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MOBILIZING INDUSTRIAL MANPOWER

13 April 1948

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CONTENTS

SPEAKER--The Honorable Paul V. McNutt	<u>Page</u> 1
GENERAL DISCUSSION	25

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COLONEL VANAMAN: Gentlemen, now that we have begun the study of manpower, we are actually amazed at the many intriguing and interesting angles of this story.

Today we are going to study the mobilization of industrial manpower. We have with us this morning Mr. Paul V. McNutt, who was the Chairman of the War Manpower Commission in World War II. He is going to tell us the story of how the Nation mobilized its manpower in order to produce the munitions of World War II.

Mr. McNutt, of course, needs no long introduction. So, to the faculty and students of the Industrial College of the Armed Forces and to the visitors, I introduce Mr. Paul V. McNutt.

MR. McNUTT: Gentlemen: I am one of that small company of men and women, intimately connected with the conduct of World War II by the United States, who has not written a book. In that connection I must confess that I prepared a preliminary script for a work to be published, with a title which seemed particularly appropriate; namely, "In the American Manner." After careful consideration, I decided against such an undertaking, for two reasons: first, the memory of an oft-repeated statement, "would that mine adversary would write a book;" secondly, a realization that those of us who were charged with great responsibilities in connection with the war were too intimately acquainted with the events which transpired to appraise them properly. I hope to place in the archives before too many months a factual history of the War Manpower Commission. It may well take the form of classified material. Its sole purpose will be to assist those into whose hands such an undertaking may be placed in the future. God forbid the necessity for such an event.

The question has been put many times, "What brought about the establishment of the War Manpower Commission?" The true answer to that question has never been put in words heretofore;

The original conception came to me on 10 June 1939, when, clad in frock, coat with top hat in hand, but without shoes, I backed out of the august presence of the Emperor of Japan, bowing three times during the process. I had just completed the last part of my first tour of duty in the Far East as United States High Commissioner to the Philippines. The task assigned was a quiet tour of inspection of the Dutch East Indies and of the eastern portion of Asia from Singapore north to the Great Wall, including the

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I will not bore you by repeating what is contained in two excellent restricted publications now in your hands: the lecture by Mr. John Corson on 5 February 1947, and the statement on "The Activities of the War Manpower Commission" dated 31 December 1946. Unfortunately, neither publication attempts to cover the historical background of the War Manpower Commission.

Time does not permit me to give you anything more than a brief outline. A short history of the War Manpower Commission exists in draft form, largely through the efforts of one of the most able stalwarts of that organization, Mr Collis Stocking, who is now with the Department of Labor. It is to be hoped that this manuscript, corrected and brought up to date, will be published in the very near future as an official document.

The War Manpower Commission, which was established by Executive Order 9139 dated 18 April 1942, more than four months after Pearl Harbor, was the culmination of what I have already outlined as well as of various programs for the mobilization and direction of the Nation's labor force. Its creation almost two years after the start of the defence program reflects the lack of pressure of manpower problems while productive facilities were built and physical output was being increased rapidly.

At the time, our labor force was more than adequate for any prospective demands which the new program implied. Some eight million unemployed were actively seeking work in the spring of 1940, while working hours and manpower utilization were far short of maximum application. The bottlenecks to the development of a comprehensive defense program were primarily concerned with materials, facilities, equipment, and end products. These stemmed directly from the physical conversion from a civilian to a war footing, the speed and organization of supply lines of raw materials and components, the development of a supply of machine tools, and the need to function as an arsenal of democracy for our friends under Lend-Lease. The immediate and compelling attention of the Administration was, therefore, applied to these problems, with manpower considerations very much subordinated.

Furthermore, the tempo of the defense program was restrained by the receptivity of Congress and the public to the idea of preparing for possible war. The drawn out isolationist-interventionist debate in the Press and in the halls of Congress meant that any large-scale rapid transformation of the economy was difficult and unpalatable. The long debate over America's position in regard to the war in Europe, the issues of the Neutrality Act, cash-and-carry, and subsequently the impact of the collapse of France and Dunkerque meant that the American public in its distaste for war had only been convinced that defense measures were necessary of the type and magnitude which they could grasp as of that moment.

