

MANPOWER PROBLEMS IN THE NATIONAL SECURITY RESOURCES BOARD

15 February 1950

CONTENTS

	<u>Page</u>
INTRODUCTION--Colonel C. W. Van Way, Jr., Inf., Member of the Faculty, ICAF	1
SPEAKER--Mr. Robert L. Clark, Chief, Office of Manpower, National Security Resources Board	1
GENERAL DISCUSSION	18

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COLONEL VAN WAY: Gentlemen, in our course on manpower planning agencies of the Government we started out with an address on the Selective Service System, in which we had a very splendid talk by General Hershey. We then went into the Department of Labor, in which we had a talk on the United States Employment Service from the Director of the Bureau of Employment Security, Mr. Goodwin. We then had a discussion on the Munitions Board's manpower planning, by Colonel Tally. This morning it will be our privilege to hear about the National Security Resources Board from the Chief of the Office of Manpower, Mr. Robert L. Clark, who will talk to us on "Manpower Problems in the National Security Resources Board."

MR. CLARK: General Vanaman and gentlemen: It is a very real pleasure for me to have the opportunity of speaking from this platform. I have had numerous opportunities to come down here and listen to other people speak, and I have been impressed with the quality of the questions which were asked the speakers. I hope at the end of my lecture that you will fire at me the same kind of questions that you have thrown at the others. I am used to having questions thrown at me, and won't be disturbed by their nature if you want to be perfectly frank in asking me what we are doing or what we think we are doing.

I have been impressed with the need for the people in NSRB and the staff of the Industrial College and the War College and other military institutions in the United States to work very closely together. We are all in the same business, and I have the feeling that we can each contribute to the thinking of the other. We can needle one another into doing things that ought to be done. I don't think that needs to be limited to governmental organizations. It is important that private organizations work with the Government, as well.

One of the reasons why we in the Manpower Office would like to do a little experimenting with the Industrial College is that I understand, for instance, that you are going to experiment in the field of correspondence training. That is a field that can disseminate very widely the thinking that goes on here in Washington, and that puts that thinking up against the background of reality for the people who are taking your correspondence course out where the job is going to be done. Since you are just getting into this program of training by correspondence, we would like very much to sit down with the faculty and the students of the institution who are planning that program, because we have some ideas, we think, that would be helpful in getting such a program under way; and we also have some ideas which we would like to see tried out.

We are not going to limit our activities to governmental institutions. We are already having conversations with some of the colleges and universities in the United States. That is a rich resource for research and study. Those colleges and universities in a good many instances are looking for something that they can get their teeth into. They also have resources which we don't have for making the studies. In the first place, they are on the ground.

We hesitate a little bit in getting very far into that field unless we can work with a governmental institution which has somewhat the same problem. We feel that the Industrial College and the War College do have somewhat the same problem that we have, and perhaps they can help us to work it out. Also you may be interested in some of the findings that we are able to get from the colleges and the universities.

I think it would be useful this morning, before getting into the formal part of my lecture, in which I am going to try to describe the problems that we have in manpower planning, to sketch very briefly for you the organization of NSRB and our place in it. You are familiar, of course, with the place of the Manpower Office; but I would like to recall to your minds again the fact that the Board is organized with a chairman and two major staff offices that we call Resources and Requirements, and Program Coordination, which I would like to say a little more about later on. Then there is a series of so-called planning offices.

Anybody taking a look at our organization would think that we were organized to take over the war production job when war comes, because, looking at our planning offices, it looks as though you see a nucleus of the old wartime agencies. We have an Office of Production, which looks like the WPB; we have an Office of Transportation and Storage, which looks like ODT; an Office of Economic Management, which looks like OPA; an Office of Manpower, which looks like the War Manpower Commission; and so on down the line. But that is not true. The reason that it is not, as you well know, is that it has been decided that it is not wise to try to staff a planning agency which can take over when war comes.

In the first place, the kind of people you get for planning are not the kind of people that you need for actual operation. In the second place, you never could have a staff large enough to encompass the enormity of the job that has to be done. Even when this old philosophy existed in the Board, we thought that we had to have somewhere between 800 and 900 people just to get the job off the ground; and some people had the idea that the agency would be much larger than that. That would have been a very cumbersome agency at the Presidential level. It would have been larger than any other agency at the Presidential level. Therefore, what we are trying to do is to get this planning job pushed out to

the people who are going to have to do the job when war comes. That means the people in the military establishments, the people in the established government departments.

I happen to be one of those people who think that we are going to have to bring a great deal of new blood into the Government when war comes, because people get themselves fitted into certain patterns of operations which they will not do in wartime. But there can be a nucleus of know-how in the other departments; and when the war comes, we can expand on that.

Now, getting down to the Office of Manpower itself, it is organized--I shouldn't say "organized," because there is no organization of the Manpower Office as such. After all, there are only 13 professional positions in the Manpower Office--but there are areas of planning which break naturally. We have tried to staff our office with people who have a thorough understanding of those areas. We have also tried to staff this office with people who are versatile enough so they can cut across a number of areas, because there is no one area of manpower planning which is self-contained.

