RECRUITMENT OF KEY PERSONNEL FOR EMERGENCY AGENCIES

24 May 1950

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Publication No. L50-143

INDUSTRIAL COLLEGE OF THE ARMED FORCES

Washington, D. C.

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RECRUITMENT OF KEY PERSONNEL FOR EMERGENCY AGENCIES

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MR. NIKLASON: Much of the maladministration which plagued the emergency agencies during World War II can be attributed to the haphazard methods employed in selecting personnel. In many instances, the situation which resulted from maladministration by incompetent personnel became so desperate that top officials of the emergency agencies found it necessary to make frantic pleas to experienced businessmen to come to Washington to bolster up sagging production programs. In the case of OPA, public criticism of the type of personnel employed to adminster price controls became so widespread that the Congress was forced to take action. This resulted in a statute which made it mandatory on the OPA to employ only experienced businessmen in staffing certain positions.

One of the most important of the many complex problems involved in economic mobilization planning is that of devising practical, realistic measures which will assure the prompt staffing of the war organization with competent personnel. As an aid to you in your approach to this problem, we have a speaker who is particularly well qualified to discuss the subject of personnel for staffing war agencies. He is an expert in the field of personnel management and, during 1942 and 1943, was the executive placement officer of the War Production Board.

It is a pleasure to introduce Mr. Edmond F. Wright.

MR. WRIGHT: General Holman, Admiral Sabin, Colonel McKenzie, Mr. Niklason, gentlemen: It is a particular pleasure for me to present to you, gentlemen a resume of the actual experience I had in this city during the period of the late war; of the continuing contact I had with this subject while I was commuting between Cambridge and Washington as a member of the staff of the Harvard Business School; and, then, of my experience more recently while serving in a somewhat similar capacity in the United Nations, first at Hunter College and then at Lake Success, with the permission of my dean, Donald K. David, of the Harvard Business School. The last-mentioned assignment was also a matter of attempting to build key personnel into the United Nations structure; a problem that I think you can readily see was probably more difficult than the others, because of its complex structure, as well as because of the now 59 nations which must be recruited for and represented on the Secretariat Staff.

For those of you who are outline minded, I thought I would quickly go through the outline I have prepared and present to you my thinking on how one does select key personnel for emergency agencies.

Briefly, I am going to give a definition of terms. You may feel that a definition is not needed, but, in this era of complex terms, we had better have an understanding, a meeting of minds, on what it is I am talking about.

Then I will discuss the sources of supply of this rare bird, the fellow who serves in a key-personnel post; the methods of tapping that supply; and the techniques of induction. You may state, "I thought this was selection." I feel that we don't get the most out of good men unless we induct them well. Mr. Niklason was right when he said that, in the early part of the emergency period, there was a decided inability to get men effectively coordinated and grooved into their jobs. I feel that we must have a "precision fit" so that we do get the right man serving in the right spot at the right time.

Then I will close with the legal considerations. All of you remember the issue that came up during the early part of the war with respect to the dollar-a-year man, the WOC (without compensation) fellow, and his place in the picture as it developed at that time. There would not have been the Guthrie case, which embarrassed Don Nelson, my senior for a year and a half, if great thought had been given to the legal structure, the legal base, upon which a man from industry would come in to an agency to serve.

I would like to read what I think is a very simple Credo. Because of its simplicity, one may say, "That is not a tough professional assignment, Mr. Wright." And I would agree with him in part. But, as a matter of fact, one can be worn down by this task of a search for key personnel. We were truly ground down at times! A brief Credo, then, for success in the building of a civiliam emergency agency, is this:

> "Get the right man at the right spot at the right time. Keep him there for that period where his professional, administrative, or technical capacities are tapped to the fullest. Place minimum restraints and limitations upon him."

You gentlemen will admit that is an important clause in government work--

> "Upon completion of his assignment, he should be relieved to return to his regular post,"
> His industrial, professional, or other assignment--
> "or moved on to where he again directs his full capacities in a priority job."

It seems to me that is a simple definition of what is needed in getting keymen to serve effectively in a civilian agency.

Let me give you quickly some personal examples. With your permission, gentlemen, I am going to use names of regular persons, all friends of mine. I have not asked their permission to do so, but, in most instances, you will note I am lauding them for their great work during the late war, and I feel sure they will not object to my using their names.

Donald M. Nelson, having, as you all know, the broad experience of purchasing in a great mail-order house, was a good man to take over as director of Priorities when the Supply, Priorities and Allocations Board (SPAB) was first set up. He knew the problem of setting up priorities, and he did the job well. Then, as you remember, through the several shifts, he eventually came to the top of the War Production Board (WPB) and did a good job there, too.

Many of you may remember my friend, Wally Skuce, who is working in Toledo with the Owens-Corning Fiberglas Corporation. Wally had a particularly effective background in General Electric under Ralph Cordiner and Charles E. Wilson. He had been in complete charge of inventory for GE, a company which, making the number of products it did, had a very extensive inventory. Wally came into WPB and ultimately proved his capacities, as I am sure many of you will remember.

