Contracts and Consequences

How two Cold War races reshaped federal business

SS24.US2.11a "Evaluate the effects of the arms and space races on the growth of the military-industrial complex."

NAME _____ DATE _____

1 READ AND MARK

Read it twice

YOUR JOB Underline how arms-race spending helped companies grow, and circle how space-race spending did the same. Mark one benefit of that growth B and one risk R.

Rockets, Contracts, and Influence

1 In 1957, the Soviet Union launched Sputnik, the first artificial satellite. Americans worried that Soviet rockets could also carry nuclear weapons. During the arms race, the Pentagon paid private companies to design and build missiles, bombers, and radar. Long, costly contracts helped firms expand their workforces and laboratories, while the government became a steady customer.

2 The space race added another stream of federal money. Created in 1958, NASA hired private firms to build rockets, spacecraft, and electronic systems. Some companies worked for both NASA and the Pentagon, so workers and technical expertise could serve civilian space projects and defense work. NASA remained a civilian agency, not a branch of the military.

FEDERAL BUYERS AND PRIVATE FIRMS

Federal buyer	What private firms built
Pentagon	Missiles, bombers, radar
NASA	Rockets, spacecraft, electronics

3 Eisenhower called the growing ties among armed forces, lawmakers, and defense companies the military-industrial complex. Federal contracts supported skilled jobs and new technologies, but companies that relied on contracts had incentives to lobby for more spending. Space contracts widened the network of firms doing federal work. Eisenhower warned that this network could gain too much influence over public decisions.

2 ANSWER WITH EVIDENCE

Use the passage

1. How did arms-race contracts help private defense firms grow?

2. NASA was a civilian agency. How could its contracts still expand the network connected to defense work?

3. What was one benefit and one risk of the growth caused by federal contracts?

4. Did the arms race and space race expand this network in exactly the same way? Explain.

3 YOUR TURN

Your own words

A senator is considering a new contract for a firm that makes both missile guidance systems and spacecraft electronics. In four sentences, advise the senator whether to approve it: connect both races to the firm's growth, weigh one benefit against one risk, and justify your decision.

ANSWER KEY

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GRADE 11 · SS24.US2.11a

PART 1 · READ AND MARK

Underline how arms-race spending helped companies grow, and circle how space-race spending did the same. Mark one benefit of that growth B and one risk R. Accept any marking that follows this job and points at the right text.

PART 2 · ANSWERS

#	QUESTION	ANSWER
1	How did arms-race contracts help private defense firms grow?	**Pentagon contracts paid firms to build weapons and radar, allowing them to expand their workforces and laboratories.**
2	NASA was a civilian agency. How could its contracts still expand the network connected to defense work?	**NASA hired private firms, some of which also worked for the Pentagon, adding federal business and expertise to firms connected to defense work.**
3	What was one benefit and one risk of the growth caused by federal contracts?	**Contracts supported skilled jobs or new technologies, but firms that relied on them had incentives to lobby for more spending.**
4	Did the arms race and space race expand this network in exactly the same way? Explain.	**No. Pentagon contracts directly funded military equipment, while NASA contracts funded civilian space projects. Both brought federal money to private firms, including some that worked for both agencies.**

PART 3 · YOUR TURN (SAMPLE ANSWER)

I would approve the contract with close oversight. Arms-race contracts helped firms like this one grow through defense work, while space-race contracts added civilian projects. The new contract could support skilled jobs, but the firm might lobby for more spending to keep its business growing. Oversight would help the senator judge whether the project serves a public need rather than only the firm's interests.

Accept either decision in Part 3 if the response connects both races to firm growth, weighs a passage-supported benefit and risk, and justifies the decision. NASA contracts should not be described as military contracts.