The areas of planning of the Manpower Office are these: The first one is the Resources and Requirements, which is responsible for a broad study of the manpower resources and the probable requirements that will be placed on the manpower pool in wartime. Then there is a second area, an interesting one, Military Personnel--the question of the proper utilization of military personnel, the machinery necessary to recruit it, the Selective Service System, and all that sort of thing. The third is the area of recruitment, placement, and controls. That is an area which was represented by the activities of the War Manpower Commission in the last war. In the fourth, we have the area of industrial training. I want to talk just briefly about that a little later. Finally, the fifth is the area of labor relations, which is the area represented by the work of the Mediation and Conciliation Service and of the War Labor Board in the last war.

This morning I would like to discuss with you the problems with which we are faced and some of the solutions which have occurred to us. We don't have all the answers. We have very few answers.

Now we are going to discuss the preparations which must be made to mobilize manpower for the successful prosecution of a modern war. Let's start off by putting the process in its simplest terms. The process is like one of logistics. The Joint Chiefs of Staff develop the strategic plans and accompany them with the necessary assumptions and other guidance. The armed services, with the aid of the Munitions Board, convert these plans into military personnel requirements and into military production items. These in turn, by a modified process of inter-industry economics,

RESTRICTED

are transmuted into energy, industrial capacity, materials, and transportation. Finally, all these requirements are recalculated in terms of manpower for each major segment and for the total.

What I constructed here, mentally, was a vast pyramid with the planning of the JCS at the apex, thus all the production facilities; and finally we come down to the base, which is represented by manpower. This description of the planning process is, of course, a gross over-simplification of what we must go through to arrive at the end result. Our discussion this morning of all the phases of manpower planning will be evidence enough of this.

Let us take the manpower program step by step, starting with the requirements for military personnel. A planning document of the thirties stated that it was inconceivable that the United States could ever suffer a shortage of men for military service. We thought that about rubber once, but we woke up one cold December day in 1941 and discovered that our major source of crude rubber supply was cut off by a nation of little men who were supposed to be unoriginal in their thinking, deficient in basic technology, and woefully weak in that essential arm of modern warfare--airpower. Even the ships loaded with the precious commodity, rubber, were intercepted on the high seas.

In order that we don't make that mistake again, or any part of it, let's see, "What are the facts about our manpower resources?"

Only a few months ago the NSRB conducted a preliminary test of the feasibility of the armed personnel strength required by the strategic plans of the JCS. I am sure you are all familiar with that. As you well know, these plans call for a larger armed force, more quickly mobilized, than we have ever attempted before.

This test resulted in a clear indication that when the needs for manpower for the armed services and for the war-supporting economy were added together, the implementation of the strategic plans appeared infeasible. As you know, the JCS are now reviewing their plans in the light of the findings of this study. I imagine they are not only reviewing the strategic plans, but also the methods by which the armed forces calculated their requirements.

It should be clearly understood that our total manpower picture has not improved since the end of the last war. In spite of the marked increase in the size of our population by 1955, there will be fewer persons of prime military age in our population than there were at the start of World War II. I might define "prime military age" by saying that it is the group between 15 and 26, which we consider as the striking arm of our armed forces. This is due, of course, to the abnormally low birth rates in the depression years. This situation will not correct itself for almost a decade.

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If you will bear with me, I would like to give you a few population figures which you may want to put in your notebooks because they will further illustrate that the manpower situation has not improved.

In 1945 we had a population of about 140 million. In 1952 we will have a population of about 153 million. The most important population group as a source of workers consists of the males 20 to 64 years old. In 1945 about 42 million, or 30 percent of the total population, were males in this age group; while in 1952 the number of males in this age group will be about 43.5 million, or 28 percent of the total population. This is a relatively small percentage change in itself, but there are several other population changes of a similar nature that have an important combined effect on the labor force potential. For instance, there has been an increase in the percentage of children and older persons and a decrease in the proportion of women without young children. The net effect is that if the 1945 ratios of labor force to population in various age and sex groups are applied to the 1952 population forecasts, the total labor force in 1952 would be 71 million, or 44 percent of the population, as compared with 66 million, or 47 percent of the population, in 1945. This means that for any specified level of living it would take a larger proportion of the labor force to provide civilian needs in 1952 than in 1945. It seems probable also that the amount of munitions required per person in the armed forces will be greater in any future emergency than was the case in World War II.

Another indication of the population squeeze on the potential size of the armed forces is obtained from an analysis of the military-age male population. Applying the peak World War II ratios of armed forces to population for specific age groups would yield armed forces of only 12.6 million in 1952 as compared with a 12.3 million peak in World War II. It is thus perfectly obvious that any significant increase in armed forces strength can be obtained only by taking more youth, older men, limited service personnel, and women into the services.

With this as a background, I would like to discuss military manpower requirements. It is fortunate that we can start with military requirements. Here we have a segment of the total labor force which is pretty well measured but still of manageable size. If we started our studies at the other end, with the total wartime labor force of 65 to 70 million people, we might find ourselves in the unenviable position of the man who kept going around and around the elephant trying to decide where to pick him up.

Therefore, we have to start with military personnel requirements by services. And here it is important that we have as accurate an estimate of needs as it is possible to make. I would like to impress this on you gentlemen, because any inflation of the figures at this point will lead to compounded errors in the calculation of supporting services and of

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direct war production. And to be really accurate and meaningful, these figures must not be stated in terms of gross numbers, but in terms of the kind of manpower needed.

This emphasis on the kind of manpower needed is very important, for there are some people who don't yet fully understand the complexity of modern technological warfare, with its requirements for specialized skills. When it is pressed upon them, they like to fall back on the inevitable statement that, after all, wars are won in the last analysis by the foot soldiers slogging through the mud.

