BALANCING MANPOWER RESOURCES AND WARTIME DEMANDS

13 January 1949

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COLONEL BAISH: General Holman, ladies and gentlemen: Our guest speaker today, Mr. James C. O'Brien, is Director of the Manpower Division of the National Security Resources Board. He has been in this position from the early days of the establishment of the Board. Mr. O'Brien has been a very fine friend of the Industrial College and for the past two years has helped us greatly in our manpower studies. We could always count on him and his staff at any time we needed assistance. You will see what I mean this morning. He did not break his engagement even though he has a fractured ankle. We have rigged up a device to try to make him somewhat comfortable for the presentation this morning. The subject of his lecture today is, "Balancing Manpower Resources and Wartime Demands." It is a pleasure to introduce to this year's class Mr. James C. O'Brien.

MR. O'BRIEN: General Holman, Colonel Baish, and gentlemen: I apologize for this leg. I had the misfortune to catch it in a car door and have a fractured ankle, but it has not kept me from getting around to some extent. The usual practice, I believe, is to speak from the lectern. Perhaps I will be able to inject a great note of informality by speaking from a seated position.

Gentlemen, I brought with me a prepared script from which to talk about the manpower problem. I ran over it last night and was prepared to speak almost entirely on the basis of that document. But this morning over in the very fine new lounge in the other building over a coffee cup Colonel Baish indicated that the manpower study group here is primarily concerned with the basic principles and fundamentals of this business of manpower mobilization planning, how we are going about it in the National Security Resources Board, and what the problems are. So with your indulgence I am going to just leave that script in my pocket and talk to you informally about what we have been doing, how we have been going about it, what our problems are, and how we think some of these problems may be solved. I am going to do that on the general thesis that your problems in the manpower course are essentially the same problems that we have in the Manpower Division of the National Security Resources Board.

With your permission, let me start with the time of the creation of the National Security Resources Board, approximately fifteen months ago. The manpower problems with which we at the Board were confronted at that time had no limitations. The National Security Act, which established the National Security Resources Board, said that, among

other things, the Board would be called upon to advise the President concerning the mobilization and utilization of the manpower of the Nation. There were no outside or inside limits to the characteristics that our program should take.

The National Security Resources Board is now fifteen months old, and has not begun to solve the problems involved in this very complicated problem of manpower. Some problems have been brought to the forefront by reason of the enactment, for example, of the Selective Service legislation. Selective Service has taken one phase of mobilization and activated it, so to speak. Similarly, the 70-group aircraft program has provided for an increase in the size of the labor force which has to be looked at very much in the same manner as you would look at an increase in the labor force in time of war. Those two things have given us a little practice. But we found that the best thing we could do in trying to talk about manpower mobilization planning was to take the whole problem and try to break it down into its component parts. So I think this morning one of the best approaches that I can take to the discussion is to indicate to you how we have broken this problem down, what the questions are, and how we plan to go about getting the answers to those questions.

It was our judgment that we had to have some basic policies to follow in laying out our manpower planning program. So we devoted some time to figuring out what those policies should be. They are stated in relatively broad terms in the National Service Act; we felt that what we do should not be inconsistent with those provisions of the law. Let me recite them to you.

In the first place, manpower planning must be integrated with other phases of national mobilization planning. During World War II the success of that process, in certain areas at least, is questionable. Many time contracts would be let and plants would be built without consideration of the labor supply and manpower factor in the area where the production was scheduled. Obviously in these days of short housing we must give even greater attention to the availability of labor in any area where production is to be scheduled. So as a matter of policy, we have enunciated the edict in our shop, which is agreed to by all hands, that production planning at every stage of the game must be integrated with manpower planning.

By way of example: One of the large iron deposit areas of the country is being looked at in terms of whether it will be necessary to transfer our mining operations in the event of certain types of strategic casualties. The first thing that the ferrous metals group brought up was the question: "Where, in the light of the several sources of open-pit mining available, should we place this projected mining process?" They came to us to find out if among the various

places available there were any where the characteristics of the labor supply would make it difficult to put mining operations. We found that in one place scheduled they had no labor availability at all, because of the relative closeness to another large production center. Another place had some housing and it had transportation and a potential labor supply. As a result, in the planning at least, this production is scheduled for the place that has potential labor.

Another basic policy which we have subscribed to is that in the event of another war there should be an intensified control of the manpower mobilization program. That does not necessarily mean the construction of an organization which will take agencies and put them here all under one box, because after all that, in our judgment, is specious planning. The chart can be drawn up any Sunday afternoon after the basic problems have been settled. But we do feel that the whole manpower process--regardless of what it may affect, whether it be labor relations, whether it be Selective Service, whether it be recruitment or training--should be integrated, so that it works together on a unified control basis.

