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MAINTAINING THE MILITARY-INDUSTRIAL BALANCE IN MANPOWER

10 February 1947

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THE INDUSTRIAL COLLEGE OF THE ARMED FORCES

Washington, D. C.

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THE INDUSTRIAL COLLEGE OF THE ARMED FORCES

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CAPTAIN WORTHINGTON:

Dr. Edward Fitzpatrick needs no introduction in The Industrial College of The Armed Forces. He helped us a great deal this year on the interim course. He spent the summer as a member of the faculty, advising us on manpower. He has come down twice during the manpower course to lecture to us, in addition to being present at some of our seminars.

He is President of Mount Mary College, Milwaukee, Wisconsin. His experience in selective service started with his being draft administrator in Wisconsin in World War I, and he was an advisor to the national Selective Service in World War II. He has written a great many books and written for a number of magazines. I take great pleasure in introducing Dr. Fitzpatrick.

DR. FITZPATRICK:

The subject I am supposed to talk about is the military-industrial balance. I think it would be a good thing if officers in considering these questions that are presented here would do as Gibbons, the author of "The Decline and Fall of the Roman Empire," used to do. He would take a stab at the title and write out what he thought about it before he began to study it. I am wondering now what is in your minds regarding the military-industrial balance, what it is, what you think I am going to say, which I probably will not say, and what you will get at the end of the talk.

Captain Worthington advises me that you are all trying to pass back to me all the questions I put up to the administration of the Industrial College in the report I made last summer on "Manpower and Economic Mobilization." As I suggested to him, I am Irish; so you can ask me all the questions you want. If I don't know the answer, I shall say so; and if you imply an answer, I will make you explain your implied answer before I attempt to give you my answer.

The principle of the military-industrial balance is a very, very simple one if you want to put it in its most elementary terms. Seemingly all it means is that every time you put a person in the Armed Forces, you must provide back of the lines for feeding him, clothing him, sheltering, transporting and arming him, providing recreation for him, and perhaps looking after his wife and family. That is all there is apparently to the principle of the military-industrial balance.

What I want to do with you today is to raise the question whether you do not have here in this principle a guide to your industrial

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mobilization planning as well as in your manpower recruitment. If you raise it to the level of a principle, you have a means of testing your planning and your actual processes of recruitment. If I don't succeed in that, I haven't succeeded.

I am going to present the matter not in a strictly logical way, but in a practically logical way. The range that I shall attempt to deal with can be treated only by the high-light method, not by a strictly logical method. If I should begin by telling you that these are the factors entering into the making of plans, and that you must take into account all these things, that would tend to give you an idea that the matter was closed. What I want to do is to open up for you the possibilities of the principle.

Now, the plan I am going to follow is this: I shall first just throw out a few suggestions about it, so to get one elementary statement of principles. Then I am going to take the experience of World War I, based largely on General Crowder's report, and show how the principles tended to emerge in a situation which did not press heavily upon the manpower resources of the country. Then I am going to take the World War No. II situation and then show how various aspects of that culminated in the need for national service; and show in connection with that, that according to the report of the Bureau of the Budget the main reason for national service was a progressive and flagrant violation in World War II of the principle of the military-industrial balance. Then perhaps I shall make an effort at a logical statement of the principle and the complicating factors that resulted in it.

The easiest way to introduce the subject is by, for example, taking the situation of England in 1914. If you remember that situation, the moment the war was declared, the youth of England rushed to enlist. The technically trained men rushed to enlist. In fact, all those people who had any kind of spontaneous patriotism rushed to enlist, and they were accepted. Of course you know what happened. A little bit later they all had to be returned to the jobs which they had left, because they would have been more effective in the defense of the realm, as the English say, in the jobs that they had left rather than in the service that they sought to enter.

So you see, there you have at the beginning of wars in miscellaneous enlistment a tendency to destroy your industrial balance before you get a chance to organize it. Of course, in England in 1914, in the United States in 1917, and, amazingly enough, in the United States in 1940, because we hadn't apparently learned anything by our experience in World War I, the industrial mobilization plans of England in 1914 and those of this country in 1930, 1933, 1936, and 1939 were not industrial mobilization plans at all, because they totally neglected to take account of the military-industrial balance, as I think I showed pretty conclusively in the report I made last summer.

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Now, that is one fact at the beginning of a war. The other fact at the beginning of a war is that you immediately in your effort to get men for the armed forces are putting your hand into the labor force and pulling people out of the labor force at the same time that you are increasing the load on industry at an extraordinary rate to get things done. So at the time you are trying to pull people out, at that same time you are increasing the demand for labor. So, unless you are aware of the need for a balance between those factors, you are creating conditions that, if you permit them to develop, will not be corrected in the events and in the hurry and scurry of the first months of war.

If those are the facts at the beginning of war, then probably the two basic propositions of the military-industrial balance are that in any population there is an optimum number that will be available for military service under the conditions of modern, technical, totalitarian war; and that "military service" will have to be defined, and perhaps redefined under the conditions of the wars of the future. For our immediate purpose it includes the men who by current practice are now said to be in the armed forces. That is the military factor.

