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ROLE OF THE DEPARTMENT OF LABOR IN ECONOMIC MOBILIZATION

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19 May 1952

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Mr. Robert C. Goodwin, Executive Director, Defense Manpower Administration, was born in Payette, Idaho, on 8 June 1906. He received his B.S. degree from Whitman College, Walla Walla, Washington, in 1929 and attended the University of Cincinnati the following year. He then became supervisor, Cincinnati Public Employment Service, and director, Cincinnati and Hamilton (Ohio) County Work Relief Program. In 1935 he was named director of welfare for Cincinnati and Hamilton County. In 1939 he was named regional director of the Social Security Board, Cleveland. In 1942 he was appointed regional director of the War Manpower Commission, Cleveland. In 1945 he became executive director, War Manpower Commission, Washington, D. C. Later in 1945 he became director of the United States Employment Service, U. S. Department of Labor. He has been director of the Bureau of Employment Security, which is now in the U. S. Department of Labor since 1948. Mr. Goodwin was appointed Executive Director, Defense Manpower Administration in the U. S. Department of Labor in October 1950.

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CAPTAIN HAYES: This is to be the third in a series of lectures covering the various executive departments of the Government which have a major role in economic mobilization. This morning we will hear from a representative of the Department of Labor. To us the Department of Labor means primarily the first and foremost of the three M's in mobilization, that is, manpower.

Our speaker, Mr. Robert C. Goodwin, has four hats, so to speak, in the Department of Labor; he is going to wear all four of them this morning. He has been involved in civilian manpower problems all of his professional life, in both peace and war. Today he holds a top job in the defense mobilization organization, that of Executive Director of the Defense Manpower Administration. From position and experience he is most qualified to give us the over-all picture of our country's manpower situation.

He has another qualification for addressing this audience, a military one. He holds a commission issued by the Governor of Mississippi in the Confederate Air Force. Mr. Goodwin, we are grateful for what you have done for this college in continuous service. It is a pleasure to introduce you to this class. Mr. Goodwin.

MR. GOODWIN: General Holman, Captain Hayes: Thank you very much for your introduction.

I am very glad to have this opportunity to be with you again this year. I sincerely appreciate the opportunity which General Vanaman has again provided me to meet with the students of the Industrial College of the Armed Forces. The growth of the Industrial College since its establishment in 1924 is highly significant and reflects increasing awareness that in modern mobilization industry, labor, the civil government, and the armed forces must be closely linked in an effective partnership. In my opinion the need for such partnership is far better understood today than ever before, and practical steps are being taken to build a sound structure of cooperation upon the basis of our World War II experience. Such cooperation may not be so dramatic as war planes or atom bombs but it is equally essential to our national security and survival. In this vital area of improved understanding and integrated effort, the Industrial College of the Armed Forces is making a highly important contribution.

The Department of Labor has been designated by the President as the operating manpower agency for civilian manpower in the defense

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program. To understand how the Department discharges its responsibilities, however, it is necessary that we examine briefly the Government's over-all organization for manpower administration.

The National Security Act of 1947 created the National Security Council to advise the President on all top policy problems relating to our national security. It also provided for the National Security Resources Board to advise the President on matters of defense mobilization. These two agencies function as staff arms for the President in helping him reach decisions on major issues involving our national security, including basic manpower policies relating to the armed forces and to civilian manpower.

From 1947 to 1950 the Department of Labor worked with these two agencies in the formulation of national policies and carried out the Government's normal peacetime manpower activities.

In December 1950 the President created the Office of Defense Mobilization and made its director responsible for all mobilization activities carried on by the Federal Government, including manpower for defense. Concurrently, the President decided that, to the extent existing government departments and agencies were equipped to do so, defense mobilization functions would be performed by them. As a result the formulation of over-all civilian manpower policies is vested in the Office of Defense Mobilization and the operating programs by which these policies are implemented are the responsibility of the Department of Labor.

