign military sales contracts and company disclosure of overseas sales. In addition, company disclosure of overseas and export sales includes both commercial and military sales, making it difficult to determine company dependency on overseas defense markets.
United Technologies: United Technologies Chairman Harry Gray, with Litton until he joined UT in 1971, was the highest compensated corporate executive in 1976, according to the *Business Week* survey. For several years the firm had no president. In 1979, however, retired General Alexander M. Haig was named president. Haig also had extensive experience with White House policy-making as staff member of the National Security Council and close advisor to President Richard Nixon. Currently Haig is serving as Secretary of State.

FOOTNOTES

3. Ibid., p. 990
rowing as an allowable cost for contract reimbursement purposes.¹⁹ The “Big Eight” could have had considerable impact on CASB standards, since their representatives dominated the AICPA’s Cost Accounting Standards Board Committee, which handled liaison between the profession and the CASB.²⁰

FOOTNOTES

5. Ibid.
6. Corporate filings with the SEC (stock prospectuses and proxies) provide some data. Standard business sources, such as Moody's, often disclose only the banks serving as transfer agents or registrars.
7. Boeing's borrowing may rise as it becomes more involved in the early stages of producing its new 757 and 767 commercial transports.
10. Ibid., p. 4.
12. Ibid., p. 58.
15. Ibid., p. 58; see also pp. 1605-1700 for detailed discussion by Prof. A.J. Briloff, Baruch College.
18. Ibid., p. 67. The report notes that Coopers and Lybrand did a study for the DoD on the profits of defense contractors. The firm, which has major defense contractors as clients, concluded that defense business was "riskier than commercial business, and that Federal procurement regulations are unnecessarily complex and demanding" (quoted on p. 66).
19. From 1970 to 1980 the CASB operated as a Federal agency defining cost accounting standards for Federal contractors. In 1980, its authority was allowed to lapse by the Congress. The Senate report noted that the CASB had, in general, done an effective job (Ibid., p. 26).
20. Ibid., pp. 60, 186.
the Office of Federal Procurement Policy), became director of Government liaison in United Technologies' Washington office in 1977. One recent United Technologies transfer, not yet formally reported to DoD, concerns former NATO Commander Alexander M. Haig, who became the president and chief operating officer at United Technologies in 1979 before resigning to become Secretary of State in 1981.

FOOTNOTES

   — a former DoD contract auditor or contract adjustment official was working for a company formerly in his or her jurisdiction (contract adjustment officials allow increases in payments to contractors when a determination of legitimate cost increases has been made, or make a determination of failure to meet contract specifications and reduce payments to the contractor);
   — a former official responsible for evaluating contractor performance, such as a plant representative or a contract administrator, was working for a company he or she formerly evaluated;
   — a former DoD systems project director was working for the producer of that system;
   — a former high official with management responsibility for planning systems development or for making decisions about procurement needs was working for a company producing those same systems;
   — a retired military officer appeared to be violating criminal laws prohibiting his or her selling to the DoD.

2. Many of these were second and third reports for transferees who filed once.


5. Testimony of Robert Anderson, Chairman, Rockwell International in U.S. Congress, Joint Committee on Defense Production, Hearings on DoD-Industry Relations: Conflict of Interest and Standards of Conduct, 2-3 February 1976 (Washington, DC: GPO, 1976), pp. 27-28. (Hereafter referred to as Joint Committee on Defense Production, DoD-Industry Relations.) In the same hearings, Northrop Chairman Thomas Jones echoed Anderson’s views:
Northrop's policy with respect to hiring men and women is to obtain the services of the most competent and most qualified individuals possible. Military officers alone possess actual operating experience with weapons systems that is unique and is unavailable elsewhere. We employ those people because they have experience in understanding the extremely complex organizational, administrative and operational problems of the Defense Department, and can relate the capabilities and limitations of our company to developing solutions to those problems. It is obvious that this experience is of great value. (Ibid., p. 54.)