To clothe, feed, shelter, arm, transport, care for medically and even recreationally, those forces, will require a labor force and industrial and agricultural organization and production commensurate with the number of persons in the military force wherever they are, engaged in the kind of activities the strategical and tactical plans require. Provision must be made to continually provide all these services in accordance with the military needs of the armies, navies, and air forces.

Now, that is a simple principle. If it were as simple as that, the problem probably would not be as great. But there are often complicating factors in it. Probably I had better try to analyze these a little bit more.

If you look at World War II, one of the first factors is the need of our allies. If you have read the Eberstadt report, which I shall not use today, but which has an extraordinary amount of material on this principle, you will know that we have to think also of neutrals that are friendly to us. But that whole problem is expressed for us, without effort to define it in more detail, in what is called lend-lease. Lend-lease is a demand made on the productive industry of this country and on the manpower of the country essentially for the defense of the country.

Now, after you have your men in war production, these men as well as the soldiers have to be fed, clothed, housed, and transported, and in the mobility of our labor force probably transported several times to places far distant from their actual homes. Even new communities must be created where new factories are located, to get them away from centers of population. So you have to create a whole new life probably

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as part of the maintenance of the war workers.

These industrial workers and these factories, of course, as I have just intimated, do not exist in a vacuum. The whole community life in which these agencies and instrumentalities and persons live must be maintained. So any consideration of the industrial and mobilization balance, which I shall indicate a little more in detail later, must take into account the womanpower, and the children even, of the population.

Not only must we take into account the women and the children, but we must go into the handicapped. You must go into those beyond the age of the labor force, the old, the aged, and the retired. In helping to run the agricultural machine you probably will have to go below your eighteen years of age, even to fourteen, to get the additional manpower needed, particularly at the time when agriculture absorbs about two million additional people above its regular force.

Of course, in the last war we helped this balance out a little bit further by importing people from Newfoundland for agricultural work and from Mexico for railroad work as a part of the manpower needs of the country. Then after we started to get prisoners of war, we had them also entering into the manpower problem, this maintenance of the military-industrial balance.

I hear you had an interesting session on utilization. I suppose it need hardly be added that the problem of the balance between industry and the military will depend on the effectiveness of the utilization of manpower both in the military and in the industries.

That there was a wasteful use of manpower by the military in the war, I think, would go without saying. That there was waste of manpower in industry was also quite evident. I saw myself the effort, for example, of navy yards to store people and to make statements to the President's Reviewing Committee that were hardly accurate in the facts. If they had not been in the Army or Navy, they probably would have been prosecuted for perjury. I saw a disgustingly wasteful use of manpower myself, with a very rapid promotion and at the end a profuse distribution of ribbons, that showed an utter failure to realize the problems that were before the American people at the time.

There was a more or less naive effort to express the military-industrial balance by means of a ratio. You probably remember that effort. They said that for every man in the Army there must be so many men backing him in industry or in the economy. Such a simple, naive effort you probably think was not real, but let me read you a colloquy between Senator Downey and Mr. McNutt on the manpower bills that were before the Senate of the United States. I will read the actual colloquy, because I want you to have the actual picture before you.

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Mr. McNutt said: "I could not answer that, because there is a reflection then immediately as to how many we are going to send overseas.

"Senator Downey: Of course, I understand the necessity of the Chief of Staff and the staffs maintaining their own confidence in these matters; but, of course, it leaves Congress and everybody in the position where they are totally incapable of judging in regard to any of these problems.

"I might say, Mr. McNutt, I was kept in a total sense of confusion by reading your recent article in the American. You stated that it would require 20 workers, or 18 perhaps, back of each soldier, and then you stated that by American ingenuity and energy we could cut that ratio in two, without explaining how."

You see, with an Army that was ultimately developed to 12 million and a population of 130 million, that ratio definitely looked right.

Mr. McNutt said: "That is right. It can be done by improvement of methods, there is no question about that, and there have been some remarkable improvements."

Senator Downey said: "Let us take ten in back of each soldier--

"Mr. McNutt (interposing): Let me get to the point, Senator. There is no need of my arguing the point. What we are interested in is the total number to be in the armed forces. Once they determine that, where they send them, whether they are going to serve abroad or serve here, is for the military authorities to decide. We do know how many they have to have.

"Senator Downey: Governor McNutt, I cannot quite agree with your statement. This is my own opinion, based upon military information: It would take 25 million more Americans to support an Army of 5 million fighting on foreign lands than are being trained in the United States of America. That is a military statement I have received, and your own statement that ordinarily it is expected to take 18 workers back of each fighting man is an even stronger statement. I do not see how the Manpower Commission or the War Production Board can have any rational idea on how critical this problem is or what we do unless they themselves have some general knowledge of how many men we expect to have in Australia, how many in Africa, how many in the islands, and how many in Europe.

