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DEPARTMENT OF LABOR AND ECONOMIC MOBILIZATION

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The Honorable Maurice J. Tobin, Secretary of Labor, was born in Roxbury, Massachusetts, on 22 May 1901. He attended the following schools: Young Men's Catholic Association, Suffolk College Law School, and Boston College extension courses. He was with the New England Telephone and Telegraph Company, 1922-37; member of the House of Representatives, 1927-28; member and chairman of the Boston School Committee, 1931-34, 1935-37; member of New England Advisory Board for Emergency Relief Administration, 1933; Mayor of Boston, 1938-44--elected to two consecutive terms, being the first Mayor to succeed himself; and Governor of Massachusetts, 1945-46. In August 1948 he was appointed as Secretary of Labor by President Truman.

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GENERAL VANAMAN: Gentlemen, the economic sinews of national security--machinery, management, materials, and money--are empowered and developed by one motivating force--men. The efficient use of our human resources can well determine the future of our national security.

We are privileged today to hear the story of manpower from the one man who is thoroughly qualified to tell us the story--the Cabinet Officer who is charged directly with that vital responsibility. The generous acceptance of the Secretary of Labor to address the Industrial College provides us with an unparalleled opportunity to know what the Department of Labor has done, is doing, and will do for national security.

Mr. Secretary, it is a great honor to have you with us today; and it is a great personal pleasure and a privilege to welcome you and to present you to the Industrial College of the Armed Forces. Secretary Tobin.

SECRETARY TOBIN: General Vanaman and gentlemen: I want to talk to you this afternoon about the American defense effort and the part the Labor Department is playing in it.

Our defense program, as you know, is designed to sustain the world struggle of the United States and its allies against Communist imperialism. The Soviet Union, which has direct and indirect dominion over 752 million people from Peiping to Berlin, is perpetually probing the defenses of the free world in search of fresh areas of weakness where it can expand its power. Our answer to the threat of Soviet expansion must be strength--strength at home and strength abroad, strength of sufficient magnitude to convince the Kremlin that world conquest will be too costly to attempt and impossible to achieve.

To attain the strength we need to resist communism, we will have to do a lot more than simply build and supply armies, navies, and air forces; for the struggle is not being fought on the military front alone. It's being fought with medical supplies, farm machinery, industrial equipment, and technical assistance--with ECA and Point Four aid--just as much as with guns.

To build strength for the total struggle--both the military and non-military phases--we must conserve our supply of raw materials and use it more efficiently. We must increase the productivity of our industry and

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expand our industrial capacity. We must maintain and increase the productiveness of our farms. We must safeguard our economy by devising measures to resist inflation. Above all, we must make full use of our human resources; we must mobilize our manpower.

So long as the United States still has the industrial might of western Europe on its side, the industrial strength of the free world will exceed that of the Soviet Union and its satellites. But we cannot match the vast supply of manpower that is at the disposal of Russia.

Against the 752 million people that are under the dominion of the Soviet Union, the United States has a population of 152 million. With those of our allies that are bound by mutual defense pacts to join us in the struggle, we can still only count a population of 508 million. In terms of numbers, we are clearly outmatched by the Communist world.

It is not on numbers, however, that we in the United States rely for our strength. We place our faith in the skill and resourcefulness of our people, in the technological excellence of our industry, and in the superiority of our democratic way of doing things. Our manpower, though it may be outnumbered, is free manpower; we think it is more than a match for any aggregation of slaves and puppets the Soviet world can pit against it.

In terms of productivity we are far ahead of the Soviet Union and the Iron Curtain countries, and so are our allies. According to one set of estimates, productivity per man-hour in the United States in 1947 was eight times greater than it was in the Soviet Union. And the Soviet Union was ahead of its satellites, with the exception of Czechoslovakia.

According to these estimates, Soviet productivity in 1947 was only 12 percent of United States productivity at a time when productivity in Great Britain was about 50 percent of United States productivity; productivity in France was 35 percent, and productivity in Belgium was 27 percent. To list a few more: In the year 1947 productivity in the Netherlands was 34 percent of United States productivity; Norway, 31 percent; Denmark, 28 percent; Canada, 81 percent; and New Zealand, 90 percent. Czechoslovakia was running ahead of Russia at 15 percent.