As has already been noted, the armed forces constitute one of the principal demands for manpower. Consequently, the functions of the Department of Defense and the Selective Service System must be regarded as a significant aspect of over-all manpower administration. The determination of the size and composition of the armed forces and the manner in which those requirements are met have an important bearing on civilian manpower resources and requirements. The Defense Department is responsible for recommending to the President the size and character of the armed forces, based upon strategic plans, and for the establishment of general standards of military manpower administration. It also determines general policies in respect to call-up of members of the Reserve components and submits requirements for the additional men needed through the Selective Service System.

The primary role of the Selective Service System is to meet the requirements of the armed forces by the induction of men meeting the mental and physical specifications established by the armed forces. While the armed forces must be provided with the manpower they need, indiscriminate induction of scientists, engineers, and skilled workers could disrupt the activities which directly support our military

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strength. Induction policies of the Selective Service System therefore have far-reaching implications for civilian manpower to meet defense needs.

A word should be said also about the concern of production and procurement agencies with manpower problems. Obviously, if production is to be delivered on time, it must be scheduled within the limits of what is possible in terms of production facilities, materials, and manpower. Moreover, the manner in which procurement is distributed across the country determines, in large part, the degree to which maximum utilization of available manpower can be achieved. Likewise, housing, community facilities, and related matters must be taken into account, for they condition the extent to which manpower can be most effectively used for defense production. Consequently, agencies concerned with those functions also have direct responsibilities related to manpower administration.

The sum of these observations can be quickly stated. In order to effectively utilize our manpower resources, the Government recognizes that all manpower policies and programs must be formulated and carried out within the context of an over-all plan for meeting both military and civilian requirements and that production, procurement, housing, and community facilities must to a certain extent be geared to serve the needs of manpower administration.

To achieve this object, the Office of Defense Mobilization has established under the chairmanship of Dr. Arthur S. Flemming, an Inter-agency Manpower Policy Committee on which the principal agencies concerned with manpower, procurement, and production are represented. It is the responsibility of this committee to reconcile the various manpower requirements and recommend to the Director of Defense Mobilization appropriate national manpower policies. The Administrator of the Department of Labor's Defense Manpower Administration is a member of this committee.

Another major principle of civilian manpower administration is collaboration with labor and management in the development of manpower policies and progress. Consequently, there has been established a National Labor Management Manpower Policy Committee which is jointly chaired by Dr. Flemming of the Office of Defense Mobilization and by the Administrator of the Department of Labor's Defense Manpower Administration. All major policy questions are presented to this committee and its recommendations are also submitted to the Director of Defense Mobilization for his consideration in determining national manpower policies.

It is within this general organizational structure that the Department of Labor participates in the formulation of national policy and develops and carries out the necessary programs to give effect to those policies.

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Upon designation of the Department of Labor as the operating manpower agency, Secretary Tobin recognized the need for an organization to coordinate and direct all the manpower functions of the Department. Accordingly, he created the Defense Manpower Administration. The primary role of the Defense Manpower Administration is to see that all manpower functions of the Department of Labor are brought to bear in an integrated and orderly way upon the development and execution of manpower programs. The Defense Manpower Administration also coordinates all manpower activities of the Department with the Manpower Policy Committee, with the National Labor-Management Committee, and with other agencies concerned either directly or indirectly with manpower functions.

I have indicated the general organization of the Labor Department for doing the operating manpower job in collaboration with other agencies having mobilization functions. Next I should like to outline the defense manpower problems which we foresee in the next 12 to 18 months; to tell you something of the measures we are taking to prevent or relieve these problems.

During the next year it is expected: (1) That the present mobilization program will proceed according to present schedule and that even cessation of hostilities in Korea, should that occur, will not result in any significant change in either the size of the present defense program or in its scheduled timing and (2) that easier supplies of materials and rising consumer income will result in increased civilian production at above current levels.

During the next year the Government will, therefore, continue to move toward the three goals of partial mobilization announced when the program was begun. These are:

1. Building up the armed forces to a level of approximately 3.7 million men.
2. Production and procurement of material sufficient to equip the armed forces, to assist our allies in building armed strength, and to develop a reserve stock of key equipment sufficient to meet the needs of the first year of an all-out war.
3. Building up the basic industrial capacity necessary to support either (a) the demands of an all-out war plus minimum civilian requirements or (b) the continuing needs of partial mobilization simultaneously with high-level civilian output.

