

### III. Wall Street and the Military-Industrial Complex

#### BOOK REVIEW

## How to Advance, Beyond ‘Understanding’ the War Industry, to Ending War

by Renée Sigerson

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#### **Understanding the War Industry**

by Christian Sorensen

Clarity Press, Inc., Atlanta, GA, August 1, 2020

Paperback, 444 pages, \$29.95; ebook \$14.49

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Christian Sorensen’s bone-chilling report, *Understanding the War Industry*, released in August 2020, adds a heretofore missing resource needed to save the United States from the combined effects of an economic collapse of catastrophic proportions, and the related danger of nuclear war. Since Sorensen’s June 2021 five-part series in *Consortium News*, the circulation of his book—which he organizes as an “indictment” of more than 20 years of all U.S. administrations’ foreign and military policy<sup>1</sup>—has been growing, stirring up a much-needed shock effect among citizens drawn to hear him out.

While recognizing the significance of what Sorensen has set out to do, we warn: The political impact of this much-needed, comprehensive exposé will fizzle, unless the most significant flaw in the book is stated. The flaw is that this ex-

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1. As guest speaker at a virtual meeting of the Massachusetts Peace Action on June 29, 2021, Sorensen presented his book as if it were a legal indictment. The United States, he charged, “has the worst human rights record” of all nations embroiled in mass weapons purchases. He referenced the Leahy Law and other legislation, making it illegal to sell weapons to nations violating human rights, and portrayed how this restriction is totally ignored.



ceptionally bright and courageous veteran completely leaves out the role of the towering figure of Lyndon LaRouche, in designing and fighting for a solution to exactly the problem Sorensen addresses in his book. Relatedly, there is no significant recognition in the book of the great potential offered to humanity to solve the problem of the ever-growing power of financial interests controlling military production, namely, the potential offered to mankind by the 1989-1991 fall of the Berlin Wall and the Soviet system, a reality Sorensen needs to integrate into his thinking.

We state this not to belittle Sorensen and his work. Rather, we present this essential reality lacking in his depiction of the problem, in order to provoke a necessary debate.

In the concluding section of this review, I summarize the main features of Lyndon LaRouche’s 1977-1999 battle for ending the wars supported by Wall Street and London during the decades leading up to the post-9/11 world addressed in Sorensen’s book.

We do this so as to use Sorensen’s patriotic effort to a much-needed effect: to end the grip of fear and detachment inculcated in the American population by decades of psychological warfare run by intelligence agencies and financial groupings, demonizing Lyndon LaRouche, thereby shutting off access to his ideas. If we want to finally pop the lid on such hideous methods of controlling public opinion, the truth has to be stated.

Having watched and interacted with Christian Sorensen on June 29 at a public meeting, my sense of his

motivation is that, even if his anti-war friends might be angered by my review here, he is one of those warriors for the Good who truly likes to shake things up to attain a higher purpose.

## The Indictment of the MIC

Sorensen's meticulously assembled and unique dossier on the *current workings* of the Nazi-like, privatized cartel-system which has come to oversee the U.S. "military-industrial complex" (MIC)—which he correctly calls a "Behemoth"<sup>2</sup>—must be taken seriously *as far as it goes*.

One of the strong points of this book-length study is how it points to the connection between the non-stop pumping of U.S. government spending into killer weapons, particularly since the September 11, 2001 attack, and the financial strategies followed by Wall Street's leading investment houses and banks.

This factor of the interweaving of the leading investment banks of London and New York with the war production centers of the U.S. economy, is usually deliberately underplayed in financial reporting, let alone the U.S. press in general.

