

Aerospace and defense giants United Technologies and Raytheon announce merger

By Kevin Reed
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The aerospace and defense corporations United Technologies (UTC) and Raytheon announced a merger over the weekend that will create a single giant entity worth a reported \$100 billion. Following rumors that a deal was in the making, the two companies published a website on Sunday that made the “all-stock merger of equals” plan official.

The new firm—to be called Raytheon Technologies Corporation (RTC) and finalized in the first half of 2020—will include all of Raytheon, a leading defense industry contractor, and the defense and aerospace divisions of UTC. The latter firm had already announced plans last November to divest its Otis elevator and escalator and Carrier heating and cooling divisions. In corporate-speak, UTC said at the time that the decision allowed for “strategic focus and financial flexibility to deliver innovative customer solutions and drive long-term value.”

On the website announcing the merger under the title “Defining the Future: Aerospace and Defense,” the combined annual sales of the two entities are calculated at \$77 billion. This is for UTC Pratt & Whitney fighter jet engines (\$21B), UTC Collins Aerospace commercial and military aviation systems (\$22B), Raytheon intelligence, space and airborne systems (\$18B) and Raytheon missile and integrated defense systems (\$16B).

The merger press release explains that the combined corporation “will offer a complementary portfolio of platform-agnostic aerospace and defense technologies.” It then gets to the heart of the matter, saying the deal “will offer expanded technology and R&D capabilities to deliver innovative and cost-effective solutions aligned with customer priorities and the national defense strategies of the U.S. and its allies and friends.”

Consolidation in the defense and aerospace industries has been intensifying in recent decades, leaving all but a handful of huge contractors to provide the US military

with the weapons it uses to raise entire cities, destroy countries and kill millions of people. According to the *New York Times*, getting bigger gives these firms “more scale and cost savings that can be poured into research and development, as well as shareholder returns.”

Indeed, a bullet point in the UTC-Raytheon press release highlights the fact that the deal is expected to return \$18 to \$20 billion in capital to shareowners within the first 36 months of the combined company. An investor selling point for the merger—as well as a likely rationale for US government regulatory agency approval of the deal—is that there is little overlap in capabilities and products between the two firms.

Wall Street and the corporate media are giddy over the creation of a new American military colossus. For the financial elite, the prospect of a single entity that is second to Boeing in aerospace and Lockheed-Martin in defense is too good to be true.

Raytheon traces its history back to the electronics industry of the 1920s in Cambridge, Massachusetts. With connections to MIT, the company developed radar systems for the US military during WWII. In the post-war era, the company specialized in missile guidance technologies and consumer products such as refrigerators, air conditioners and microwave ovens.

Beginning in the 1980s, Raytheon made a series of acquisitions that included the Beech Aircraft Corporation, Chrysler and General Motors defense and electronics divisions, Hughes Aircraft Company and Magnavox Electronic Systems. By the year 2000, Raytheon had divested itself of most divisions not related to the defense industry.

Among Raytheon’s most important products is the Tomahawk subsonic cruise missile. Every US military operation and regime change campaign since the Gulf War of 1991—from Iraq and Afghanistan to Yugoslavia, Libya, Somalia, Yemen and Syria—have included the

launching of Raytheon-made Tomahawk cruise missiles, mostly from naval ships and submarines.

In April 2017, the US Navy launched 59 Tomahawk missiles against a Syrian airfield, claimed by the Trump administration without proof to be the launching site of a government chemical attack on civilians. One year later, another 66 cruise missiles were fired on a supposed “Syrian chemical weapons facility.” For each one of these missiles, the Pentagon paid Raytheon at least \$1.4 million.

The Tomahawk missile can be launched from long distance (800–1500 miles), fly at extremely low altitudes (90 to 150 feet), at subsonic speeds (550 mph) and can follow moving targets. After launch, the missile is propelled by its own engine and is nearly undetectable. It contains a 1,000-pound fragmentary warhead that often includes bomblets designed to cause maximum destruction and human casualties upon impact.

Enormous sums are being poured into further development of the Raytheon Tomahawk cruise missile, including weaponizing any remaining fuel during short range attacks into a “fuel-air explosive” that creates a thermobaric explosion more powerful than the onboard warhead.

United Technologies was founded as United Aircraft Corporation (UAC) in the 1930s and specialized in commercial and military aircraft frames and engines. During WWII, it also entered into business dealings with the US military and signed lucrative wartime contracts.

After the war, its Pratt & Whitney and Sikorsky divisions provided jet engines and helicopters in both the military and commercial markets. UAC also made acquisitions in post-war passenger rail systems for Penn Central Railroad and Amtrak.

UTC’s Pratt & Whitney brand of military jet engines is among the most widely used in the world. With over 7,000 engines utilized by the militaries of 34 countries—including the United States, the United Kingdom, Italy, the Netherlands, Turkey, Canada, Australia, Denmark, Norway and other allied nations—UTC is the world’s foremost provider of war-making jet propulsion technology.

Pratt & Whitney’s F135 engine is used in the US Air Force F-22 Raptor (made by Lockheed Martin), a stealth and super-maneuverable “single weapons platform.” The F-22, which costs \$150 million apiece, has a glass cockpit and is armed with six missile launchers, four long range and two short range. The four launchers can be replaced with two bomb racks that can carry one 1,000-pound or

two 250-pound bombs in each.

The Pratt & Whitney powered F-22 can also carry air-to-ground weapons with guidance systems and it has an internally mounted 20mm rotary cannon that is embedded on the right wing. The fighter jet can drop a guided bomb from 50,000 feet while cruising at Mach 1.5 and hit a moving target from 24 miles away. The F-22 was used in airstrikes against Libyan air defense in March 2011 and also in airstrikes against Syria in September 2014.

The combination of Raytheon and United Technologies demonstrates several features of capitalism in the twenty-first century. Firstly, that the parasitic financial elite is demanding ever-greater monopolistic enterprises to sustain their accumulation of untold billions and trillions of dollars regardless of the destructive purposes of their investments. Secondly, that the greatest accomplishments of science and technology are subordinated to the military-industrial complex required by American imperialism to further its ambition as the barbaric hegemon of world affairs.

When asked about the merger on Monday, President Donald Trump said he was “a little concerned” about the deal and the potential it has to eliminate competition in the defense sector.

During an interview on CNBC, Trump said, “It’s hard to negotiate when you have two companies and sometimes you get one bid. ... The United States has to buy things; does that make it less competitive?” He should know, since exclusive bids were a cornerstone of his real estate hustling operations. In any case, it is likely that the Pentagon and Wall Street will have their way regardless of Trump’s phony objections.

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