Of course a well-balanced military force needs the foot soldier, but it also needs the banshee and the B-36. Indeed, the Department of Defense and its armed services and the NSRB know full well that modern technological warfare, as well as the supporting industrial economy, requires a complex of skills and a variety of specialized knowledge never required before.

It is hardly necessary to point out to this audience the enormous technological changes which occurred late in the last war and have come tumbling one upon the other since the war ended--new weapons, new aircraft advanced types of underseas boats, new materials, and new methods of manufacture. All these require highly skilled personnel in the military and crack technicians in industrial production.

For purposes of this discussion it is no longer necessary to talk about the total labor force of 70 million people. We can talk about an infinitely smaller number of persons--those with an acquired technical skill or those with the requisite aptitudes and trainability for the acquisition of skill. The real, the most difficult, manpower problems center around that small group. The first job, then, is to determine what the military requirements for these persons are.

As a step in this direction there is currently under way within the Personnel Policy Board a program for the integration of military personnel classification systems with respect to skills, jobs, and physical requirements. Heretofore the classification and coding structures for military personnel have been devised independently by the individual services and have been adequate to the needs of each individual service. However, since they were not comparable, it has been impossible to use them to draw up a single schedule of military personnel requirements, except in terms of simple numbers without reference to qualitative considerations. They have, also, not been convertible to existing civilian classification structures which describe occupations found in civilian life. This classification project will take considerable time and a substantial number of military and civilian personnel from the several armed services. When it has been completed, it should be possible to eliminate maldistribution of critical skills between the military service to establish uniform recruitment practices; to develop multiple physical

standards which can be realistically related to military job requirements and the physical characteristics of the population; and at the same time it will be possible to develop more effective programs for the recruitment, assignment, training, and utilization of men and women in the armed forces.

This is a thoroughly sound program and it is basic to the whole manpower planning program. For that reason it has had the enthusiastic encouragement of the staff of the NSRB. Out of it should stem a military selection and training methods program comparable to that developed by those segments of American industry faced with the problems of complex technical production.

At this point I would like to consider some of the problems involved in assuring effective utilization of military personnel in the armed forces. This matter has, of course, been the subject of considerable public discussion, which has in some respects confused rather than clarified the issue. We have not as yet investigated this problem in any detail, but we recognize it as a major area of concern to us, because the armed forces represent the largest single user of manpower in time of war.

Tentatively, we think that the problem may arise in part from methods now used by the armed forces in computing their personnel requirements. It is our understanding that the following procedure is used at the present time by the armed forces: In the first instance a strategic plan or concept is developed by the Joint Chiefs of Staff. Personnel requirements are not explicitly stated in this plan, except in the most general terms. Such generalizations as are to be found in the plans are then translated by the several services into manpower requirements for each service. At the present time each of the armed forces has available what are usually called "Tables of Organization and Equipment," which describe in considerable detail the equipment and personnel required for specific types of combat and support units. The general requirements of each service are reduced to unit requirements in terms of tables of organization and equipment, and the personnel indicated as necessary in each particular unit are multiplied by the number of units of that type which it is anticipated will be required. An allowance is then made for expected casualties and other losses, and we are thus given anticipated total military personnel requirements.

While such methods may be entirely adequate in a situation in which it can be assumed that manpower will not be a limiting factor in the conduct of military operations, it is our opinion that they must be re-examined in the light of the fact that manpower will undoubtedly be in very short supply both for military and other uses in the event of a major conflict during the next decade. While present methods of computing personnel requirements must be re-examined in general, we think it particularly important to evaluate the use of such methods in computing

military requirements for persons possessing skills which require a long period of training and are expected to be in short supply in military and civilian life in the event of war. Unless economy is practiced in the use of critical skills through interservice employment of personnel possessing such skills, requirements for these skills will probably be inflated and any indicated infeasibility in meeting requirements will therefore be greater than is actually the case.

During recent weeks several officers have told me of situations in the armed forces in which highly skilled personnel were not, in their opinion, fully utilized. Several of the examples have referred to the assignment of physicians and dentists to units in accordance with fixed tables of organization and equipment prepared in advance. In several instances, due to the nature of the units' assignments and their proximity to medical facilities other than their own, doctors assigned to individual units were not actually needed; but it proved difficult to secure the transfer of these persons to other units because they were in theory required by their units under previously determined staffing patterns. As you all know, the armed services were at certain times and certain places very short of physicians. In the light of such situations I think it is obvious that we must, if possible, devise a system under which personnel possessing critical skills can be reallocated within a given service and between the several services to places where they are most needed.

We have come to believe that it will be necessary for the armed forces to develop a system for the classification and assignment of individuals which will assure that those individuals called to military service and who possess critical skills will be used in military jobs which require those skills for successful job performance. Means must also be developed for holding requirements for such persons to a minimum and for assuring their efficient use within the armed forces once they have entered upon military service.

We like to point that out, because every once in a while people on the military side of requirements like to point to some of our deficiencies. So we like to pick out one like this in which we think some planning can be done on the other side which will make a very important basis for what we are trying to do on our side. Until certain of these determinations can be made by the armed forces or the military establishment as a whole, some of our basic work or some of our secondary work on manpower planning cannot go forward.

To round out our consideration of military personnel, I would like to take a few moments to discuss the question of the reserve components and the Selective Service System.

