



## COMPANY HISTORY AND PRODUCTS

General Dynamics (GD) is headquartered in Falls Church, Virginia, and employs approximately 46,000 people worldwide. GD and its subsidiaries have facilities throughout the United States, with international offices in Italy, England, and Canada.



## WHAT THEY MAKE

GD operates in four main areas:

- ◆ Marine Systems - producing warships and nuclear submarines
- ◆ Aerospace - making business jets
- ◆ Information Systems and Technology - designing command and control systems
- ◆ Combat Systems - making tanks, amphibious assault vehicles, weaponry, and ammunition

GD Marine Systems is the U.S. Navy's leading supplier of combat vessels – including nuclear submarines, surface combatants, and auxiliary ships. At Electric Boat in Groton, CT, General Dynamics builds the Seawolf attack submarines. At Bath Iron Works in Maine, the company builds the DDG 51 destroyers. Land Systems of Sterling Heights, Michigan builds the M1 tank.

Additionally, General Dynamics manages information networks for NATO allies, provides water transportation in Boston Harbor (Harbor Express), supplies interactive displays for remote medical care (Telehealth), furnishes computer-based, automated diagnostic maintenance and instruction tools (TechSight™), and services various business aircraft.



## GENERAL DYNAMICS DOD CONTRACTS

Year	Rank	Awards (in Billions)
2000	4	\$4.2
1999	4	\$4.6
1998	4	\$3.7
1997	4	\$4.0
1996	5	\$2.7



## DD-21 STEALTH ATTACK DESTROYER

The future of General Dynamic' \$50 billion DD-21

Land Attack Destroyer program is uncertain. The ship, which would be the "next generation" warship, has been the subject of intense debate in Congress and the Pentagon. During his campaign, President Bush committed to "skipping a generation" in the development of new weapons technology. The DD-21 is a system that would get "skipped."

However, the Bush administration's 2002 defense request included \$643.5 million for the DD-21 program. While the ship cost \$100 million less than the current destroyer, and would put into place new "cutting edge" technologies, it is not clear if it is necessary. As Owen Cote of MIT's security studies program said, "The problem it is going to have is there's a very capable ship that's now being made." That ship, the DDG-51 "doesn't do many of the things that the DD-21 does, but the bottom line is the Navy is being put under tremendous budgetary pressure and the DD-21 is a little exposed."

As John Donnelly of the Boston Globe points out, "The uncertainty has overshadowed another unfolding drama: competition between Bath and Ingalls over the designation of lead shipyard in the project. The winner would take over the design work and hire various subcontractors, making the award worth billions of dollars." Currently there are two teams, the Blue Team and the Gold Team. The Blue Team consists of Bath as shipbuilder, Lockheed Martin as combat system designer, with Maine Senators Olympia Snowe and Susan Collins as its "political shepherds." The Gold Team, with Ingalls as the shipbuilder, Raytheon as the systems integrator and Senator Trent Lott of Mississippi as its congressional advocate. Lott's position as Senate Majority Leader acts "as a more than equal political counterweight" to Snowe and Collins.



## INSIDE POLITICAL CONNECTIONS

The Bush administration named three corporate executives to lead the Air Force, Army and Navy. Among the three is Gordon R. England, 63, who recently retired from General Dynamics, who serves as the Secretary of the Navy. The Boston Globe noted, "Gordon England had no military experience, but he had just the right qualification to become President Bush's pick for secretary of the Navy: Two decades in the corporate world."

While Gordon England is on his way to the Pentagon,



a number of former Pentagon officials and members of the armed services serve on the company's Board of Directors (each receives an annual retainer of \$40,000), including Former U.S. Under Secretary of Defense for Acquisition and Technology Paul Kaminski, who reportedly also receives \$200,000 a year for up to 40 business days of his time.

### THE MONEY STUFF

According to the Center for Responsive Politics, campaign contributions for the 2000 election totaled \$1.2 million, with about 65% going to Republican candidates. To date, General Dynamics has donated close to half a million dollars for the 2002 election cycle, while lobbying expenditures average about \$4.1 million a year.

### US WEAPONS MAKERS VIE FOR TAIWAN ARMS DEAL

While the sale of Aegis Destroyers to Taiwan has been temporarily postponed, weapons manufacturers aren't giving up.

General Dynamics, owner of Bath Iron Works where the destroyers would be built, hired Cassidy and Associates, whose key player is former Reagan defense official Carl Ford, to lobby for the sale.

Cassidy, which also has a \$10 million contract with a Taiwan think-tank with close ties to the ruling party, conceived of and drafted a letter sent to President Clinton by Senate Majority Leader Trent Lott and two other Republican Senators. The letter implied that congressional approval of permanent normal trade relations with China was contingent upon the White House's prompt approval of the weapons sale.

On the public relations front, jobs were made a major issue.

The Aegis Industrial Alliance says that the destroyer contract represents work for 1,938 companies in 49 states that have stakes - including major weapons manufacturers Lockheed Martin, Boeing and Raytheon. Also on Taiwan's wish list are P-3C Orion submarine-hunting aircraft from Lockheed Martin, and advanced-medium-range air-to-air missiles, diesel submarines, and M1 tanks made by General Dynamics Corp.

### SOURCES:

- ◆ Information was obtained from the General Dynamics website ([www.generaldynamics.com](http://www.generaldynamics.com)) and various news articles.
- ◆ For more information please consult the WPI website at [www.worldpolicy.org/projects/arms](http://www.worldpolicy.org/projects/arms).
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