RESTRICTED

seekers from various parts of the country to the new defense centers and pointing up the need for more adequate planning for supplementary defense housing and community facilities. The supply of certain key skills such as lens grinders and loftsmen for shipyards were being exhausted rapidly according to the reports of the United States Employment Service. That agency had undertaken in April 1941 a large-scale registration of occupational skills as a first measure of the availability of key craftsmen for the expanding defense program. The ranks of the unemployed were decreasing rapidly. Long-rusty skills were being refurbished for defense work through the facilities of the emergency training program. Some limited job dilution was being introduced by employers to help meet the specialized needs of the metal-working and ordnance industries.

By the late summer of 1941 the country generally was reconciled to the need for all-out preparedness. Conversion of civilian production to a war-time footing was far along when war was declared on 8 December 1941, despite some temporary dislocations due to shortages of equipment and materials. Some defense facilities were already producing on the gigantic scale required for global warfare. Expenditures for the year totaled 6.7 billion dollars, though in December 1941, the monthly rate approached 2 billion, or a 24 billion dollar annual rate. In terms of output, during the year, munitions production increased over 225 percent.

Following Pearl Harbor the stepped-up tempo of production intensified the demands on manpower. The unemployed labor surpluses had sharply decreased. Production was booming and production schedules called for manpower in hitherto unanticipated numbers. The exceptional and continuous armed forces drain on the male labor supply distorted all previous manpower planning. The intensified pressure on agency programs which suddenly became critical as a result of the rescheduling of production to reflect the changing needs of the fighting fronts, required more intensive and direct application of manpower programs to maintain the flow of labor for essential production.

As a result, there developed very quickly large-scale local recruitment drives for workers not in the labor force. Programs to stabilize turnover and to improve manpower utilization followed.

Specialized problems for clearing labor into critical places and areas were initiated to fit the urgent needs of the high-priority programs. Sudden shifts in production schedules occasioned by technical or strategic reasons resulted in cutbacks and production dislocations which freed labor locally but yet did not add substantially to the supply available for use elsewhere. By the end of 1942 housing and community facility limitations acted as effective checks to the transfer and absorption of large numbers of potential in-migrant job-seekers in the concentrated areas of war production.

Where a voluntary and uncoordinated approach to manpower was adequate from 1940 through most of 1942, a planned and integrated manpower program extending to every area and coordinated at state, regional and national levels was necessary in order to mesh the various segments of the production program. These manpower programs operated to stabilize essential employment through controlling the movement of workers between jobs and directed available labor into the most urgent production channels and limited employment levels in less urgent activities in order to divert manpower into more important uses.

Interagency rivalries which operated in other phases of the production program were not uncommon in the manpower field. To make matters more involved, the Army and Navy maintained certain fixed ideas regarding the use of manpower. They favored strict and authoritative controls, an indoctrination which carried over from the "M-day" Plan. Congress established a narrow and unintelligent policy in its amendments to the Selective Service law which failed in securing a reasonably effective allocation of manpower between the Armed Forces and the essential civilian economy, while the local draft boards made hash out of any minimum standards established by the Selective Service headquarters within the limits fixed by Congress. Hence the planning and operation of an intelligent and comprehensive manpower program became practically impossible.

Some of this distortion may be attributed, in part, to the lateness in the establishment of a central manpower agency--the War Manpower Commission was established on 18 April 1942--and the low regard that the old-line procurement agencies had for a voluntary program not subject to the frequently uncoordinated or arbitrary decisions of the production and procurement policy makers. The War Manpower Commission in its dealings with these other agencies was generally considered as a subordinate factor in the war agency structure. As they saw it, the WMC was to service them by staffing and providing labor in the numbers, types, and at the time scheduled as determined by the production and procurement agencies. The WMC looked upon itself, instead, as an equal partner in the determination of production and procurement policy since many factors other than labor supply were responsible for production lags. Moreover, as was frequently pointed out, the direction of manpower called for experience which differed markedly from that which applied to the issuance of material priorities or the stockpiling of raw materials or equipment.