Sorensen summarizes this *Wall Street/London factor* in his chapter "Banking and Investment Firm Stakeholders," excerpted here:

The big banks and investment firms are in actuality, the foremost propellants of the war industry's influence.... The *Washington Post* cites figures stating that private equity firms invested



USAF  
A Boeing B-1B Lancer releases its payload from its three bomb bays.

over \$30 billion in 358 war corporations ... during 2004-13.... CEOs of war corporations regularly network with investment firms. CEOs and CFOs from across the war industry ... [he names a few] participated in the 2019 Morgan Stanley Laguna Conference, held at the Ritz-Carlton, Dana Point, CA.... When war corporations are merging or acquiring other corporations, [as occurred in depth during the 1990s] ... banks like Goldman Sachs and Morgan Stanley serve as financial advisors. The

top five investors in shares of Lockheed Martin are giant financial firms.... They are State Street Corp., Vanguard Group, BlackRock, Capital World Investors, and Wellington Management Group. They know war production is a reliable, steady investment.

He could have added that those same five investors own big chunks of the shares of all four of the central military production corporations in the United States. Boeing, for example, the largest of the four, is 54.8% owned by "institutional" shareholders, the largest percentage among the big four.

Behind these bare facts is a process which mimics the succession of steps starting in 1930, by which the newly founded Bank for International Settlements, the Bank of England, and private banks fostered London's "Hitler project" for war with the Soviet Union. The parallels between that devastating 1930s escapade and what has been happening in the United States and the NATO countries over a more than two-decade period, has not only been covered up by a corrupt media, but is even avoided for discussion by whining liberal Congressmen, who choose to criticize the hyperinflated \$715 billion-plus size of the U.S. defense budget, but shrink from ever addressing its ties to leading banks.

How the controlling factors of global finance exert power over the policies of the nation, is never really explained in Sorensen's account. In his Preface, Sorensen states: "The Pentagon no longer controls the

2. *Behemoth* is the title of German émigré Franz Neumann's 1942 book in English, reporting for the first time in detail how the Nazi war machine was structured. Unlike his associates in the postwar reconfigured Frankfurt School, Social Democrat attorney Neumann named the power behind the Nazi war machine "Totalitarian Monopoly Capitalism." Contrary to the Frankfurt School's Hannah Arendt, whose clique propagated the outrageous accusation that "authoritarian personality" Hitler's power came from the German population's adoration of the German Classical period in art and education, Neumann's still-famous book borrowed from classicist Rosa Luxemburg's distinction between industrial and financial (i.e., British-type) capital, where money itself becomes a weapon.

U.S. war industry. Industry runs the show. Industry employs expansive, sometime pernicious, operations in order to dominate political processes and military functions.”

He continues soon after:

This book proceeds on the basis of a few foundational facts: (1) The United States of America is no longer a republic, but an oligarchy. (2) Capital is concentrated in very few hands. (3) The Department of War [his term for the DOD—R.S.] is not the predominant decision-maker on matters of war and peace. *The boardrooms of U.S. corporations are.* This unelected bureaucracy has attained war-making authority without democratic debate, let alone democratic support (emphasis added).

It is unclear from such assertions how much Sorensen comprehends the fundamental distinction between businesses that produce physical product—including weapons—and investment houses, which deploy nothing but money. There is no attention given to the fact that some of the U.S. defense *producers*, such as Boeing, up until the 1990s, were primarily civilian-oriented firms that often formed the backbone of U.S. industry (See Osgood article which follows.).

Sorensen, to his credit, relentlessly documents the relationship between these investment houses, industrial defense producers, Congressional campaign donations, social media, and public relations firms, and even university research departments, which, combined, today form the “webwork” of the MIC. The bare information on the weapons systems being built; the corruption and incompetence which has infiltrated U.S. production, producing a lot of garbage coming off the assembly line, such as in the tragic case of Boeing; and the increasing role of contracts related to devices dedicated to psychological manipulation and control over communications: all are useful revelations which citizens deserve to know, and should act to change.

One of the highlights of Sorensen’s comprehensive analysis is the chapter entitled “Information Technology,” which has important content showing the pattern of military interaction with social media giants such as Google, and a roster of IT firms, in escalating efforts to control the shaping of public opinion. This was all as-



CC/Jeremy Elson

*Boeing's wide-body factory produces commercial aircraft in Everett, Washington.*

sembled months before Facebook, Twitter, *et al.* emerged as the “police apparatus” controlling what Americans are allowed to discuss about the 2020 election results and other crucial subjects, in which contrary views are now routinely censored or subject to warning labels.