Each of these phases of the current defense program has a different time schedule and progress towards established goals has differed. By the end of fiscal year 1953, however, the expansion phase of all three should be finished and a high-level plateau reached.

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The armed forces have already nearly reached their desired levels of strength and during fiscal year 1953 will expand only slightly. Major emphasis will, therefore, be upon training, building up of trained Reserves, and a gradual growth in the strength of the Air Force.

Although there will be relatively small net demand for men for the armed forces, there will be large-scale movement of men into the armed forces replacing those released to civilian life.

Defense production and employment have expanded enormously since the defense program was first initiated. The number of workers directly or indirectly engaged in defense production has risen from 2 million just before the Korean outbreak to almost 6 million at present. It is expected that the required level of 8 million defense workers will be reached by about the middle of 1953.

Employment in consumer durable goods during the latter part of 1952 and in 1953 is expected to be generally somewhat higher than current employment. While metals will be available during the early months of the period in greater supply than they were for the first and second quarters of 1952, restrictions on civilian use will probably operate to hold down production and employment during the first quarter. Thereafter, supplies should be even easier and an increasing measure of recovery may be anticipated, permitting an employment expansion in those consumer durable goods which have been cut back.

Consumer soft goods employment is expected to recover to some extent from present levels and to maintain levels above those of fiscal year 1952 as inventories are replenished and consumer purchases increase as a result of defense spending. Such a recovery, however, is not expected to be a return to the peak levels immediately preceding the slump.

The availability of more structural steel, as industrial expansion tapers off to meet the strong demand for residential construction, is expected to result in levels of construction activity only slightly below those of fiscal year 1952.

Supplies of agricultural labor and employment in agriculture are expected to decline steadily over the next year. Despite crop goals, amounting to a 6 percent increase in total farm output over last year, the competition of nonagricultural establishments for workers is expected to push farm employment downward. Increased mechanization and more intensive use of available labor supplies will take up part of the slack, but shortages of seasonal workers will develop. Special difficulties which will require intensified recruitment of migrant workers and community mobilization programs will be encountered in some areas.

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The effect of these economic and production factors will be an expansion of total employment by an estimated 2.3 million by July 1953. Unemployment can be reduced only slightly from its current low levels, with the result that not more than a net of 300,000 workers is likely to be found from this source. Most of the expansion must come as the result of labor force growth.

Since the normal net growth of the labor force is estimated at approximately 700,000 to 800,000 a year, about 1.2 million "extra" workers must be recruited from those not now in the labor force, particularly women and older men.

Although it is expected that unemployment levels nationally will be small, unemployment will be a serious problem in a number of local labor market areas. Currently, unemployment has reached serious proportions in three types of local areas: (1) textile and other soft goods centers, (2) coal mining areas, and (3) centers of civilian hard goods production affected by metal cutbacks, particularly automobile centers.

During the next year it is likely that unemployment problems in centers of consumer hard goods production will be largely eliminated by the easing of metal supplies. The "recovery" in depressed consumer soft goods industries will ease but may not wholly solve the unemployment problems of areas producing textiles, boots and shoes, and apparel.

The foregoing summary of economic and labor market conditions for the year ahead only suggests the broad context in which specific manpower problems will develop. Although no manpower problems of crisis proportions are expected to develop in the immediate future, there will be a number which warrant serious concern and effective action. The necessity of being prepared at any time to move to full mobilization makes it imperative that short-term problems be solved promptly and that a sound base be laid for dealing with long-term manpower problems.

The problem of recruiting and placing the 1.2 million "extra" workers needed will be a sizable problem in itself. At the same time about 1.7 million new workers will be entering the labor market for the first time and nearly a million veterans will be separated from the armed forces. To meet our manpower goals, therefore, it is necessary that almost 4 million workers find the jobs or training which will best serve their own needs and that of the defense program. This means that there is a tremendous problem of matching skills with jobs available, at the right times and in the right places.