Only in the latter stages of the war were manpower operations integrated effectively with production and procurement policy. Local operating committees dealt with these interrelated problems under the broad policies and programs established in Washington. Effective working relationships under the limitations imposed by the lack of national service legislation and the competition between Selective Service and the essential civilian economy for scarce, able-bodied male labor were reasonably satisfactory in the latter stages and aided in bringing the war to a successful conclusion.

forecasts of manpower requirements by types of worker as indicated by defense contracts and Congressional appropriations. It depended for its data primarily on the Bureau of Labor Statistics, the Bureau of Employment Security, and the Bureau of Research and Statistics of the NDAC. The Labor Supply and Training Section performed related functions in connection with recruitment and training needs.

By and large these two sections assumed the responsibility for attempting to secure some over-all coordination among the variety of agencies operating in the manpower field. Some single instrument was obviously needed to eliminate some of the duplications of effort and limited purpose programs in which the jurisdiction-minded agencies were individually engaged. It was also thought that it would be possible to formulate and realize an integrated and consistent manpower policy. The instrument through which it was proposed to achieve this end was initially the Labor Division of the NDAC, which was succeeded by the Labor Division of OPM and WPB. It should be noted that in all these cases the manpower responsibility was organized as a subordinate unit of the over-all production planning agency, undoubtedly reflecting the current opinion that manpower was not as yet a problem of major significance. While these coordinating agencies originated as inter-departmental policy-forming bodies which were to utilize the existing field organizations of the participating units, there was a tendency towards the development of field operating staffs responsible to the coordinating agencies themselves.

A considerable proportion of the efforts at coordination in the manpower field during this period were directed toward the achievement of a clearer delineation of the functions and responsibilities of the individual agencies concerned, generally independently of the Labor Division of the NDAC (or OPM). Bilateral and multilateral agreements were concluded between individual agencies and departments. Aside from these agreements there were attempts to effect coordination on a broader scale. Of major importance were: The activities of FSA in nationalizing the working procedures of the training program conducted by some of its constituent units, and some partial efforts of over-all coordination by the Labor Division of NDAC (and subsequently of OPM and WPB).

The chief characteristics of all these agreements were that they represent partial approaches to the general problem and usually dealt with only those restricted areas in which two or more individual agencies of the Government were able to take steps in clarifying their mutual responsibilities and relationships with respect to a particular problem and mode of operation. Significantly, there was an increase, if anything, in the number of agreements concluded during the period when labor supply matters were ostensibly being coordinated on an over-all basis, which may indicate that attempts to establish general policy were effective in spurring on the development of functional coordination.

The agencies participating in the training program were also very productive of interagency agreements both among themselves and with other agencies. These agreements were largely concerned with clarification of the scope of the different types of training delineation of the responsibilities and functions of the various agencies conducting training programs, and development of cooperative arrangements with agencies carrying on closely related functions.

The Federal Security Agency through three of its constituent units--the BES, NYA, and Office of Education--had broad responsibilities with regard to manpower aspects of the defense program. With the mounting urgency of manpower demands it became necessary to take steps towards the coordination of the activities of its subordinate units. Individual agreements between these agencies were already in existence but the FSA in 1941 made an effort to achieve over-all integration of the three agencies concerned.

In March 1941, Colonel Frank McSherry was appointed Director of Defense Training, Federal Security Agency. His duties included the formulation of policies, procedures, and organization for the constituent units, supervision of their functioning, and liaison with the OPM and other agencies dealing with defense training.

Machinery for effecting the desired coordination was established at the Federal, State and local levels. A number of field agents were to be assigned to the Office of the Director to serve mainly as trouble-shooters. National, State and local Councils of Administrators were established consisting of one representative of each of the three agencies concerned. These councils were charged with the responsibility of deciding all questions involving the consideration of two or more of the constituent agencies in the defense training program. Functions were formally allotted among them in such a way that the Employment Service was to be primarily responsible for the furnishing of labor market information on which decisions concerning the establishment of training courses were to be made. In addition the Employment Service was to be the official recruiting and placement channel for the training program.