At first priorities had not been well run. As someone said, a priority on a critical material was nothing more or less than a hunting license--a person still had to go out and hunt for his critical material. Then came the Production Requirements Plan (PRP), which did not work. Then came the famous Controlled Materials Plan (CMP), and it worked. Wally and Harold Boeschenstein contributed a great deal to making that particular phase work. It was their background in an early assignment that made them effective.

In the definition of terms, gentlemen, by "key personnel," I mean those who are in control in senior posts in an important agency during an emergency period. I mean those men who, very frankly, could not be brought into their jobs through, let us say, Civil Service. I am not criticizing Civil Service. I serve on the Regional Board of Selection in Boston. I am very proud of my connection with Civil Service. But Arthur Flemming, who was really the active Commissioner during the late war, admitted readily in the early part of the war that one could not expect to find on his registers but a minimum of men who could serve in the key posts.

My good friend, Jim O'Brien, may be in the audience. He is with the National Security Resources Board now. He served with Leonard Carmichael in building the so-called "National Roster of Scientific and Specialized Personnel," a tribute to the great work of those men. They built a list, however, in hundreds of thousands. My feeling is that keymen total under a thousand in assignments in a war of the type and magnitude we fought last time or may fight again. I am one of the unfortunate school that believes it is fifty-nine seconds after 2359, and that we will need a great number of keymen, but I would still state that the keymen can be numbered under a thousand.

I am not criticizing the existing agencies. They will get men who will fill in the slots lower down in the various echelons.

I spent part of last evening with one of your own group, a schoolmate of mine at the Harvard Business School, Admiral E. Dorsey Foster, who reported--I am very happy to hear this; I have not recently had enough contact with it--that the Reserve bodies across the country are springing up. Excellent! I think they will serve in two important functions: When the gong goes off, they will go to the fire and will be at their posts when action is taking place and when action from them is needed. In addition, from such agencies, you will get good men for the lower echelons. I don't think it fits in as a key-personnel source for an emergency agency, but it definitely helps in the early phase.

I certainly think that we need emergency agencies right now. I had a term of service with Arthur M. Hill, chairman of the National Security Resources Board in 1948. In my opinion the NSRB is actually an emergency agency at this time. I am particularly pleased with the forthright way in which Stuart Symington is meeting his problem today. I can interpret it, and I am going to tap some of his recent remarks during my brief talk.

It seems to me that, if we had to pass the National Security Act in 1947, we were recognizing that an emergency existed. So part of my remarks this morning are related to what we are facing today--an emergency!

In the two-year period that I spent with the United Nations, a challenging period, I got to know the Russians, I think, Particularly well, as I went out of my way to do it, and one interested in personnel could do it with impunity. I remember when a request to Russia for 12 individuals had been approved by Mr. Trygve Lie, and we said we would keep the posts open for those men whom Mr. Gromyko nominated. I had for two years a close look at the Russians and have had a chance to back away now and look at what is taking place in the United Nations. I come, unfortunately, to a rather discouraging conclusion of what the Russian part in the United Nations is.

That is an aside, but I give it only to indicate that I believe we are now in an emergency, and I would like to think that an emergency recruitment policy could be set up, could be put in pattern form. I hope Stuart Symington does it because, when that gong goes off "one second from now," in my definition, we need to have selected good men to get to their posts.

As Mr. Nelson or John H. Hilldring would call me, I found that we were constantly in need of two categories of men. I was doing a part-time assignment for Mr. Hilldring when he was staffing the United States Control Council in Vienna, Berlin, and Tokyo. I spent three days in Cambridge and three days down here getting his needs and finding out what manpower was wanted. The two categories are; (1) the doer, or operator, the fellow who has the know-how, who really must produce; and (2) you may think I am putting them in reverse order, but I think not—the thinker, the planner and the research fellow.

The doer and the operator in the emergency, basically, came from industry. If I could, for just a moment, illustrate by giving personalities, let me indicate what I feel was their contribution and where they fit. I have both the doer and the thinker—the planner—fellow in my illustrations.

Perhaps because I got to know William E. Levis, president of the Owens-Illinois Glass Company, particularly well—I had an office next to him for atime—I mention Bill first. It seems to me that Bill, in building his business empire, had what experience was later capitalized upon, together with that of his good friend, Don Nelson, in putting together, so effectively, the machinery that brought into being the very effective War Production Board. I do think you gentlemen will agree that it certainly received a high rating in accomplishment. Bill was the doer. He thought his problem through well, but he was a doer.

I always like to think of the lecture my dean, Wallace Brett Donham, gave at the time I was graduated from business school. He used to say that the successful businessman works himself out of a job. Bill Levis worked himself out of a job. He would see the problem, set it up, and slowly but surely clean up each and every segment of it until finally the job was done.

Because of the warm acquaintanceship between us, when I was traveling for the Harvard Business School after the relationship was made, I would get to Toledo and walk into Bill's office. There would not be a thing on his desk. I would ask him something about his business; he would open one drawer, take out one piece of paper, put the control sheet in front of him, and give any answer at all. He was that type of businessman and, in my book, was basically a doer. Of course he could think well, too, but action was his forte.

It was basically from industry that we had to draw this type of man.