6. Testimony of Dr. George Low, NASA Deputy Administrator to Joint Committee on Defense Production, *DoD-Industry Relations*, p. 85.
11. Ibid., p. 11.
12. Ibid.
13. Ibid.
18. In discussing DoD transfers we have chosen to focus on civilians. To include military transferees, the subject of our earlier study, would have enormously lengthened the research.
20. DoD reports cover the years 1970 to 1979. In some cases, transferees who filed for the first time in 1970, when the reporting requirement came into effect, transferred before 1970. NASA data start in 1974, the first year that NASA had a reporting requirement. The data are subject to two qualifications. First, not all transferees file, though all are legally required to do so for three years after a change of employment. Second, since the filing requirement covers three years, we attempted to eliminate all duplicate filings in our count. The uneven quality of DoD filing made this effort difficult, but errors are likely to be randomly distributed.
21. In several cases below, we note the movement of a transferee from a position in one sector to responsibilities in the other covering a similar area of work. We also note that the individual's corporate employer has contracting interests in weapons systems which fell within the agency with which the employee worked in the Federal Government. We cannot say that the specific individual had personal responsibility for that system or for relations with the contractor. Such information is simply not available on the public record. Moreover, the individual transferee may have done everything possible to remove him/herself from such a situation. We are saying, however, that the positions and systems can be juxtaposed and that the public record leaves what we have called the "appearance of a potential conflict of interest."


8. Fox, *Arming America*, p. 242. See his Chapter 14 for discussion of this stage. Other industry figures underline the importance of early access. A General Dynamics employee noted, "You have to get in on the ground floor or forget it." (David Sims, "Spoon-Feeding the Military—How New Weapons Come to Be," in Leonard Rodberg and Derek Sherer (eds.), *The Pentagon Watchers* [Garden City, N.Y.: Doubleday, 1970], p. 237. Another defense industry employee noted, "If you wait around until the RFP (Request for Proposals), you're dead." (Ibid., p. 238.)


12. Ibid., p. 248.


14. Ibid.


21. These data were disclosed in response to a specific request following Grumman's review of the profile in November 1980.

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3. The Act also prohibited individual contributions of over $5000 to any single national campaign committee, a restriction that the parties evaded by creating numerous committees.


6. Ibid.


8. Epstein in Malbin, p. 111.


12. The campaign finance director, Maurice Stans, reportedly raised nearly $20 million before the deadline. Following a suit initiated by Common Cause, many of the donors were disclosed. See The New York Times, 13 Oct. 1974 and Gardner "Foreword" to Alexander, Campaign Money, pp. vii-viii.


15. Ibid., p. 52.

16. The Opinion also allowed PACs to make unlimited "independent" campaign expenditures—funds spent in support of or against particular candidates without any coordination with a candidate's campaign. This permitted a major 1979-80 effort by the National Conservative Political Action Committee which was instrumental in the defeat of Senators Frank Church, Birch Bayh, John Culver and George McGovern. It also permitted the creation of several independent campaign committees in support of Ronald Reagan, which spent over $7 million. The public financing ceiling for each of the two major party candidates for President in 1980 was $29 million. See James M. Perry, "Liberal Incumbents Are Main Targets of TV Ads as Political-Action Groups Exploit Court Ruling," The Wall Street Journal, 25 Jan. 1980; Bernard Weinraub, "Million-Dollar Drive Aims to Oust 5 Liberal Senators," The New York Times, 23 March 1980; Leslie Bennetts, "Conservative and Antiabortion Groups Press Attack Against McGovern," The New York Times, 2 June 1980; Larry Light, "Surge in Independent Campaign Spending," Congressional Quarterly, 14 June 1980, pp. 1635-39; "'A Financing Loophole Helps Reagan,'" Business Week, 23 June 1980; Adam Clymer, Backing the Candidates: Political Action Committees 125