The lines of authority in this apparatus, while clearly defined, were nevertheless of a tenuous character, with no provision for collective responsibility between the various levels. Undoubtedly this was in some degree inevitable in view of the fact that two of the participating agencies were not always able to exercise effective control over the actions of their representatives in the State and local councils, since the only lines of authority were those between the members of the councils and their supervisors or their own organization. Hence none of the councils was subordinate to any other council.

There were other limitations to the effective functioning of the Supply Committee system. The regional chairmen were line officials of the BES in the Social Security Board. They might have had some functional responsibility to the Labor Division of OPM through the National Labor Supply Committee. But inasmuch as their full time and increasingly heavy regular activities were concerned with manpower problems and operations of the BES and affiliated State Services for which they were responsible to Washington, the Regional Representatives substantially maintained the point of view of their own agency and felt little responsibility for the program content or the paper policies of the Labor Division.

As the defense program moved forward at an accelerated pace in the fall of 1941, interagency differences of opinion, particularly between the FSA over the responsibility for the labor supply program became more pronounced. Specifically, the officials of the FSA objected strongly to what they regarded as a tendency for the Labor Division of OPM more and more to assume operating responsibilities. The chairman of the Social Security Board went so far as to suggest that in order to clarify the situation, all the branches of the Labor Division directly concerned with manpower activities be transferred to the FSA, and that the Labor Division might confine itself to the formulation of general labor policies.

The focal point of disagreement was the relationship between the BES and the Labor Supply Branch. BES contended that its regional representatives, in their capacity as Chairmen of the Regional Labor Supply Committees, were being subjected to dual direction, for the operating staff dealt with them directly rather than through the BES, in matters concerning the Regional Labor Supply Committees. To obviate this difficulty the officials of the Bureau recommended that BES be formally recognized as the operating agency for the Labor Supply Branch. Basic to the thinking of the Bureau and Board was the conviction that manpower problems, and the measures necessary to cope with them, were fundamentally matters which would rest primarily in the hands of the Employment Service, and that, therefore, manpower administration should be centered around an employment service which would be responsible for all phases of labor supply operating activities.

Throughout the last quarter of 1941 discussions were held between officials of the FSA, OPM, and the Bureau of the Budget in an attempt to reconcile the existing disagreement. The various proposals envisaged the appointment of a National Director of Labor Supply to supervise the operating activities of the constituent units of both FSA and OPM. However, the agencies were not able to agree on the details of administrative relationships involved, especially with regard to the question of control over field operations. Finally, the issue was compromised in characteristic fashion by the creation of a new position and by shifts in personnel.

On 16 January 1942, the Labor Division was transferred in its entirety to the War Production Board, without any change in function or organization.

No significant developments occurred during the first quarter of 1942, though there was some consideration given to the expansion of the Labor Supply Committee structure and broadening its representation to extend it down to State and local levels. The USES representative at each level would act as Executive Secretary to the proposed Interdepartmental Committee on Labor Supply.

Basic economic factors were the ones which actually brought about the long-sought centralization of authority to plan and direct the Nation's manpower. The labor supply problem initially (in 1940) had been one primarily of finding jobs for unemployed workers. By April 1942, however, accelerated war production and the very sharp increase in the size of the Armed Forces had shrunk unemployment by almost two-thirds from its April 1940 level. Three major supply problems now confronted the Nation.

a. A general shortage of skilled workers.--Industrial war production was rapidly absorbing the national supply of skilled workers. A more intensified training program was of first priority in solving this problem.

b. Local shortages of labor of all kinds in skilled, semiskilled, and unskilled.--In some areas particularly in those localities having key war plants such as the coastal shipbuilding areas, aircraft building areas, etc., there existed acute shortages of all types of labor. Other areas, however, lacking in war production facilities, had a surplus of workers. In certain New England cities not far from New York City, workers were urgently needed, yet the local offices of the United States Employment Service in New York had a surplus of applications for jobs. "Boom towns" throughout the Nation were crying out for workers while in the nearby rural communities a labor surplus was reported. In the west coast airplane and shipbuilding centers a serious labor shortage existed while at the same time just across the mountains to the East labor was plentiful. Many plants shut down due to priority of materials for war production, resulting in unemployment unless war plants were nearby to absorb the workers. The economic changes in the Nation's industrial life brought on by increased war production and a resulting decrease in civilian production upset the existing peacetime stability of labor. Some form of nation-wide control was urgently needed.