The Labor Department responsibility for dealing with this problem is shared with the Federal-State system of public employment offices.

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Although good national manpower policies and programs are highly important, the solutions to practically all manpower problems must be found where they actually occur--in the thousands of communities across the country. National policies and programs only clear the way for local community leaders, labor and management, Federal, State, and local agencies to identify and solve the manpower problems peculiar to their own communities. Manpower is made up of people, and therefore demands, perhaps more than any other mobilization function, the development of local responsibility, leadership, and resourcefulness. In other words we know that the center of manpower administration is and must remain in the plants, union halls, and public employment offices--in the planning and action of responsible agencies and community groups throughout the United States.

In carrying out the local manpower program, the area manpower director is the key figure, assisted and supported by his Labor-Management Committee.

The local employment service office is the operating manpower agency within each of the 1,800 communities where they are located. While they cannot do the whole manpower job, they provide manpower information, placement, and services to assist employers and workers to make more intelligent employment decisions. Their operations provide a base upon which appropriate related programs of defense training, housing, and community facilities may be planned and carried out. They develop manpower facts which serve as a guide to production and procurement agencies in the location of new facilities and in the distribution of defense contracts.

A second major problem is that of reducing area labor shortages and area concentrations of unemployment by proper distribution of production facilities, defense contracts and by materials allocations. Although this is a problem of primary concern to production and procurement agencies, the Labor Department shares the responsibility for solving it. As you probably know, under OIM Orders Nos. 1 and 4, the Labor Department provides information on labor shortage and surplus areas to guide government agencies and private industry in locating facilities or placing contracts and subcontracts. Both in Washington and in the field, this function is being given great emphasis and substantial progress is being made. Realizing, however, that government actions can never be more than a fraction of the solution to the balancing of manpower requirements across the country, we are stepping up our program for assisting local communities in doing a better job of community employment planning. The solution to the problem of taking work to the worker is of course highly important in making maximum use of our manpower resources. Properly done, however, it is of value from the standpoint of security and general economic strength as well.

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A third major problem is that of relieving manpower shortages in critical occupations through programs of training, upgrading, and job breakdown. As you know there are now 63 occupations on the list of "critical occupations" prepared by the Department of Labor. This means that there is not an adequate supply of workers having these skills even for the present level of mobilization. In full mobilization the situation would be much worse.

In terms of occupation, the national shortage of engineering and scientific personnel is the most difficult manpower problem we have. The translation of scientific knowledge into engineering applications for the defense program and for civilian needs represents one requirement. A collateral demand for scientists comes from the need constantly to increase our knowledge of fundamental natural principles. It is imperative that we keep our lead over the Soviets in scientific fields.

At the same time, for the near term our supply is known and limited. Scientists to be added to the labor force between now and 1956 are now pursuing training at the college level. We cannot increase the supply soon. To achieve the greatest good from our present and prospective supply of scientists requires constantly improving utilization of scientists at their highest capacity and in the activities most crucial to our national security.

Key skills identified as critical are being given major emphasis in the Department of Labor in the promotion and development of training programs. Primary emphasis is being placed upon getting management to assume responsibility for training. However, assistance is being provided employers in evaluating training problems, in devising training organizations, and in executing training programs suited to their individual needs. Assistance is also being provided in developing off-the-job training programs for scientific, technical, managerial, and highly skilled occupations through the use of college and technical school facilities and apprenticeship agencies.

Continuing studies are being made as a basis for advising on deferment of college students and apprentices and upon recall to active duty of Reserves having critical skills.

Increased emphasis is being given to studies of occupational manpower requirements and resources in all critical occupations, as a basis for planning and programming, and for stimulating the entrance of more potentially qualified workers into critical occupations.

The problem of farm manpower for meeting increased crop goals will be especially difficult to solve this year.

We entered the spring of 1952 planting with the domestic farm labor supply diminished by 335,000 workers from the levels of a year ago.