Let me jump to another category. Very often those of us who have given part of our lives to the academic work are accused of living in the "ivory towers" and cannot get to the lower-pit levels. In many of the emergency agencies in the last war, I think the professor did a good job. I could draw on my good friend, Lincoln Gordon, as an illustration. He is now in Paris with ECA, closely cooperating with Averill Harriman. Professor Milton Katz of the Harvard Law School is another one I could draw on. Lincoln Gordon was in the category of the thinker--the planner--who saw the concept of what was wanted, set up the planning at the top level, saw that directives were implemented to follow out that policy, and in that way made his great contribution.

I think the industrial laboratories, more and more, are sources from which we can draw key personnel. My good friend, Adolf A. Berle, Jr., recently, in addressing a group in Boston to which I had invited him, made a very keen observation, I thought. He stated that with the coming of the great Industrial Revolution and the development of industrial laboratories, scientists were brought together to make possible the huge industrial capacity of this Nation. So the laboratories that are being developed industrially now are a source from which we do get good key personnel.

The last time I saw Charles E. Wilson, he told me that 25 men of General Electric were serving with Dr. Karl Compton, former president of MIT, who was in charge of the Research and Development Board, Office of Defense.

My next observation, gentlemen, concerns the methods of tapping the supply. How did one get the needed fellow during the stress of war? He was serving, in all instances, in an important post in his company or in his home community. He was, professionally, a man much in demand. Therefore, what was the technique of literally lifting him from his base where, in all instances, he was needed, to Washington, to serve in an emergency agency, or in the division of an emergency agency?

Before getting into that, let me make a few qualifying statements. It is my contention that the cold war that is now on is a conditioner for the recruitment of good key personnel. Tapping my NSRB experience, I can say that, in making an approach to men in different industries, with the hope that they would give "X" number of months, or a year to a year and a half, toward setting up a given area of NSRB, it was the realization that there is a cold war on that enabled us to say to them, "Gentlemen, this is a contribution that I think is a must." A cold war becomes a conditioner of those whom we anticipate may be eligible for our key-personnel list.

I think a depression--I hope we never again see a depression such as that of the thirties--would be a conditioner.

I cannot help but feel that we will never again be permitted to go to that trough point in a depression which we saw in 1933. I think that, before we reach such a period, RFC or its counterpart will be coming in with loans. The Government will be coming in with assistance and saying, "You can't lay off "X" thousand men, Mr. Manufacturer. We will see that you get an RFC loan or any other emergency-body loan in order to keep people going." If you will, we will have a WPA system, but under greater direction of the fellow who had been the employer up to that time. I feel that we cannot again reach, as I say, such trough points.

On the other hand, that process in itself is a conditioner. We can then expect we could say to a person, "You have done a good job in keeping employment up. There is an emergency now on, and we need you at this point; we need you at that point." I think the response would be more nearly ready because of that.

Then, I am a believer, gentlemen, in the work of my good friend, Grenville Clark, the framer of the Selective Service Act of the First World War. He also had a great deal to do with the Selective Service Act for World War II here in Washington. I think the person who takes Grenny Clark's place in the next war will write a "directive" act rather than a "selective" act. I also think that it will be a full manpower and womanpower draft act that will go through. If that is so, then we will get the response that would be needed to get key personnel to come here. It is an extreme thought, I admit; however, I do think it will be an all-out war, and, if it is all out, within 60 days there could be the difference between defeat and success. Therefore, there will be in my book, take what form it may, a "directive" rather than a "selective" service law written for World War III.

Those three things, then--cold war, depression, and directive powers--are conditioners of the receptivity of the individual pointed out to come in and serve in an emergency agency. All right. How do we tap the supply?

Perhaps my greatest pleasure in the type of assignment I had here in Washington was serving with Sidney J. Weinberg. He was very close to Donald Nelson and is very close to Charlie Wilson today. Donald Nelson gave Sidney the task of doing the key-personnel recruitment. I was linked up with Sidney in that assignment when it was given to us in January 1942. Yet Sidney, Keith Funston, who is now the president of Trinity College in Hartford, myself and others who worked closely with the problem would admit, that, on an "A," "B," "C," "D," "E" basis, we probably just barely missed a flunk grade because we went out to get men under a hit-or-miss

system. There was no oderliness to it. We would be called into a session and told, "We need this type of person." And many a time do I remember walking into Sidney's office and hearing him blast over the phone in his own inimitable way, "Don't you know there's a war on?" or "Listen, this is your war, too, you know." By that technique, we were blasting men out of their jobs and bringing them to Washington. We could and did use the patriotic motive argument. I believe that the induction done by us was wretched, gentlemen, but we did get the job done.

I enlisted at the age of 18 as an ambulance driver in World War I. Actually, when I got to an evacuation hospital in France just before Chateau-Thierry scrap, I didn't know what a tourniquet looked like. May training was wretched. Yet in this last war--you gentlemen played a part in it and know--training was a very important element in building the fighting man.

One difference between World War I and World War II was the training concept on the military front. And in the next war, World War III, we will have to do something about that training of key personnel for emergency agencies. There must be a period of good induction and training.

I would like to cite the case of my good friend, Wilson Palmer. Wilson graduated from the Harvard Engineering School when I was graduating from the Harvard Business School. We went abroad together that summer.

