

PERSONNEL FOR STAFFING WAR AGENCIES

10 January 1949

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MR. NIKLASON: General Holman and gentlemen: When you reach the final phase of your course in May and are searching for solutions to the many complex problems which are involved in the development of a comprehensive economic mobilization plan, you may find that the development of practical, realistic measures which will assure the prompt staffing of your proposed war organizations with competent personnel, presents several perplexing aspects. As an aid to you in your approach to this problem we have a speaker who is particularly well qualified to discuss the subject of personnel for staffing war agencies. As director of the division of the Office of Human Resources of the National Security Resources Board, he has spent considerable time working on this problem, and I am sure his views will be very helpful to you. It is a pleasure to introduce Mr. Warner.

MR. WARNER: Mr. Niklason, General Holman, and gentlemen: I suppose that I should say it is a pleasure for me to be here. That is the customary thing. I am not so sure, however, after talking with a friend of mine the other evening during a social engagement. He told me he was going to be present this morning and said, "You are going to be talking with a group of potentially very high brass." Now, he said it, of course, in a very friendly and respectful way. I don't know whether he was trying to frighten me or make himself feel good because he was in that potentially high brass group. However, I really do welcome the opportunity to meet with you and to discuss this subject.

I would prefer to take the view that I am simply opening up the topic for further discussion, because I believe that I am not ready—I know of no one today who is ready—to give you final conclusions in this area. I intend to follow some notes that I have here, on which I have some time marks so I will keep one eye on the notes and one eye on the clock.

In kicking off I want to point out that what I say does not necessarily represent the official view of the National Security Resources Board. We have not as yet made a pronouncement on this subject. But my comments do represent some of our thinking.

Furthermore, I am taking a little French leave of the topic and not covering the whole area of civilian staffing. I am limiting my remarks this morning to the problem of staffing civilian war agencies with key personnel. I think the problem of key personnel is somewhat different from the kind of problem you have in general or mass recruitment. Moreover, the technique and procedures that you might use in the two areas are somewhat different.

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Now, what do you mean by "key personnel?" What are we talking about? Well, when I speak of key personnel, I have in mind those persons at the top level in the civilian war agencies who have the major responsibility for both line and staff kinds of functions. If you take the past war as a guide and apply it to the division level in the hierarchy of organization, you will have the kinds of positions that generally are occupied by key personnel. However, when we speak of key personnel we can't limit ourselves to the war organization. We have to talk in terms of what is needed in the civilian components of the Military Establishment, the proposed war organization, and also the old line government departments that, as a result of war, might expand their operations. The reasons are that you draw from a common pool of manpower and you have some competition. You can't isolate the people who are in the war agencies and deal with them alone.

If you define key personnel in that broad manner, you have, I would estimate roughly, about 5,000 people, in what we normally speak of as the grade 15 or P-8 level, based again upon World War II. If you go down two grades lower you would have an estimated 20,000 key people running the civilian war organization. That includes, as you well recognize, the kinds of people and kinds of competences which cover the whole area of economic activities in which this country engages.

Now, what is our problem? I believe it is to try to develop a plan for quickly staffing these key positions in all the civilian war agencies with the required numbers of people and the required kinds of the very highest quality. I think we have to go one step further and consider ways and means--at least ideally we need to--of having these people "made ready" to assume immediate assignments in case of war. Now, how can we solve the problem and accomplish our objective?

Well, maybe a simple, quick solution is this: A national service act under which we have all of the citizens of the country cataloged, earmarked, and I would say trained; an act which gives someone the authority to put everyone where he thinks the best job can be done.

Now, I don't know what the President of the United States thinks about universal service. Nor do I know what the high military have finally concluded. My own view is that universal service is fraught with many practical and political obstacles; and that, while we ought to push forward in our thinking about both the policy and administrative phases, I believe we need to think through a substitute, a more immediate, practical solution of the problem. So my assumption is that we are not going to have a universal service act until certainly a later time; so we need something prior to that.

All right. Then what might be another kind of solution of the problem? Well, another one might be a very highly developed system of reserve corps, one which gives the individuals a real status, which pays them, selects them, tries them out and trains them, and perhaps has some of the features of the military reserve system.