c. An impending total shortage of manpower.--A glance into the future with its greatly increased war production foretold of increasing demands for labor to meet the challenge of twenty-four hour, three-shift operation, new war plants, and the personnel requirements of the Armed Services. It was estimated (April 1942) that an additional three million workers would be needed to reach peak munitions production. The Armed Services would absorb about nine million more sales from the civilian labor force. Unemployment numbered only three million. Where were these workers to be found?

RESTRICTED

1023

dealt with the Office of Production Management or the War Production Board as equals at the top level of administration. Hence, these bureaus tended to operate their own programs within the Federal Security Administration in which the labor supply situation was not too critical, these independent actions were not too serious in their effect on the national economy. They did tend, however, to render the activities of the Labor Division that much less positive and reduce its efforts at interagency manpower coordination to a succession of weak and generally ineffective directives.

In this situation the unsuccessful discussions initiated in the fall of 1941 by the Bureau of the Budget with the Federal Security Agency and the Labor Division of the Office of Production Management in order to resolve some of the basic conflicts became very significant. Immediately following Pearl Harbor I raised the question of a central manpower agency at a cabinet meeting. The resultant recommendations of a cabinet committee appointed to consider the proposal envisaged a Manpower Mobilization Board which would incorporate various policy-making functions. This proposal was substantially the work of technicians of the Bureau of Employment Security of the Social Security Board in the Federal Security Agency. It was not specific as to the agencies to be included under the Board's direction. The Bureau of the Budget concurrently indicated to the President its interest in a plan which would avoid the duplications and crisscrossing of authority which had characterized governmental manpower operations to date. Their compromise plan, after weeks of discussion with some of the principals concerned, would have consolidated within the proposed manpower agency only the Selective Service System, the labor supply functions of the Labor Division (now of the War Production Board), and certain statistical functions of the Bureau of Labor Statistics. Other agencies were "to conform to such policies, directives, regulations, and standards as the Administration may prescribe in the execution of the powers vested in him."

Unless the controlling authority rested in the same hands as the principal labor supply agencies of the Federal Security Agency, this plan would repeat the mistakes of the earlier devices for manpower coordination in the Labor Division of the Office of Production Management (and War Production Board). If any other agency head were to administer the program, the United States Employment Service and the manpower training agencies within the Federal Security Agency would obviously have been excluded from any policy or program determination. Subject as they were to different degrees of coordination within the Federal Security Agency, the net effect would have been a series of bureaucratic levels of authority from the new manpower Administrator by means of directives through the Federal Security Agency to the Social Security Board, or Office of Education, thence to the USES or other constituent parts of the agency with similar conflicts of authority and interpretation of responsibilities.

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The Executive order simply went a few steps beyond the manpower pattern already established in the Labor Division of the War Production Board but strengthened it in two major particulars (a) by elevating the policy and coordinating function to a level equivalent to that of other civilian war agencies such as WPB and Selective Service and (b) placing the responsibility for its administration in the person of the Federal Security Administrator who in that capacity directed the line operations of the principal civilian agencies in the field of labor supply, chiefly the United States Employment Service.

A greater degree of unified administration was, however, inevitable. It was, undoubtedly, pushed at every opportunity within the War Manpower Commission. The inadequacy of the coordinating approach was quickly demonstrated, particularly in regard to the production and procurement branches and Selective Service of which authority, powers, and entrenched status permitted them to treat with varying degrees of indifference the orders and manpower proposals of the War Manpower Commission. The War Manpower Commission had virtually no voice in procurement policies which determined the size and location of the industrial labor demand or in decisions concerning the number and kinds of men to be withdrawn for military service. The Selective Service System and the labor supply organizations of the War and Navy Departments remained largely autonomous. Moreover, the cumbersome and top-heavy administrative organization of the Commission rendered ineffective any operating programs it could nominally institute. Internal conflicts arose as to how much of a role the USES should play, that is, whether it should function as the principal operating arm of the Commission as advocated by old-line officials of the Federal Security Agency, Bureau of Employment Security now in positions of responsibility in the War Manpower Commission, a point of view opposed by the new staff brought in from outside who included key personnel from the Labor Division of the War Production Board. Another cause for prolonged discussion was whether the WMC should develop a large staff of its own or remain as an appendage to the FSA. These differences in emphasis of function and responsibility inevitably resulted in stalemating the Commission's internal operations throughout the first seven months of its existence.