### ‘Anti-Progress’ Progressive Non-Thinking

Keep in mind that this book was released mid-2020, and that Sorensen has never stopped working on its contents. One could say that, at the time of its release, he couldn’t account for the deeper realities which created this monstrosity. Despite its strengths, the book radiates simplistic, empiricist modes of thinking typical of the “progressive left-wing” circles who are promoting his work. Thus, Sorensen left out of consideration exactly those strategic factors which not only make the command structure of this monstrosity more transparent, but which also, properly understood, would allow a “Transition” (as he calls it) away from a war-addicted industrial system to a mission-oriented industrial economy benefiting what can be called the Common Good.

By the conclusion of his study, Sorensen wanders off onto a dangerous pathway, proposing that a design to “nationalize the defense industry” as “part of the



Green New Deal” would magically, in itself, end the shameful carnage of “war-profiteering” by private interests which is the dominant theme of his study. Perhaps he shares this idea of hopping enthusiastically onto the genocidal bandwagon of the Green New Deal, out of a combination of his own oversimplified view of “environmentalism,” combined with the advice of Brown University’s Watson Institute for International and Public Affairs, a pro-peace think tank which he praises in his book.

During the previously mentioned June 29th Massachusetts virtual event, Sorensen voiced agreement with this author, asserting his formulation that the world’s top financial interests are “moving in” to take over the Green New Deal. He indicated that he places his faith in those ideologues who claim that there are pro-worker versions of the Green New Deal which would be wonderful for mankind. The moderator of the event would not permit a continuation of this incomplete exchange, which provoked a stir within the audience.

Identifying such limitations in Sorensen’s work, such as his “belief” in the Green New Deal, is not intended to question his underlying motivation. Sorensen is a patriotic veteran of the Iraq and Afghanistan war zones, whose work is propelled by the just anger that more than one million human beings have been murdered since September 11, 2001 in warfare that should never have been launched, but which generated financial income streams for top weapons manufacturers and a bankrupt financial system. He has devoted himself to assembling this book at the close of his military service in 2011, justifiably outraged that hyperinflated U.S. military spending is diverting funds from urgently needed programs to alleviate poverty, hunger, homelessness, and unemployment both in the United States and worldwide.

Nevertheless, because of the “fence” he and his allies put around their thinking, the programs he outlines for resolving these problems will never work. The voluminous data he puts together is extremely useful, but for the reasons we point to now, the “analysis” organizing this data wanders off into many dead-end directions.

## Greed is a Symptom, Empire is the Disease

Conforming to a popular, “We Progressives”-oriented view, Sorensen reverts repeatedly to charging that it is an epidemic of “profiteering,” which, having overtaken American institutions, is the source of this murderous cycle.

To eliminate the confusions in his work, Sorensen will need to admit what the self-proclaimed leftist, “progressive” movement has shamefully suppressed with as much fanaticism as the war-mongering right-wing ideologues the liberals typically denounce: That is the “liberally forbidden” topic of Lyndon LaRouche’s



WEF/Walter Duerst

*Mark Carney, former Governor of the Bank of England and now UN Special Envoy on Climate Action and Finance, a key driving force of the genocidal Green New Deal.*

role for over a half-century in creating a global strategic dialogue promoting “Peace Through Economic Development.” LaRouche’s role has to be understood and referenced, if one wants to pull out, root and branch, the systemic modes of delusion by which Wall Street interests, as *junior partners of the imperial interests of the City of London*, have succeeded in luring both the earlier Soviet Union, and now even more so, the United States itself, into trodding down the morbid path of the twentieth-century “Hitler Project,” which to this day serves as a model for London interference in other nations.<sup>3</sup> To understand, today, how the once-powerful U.S. economy could have become “deconstructed” into the mess it is today, it is necessary to

toss aside the Liberals’ ban on any discussion of LaRouche’s ideas and the history of his political and cultural interventions, and to begin one’s investigation from an elevated overlook hovering above mountains of “fact.”