I would like to say at this point that I am disappointed that we do not have in the United States greater information about the productivity of Russia. It is something that I have been intending to get from Congress for some time. I think it is very essential to have all the information that can be made available to us in this crucial hour in the history of the world. Of course, it would never be an accurate measure; but we still should know a whole lot more about it than we do at the present time.

I might say that the study that I used to make these comparisons with Soviet Russia was made by an Australian and not by an American. But it is the best information that I could find when I was getting this information together for presentation to you here today.

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Increased productivity is partly a result of technological improvements; but it is also a product of the skill and determination of American workers. Our superiority over the Russians rests not only with our machines but with the men who design and operate them; it rests with our manpower.

The job of mobilizing American manpower to meet the needs of defense industry and essential civilian employment has been assigned to me, as Secretary of Labor. This assignment came from the President of the United States in an Executive order issued 9 September 1950. The purpose of the order was to put into effect the provisions of the Defense Production Act of 1950 by allocating responsibilities to existing government agencies and to new agencies created for defense purposes. Here is what the Secretary of Labor was asked to do to carry out this assignment of the President:

1. He was to assemble and analyze manpower information.
2. He was to consult and advise with other departments and agency heads on manpower problems.
3. He was to formulate plans, programs, and policies on manpower.
4. He was to use the public employment service and the cooperation of labor and management to carry out the plans and programs.
5. He was to determine critical occupations and work with other government officials to develop policies on the induction and deferment of personnel for the armed services.

The Department of Labor, I am proud to say, was admirably equipped to take on this assignment. The Bureau of Labor Statistics and the Reports and Analysis Division of the Bureau of Employment Security were already collecting, assembling, and analyzing manpower information. The Bureau of Employment Security had been using the public employment service to guide workers to defense jobs. As a member of the National Security Resources Board, I participated in over-all manpower planning; and the Department had rendered substantial technical assistance to the National Security Resources Board and to the Department of Defense in the planning field.

We in the Labor Department were able to move quickly when we received the President's assignment. On 29 September, only 20 days after the President's order was issued, I issued a general order of my own assigning the new responsibilities to the appropriate units in the Department and making necessary organizational adjustments to handle the additional responsibility.

This order, with its subsequent amendments, created the Defense Manpower Administration and gave it responsibility to supervise and coordinate the defense manpower activities in the Department. The Defense Manpower Administration was to develop plans, policies, and programs and

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to review plans, policies, and programs developed by other bureaus and offices of the Department of Labor.

The Labor Department's manpower program operates within the general framework of the defense program, which is under the direction of Mr. Charles E. Wilson, the Director of the Office of Defense Mobilization. Two committees in Mr. Wilson's office help to set the over-all manpower policies of the United States. The first is an interagency committee made up of representatives of government agencies concerned with manpower. Dr. Frank P. Graham, former Senator from North Carolina and former President of the University of that State, the Labor Department's Defense Manpower Administrator, is a member of that committee and he brings to its meetings policy recommendations developed in the Department. A second committee is the Labor-Management Committee, which provides Mr. Wilson with the advice of labor and management on manpower policies. Dr. Graham is one of the two cochairmen of this committee. The other one is Dr. Arthur S. Flemming, Mr. Wilson's manpower adviser. The idea behind this labor Management Committee is a simple one. Labor and management groups are the ones that will be most affected by the manpower program. They, therefore, must participate in making the decisions that affect them. We further feel that the experience of labor and management can contribute substantially to the making of wise decisions in the manpower field.

There is in this manpower picture still another advisory committee, the Women's Advisory Committee which advises me on the use of women in the defense program. Mrs. Mary Norton, the former Congresswoman from New Jersey, is a special womanpower consultant.

Perhaps the most important part of our manpower organization is the network of local labor-management committees in industrial centers throughout the country. I established these committees in the belief that local manpower problems can best be solved by local people, and that labor and management can bring together all the resources of the community to help in the solution.

When a manpower problem arises in a community, the local labor-management committee will decide what to do about it. Its job will be to make the community aware of the problem and to provide leadership in a community effort to meet the problem.

I have tried to outline for you the organizational structure, the arrangements the Government has made to carry out the mobilization of American manpower. The manpower program is to be shaped by the principles of the President's National Manpower Mobilization Policy, issued on 17 January. That policy sets the aim of the manpower program at safeguarding "our national security through the maximum development and use of our human resources."