There are serious obstacles to putting into effect such a novel arrangement as a formal executive reserve corps. Some people think that it would build another pressure group, particularly if it is to be filled with representatives of industry. Others point out that it would give industrialists the impression we are in the process of regimenting them. I don't believe these objections should stop our study of a reserve system of some sort. It deserves a great deal of exploration. But I have for the moment set aside those two possibilities--universal service and a formal executive reserve corps--as not being immediately practical.

Now, getting down to brass tacks, what can we develop in the way of a stopgap arrangement for the mobilization of key personnel? At the outset let me review here some of the things that are actually in process and about which you no doubt have some familiarity.

I think the first thing you ought to have in your stopgap arrangement is some systematic analysis and recording of the persons who were incumbents in these key civilian positions during the last war. That at least would give you something tangible to draw on if the civilian war effort would again be placed in the hands of one or more civilian war administrators. As a matter of fact, a list of wartime incumbents of key positions has been prepared and is available in the National Security Resources Board. Wherever possible we should also obtain evaluations of how well the incumbents of World War II civilian war posts actually carried on their responsibilities.

The second stopgap arrangement, following the lead of some of the things we did in the last war, is the development of what might be called a stopgap roster. That also has been done by the National Security Resources Board. There we brought together the current rosters being used now by a number of departments of Government, some of which had a fairly long history, as, for example, the roster developed by the ECA. It was thought by the persons in the State Department, who had the responsibility for ECA in the planning stage, that the kinds of people on a roster of persons who had been selected to do a civilian occupation job would be suitable for ECA. In developing our consolidated roster, we found others in use in the city in a number of departments.

Our experience with those rosters points, I think, to a good many limitations in the roster technique as a device for keeping track of key personnel.

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Most departments have as a third sort of stopgap arrangement their own backlog of key people. Sometimes that is not too well systematized.

The fourth stopgap arrangement is one which is being looked into by the Civil Service Commission, the Federal Council on Personnel, and the Civilian Personnel Adviser to the Secretary of Defense. That is an arrangement whereby you have ready, both laws and Executive orders that will smooth out all of the mechanical difficulties that existed during the last war. For example, you had to have new arrangements on leave, hours of work, and so on. We found, moreover, that there were a good many occasions when, because we were unable to actually bring people to their first post of duty, we lost out on getting some pretty good people. So a recommendation has been made that a plan be worked out for traveling people to their initial post of duty and then returning them home later. This would be taken care of either by law or Executive order.

Those are some of the things that have been done. As you can see, while they would all be useful, they certainly don't answer the problem in full.

Now, let us move ahead to what you might call another phase, the longer-time readiness. As we approach the development of this longer-time readiness aspect of the key personnel program, I believe we can look at the World War II experience very briefly and find some leads as to what we should do and what we should not do. Perhaps I can use my own experience in two war agencies to draw out some of these points.

Like a good many other people who came to Washington, I came to do one job and shortly did another kind. I came to do an organizational job. When I get fairly well started on that, they said, "Now, you run the personnel end of this war agency," which was the Office of Price Administration.

In the very early days when I went to the Federal Council of Personnel which was composed of directors of personnel, they called on me as a newcomer to the Federal personnel system, for comment on how we could make the thing work better. I said: "There is just one thing you need to do and that is to put in my agency a representative of the Civil Service Commission who can pass immediately on every aspect of personnel management and Civil Service rules and regulations that normally we are required to take to the Civil Service Commission.

Well, they threw up their hands initially, because that kind of thinking was not customary. As you know, as time progressed we did have an arrangement of that kind.

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I observed also in my experience that the development of an agency followed a pattern something like this: The President or his representative would get on the telephone and call Mr. Jones and say, "You are elected to head up this war agency." Mr. Jones, flattered, came to Washington and went through a lot of motions in getting his organization started. He found he didn't have time to think about the problems of his agency, because he had to get people. He borrowed from the other Federal departments some people who were broken into the Federal housekeeping. Then he went back to his friends out over the country and said to Tom Smith, "Come to Washington. I need you to take this job." He knew Tom Smith personally. He knew how good a man he was. He knew in addition that Tom Smith knew other people and could help him build up his organization.

What kind of answers did he get? Well, he found out first, "I have got to stay with my own company. It is pretty important that we do war business." He was told, "Oh, I am already lined up with another government department and I can't come." "I will come in six months." "I am in the Military Reserve." Well, you see, he was boxed in considerably.

Well, this device that we used of drawing in people who know the area and whom we know is a perfectly good one. It is the one I refer to as the little black book device of recruitment; it has some merit.