This unsatisfactory experience in the development of an organizational pattern and a recognition of the need for structural simplification was coupled with an awareness of the increasing pressure of the manpower situation. In order to take the necessary action to deal with these problems, the Chairman of the War Manpower Commission transmitted to the President a proposed Executive order which would transfer to the Commission all employment offices and defense training functions vested in the Federal Security Agency. Executive Order 9247 of 17 September 1942, thereupon, gave the War Manpower Commission prime responsibility for recruitment, training and placement of the civilian labor force.

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Public and private opinion was generally hostile to the idea of national service legislation at the time. The President did not press the issue when it seemed evident that Congress would not be receptive to vesting compulsory controls in the hands of the WMC. The internal differences within the WMC between top administrative officials and the Management-Labor Committee representatives over the issue of national service legislation were reported in the press. The Committee point of view was reemphasized through the line to the President through his "Labor Cabinet" advisers.

The President, having determined the unfeasibility of pressing the issue, decided to strengthen the WMC very much in line with the recommendations of the Management-Labor Policy Committee. These were embodied in Executive Order No. 9279 of 5 December based on a draft prepared by WMC officials. The order also required the termination of all voluntary enlistments and greatly strengthened the position of the Management-Labor Policy Committee with which the WMC Chairman was now to consult before taking any action relating to manpower programs.

With this last Executive order the WMC finally had evolved into an operating agency with a specific responsibility to regulate the hiring of labor for civilian work through the Employment Service and to control the recruitment of military manpower through the Selective Service System. The stage was not set for a rapid development of a field organization extending into all principal labor market areas and local offices of the Employment Service. The order also committed the Administration definitely to a program of mobilizing civilian manpower by voluntary methods rather than through the application of punitive sanctions authorized by national service legislation. The issue was not, however, finally resolved at this time. It was to recur several times during the next few years, and proposals for national service were not finally abandoned until April 1945.

To recapitulate, any realistic discussion of manpower aspects of industrial mobilization must take into account these and other experiences in World War II. This is necessary even though that experience was in many respects unique. No other major power could have possibly afforded the luxury of following our course. It is a record of poorly coordinated action and, at times, of extravagance which we could never afford in case of another emergency.

You will recall the dire predictions that were bandied about in January 1942, when the last passenger car rolled off the assembly line. Ours was to be the spartan economy of Mars. Luxuries were to be out and we were to endure privations heretofore undreamed of if we were to strike down the Juggernaut which was out for a quick kill.

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With the declaration of the emergency the Employment Service immediately made an inventory of the 5 or 6 million workers who had registered with the local offices and were seeking employment. These applications were analyzed in order to determine where the individuals were located geographically and what skills and work experience they possessed. Special attention was given to those qualified for employment in shipbuilding, machine tool, and aircraft manufacturing industries which were already expanding.

This inventory was quickly followed up by the initiation of a system for currently reporting information that would reveal existing and changing manpower considerations and requirements on an industrial and area basis. Such information provided the basis for organizing recruitment drives to man the rapidly expanding munitions industries. It also indicated where and in what occupations pretraining was necessary to meet the demand for workers that was to develop subsequently. In addition, it later supplied valuable information with respect to where new facilities could be established and contracts allocated to more effectively utilize our labor resources.

The Employment Service also undertook to classify the various industries and activities in accordance with their importance to the war effort. The system of classification was adopted by the War Manpower Commission and made one of its most important tools in channeling workers. The demand for manpower would arise from three competing sources: the Armed Forces, essential war production, and civilian economy. It was, therefore, necessary to develop the machinery and principles for determining which activities and which occupations were to have prior claim upon the manpower available. The classification of industries that was started by the Employment Service was subsequently adopted by the War Production Board, Selective Service System, Army, and Navy and these agencies together with others participated in the work of the Essential Activities Committee established by the War Manpower Commission.