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Let me turn now to the manpower problem and the measures the Department of Labor has taken to deal with it. We have estimated that to meet the production goals in Mr. Wilson's quarterly report to the President, the United States will require an additional 7.2 million men and women for the armed services and defense industry in the 2-year period ending in the fourth quarter of 1952. Let me tell you where that manpower will come from.

First of all, in that 2-year period we anticipate a normal growth in the labor force of about 1.8 million, that is a normal increase of 900,000 a year. Labor force growth in this 2-year period, however, is going to be more than normal. The stimulus of defense production, the incentives of high wages, the opportunity for more jobs, and the patriotic desire of our people to be of service to their country in a time of great struggle, will bring a far greater than normal growth in the labor force in the 2-year period I am discussing. We estimate that this additional defense-stimulated growth will come to about 1.4 million. That will mean that a great many more women will enter the labor force, that older workers will leave retirement to take jobs, that more employment opportunities will be opened to handicapped workers and to members of minority groups. Finally, the power of the armed forces to draft men will bring into the military section of the labor force thousands of young men who would normally remain outside the labor force in school or college.

In addition to a growth in the size of the labor force, we anticipate a reduction of about 600,000 in the number of the unemployed from the 2.1 million level in March. Since this planning was done that I have been describing, unemployment has already dropped to 1.7 million. If unemployment drops to 1.5 million, we would consider it practically a rock-bottom unemployment figure for the United States. Most of that 1.5 million would represent labor turnover, that is workers who are in between jobs.

Finally, we can meet our manpower needs by a shift of 3.4 million workers from nondefense to defense activities. Most of the workers who do this shifting will be able to do it without changing jobs. They will simply begin work on items for defense end products as their employers get defense orders. A steel worker, for example, will go on making steel in much the same way; but the steel he makes will be used for guns instead of race track stands. We would consider that he had shifted from a nondefense to a defense activity even though he remained in the same job. Some of the shifting however, will involve the actual movement of workers from one job to another.

The developments I have been talking about--the normal and more than normal growth in the labor force, the reduction in the number of unemployed, and the shift of workers from nondefense to defense activities--should be sufficient to produce the manpower that will be required under our program of partial mobilization. They should be sufficient to prevent any over-all manpower shortages before the fourth quarter of 1952 or thereafter. These

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developments will not take place without the guidance and the active work of the Government. Although there will be no over-all manpower shortage, there may be shortages in specific areas in specific industries or in specific occupations. These will require all the resourcefulness and alertness and ingenuity of the Government, management, and labor, plus a good deal of advance planning if they are to be met.

I would like to discuss with you some of the means by which the Government will seek to meet manpower problems, to foster the growth of the labor force and to promote efficient use of the existing American labor supply. One of the most important tasks will be to influence the employment decisions of employers and of workers by voluntary methods. This involves the use of the public employment service to interview, counsel, test, and place workers in suitable defense jobs. There will be no coercion in the operation of this program. The worker will be free to accept or reject a job offered to him by the employment office as he sees fit. It is our belief, however, that most workers will accept the job recommendations and that the employment office will be of tremendous value in channeling new workers into defense jobs and helping the shift of workers from nondefense to defense activities. The incentives of defense jobs (high wages, overtime work, and good working conditions) will make the job of the employment office easier.

There may be, however, rare and unusual cases where the wage stabilization formula prevents wages in a defense establishment from rising to the point where they provide a sufficient incentive to attract workers. Regulation No. 6 of the Wage Stabilization Board provides that, in such rare and unusual cases, where a manpower shortage exists or is threatened, and wages in excess of the formula are necessary to attract workers, the Board may consider relaxing the formula. The facts in such cases would be certified to the Board by the Defense Manpower Administration, and the Board would make its own decision.

The Defense Manpower Administration may also take up with employers or community officials, the suitability of providing such additional incentives as transportation, moving costs, improved working conditions and facilities, housing, and community services. The Government has already taken steps to encourage voluntary self-regulation by American newspapers of indiscriminate advertising for workers that conflict with the manpower policies of the Government. We will work with employers to prevent labor hoarding and labor piracy.