We had another problem that I observed and that was the problem of the frustrated businessman. A good many businessmen were utterly and completely unprepared to work for the Government. They had been in the habit of making decisions promptly in their own affairs. They didn't know, and in a good many cases they don't know to this day, how many bases you have to touch in Washington in order to get something done. They didn't know the very nature of public business.

The fact, too, that clear organizational thinking had not been done in advance complicated the problem and caused a great deal of the frustration. Now, I don't want to give you the impression that I think we failed to do a good job. I believe we did a good job. But I think that a good or a common sense approach to this problem was represented in one of the things Mr. Bowles did. I lived through or with three administrators of OPA--first Mr. Henderson, then Senator Prentiss Brown, and last Mr. Bowles. You remember, Mr. Bowles was brought in to put some business acumen into the "long hairs" of the Office of Price Administration, among other things. I knew well in advance of his coming that he was going to do that. I figured out some things that we inside the agency could do to help him to get ready.

First I said: "Let us find out how many businessmen there are in our organization who can fill more important spots; secondly, where can we use these academic advisers advantageously in less conspicuous places so far as the public is concerned? Thirdly, let us develop some

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sources that will not only serve us as ideas or idea men, but which will also suggest actual live people for these key positions that we have to fill."

I met Mr. Bowles, I think, the second day he was in the office and briefed him. On the third day we had a longer session. He is a chap who, as you probably know, calls you by your first name at the second meeting. He said, "Ken, I am going to have to call on some business associates of mine in New York to help me really staff this thing at the top." My reply was: "I think that is swell. I think it is desirable and probably necessary. But also I thought maybe you would be interested in what we have done." So I laid on his desk a list of fifteen men for his top jobs and then so on down the line with other jobs.

He picked up this piece of paper, glanced down the list and said, "Why your number five is the man I am going to select to be price executive." That was Jim Brownlee. He has been with General Foods. "Hm," he said, "I wonder if you, Jim and I couldn't get together tomorrow evening and go over this." Well, we did. I should have explained that not only did we have names of people on this list, but we had estimates from a number of other people about what these men were good for—evaluations of them. Jim went over this list, and he too recognized people he knew. So the long and short of it was that Jim said, "On the basis of what you have here I think you ought to have these six or seven people in to see me next week."

I relate this wartime experience because I believe it points the way we should go. One, we need to do what I am sure the Hoover Commission is going to recommend, that is, to decentralize the operation of the whole personnel management business to the departments. Secondly, we need to build upon the little black book technique and give the administrator something more than he can find himself. Then I think we should do something about giving advance knowledge, advance information, to these administrators, particularly those whom we bring into the government service from the outside.

There is one other point that I think we discovered. We learned during the war that there were a good many people who apparently did not have a background of training that suited them to do certain jobs and yet they did those jobs exceedingly well. One observer said that was a phenomenon of the war period. He pointed out that in one war agency, where they were concerned with the distribution and production of certain commodities, there was a very well-managed unit that successively had had these kinds of people doing the top job: an economics professor, a political science professor, a retail drygoods merchant, and an automobile salesman. Now, some of you may not agree that that is possible; but I think you need to have in mind that while specification has its place, you also want to be able to draw into these jobs people of capacity and flexibility.

Now, let us get down to the more concrete kinds of readiness measures that might be considered. I would say at the outset that the first and perhaps the most important is clear organizational thinking. In other words, unless you know what your organization is going to do, what its responsibilities are going to be, obviously you are handicapped. Then I think we can go forward from that point and systematize mobilization planning as we have not yet done. We can systematize or manualize the process of setting up a new agency. We need to pull out from what has been done in the past what we know about management, so we can put such experience right in the hands of the incoming executives.

Then, getting more nearly to the personnel problem, why can't we have "made ready" a trained corps of administrative management people--they will primarily have to come from the Government--whom we can shift immediately into the task of taking these manuals and explaining them to and otherwise assisting these new executives we know we will have to bring in from the outside? Those trained people are the ones who are going to make the organization click.

Next, we could profit by repeating the kind of experience we had in the war, when we brought in men from the outside to assist war administrators with their staffing problems. Mr. Bowles, Mr. Nelson, and others brought in substantial executives who served them as right-hand men in dealing with this whole area of key personnel. I believe we can systematize that sort of arrangement in advance and have some government people and some men from outside the Government primed. They are the fellows who are really going to set your war organization in motion.

