

Curtiss Wright
Aviation

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MEMORANDUM

February 10, 1943

To: Mr. Fulton

From: Mr. Lathrom

Subject: CURTISS AIRCRAFT PLANT, COLUMBUS, OHIO

The above operation was set up to build two types of planes for the Navy - one a 600 h.p. scout observation plane and the other a carrier based dive bomber, which is, in theory, rated as the highest performing of its class in the world.

The following is a summary of the factual situation:

1. ^{First} Contracts - Nov. 19, 1940
2. Planes on contract -
 - Scout observation - 1600
 - Dive bombers - 6965
3. Dollar value of above contracts plus several small incidental contracts - approximately \$740,000,000.
4. Potential fees to the company included in above contracts- \$37,500,000
5. Construction began - Nov. 28, 1940
6. Operations began - March 1941.
7. Production originally scheduled to begin:
 - Dive bombers - December 1941
 - Observation - November 1941
8. Production began -
 - Dive bombers - September 1942
 - Observation - ~~October~~ 1942.
April

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9. Production to Feb. 1, 1943 -

Dive bombers - 65
Observation - 362

10. Expenditures -

a. Facilities \$27,649,409.00

b. *Payments on dive bomber contract -

| | | |
|------------------------|----------------------|------------------|
| On account of fee | \$ 1,180,094.48 | |
| On account of cost | 376,800.14 | |
| On account of advances | <u>81,484,238.00</u> | ** 83,041,132.62 |

(Payments per plane - \$ 1,277,555.88)

(Cost per plane as indicated
by Navy -

| | | |
|-------------|------------------|---------------|
| Airframe | \$66,799.18 | |
| Spare parts | <u>26,719.67</u> | \$ 93,518.85) |

c. Payments on observation contract -

| | | |
|------------------------|----------------------|---------------|
| On account of fee | \$ 1,087,189.88 | |
| On account of cost | 23,315,024.54 | |
| On account of advances | <u>22,227,235.36</u> | 46,629,449.78 |

(Payments per plane - \$ 128,810.63)

(Cost per plane as indicated
by Navy -

| | | |
|-------------|------------------|--------------|
| Airframe | \$29,782.20 | |
| Spare parts | <u>10,423.77</u> | \$ 40,205.97 |

TOTAL \$157,319,991.40

This has been a striking example of a poor operation since its beginning.

The Committee has received a great many complaints, as a result of which a visit was made to the plant on November 20, 1942. At that time, although the employment was at 12,000 and the plant had been in operation a year and a half, very little had been produced. It was admitted by both Navy representatives and management that morale was bad and the management had been poor.

*These figures, as furnished by the Navy Department, are not entirely clear as to the breakdown between payments as to cost and advances. The total, however, will not be more than a relatively few thousand dollars off.

(See last page for further note on total cost.)

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They were lacking in engineering and other technical personnel. The morale in the plant was actually so bad that on the trip through ^{it} the employees could be seen standing around in groups leaning on their machines, and without sufficient interest even to make an attempt to appear busy when the manager came through with a visitor.

There were a good many reasons given by the Navy representatives and the management for this state of affairs—the most logical of which seemed to be:

- (1) The whole company had been overloaded and overexpanded.
- (2) That two undeveloped, experimental airplanes had been put in one plant in which technical personnel was spread very thinly.
- (3) That the parent corporation did not give the Columbus plant sufficient attention and personnel, preferring to keep their best operation at the main plant.
- (4) That the whole operation was carried on with too much attention being paid to future well-being of the company rather than meeting the needs for production.

At the time of the November 20 visit a production model of the dive bomber had not yet been proved and accepted. Because of the visit of Admiral McCain, Chief of the Bureau of Aeronautics, who was insistent upon their getting out some of the dive bombers, the Navy modified their requirements and agreed to freeze the plane and take the sacrifice in quality in order to get some production. Subsequently, in December and January 45 of the dive bombers were produced as against a total previous production of 20. This was done, as indicated above, at the expense of some quality and at a loss in production of the smaller

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observation planes. Production was only 15 in January as against 30 in December, which would indicate that the apparent improvement was in the nature of a spurt rather than a real improvement in conditions at the plant.

All in all, this operation seems to be as bad as, if not worse, than any which has been called to the Committee's attention.

In addition to the two production contracts which the company has, it has experimental contracts for one light bomber and one fighter plane for the Navy. It is believed, but not verified, that the first model of the fighter plane, ~~following the usual tradition of Curtiss planes,~~ exploded in the air recently during tests near Washington.

It is suggested that before a visit is made to the plant, Admiral McCain or someone whom he may designate, be requested to appear with the Committee to discuss this operation. This is suggested because it is felt desirable to have the Navy on record as to their official opinion of this operation as well as to explain why so many contracts have been given to this company and so much money spent on it, in the light of its extremely poor record of performance.

****** Total cost (\$83,041,132.62) includes \$18,000,000 paid on account of planes to be produced for the Army at the Robertson, Missouri Plant of the company. This still does not affect the whole picture much, however, since it is all under one contract and nothing has been produced under the contract at the Robertson Plant.