Another basic policy is to have in advance those measures which will bring about the fullest possible utilization of personnel and manpower rather than to await a possible war and then get into the question of utilization. That applies both to civilian utilization of workers and to the military utilization.

I think, as an aside, if you haven't seen the report which General McAuliffe issued in the last two or three days, it would be a matter of interest to you in your manpower planning. It has figures relating to the use of scientific personnel during World War II. I forget the exact figures, but I think they indicate that in the majority of cases there was less than a 50 percent utilization of the skills of scientists in uniform during the last war.

Another policy, I should say, is that the labor force should be used and expanded in such a way that maximum participation of individuals in the war effort is not denied because of discriminatory hiring, promotions, and other practices.

Another basic proposition and principle--I will talk about this in greater detail later--is that we should approach a war situation and our thinking about it on the general theory that the United States should rely upon voluntary methods of getting our productive manpower into the places where it is needed to the fullest extent possible, and that controls should be interposed only as the need therefor is readily demonstrated. That takes us to the question of national service, which I think is worthy of somewhat more detailed discussion perhaps a little later on.

Another basic principle is that any controls that are devised should, in my opinion, be applied equally upon employers and employees. Whether you should impose controls depends on whom you are talking with. The National Association of Manufacturers, for example, indicates that controls should not be imposed upon manufacturers, because they have a terrific job to do and should be left unfettered by the Government. When you talk to trade-union people, they say controls should not be imposed upon workers, because workers also will get the job done if you just let them alone. Obviously, there are bound to be some controls in a war situation. Our thesis that we have proposed is simple that whatever controls should have to be activated should have equal application both to manufacturers and labor.

Last of all in our planning process in the National Security Resources Board, we feel it indispensable that there be participation all along the line at every step of the process by representative community groups in the country, such as labor, management, agriculture, the Military Services, and government agencies. After all, the Board which I am privileged to represent here this morning is a very small organization. It can't do these things itself. It can only coordinate and advise the President concerning the problem. That means, therefore, that the part of the National Security statute which creates the National Security Resources Board as an advisory board must be taken literally. That is to say, the Board must rely upon other agencies of the Government to the fullest extent possible in developing data which are basic to the planning process.

Now, moving along to what we actually think should be done to get some plan activated, or at least written down, I should perhaps tell you what we regard as the ten problem areas involved in manpower planning. They are not entirely mutually exclusive, but they are so identifiable that they represent areas of problems in which we have in turn set up a series of projects.

The first one of these is dividing the available manpower resources. I think that is somewhat the title of the lecture which was indicated on the program for today. That, of course, is an infinitely difficult task. Implicit in trying to divide the resources of the country is a multitude of problems for which the answers must be available before we can do anything to divide logically the human resources of the country. Of course, we know that we have roughly 63 million people in the labor force. We have two million at present unemployed--a very low unemployment ratio. We have no unemployment, practically speaking.

We have received the figures from the Joint Chiefs of Staff on manpower requirements in connection with the strategic plans, but it is not simply a question of taking those figures and applying them against the population. Implicit again in that process is, first, the

determination of the kind of austerity level that we are contemplating for another war. If our gross national product is to be applied to the military effort on a certain scale, that is quite one question. If we are to increase the standard of living on the civilian front, or even maintain our peacetime civilian services, that is quite another thing. Your decision on that has a distinct impression upon how you apply these military manpower figures against the total labor population.

Certainly we know that in a period of full employment there is no cushion or resiliency at all. In the last war we had a year or two of respite, in the first place, in terms of our actual entrance into the fighting war. In the second place, we had eight million people to fool around with to get to work while the conversion process was going on. No strategic planner, as you gentlemen know far better than I do, feels that any such period of advance warning would be available in another war. Nor do the labor economists indicate that right now at least we can anticipate any large mass of unemployed people to take up the slack while the conversion process is under way.

As we look at our national picture, we find certain statistical gaps which as a preliminary thing must be filled. Statistics are deadly things to talk about. They are dull and uninteresting. Nonetheless, we must have them if this job is to be done properly.

In the first place, we have to appraise the facilities that we have at present for making national manpower estimates. To be sure, the Census is coming along in 1950; but it won't give us the kind of information we need for real manpower planning. It will give us in broad categories how many people there are in the country and how many people there are at work. We will get labor force figures, but the Census won't tell us a thing about the occupational composition of the population.

Nor is the census process, according to the people who know about it, the best way to get that kind of data. Obviously, an enumerator goes to the door, knocks on the door, and says, "What does your husband do?" The lady of the house says, "He is a mechanic. He works down at the Ford plant." That is not enough. You can't plan according to the number of machinists, die makers, die sinkers, tool makers, and so forth, that are available on the basis of that kind of rough occupational data. So in the Census Bureau they are at this very time trying to work out a device, perhaps a sampling technique, which will give us a great deal more information about the occupational characteristics of the labor force.