There are two interrelated subjects which must be referenced in order to have a competent view of how the monstrous U.S. military apparatus can be reconfigured towards a productive system beneficial to man-

3. Recently, Vladimir Putin made public his insightful observation that when he looks at the U.S. today, particularly in terms of the collapse of living standards in the country, he is reminded of the fall of the Soviet system. His ironic image that the United States is “marching along that path with confidence” is a precise description of what East German and Soviet leaders were claiming as their great successes right before their entire system collapsed.

kind. First, is to note how Lyndon LaRouche, in dialogue with many world leaders, addressed this problem in over a half-century of work on scientific economics. Second, are the specific insights LaRouche made public beginning in 1988, addressing exactly the Imperial designs which led, inexorably, into the 9/11 attack as the “Reichstag Fire” incident, as LaRouche stated at the time, to justify dictatorship and war.

The problem which led, step by step, to a Nazi-type war machine driving a military budget never big enough to match its needs, was also identified competently by William Binney, an NSA technical division director —*whom Sorensen cites without any indication of the significance of Binney’s work*—as Binney and friends struggled unsuccessfully against political opposition within the defense bureaucracy, toward *preventing* 9/11 from happening.

Beginning in 1988, LaRouche addressed publicly, while under massive attack, the exact complex of problems that have led to current circumstances. At each step, he spelled out a pathway for changing the arc of history toward economic and technological progress—a concept that die-hard liberals fanatically desire not to understand—and war avoidance.

### LaRouche’s Role

*In short: As the scientist who reinvigorated and advanced the discipline of Physical Economy, in opposition to British monetarism, Lyndon LaRouche has been proven right. Moreover, the U.S. Establishment’s often illegal actions to prevent the dissemination of his strategic assessments and ideas have worsened the crisis whereby the U.S. and its military have now become the leading satrap aiding and abetting British Imperial designs on a world scale.*

It is British Imperial interests, both in financial/monetary policy, and in its designing of a series of global schemes since the 1990s, leading to the “Great Reset” as a scheme to use U.S. and NATO military power to enforce the Green New Deal, along with London’s influential control over credit typified by the role



*Lyndon H. LaRouche, Jr.*

of former Bank of England head Mark Carney<sup>4</sup>, which have put the U.S. economy onto the insane trajectory Sorensen describes.

It is well known that no less a figure than former General and retiring President Dwight Eisenhower, in his 1961 “Farewell Address,” was the wise statesman who coined the term “military-industrial complex.” With great passion, Ike shocked both politicians and citizens by insisting that it is their joint responsibility to monitor this potentially dangerous institution compelled into existence by a “Cold War,”

which was in fact though perhaps not fully understood by Eisenhower, largely contrived by British intelligence interference on both sides of the East-West divide. Ike inherited this problem from a corrupt and Winston Churchill-controlled President Harry Truman, whereby a large-scale interface of military and industry, a pattern which had never previously existed in peacetime U.S. history, was required to meet the unpre-

4. See the [article](#), “Mark Carney: The Prince (Charles) of Central Bankers,” by Paul Gallagher in *EIR*, Volume 46, No. 41, October 18, 2019.



public domain

*President Dwight D. Eisenhower delivering his Farewell Address in a national television broadcast, in which he warned against the potential influence of the military-industrial complex, January 17, 1961.*



EIRNS/Stuart Lewis

*Lyndon LaRouche and Ronald Reagan at a candidates' debate in Concord, New Hampshire during the 1980 Presidential Campaign.*

dictable circumstances of the Cold War.

In the period 1977-1980, LaRouche proposed a policy to lessen the danger of nuclear war, by calling for U.S./U.S.S.R. collaboration in the development of high-energy laser defense systems, based on new physical principles, to intercept incoming nuclear missiles. This concept defined a science-driver, “anti-war” mission to thus be able to transform the “military-industrial” system as it then existed in the United States, while simultaneously reaching out to the Soviets to make collaboration a basis for peace, as opposed to a race for superiority. Ronald Reagan agreed with that concept, and LaRouche became an advisor to the National Security Council and other government agencies on these matters. LaRouche was also officially deputized to discuss this concept as a “back-channel” negotiator, with Soviet officials.