Between May 1940 and the end of 1941 the defense program developed on all fronts: large commitments were made for new plants, facilities, tools, and equipment. In view of the fact that the imminence of a manpower shortage was not generally appreciated at this time, commitments were made involving a considerable number of workers who were not available in the particular localities, thus requiring a large volume of in-migration and in many instances the construction of housing and other community facilities. At the same time, other areas were ignored in the allocation of plants even though community facilities and manpower were available. This lack of coordination resulted in some very serious problems in the subsequent period. Once the facilities were located the subsequent flow of contracts was pretty well determined and the effectiveness of the use of labor market information was to a large degree limited.

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No one familiar with our wartime experience will fail to recognize that it would be nothing short of a national catastrophe were we again overtaken by a national emergency without more adequate plans for the utilization of our manpower resources. In the first place, we are not likely to enjoy the luxury of time purchased by our allies--time for us to rock along with hit-and-miss, trial-and-error methods with action postponed until we are confronted with a real crisis. In the late war at the end of two years of nonbelligerency and three years of war, we encountered the most desperate manpower problems this country has ever experienced. Some, but not all, of these problems were due to our inability to fully utilize our resources rather than to the inadequacy of the resources themselves. In this connection, let me simply enumerate some of the things that we should be doing immediately in the interest of national security.

1. We should have a complete blueprint of the manpower requirements of the Armed Forces in case of war.
2. This blueprint should contain detailed information as to the supplies and materiel needed to maintain the Armed Forces.
3. It should also include an estimate of civilian requirements broken down by the different categories of finished products.
4. Information should be translated into manpower requirements for the different industrial activities. The military and civilian requirements should be reviewed as to feasibility of such programs in light of our manpower resources.
5. Such a review may reveal that the needs exceed our manpower capacity and adjustments may be made in various aspects of the program to bring it within the range of feasibility.
6. Or, it may be decided that such a program is feasible only with the establishment of very strict controls on manpower. If this turns out to be the case, it is necessary to examine the feasibility of such controls.
7. It is also necessary to consider the type of organization and facilities that will be necessary to carry out the manpower mobilization program decided upon as necessary.

Above all, we must approach the problem from a broad perspective along the lines I have suggested and not become bogged down in a morass of petty details which are so fresh in our minds from dealing with manpower problems on an emergency basis as we did in the late war. At the same time, we must be equally careful not to take refuge in sweeping generalizations and preconceptions. I am impressed by the fact that almost every time that the

QUESTION: We have a committee now which is studying a system for national service in a future war. Would you care to comment on a few points they should consider in forming this plan?

MR. McNUTT: Of course, the one pattern of national service legislation which we may examine very carefully is the one established by the United Kingdom. With due deference to our guests who are here, and by reason of my contacts with the man who was my opposite number during the war (now Cabinet Minister Bevin), I have a feeling we accomplished as much with our system as Britain was able to accomplish with its very strict law.

It is always easy--or you think it is easy--to get things done simply because you have a law. That does not necessarily follow. It is hard to accomplish things by persuasion. But where you can have a team that will work together as we did have a team--well, at least during the last quarter of the war--that worked together, then there are no limitations on the accomplishments.

I must say in tribute to the Labor-Management Committee of the War Manpower Commission, on which was represented the head of the American Federation of Labor, the CIO, the three farm organizations and the two business organizations, that that group during its entire existence failed of a unanimous vote only twice, both on comparatively minor matters. One was the situation at New Bedford, Massachusetts, which even the Lord himself could not have settled. Management was out with labor; labor was out with management; both were out with the Government. It was an impossible situation. Therefore, that was reflected in the action of the Labor-Management Committee. The Labor-Management Committee at the national level was reflected throughout all of the communities.

The west coast plan, where it was possible at the local operating level to get all interested agencies together, was effective.