Sidney phoned Wilson one day. At that time Wilson was the Vice-president and general manager of United Shoe Machinery Company, Beverly, Massachusetts. He is a man of proven competence. He had a break that comes to few young men. After Wilson has been there about four or five years, his boss had a stroke and died, and Wilson was the only one competent to step into his place. As young as he was, he went into a very important post. He was convinced over the phone by the "Dont't you know there's a war on?" technique of Sidney, to come down to Washington.

Here I was, with one of my closest college buddies within a matter of two buildings away from me and I didn't know it. It showed how Sidney and I failed to coordinate our selection process.

Wilson was there for six weeks and then went home. Six weeks later Sidney found that his bird had flown the coop. By that time, Wilson Palmer was doing very important work back in Beverly, and, obviously, we didn't get him again. That is a criticism of our failure to induct well.

I recall well the time a wealthy jeweler of New York City, making his product in my home state, at Attleboro, came down greatly disturbed that he had not been called into service. Again, there was a man who was

ready to serve. He wanted it for power. He wanted the prestige of having served. I think he felt that he could, within the next week, move out Mr. Nelson and take over. But it was a misconception on his part. Good selection processes would have proved to us if he was or was not eligible for our interest.

Many persons were brought in with no effective coordination of induction into their jobs. In the next war, the key personnel will have to be inducted well.

I would like to tell the story of a very personal friend of mine to whom I sold the idea of going to Vienna to serve as the head of the Economic Division of the United States Control Council. He said, "On one basis will I consider it, and that is that I be flown to Vienna with two assistants just so that we can study our problem." While General Hilldring balked a bit, the man was of such capacity that the request was granted.

On the twelfth of October of that year, General Mark Clark was coming in from Vienna to address an American-Italian group in New York City. My friend who was to fly to Vienna learned of it and said, "Why do I have to go to Vienna when I can see Mark Clark in this country?" For some reason known only to Mr. Clark, the two never met. I lost my good bird! He said, "If I can't be seen by my new boss in this country, I'm not serving with you." That is another illustration showing that we must plan and induct well.

First, sell the idea. Then see that there is a course of training. It should not be a course of training in which you feel you are just going through the treadmill. Give a realistic course of training. See that the man understands the status in which he will serve. Find that precision fit that I think is so necessary.

Hathaway Watson is in the group here, and Hath could perhaps verify the details of what I am about to say. This story was one that Ed Stettinius told me. He said that when he was at 71 Broadway (U.S. Steel Company) Voorhees, the comptroller and finance officer had a very competent assistant. We will call him Carpenter. When there was a problem, one of Ed's bells would be pushed, and in would come Carpenter in response. Ed would outline for him the problem from, let's say, the president of the American Bridge Company and say, "Get the facts and let's see if we can't let the president have this answer tonight." Carpenter would go out and come back with the basic facts needed for the proper review and solution of the problem. They would be studied by Ed and any committee he called together, and the decision would be rendered that night. Fine!

Then Ed, as you will remember, was called to Washington by Mr. Roosevelt early in 1940. Ed said that, shortly after taking over the Lend-Lease assignment, he knew he had to have a guy named "Carpenter" in his next office. So he elaborately installed him in his next office and had the bell system set up. The first main problem came up, he pushed the bell marked "Carpenter," and in came Carpenter. They sat down, they decided what further facts were needed and Carpenter went out, but he never came back! I feel we must see that the induction is such that the "Carpenters" come back and do their job.

Let me just briefly, then, go into the legal considerations, gentlemen, and indicate why I do not feel that those legal considerations are going to have the same weight placed upon them next time. They will not be the hurdles they were before. The Guthrie cases won't arise to embarrass "Donald Nelson II," whoever he might be.

I am sure you are all acquainted with the two categories of WOC (without compensation) and the dollar-a-year man. I am sure many of you have heard this story: World War I also had dollar-a-year men. Then came the Great Depression, and a certain man from Wall Street was ruined. He had been a dollar-a-year man in World War I. When World War II came, he wanted his old job back!

But I don't think the dollar-a-year man is coming up to plague again such men as Mr. Nelson or others who are running a civilian emergency agency. Why? I think, for the very reason I gave earlier, that it will be a directive that will bring a man into an important post rather than a selective process. I think we can state to that man, "look, you are doing a fine job converting your plant to war production, but we need your know-how and your background here in Washington, or 'X' point, at this time. You've got to come for the good of the cause. Compensation will be just."

I am sure many of you heard or read recently the address of Stuart Symington. It was reported in all the papers. The issue which he presented, and which is in point here, is, in his words:

> "To be ready will require all possible help on the part of such great organizations as your own (Committee for Economic Development), as well as you individually."

And certainly men of the caliber of the CED roster are men of great competence——

> "Readiness will demand that everybody gives up something: The manufacturer, profit incident to war;..."

That relates to the fear, you recall—it was developed by the Truman Committee—that a man coming from industry would tend to make decisions that would favor his industry, that would favor his company. In fact, under John Lord O'Brian, there were four rules which were issued to those of us who were doing a recruiting job on this level. I would like to point them out, and point them up, quickly. We got a directive which said:

"1. No person shall be appointed on a dollar-a-year basis unless he is a man of outstanding business or technical ability, of unimpeachable integrity, and especially qualified for the work for which he is chosen.