On March 23, 1983, Reagan announced to the nation the launching of a program he named the “Strategic Defense Initiative” (SDI), calling for science and industry to turn its efforts towards preventing nuclear war.

In 1984, LaRouche elaborated this concept in a six-page “[Draft Memorandum](#) of Agreement between the U.S. and U.S.S.R.” which continues to be discussed by world leaders to this day.

Yet Sorensen has only one sentence in his book, re-

fering to the revolutionary concept of the SDI. He ridicules it, calling it a “harebrained scheme.”

Today, it is the design crafted by Helga Zepp-LaRouche, for a worldwide agreement among nations to develop the standard of modern medical services to be constructed in every nation of the world, that takes LaRouche’s work forward. The resources of the U.S. and other nations’ military installations, worldwide, will be essential for accomplishing that medical mission, which since the onset of COVID is no less than a mobilization to save civilization. This revolution in global medical defenses, moreover, has served to define a goalpost around which the U.S. population would come to happily mobilize for a re-

organization of the bankrupt Trans-Atlantic monetary system. The seed crystal of an international alliance, named the Committee for the Coincidence of Opposites, has come together to coordinate the work for this global health mobilization.

In the arc of history from the early 1980s collaboration of LaRouche and Reagan to the present, it was the



Ronald Reagan Presidential Library

*President Ronald Reagan announcing the Strategic Defense Initiative in a national television broadcast, March 23, 1983.*

tragedy of the “Lost Opportunity” presented by the fall of the Berlin Wall and Soviet system, which then led to a military-industrial complex of the Nazi type that has exploded in the U.S. today.

In October 1988, Presidential candidate Lyndon LaRouche presented two national broadcasts over U.S. television warning that a major change in history



was under way. On October 14, LaRouche proposed an agreement between the U.S. and Moscow, for the U.S.S.R. to withdraw its troops from East Germany, and then to allow a unified Germany to lend credit to Poland as a model for a program throughout Eastern Europe, to raise living standards and the productivity of industry. This was to be facilitated by building modern high-speed rail between Paris, Berlin, and Vienna. One year later, what no government or media in the world foresaw came to pass, and the Berlin Wall fell.

On October 31, 1988, LaRouche presented the second U.S. national TV broadcast, entitled “The Winter of Our Discontent.” In that broadcast, he warned that a civil war was threatening to erupt in the tottering nation of Yugoslavia, which, if the U.S.S.R. invaded in response, could lead to a nuclear war.

In January 1989, immediately after George Bush’s inauguration, LaRouche was thrown in prison with a 15-year sentence. When the Berlin Wall fell later that year, LaRouche’s concept of a development program for Poland to serve as the model for a policy of economic development of Eastern Europe was supported by high-level financial circles close to German Chancellor Helmut Kohl. On November 30, Deutsche Bank director Alfred Herrhausen, the leading spokesman for this policy and a close friend of Kohl, was assassinated. Kohl was put under crushing pressure by the British and French governments to accede to the Maastricht Treaty, a monetarist scheme to prevent industrial modernization throughout Europe, in favor of shifting control of the German economy from its sovereign government, over to a European Central Bank and Brussels bureaucracy.

In December 1989, as the world was still celebrating the “chance for peace” embedded in the fall of the Berlin Wall, U.S. President George H.W. Bush launched a one-month, brutal invasion of Panama, to clean out political adversaries who knew too much about his involvement in drug trafficking and other illegalities.

Thirteen months later, Bush assembled a “Coalition” for a one-month, first round of military attack on

Iraq, called Desert Storm, leading to sporadic air attacks on Iraq throughout the 1990s.

Overlapping Desert Storm, the civil war LaRouche had forewarned of for Yugoslavia, began to erupt, turning into an eight-year bloodbath.