"Mr. McNutt: Well, it is true that the length of the line of communication is a factor.

"Senator Downey: Not only that, but the destruction and wounding of your men, and by disease.

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"Mr. McNutt: The casualty loss, there is no question about that; how many replacements will be necessary."

That last comment is interesting, because in 1943, when the President thanked General Hershey for providing enough men, the Army had already exceeded the authorized strength by a couple of hundred thousand. The ultimate explanation was that the casualties did not happen at the rate they had anticipated and so there was no need for the demand for more men.

The trouble with any effort to establish an over-all ratio as an expression of the principle of the military-industrial balance was characteristic of a great deal of the thinking that went on in the war and some things that I called in a report for the Military Affairs Committee a statistical mirage. Any over-all figure must necessarily hide a whole lot of detailed ratios which will be widely different in their characteristics--how many men are needed back of a combat soldier, how many men are needed back of a service soldier, how many men are needed back of them whether the man is in Europe or whether he is right here. There are a whole lot of detailed ratios--how many men are needed back of an Air Corps soldier, how many men are needed back of a Ground Forces soldier. Any effort to include all those elements under one general ratio, I think, is a misunderstanding of the problem either in planning or in recruiting.

Now, the other factors that come up in connection with that relate on the one hand to industrial mobilization, which I shall not give too much time to, because you already have a mimeographed pamphlet on that, and on the other hand to our national service legislation.

Let us go for a few minutes to World War I. The problem at the beginning of World War I was a very simple one. The war had been going on since 1914. Our industry had attempted to provide the people who proved to be our allies with a whole lot of material. There was some disturbance of our productive capacity. On June 5, 1917, ten million men were registered, the law having been passed May 17. They needed by September 687,000 men in the armed forces, and they believed they could classify three million of the ten million by that time. You see, that was not a major problem. And yet you may recall that even after they called the 687,000 men, the cantonments had not been built. So there was no possibility of calling them into the service at that time, and the calls were broken down.

But there emerged as a result of that first effort at selective service in this country a principle of classification that is one way to express the industrial-military balance. That is the creation of classes. You had Class I. You had four other classes of deferred registrants or exempted registrants. This was the military group and this was the industrial and economic and social balance in the four other classes.

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If you go back to that definition of World War I, those who were in Class I are the names of those whose induction into the military service will least interfere with the industrial, economic, and agricultural life of the Nation. It was assumed, and properly, that any effort to pull out of this labor force even 687,000 people would necessarily disturb the labor force. So what you were trying to do in the military-industrial balance was to pull out those men that you would need ultimately in that war, which was approximately four million, so as to least disturb the economic and social productivity of the country. You see, that is the basis of the industrial balance. In fact, General Crowder uses the phrase in discussing it that it would create a nice and impartial balance of these forces. That is a little bit enthusiastic and exaggerated.

At any rate, there was a feeling there for the principle; and in General Crowder's discussion of that thing there is one point that we missed also in this war, and that is this: that the major defense "protection" of industrial workers in World War I was in the dependency classification. That was the major defense, I suppose.

Now, General Crowder's figures are that if you take into account the people above and below the draft ages and the people who were deferred for dependency, 80 percent of the workers needed in industry would be outside of any possibility of draft. So all that your draft had to do was to keep the key men, to protect these relatively few indispensable men.

Of course, we didn't learn that in the present war. We began World War II with that identical principle and we had to change it in 1942. If you read General Crowder's report you can see without definite formulation as such the factors that must go into our military-industrial balance. For instance, he said that the economic balance must be maintained. The industries that must be maintained are shipbuilding and manning of ships, munitions manufacture, and agriculture. He says that vital necessities abroad had invaded and disturbed this balance; and that the increased manufacture of the instruments of war require as great as or even greater drafts of men from normal peacetime industries.

He refers to the fact that even that first draft of 687,000 men of a registration of ten million of the 21-38 group may make necessary a direct draft of labor, but he hopes that it won't be necessary to do so.

Absolute exemption was given to shipbuilding and ship manning under what was called the Emergency Fleet Classification, and a serious question can be raised as to the wisdom of that step.

Here is an interesting thing, General Crowder says, "Many claims were made for industrial and agricultural deferments which were

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inspired by patriotic singleness of purse, but not by patriotic breadth of view. Both industries and individuals in this war showed a patriotic singleness of purse to keep themselves in the industrial side of the balance."

There is one reference in this report to the need for women. There is also a statement that if we had known what they could do in World War I, it would have saved us a whole lot of trouble.

"The deferments were not to be given to the younger men who have not yet become integrated with the domestic, industrial, or agricultural life of the nation." As you all know, in World War II a large number of boys got into industrial plants and built up their II or III deferments and their technical proficiency so that they were not put into the military forces.