18. Ibid., p. 118.
19. Ibid., p. 123.
21. Epstein in Malbin, pp. 139-140.
22. Ibid., pp. 143-49. Epstein notes (p. 146):
Electoral politics, so to speak, has come out of the corporate closet and is now recognized as a legal and appropriate activity for business... Political legitimacy coupled with the institutionalization of politics within the organizational framework no doubt will lead to increased and more effective corporate political action.
25. Ibid.
26. Ibid.
27. 30 October 1978.
38. Alexander, p. 77.
39. These included contributions from Northrop personnel of $126,000, from General Dynamics of $92,595, from Lockheed of $50,000 and from


41. Epstein in Malbin, p. 134. Epstein apparently used the *Business Week* classification of firms for this calculation.

42. Data supplied the author by Dr. Epstein.

43. The Federal Election Commission provides numerous data on receipts, gross disbursements and contributions to Federal candidates, so amply, in fact, that "it takes an expert to extract useful information from the FEC filings." (William J. Lanouette, "Complex Financing Laws Shape Presidential Campaign Strategies," *National Journal*, 4 Aug. 1979, p. 1285.) There is usually a gap between gross disbursements and contributions to Federal candidates. This is explained by the following, only some of which can be quantified. PACs spend certain amounts on administrative costs, internal operations and political communications—amounts which are not disclosed. In addition, contributions are made to state and local candidates (unevenly disclosed), as independent campaign expenditures (reported to FEC), and to political party campaign committees at the local, state and federal level (unevenly disclosed). In addition, PACs are required to disclose only contributions to Federal-level candidates above $250.

Data on Federal contributions can be obtained in two ways: by examining the verified "D Index," covering contributions to individual candidates, and by reviewing each monthly and quarterly report by the PAC for contributions to party campaign committees.

Corporations may also have some access to candidates through contributions by individual corporate employees, limited to $1000 per candidate. Each candidate files regular reports with the FEC disclosing contributions from all sources over $100. It is, unfortunately, usually impossible to trace the corporate connection of the contributors, since the reporting form does not require clear disclosure of employer.

Finally, FEC data on gross disbursements is reported at different points in time from data on Federal contributions, leaving a gap of one or more months between the two sets of data and making comparison difficult.

44. FEC data do not provide information to explain why these figures are so low, though both PACs may concentrate on smaller contributions, on state and local contests and on other, non-contributory activities.

45. It would be interesting to compare the distribution of campaign contributions with the distribution of corporate defense subcontracts. Unfortunately, inadequate data make this impossible.

46. All eight firms in the study are involved in the air transport or general aviation markets, either as aircraft manufacturers, engine suppliers or subcontractors.

47. Bob Wilson (R-CA, ret.) received the 1980 James Forrestal Memorial Award from the National Security Industrial Association "for his long and dedicated Congressional support for effective partnership between government and industry in the interests of national security." (*Aviation Week*, 21 April 1980.)

48. See also the company "Profiles." Comments on the candidates, unless otherwise noted, are drawn from Michael Barone, Grant Ujifusa and Douglas Matthews, *The Almanac of American Politics, 1980* (N.Y.: E.P. Dutton, 1979).

49. The Boeing company's Civic Pledge Program, created in 1971, has a different structure than the other PACs. Employees receive a list of recommended candidates from the Civic Pledge Office and are free to contribute to them, or to candidates of their own choice. Contributions are made by a personal check, sometimes drawn from individual bank accounts set up under a company payroll deduction plan. The company PAC operates as a "conduit" (its official FEC designation) for the individual
checks. Although the PAC retains no funds of its own, it must report a total amount of receipts to the FEC. The amount is based on payroll deductions that go into employee bank accounts, although employees are under no obligation to use these accounts for political contributions. Boeing states the PAC was set up in this manner to allow greater freedom of choice for employees, but it has caused confusion over whether contributions come from individuals or the corporation. From May 1981, the Civic Pledge Program will operate like the other PACs. Our data, which covers the period from 1976, is sketchy because the Civic Pledge Program expenditure reports to the FEC are listed by individual contributors and can not usually be found on computer print-outs. Research on available reports shows that Boeing expended $260,850 through May 1980. Roughly one third ($85,655) was contributed to federal campaigns.

