

Top Weapons Companies Boast Ukraine-Russia Tensions Are a Boon for Business

In calls with investors, Raytheon and Lockheed Martin boasted that the worsening conflict is helping profits.

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As the United States weighs more involvement in the growing conflict between Ukraine and Russia, some of the largest weapons companies in the world — Raytheon and Lockheed Martin — are openly telling their investors that tensions between the countries are good for business. And General Dynamics, meanwhile, is boasting about the past returns the company has seen as a result of such disputes.

The statements come as the U.S. government [escalates](#) arms shipments to Ukraine, among them the Javelin missiles that are a [joint venture](#) between Raytheon and Lockheed Martin. House Democrats, meanwhile, are [trying](#) to quickly push through a bill that would significantly increase U.S. military assistance to Ukraine, and impose new sanctions on Russia.

Anti-war campaigners warn that U.S. escalation, amid [renewed tensions](#) between Ukraine and Russia, could bring dire consequences, and spill into a much larger and more protracted war. “As we are shipping advanced weaponry to the Ukrainian military, the Biden administration has signaled that U.S. military advisors will continue to stay in the country,” Cavan Kharrazian, progressive foreign policy campaigner for the advocacy organization Demand Progress, tells *In These Times*. “Who will most likely set up and teach the Ukrainian army how to use these weapons systems? The U.S. military.”

Among those openly discussing the boon to profits is Raytheon CEO Greg Hayes. During a January 25 [appearance](#) on CNBC’s “Squawk on the Street,” he was asked, “Do we have anything that would make it so if you inserted 8,000 American soldiers into Ukraine, they can stop 103,000 Russian soldiers?”

In his reply, Hayes touted the role the company could play in arming U.S. allies.

“Obviously we have some defensive weapons systems that we could supply which could be helpful, like the patriot missile system.” He went on to add, “We’ve got the technologies to help in these engagements, whether it’s patriot systems, some of the radar systems.”

Hayes suggested that Raytheon’s arms could offer a deterrent that helps prevent war.

“So at the end of the day, we have a strong defense as a deterrent to try to prevent things like this from spinning out of control. So the hope is that we don’t end up with a hot war, and if we do, it will be costly on both sides.”

If it sounds like Hayes is using mounting tensions as an advertising opportunity for his company, this may not be far fetched. On a January 25 [earnings call](#) (which was [noted](#) on Twitter by Nick Cleveland-Stout of the Quincy Institute), Hayes included “tensions in Eastern Europe” among the factors that Raytheon stands to benefit from. He said:

“We just have to look to last week where we saw the drone attack in the UAE, which have attacked some of their other facilities. And of course, the tensions in Eastern Europe, the tensions in the South China Sea, all of those things are putting pressure on some of the defense spending over there. So I fully expect we’re going to see some benefit from it.”

Raytheon isn’t alone in its projections. Among those noting the likely boost to profits is Jim Taiclet, the chairman, president and CEO of Lockheed Martin. In a January 25 [earnings call](#), he told investors,

“If you look at the evolving threat level and the approach that some countries are taking, including North Korea, Iran and through some of its proxies in Yemen and elsewhere, and especially Russia today, these days, and China, there’s renewed great power competition that does include national defense and threats to it.”

This “great power competition,” he suggested to investors, bodes more business for the company. Taiclet says,

“And the history of the United States is when those environments evolve, that we do not sit by and just watch it happen. So I can’t talk to a number, but I do think, and I’m concerned personally that the threat is advancing, and we need to be able to meet it.”

The statements come from leaders of an industry that exerts tremendous influence in Washington, employing an average of 700 lobbyists per year over the past five years, or more than one lobbyist per member of Congress, [according to](#) Brown University’s Costs of War project.

Raytheon, Lockheed Martin and General Dynamics are also funders of the influential think tank, Center for Strategic and International Studies, which has been [encouraging](#) the United States to take immediate action, including militarily, in the event of a Russian invasion.

“Everyone in D.C. knows that weapons manufacturers are helping skew U.S. policy towards militarism, but they usually try to be less obvious,” Erik Sperling, executive director of Just Foreign Policy, an anti-war organization, told *In These Times*. “They are cashing in on tensions over Ukraine as the U.S. pours weapons into the region.”

General Dynamics, meanwhile, has noted that past tensions have increased demand for the company's products. On a January 26 [earnings call](#), the company was asked,

"The Ukraine and everything going on with Russia has been in the headlines. What does that mean for your international Land Systems business, particularly in Eastern Europe?"

CEO Phebe Novakovic replied,

"Well, for some time now, the Eastern European demand for combat vehicles has been at elevated level."

Novakovic declined, at least explicitly, to speculate about future profits:

"But," she continued, "I have to tell you that speculation about the considerable tension in Eastern Europe and any subsequent impact on budgets is just till advised given the high threat environment. So, we are hopeful for a peaceful resolution."

While Boeing did not directly reference Ukraine and Russia, in a January 26 [earnings call](#), Brian West, executive vice president and chief financial officer, said that support among both Republicans and Democrats for high levels of military spending are helping the company's profits.

"In the defense and space markets, we're seeing stable demand," West said. "We continue to monitor the federal budget process in the U.S. and see strong bipartisan support for national security, including Boeing products and services. While governments around the world remain focused on Covid-19, security spending remains a priority given global threats."

But Kharrazian warns,

"While it may not be profitable for arms manufacturers, engagement in good-faith, realistic diplomacy is what will benefit the region as a whole and mitigate unnecessary and potentially catastrophic conflict."

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