There is a very interesting statement on the problem that in this war remained insoluble and which was also a matter of great concern, that is, what to do with students in colleges. How essential are students in colleges? I think if this statement of General Crowder's had been sent out to the heads of all educational institutions, it might have helped the situation. He says, "The student of medicine, chemistry, and engineering has to be recognized in the deferment policy. In other fields of education different considerations are controlling. If a nation is to make any sacrificial adjustment it is here. The value of an educated youth is not to be underestimated, but war is an emergent condition which by the very nature of the problem cannot last forever. While due provision must be made for the future, the obligation of military service is not lightly to be passed over. It is not difficult to find that the relations of a man to the war industries of a nation are sufficient to defer his call to military service and in his place to send another man to a stern and vicarious sacrifice; but it is much more difficult to reach the conclusion that either the interests of the nation or the interests of the favored man are sufficient to justify sending forth in the place of a college student a less fortunate youth at the imminent and great peril of life--not because he is better fitted to defend his country (for admittedly such is not the case), but because the national life has vouchsafed him fewer opportunities. Yet that idea is rampant in the Nation. It is unfair and unjustly partial. Human lives and destinies are at stake. There is too great a disposition to weaken on this ground; and the sooner the Nation comes to an exact realization of the issues involved, the sooner will the powerful disposition of high but single-minded educators be opposed in this regard."

I think that problem is one that we failed to solve in the last war and failed to solve in this war. There was a great meeting in Baltimore well before the war to decide what the Army and Navy wanted. Within a year the War Production Board, the War Labor Board, the War Manpower Commission, the Army and Navy, and the Selective Service group

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got together--I represented General Hershey on that committee--and drafted a statement of what the War and Navy Departments wanted. The essential point was that all these youngsters must expect to enter the military service--that is in General Crowder's report--and they became an integral part of the domestic, economic, and industrial life of the Nation. I presented that to the meeting at the American University and they told me I was a renegade and everything baseless to the cause of education. They cursed me under their breath.

But, at any rate, the point that what we ought to face frankly in that kind of situation is that the protection of the enrollment in colleges is not generally speaking, in my judgment, a major thing in the national interest. In the emergent condition of war that is a temporary situation.

But the result of this experience even in this small part of World War I was the formulation of the military-industrial balance principle. In Section 70 of the regulations promulgated after the first draft it is provided: "The military needs of the Nation require that there be provided in every community a list of names of men who shall be ready to be called into service at any time. The economic needs of the Nation, while deferring to the paramount military necessity, require that men whose removal would interfere with the civic, family, industrial, and agricultural institutions of the Nation shall be taken in the order in which they best can be spared. For this reason"--and then they talk about the five classes. Then they go on and review the regulations and define what are necessary to industry, which is an expression of the military-industrial balance, what are necessary persons in a necessary industry. I find that the regulations of World War II almost reiterate exactly this wording.

The things to be achieved were threefold: the adequate and effective operation of the Military Establishment, the effective operation of the military forces, and the maintenance of the national interest during the emergency.

There was a definition of a necessary industry. The term "necessary industry" under rule 17 of World War I regulations "as applied to any industry, or occupation, or employment, or agricultural enterprise, within the meaning of these regulations, shall be taken to import that the discontinuance, the serious interruption, or the materially reduced production thereof, will result in substantial material loss and detriment to the adequate and effective maintenance of the Military Establishment, or the effective operation of the military forces, or the maintenance of national interest during the emergency."

Then it goes on and defines a necessary agricultural enterprise as one which is producing a substantial amount of food or whatever the product is beyond that which is consumed on that farm.

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Then in this rule 18 it defines who is a necessary person. It says that the word "necessary" as applied to an individual employee means

"(1) That the registrant is actually and completely engaged in the industry, or occupation, or employment, or agricultural enterprise, in the capacity recited in any such rule, and that he is competent and qualified in that capacity.

"(2) That the removal of the registrant would result in direct, substantial, material loss and detriment to the effectiveness of the industry, or occupation, or employment, or agricultural enterprise.

"(3) That the available supply of persons competent in the capacity recited in the rule is such that the registrant cannot be replaced in such capacity without direct, substantial, material loss, and detriment to the adequate and effective operation of the industry, or occupation, or employment, or agricultural enterprise."

That was the expression of what was needed in the industrial side to meet the needs of the military side, remembering always that this was directed to the protection of the key men or indispensable men. The great body of the people were also to be protected by the dependency regulations. That was one three-year effort to achieve the emergency military-industrial balance.

Another thing that emerged in the military-industrial balance is the "work or fight" regulations of World War I. They were developed in 1918. Efforts early in the war to get work or fight regulations were unsuccessful. It is interesting to note that the work or fight regulations were an expression of the military-industrial balance. They got up a printed memorandum, one hundred copies of which were printed and confidentially distributed, it was said, to persons who could reach the President. Of course, the Army is never interested in the political side.

The main points of the memorandum were thus summarized at the beginning of the memorandum:

"The war has so far disorganized normal adjustment of industrial manpower as to prevent the enormous industrial output and national organization necessary to success." That is very clearly a statement of the industrial-military balance.

"There is a popular demand for organization of manpower, but no direct industrial draft could be imposed in the present popular temper.