But you have to go further than that. You have to have something for them to work with. For example, a moment ago I discarded the roster idea, partly because it is so hard to keep it up to date. It is spotty. It gives you a false impression of security in that there is duplication of names. Frequently it has been built up by a central unit which is so far from the activities that, so far as acceptability of the roster by the operating departments is concerned, it certainly has its limitations.

So I think you might consider trying to improve this roster process by developing "sources" both in terms of individuals and organizations. I say that because we have tossed this idea around with representatives of the various departments. They point out that if you divide up the whole task either in terms of function or commodity areas and hold the departments of government responsible for developing sources of people, either government people or organizations, you may have some duplication,

but still there are a good many advantages to this process. They say, for example, that may be the Department of Agriculture, since it will be working in the planning of economic mobilization in the area of agriculture, should take the responsibility for developing the source of key personnel in the field of agriculture.

The Research and Development Board, as you know, through its Human Resources Group has gone far in developing panels of individuals. The The National Research Council during the war, developed a technique which divided up the areas of responsibility covered by the Council so that in each of the major divisions of science they have ten men scattered geographically over the country. When the Council wants to get an accurate and timely view about either a contract, an institution, or an individual, they use those people as their eyes and ears and sometimes as their brains. That in general is the idea behind this systematic development of sources of key people.

Another device which has been used to a degree is the committee and task force approach. There you take the position that you are going to bring in businessmen and others to work with us on our current problems. Maybe we will get them to think through problems of a mobilization plan for a particular industry. We will provide that group with a permanent executive secretary, who will give it continuity, and who will be the person to carry over from the prewar period to the actual war period whatever is developed by the task group.

That system has some merit. Certainly it is a decentralized approach, which in itself has a good many advantages. Moreover you can observe people on the ground, which is something we didn't do before World War II. We frequently took one person's word that "He is a good man" and didn't have any more incisive evaluation.

On the side of the disadvantages, I think it may be difficult to cover the whole area of economic mobilization by the technique of task committees. We have done some of that in the National Security Resources Board, and it has been proposed elsewhere.

Whatever we do in bringing in outside people to help us--our task in wartime is so great that we can't possibly do all of it with the people we have inside on either the military or civilian staffs--I think we are going to have to take another look at what the Government itself can do. I have suggested some things. I want to suggest briefly another: That the Government undertake, and should I think undertake very shortly a positive executive development program within the Government itself.

A program of executive development has several objectives--first, building within the Government itself strong potential executives;

secondly, pulling good people from the outside into government positions that can be manned as well or better by outsiders. I don't know whether or not Mr. Hoover discussed this with you, but the Hoover Commission did recommend something of that kind. It may take a little time to sell a workable program of this type.

The Navy's study undertaken at the instance of Secretary Forrestal, which examined industry practices in the development of executives, I think, points the way to some kinds of things which can be done in government.

Now, the point I am making is this: There is a great deal more we can do inside the Government to develop our own executives. As a matter of fact, there is a little question among some observers as to whether the experienced businessman is as good as some people think he is for certain kinds of jobs. There are people who feel that you may not be able to really solve your problems by depending upon the experienced industrialists or businessmen to come in and do a war job as infrequently as we hope to have to do it.

Then let me say just one further word about this key personnel reserve corps. I pointed out a moment ago that there are a good many problems connected with it. Would you try to set up a reserve corps that covers broadly the whole civilian government, or would it be restricted to units or departments that might be engaged in mobilization activities? Would it be restricted to the planning groups, such as those in the National Security Resources Board and some others? How would you finance it? What kind of status would you give these people? How could you sell a program of a kind which would keep up the interest of men over a period of years, from the standpoint of the money involved in doing it?

I think the whole area needs a good deal more thought than we have given it heretofore. I believe this program of giving advance knowledge and advance information to incoming executives--showing them, particularly outsiders, what they can expect, what they can and cannot do in government; eliciting their cooperation and participation in advance in working out some problems we are confronted with here--is extremely important and has great possibilities.

In this general field I believe you should know about the kind of thinking that has been done in the Navy Department. I don't believe I am giving away any secrets when I talk about it. The management engineer of the Navy has had submitted to him an analysis of a civilian executive reserve corps. I think you might find a reading of that memorandum very interesting and profitable. It is a very systematic analysis which suggests answers to such questions as: "What are the jobs that we have to fill? What kind of people do we need? Where are

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we going to get them? What kind of techniques and devices are we going to use to get them? How are we going to indoctrinate them in advance?" And so on. They estimate that, so far as their civilian war activities are concerned, they have about five hundred positions to fill.