These military conflicts were overtly manipulated and intensified by London’s imperial system of intelligence agencies looped directly into the financial system, to crush the great opportunity given to mankind for peaceful economic development upon the voluntary disbanding of the U.S.S.R. It was a deliberate wrecking operation to prevent an historically immense, unique opportunity for peaceful coexistence and an economic/cultural Renaissance from ending what had been a



DoD/F. Lee Corkran

*With the fall of the Berlin Wall, a great opportunity for peace in the world opened up, but was crushed by the Maastricht Treaty. Shown here are East German President Adenauer, West German Chancellor Kohl (speaking) and West Berlin Mayor Momper at the opening of the Brandenburg Gate border crossing, December 22, 1989.*

“Century of War.”

London’s American lackeys in U.S. finance, the intelligence services, and sections of the military went into action to divert and wreck any policy initiatives that pointed in the direction of peace. In 1994, an international mobilization succeeded in getting Lyndon LaRouche released physically from prison after five years, coinciding with George Bush’s failure to be re-elected; but the personal vulnerabilities of President Bill Clinton, who sympathized with many of LaRouche’s ideas, prevented any decisive progress in the fight to beat back the pro-Bush, London financial apparatus’ power and influence over U.S. financial and intelligence agencies.

This, in summary form, is the context in which Wall Street bankers moved like lightning starting in 1996-

1997 to build up a newly configured, war-addicted U.S. military-industrial complex.

### **Intentions Revealed, Plans Shifted**

The largest post-war U.S. military budget is not the one that exists today. In fact, the largest budget ever for U.S. “defense” outlays occurred in 1985, which was \$315 billion. If the current budget of approximately \$715 billion is restated in 1985 dollars, it is only \$290 billion. Also, the Reagan budget was not a “war fighting” budget: It included greater allocations for research and development, including the SDI; and for strict defense deployments, such as the large troop presence the U.S. had in Europe. The world was frequently threatened with the danger of nuclear war, either by accident or deliberate intent during the 1980s; but that was a different era, also characterized by the huge European demonstrations against deployment of U.S. short-range nuclear devices onto European territory.

When the U.S.S.R. voluntarily disbanded in 1991, U.S. defense spending shrank more than 35% in a single year. The procurement budget (outlays for specific military equipment) in 1997 was 65% below what it had been in 1985. Large layoffs were occurring in the military production sector, which at the time centered around more than two dozen corporations.

Globally, bankers were organized into a looting binge of stealing and speculating on raw materials grabbed out of post-Soviet Russia. Simultaneously, huge amounts of investment capital were poured into “mergers and acquisitions,” with the shrinking U.S. defense sector high on the list of targets for London and U.S. investment houses scheming to grab big financial paybacks from participating in the reorganization of the aerospace and defense production systems.

According to the *Journal of Air Law and Commerce*, the U.S. aerospace industry declined from almost 50 independent companies in 1985 to only three in 1999. The first to merge were Grumman and Northrop in 1994. The shocking Lockheed merger with Martin Marietta (they had been the two top fierce competitors in the production of weapons), followed one year later. Along with Boeing (whose merger with McDonnell Douglas brought on disaster for the former leader in civilian aircraft development) and Raytheon, by 1997, what had been a defense production line of over 24 core companies had been shrunk to four.

As noted earlier, the investment banks made large

amounts of money guiding these mergers. According to the *Journal of Air Law and Commerce*, the financial institution which was particularly noteworthy in this U.S. defense consolidation was The Carlyle Group, a Bush-family related private investment operation founded by a Wall Street attorney along with former CIA deputy director Frank Carlucci. Carlyle also became notorious because of its ties to the Saudi Arabian bin Laden family during this period, as part of its outreach to retired government officials worldwide. Billionaire David Rubenstein, Carlyle’s founding attorney, has been associated with Klaus Schwab’s World Economic Forum, a birthplace of today’s Green New Deal.

From 1994-1998, an out-of-control financial bubble grew from the combination of speculating on the looting of Russia, speculative attacks on Third World currencies, and the vast amounts of money circulating out of these mergers, which hit every branch of the economy. Lacking a coherent program for economic development, the bubble took over—and collapsed in 1998 around the failure of Long Term Capital Management.