The organized and volunteer reserves of the several services, with their rosters enormously expanded as a result of the war, represent a potential drain on our industrial economy more serious than we care to contemplate. If the reserves were to be called up without regard to a general mobilization plan, it could lead to a very serious disruption of our program for converting our industrial capacity and getting war production into high gear.

It seems very important to the staff of the NSRB that there be a very careful review of the reserve strength of the armed services, and that the rosters be held to manageable size. We will then know who the reserves are, where they live, and something about their occupations and the industries in which they are employed. Only then can we measure the impact of their withdrawal upon industrial production.

There are some essential industries today, with only partial information on the reserves in their employ, who are becoming seriously concerned about what would happen to their production of critical items if there should be an indiscriminate calling up of the reserves.

The Selective Service System presents a different problem. The machinery of the system as we know it was designed to assure an adequate amount of able-bodied manpower to the armed services and at the same time assure the equitable treatment of all those called upon to serve. In the light of the technological demands of modern warfare, this is not enough. We must inject into the system a new kind of knowledge, and to some extent, new methods, without sacrificing the essential elements of the old. They are the essential elements of which you are very well aware, which, if disturbed, would create a situation in this country that may make it very difficult for us to get in quickly with full public reception.

As you know, the 1948 Selective Service Act provides for deferment by occupational categories, a provision not contained in previous Selective Service legislation. This was the first legislative recognition of the need to husband our limited supply of critical skills. Even the 1948 law, however, does not recognize the fact that the armed services, too, have an increased need for specialized skills. The next step could be a specific authorization for induction by skill categories whenever necessary. I might say at this point that induction in this manner is not now prohibited by law, but is such a sharp break with tradition that it should probably be recognized and approved by the Congress before it is undertaken.

The present Selective Service Act will expire in June and the Administration has asked for a continuation of the law. The character of the extended act will doubtless be the subject of considerable debate within and without the Congress in the next few months. It is probably not appropriate to anticipate that debate here.

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So much for the problems of military personnel.

After we have determined the requirements for military personnel and arranged for its orderly withdrawal from the industrial economy, we can concentrate on manning the factories and the farms for the production of direct military items and the war-supporting goods and services. Here again it is important to have the facts, but perhaps more important to develop methods for getting the facts quickly as the scene changes. Manpower cannot be stockpiled in fixed quantities at a fixed place.

A count of skills today in an industrial area would probably be worthless long before a war was upon us. For this reason the NSRB is concentrating on the collection of only the broadest meaningful statistics and more particularly upon the methods and techniques--by grouping, by sampling, and otherwise--to be sure that we can measure manpower requirements and resources when we have to.

To this end, the Manpower Office of the NSRB has a number of studies just getting under way. One is to improve the national estimates of manpower requirements, a study which involves the grouping of end products into classes to simplify estimating and then to translate them into manpower. Another study is the development of techniques for estimating military withdrawals for selected industries, geographic distribution of these industries, and the manpower requirements for all other industries.

A more specific peacetime study, but one requiring the development of new techniques, is the further development and refinement of the list of critical occupations. This, of course, involves the analysis of key occupations requiring an extended training time--now set at two years--and developing techniques for estimating the supply and probable wartime requirements for these occupations.

In the event of war these techniques will be used in getting the facts. Certain requirements items will then be set on the debit side of the ledger and certain resources items on the credit side. We will total them up and take a look at the character of the deficit, for there surely will be a deficit.

If the manpower deficits are in a particular industry, we may be able to overcome them by bringing in new workers, by changing the production process, or by substitution. If the deficit is in a geographic area we can bring in workers from the outside or reallocate contracts to areas of manpower supply. If there is an occupational deficit, the answer is to break the task down to a number of jobs requiring lesser skills or to provide industrial training. Rarely is any one device used, but rather a combination of remedies.

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Up to this point we have been talking of requirements, with some mention of the methods of modifying them. On the resource side we need to discuss the ways of expanding the labor force--its recruitment, transfer, and placement, and its utilization to the fullest advantage by industry. We should discuss the measures which are necessary to move workers to, or keep workers in, those positions where they can be most productive; and finally cover the methods for minimizing the loss of production as a result of labor disputes.

Then it is becoming very important that we have comparable studies by areas. One of the problems which has been frequently raised and has not been given full enough consideration in mobilization planning, in my opinion, is what we would do if the country were segmented into a number of regions by enemy action, each one of which had to proceed on its own for a while. We cannot face that kind of problem until we understand something about what the problem is in given industrial areas.

In all these studies of manpower resources and requirements we believe we are going to be greatly aided by the material which is turned up by the so-called Annex 47 of the Munitions Board. There we are going to have some basic facts, I think, both on the area basis and the industrial basis. We are going to have to do some other things when it comes to our resources by occupations.

I would like to talk just a little bit about this area of recruitment and placement. That is one that I know you are interested in.

All the studies we have made and all our experience point to the probability that very soon after war breaks out we shall be faced with a shortage of workers. We hope to be able to anticipate, or have methods for quickly determining, what the shortages are, the nature of the shortages, and their geographic location.

But overcoming the deficits will not be easy. We make it particularly difficult for ourselves--and there is no alternative--by taking from our industrial work force for military service the most versatile, the strongest physically, and the most mobile elements of our manpower supply.