Then we have to develop a program for determining the manpower requirements on an area basis. As General Hershey says—and I think Colonel Moses referred to it earlier—every time the problem comes up, he says, "How is this going to work in Angola, Indiana?" That is true

of the whole manpower problem. It is not a national proposition at all, except in gross figures. It is a series of local problems. So we must have techniques which will enable us to estimate not only plant requirements, but area requirements and think of our manpower planning process as a series of local problems, all of which must be integrated through the policy at the top level.

I am going to skip along pretty fast through the statistical devices. But there are projects which are moving ahead under the auspices of the Manpower Division of the National Security Resources Board. They are being carried out mainly by the Bureau of Labor Statistics, by the Bureau of the Census, and by the Employment Service; all have statistical groups and field services which can develop the kind of information needed.

This is perhaps a good example of how the Board has had to farm out its work. We have no statisticians, no people who can get this kind of information or work out these techniques. Therefore, we must rely completely upon the statistical services of the other government agencies.

One other interesting project, which I know you are all familiar with, being in the manpower field, is the input-output process of estimating manpower requirements. The idea is to take, let us say, an order for a battleship and work backward right down into the lumber that has to go into the transom and the steel that has to go into the construction, figuring at every stage along the line in terms of dollar production how many people and what kinds of people this will require. The Air Forces are moving ahead on testing the feasibility of these so-called industry-composition studies, these input-output studies, to see whether or not that process is a sufficiently valid one to use in estimating manpower. It hasn't been proved such as yet; but if it is a usable process, it will certainly be helpful to everyone concerned with estimating requirements.

Before leaving that statistical picture, I would like to say that the National Security Resources Board is running what we call a series of feasibility tests based upon certain figures which the Munitions board has developed, which are focused on manpower, a number of end items, and a number of strategic materials, such as steel, aluminum, and so on. Those figures are being farmed out to the Department of Labor and the Department of Commerce to determine the impact of these projected figures upon the civilian national economy. Perhaps the result will be: "No, we can't support in the civilian economy the amount of production anticipated and the amount of labor anticipated," or, "Yes, if we tighten up our civilian belts, we can," or, "Yes, the civilian economy can support this kind of figure estimate."

We are very anxious to see how those feasibility tests result, because above everything else this will give us a methodology for applying military requirements on the one hand against civilian capacity on the other. My interest, of course, is on the manpower side of that process. The people in the Bureau of Labor Statistics are working on estimates of manpower requirements which we have received from the Joint Chiefs of Staff through the Munitions Board.

One of the other problem areas in which we are working has to do with military personnel. In this connection, our relationship is a close and pleasant one with the Munitions Board and with the Selective Service System. We are working to the end that certain studies can be commenced which will have an end product which we believe will be valuable in terms of estimating both the military manpower requirements and the internal military utilization. I will pass quickly over them.

One of these studies is the development of a method whereby military manpower estimates can be made in occupational terms rather than in gross terms.

That study depends, again, upon a series of planning processes, one of which is the development within the Military Services of a single system of classifying occupational skills and of classifying billets or jobs. The steps which have been taken in that direction are very heartening, in that the Munitions Board has a committee which has moved forward quite rapidly and is developing, I hope, as an end result a system of job terminology or occupational classification. That, in turn, will reach out into the only available civilian process of the kind, the Dictionary of Occupational Titles, to the end that when and if military demands have to be made on any given skill, they can be made in these occupational terms. The net result will be, of course, that people called for by kinds will obviously be assigned to jobs consistent with their skills.

Another process which we are working on with the Selective Service System and several other agencies of the Government, among them the Atomic Energy Commission, is a list of critical occupations or occupations which might be regarded as critical in a war situation. Our purpose is to identify in advance, so far as possible, those occupations which, because of a greater degree of training required, or because of other shortage factors, might be in short supply in time of war; or to identify those occupations in which the people possessed of those skills could perhaps be placed with a greater degree of precision than we were able to use in World War II. This, of course, will mean close participation of Selective Service and of the claimant agencies in the civilian Government and the Military Services.

Another process which I want to mention before I leave military manpower planning is the development so far as possible of standardized physical requirements. I think that the Munitions Board, upon the urging of the Selective Service System and also to a large extent on its own initiative, has developed pretty well a standard of physical requirements. Again, depending upon the degree to which physical requirements are necessary in military jobs, we should think not only about standard physical requirements for all military jobs, but also about minimum physical requirements for certain types of jobs, for noncombatant jobs at least.

The basic job in time of war in terms of getting manpower where you need it is the recruitment process. We call it getting people where they are needed and inducing them to stay on the job. Obviously, in time of war people are not very much different from what they are in time of peace. So, therefore, we have to look for incentives which will induce people to move from one kind of job to another. Obviously, one of them is the wage incentive. Another one is patriotic motivation. A third one is the availability of housing and other community facilities, which came to be quite a critical consideration in the last war. So in our job we have broken down this whole recruitment process into a number of different study projects, which we hope will move ahead quite rapidly.