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Because of developing industrial opportunities, as many as 200,000 workers may shift from farm to factory or uniform in 1952. During 1952 we supplemented our domestic farm labor supply with about 190,000 Mexicans, brought to this country under an international agreement between the Mexican Government and our own. We used 13,000 Puerto Rican workers, who are American citizens, and several thousand British West Indies workers as well.

While we will need some foreign workers in agriculture in 1952, this year there will be carried out an even more intensive program in this country by the Department of Labor in cooperation with the Department of Agriculture to mobilize to the maximum underutilized farm workers. We need these "underemployed" farm hands for employment in highly productive farm areas where demand exceeds locally available labor. Every effort will be made to maximize the employment opportunities for American citizens and cut the need for the use of foreign nationals to the irreducible minimum.

We are also confronted by the problem of reversing the upward trend of industrial accidents which has developed since initiation of the defense mobilization program.

In cooperation with labor, management, and with other Federal and State agencies, the Labor Department is conducting intensive programs in the field of industrial safety and health to prevent injuries and deaths which annually result in the loss of nearly 40 million productive man-days. Our continuing program for the collection and publication of accident frequency and severity data, by industry, provides the statistical basis for the improvement of all industrial safety programs.

These, of course, are by no means all the manpower problems which confront the defense program. They are indicative, however, of some of the most important and of the manner in which the Department of Labor moves to solve them.

There is one further manpower problem which I would like to mention and which is of vital importance for both military and industrial mobilization.

Passage of the Universal Military Training and Service Act of 1951 effected a basic change in our national policy with respect to meeting military manpower requirements.

Prior to UMTS, our national policy was to maintain relatively small military Reserves and to meet military manpower requirements primarily through the Selective Service System. With the enactment of UMTS, the national policy was changed to that of maintaining very large military Reserves to be called up by the military services.

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Members of the military Reserves will have dual characteristics: They will possess both military and industrial skills. Both types of skills may be urgently required simultaneously by the armed forces and by essential industrial activities. How these requirements are reconciled will vitally affect our national strength at a time in which maximum strength may be essential to our survival.

The problem, therefore, is to develop and apply a set of principles with respect to the call-up of Reserves which will meet military manpower requirements with the least necessary disruption to supporting industrial and research activities.

I know this problem is one of major concern to you as officers of the armed forces and I think you will agree with me that it is important that we find a satisfactory answer. It is our desire to work with the Department of Defense and with the Departments of the Army, Navy, and Air Force in solving this vital problem. Unless we develop an adequate solution now, in the event of war this problem might well prove to be the Nation's number one manpower headache.

In conclusion let me express my thanks again to General Vanaman and to you gentlemen for the privilege of discussing with you some of our common problems. Modern war has taught us some hard lessons. One is that we must draw the shortest possible line from laboratory to factory to battlefield.

Another and equally important lesson is that this line is shortest when labor, management, the civil government, and the armed forces play on the same team in a spirit of cooperative effort. One strategic plan that can never go wrong is the plan to develop effective and willing collaboration of all members of our national team. Learning how to develop and work that plan is one important opportunity you have here at the Industrial College. I am sure you will make the most of it.

Thank you very much.

COLONEL BARNES: Mr. Goodwin is ready for your questions, gentlemen.

QUESTION: You mentioned an addition to the labor force in this next year of about a million people from the armed forces. Is there any direct liaison between the Labor Department or any action with the discharge activities of the service people to try to channel these people getting out of the service into the trouble labor areas you mentioned?

MR. GOODWIN: That's a very good question; that is an area in which some additional work needs to be done. We had it up for staff discussion within the last two weeks. We have had discussions with the services in the past. We are now furnishing, for distribution to those being demobilized, pamphlets that are used primarily for the purpose of letting

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those fellows know what the resources are. We don't think what we are doing now is adequate. We are interested now in trying to work out something that will be more adequate for those discharged from the services. Our World War II experience indicated that we can't get the attention of a large percentage of those fellows at the demobilization center. We can't go very far by way of helping them with employment problems until they get back to the local communities where they expect to stay. So that I think the problem may very well be trying to locate those that can be helped at the center and making sure that the others have the information on where to go when they get back home.