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"Steps prohibiting idleness and noneffective occupation would be welcomed.

"By giving idlers and men not effectively employed the choice between military service and effectual employment, we should avoid the wasteful and unscientific draft of men effectively employed, abolish idleness, put every man to work, cure the single great defect of the draft, and accomplish the adjustment of manpower supply.

"The plan avoids hardship by offering the Federal Government a facile opportunity to control conditions of employment.

"The plan offers a gradual development in step with popular approval to the perfection of a complete survey of our manpower and the erection of a system of control sufficient for any eventuality of the war."

Those were the reasons given by General Crowder for the work or fight regulations. There is a discussion of that thing and the possible refinement of it, that I will just skip now. But the groups that were supposed to be reached by this order were the people who were obviously of no use to the Nation in an emergency and of doubtful use at any other time. That would push some manpower over where they needed it. The importance of the thing was not the increase of manpower, but the effect on the morale of the Nation and the effect in a whole lot of other nonproductive industries in pushing people toward the productive industries.

To give you some idea who were included in this first group I will just read you some of them. "Idlers, gamblers of all descriptions and employees of race tracks, bucket shops, fortune tellers, clairvoyants, palmists, and the like. Persons serving food or drink either in public places, hotels, or social clubs; those not including managers, clerks, cooks, or other employees not serving. Passenger elevator operators and attendants, doormen, carriage openers, and other attendants in clubs, hotels, stores, apartment houses, office buildings and bath houses. Persons, including ushers and other attendants, engaged and occupied in and in connection with games, sports, and amusements, excepting owners and managers, actual performers, including musicians, in legitimate concerts, operas, motion pictures, or theatrical performances, or presentations. Sales clerks and other clerks employed in stores and other mercantile establishments."

Those were the people who were to be pulled in as the first group. Others were to be added progressively as the pressure came. That is what General Crowder proposed as the mechanism which could progressively be expanded to meet whatever the emergent conditions of the war should be.

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I think the morale factor, as I said, was one result. The other result was pressure on all nonproductive industries to have men within the draft ages go into productive industries.

In World War II there was a group of nondeferable occupations. The War Manpower Commission made the rules. The Selective Service System was supposed to enforce them. So it left kind of twilight zones of industries that were not nonessential but yet were not nondeferable.

Apart from that the reaction of Congress was very bad. Ultimately, in Public Law 197 the thing was repealed, the Labor Board memorandum was rescinded and the laws abolished.

But if you are going to study that problem, you had better study it in the light of two facts. We got mixed up with the question of the deferment of fathers. It was announced that the nondeferment of fathers' policy would be put into effect in October of 1943. The statute, Public Law 197, provided for the calling of nonfathers before any fathers in the United States. It was alleged that that was not an administratively possible thing to do.

But the real difficulty was the fact that the House of Representatives disliked very much the chairman of the War Manpower Commission and the representative of the Selective Service didn't help that situation any, even though the Selective Service System was a part of the War Manpower Commission at that time. The political factor in the House of Representatives and the popular question of the deferment of fathers confused the situation--the question of nondeferable occupations should not be regarded as unwise, because Congress ultimately stopped that method. That thing should be studied in the light of the actual political and social facts of the time.

Since I came down here I found the report on "The United States at War," published by the nice, bright young men in the Bureau of the Budget. It is a study of the administrative results of the war achieved from that office. It is a rather frank and critical report. The only difficulty I find with it--and I am going to use it this afternoon in the seminar--is that the data upon which the conclusions are based are not presented in the report. It is a very easy thing to make nice generalities, but to make nice generalities supported by data is an entirely different intellectual process. That is a process that is not too often characteristic of Washington reports. But at any rate there is enough truth in this particular report to show the impact of the war in any consideration of the industrial-military principle.

In early 1942 Congress really had some information on what it was supposed to appropriate money for. Of course, the information furnished

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by the executive departments were most favorable to the executive departments' point of view, not to the public's point of view. But at any rate when the war came, within six months the Congress of the United States appropriated 100 billion dollars for the war effort and within the next four months appropriated another 60 billion dollars for the war effort. There the flood gates were open and the orgy of spending began. Now, what was the result? There were six results noted. I will summarize them, and one or two I want to read in detail.

The first result was that it became utterly impossible to produce everything ordered at any time in any near future. It was an industrial impossibility because it was beyond our industrial capacity.

Second, there was resulting collision between various industrial problems and between the various men responsible for them. For example, merchant ships took steel from the Navy, and the landing craft cut into both. The Navy took aluminum from aircraft. Rubber took valves from escort vessels, from petroleum, and from the Navy. The pipe lines took steel from ships, new tools, and the railroads. And at every turn there were foreign demands to be met as well as requirements for new plants.

Here is a little stronger one. All semblance of balance in the production program disappeared because of the different rates of contracting and of production that resulted from the scramble to place orders. If there ever had been a planned balance between men, ships, tanks, planes, supplies, weapons, ammunition, and new facilities--and there is no evidence that there was--that balance disappeared in the differential time required to develop the orders, the differential energies of the various procurement officers, and the differential difficulties of getting production out.