One of them is to look at our total employment exchange situation of the country. As you know, we now have a State-Federal Employment Service, with 1,800 local offices situated in every city and village of any size all over the country, through which, by and large, employees of war production industries would be processed in one way or another. We are studying the referral and analysis technique which an employment office should use in time of war, to the end that it can be a speedy process and that the traditional red tape of government will not be interposed at every step of the game when we are trying to get people on the job.

One unique approach which has been suggested to us, which perhaps is worth a great deal of consideration, is that only the nonessential producers should be required to use an employment service in time of war. The theory behind that is an interesting one. It means that as you enter a war situation in a full period of production and employment, what you have to do right away is either to convert, or to both convert and cut down nonessentials. Well, it has been suggested by large groups, representative groups I should say, that, after all, employers know how to hire workers at the gate, and that, after all, workers know where to go to look for jobs. So they say: "Don't bother those fellows in the first days of the war. While you are getting started, leave the essential producers free to do their own hiring. But," they say, "slap your government controls on manpower immediately on the nonessential producers."

Let us say by way of example that in Baltimore there is a shipbuilding organization at Sparrows Point which needs a lot of toolmakers. At the same time, there is in Baltimore a big pickle factory. The pickle factory employs fifty toolmakers. Well, our Government's obligation under this policy would be to go to that pickle factory and say: "We are not going to disturb your process. You can make as many pickles as you want. But we are going to put a ceiling on the number of toolmakers that you may have, to the tune of twenty. That means you have to give up thirty of them." At the same time, there will be an employee exchange available there. So we would first impose this requirement, this ceiling if you will, and at the same time we would facilitate the movement of those thirty toolmakers from the pickle factory over to the shipyard.

During the last war the Government's effort in that direction was generally to provide certificates of availability for materials of one kind or another. But the people we thought we could get by that process just evaporated. They cut down the people in the gold mines in North Dakota in the hope of getting them to move over into the copper mines, but the gold miners disappeared into thin air. So if we have another war, it would seem necessary not only that you impose a ceiling upon nonessential jobs, but have the vehicles, the automobiles or what-have-you, available on the spot to move those workers immediately over into essential jobs.

In connection with legislation to implement that process, our General Counsel's Office, in collaboration with our division, has written up a statute, the terms of which I won't go into in any detail with you now. If any of you should be interested in it, I would be glad to talk it over with you in detail. It provides, generally, that at the outset of a war there would first be controls through the imposition of ceilings. It provides for transportation service by government subsidy, for workers' settling-in allowances, for subsidized training, for the nationalization of employment as well as the creation of a national employment service, and for certain other factors which would carry out in a general way some of these controls which I have just mentioned. It is entirely probable that further legislation will have to be prepared which may go a much greater distance in terms of national service control. I will leave that for a few minutes and come back to it later.

In passing from recruitment, we have this tremendous problem of utilization to work out. We have the question of the hours of work. What is the optimum number of hours in a week that we can get productive work out of a worker? How do the plant's working conditions affect productivity? What are the measures of productivity? We have the whole intricate job-engineering process, job simplification. It is especially desirable, when we look at this industrial picture, to develop what

techniques we can in advance, because such development is a long and technical process. At the time of mobilization there just would not be the period available to make the kind of intricate studies that are contemplated here. It is quite possible that some of the industry relations centers of the colleges could take on this kind of project and work out job families, simplification techniques, and so on.

Another thing we want to take a look at is the relationship between labor-management contracts and the utilization process. Are there standard provisions in peacetime collective bargaining agreements which have the effect of impeding productivity? Of course, we know there are. We know that in certain contracts or certain arrangements you may have a carpenter doing a particular piece of work and he has to put in a little switch. He can't put it in. He has to get a union electrician to put it in. You know the bricklayers can lay only so many bricks a day, and so on. Those are peacetime contract agreements which in war perhaps should be looked at rather sharply if we are going to take the question of productivity seriously.

In expanding the labor force we are right up against it, because we don't have, as I mentioned earlier, the potential of an unemployed group. So we want to make studies right now of several facets of the manpower picture which in time of war would facilitate rapid expansion and get into the labor force people who are not normally there.

We want to look at all the Federal and state laws, the state laws particularly, which restrict hours of work, child labor, woman labor, and so forth. Those include the old age and survivor insurance laws of the States, which many times preclude pensioned workers from taking gainful employment at the risk of losing their pensions. We want to look at those to the end that, at the time of an emergency, arrangements could be made with these states to set aside those laws at least for the duration.

We want to take a look at the Government's responsibility for providing housing and community facilities and services for people who would be brought into the labor force. Particularly is that true of housewives, who could come to work and who would be glad to come to work if there were any facilities for taking care of their children, and that sort of thing.