QUESTION: During World War II, there were 12,600 conscientious objectors that worked for public services and there were 6,500 that spent an average of 30 months in jail. It appears that the churches today condone conscientious objectors. Do you, in your Policy Board, consider problems like that?

MR. GOODWIN: This Manpower Policy Committee that I referred to, the Interdepartmental Committee that is chaired by Dr. Flemming, has considered just this very problem in terms of legislation before the Congress. I am not sure what the present status of it is, but there were some rather radical changes from World War II in the method of handling the problem. I would say that in the Manpower Policy Committee the prevailing view was that conscientious objectors ought to be used in some kind of work to the maximum extent possible. There was a considerable difference of opinion on what the policy on pay should be. There was some feeling that they should not be paid at all; others felt that they should be paid a subsistence allowance; others felt they ought to be paid on a scale commensurate with the armed services scale. There was a small amount of sentiment, as I recall it, in favor of paying the prevailing rate.

The specific problem is one for Selective Service, as you know, and I am inclined to feel that it has done a very good job in administering that one.

QUESTION: Would you discuss the effect of unemployment compensation and loss of seniority in unions as a deterrent to the shifting of people from their present employment to defense employment?

MR. GOODWIN: I don't know whether you intended to include some of the other things that hold people in jobs or not, such things as retirement plans and that sort of thing. We have been very much interested in that subject. We have felt that the mobility of the labor force has been reduced somewhat from what it has been in the past, specifically the mobility that we had in World War II which was a high degree of mobility.

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The unemployment insurance program should not be a deterrent to moving from area to area. It very definitely is a deterrent, I think, in moving from one industry to another, principally where there is a substantial wage differential. Most of the states have adopted a principle of requiring that the work offered must be comparable to prior jobs before the worker is definitely required to take it, as a condition to receiving his unemployment insurance grant. That means that the man can draw unemployment insurance if he is a factory worker, rather than take farm employment--employment where he might be required to move and also take a smaller wage. We had unemployment insurance in World War II; that experience did not indicate that it was a deterrent to the kind of movement that we were interested in having.

We have made some studies of pension plans and other programs connected with the job that might tend to reduce labor mobility. We have not finished those studies and we have not drawn any final conclusions as yet. Our general feeling is that most of this migration that takes place, or a good part of it, is not needed, and that to the maximum extent possible we should follow a policy of taking the work to the worker, recognizing completely, however, that it cannot be carried out 100 percent, and that some mobility is desirable. The type of movement that we had in World War II in large part was very disrupting. We know definitely that, where most of the workers have to be moved in, the efficiency of the plant is definitely lowered. The workers are apt to be concerned with community facilities, problems of schools, and housing. With those things worrying them in their private lives, they are not the most productive workers. So, one of the things we have been attempting to do in the development of policy for this emergency is to cut down as much of that movement as we can.

COMMENT: You didn't answer the second part of my question, which had to do with the loss of seniority by shifting from one factory to another. We have had a lot of unemployment in Detroit, but we have seen lots of items in the newspapers asking them to come to work out there. They principally involved some shifts from Chrysler, where they are cutting down on automobiles. Suppose a man moves to another factory there. He loses seniority on the job. How about the problem of overcoming that development?

MR. GOODWIN: Yes; I am sorry. I got tied up in the others and forgot it. We have adopted a policy on the protection of job rights in the national Labor-Management Committee. The policy states that the problem should be worked out on a local basis, along the same lines as it was in World War II. During that time, it applied principally to the automobile industry. It has been the feeling of the committee and, I think, of the parties involved, in other words, labor and management, that the manpower problem has not been acute enough to warrant the development of a specific program in Detroit or elsewhere. We recognize that there has been something of a problem in transfers, but

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up until now it has not been a large problem; no specific implementation of this policy I referred to has taken place. If it should develop into a larger problem later, we would push actively for the development of a specific plan in areas where needed.