The first and most obvious job is to keep workers from shifting indiscriminately in the first weeks of the war. This can best be done by controls on hires. The United States Employment Service, which administered these controls in the last war under the aegis of its parent agency, the War Manpower Commission, would probably break down before it got started if anything like universal controls were instituted. This is where the area statistical studies and advance planning become useful. It is quite possible that we will be able to anticipate where the critical areas are going to be and prepare specialized controls to be applied only

RESTRICTED

in those areas. Or, if we understand our occupations thoroughly, we may be able to fit our early controls to certain occupational groupings. Studies looking toward this end are not under way.

But even with a limited hiring control, the early impact upon the employment service is disconcerting. We are trying to devise ways and means for simplifying the control process and leaving the trained, and on the whole very competent, staff of the employment service free to do its primary job of recruitment, selection, and placement.

After the labor market has been temporarily stabilized, our plans call for an all-out effort to expand the labor force and for an orderly transfer of workers in the labor force to fill the gaps left in industry by the early inductions. The first and greatest resource is, of course, women. But the recruitment of women brings its own attendant problems. When we take the housewife out of the home, we must be able to provide day care facilities for the children, expanded laundry facilities, bakeries, etc. Industries which have not had extensive experience in the employment of women often have to make substantial adjustments in the production processes. In our industrial studies we are trying to determine what industries and what jobs are most appropriate for the employment of women.

For instance, when we suggested to the shipbuilding industry that it might have to employ some women, the shipbuilders on the west coast said, "We can't use women." But we had another shipyard that you all know on the east coast which had a successful experience in the employment of women. We want to find out why that was possible on the east coast and try to find out why it wasn't possible on the west coast, and then perhaps the East and West may for once meet.

The other major sources of new manpower are older workers and foreign labor. You probably read what Bernard Baruch had to say recently about keeping our older workers active and productive. With our population growing older all the time, the use of these workers becomes more and more significant. Our medical advances are doing more than just lengthening life expectancy. Many of our oldsters are hale and hearty and useful long after retirement age. At the same time our pension system both public and private, are tending to remove these workers, with all their accumulation of knowledge and skill, from the labor market. In war-time it will be well worth our while to draw these workers back into full production. It would be well if industry would experiment in peacetime with the use of at least a limited number of these workers to determine how they could best be utilized in the case of an emergency.

You all remember the use we made of foreign workers in the last war. Mexican workers were used almost exclusively on the farms and as maintenance-of-way labor on the railroads, although a few were used in

RESTRICTED

the car shops, some of them advancing into skilled occupations. Workers from Puerto Rico, Jamaica, and the Barbados were used extensively on the farms and in the food-processing industry. Canada, at great expense to itself, provided us with lumberjacks in the long timber and wood pulp industry.

The problem in the next war will, however, be somewhat different. Here again the technological advances have diminished the need for common labor, especially the type that works in gangs, as do maintenance-of-way workers and workers in the big agricultural operations of the West. It will be far more advantageous for us to maintain the mass production machinery and agricultural equipment than to go to the very great trouble of bringing in unskilled labor.

Some consideration is being given to the possibility of bringing in skilled labor from allied or friendly nations, especially if it can be done from any nation which is being overrun by the enemy. To do this would involve some studies in peacetime of the skill potential available in these countries. You are perhaps familiar with the so-called "census of Americas" which is contemplated this year. At the same time that we are taking our census here, certain census data will be collected in the countries of Central and South America, and extensive work has been done to get the data collected in a manner which will make it comparable to the information collected here. This will include limited occupational data somewhat comparable to our own.

Useful and necessary though it is to expand the labor force, it must be recognized that, except for the older workers and a few of the women who have retained some of their skills, we are adding to the labor force only sheer manpower. It is the skilled worker that we need the most, and he can be obtained only by transfer from unessential jobs to those required for direct military production and for war-supporting industries. Several steps can be taken to expedite this transfer. First, materials, energy, and transportation facilities can be withheld from nonessential industries, thus reducing employment in those industries. Secondly, rigid controls can be placed on hiring in those industries; and, finally, ceilings can be imposed to reduce further their employment rolls.

But even if you have forced workers out of these industries, there is no assurance that you have made them available for employment in another industry. There is no use forcing workers out in Sioux Falls, South Dakota, unless it is possible to transfer them to the aircraft manufacturing plants in Wichita, Kansas, or somewhere else where they are badly needed. The major incentive used last time to accomplish this was the wage incentive, but that is like playing with fire. It is safe to use only if it is controlled. If in the early days of the war we disrupt the whole wage-price relationship, we will have created more havoc than the end results warrant. We are studying the proper use of wage and other incentives.

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But our main approach must be to arrange for the orderly transfer of these workers by offering them satisfactory and steady employment, at least decent minimum housing, and assurance that they are making the greatest possible contribution to the war effort.

Next time we should probably pay for the transportation of the workers, although this has some dangers. It is possible to slow down the migration of workers by the very fact that you pay transportation. The worker will tend to wait for the cumbersome governmental machine to arrange and pay for his transportation. It would certainly not be well to pay transportation expenses in the very early days of the war, when the first mass movement of workers takes place. After the major shifts have been accomplished and our most urgent demands are then identified, it may be possible to go into labor surplus areas and select specific workers for transfer with all expenses paid.

At this point it might be well to digress for a moment and discuss the whole question of so-called national service. No one has ever defined exactly what we mean by national service, but in general it means placing on the individual worker an obligation and the right to serve his country in industry at the point where his occupational skills will be most productive in furthering the prosecution of the war. It is the last measure, short of martial law, likely to be imposed on the industrial economy.

