



Eugene Gholz, “The Curtiss-Wright Corporation and Cold War-Era Defense Procurement: A Challenge to Military-Industrial Complex Theory”, *Journal of Cold War Studies*, Vol. 2, Issue 1 (Winter 2000): 35-75.

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Eugene Gholz’ “The Curtiss-Wright Corporation and Cold War-Era Defense Procurement” is, as its subtitle indicates, “A Challenge to Military-Industrial Complex Theory.” At least in the case of Curtiss-Wright, Gholz provides strong evidence that the Military-Industrial Complex (MIC) does not look after its own, even in times of defense largesse, and that leading members of the MIC cannot rely on it for sustained profits or even survival. Gholz devotes the first third of his article to a discussion of various theories of defense procurement during the Cold War. Without saying so directly, he highlights the role of procurement decision makers—meaning senior military officers—in the process. If procurement decisions were driven by the needs of large defense firms, or if they were determined by the plain imperative to have the best available technology, then these officers must have enjoyed relatively little autonomy. Either engineering experts or corporate executives and their congressional allies would have been the key players in vital procurement decisions. Gholz offers the decline and demise of the Curtiss-Wright Corporation as a test case for procurement theories, especially the MIC theory, and, implicitly, for the relative role of corporate, congressional, and military figures in key procurement decisions. Gholz proceeds to discuss the particulars of Curtiss-Wright’s rise and fall. The company by all accounts was a major manufacturer of airframes, engines and propellers, swiftly moving the latter to rocket propulsion technologies after the Second World War. It had major procurement contracts with the Air Force and Navy in 1945 and had lost nearly all of them by 1960. How? There is little question that the “Military-Industrial Complex Theory” of procurement cannot account for the case of Curtiss-Wright. If this story weans social scientists away from a preoccupation with theory, so much the better. On the other hand, if the MIC theory cannot account for the company’s collapse, what can? Gholz offers some intriguing suggestions and one can only hope that this article is prelude to a lengthier publication that will pursue them. In brief, Gholz argues that Curtiss-Wright failed in at least three regards on at least two levels. Senior management (which endured a major shakeup in 1947-8) was slow to recognize that the company’s vertical integration, especially its attempt to be in both the airframe and engine businesses, was a weakness rather than a strength. That same management consistently demanded subsidies in one form or another from the military services rather than risk company capital, as many competitors were willing to do. And the company’s production and engineering staff acquired an apparently well-deserved reputation for refusing to cooperate in co-production or sub-contracting arrangements, even ones underwritten by the military during the war for urgent wartime needs. As a result, even when Curtiss-Wright aircraft (such as its F-87) were rated superior to the competitions in flyoffs, Air Force procurement officers recommended continued production of outdated aircraft until a competitor’s aircraft could be brought up to snuff. Likewise, the Air Force and Navy preferred dealing with other engine companies that they saw as less troublesome and more reliable than Curtiss-Wright, despite Curtiss-Wright’s superior

product. As for rockets, senior management's failure to offer comparable in-house funding and development and its insistence on up-front government support led the military to turn elsewhere.

Gholz maintains that his story demonstrates that the MIC Theory needs reinvestigation. No argument on this point. But his proffered alternative, a "bureaucratic-strategic" theory, seems an anemic replacement, at least insofar as it is articulated here. Rather than quibble over theories, it might be more productive to suggest ways in which Gholz and other scholars in this field might pursue and develop his findings. First, it seems altogether proper to focus on problems of management. Curtiss-Wright could not overcome them, but other companies did. How? If the MIC was not the corporate welfare/safety net it was purported to have been, then we need to ask how other defense companies managed to survive and, in some cases, prosper very well indeed. Second, we need to pay a good deal more attention to the military procurement people, not simply the process. The air force and naval officers in Gholz's study are hardly simple-minded warriors. They were acutely aware of the need for multiple suppliers and the difficulties, technical and otherwise, of what might properly be called systems integration. If they really were central to procurement decisions-and Gholz makes a strong case that they were-they need considerably more study than they have received. For these reasons alone, the *Journal of Cold War Studies* is to be applauded for including this interesting and provocative article in its repertoire.

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