Not so many years ago I appeared before the Congress of the United States--that was before I was charged with any governmental responsibilities--and urged, in no uncertain terms, that we draft everything: manpower, capital. I thought we should take it all over in time of war. As I say, that conclusion was a reflection of some of my earlier enthusiasm.

I became convinced that to attempt national service legislation during World War II was unwise; that our people were not ready for it. They were making a demonstration that a voluntary system would work. I do say this: To be prepared for all emergencies there should be available, some place, a very carefully thought-out draft of a national service act. Even if it is kept as a club in the closet, ready to be pulled out, it would at least be helpful. But certainly we should be ready with such a draft. I do not urge it. I do not urge the enactment of it, but it should be available for the cause.

We know the feeling of our own people. For what is now 28 years I have spoken in every state in this Nation on the thesis that the best way to prevent war is to be adequately prepared ourselves. I believed in it at the outset; I believe in it more firmly even today. I think our people are coming around to that point of view. But they have to be scared into it. It is not because they like it.

QUESTION: Mr. McNutt, would you care to say a little more on the subject of what measures should be taken to train civilians for war work?

MR. McNUTT: I would step up all the training programs we had. We were faced with an unusual situation. We were faced with the repercussions of the depression, when skilled trades had cut down their numbers in order that the senior ones might have continuous employment. Apprenticeship training had almost gone by the board. That situation does not exist as of today. All of those plans of training within industry, apprenticeship training, we should pick up where we left off. We have come a long way in that. We should study those programs and be prepared to put them into operation immediately. They were quite successful toward the end. They had to be. They were the only sources of skilled workers.

QUESTION: Would you discuss some of the problems which your Commission encountered in its endeavor to secure full utilization of negro manpower?

MR. McNUTT: Don't forget I had FEPC too.

The obvious answer is that there is nothing in this world harder to overcome than prejudice. The only way in which we were able to do it was by demonstration by persuading a few of the manufacturers to take negroes. We wanted the employers to do what they could to get the other workers to accept them.

I have faced some pretty tough audiences in my life--open forums and the like--but the toughest audience I was ever put against, anywhere, any place, was one not too many blocks away from here. The subject matter was the employment of negroes on the streetcar lines of the City of Washington, D. C. I have been called most every name in the category, but I was never before called, publicly, such vile names in my life. I simply stood up and took it.

That was a reflection of a problem we have not done very much about in a hundred years. It is one which has to be solved. You are having it in the Armed Forces, I notice.

But, for the most part, the negroes demonstrated their capacity and a great many employers changed their minds about the feasibility of utilizing that kind of labor. They changed their minds only when they were desperate.

It is entirely possible to accomplish this purpose if USES goes back to a national organization again. That is one subject on which I have some very definite notions. I have seen it from both sides of the line. As Governor of my State I organized USES on the state side. I had it during the war as a national organization. The supply of labor is not a state problem. The supply of labor is a national problem and the United States Employment Service should be a national organization. I make that statement without equivocation, based on both theory and practice.

If the war manpower organization is set up originally, as it might very well be, under the Secretary of Defense, then there will be the possibility to put it ultimately where it can function best; maybe as an independent agency.

(Discussion off the record.)

DR. YOSHPE: Mr. McNutt, in your lecture you laid considerable emphasis on the interrelationship between manpower and purchase policy, economic stabilization, production, and other controls in the economy.

MR. McNUTT: Absolutely.

DR. YOSHPE: You also brought out the great difficulty you had in achieving the necessary coordination among the agencies responsible for the administration of these different controls. In view of that, I would like very much to get your views as to the position of a manpower agency in the top war mobilization structure in another emergency.

MR. McNUTT: It belongs in the top bracket.

DR. YOSHPE: Yes.

Now I would like to clarify myself. We have several schools of thought as to how this war mobilization structure might work. There are those who feel that manpower, production, economic stabilization, and other controls should be administered by agencies that are on the same level, coordinated by an office of national mobilization, which would exercise broad policy supervision and adjudicate disputes when these agencies come into collision.

There are those, on the other hand, who feel we ought to go back to the organizational picture developed by the prewar industrial mobilization planners where you would establish a war resources administrator who would have responsibility for it--