Well, I believe all of that thinking is to the good; I am not going to commit myself any more than I have on this topic of a reserve corps other than to say that I believe it is something that we need to plow into pretty deeply.

Finally, something we can get going on in the longer-time project is a more systematic industry-government interchange system. That might be an arrangement a little short of the reserve corps. You people in the Military Establishment are already ahead of us civilians because you do have arrangements for assignments to industry; you have legislation that permits you to put your people as observers and interns in industrial establishments throughout the country. Such arrangements should be a two-way proposition. We ought to think again of the educational possibilities for industrialists to be assigned to government and vice versa.

I have a couple of minutes left in which I want to discuss what we could do in the next phase, the action phase. We must be prepared to go into operation immediately. I will pass over that by simply saying that tentatively I believe key personnel problems deserve at least a very strong staff function in the war organization.

Let me make these concluding comments: First, that while it seems to be a ready answer to our problem to suggest the establishment of a single agency which will either plan or execute this key personnel program, I think that device has some limitations. I believe you might lose the great advantage of a system where you get the participation of the keymen in the department which has most responsibility for the activity and knows most about it, and who therefore knows the people out over the country. I don't believe, however, that you should permit what I would call uncontrolled decentralization. There is a need for a balance wheel organization to perform such functions as: to minimize duplication and competition among various agencies; to coordinate their activities, through persuasion primarily; to stimulate studies of problems; to serve as a clearing house; and where necessary and advisable to develop uniform policies and recommendations on the national position to be taken. We should avoid anything that cuts into the enthusiasm to be found in organizational units having the responsibility for doing the job.

Also I would say this: Whatever we work out that seems to be good management for wartime may have some real potential value for peacetime operation. I would judge the effectiveness of a measure for the wartime

use in terms of the smoothness with which you can shift from peacetime to wartime operations. There are a great many policies and administrative arrangements for handling key personnel that we ought to be using right now; and if we used them now, our problems in wartime would be minimized.

I would say, too, that the value to the Government of having outstanding key personnel in wartime is of sufficient importance to require our military and civilian agencies to avail themselves of the best brains in the country in recruiting these leaders from business, labor, agriculture, and education. I think you might get them to buy the idea that it is profitable for them to participate from the very start in the planning phase of mobilization. Moreover, private interests in the country will benefit if both the civilian and military war organizations are adequately staffed.

Now, the task of finding creative leaders and developing ingenious administrators certainly does in my judgment demand continued topside attention. All the physical and material resources we can amass will never substitute for brains and judgment at the helm. Certainly it is a big assignment if we are going to correct the deficiencies of World War II.

We should have a charter to follow, as was suggested by Patterson French when he evaluated our wartime personnel experience, which would furnish us with three kinds of people. We are looking for people with perspective and insight into the nature of the governmental processes. That is a pretty important thing. I don't believe you can underestimate it. If they don't know about the nature of governmental processes in advance, I think we need to give them that information. Secondly, we are looking for leaders without biases. The detached, objective individual of ability is the man we seek. Finally, we want people who know how to run an organization.

Well, that is a good-sized order. I have tried to indicate some of the ways I think we might tackle that order. I recognize that in certain places I have been quite indefinite, and, you may feel, evasive. However, I want to thank you for the privilege of being invited to be here. I am now at your mercy.

QUESTION: If we do have an industrial mobilization plan which we all agree on, don't you think it would be possible on a yearly basis to have the leaders picked for the various jobs?

MR. WARNER: In other words, can we crystallize our own thinking so that we can pick an individual for a given job? It certainly will take time to get to that point.

I raised that question with Al Nickerson, a member of the Board of the Socony Vacuum Oil Company. Mr. Nickerson spent six weeks with us in the Board for at least two purposes: first, to really give us

some needed leadership; and, secondly, to give again an industrialist an opportunity to work with a group that is doing a planning job in the field of economic mobilization.

I said, "Unless we can get to the point of really outlining our mobilization job so that we know what is involved in it and can select people for specific assignments and train them in advance, as was recommended, incidentally, by one of the committees of Congress, who said, 'Let us have a number of people trained from industry in advance to go into these jobs'—unless we can do that, we are going to have to accept the general principle or theory that executive ability is a certain quantum which, when you find it, can be applied to almost any kind of job. Now, you are an oil man." I don't think he will mind my saying this. It isn't going to be generally circulated. "You are an oil man. Do you think you have the competence to come in and head up the sugar program of this Government?"