QUESTION: Don't you think, sir, that this dispersal plan, industrial dispersal, could be carried a little bit too far? For instance, some of us last week were in Pittsburgh. Most of those plants are in their own deep valley there, beautifully protected and, as I understand it, they pull from a radius of 50 to 75 miles around Pittsburgh for their labor. We went through plant after plant; there was a great potential capacity in a lot of those plants. They can take on a lot more work than they are doing, yet we are building ever so many plants around the country to disperse industry that they have capacity right there to take on right now.

MR. GOODWIN: I think in general the policy of developing these additional facilities has been good. I think there is a real question whether we will need the total capacity if we do get into an all-out war, but we are going to have by this process many plants that are much more efficient than we would have otherwise. I think we will be able to produce a lot more by having them.

Now as to the specifications of the policy on dispersal, where they should be located for security reasons, that is a field I frankly don't know anything about.

QUESTION: Mr. Goodwin, has much or any thought been given to the situation that would result if there was an extensive continued attack on the United States homeland, for which you have no World War II precedent, possibly national conscription, and that sort of thing? Has anybody done any work in that area?

MR. GOODWIN: There has been a lot of work done in that area. We have been putting the emphasis on the other way. We have been putting the emphasis upon the voluntary method of getting the manpower job done; we have been doing it because we feel that this is really the way to get the best results, taking the program as a whole.

We feel that the experience of Great Britain backs that up. It is true that the British did have a law which put some teeth into their manpower program; but when the going got tough in the coal mines, which is the outstanding example, I think, it didn't produce the results; and most of the job which they got done in the field of manpower was not through the use of controls but through an intelligent application of their manpower program, based upon some understanding and knowledge of what motivates people.

Even if you conclude that we might eventually have to come to some kind of national service, it seems to me that what we ought to be doing

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in a period like this is not looking in that direction but looking in the direction of: What do we need to do to better understand what motivates people and how we can get them to do the additional thing. That is the difference between requiring a person to do something by law and getting him to do it because he wants to. You get the additional result, the additional effort, if you get the person's cooperation. Now, you always have a few who don't know how to cooperate, you always have a few who will cause you trouble under any circumstances. If the going gets tough enough we may have to deal with them. But it is not where I would put the emphasis.

QUESTION: Sir, we are operating at practically full employment now. Suppose we went into all-out war in the near future and wanted about 8 million men for the armed forces. Where would they come from?

MR. GOODWIN: Well, the labor force is capable of some additional expansion. The largest group there would be women. However, I think if we were to get into an all-out struggle now, most of the expansion in the armed forces would come from eliminating certain types of industrial activity, the less essential activities which were eliminated in World War II. There have been no restrictions to amount to anything in that area during the current emergency. There have been a few restrictions brought on by scarce metals within the last year; but, compared with the cutbacks of those areas, we had in World War II, it has not been much. That is where the biggest group would be found.

QUESTION: Do you have those areas already planned, mapped out?

MR. GOODWIN: Yes, pretty well. We have machinery for it. Of course, the situation in an all-out war changes very rapidly. So the machinery by which you keep up with those changes is important. We have in collaboration with the Department of Commerce a committee that works on both the occupational and the industrial phases of the problem. It is pretty well covered, I think.

QUESTION: What plans do you have for meeting such contingencies as we met in World War II in the mining industry, where the armed forces took a lot of miners, and then they tried to release the soldiers for work, and apparently the wage rates were not compatible to other industries, so the mining industry was suffering for lack of labor? There were other industries, too. We had a terrible time making heavy presses because we didn't have skilled labor. What plans are there for meeting those types of situations?

MR. GOODWIN: Well, this time we are getting an intelligent application of the Selective Service. I think that was part of the problem in World War II. Many of those fellows should not have gone into the armed forces. We took them in and in a matter of months furloughed them back to the mining industry. That program did not work out

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too well. We are having some difficulty right now in the copper mines, particularly, and we are working out specialized recruitment programs to recruit additional people. I am not sure whether any adjustment of the wage situation is going to be involved or not. We have worked out a policy with the Wage Stabilization Board designed to meet the problem if it arises.