The National Security Resources Board has not taken a public position on the enactment of national service legislation. At the present time we are in agreement with the Department of Defense that the early imposition of national service legislation, unless the war opened with unforeseen and extensive disaster, would be unwise. The traditional freedoms of this Nation are so firmly fixed in the public consciousness that any departure from the normal flow of a free labor market, as radical as this one, should come only after the people are fully prepared to accept it. This is one question on which industry and labor fully agree.

Those who offer it as a panacea often look upon it as a control only upon labor. Industry knows full well, however, that it too must accept corresponding controls when this one is imposed. If we say to a man that he must work for a certain aircraft factory, we must say to the employer at the same time that he must hire the worker and must provide the conditions of employment that will make him most productive. Otherwise we would find ourselves in a stalemate intolerable in time of war.

The problem must be considered also in the light of the noncontroversial fact that in an all-out war effort the overwhelming proportion of the working population are eager to contribute their utmost to the

RESTRICTED

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national effort. For this overwhelming proportion of the population, the important thing is not compulsory powers, but effective guidance. To subject this vast majority of cooperative individuals to an arbitrary labor direction system could serve to repress those very qualities of individual initiative and enthusiastic cooperation upon which a modern war effort depends.

The machinery necessary to administer a national service act could not be set up overnight. All the possible existing facilities available at the beginning of the war will be thrown into the task of selecting and inducting men for the armed forces and attempting to recruit for and transfer workers into our vastly expanding industrial machine. In the later stages of the war, when the labor market has become stabilized and the first major withdrawals for military service have been accomplished, it is quite possible that we could install, if necessary, either a full-fledged national service system or a limited system covering only restricted geographic areas or certain skilled occupations.

Earlier this morning we discussed the possible payment of transportation to expedite the transfer of workers from areas of labor supply to areas of labor demand. In the transfer of workers, there is another problem which is looming large these days. This is the effect of the private pension movement on the mobility of our labor force. You are all familiar with the problems we encountered in the last war with the transfer of workers who had built up extensive seniority and other rights with their employers. The difficulties we had then will be intensified in a new war if there is a widespread extension of private pension plans in this country. Added to the further extension of seniority rights which is going on all the time, the present movement would greatly restrict the voluntary transfer of skilled workers in the very important mass production industries. It will particularly affect the skilled workers, who are the ones building up the most substantial pension rights.

The NSRB is fortunate that it does not have the responsibility for working alone on this problem. It is of such a serious nature for other than national defense reasons that both the Executive Branch of the Government and the Congress are trying to find a solution. Industry and labor too are deeply concerned. If no other solution has been arrived at before the beginning of the next war--if we have one--it seems to us that we should be prepared to provide for the transfer of the workers' benefit rights to some consolidated, government-operated fund from which benefits would be paid to the worker on reaching retirement age or from which reimbursements could be made back to private pension funds when the war is over. The NSRB will be working intensively on this problem with other government departments during the next year.

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The problem of manpower utilization was not licked in the last war, and the NSRB is convinced that it has a major obligation to see that a utilization program is planned and ready to install on the outbreak of war. The Government has a very real interest in seeing that the labor force of each employer is working under conditions which fully utilize the skills available and that the workers are able to reach optimum production. Every power at our command must be drawn upon to enforce the fullest utilization of the limited manpower available to us. In wartime the manpower agency, the production agency, the Munitions Board, and the armed services must act vigorously and in unison to stamp out the wastage of this vital resource.

The Office of Manpower is also taking a fresh look at the problem of industrial training. We are trying to avoid what we consider to have been an error in the last war, when we built our training program around the vocational schools. There is evidence to indicate that the most significant vocational training done in this country is done on the job. Therefore we are starting out with what we call industrial training--apprenticeship training, on-the-job training, advancing-worker training, foremanship training, and, finally, the packaged training program we call TWI, training within industry. We are then working back from that point to the cooperative training programs with the schools, training which takes place partly within the plant and partly in school classrooms or laboratories. Finally, we hope to determine the residual pre-employment or supplementary training which should be done by the vocational schools themselves.

In carrying out these studies we are scrutinizing the training practices of American industry in order to understand the framework upon which the war training program will have to be built. We find for one thing that those training programs are most effective which are not conducted by professional trainers. The training programs which get the best results are programs which line officers plan, supervise, and even conduct.

Closely allied with these other problems is the problem of labor relations in time of war. In our wartime planning we are interested in three phases of labor relations: everyday management labor cooperation at the plant and community level; the mediation and conciliation process in the settlement of labor disputes; and last, the organization of the final dispute-settling machinery represented by the War Labor Board in World War II. The NSRB some time ago commissioned a group of labor economists who are fully familiar with the operations of the National War Labor Board in World War II to make an extensive study of the activities of the Board--its strength and its weakness. This study will be completed some time this month and will form the basis of our program for devising, we hope, a faster-moving and more efficient operation in any future emergency. In any planning job--and this to all intents and purposes has been done in this one--reviewing what happened the last time is always a part of the job.

RESTRICTED

We are also studying the experience of the Mediation and Conciliation Service and will attempt to develop plans to expand and strengthen that service to a point where it can effectively cut off labor disputes before they reach the state where they have to be referred to the final dispute authority. We are very anxious to avoid the situation which occurred in the last war, when the dockets of the War Labor Board were choked with cases which should have been settled at a lower level.