50. Subsequent FEC data show that Grumman contributed $5000 each to Al D’Amato and Jacob Javits and $2000 to Elizabeth Holtzman during the 1980 New York Senate campaign. Holtzman reportedly returned the check, though this is not shown on FEC records. See James Barron, “How Grumman Spends Its Campaign Funds,” The New York Times, 26 October 1980.

51. Ibid.
After several years of legal practice, he became a Congressman from Minnesota, serving for 10 years as a member of the Judiciary and the Banking and Currency Committees. From 1971 to 1972, MacGregor was counsel to President Nixon and campaign director of the Committee to Reelect the President. In November 1972, he became a vice president for United Technologies, working in Washington where he is considered an influential aerospace representative. MacGregor acknowledges that his experience gives him special access on the Hill. "Having been an activist Republican who is still respected by the Democrats is very important to me—it gives me the credibility I need."

In 1977, Hugh Witt joined the UT office staff as manager of Government liaison. Witt is a former Air Force official who was the first director of the Office of Federal Procurement Policy in the OMB. OFPP drafted and implemented a major revision of Federal procurement regulations, giving Witt special knowledge of and access to the procurement process of the Executive branch.

United Technologies retains three outside firms as lobbyists—Fred Slatinshek; Cederberg & Associates; and Alcarde, Henderson, O'Bannon & Bracy. UT also employs the law firm of Covington and Burling as counsel, though again it is not registered as a company lobbyist.

The DCAA did not audit UT's Washington office. Since its defense-related staff is small and its registered lobbyists few, the company appears to have a lean but efficient Government relations effort.

**FOOTNOTES**


5. McGrath, Redefining Corporate-Federal Relations, p. 15.


9. Ibid., p. 5.

10. See, for example, U.S. Congress, Joint Committee on Defense Production, DoD-Industry Relations: Conflicts of Interest and Standards of Conduct, 94th Congress, 2nd Session, 2 and 3 Feb. 1976.


12. Ibid., p. 7 (Appendix).

13. Ibid., pp. 7-9 (Appendix). In addition to these departments, the Boeing office had, in 1975, a vice president’s office, departments of International Affairs and of National Affairs, and departments for other areas of production: Boeing Vertol, Boeing Commercial Airplane, and Boeing Computer Services.

14. McGrath, Redefining Corporate Federal Relations, p. 35.


18. U.S. 1946 Legislative Reorganization Act, Title III, Section 30F. This law was aimed at correcting excesses and abuses which abounded in pre-war lobbying. Congressional investigations of defense industry practices in the 20th century have included 1919 hearings on World War I defense industry profiteering, a 1929 investigation of a Naval lobbying program on behalf of the N.Y. Shipbuilding Co., Sen. Gerald Nye’s hearings in 1935, investigating the munitions industry, as well as later hearings on personnel transfers between the industry and the Pentagon (see Congressional Quarterly, The Washington Lobby, 3rd ed.).

19. There is also no official enforcement agency for the registration requirement.


24. See Armed Forces Journal International, June and July 1980 and DCAA audit material below.

25. “Receipts” are amounts a registered lobbyist discloses having received from the employing company, including salary; “expenditures” are amounts a registered lobbyist discloses as having spent on lobbying activity, not including salary or fee, and usually reimbursed. Because the regis-
26. The other companies whose Washington offices were audited for those years were Hughes, LTV, Martin Marietta, Raytheon and Sperry. Audits of all 10 companies' Washington expenditures were carried out only for 1974 and 1975. There have been no subsequent DCAA audits of the Washington offices of defense contractors.

27. The released texts also included audits of Hughes Aircraft, Martin Marietta, Raytheon and Sperry.

28. Two Rockwell audits had been conducted, one of the corporate office in Washington and the other of the firm's Collins Radio division's office. Only the final audit of the corporate office was released by the Air Force.