I want to emphasize again the voluntary nature of this program. The United States is not going to mobilize its manpower in its struggle against communism with the coercive techniques that are used by the Communists. We could not do it if we wanted to. We are a free nation with a free-enterprise system and a free trade-union movement; and we have to choose techniques that suit our temperament and our tradition.

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Our manpower program must be a voluntary program. It must be based upon the consent and participation of the workers and employers who will be affected by it. We are not going to try to regiment anybody. To do that would be to stifle the initiative, the ingenuity, and the creative genius that have made this country great. Even if we were to force the workers with a bayonet to stand at his workbench or send troops to force the boss to keep his plant running, we could not force either to use his full capacity for production. That would have to come from his own free and voluntary determination to serve his country.

In addition to influencing the voluntary decisions of workers and employers, the Government must help to conserve and expand our supply of essential skills. The Labor Department has prepared a list of critical occupations and essential activities, which has been supplied to the Department of Defense as a guide in the recall of reservists and to the Selective Service System as a guide to induction policies.

Studies by the Department of Labor have made it clear that any blanket recall of reservists would have a paralyzing effect on critical defense industry, especially with regard to supervisory and scientific personnel. That's why this list of critical occupations and essential activities is so important.

To meet the need of industries for skilled workers, the Defense Manpower Administration will have to be active in the training field. It will assist employers to set up training programs in their own plants and the Government will finance training in vocational schools and colleges and secondary schools in order to train workers in specific skills needed for specific defense jobs.

The Defense Manpower Administration will not only have to increase the supply of workers available to American employers by promoting the growth of the labor force; it will also try to stretch the existing labor supply by getting employers to use it more efficiently. That will involve placing the right worker in the right job. It will mean scientific personnel policies, training, upgrading, and job dilution. It will not only mean the widespread use of members of minority groups; it will mean using them at their highest skills. Even more basically, however, the improvement of use and productivity of the labor force involves problems of investment, technical organization of production, procurement policies, machinery and material allocation, and a good many other factors. The problem of just how far the Government should move in this field is being studied by the Defense Manpower Administration.

The Government can do much to alleviate manpower problems by directing the construction of new plants and the allocation of contracts to areas where the manpower supply is adequate. In this way manpower problems can be headed off before they arise. The decentralization of new production facilities in small plants and small communities, where workers are underemployed and largely immobile, would help to promote a better use of the

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labor supply. The Department supplies manpower statistics to procurement agencies and agencies that approve plant locations to guide them in placing new contracts and new plants in areas where the manpower supply is adequate and suitable.

Finally, the Government, while carrying on a manpower program under partial mobilization, must continue to plan for the contingency of a greater emergency. In the event that another world war requires full mobilization, the Government must be prepared with plans and programs.

Our manpower program in all stages would rest on the theory that people do things better when they themselves are chosen to do them and when they know why. This theory, of course, is in direct conflict with the philosophy of the totalitarian world that man must be regimented if he is to perform efficiently.

In conclusion, I would like to make clear that the manpower problems that have confronted us thus far have been neither numerous nor severe. The labor supply has still not felt the full strain of defense production, and probably won't until the fall.

Most of the production in the first nine months of the Korean War was production for civilian use. Defense contracts were being let at a steadily increasing rate, but not in sufficient quantity to affect the availability of labor for civilian purposes.

The economy has now entered a more critical stage, with defense production occupying an evermore significant place. By fall, some of our major manpower problems will be upon us. It is then that our voluntary system will meet its test.

This system has won us the productive superiority I referred to in an earlier portion of my remarks. I am sure it will not be found wanting in the days ahead.

QUESTION: Mr. Secretary, I think everybody subscribes to the voluntary system, and certainly I do; but I am wondering how it will work if we have only voluntary controls. During the war there was no stoppage of the taking of skilled workers away from textiles and other low-paying jobs. That was what happened then under a voluntary system. I wonder if the present situation isn't leading into that same thing, and whether any plans are being made to prevent such loss of essential workers.

SECRETARY TOBIN: That was handled on a local basis in the last war. There were many men out there from the procurement agencies of the Federal Government, and they cooperated with the War Manpower Office in referring workers to plants with war contracts. The local employment office just wouldn't refer workers to any plant that was not doing essential work. They referred them all directly to the war plants. It was done on a voluntary basis.