He hesitated and then said, "Yes, I do."

Then I said: "The reasons why you can do this are these, aren't they? You have had broad experience in industry. You know the technique of what it is to be an executive. You have the mental ability to master new and complicated programs in a hurry."

He said, "The weakness is that it would take valuable time for me to get to the point where I can be on top of this job."

Now, I don't know how to give a more precise answer to your question than this: I doubt that we can really train people for specific jobs. We ought to look more for breadth of training and experience and then develop a system which rounds out experience in several types of assignment. In the military you now give career officers some varied experience before they get into a specialty area.

QUESTION: On your reserve program and your rosters how would you coordinate the personnel on those rosters with the requirements of other agencies? People of that ability and quality are certainly known in departments other than yours. Aren't there apt to be other rosters and other reserve programs which will require their services more than you will?

MR. WARNER: Yes. I think you have a good point there. Any kind of roster system, or any kind of reserve system, if uncontrolled, would have some duplications in it. I think what you would try to do, however, is to gradually weed out overlapping and duplication. When you get to your action stage of mobilization, however, you must devise arrangements whereby you do make some assignments in terms of what seems to be the

greatest need for that individual's capacities. Again, let me say it should be a system which permits an individual to have a good deal of personal discretion in determining what he does.

Now, you can point out, as your remarks imply, that with separate rosters you would have the Government as a single employer going after the same individual in five departments. Hence the public would get a pretty bad impression of how we operate; that would be another evidence of bungling on our part.

Perhaps we should weight the advantages of decentralization heavily and cut down overlapping or duplication by assigning to a given department the responsibility for developing key personnel sources.

QUESTION: What is your thinking with regard to retaining the present government organizations in a future emergency rather than setting up an entirely new wartime organization?

MR. WARNER: You have asked me a question that is out of my field. That question has been kicked around this town a good deal.

There are some advantages, it seems to me, in having the present departments of government do a lot of thinking and planning about the war activity of which they will become a part or of which their top employees are likely to become a part. For example, you couldn't move into the war food picture without pretty heavy reliance on the Department of Agriculture, could you? You are likely to find within the Department of Agriculture today a good many people competent to deal with the subject.

No matter how competent are the people you set up in some central planning agency in the field of agriculture, they would still have to work very closely with the Department of Agriculture in this planning stage. The problem though, of whether or not in the war period you have a separate agency or farm out operations to various departments of government is a combination of administration and politics. I think it has been pointed out that we didn't want to have everything handled within the existing departments in the last war because of political--in the sense of--policy implications. First you have the problem of getting support by Congress. Secondly, you have the problem of ballooning the old line departments. Thirdly, you inevitably have a problem some day of bringing them back down. Fourthly, of course, you have a problem of coordination at the top. So my own view then would be that in the planning stage you have to use the departments right up to the period of war operation. Then you need to be ready to shift it over to a separate war organization.

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Let me make it clear that I am speaking absolutely unofficially, because this is a policy question which will be determined by someone else, probably the President.

QUESTION: Would you care to discuss briefly the problem of recruiting your people on the city level to administer the various war agencies--the draft boards, ration boards, manpower, and so forth--and how far those should be volunteers and how far Federal employees?

MR. WARNER: When we were at the peak of Federal employment we had 3 million and about 700,000-plus employees in the civil Government. In addition we had in the last war over 300,000 who were so-called "without compensation" people. Now, of that group the larger number was in ration boards and other kinds of local boards.

I think that you will find people who can do that sort of work and who are available ready and willing to do it on a voluntary basis. My point is not whether they do it for us with or without pay; rather it is whether you can work out an arrangement whereby you can really give those people direction and get them to follow orders. The recruitment of local boards, I think, clearly should be the responsibility of the local units.

There are a lot of problems connected with getting volunteer people to work efficiently. But I would say that only as a last resort would I want to put them on the Federal payroll. There is a great advantage, certainly in community relations, when you have those people thinking that they are a part of the war effort and are making some sort of contribution and sacrifice to the war effort.

QUESTION: My questions have to do with housing. Did you have any difficulty in getting people to Washington at the time you wanted them, because of lack of housing? If so, is any thought being given to correcting that in the future?