Coinciding with the financial storms, came the storms of war. The spending in U.S. defense may have shrunk, but the deployment of American personnel into actual war fighting had already surpassed the 1980s. A well-meaning, but weak President Clinton allowed neo-conservative Secretary of State Madeleine Albright to continue periodic, heavy bombing raids on Iraq; a contrived, serious bombing attack on Sudan; and deep involvement with Britain in the London-encouraged civil war in former Yugoslavia.

In July 1999, Clinton finally succeeded in securing a negotiated settlement of that war and proposed—in line with LaRouche’s general way of thinking—that the U.S. create a “New Marshall Plan” to rebuild the Balkans, essentially returning to the same concept of developing Eastern Europe as a pivot for a global policy of peace through economic development.

Before LaRouche’s endorsement of Clinton’s proposal was printed, a Northrop-Grumman-produced U.S. plane, carrying a smart bomb with a new GPS system manufactured by Boeing, “accidentally” bombed the Chinese Embassy in Belgrade, killing three officials working there. The chilling effect of this atrocity, following the brutal years of London’s success in keeping this war going, sent a cold shock throughout the world.

Reading and circulating LaRouche’s [assessment](#), “Balkan Peace and World Economy: The Case for a



“New Marshall Plan,” is a pre-requisite for any serious attempt to understand how to end “war economy.” In that article, Mr. LaRouche noted, “I forewarn the reader, that this report is of some length, and contains parts which only citizens who actually think (cognitively) are likely to read to completion.”

## The Destruction of Boeing: Once a Great Engineering Company

by Carl Osgood

July 15—On August 7, 1955 Boeing Company chief test pilot Alvin “Tex” Johnston, during a demonstration flight for aviation industry executives, flew two-barrel rolls in the Boeing 367-80, the 4-engine jet-powered airliner that served as the prototype for the 707 jetliner. As he explained to company president Bill Allen, the maneuver was absolutely safe because as the airplane was rolling, Johnston maintained one positive G of force on it all the way around so that it never “knew” it was inverted. In a barrel roll, the pilot pitches the nose up into a climb and then rotates it into the inverted position. When he comes to the top of what amounts to a loop, he continues the roll into a dive and, if done correctly, he comes out of the maneuver in the same heading, speed, and altitude at which he was flying before going into it. It is often confused with an aileron roll but in that maneuver the airplane never changes altitude.

At Allen’s insistence, Boeing had spent \$16 million, almost the entirety of the company’s profit since the end of World War II, to develop that jet-powered airliner and by the time production ended in the early 1990s, more than 1,000 of the 707 jetliners had been built, almost 900 of them for commercial operators. Using the same technology, Boeing introduced the 727 and 737 short-to-medium-range airliners and the 747-jumbo jet in rapid succession between 1963 and 1968, revolutionizing air travel.

Johnston’s now legendary barrel roll—he described it and why it worked in his 1991 memoir, *Jet-Age Test Pilot*—typified the kind of company Boeing was in

those days. It has been likened to a society or even a family of engineers more than a commercial concern, and it was dedicated to building well-engineered airplanes for its customers. “Traditionally, Boeing has prided itself in developing cutting-edge products, new airplanes, developing technologies, the kinds of things that you can sell, because they’re great products,” Bill Dugovich, then-spokesman for the Society of Professional Engineering Employees in Aerospace, told *EIR* in an [interview](#) published on March 17, 2000. “Because they’re great products, people buy them, and the company makes money.”

Things began to change in the aviation industry in the late 1970s and early 1980s, with deregulation and the focus on increasing competition among the airlines, and cost cutting. The turning point for Boeing came in 1997 with the merger with McDonnell Douglas, a rival company in both the military and commercial realms. McDonnell Douglas was the smaller of the two compa-



National Air and Space Museum

*Initially the Boeing Corporation proudly produced airplanes with engineering of high quality. Shown: Model 707 commercial airliners at the Boeing factory in Seattle, Washington in 1958.*

nies but its corporate culture of cost-cutting and rising share prices for its investors ended up dominating management of the combined company.

### Regime Change at Boeing

Exemplifying the cultural change was the move of company headquarters from Seattle to Chicago, completed in August of 2001. The effect was that the company’s top management was no longer directly connected to the production process. “When people say I