Fourth, we had a terrific waste on conversion. After a tragically slow start, many a plant was changed over to war production when its normal product was more needed than its new product. Locomotive plants went into tank production when locomotives were more necessary, but the Tank Division did not know this. Truck plants began to produce airplanes, a change that caused shortages of trucks later on. In some cases plants were converted at great cost of steel and copper, when a fraction of the precious metals involved would have brought a greater return at some other place in the economy. The scramble for a production we could not attain brought us waste instead.

Fifth, we built many new factories and expanded many others which we could not use and did not need. Many of these factories we could not supply with labor or with raw materials, or if we had, we would not have been able to fly the planes or shoot the ammunition that would have come out of them. But in the process we used up critical materials and manpower which might better have gone into something else. In the

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light of the tremendous contracts outstanding, especially in the early part of 1942, however, these plants seemed necessary to some people and under the system they were given high priorities. In most cases they were also financed by the Government. The result was, however, an overconcentration of contracts in the larger corporations and a failure to fully utilize the facilities of many small manufacturers whose plants could have produced "bits and pieces."

Finally, the priority system resulted in priority inflation. All the priority meant was a hunting license to go and find material and get it before anybody else could get it.

There you have from the official agency that was supposed to help control these things a statement of utter chaos instead of balance and a total disregard of even the most elementary principles in connection with the industrial-military balance. If there was an industrial mobilization plan, that had long since been thrown out of the window.

So you had here a problem where you needed all the material you could get. That is the concrete basis upon which this report was based.

There is another side to the problem that I am going to treat most generally. It is in this report. It is the conflict between the military and the civilian agencies. There is a rather startling introductory sentence: "As shown by the Industrial Mobilization Plan, it was the doctrine of the Army that the military should take direct control of all elements of the economy needed for war, once war was declared. Under total war, this would include total control of the Nation, its manpower, its facilities, its economy."

Then it goes on to say: "The inability of the Army and the Navy to make any comprehensive, consistent, balanced, or reasonably stable plans, coupled with the tremendous advance contracting in the spring and summer of 1942, and the unrestrained use of the priority powers delegated by WPB to the Army and Navy Munitions Board, intensified the Army's and Navy's difficulties with the civilian control, and civilian difficulties with the Army and the Navy."

Later on in that year, when the Director of the Budget, the Chairman of the War Production Board, and the other civilian agencies were writing memoranda to the War Department saying that not only must they know what the strategic plans were, but they must be participants in the making of the plan, because you couldn't make a plan that the productive facilities of the Nation could not meet, then they for the first time learned, when General Marshall published his report of June 30, 1935, that there was no strategic plan in existence at the time. It was not developed until later that Africa was to be invaded.

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So there you had a struggle, that most of us remember, that went on in the newspapers between the civilian and military control of the productive capacity, which must find in the discussion of the military-industrial balance some solution.

The Selective Service System of World War II was another effort to meet the industrial-military balance. All I want to say about that now is that in the certification plan the War Department had to certify that the man was necessary, or his representative. You see, the issue was in connection with the deferment of a particular individual. The issue was put to the War Department: "We are going to get this man. Where do you want him? In the military forces or in the industrial production areas? By your certification of his deferment you decide that he belongs in industry rather than in the Army."

You see, there you had the industrial-military balance under the certification plan presented squarely. After all, Selective Service was merely a machinery to do what the War Department wanted. In spite of all the blame that is put on Selective Service about the number of men and all that stuff, all they were doing was taking mandates from the War Department as to what they wanted. The War Department was guided by the military. Under the certification plan the issue was squarely placed upon the military forces--"Where do you want this man?" In other words, the principle of the military balance found expression in the certification plan.

The best illustration of that, of course, was in the West Coast plants in connection with the airplane industry--it was used probably a little bit more effectively there--when a number of people who were to be deferred were in the very young age group and nobody could be deferred without a special Form 42 revised from the certification office of the state director. So there the issue was clearly placed in the certification plan. It was a method of solving one of the main problems in the industrial-military balance.

Of course, women can do a whole lot to disturb the military-industrial balance. I suppose many of them do. They can also help maintain the equilibrium of the industrial-military balance.

As I intimated, in General Crowder's first report there is only a passing reference to women. In the second and more comprehensive report there was a more detailed reference. In other words, the problem of women in industry as a phase of the industrial-military balance had not clearly emerged in World War I. It had emerged somewhat in England. But in World War II in England the military-industrial balance had clearly emerged. You remember, in their General Act of the Realm after the first act of 1939 all people in England were to give their services and their persons and their property to the defense of the realm and the conduct of the war. They placed themselves, their services, and their

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property at the disposal of his Majesty as far as might appear to be necessary or expedient for securing the public safety, the defense of the realm, the maintenance of public order, or the efficient prosecution of the war, or for maintaining supplies or services essential to the life of the Nation.