Another thing we are working on, and which we worked on during World War II, is the legislation which was enacted in 1916 concerning the importation of foreign workers. There was only a scratching of the surface in our importation of foreign labor during World War II. We had some Mexican beet sugar workers and some Mexican railroad workers, some Canadian workers and some people from down in the British Indies. That importation didn't amount to much in terms of numbers; it was hemmed in

all along the way with restrictions, such as bond requirements, to the extent that industry in general was prone to shy away from it despite the fact that it was good labor. The State Department is taking a very good look at these restrictive importation statutes to the end that at least some streamlined law would be on the shelf to be pulled out if the need therefor should arise in time of war.

Another very interesting area for study is a potential Western European recruitment program, to find out what plant facilities there are which might be looked upon as potential producers, thus relieving the manpower strains in this country. We have to look at how long those areas would be in the hands of allies, of course.

Also how much foreign-owned production capacity is there which could be loaned or leased or rented to this country in time of war? Every inch, looking at it from the standpoint of productive labor capacity, of foreign capacity that we can plan upon in mobilization at this time is an inch to the good, because of the tightness of the whole labor market. We are working, or we hope to work more than we have so far, with ECA in making that kind of study on a constantly continuing basis. The labor attaches in the various countries are doing it for us now.

Another interesting job that is being done in Europe is the creation of a Western European-wide employment service. We are interested in seeing that. We are investigating now the possibility of creating such an employment service hemisphere-wide between North and South America. There is a possibility there which would greatly facilitate the interchange of labor, mostly our way, of course.

Training, again, represents a great and important field, because if you have to expand the labor force in an emergency, the bulk of these people will be in the semiskilled jobs; and it will take six or eight weeks to train them. Right now we should know where they can be trained, in what numbers, and all other similar information. So we are letting a contract at the moment with the Office of Education in its Vocational Education Division to make a study of and bring up to date a listing of the vocational education facilities located around the country. They trained about six million people during the last war. They have a plant capacity, the characteristics of which we should know. We should know whether or not in Wichita, for example, vocational schools would be able to train welders. There are any number of others.

Then we are interested in a tremendous project, in which Colonel Fitzpatrick will also be interested, which has been urged by educators and seems to be certainly worth-while. It is based upon the fact that we have a great national resource in the higher educational facilities of the United States, a resource represented not only in plant, but in teaching capacity. We know that in World War II various demands were

made upon that great national resource. We had the V-program of the Navy and similar programs of the Army and Air Forces. We are thinking of initiating research projects, perhaps in collaboration with the American Council of Education and other interested groups, like the National Research Council and perhaps the Office of Education. In that way it might be possible to develop far more precise data than we have now as to the plant capacity of institutions of higher education. I don't know, but I would guess that the presidents of those institutions might be glad to see such a study made. I think they would be glad to see some sort of advance planning on the part of the Government, including the Military Services, as to what types of demands would be made upon institutions of higher education come another war. We haven't moved forward with that project, because it is an intricate one and would be quite a costly one. We do want to talk it over, however, with the educational experts of the country to see whether or not it has any worth-whileness about it.

The settlement of labor disputes is another very important proposition that we have to think about at the present time. We expect within the next few weeks to receive a comprehensive study, which was let to the Industrial Relations Center of the University of Illinois on a contract basis, comprising a critical analysis of the War Labor Board's experience during World War II. When we receive that study, we hope to sit down with management and with labor to try to figure out whether or not a right approach to this whole question of the avoidance of labor stoppages or work stoppages caused by labor disputes in time of war would not be another management-labor conference at the Presidential level. At that level we could develop certain "no strike, no lockout" agreements, and we could determine what type of War Labor Board should be created for arbitration purposes during a war, and what types of labor grievances could be carved out as ones which would not be regarded as requiring a work stoppage. A whole series of labor problems perhaps could be taken out of this compulsory arbitration process and thus relieve that potential War Labor Board of a lot of paper work that they had to do during the last war. And, Colonel Baish, if that study would be of interest to the group here, we would be very glad to make it available immediately upon receipt, even before we publish it. I think it is going to be an excellent document. Each chapter—and there are ten of them—was written by someone who was engaged very deeply in the war labor picture in the last war. Most of them now are leading professors in leading colleges—Harvard, California, and so on. We are looking forward with a great deal of interest to that study or project.

We could talk a long time about wages and wage stabilization, but I will pass along simply by indicating that wage stabilization obviously is something which cannot be treated in a vacuum. It must be related to the stabilization of prices and profits. We in the manpower picture are concerned with wage stabilization because it has such a decisive effect

upon the whole manpower recruitment and labor stabilization problem. We realize that we must take our cue from the over-all economic stabilization planners and fit the wage picture into the over-all picture.