"2. No dollar-a-year man shall be appointed to any position if, with reasonable effort, a man equally qualified can be found and induced to come here and fill such position on a regular government salary.

"3. No person shall be employed in any position in which he will make decisions directly affecting the affairs of his own company.

"4. No appointment shall be made except after a thorough investigation of the proposed appointee by one of the investigating agencies of the Government."

Those were restrictions that were actually placed upon us and made selection of personnel much more difficult. It was interesting, however, that, as we did find men of great capacity, and, after the litmus-paper test of integrity, we found them to be men who were obviously supporting the great cause, so we could relax on some of them.

The next case history I would like to present is that of Hiland Garfield Batcheller, head of Allegheny Ludlum Steel. Batch was brought in at a time when the Steel Division of the War Production Board, an extremely important division, was not going well. One of his predecessors had come from the drug and food industry; another had come from an allied industry, Union Carbon and Carbide. But there was not a man with the required know-how in that important division of the War Production Board at the time. It was essential, therefore, that someone come in, and it was Batch who came in to do phenomenally effective job, as you well know.

The "without compensation" category is one that I think will be used in the pattern developed by Civil Service. But it is the man from industry about whom we are now concerned. And I believe we can do this—this is my solution to the dollar-a-year problem:

I am firmly convinced that government salaries have, in the more recent past, gone up. Those of you in uniform will disagree with me, but on the civilian side there has been that tendency. As you know, in ECA the top salaries on the administrative levels, and some of the professional levels, are as high as $15,000. Obviously, Mr. Hoffman and others—the heads of boards—are getting more than that. The salaries within the Government are tending upward, and it is my belief they will go even higher. Therefore, the gap that existed as recently as a few years ago is being closed, so that the business-man who leaves a lucrative position can be offered a somewhat higher salary than formerly. That will reduce the difference between the salary he will go in on and that which he is getting from his company. So he can be given the top salary the Government pays plus a percentage of that which he had before, perhaps based on a percentage of annual income as shown on prior income tax returns.

It will have to be on a flexible basis. I realize it is difficult to get that in the Government, but it seems to me that this technique can be used to meet a problem that was very embarrassing during World War II. So much, for the legal considerations.

My closing remarks, gentlemen, are ones that sort of support why fifty-nine seconds after 2359. I do not believe that the United Nations great as its effort might have been, is the solution to peace. It is my contention that the Russians have ridden the United Nations train for all it is worth. The real test will come when the General Assembly opens next September. That is what I think Mr. Trygve Lie meant when he said what has been discussed with Stalin will be apparent within two or three months. Will they come back? If it is to their advantage, they will come back.

I am not one who is a supporter, although I am a great admirer of the man, of Mr. Hoover's suggestion. I don't think we can rule out the Russians and throw them out of the United Nations. It is my contention that we would then have a two-world concept rather than a one-world concept, and we have been trying for the latter.

Many of you know Mr. William Y. Elliott, who addressed a Harvard Business School group in Boston recently. He is coming down to present some data on economic mobilization for war before the Congress very shortly. He gave our group a preview of that. Bill has some extremely cogent reasons as to why economic mobilization should have been set in motion "yesterday" rather than to be set in motion tomorrow.

I believe that those in authority here in Washington should be cognizant of the need for setting up agencies, the need for setting up skeletonized groups, which will have in mind the need for quick action.

I am a believer that the war will be won or lost in 60 days. If that is so, we don't have much time in which to select.

I am thoroughly convinced--this will be a point understandable to all of you--that, in the next war, there won't be that differential between the uniform and the civvies that existed last time. We will have one or the other. I feel that a hoarding process in good manpower was conducted in that way. I am of the opinion that you obtained good men, put them into an assignment, and kept them there. I think that the flexibility of the next war will require that all men of capacity be eligible for quick shifting of assignments.

I think of manpower assignments as the stops in an organ; it is a bellows effect. You need good men, you should have them, but send them to the point where their capacities, their extensive knowledge in a given area, can do the most good. That is why in my Credo I said take the man out when a job is completed. Don't let him go to seed. You can see that a man can go to seed once he has done his major job. I think some of you may criticize that viewpoint, and, in part, correctly, but I feel that you lose capacity if you put a man on one assignment and hobble him. He ought to be utilized--again speaking of the key personnel--to the fullest.

So, gentlemen, I close my remarks by stating that I think the problem of getting the right man in the right job at the right time is extremely important. I think, because of the conditions in which we find ourselves today, it is important that we give great thought to it soon. I feel positive that all you gentlemen agree with me that, if we do this, we will win the next war.

Thank you very much.

MR. NIKLASON: All right, gentlemen, we are ready for your questions.

QUESTION: Mr. Wright, you spoke of bringing men in from industry. It appears that the men in the production and transportation industries in war would be too busy with their own jobs to come into government management of the economy. Are there any other sources, such as the service industries, the legal profession, politics, and so forth, from which we can get men in an emergency?

MR. WRIGHT: Let me answer that, Captain, by drawing upon my illustration of there being stops in this--the right man at the right time. Let me give an illustration. I, in part, had dealings in this apisode.