That was the principle. Under that principle the registration act required, in the first place, that they register between the ages of 20 and 30. Later it was extended to 18 to 40.

These women might be drafted for auxiliary services under another order. They could not be required to use lethal weapons, but they could be moved anywhere in the realm if they didn't have children. There was absolute power practically over those large groups required.

In England the manpower mobilization was increased by 7,758,000. Of that number 2,673,000 were women. The main movement of women was to the nonindustrial group 2,100,000 and munitions manufacture, 407,000. The increase of men in munitions was 705,000. When men moved out of industries like mining, agriculture, and transport at the rate of 648,000, women moved in at the rate of 740,000.

Now, such a factor in an industrial country like England was a major factor. If you look at our own situation, our labor force was increased during the war by 2,800,000 above what would have been the normal increase. Half of that excess were women, that is, 3 million women were added to the industrial force. The women increased largely in the years 1942 to 1943, when 2,300,000 women were added to the labor force. In 1943 and 1944, for example, the number of women added and increased above the normal was 400,000.

It is interesting to note that most women were outside the age groups 25 to 34. For example, the 35 to 65 age group increased our labor force by one and a half million women. One-third of the women were in the 14 to 19 age group, and one-sixth were in the 20 to 24 age group--men and women. That is a factor that is not too often raised. That needs to be clearly considered in the consideration of the question of the industrial mobilization balance.

The last point before reaching a conclusion is the problem of national service. In World War II we came finally to the position where national service, at least by the War Department, the Navy Department, and the Interior Department, was clearly called for by the situation. The reason for the national service was the violation of the industrial-military balance. The Secretary of War and the Acting Secretary of the Navy, at least, the Secretary of War made a good statement, of the principle of the military balance in his letter to the committee when he made his appearance before the committee in connection with it. Secretary Patterson, then the Acting Secretary of

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War, pointed out:

"The total 1945 requirements are not only increased but they are much more difficult of attainment because they require a large step up in programs which are now far behind schedule.

"Increased production is made at a time when there is an increasingly tight labor supply. In the first half of 1945, 900,000 additional men will be inducted into the Army and Navy at the same time that 700,000 more workers must be found for war industry requiring an increase of 1,600,000.

"Critical programs failed to meet production schedules in the last half of 1944 as follows:

Mortar ammunition -- 12% below schedule
cotton duck -- 14% below schedule
heavy trucks -- 20% behind schedule
heavy duty truck tires -- 10% behind schedule.

"More revealing in connection with the military-industrial balance is the effort that has been made to meet recurrent shortages of manpower. Soldiers were furnished in 1942 for the copper mines. Recently 7,000 soldiers were given additional furloughs. Altogether 16,500 soldiers were furnished for mines and foundries and for plants producing aircraft, artillery ammunition, tires, and cotton duck. Requests for the furlough of additional men to produce bombs, tire fabric, and aluminum sheet are pending. These soldiers were furnished when 'it was constructively proved that other means of obtaining this manpower would not succeed.'

"An illustration of the maladjustment is shown in the recent efforts to furnish an additional supply of 800 persons, in a textile city, when needed to produce tire fabric, a bottleneck in the critical tire program. These 800 workers were to be drawn from 10 mills producing less important items such as bed sheets, and linings for men's suits. They had the skill. Protests were immediately raised as to industrial insurance, seniority, and reemployment rights. Weeks of negotiations were fruitless and soldiers are now being asked to be furloughed to do the work.

"The problem of transfer of workers from less essential to more essential work is not succeeding though the level of employment in trades and services (12,000,000) is larger now than it was in December 1942 or 1943."

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Mr. Krug made a statement, which is also revealing:

"We must achieve this net gain of 700,000 workers in war production in the face of the withdrawal of 900,000 young men by selective service induction."

You see, the War Department and the Interior Department got together, and they had the same data, which is not always so.

"We are advised by General Hershey that a substantial majority of these men must come from essential industry. These are the skilled mechanics, the strong men needed for foundries, tire plants and mines, supervisors and leadermen. They include also technical men, engineers, and chemists engaged in experimentation and research which has enabled us to develop improved weapons with the progress of the war. A method of withdrawing these men in such order as to lessen the adverse impact on war production has been developed by the Office of War Mobilization and Reconversion in cooperation with the Selective Service System; but there is no assurance that by May or June many of them will not have been taken into the armed forces. Some are now being reclassified in the anticipation of induction in March."

Now, that is the situation. The failure was because we had no adequate means to select persons who could be distributed so the balance would be maintained. You see the need for national service legislation as presented by the Secretary of War, the Secretary of the Navy, and the head of the Interior Department.

Our principle might be formulated somewhat like this: To balance the manpower engaged in the offensive and defensive activities of the Nation and of our allies and neutrals to the extent our help is needed for the kind of war in which we are involved in the theaters where the war must be conducted, there is need for a corresponding amount of economic and social manpower for war production, for civil defense, and for the civil economy. This balance is under present terminology called the military-industrial balance.

