

# The Soaring Profits of the Military-Industrial Complex, The Soaring Costs of Military Casualties

By [Prof. James Petras](#)

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## Introduction

There are two major beneficiaries of the two major wars launched by the US government: one domestic and one foreign. The three major domestic arms manufacturers, Lockheed Martin (LMT), Northrop Grumman (NOG) and Raytheon (RTN) have delivered record-shattering returns to their investors, CEOs and investment banks during the past decade and a half. The Israeli regime is the overwhelming foreign beneficiary of the war, expanding its territory through its dispossession of Palestinians and positioning itself as the regional hegemon. Israel benefited from the US invasion which destroyed Iraq, a major ally of the Palestinians; the invasion provided cover for massive Israel's settler expansion in the Occupied Palestinian territories. In the course of its invasion and occupation Washington systematically destroyed Iraq's armed forces and civil infrastructure, shredding its complex modern society and state. By doing so, the US occupation removed one of Israel's major regional rivals.

In terms of cost to the United States, hundreds of thousands of soldiers who had served in the war zones have sustained severe physical and mental injuries, while thousands have died directly or indirectly through an epidemic of soldier suicides. The invasion and occupation of Iraq has cost the United States trillions of dollars and counting. Despite the immense costs to the American people, the military-industrial complex and the pro-Israel power configuration continue to keep the US government on a wartime economy - undermining the domestic social safety net and standard of living of many millions.

No peaceful economic activity can match the immense profits enjoyed by the military-industrial complex in war. This powerful lobby continues to press for new wars to sustain the Pentagon's huge budget. As for the pro-Israel power configuration, any substantive diplomatic peace negotiations in the Middle East would end their naked land grabs, reduce or curtail new weapons transfers and undermine pretexts to sanction or attack countries, like Iran, that stand in the way of Tel Aviv's vision of "Greater Israel", unrivaled in the region.

The costs of almost 15 years of warfare weigh heavily on the US Treasury and electorate. The wars have been dismal failures if not outright defeats. New sectarian conflicts have emerged in Syria, Iraq and, now, Ukraine - opportunities for the US arms industry and the pro-Israel lobbies to make even greater profits and gain more power.

The on-going horrendous costs of past and continuing wars make the launch of new military interventions more difficult for US and Israeli militarists. The US public expresses wide-

spread discontent over the burden of the recent past wars and shows even less stomach for new wars to profit the military-industrial complex and further strengthen Israel.

## War Profits

The power and influence of the military-industrial complex in promoting serial wars has resulted in extraordinary rates of profit. According to a recent study by Morgan Stanley (cited in Barron's, 6/9/14, p. 19), shares in the major US arms manufacturers have risen 27,699% over the past fifty years versus 6,777% for the broader market. In the past three years alone, Raytheon has returned 124%, Northrup Grumman 114% and Lockheed Martin 149% to their investors.

The Obama regime makes a grand public show of reducing the military budget via the annual appropriation bill, and then, turns around and announces emergency supplemental funds to cover the costs of these wars. . .thereby actually increasing military spending, all the while waving the banner of 'cost cutting'. Obama's theatrics have fattened the profits for the US military-industrial complex.

War profits have soared with the series of military interventions in the Middle East, Africa and South Asia. The arms industry lobbyists pressure Congressional and Pentagon decision-makers to link up with the pro-Israel lobby as it promotes even deeper direct US military involvement in Syria, Iraq and Iran. The growing ties between Israeli and US military industries reinforce their political leverage in Washington by working with liberal interventionists and neo-conservatives. They attack Obama for not bombing Syria and for his withdrawal of troops from Iraq and Afghanistan. They now clamor for sending US troops back to Iraq and call for intervention in Ukraine. Obama has argued that proxy wars without direct US troop involvement do not require such heavy Pentagon expenditures as the arms industry demands. The Obama regime has presented the withdrawal from Iraq and Afghanistan as a necessary step to reduce US financial and military losses. This was in response to Wall Street's pressure to cut the budget deficit. Obama's attempt to meet the demands of the US financial sector has come at the price of cutting potential profit for the military industrial complex as well as infuriating Israel and its fanatical supporters in the US Congress.

## The Fight over the Military Budget: Veterans versus the Complex and the Lobby

In the face of rising domestic pressure to reduce the budget deficit and cut military spending, the US military-industrial complex and its Zionist accomplices are fighting to retain their share by eliminating programs designed to serve the health needs of active and retired soldiers. Soaring disability costs related to the recent wars will continue for decades. Veteran health care costs are expected to double to 15% of the defense budget in the next five years. The huge public cost of caring for soldiers and veterans means "bad news for defense stocks" according to financial analysts (Barron's, 6/9/14, p. 19).

This is reason why the arms industries promote the closure of scores of Veterans Administration hospitals and a reduction in retiree benefits, using the pretext of fighting fraud, incompetence and poor quality service compared with the 'private sector'. The same corporate warlords and lobbyists who clamor to send US troops to back to Iraq and to new wars in Syria and Ukraine, where young lives, limbs and sanity are at great risk, are also in the forefront of a fight to slash funding for the veterans' medical care. Economists have long noted that the more dollars spent on veterans' and military retirees' health care, the less

allocated for war materials, ships and aircraft. Today it is estimated that over \$900 billion dollars will have been spent on long-term VA medical and disability services for veterans of the wars in Afghanistan and Iraq. That number is clearly set to rise with each new intervention.

The corporate warlords are urging Congress to increase co-pays, enrollment fees and deductibles for veterans, retirees and active duty personnel enrolled in military health insurance plans, such as Tricare, as well as limiting access to the VA.

The fight over Pentagon expenditures is a struggle over war or social justice: health services for troops and veterans versus weapons programs that fatten corporate profits for the arms industry.

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