MR. WARNER: The answer to both parts of that question is yes. Those of you gentlemen who were here during the war know what the housing difficulties were. I am still in the house where I was when I came here, but I have a prospect of moving in ten days. That is as far as I have gotten.

During the war we hit upon various devices for solving that problem. It was mainly a doubling-up proposition, because the increase in housing didn't keep pace with the influx of people.

We have in the Board, in fact, in the Office of Human Resources of which I am a part, a unit that concerns itself with housing and community facilities. That unit has been confronted with the question you raise.

Another part of our Board's responsibility concerns not only the dispersion of industry but also the dispersion of government. We have a problem of trying to estimate how big a civilian group is needed in Washington, how big it would become during another war. As a matter of fact, the number of Federal employees in Washington never has been so high as most people think. As you may know, at the present time, of the 2,100,000-plus in the civilian Government only a little over 200,000 are here in Washington; and when there were 3,700,000-plus, the ratio was about the same.

QUESTION: It seems to me that before you establish rosters for key personnel it would be essential to have some idea of what your organization is going to look like.

MR. WARNER: That is correct.

QUESTION: Because it is conceivable that an executive who can do a good job in one type of organization might not be able to do it in another. Has your organization done anything on the organization of the war agencies up to this time?

MR. WARNER: Yes, we have. When I said "stopgap measures" I meant exactly what I said; namely, that in pulling together lists of former incumbents or getting roster information you are doing it on the basis of what existed in the last war until someone tells you exactly what the new organization will be. We have in the National Security Resources Board an Office of Mobilization Planning and Procedure, which concerns itself with precisely the problem you raise; that is, what will be the organization and what will be the responsibilities of the various organizational units? We will need to gear the whole program on key personnel into whatever organization is developed. I think meanwhile we can do some of the other things I have mentioned.

QUESTION: Am I correct in the impression I received from the talk that you believe the men who are engaged on the theoretical or academic side of work, the college professors, should properly not be placed in executive positions but should be placed in staff jobs where they wouldn't be concerned with line functions?

MR. WARNER: I am glad you raised that question. I am very happy to try to answer it. On the basis of my observation in Washington during the entire war period, I would say this about college professors, on the one hand, and about businessmen on the other:

I have seen businessmen who were just as theoretical and academic as college professors. There are a good many of them. I have seen businessmen who have gone into an organization and floundered around

as much as any college professors. On the other hand, I have seen academic people, whom we think of as theoreticians, who were able to get into the complicated wartime problems and do a much cleaner job than businessmen. I think the thing you have to recognize is the difference between big government on the one hand and big business on the other hand.

I think, then, that the answer to your question is to be found in the cut of man himself rather than whether he is a college professor or a businessman or anything else. There are some college professors who should be staff men. There are some who have had substantial administrative experience. We can capitalize on that administrative experience.

I asked Chester Bowles a similar question not too long ago. I said, "What is your judgment on this: How do you evaluate the relative competence of topside businessmen and topside civil servants?"

He replied something like this: "It has been my experience and observation that the best are about the same in both fields. I did observe, however, that the academic man and the career government official were generally more capable of getting into and thinking through complex problems than the men from business." Then he went on to say: "I believe the Government itself, while it must continuously make use of men from business, must do much more than it ever has before in preparing within government the kind of people who cannot only in peacetime but in war assume many of the most responsible positions."

That is what he said, and I add this: Don't misunderstand me. I don't say we can't use these men from the outside. We will have to use them. The trick will be to use them on the kinds of things in which we in government or in the military customarily do not have experience. The solution will be to give them promptly the aid they need to get acclimated to their new jobs.

QUESTION: To what extent do you feel that wartime executives should be included within the Civil Service rules and regulations?

MR. WARNER: Well, that is a little difficult question to answer, because I don't know what you think of some of these Civil Service rules and regulations. My answer to it is this: In peacetime and wartime the executive group needs to be handled somewhat differently from the rest of the people. That is why I get back to the premise I like to stress: Good management in a war period is also good management in a peace period.

In the second place, if you give your departments practically the whole say in recruitment and appointment and so on, you have the

answer. That means that you have flexible administration and you minimize your central control authority.