Finally, and perhaps most important, we are studying the successful experiments in labor-management relations. Here we are going to the grass roots in an attempt to find out what the common elements are in those experiments which have proved effective in bringing management and labor closer together and which have been able to stand up over a considerable period of time. Good labor-management relationships, developed well in advance of an emergency, are important from a national defense point of view. First, they are important because they are essential to high labor productivity. It is equally important, however, that management and labor learn to live together and understand each other's problems in order that they can work effectively together to solve the problems of the local labor market area when war occurs. I am sure that everyone in this room remembers how vital it was that both management and labor participate wholeheartedly and intelligently in the work of local labor-management committees. Many of the very complex problems arising in the local labor market areas could never have been solved by directives from Washington. In the one or two places where we tried it we failed. It was the solid and patriotic work of the local committees which broke the bottlenecks and kept production in high gear.

It appears to me that anyone who takes the position that full labor-management cooperation is impossible in wartime is a defeatist, and defeatism is the cardinal sin in those responsible for the prosecution of a war.

What we have discussed this morning represents the outline of the manpower planning program facing the National Security Resources Board and the agencies and institutions cooperating with the Board. It encompasses, as you can see, a broad range of activities. The Nation's manpower resources, defined in terms of mobilization planning, consist of all the human effort necessary for waging modern warfare. Experience in the two previous World Wars demonstrated the increasing complexity of organizing the human resources of the Nation for wartime activity. The marshaling of great masses of men -- what has been called "sheer manpower" -- is not enough. The advent of modern warfare, waged with the latest mechanical and scientific devices, and what that means in the way of skilled operating technicians in the armed forces and intricate production processes at home, has complicated enormously the problem of organizing the labor force and using it effectively.

Manpower planning is not, however, merely a balance sheet operation. No matter how fine the resources and requirements are broken down by industry, geographical area, or by occupational skill, it must be remembered that the individual units which comprise our manpower are people. In a nation that treasures its tradition of individual freedom, manpower cannot be treated merely as a commodity. Recognition must be given to the whole set of complex relationships by which free men have agreed to work and live together and which in large part are the very things about which war will be waged. Planning, to be complete and effective, must take these conditions into account.

QUESTION: Mr. Clark, I believe you stated that it is important to get planning work out to the people who would actually implement that plan in time of war. Now, some of us got the distinct impression that the NSRB has been very much against designating a wartime mission to any peacetime organization. Would you clarify that for me? Would you, for instance, actually assign to the Department of Labor a wartime mission now or at any time in the future?

MR. CLARK: No. I don't think that the NSRB is prepared to assign any wartime mission. It is our concept of our mission that we should decide first what has to be done, then how to do it, and then to establish the organizations to carry it out. To assign a mission in advance might, I think, distort what we are going to do. The thing has to be thought through pretty carefully, and then we should make the assignments after that.

I am not sure that the NSRB would ever reach a point where it would assign a major mission to a given department. It will reach a point, I am sure, where part of a mission, which could very well be carried out by a department, will be assigned. But I think it will be a long time before we ever, for instance, make an assignment of the war production functions to the Department of Commerce.

QUESTION: Would you please discuss the plans for and the present status of the program for selecting and training the personnel who will occupy key positions within the Government in an emergency? It seems to me that we know about 95 percent of the jobs that will have to be filled. We may not know what offices they are in. It occurred to me that we ought to be training people to head up those places or have them now. I haven't been able to find out whether that has been done. I am anxious to find out whether anything has been done on that program.

MR. CLARK: Probably not in the sense in which you describe it. If I may amplify your question a little, are you considering the possibility of selecting individuals in advance who are not in the Government and setting them up as in some sort of reserve corps and giving them training?

QUESTION: The method of training them is not part of the question. It is the selection of individuals from without the Government to occupy key positions. There are various measures for training which have been advanced. I think the method is immaterial. I think the fact that you select the individual to head up, for instance, the Price Section is the important thing. Training them is more or less incidental.

MR. CLARK: Yes. What you need is leadership in time of war. Let us take copper. There are people who know copper--where it comes from and how it is used. They know all the people in the business, know what the industry's capacity is, and all that sort of thing.

Now, there are three places in the Government particularly where those people exist today: in the Munitions Board, in the NSRB, and in the Department of Commerce. So far as the labor force that is used in copper mining and so forth is concerned, there are people in the Department of Labor who are fully informed.

It doesn't seem to us necessary to earmark in advance the people who are going to head up that organization. As I said to you before about the manpower pool, they just slip out from under your hands. They are here today and gone tomorrow. It is better to have some well-laid plans for what you are going to do and have enough people around, not one individual but a number of individuals, who know why that plan was made. I heard one of the previous speakers say it is primarily important to have the people around who drew the plans, who understand all the pros and cons that were argued out before the plans were made. It is more important to have those people around than to have just a blueprint.

Also it is much more important to have those people around than to have the individual who is going to come to Washington to head it up when the time comes. You need to have some smart people from the copper industry who can be brought in here when the time comes to handle the program, which you will have ready for them. You also need the people who made the plans and can be available to give the head man the information when he needs it.

QUESTION: In connection with our studies of manpower we have discovered that there are about 30 agencies within the Government and related to the Government that are working on some phase of manpower or personnel work. Do you feel that a centralized organization is necessary to coordinate the efforts of all these agencies at your level, and do you think that such agency should be your Office of Manpower?