That in general covers the problem areas with which we are dealing. To philosophize for a moment, one of the pressing questions which inevitably comes up when you talk about manpower mobilization is the approach to the national service problem. Indeed, I heard in this room Dr. Fitzpatrick last year with great glee debate the question. People who spend a great deal of time thinking about national service are sometimes rather pragmatic in their approach to it. We have taken no position in the National Security Resources Board. We are not yet in a position to advise the President. It is a complicated question. But we have tried to break down some of the problems involved in it.

We feel as a matter of principle that in a country such as ours, where the initiative and the common sense and patriotism of the people are such a great national resource, the imposition of controls which would serve to stifle that initiative is something which should be approached with a great deal of care. We recognize the fact that it is quite possible that in another war with the characteristics that have been described to us, it may be necessary to enact national service legislation; the net result of which, of course, will be to impose a capacity and an authority on the part of the Government, represented in a bureaucracy, to tell people where to go, what to do, and to work for another man for that other man's profit. There is a nice basic distinction between our traditional concept of compulsory military service, where you work for the Nation, and compulsory national service, where you work for the Nation, to be sure, but once removed. You work for an individual.

Another problem implicit in national service, we feel--and we are certainly not experts in the business--is this: If the Government should assume the responsibility for compelling people to go from one place to another and to work where they are told, the Government must think about the assumption of certain correlated responsibilities. Obviously one of those is the responsibility of the Government to pay the way of the workers to the new place and to provide them housing, transportation, and settling-in of their families. Perhaps--and this is a pretty critical one--it should provide them with seniority and re-employment rights in the job from which they would be ordered. Think of the complex situation you would have if you tried to preserve the re-employment rights in the civilian production picture of people who had been ordered to work in war production. The Lord knows it was difficult enough to administer those rights in terms of selective service, as I think everyone in the Selective Service System will agree. It was difficult enough to administer that in the civilian Government where re-employment rights were provided. It would certainly be a complicated administrative problem to try to administer such a re-employment system in the civilian industrial picture.

Second, if you do provide certain emoluments by reason of the compulsory movement of workers into war production, would that not act as an impediment to voluntary movement? Who would want to move over to take a job on a voluntary basis if he didn't get these emoluments which would come with compulsory movement? Would that not probably serve to stifle that very initiative upon which we should like to depend in planning our manpower mobilization? On the other side of the picture it is obvious that we could not allow in another war the labor piracy, the solicitation of workers from one plant to another, the inordinate migration, the absenteeism, and all of the other multiple evils which were so rampant in World War II. Somewhere between those two extremes there may be a place which would be at least a starting point. We think we have perhaps an approach to that in the controlled employment plan which I mentioned to you earlier in some detail.

Then there is a third thing. General Hershey may have mentioned this to you. I believe he did. I have heard him say it before time and time again. As a bureaucrat of some twenty years standing, I feel perfectly free in saying this. I have some question about the capacity of a bureaucracy to administer a national service plan of the kind to which I have seen referred. It would cut so deeply into the rights, the hopes, and the privileges of American citizens that it would take a great deal of wisdom in its administration. Certainly some practice would be needed on the part of a government organization before it would be equipped even to think about the problem in terms of its administrative features. Therefore, there is some doubt as to whether the country should undertake any national service program.

As you see, I have tried to straddle the issue. I have done it deliberately, because we haven't any answer. But we do feel that our obligation is to consider both sides of the picture, then try at least to identify the problems involved and to have the answers studied and to some extent settled.

We might be in a difficult situation, however, if we entered a war with a national service law at the very beginning. It makes me think of the story, which you probably all have heard before, but I will take a chance that some of you haven't. It is about a girl who was going to get married, who came home one day and said to her mother, "I just can't marry John." The mother said, "I don't see why not, Mary. The invitations are out and everything is all set. The church is ready, the reception is ready." Mary said, "I just can't marry him. I learned today that John is an atheist. He doesn't believe in God, Mother. He doesn't even believe in hell." The mother thought a moment and then said, "He doesn't believe in hell?" Mary said, "No." "Well, Mary, you go right ahead and marry John. Between the two of us he will soon find out." I sometimes think if we rush precipitously into national service, we will soon find out.

Now, Colonel Baish, I apologize to you and to the group for speaking so ramblingly. But it seemed to me that touching in this manner upon some of these basic problems that we have been studying would be more advantageous to you than reading these rather flowery scribblings I have with me. I think my time is up. I believe there is a question period. If so, I would be glad to try to answer any questions the group might have.

QUESTION: You mentioned the two extremes--national service and not national service. I wonder if any consideration has been given to some general policy in between, such as I have seen effectively used at times in the Army, that we might call the voluntary compulsory system. "You don't have to do a thing like this; but if you don't do it, here is what is going to happen."

MR. O'BRIEN: Probably Colonel Moses should answer that question. He is from Selective Service. We used it in the last war. Sometimes we said, "General Hershey is breathing down your neck." The so-called "work or fight" phrase was a good example.