QUESTION: You told us about staffing war organizations. I would like to ask a question about key staffing. When you are in a big hurry and get a lot of these people in, you are bound to make mistakes. Laying aside for the moment the question of determining which are the mistakes, because some of them may be just stepping on the wrong toes, and assuming you have been able to figure out the ones who are mistakes and weren't any good--and that may include the persons you just mentioned who were proper men for peacetime but not worth anything when they get over to war--would you care to comment on how you are going to get rid of those and replace them by people who can do the job?

MR. WARNER: I am glad you raised that one too, because that is near to my heart. I thought in 1945 I had some good ideas on that. I said then, about the time we were winding up the Foreign Economic Administration and I was on Mr. Crowley's staff, that I couldn't speak freely because I had been working with a group of executives many of whom would like to stay on in the government service; had I spoken freely in that capacity, it would have appeared that I was either trying to find something for those executives or myself in the way of a job. So I waited. I found it possible to leave that assignment and then I did my talking afterward.

I talked to some people over on Pennsylvania Avenue who had the responsibility in this general area; I said, "Now, we do have some duds, but we also have many good people who came into the Government, particularly in this businessmen group." I cited some specific examples. One was a chap aged fifty-five who had been a successful merchant, who had a lot of objectiveness and had done a good job during the war. He would have remained on if he could have been put into something where his skills would have been utilized. I said: "Now, we have these people here. We need immediately to develop a system whereby we can get an accurate line on which are our good ones and which are not." I suggested that our civil Government after the war would be bigger than it was when we entered the war; therefore, I said: "You are going to have need for some of these people, so I think you ought to give them consideration."

To facilitate making your decisions you should make sure that when temporary war service people come in, you don't give them any kind of status that will make it hard for you to get rid of them quickly. That is one thing you can do. You can take a look at them. You haven't given them a status, so you develop a program for getting rid of them.

We had good men here during the war who didn't happen to get into World War I and they were a little old for World War II. As a result

they didn't have veterans' preference. My own feeling is that we should have taken that into consideration. But there again we have a real problem of national policy, of whether or not you could modify the veterans' preference principle enough to take advantage of some of those people. You can do a lot for the civilian service, you can do a lot for the State Department, if you can have greater flexibility in bringing into your auxiliary, people who have not necessarily had long experience in either the State Department or the civil Government, but whose business experience has really brought them in line to do the kind of job we need to have done.

QUESTION: I imagine there is quite a lot of agitation for representation on important war agencies by various pressure groups. I wonder if you would discuss the part played by such agitation and by politics in the selection of key personnel.

MR. WARNER: Well, yes, I will discuss it. I think it is fitting and proper that our top personnel be selected on political grounds in the sense that you need during the war, and also in peace, to have topside the kind of people who see eye to eye with your Executive. That is a premise that I would use in trying to talk about your question.

I think, however, that after you have selected the kind of people who see eye to eye with the Executive or his advisers, you will find, particularly in war, that those people by and large are there to do the best kind of job they can get done; that you will not find political patronage a problem. As a matter of fact, I don't believe you find political patronage a problem in peacetime. The patronage that you do find a problem is what I would call personal patronage, the "I know this guy" business, and "because I know him, he is all right."

Certainly during the war I was in a position to observe this patronage business; I can almost name on one hand the patronage cases that I was involved in and knew about. Some of them were pretty interesting. But this personal patronage business is quite another thing. That is a tough one. That is in my judgment of even more importance than some of the pressure patronage.

I recall one case where I worked for an administrator who was trying to get a line on individuals for a very important policy position. As part of the report we prepared for that administrator I indicated the degree of acceptability each individual had with several farm groups. The administrator's selection of an individual was based in part upon that information. So I say we have to take pressure groups into consideration.

Now, I believe you solve it again by getting the kind of people who temperamentally can disassociate themselves personally from their

private affairs. That is very difficult to do if you have a block of stock in a business. It is pretty difficult to do if you expect to go back to work with that organization after your government service. On the other hand, and again on the basis of fairly limited experience, I have seen men from business, whose decisions with reference to pressure groups affected either their businesses or their relations after the war, who made decisions and let the chips fall where they would. I am a little optimistic about what you can get out of men in this country under the kind of scheme we have when you really put them under fire.

GENERAL HOLMAN: Mr. Warner, you have certainly given us a very splendid discussion this morning. We have heard here many times that when you are able to solve the personnel problem, many of those other problems fall by the wayside. You have helped us a great deal in our thinking today toward the solution of personnel matters. We are very deeply indebted to you. Thank you very much.

(15 February 1949--750)S/mmg.

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