You will recall that, when the rubber situation was very severe, Williams Jeffers, the head of the Union Pacific, although he was not a

rubber man, was drawn from his railroad, a very important, critical segment of the economy as you state. For three months, in Washington, he did that amazing job of organizing the Rubber Division, and then the board that supervised it, and had it running. I think we can draw from our critical areas such as railroads for limited periods; we can tap the brains of a man on one segment, and then let him go back. That is a concept that was not prevalent in the last war. There were exceptions, such as William Jeffers, who did go back.

Jeffers was a difficult man to deal with. He wanted what he wanted, and he wanted it quickly. I remember, in setting up his office, his key personnel, with him, he threatened to send overnight to Omaha for 200 clerks out of his office. We had to take a very able person in the Civil Service and put him right outside Jeffers' office. In that way we appeased Jeffers. He did his job here and went back to his office.

True, you can say it was not quite in his field. But he had the know-how of organization in that instance, and he did a good job. He left my good friend, Bradley Dewey, behind him to run the show.

I think that those critical areas must make their contribution of brainpower to the organizational phase of the game. Captain, that is my answer.

QUESTION: Would you elaborate a little on what I understood to be your statement that war would really be won or lost in 60 days? If that be true, it would seem that some of these men we are talking about would not be needed except during the reconstruction period. I don't see how we could carry out very much mobilization of the economy in 60 days. That would have to be done with what was in existence on Day-1 mostly.

MR. WRIGHT: I can only take a crack at that. You gentlemen are better in logistics than I am. I don't claim to have that professional ability.

I recall the thinking we were doing at NSRB on that as recently as 1948. If the Russians were to strike, they would hit key points: a marshalling yard in the Midwest, the Soo Canal, one or two ball-bearing plants, a large aviation plant, and for psychological purposes a large city. The thing for us to do would be to strike back and kill off exactly the same things they killed off, so that we would start even.

Obviously, 60 days is an overstatement to make my point. I cannot help but feel that we must be prepared for an overnight attack; therefore, those who are assigned to fighting fires should be in reserve,

Let me illustrate. Bill Levis made this suggestion to Arthur Hill: "In my territory, you can give me the assignment of being responsible for, let's say, the automotive area in Detroit, and so forth. Give to me the problem of building my staff so that we are at our battle stations overnight—true, limping along—until your master plan can again pick up that which is necessary to be done to fight back quickly."

Symington made that very point in his address:

> "Today it would seem we are already in a great world struggle, a struggle for the minds of men. Already we are being warred against, not only with the new weapons of propaganda, espionage, subversion, and sabotage, but also with shooting when the latter is considered necessary.
>
> "Accordingly, I would be hesitant about measuring the temperature of this struggle. If ten brave Navy fliers were alive today, there would be nothing 'cold' to them about what is going on."

Then he goes on to state that the concept must be thought through and be ready for action.

QUESTION: Mr. Wright, do you think there are any effective men in the labor unions?

You say it is a matter of affecting the minds of men. The leaders of organized labor control the actions of their men. It occurs to me that, if they give the men a go-ahead signal and say, "No strike, boys," there will be no strike.

I once proposed a radical thing in respect to coal. I said, "If you recognize that John L. Lewis controls the miners—if you accept that as a premise—why not make him a major general and say, 'John, you run coal for the war'?"

We cannot legislate that there will be no strikes. We must work on the minds of men. And the workers will follow their leaders rather than industrialists because the labor unions and managers in industry are traditionally competitive. But I don't see that very many of the keymen in your planning are labor leaders.

We must have a team. Do you see any able people in labor who could be placed on that team?

MR. WRIGHT: I am glad, sir, you brought up the labor issue. I did not touch upon it. It was a very ticklish problem in the War Production Board in the early days. Early in the war production program, Mr. Nelson had to recognize the part that was to be played by the labor boys, and we put up a very effective division under Joe Keenan.

Your question, sir, implies that there must be antagonism. I just learned from one of my friends of NSRB that Bill Elliott addressed you here, and, if I may, I am going to tap some of his thinking of the night before last. Is there not in evidence already a cutting down of that severity of emotionalism between the two? You gentlemen picked up your papers in Washington this morning and read that General Motors and UAW had settled a very effective wage and pension program. Undoubtedly they have learned something from the GM strike of 1945. The recent Chrysler strike has undoubtedly had its effect in both sides, too.

When under threat the way I think we will be in our next war, it seems to me we are not going to have the degree of emotionalism that your question implies. It will be all for one and one for all. I know I may be in the clouds a bit on that, but I don't think we are going to get to a point where there is going to be any blocking of an effort that would have to be made. And, if my estimate of 60 days is correct, it must be made very quickly.

I see a degree of understanding as between labor leaders and industry. Very frankly, gentlemen, I think we are slowly but surely seeing the die-hard, the reactionary fellow, going out of industry.

I don't want to deify Bill Levis, but Bill has never had a single bit of labor trouble because he is a guy who got to know his crowd. I have been through his plants with him. It is amazing the number of people he knows. He knows the labor group. He has been sued under antitrust laws, and so forth, but, basically, Bill has held himself in a sound position in relationship to the laborers.

I think the hurdle will not be so high the next time. I think Sumner Slichter would agree with me that we are seeing—I don't like to use the word "appeasement" because that means there are going to be continual antagonisms—but certainly there is a lessening of emotionalism between the two. That is the way I would answer your question, sir.