I don't know if that is the sound way to go about it. Perhaps it is in certain cases. If you can work out a system where there is a complete understanding on the part of the American public as to the wartime need for labor participation based upon a comprehension of those needs, perhaps we would get a better job done through a system which you describe with that anomalous phrase "voluntary compulsion."

In certain instances that perhaps would work. Maybe it would apply to the medical doctors. I think Colonel Moses will agree with this. The Assignment Service, which recruited physicians for both the Army and Navy, always had that as a "big stick." Physicians were commissioned if they wanted to be, but the one or two or three that were not commissioned were always vulnerable to the Selective Service Act.

I would like to think that our first approach to national service would be an educational process which would make the various groups upon which the Nation would depend in time of war--management, labor, agriculture--conscious of this program and working along with it to the end that they would want to do these things rather than to be forced into them.

That is perhaps not a very explicit answer, but I think our voluntary participation approach should be used first. Later we can move into these compulsory features, which are just as realistic even though they are dressed up with the term "voluntary."

DR. FITZPATRICK: Why not do like Mr. Bevin did--have the power and not use it; use the educational technique? I think if we don't go

into the next war with a national service act, we, including the military, are going to wobble on the question, and the civilian problem is going to come to a head with the potentiality of subversive activities and so on. If there is a reason for war, there is probably a reason for national service at the beginning.

MR. O'BRIEN: Dr. Fitzpatrick, the point you raise is probably the key point in the whole process. Certainly I should not want to leave the impression that the National Security Resources Board is not very conscious of the need for drafting legislation, studying it, and having it all ready. I think when the chips are down, the enactment of such a law would be a policy question which would have to be decided at the very highest level. It would have to be based upon the President's feeling as to the reaction of the American public.

We have a slightly different situation in this country, of course, from what they have in Britain. In the first place, they have a leading trade unionist as Director of the Ministry of Labour and National Service. They have a trade union movement in Great Britain which was far more advanced than the trade union movement in this country. All of these factors were on the side of the British system of national service. On the other hand, I believe that statistics will show that the "big stick" didn't have to be used very much. The very fact that it was there brought about 90 percent of the labor stabilization.

It is quite possible that that will be the best way to approach this problem. I personally feel incompetent to express a judgment on it. The only thing I can say is that we must look at the problem and try to analyze it as best we can and then determine the national policy when the time comes.

QUESTION: We know we are short of technical skills. During the last war the manufacturers and the industrialists trained their own skilled workmen. Bethlehem Steel trained its welders. Other people trained tool and die makers. We are now short of those very skills. Who is going to do anything about it? Are we going to remain short and in the event of an emergency depend upon industry to start at that time? Or is somebody going to do something about it now, since we do know we are short?

MR. O'BRIEN: You raised a very cogent question. In the first place, let us assume we are short of machinists, taking that as an example. The Government perhaps could subsidize the training of machinists, but certainly the Government could not assume an obligation of that sort unless it would be ready at the end of the training perhaps to guarantee employment. So, therefore, it leaves us pretty much in the situation of industry having to do the training job.

Now, industry, with its necessity for meeting pay rolls, will do a certain amount altruistically. But it seems to me that all we can do is to point out what those shortages may be and show industry that it is to its own advantage to do the training job. Perhaps we should equip some small organization of the Government comparable with the TWI, training within industry, groups that we had in World War II, to work with various industrial establishments in laying out training programs. I am sure Colonel Moses would say that Selective Service will keep a very close eye on the induction registration of machinist apprentices to the end that there will be no further depletion of the already short supply once those figures are available. I don't know much beyond that which the Government can do. There is only one place I can think of where skills of that sort can be stockpiled and that is in the Military Services.

QUESTION: How does the NSRB propose to get the civilian requirements and how far have you gone toward accomplishing your objective?

MR. O'BRIEN: We propose to get the civilian requirements through those agencies of government that would be most apt to have the figures available. Those are specifically the Department of Commerce and the Department of Labor. We have already received the consolidated figure for the military personnel requirements. Those figures have been transmitted to the two departments which I mentioned, to apply them against the civilian capacity.

Now, the great imponderables in that feasibility test are what you can regard as activities which would be either reduced or stricken altogether in a war situation and what degree of austerity you would figure on for a wartime civilian economy. Nonetheless, we have asked those departments to make assumptions and to give us preliminary feasibility tests on the basis of these end item and munitions production requirements expressed by the Munitions Board and the military manpower requirements. The latter would include civilian military people, that is, the arsenal and navy yard workers. They are going to make this test as a first run to see what develops. That is in process right now.

QUESTION: Have you made any attempt to convert this proposed national service idea in its most extreme form into terms of the number of people involved in the bureaucracy that would be required to administer it?