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I think one of the best examples of that was achieved in England in the drafting of women. The British were able to draw 38 percent of the women over the age of 14 into productive employment. In the United States as a whole it was 37 percent, which was only one percent less than Britain, and on a completely voluntary basis. I think that this one percent margin between us and Britain would be accounted for by the personnel that we had in the management end, that we used to operate the system. So, on a voluntary basis, we were able to recruit practically as much womanpower as Britain did with compulsory methods.

On the other hand, one of the best answers to that is the approach of asking the advice of the management people. Naturally, they want to get skilled workers. They want to get as many as they can. But the labor-management people themselves decided that the voluntary method was the best way of handling the situation, and that it would be a better way of getting production in America than a compulsory system. I think the labor people and the management people are in the best position to determine a thing like that.

Then, if you look at it in another way, in our war production with a voluntary system we out-produced the whole world and won the war on the basis of the production of America. If it should come to an all-out struggle, I am sure we can make it work again.

QUESTION: If we should have an all-out mobilization in the future, what sort of war manpower organization would you recommend? Should it be along the lines of the present system, or do you think that the war manpower organization in the future in an all-out struggle should be withdrawn from the old agencies, such as the Labor Department, and put under a czar like Mr. Wilson?

SECRETARY TOBIN: That is the same question phrased in a different way. I think it would be a mistake to set up a new organization. Where do we have all the know-how in this field? In the Labor Department. I am next week going to give out awards for 35 to 40 years of service in the Labor Department; and some of our manpower experts will be receiving them. They have been in the manpower field all that period of time. That kind of expert knowledge exists in the present manpower organization. What is to be gained by just changing the name of the organization or setting up a new organization when all the know-how is in the existing organization?

I think the best way to answer that is to say that I think we have right in our Department all the facilities that can contribute to the solution of the manpower problem, with the possible exception of those in the education and training field in the Federal Security Agency. Every other bureau or agency that deals with manpower is to be found housed in the Labor Department at the present time.

Also there is the question of economy to be considered. It wouldn't be economical to set up a new agency when you have a going organization already. I think you should use the Labor Department instead of setting up a new agency. It will result in saving a lot of dollars for our effort.

QUESTION: Mr. Secretary, you commented on the fact that we want to use the highest skills of all personnel in the country. I wonder if there isn't another side of the problem, namely, the upgrading of so many workers during the period of labor shortage. A speaker who was on this platform some weeks ago said that he went into an aircraft plant during the war, and there wasn't one common laborer in the whole plant. Do you think we could get into that kind of situation again?

SECRETARY TOBIN: Of course that is a problem where all the agencies of the Government should cooperate. If there isn't the proper utilization of manpower, we in the Labor Department need the help of the procurement agencies to bring about the efficiency that will result in better production and better utilization of manpower.

We have with us here today Mr. Leo Werts, who handled one of the areas in the last war in the manpower situation and knows the actual situation. I think his answer would be the same as mine. When we ran it before, we needed the cooperation of the procurement agency that did the contracting in order to get the proper utilization of manpower.

QUESTION: You mentioned the manpower planning of the NSRB. I am wondering whether the planning that it did after the National Defense Act was passed and prior to Korea is being followed in the present plans of the Department of Labor, or are you doing your own planning? Are you doing anything with those plans?

SECRETARY TOBIN: Yes, we are. There is a policy that has been set up as the policy of the Government of the United States. We collaborated with the National Security Resources Board in building up that policy. All of the policy decisions that were made in the program are being put into effect in the Labor Department at the present time. Since that time Mr. Wilson has also set up a planning agency under Dr. Flemming, in which the Labor Department, the Office of Defense Mobilization, the Civil Service Commission, the Federal Security Agency, and Selective Service are all represented. They are constantly in the process of planning in the manpower situation.

Then, in addition, we have the National Labor-Management Committee, on which we have representatives of the major trade-unions and the two major business organizations--the United States Chamber of Commerce and the National Association of Manufacturers. So that there is constant planning from each end of the manpower situation. That is in implementation of the original policy declaration, which was made about six months ago.

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QUESTION: The real thing I wanted to get at there was the value of this NSRB planning that they had done in the past. Is Mr. Wilson's agency putting those plans into effect as they were two or three years ago? Or is he modifying them according to his own ideas?