QUESTION: Mr. Wright, you indicated, I believe, that one of the prerequisites in choosing a man for a top position would be

unquestionable integrity. I believe you also indicated that you would not permit them to make decisions regarding their own company or industry. Did I understand you correctly?

MR. WRIGHT: I made both statements. I had hoped that I made the point clear.

In the early part of the war, the four rules I mentioned in that connection were given to us. As we tested our men and got to know them, we could relax our guard, so to speak; we knew they were in there fighting to win the war. As a matter of fact, I can say truthfully that the top group of War Production Board men, when it came to matters in which their industry was a matter of concern one way or the other, leaned backwards in the right way.

So that we do test for integrity; we do attempt to see that, in the earlier days, they are not given an assignment which would permit them to influence a decision tending to favor their company or industry. A reconciliation of my two statements is that, with time, I think we get to know the men. I don't think we can eliminate him, even as they attempted to eliminate a man from industry in the Steel Division. It was quickly obvious that this was not a solution, and they brought in from the industry a man of great integrity--he was quickly proven so--and put him in charge of the Steel Division.

QUESTION: My thought, sir, was that, in early organization, there will be times, before he is tested, when a man will have to make decisions regarding his own industry. Can they be questioned?

MR. WRIGHT: Those must be calculable risks. That is all I can answer there. In the early days that is a risk. But relying on the severity of the situation, I think the person will quickly realize he may not have any business at all if he does not give his all to what then will be a punishing war. I may be idealistic in this, but that is my answer.

If I may, Mr. Niklason, I would like to bring out one point about which one of my former associates at NSRB asked me while I was greeting them in the intermission period. He asked me to make clearer my reasoning with respect to the hoarding concept; that is, to be frank with you, putting men in uniform and saying, "This is your task." I hope, very frankly, in the next war the civilian attire and the uniform will be indistinguishable. I truly do.

I am one who has been keen on the concept of the need of the civilian being in charge of the economy during the war. The fighting

forces are extremely important, and they are the ones who protect the civilian. But I do feel, by the basic concept of our Government, that we must have the civilian as the head directing the program of war.

I do not want to see good capacity closeted in inferior tasks when that same capacity could be directed at highly important and very effective echelons of war. I don't care whether it is in a civilian agency or one that is primarily military. You hobble capacity if you put a man aside at a task and do not permit him to give of his talents at a more needed point when he has completed a job at the critical point. I feel very strongly about that.

I saw men leave the War Production Board to go into uniform, and my very frank and honest opinion is that the contribution of those men to the war effort, in many instances, was considerably less than it would have been had they been left in that war agency in civilian attire. I hope that is corrected in the next war.

I pay tribute to the man in uniform, but, in the interest of the highest capacity and the best professional or technical thinking being assigned to a given task, we need to have flexibility of action. I hope we do not resort to putting men in uniform and then hobbling them. I think you gentlemen will agree with that.

QUESTION: Mr. Wright, who would you suggest should determine whether key personnel should remain in civilian clothes or be put in uniform?

MR. WRIGHT: How did we lose those good men I am speaking of? Let me tap my World War I experience again quickly. I got a disability out of World War I, and, therefore, I am very keen for the military and want to see the military get the men they want. They must see that the war is won. Theirs is the fighting technique. But what happened? It was the breath of the draft, in many instances, that blew down a fellow's neck. Then he searched for, and got, a uniform. In many instances he ended up at a desk doing the same or less important work.

I am not speaking of younger fellows. I am speaking of fellows, let's say, from 35 up. If a man of high capacity 35 years old and up is giving a great contribution to his nation by serving in a civilian agency—and certainly the threat of being bombed will be as great in his place of function in the war of tomorrow as it would be if he were serving in the front lines—I would say the test is that of needed high capacity and service. If so, see that he is held in his civilian post.

Don Nelson asked me to be chairman of the Selective Service Committee of WPB. Three of us—Carlton Hayward, a young lawyer of

New York; David Levitan; and I—sat on every case that came up. We leaned over backward in saying that the man, if his was not an extremely important function, ought to go into uniform and serve in that way. But in instances where you find that the capacity is extremely high, and service is of the same order, I would say you should see that the man does continue for that period while he is good. In many instances, we recommended that a man be given six months, because in that period he could see that his division, section, or unit was in effective mesh with the over-all War Production Board, and then service in uniform would certainly be in order for him.

Many of you know Captain Krug. I felt that Captain Krug would have been a more effective person had he continued in civilian attire. He did have to step out, and later went back to WPB. He may not agree with me, but I felt that, by the time he was put in uniform, his effectiveness was so great that he would have been more useful had he been permitted to carry on right through as a civilian. As to what he contributed to the Navy, you gentlemen probably know more about that than I do. But there is need to see that a good man is not disrupted at a critical time. That is my basic point.

QUESTION: I hesitate to belabor that point further, but I think it is an important one. There is a clear distinction between a purely military job, the actual fighting type of job, and a purely civilian job; but in between there is a vast area where jobs have been done in some cases by civilians and in some cases by the military. Is there any way we can draw some sort of line as to how jobs should be done?