MR. O'BRIEN: In a sort of civilian war game in our office we have. It is an astounding number. We started with a figure of 30,000 people, but we don't end there. It depends on the degree to which the Government assumes responsibility for civilians. We had 30,000-odd people in our employment exchange system in the last war. That is the minimum on

which we plan. If the Government should assume all these other obligations that I mentioned, perhaps it would take a great many more people. Frankly, we don't know; but it would take a lot of wise people.

DR. FITZPATRICK: What about efficient people?

MR. O'BRIEN: And efficient people.

QUESTION: You mentioned the integration of manpower planning and production planning. What is being done up at the NSRB level on that, if anything?

MR. O'BRIEN: This, sir: Production planning involves obviously a lot of things--plant capacity, plant location, accessibility of raw materials, transportation factors. We, in conjunction with the Production Division, are including the manpower supply factor as one of those several basic considerations to be looked at in planning for production. Aside from that, to get our current operating basis, we have conferred with the Munitions Board. We have brought into contact with the Munitions Board the statistical people in the civilian side of government, so that now the Munitions Board receives the monthly tabulations of the labor supply throughout the country. It has them in four categories: tight labor areas, less tight, not very tight, and loose. For instance, Los Angeles is a loose labor area and Cleveland is a tight one. The agreement with the Munitions Board is that, where there is a choice, where these other factors are taken into account--transportation and the existing facilities--the labor supply factor will also be considered.

One difficulty, of course, in trying to inject manpower considerations into production planning is the fact that contracts under existing statutes have to be let on the basis of the low bid. The next to the lowest bid might be from the fellow who has most of the labor, but by law the contract has to go to the low bidder. In wartime, of course, that necessarily would not prevail.

To answer your question on participation, we are working together day by day with our production planners to the end really that there always will be a consciousness on the part of contract scheduling people of the manpower problems, a consciousness which did not always exist at every level in World War II.

QUESTION: What is your departure point for estimating or figuring the degrees of austerity? In other words, would you take some sort of existing standard of living and estimate down from that, or would you take some sort of minimum or bare existence level and estimate upward?

MR. O'BRIEN: I am out of my field, sir, in trying to answer that question. That applies, of course, not only to manpower but to everything.

We haven't made the estimate. However, in our calculations manpower-wise, we are using the first quarter of 1944 both in dollar production and in standard of living. If we want to use that as a significant period, those figures, our economists tell us, are reasonably standard as to the point we reached in World War II. On the other hand, if we can win a war and at the same time increase the standard of living, so much the better. We always have to look at it that way.

QUESTION: Your statement that we are now in a position where we have full employment, with only two million unemployed now as compared with twelve million unemployed at the beginning of World War II, might imply that that is a favorable position in which to be. I don't know whether you intended to imply that or not. It seems to me that if we were to go into a war now, it would be quite a different situation with regard to the number of people out of work and in training schools from what it would be in a depression period, when there would be a large number of unskilled workers, because they have gone through a period in which they did not get training. There would also be a different situation when you consider the amount of fat which the civilian population has, which might affect their requirements for a subsequent period of time. Would you care to elaborate on that?

MR. O'BRIEN: Of course, my answer will have to be sort of a dialectic opposition. It is favorable to have full employment, certainly favorable to the few civilians I see sitting around here. It is favorable to the country as a whole. On the other hand, it is bad for mobilization planning, because all of these problems in recruitment immediately arise when you don't have unemployment, when you have a full employment picture. It is far better to have full employment at the outbreak of war than not, because then your productive capacity is greater; but your manpower problem will be tougher. You have to answer it in two ways.

QUESTION: You mentioned a critical occupations list, I believe. Would you include in that anything for postwar planning? For instance, would you include advanced medical students, advanced dental students, or student scientists in your critical occupations list?

MR. O'BRIEN: Yes. Not too much from the standpoint of postwar planning, but from the standpoint that it takes a long time to train scientists or medical doctors. Also because in the first place, only a fraction of one percent of our population possesses these high skills which are so critical and which in view of the technological and scientific developments of the last few years have come to the forefront. Right now it is not too soon to take every possible step to preserve the continuity of training of those people.

The Selective Service System in formulating its deferment policies has called upon a group of outstanding people all over the country to advise a series of committees on this very problem. They are taking into account the need for perhaps cultural planning in the population, so you won't have a policy which will train only biologists and engineers, but which will see to it that the social sciences will also move forward. Perhaps that is postwar planning or perhaps it is just long-range planning. I don't know how to catalogue it.

COLONEL BAISH: At my request Mr. O'Brien has kept his presentation in the restricted classification level, so the material could be used in student reports.

Mr. O'Brien, on behalf of the Commandant and the audience I want to express our sincere appreciation for this fine talk. We thank you very much for coming down here.

MR. O'BRIEN: It was a pleasure, Colonel Baish.

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