SECRETARY TOBIN: No. To my knowledge there hasn't been a single change in the original policy as laid out by the NSRB. There are new problems arising. For example, one of the most pressing ones at the moment is the question of deferment. A decision has been made about that, but whether it is final or will be changed in the future it is hard to say. Those problems are constantly arising in the basic policy.

QUESTION: What is being done now in the way of training workers for defense production jobs, such as the training that we did in the last war of welders and so forth?

SECRETARY TOBIN: There is training of that character going on at the present time. They do some training on the job.

I might say that, of course, we have a very different picture today from what we had at that time. I have mentioned the critical list of occupations and professions that the Labor Department, in collaboration with other agencies of the Government, is building up. We are doing everything we can to encourage the use of properly qualified people in each particular field.

Then, in addition, we are attempting to break down the jobs. Where one highly skilled man would be able to do all the operations in a given job, we are breaking it down so that men with lesser skills can take separate parts of the job.

But a new training program is being developed. We cannot train workers too far in advance, because at a time like this we believe it doesn't pay to train a person until he has a definite assignment. We believe we should wait until each has a definite assignment and then as rapidly as possible train him for the given job. That is the only way we can avoid wasting time and training facilities that could be better utilized in training men for specific jobs on which they are going to work.

Then, of course, the number of people with skills is far greater than it was at the start of the last war. In addition to that, their skills are not so rusty as they were before. At the beginning of World War II, it had been a great many years since some of those skills had been used. Their skills are not rusty today; so they are ready to make the shift at once from civilian work to defense work and carry on with top efficiency.

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COMMENT: Mr. Secretary, World War II started with Pearl Harbor, which motivated a wave of patriotism in the country. Even so, the various plants had to increase their wage scales and upgrade their workers to get the new workers they needed in the plants and also to keep their competitors from getting all the labor that was available. At this time we don't have any wave of patriotism or any real cause for people to be motivated by patriotism such as we had in the last war. It seems to me that the only way we can attract people now is by letting the wage scale go up, which is contrary to what we are trying to do to control inflation. Have you any suggestion as to what we can do to make up for the lack of that patriotic motive that we had before?

SECRETARY TOBIN: I have been over the country a great deal, and I think you need have no worry about that. The American people hate communism with such intensity as to amount to a patriotic fervor such as they had in the last war. If we get into an all-out war, the American people will know we are engaged in a struggle with communism, and they will be most wholehearted in their cooperative spirit. I believe that we will have to hold the line against inflation; but I think if we can do that, we can attract the manpower without seriously breaching the wage stabilization formula.

QUESTION: If we were to look into the future and take a rather pessimistic view, to say that we are in an all-out war where the United States has been attacked rather heavily by atomic bombs and perhaps by other means, and maybe a defense plant has been knocked out in one state, while over in another state there would be another plant that has the machinery where those skilled workers could be used, and it could operate maybe three shifts a day and carry on the production; but say that these people in the first plant that has been bombed out don't choose to move over to the other state and work in that second plant. Do you think that in a case like that there would be need for national service legislation as a last ace in the hole?

SECRETARY TOBIN: No, I don't think so. I think we have as comfortable a situation now as we had when we made some of those great shifts of workers in the last war. We had tremendous movements of people from nonessential to defense plants in the last war. We moved them to many sites. We were always able to get the manpower we needed in all the places where it was necessary at that time.

We are getting the manpower that is necessary for the Atomic Energy plant in South Carolina. We are going to be able to build the housing and provide the services necessary for 100,000 people in that area. It is not expected that we will have any difficulty with them.

I could cite a great many other areas where I think that is true. I will particularly cite Arkansas. A major Naval defense plant is being erected there, which calls for between 15,000 and 18,000 people. It is

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probably 200 miles removed from Memphis and 200 miles removed from any large community in the state of Louisiana. Yet we expect no difficulty there.

I think that is probably the same kind of situation which you describe in the event that there should be a bombing out of plants. People in one locality will have to move to another. If one plant is bombed out and there is no employment in that place, the workers will be forced to seek employment in another place.

In the last war it was estimated that we moved 600,000 people from one community to another in that manner. I always had the idea that the number was more like one million. That proves to me that if there is no employment in one community and there is another community that needs workers, those in the first community will move to the second. They will move any place where there is work.

Then, too, you can allocate the materials to the plants where you need the production, give the materials only to those plants that are working on defense production, in order to get the workers in the non-defense plants to take work in war production.