In other words, you suggest that we should not take key civilians and put them into lesser military jobs. I heartily concur with that. However, is it possible that we can look upon some of these top agencies as military and civilian, entirely apart from the uniform, and that there would be occasions to take a military man and put him into a so-called civilian job? Or should we make a definite cleavage somehow?

MR. WRIGHT: That is the $128 question. If it is the type of function or assignment that is best performed by the military-trained mind, or the Reservist who has had his military training, I would say put the military man in that job. But if a highly competent civilian can continue to do that job, I would say let's ride with the civilian.

In the next war, I would like to see a smaller percentage of "keymen" in uniform than they had in the last war. In my post as director of Alumni Relations of the Harvard Business School, which I had before and after the war, I saw a lot of business school men—and, obviously, I did not want to see the Harvard Business School man given the protected job—put into assignments where, I am certain, their

capacities were not utilized to the fullest. Now, if they could serve in an agency supervised by you gentlemen, fine, but keep them in civilian attire. I think they would do more for you.

It is a different question.

QUESTION: Mr. Wright, to what extent do you believe it would be possible to get some of this induction or training process over with in the immediate future, before an emergency starts? In other words, is it possible to pick, not one man only, but maybe three men, for a key job that we know is going to have to be done in wartime, tell all three of those men what the job will involve, and get them to agree they will take the job when it comes, so that they can be training themselves or be helped in training themselves for it in advance?

MR. WRIGHT: You recall that I gave the illustration of Bill Levis saying he would be willing to do his part in the Toledo area. I think it would be desirable if, under the National Security Resources Board--I know no other board or agency where it might now be carried out--we could break down the country into districts, let's say, coordinate your work with the excellent work in the Reserve, and then assign responsible persons in each district to the task of doing an organizational job, an inductive job in the broad sense.

For instance, these very cards I have here are part of a file that I keep in my office back in Boston--I like to think I am keeping it current--of persons I think were outstanding persons in the war. They have been inoculated, they know how to do a job, and they know the hurdles that have to be overcome in that job. For instance, a group of those men could be given the type of assignment I have in mind.

I said to Hi Batcheller one time, "Hi, whom in your firm are you training to take over your job come World War III?" He said, "I have several in mind." I said, "I know whom you should have in mind." And I mentioned a very personal friend of mine who is vice-president and treasurer of Allegheny Ludlum.

I would like to see those who did serve in the war have an awareness of that. One of your former colleagues, General Somervell, is doing it in the Koppers Company in Pittsburgh. I think he has the concept of what is needed. He has the blueprints for conversion overnight. True, the basic problem now is one of key personnel in certain areas within his company, but those same men could be assigned a degree of responsibility so that they could be drawn for assistance in the conversion from a peacetime to a wartime basis.

That is my feeling. Let's be aware of it, let's be cognizant of it, and see if we cannot do something in this preliminary period. And it means a lot of directives. I don't know whether the powers of the NSRB are such that it can be done now, but I recall that, when Kenneth Johnson was the legal counsel of NSRB, a very careful study was made of the intent of Congress in passing the National Security Act of 1947, and there was, by test of intent, a belief that the National Security Resources Board could take on some such task. I think the people of America would believe, if war were to strike quickly, that the NSRB should have had something ready to that extent. I would certainly believe it.

GENERAL HOLMAN: Mr. Wright, do you believe the second and third echelons of a new emergency organization can be built up before the first echelon is selected? I have in mind the choice of three or four people. They will undoubtedly want to have a great say in the staffing. Any one of those four would have a different viewpoint, very likely, if permitted to make his own choice. What has been your experience along that line?

MR. WRIGHT: One of the most perplexing problems we met, General Holman, was just that. I am now tapping my NSRB experience. There was divided opinion within NSRB on selection at the time I was serving with Hill. It was a matter of getting the second and third echelons and then saying, "Smith, will you come to Washington? We have your organization"; or saying, "Smith, you come down and build your own organization." In most instances, we had to resort to building from below up and then stating, "We have the organization." But we did, make clear to the appointees in the second and third echelons that, when the chief of the division took over, it was then a matter of seeing that they worked into his plans. In most instances, we would have to give assurances that we would attempt to use those capacities. We were making a very careful selection of manpower on the basis of capacities.

We set up in those days a so-called Personnel Selection Board. One of the most able men from Civil Service was on it. My good friend, Carlton Hayward, now of Commerce, was on it. I picked about four or five others. It was a matter of careful selection, in which we would say, "You are being selected, but, as yet, this has not been staffed topside. It is our belief that we can sell you to the new incumbent. We have looked over your capacities carefully, and they seem to fit in the present concept of your area. On the other hand, it might be that there will be a new concept." And it was left flexible in that manner.

During an emergency itself, I would state that the policy should be to get the top man and work very closely with him in building his staff. It is his team. His batting average is going to pay off. If he makes a poor batting average, he can blame no one but himself, because he built his own organization. Basically, let the fellow take the responsibility of building his staff. If it is good, his batting average should be good. His staff should work with him as closely as possible.

MR. NIKLASON: Mr. Wright, on behalf of the College, I thank you for a very stimulating discussion of a difficult problem.

MR. WRIGHT: Thank you.

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