You see, I raise the question thereof whether the ultimate line between the military and the civilian in totalitarian, atomic war may not be blotted out almost entirely.

This general statement of principle is affected by the following factors: In the armed forces, the number of persons, men and women; the variety of skills and the variety of troops needed; and the wasteful or effective utilization of manpower. In the economy, by the degree of industrialization, the structure of industry and its organization, by the condition and trends of employment, and by the utilization and

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location of manpower. In the population, by the absolute number of people, by the age distribution, and by the sex distribution. By the character of warfare, in the strategy of war and the tactics of war, for example, whether the Marines will assist the Army in conducting a battle. By the character of preparation, including the character and extent of military planning, the character and extent of economic mobilization, and the flexibility and adjustability of plans. Finally, by the morale factors in the population, the extent of infiltration, subversion, sabotage, and other forms of undermining the national morale.

Are there any questions?

MR. MAGNUSSON:

Would it be useful to establish this ratio which you criticized, to establish it on the basis of the experience of the Second World War?

DR. FITZPATRICK:

The trouble with the Army and Navy and the military forces generally is that they usually fight the last war over again in all their planning. So it would be a very dangerous thing, I should say, to use the ratio of that war. The thing I was protesting against was any over-all ratio taking the part of any type of specific ratio. I see that in the Air Corps Manual they have their ratios in different groups about the number of ground forces per crewman. That kind of thing ought to be useful.

But, you see, when you are trying to express that ratio in terms of the economy, you are in an area where a very detailed study is needed and not over-all, rough things. If you look at the attitude of the discussion in 1942 and 1943, you would be surprised at the ratios that were expressed and the inferences that were drawn from such ratios, which was, I think, a very bad policy for planning.

A STUDENT:

You made the statement that there was no consideration given to the balance in the planning between the wars in that, you said, at that time the people who were drawing up that plan said there was no manpower shortage envisaged; that for the type of plans they made, which was a national defense plan calling for at the most four million people, there was no necessity of anything other than the Selective Service. The trouble was not in the plan, but in the conception on which the plan was based.

DR. FITZPATRICK:

If you admit that the mistake was in the conception, then everything else following from it was bad or else irrelevant.

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A STUDENT:

The trouble was that we were told that we would not take our people out of the country, that we would never fight another war in any foreign country.

DR. FITZPATRICK:

There were Red Plans, Blue Plans, and Yellow Plans, anticipating such wars with different foreign countries.

A STUDENT:

Not in the Army. It was only in the Navy that we had color plans.

DR. FITZPATRICK:

Those were plans that assumed certain enemies and indicated more intelligence perhaps than we had.

A STUDENT:

The mobilization plan that we were working on assumed a maximum mobilization plan. It assumed that the people needed for industry would be there.

DR. FITZPATRICK:

The trouble with Selective Service is that the industrial part of it is insufficient--taking what the Army and Navy want and deferring the rest. You don't know where you are going to be. That was one problem in which the work or fight regulations law tried to go into this unorganized industrial group and get some organization at least there, saying, "Here is a group, here is a crowd, that ought to be shoved into some productive work." Crowder's idea on that was that ultimately that would be moved up progressively.

One thing about this war is that, with all due respect to the efforts at coordination, there was no actual coordination between the Selective Service System, the War Manpower Commission, and the other agencies. We were polite. We did what we were asked to do. We issued instructions. But I think actual coordination did not exist.

A STUDENT:

How did the work or fight regulations turn out in the short period of time that they were in effect in World War II? It wasn't "Work or fight," was it?

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DR. FITZPATRICK:

"Nondeferrable occupations."

A STUDENT:

Did you get anything out of them?

DR. FITZPATRICK:

There were quite a number of occupations that were listed and that men got scared into. Remember that when the problem is the coercive effect of the draft, you should not be deceived, for example, by the presence of so-called volunteers in the armed forces. The coercive effect of the draft is still a factor in pushing people into the armed forces. After March 30th you will see what happens. Volunteering has never been successful in American history.

Now, with these nondeferrable occupations and the pressure on the morale, the number of people of World War age that were forced in, I imagine, was not very great. But there was tremendous pressure on all other people who were scared that their industry was going to move out and who therefore went into productive industry.

You know, the policies were a little bit wavering. Class 3-B, for example, which had both a dependency and an industrial side, was abolished soon after it was organized. So we really didn't do too much about it administratively.

I will tell you a little story about those work or fight regulations. It seems that after this memo about the regulations was drafted, they were scared to issue them. They were left on the desk. One of the newspaper men picked it up and spread it about. The reaction was so favorable that, of course, they issued it. But apparently it was pure accident. The fellow who stole it would probably have been duly spanked, or have been protested, but the public reaction was so unanimous and so strong that they went into it with a vengeance. So, if you don't have any courage, just leave the paper on your desk and let the newspaper men pick it up.

CAPTAIN WORTHINGTON:

Thank you very much, Dr. Fitzpatrick.

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