COLONEL BARNES: In these manpower movements, Mr. Secretary, was any government subsidy used to transport the workers?

SECRETARY TOBIN: Yes.

COLONEL BARNES: You didn't require the workers to move at their own expense?

SECRETARY TOBIN: No. In many cases transportation was furnished.

COLONEL BARNES: By the Government or by industry?

SECRETARY TOBIN: It probably was furnished by industry, but indirectly by the Government on a contract basis.

QUESTION: It has been said that the Department of Agriculture's deferment program for small farms in the last war produced only a negligible amount of food and yet took from both the military and the labor force a million and a half able-bodied men. Do you have any way of determining farm productivity, and is that being considered in any way in the plans for a future all-out mobilization?

SECRETARY TOBIN: I am not familiar with that problem; so I really cannot answer your question. Do you have some authority for saying that there was manpower to the extent of 1.5 million wasted in negligible production on small farms in the last war?

QUESTIONER: Yes.

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SECRETARY TOBIN: Who was it? Who did say that? I have never heard anything about it.

I would be really surprised if that were so, because the Secretary of Agriculture is always complaining about not having enough people on the farms to maintain production. All the Congressmen from the farm states are contending that Selective Service is taking too many men from the farms, thus bleeding them of their essential manpower; that this is a tremendous problem for the Department of Agriculture. I would be very much interested in knowing if there is that hidden pool of 1.5 million on the small farms. I would like to make use of it.

COLONEL BARNES: Mr. Brannan is coming over here to speak to us on Monday. I suggest that you then ask that question of him.

SECRETARY TOBIN: I am going to see him in Denver tonight and I am going to raise that question.

QUESTION: In connection with your remarks comparing the British ability to get women into the labor force with our own efforts, I would like to ask, if it was ever necessary for Britain to furlough soldiers to go into the coal mines and do other heavy work during the war?

SECRETARY TOBIN: Yes. Britain had to furlough soldiers to the coal mines. We had to furlough mineral miners in order to get the mineral production that we needed in the last war. There were a few other fields in which we had to take men back out of the armed forces in certain skills and professions where they were in short supply. But the biggest single item was in the field of metal mines.

QUESTION: In the past, big business has had the method of increasing wages to attract labor. Is there anything you can do through indirect methods or supplemental methods to insure that small business will get its labor supply?

SECRETARY TOBIN: They would do it through about the same methods that I described before. If the Defense Production Administration fails to allocate materials to nondefense plants, people will automatically have to go from civilian production to defense production. In the event they do that, it will have the same effect on small business as on big business. Big business is not going to be able to attract workers by raising wages beyond the level that a given trade or scale would call for, because Wage Stabilization is going to control that situation. Both big business and small business will be treated the same.

I don't believe you need have any fear that big business is going to attract people by paying higher wages for comparable skills than small business will be able to pay. They are all going to be held down to the wage stabilization program unless you run into a situation like that which I described earlier, in which wages might be out of line in a given concern

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where they are paying less than the average of the country. In such cases it will be only natural for them to get authority to raise their level of wages so that it will be comparable with the wages earned by comparable skills in plants in other areas.

QUESTION: Mr. Secretary, in the last war we had people changing jobs just to get higher pay. How do you reconcile that patriotism that you speak of with this urge even during a war to get the highest possible pay?

SECRETARY TOBIN: I guess it is the way God makes human beings. They all have the desire for profit and the desire for individual advancement. But I think all of them will cooperate through the voluntary program that we are talking about. There may be some griping, but I think there will be the necessary support.

I think you will never drive completely out of men's minds the human desire for financial and monetary gain. But at the same time it is my feeling that there is likewise another tug at the heart and that is a patriotic one. By and large I think that the spirit of America in any possible struggle with communism will be as good as it ever was in any war that we were ever engaged in. I think that patriotism probably alleviates somewhat the plight of the country in time of war and lessens to a great extent the desire for financial gain that I have referred to. I think that we will get along pretty well.

People generally, by and large, accepted the controls in the last war. It wasn't until the war was over before people started in a wholesale manner to violate the OPA regulations. So I think that if we do get into a shooting war, we can count on the same spirit that we had in the last war.