We think there should be some agency coordinating on the basis of setting up functions, so that all these agencies may be planning toward mobilization in a single way. However, we find that most of them are planning on the basis of the manpower experience they had during the

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last war, whatever department they were in at that particular time. We are not sure that all these manpower studies being worked out are coordinated so as to come up with some single sort of plan.

MR. CLARK: That is very good. Incidentally, I would like to have that list if you have it. I am sure there are 30 of them, but I never saw them all down on one piece of paper.

We do think it is our function. I mentioned the assumptions which we think are vital to planning operations in this single agency. One of the first things our people did, as I described earlier, was to pull together everything we have done or what we have thought up to this point. And even before that they set down on paper the basic assumptions that are necessary for manpower planning. Now, it is our responsibility to locate these 30 agencies--this is cooperative between the Industrial College and NSRB, and since you have located them for us, we will take your 30 and to get that story across to them. But first, it is our responsibility to get a tentative program down on paper, so that we will not be just calling a lot of people together, getting around a table, and hashing over vague ideas. We want to get a tentative program on paper, then we can really discuss it with each one of these agencies.

Perhaps we can do it with all 30 at once. Perhaps we can't do it that fast. Maybe in the 30 you have several agencies within the Department of Defense. It is up to us, it is true, to get our story across to these people. You are quite right. It is our function and we are doing something about it. Within the next 45 or 60 days we will have something positive which we can lay before the people who are doing manpower planning.

QUESTION: Mr. Clark, I want to take issue with you on your theory that a man who plans can't operate. It occurs to me that we in the military plan something and then go out to do it. The fellow who does the planning knows what he had in mind at the time, because he has to carry it out. You might have all these plans in the NSRB; but when this general has to carry them out, he says: "What were they thinking of when they made their plan?" So we ought to have continuity in the planning operation. In the military we seem to have put those two things together.

That brings me to the point I am leading up to. You were saying that you are very much interested in labor relations in industry. You have discussed ways of setting up and getting means of solving these things in time of peace. Do you think this problem of labor can be handled perhaps by the Labor Department, which is supposed to be looking after the interests of labor?

RESTRICTED

MR. CLARK: I don't mean that people who do the planning should not move over into an operating function when war comes. All I mean to say is that the type of people that you need for planning operations are not in general clear-cut operators. I don't know what your experience is in the military, but there is a type of mind which can really get down to the nub of things, can lay out all the pros and cons, and can come up with very sound conclusions, which is very useful in the planning operation. Such people are also useful to the operator, but he doesn't use them in the line; he uses them in a staff capacity. So I can visualize these people who are doing planning moving over in a staff capacity to the operating agencies. That is all I mean. That is what provides you with the continuity that you are talking about.

QUESTION: Sir, I absolutely follow your argument against appointing either agencies or individuals at this period for wartime key functions. I believe that would be all right if we should slide gently and gracefully into war. But we are repeatedly told here that M-day and D-day will be the same. If that should happen, there will be a large number of people under your jurisdiction crawling out from the debris of the first atomic bomb. I don't know whether you can get away with an order that involves telling the traditional tradesman who does which, with what, with whom.

MR. CLARK: My guess is that if a war should happen tomorrow, if this bomb you are talking about should fall tomorrow, in all probability we would reconstruct the organizations that we had in the last war, with some modifications. We would probably call back the same people who were here before. That is what you would do if you were in that same situation tomorrow, because we are not prepared at the moment to do anything else. After these other departments, however, have worked on this problem, I would say, for the remainder of this year, we would be able to have a tentative designation list, which wouldn't be announced then, I am sure, but would be quickly announced when an emergency occurs. Those would be organizations which are in being, and it would be a question of expanding those already in existence.

QUESTION: Why wouldn't you announce that list?

MR. CLARK: Because we don't want to freeze the program at this point. The thing isn't far enough advanced to make these designations; because once we make these designations, we have committed ourselves to a specific kind of program, a specific kind of organization. We are not ready to do that.

QUESTION: In your planning thus far do you feel that national service legislation, as well as selective service legislation, will be necessary in the next emergency?

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MR. CLARK: That is a question that I get every time. The NSRB hasn't taken any official position on national service legislation. I am not sure that we know what national service is. No one has given us a good definition of what it is.

I personally have a tentative definition of national service, that is, it is placing upon the individual the responsibility and the right--I want to emphasize "and the right"--to serve his country in industry at the very point where he can be most productive. That means that you have not only to say to the individual, "You must do this," but you must at the same time give him an opportunity to work where and under the conditions in which he will be most productive.

That means that national service cuts two ways. It deals with the individual and it deals with the industry which is going to have to provide the opportunity for him to be productive. If anyone can work out all those intricate mechanisms that are necessary to see that this is carried out, we would like to have the answer on paper and would like to put it in this group of planning papers which we are now developing.

We have no intention of ignoring the question of national service. We think it is a major one. It is our intention in connection with our planning operation to start with the most severe situation and work backward, because that is what we need to plan for. If the next war is no more severe than the last one, we can probably muddle through. But it is the extreme situation that we are going to have to plan for. We are not convinced that national service is or is not the answer.

COLONEL VAN WAY: I am sorry, but our time has run out. On behalf of the Commandant and the Industrial College, I thank you for a most interesting and instructive presentation.

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