29. General Dynamics and Boeing figures are for 1974 and the first nine months of 1975, while Lockheed and Rockwell's figures cover all of 1974 and 1975. Rockwell's expenditures also include $1.5 m. spent in 1973 by the Collins Radio office.

30. Confidential interviews. The full text of the preliminary audit for Grumman has not been released.


33. Ibid.

34. In the preliminary audit of Rockwell's corporate office, nearly 50%—$1.26 m.—in claimed costs were questioned by DCAA. See Defense Contract Audit Agency, Audit Review of Washington, D.C. Office Operations and Other Expenses, Rockwell International Corporation, Pittsburgh, Pennsylvania, Report No. 3191-99-6-0318, 6 April 1976, p. iii; hereafter referred to as DCAA, Rockwell Audit (preliminary).

35. No sanitized versions of General Dynamics or Rockwell/Collins final audits have been released.

36. DCAA, Rockwell Audit, final version, dated 19 Aug. 1977, p. 3; hereafter referred to as DCAA, Rockwell Audit (final).

37. DCAA, Boeing Audit, final version, dated 12 July 1977; hereafter referred to as DCAA, Boeing Audit (final).


40. Ibid. Boeing, in the final audit, noted, “It is the policy of the company not to seek reimbursement of entertainment as defined in the ASPR” [DCAA, Boeing Audit (final), p. iii]. DCAA noted that, “Implementation of Defense Department guidelines and additional information provided by the contractor enabled some refinement of the amounts questioned” (Ibid., p. A/3-4).


42. 29 Feb. 1979.

43. After a period of time, these clearances were reinstated by DoD. Interview with DoD Directorate of Industrial Personnel Security Clearance Review, 2 Feb. 1981.


46. Ibid.


48. Ibid., p. 4 (Appendix).

49. Ibid., p. iv.
50. Ibid., p. A/3
51. Ibid., p. A/4. General Dynamics agreed to delete nearly $70,000 claimed under this heading.
52. Ibid., p. A/5. Since no final audit has been released, there is no information on whether this item was withdrawn.
54. Confidential interviews.
56. DCAA, Grumman Audit (final), p. 3.
59. Ibid., p. 1 (Appendix).
60. Ibid., p. iv.
61. Ibid.
62. Ibid., p. A/2. Lockheed’s response to DCAA’s opinion was that “the contractor can find no justification in ASPR or law for considering that the costs of lobbying are unallowable” (DCAA, Lockheed Audit, final version dated 9 Sept. 1977, p. 4).
71. Joint Committee on Defense Production, DoD-Industry Relations, p. 67.
72. Mark Green, The Other Government, pp. 45-46.
73. Ibid., p. 45.
76. DCAA, Rockwell Audit (preliminary), pp. 3-4 (Appendix).
77. DCAA, Collins Audit (preliminary), p. 3 (Appendix).
78. DCAA, Rockwell Audit (final), p. 4.
79. Ibid.
80. Ibid., p. 5.
82. DCAA, *Collins Audit* (preliminary), p. A/2
Rockwell:
W.F. Rockwell, Jr., Chairman Emeritus, Rockwell, since 1973.
William Sneath, Chairman, Union Carbide Corp., since 1978.

United Technologies:

In addition, five companies are members of the Business Roundtable: Boeing, General Dynamics, McDonnell Douglas, Rockwell and United Technologies. The Roundtable has been described by Mark Green and Andrew Buchsbaum as "the voice of big business in Washington." Of its 153 members, 148 come from the top 500 companies on Fortune's list. The Roundtable, through its policy committee, influences public policy by bringing together corporate chief executive officers with officials of the Executive branch. Chairman of the Roundtable is Clifton C. Garvin, Jr. of Exxon. Other officers include Theodore Brophy of GTE, James Evans of Union Pacific and Walter Wriston of Citicorp.

FOOTNOTES

4. "For trade associations, politics is the new focus," Business Week, 17 April 1978.
11. Ibid., S.2050.
17. Proxmire testimony.