COLONEL BARNES: Do you think, Mr. Secretary, that such feeling on the part of the general public is kind of a silent one, not organized, not being heard by the Congress as much as the organized and vocal opposition of interested minority groups which are bringing pressure to bear on the Congress at this crucial time in our defense production effort?

SECRETARY TOBIN: I agree with you. Probably one fine by-product of the great debate on the MacArthur incident was the realization on the part of Congress and on the part of the American people of the dangerous situation that our country is in at the present time. I hope that as a result of the information that comes out of these hearings the temper of Congress can be changed and that we are going to see more action and the enactment of some important laws. It has now been almost five months since we had any action. I think many people are going to give Congress information that will help impress upon them the importance of all-out patriotic cooperation in the present situation.

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But every effort that can be made to more strongly impress the American people should be made. I feel that there isn't any organized program that could do a better job than has been done by these hearings. As sorry as I am that these hearings have given information to Russia, there is one asset coming out of them, I think, and that is the building up of a greater understanding on the part of the people and a greater understanding on the part of Congress.

I think I can say that 95 percent of the American trade-unions are firm believers in productivity. There may be 5 percent of the trade-unions that do not believe in cooperating along the lines of increasing productivity. By and large great progress has been made. The Labor Department is constantly carrying on an educational campaign pointing out to American labor that the only means by which its people can improve their standard of living is by increasing productivity. For example, we are planning on making available to them information about the American worker's living standard as compared with that of the workers in other countries of the world; and, of course, as you all know, we explain to them why ours is high and theirs is low.

Apart from Australia, which is very close to our standard of living, Canada comes second; and then the other countries of the world are far behind. That is attributable to only one thing and that is greater productivity per man in this country than in any other country in the world. I think that 95 percent of the American workers are firm believers in that. Their unions are selling them on the idea that the reason their wages are high and their standard of living is high is due to their high productivity.

Now, coming back to the question of the waste of materials in housing, the Defense Production Administration has the power to handle those situations. They can allocate materials. They can compel the use of substitutes. They can take certain materials out of housing and compel the use of substitutes. Then the American ingenuity will come up with some kind of substitute, as was done in the last war. I was at a meeting of the Defense Mobilization Board this morning at which this very question of conserving materials that are being wasted in housing was mentioned as a way of increasing the supply of materials that are in short supply.

So I think that conservation of material is being dealt with. There is a tremendous educational program being conducted by the Department of Labor to show the American workers that good productivity is the reason for the high standard of living. And that is agreed to by 95 percent of the organized trade-unions in the country.

COLONEL BARNES: I have asked the Secretary how the figure of 70 million workers that he had stated would be needed for our defense production would compare with what we would need in an all-out mobilization. He gave a very interesting reply, which I think you would be interested in.

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SECRETARY TOBIN: Well, the way you would approach that would be to determine first the maximum working force that you could produce. That would include both the armed forces and your production workers. We figured that the maximum we could produce would be 70 million. Then the number that we could get to produce would depend upon the size of the armed forces. You would take the total available manpower of the country and allocate a certain number to the armed forces and a certain number to civilian production. If you allocated 10 million to the armed forces, you would have 60 million for production; if you allocated 12 million for the armed forces, that would leave 58 million for production; and if you allocated 14 million to the armed forces, that would leave 56 million for production.

Now, the President is going to have to make that decision as to where the dividing line is as to the maximum number that we can put into the armed forces and at the same time produce the things that are necessary to maintain the armed forces at maximum efficiency and at the same time produce the materials that are essential for the civilian economy.

In the event of an all-out war I can assure you that we are not going to be able to maintain our present civilian economy and also maintain our armed forces at the strength necessary to win the great struggle. I might point out that in the last war 45 percent of our total economy went toward the military effort. We are probably running around 10 percent now. I think that in a year or 18 months we will probably be running at 18 percent of the total economy. Mr. Wilson says that it is his opinion that we can maintain a high civilian living standard and spend 18 to 20 percent of the total economy for the armed forces.

That comes back to the original question of what is the maximum number that we can raise in the way of manpower. We think that it is 70 million. The number of producers will depend upon the percentage that goes into the armed forces.

COLONEL BARNES: Mr. Secretary, I am afraid we will have to stop now if we are to let you get back when we promised. On behalf of all of us I thank you for your very frank and fine discussion that you have given us, which I am sure will be very helpful. Thank you very much.

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