It is possible under the policy now to make an adjustment of wages for manpower reasons. We wrote it to apply only on a rare and unusual basis, because we were afraid it might be abused. I think so far we have used it in less than a half-dozen cases. It can be used if the wage rate is a bottleneck to recruitment. I didn't understand the point you made on skill.

COMMENT: Well, we made a visit the other day to a foundry and they complained that in this country we don't have the skills for making huge castings, which in turn are the bases for machines like heavy presses; they have to go to foreign countries to pick up the information. They claim that the wage system is not adequate to build up that kind of skilled labor force for that activity. I was wondering whether those things had come to your attention.

MR. GOODWIN: That particular one has not. I knew that they had gone to Europe, I think, specifically, to Germany on some unusually large castings. I forget in what connection they were being brought in, but it includes some big presses for the Air Force, I believe. I had thought the problem was one of facilities and not manpower. In other words if the facilities are there, the job could be done quicker and cheaper. I really don't know all the details about it; I am sorry.

QUESTION: Sir, has your organization considered or made any recommendation relative to increasing in-migration quotas on a selective basis into this country?

MR. GOODWIN: We made recommendations on the displaced persons program, which would in effect bring in an additional number, and we have always been on the side of an occupational selection of the group. We didn't make our point too well on the occupational part of it. The various religious groups were very much interested in that law and, they did not want the occupational consideration to be a primary concern in the selection.

Under the present in-migration laws, we can bring people in for highly skilled occupations. We can bring in foreign workers in addition to the quotas for highly skilled occupations if we can demonstrate that there is no American labor available. That is used only in extremely rare situations, where there are most unusual occupational requirements.

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QUESTION: Sir, it seems that when it comes to wages that the viewpoints of labor and management are so diverse that mediation is the usual result. In your manpower policy do you have salary considerations enter into it so you cannot get concurrence between the labor representatives and the management representatives, or would you feel on manpower policies they can pretty well concur on a major policy?

MR. GOODWIN: First, I should say that wage policies are not within the jurisdiction of my organization and are not within the jurisdiction of Dr. Fleming's Labor-Management Committee. We get into them by the back door in some cases. On this stabilization program I mentioned earlier, we get into them. We are concerned with the wage policies because they do very greatly affect the manpower situation.

As you probably know, one of the most difficult problems we have had to deal with in the past year has been manpower in the machine-tool industry. The machine-tool industry has some of its most important plants in low-wage areas. Some of those areas have had a big expansion of other types of industry within the last year or so and some of them have come in with higher rates of pay. We have a cooperative program with the Wage Stabilization Board, trying to solve this wage problem.

QUESTION: Mr. Goodwin, in the importing of Mexican seasonal labor, aren't we creating a state of unrest or dissatisfaction in the minds of the individuals? It is not at all uncommon now to find 8 or 10 every morning down in Julia Vista under the linden trees. Isn't there a tendency for them to be dissatisfied with their own fate and want to come back?

MR. GOODWIN: I think there is no question that bringing them in has aggravated the problem of illegal entry, particularly in the northern sections of the country. We didn't have the problem to deal with before they were brought in. The Immigration Service representatives made a check a few months ago in Detroit and Chicago and they were amazed at the numbers they found in those cities. Quite a few of them were Mexicans. They had been brought in during World War II and had learned enough of the language, and had learned their way about, so they were able to come back into the States and stay for a considerable period of time. There is no question but that this Mexican program presents some difficult problems, including social problems, for both us and Mexico, but I don't know any alternative to it now. We are losing our farm population more rapidly than our technological developments can keep up with the problem, and for certain types of work, particularly, we just have to have this farm labor.

We are interested in keeping it down to a minimum; but, if anyone can tell me where we can recruit several hundred thousand workers for the cotton harvest and the vegetable harvest in Imperial Valley, and a

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few other areas, I will be glad to stop this program right away and I will have a lot of support in doing so. We really must have some Mexican labor now or we are not going to get our crops harvested.

QUESTION: How successful have you been in getting your state employment agencies to implement the policies as developed here in Washington?

MR. GOODWIN: I think it has worked out quite well. I think all of you know our employment-service system in this country is a Federal-State program, and actually the states are responsible for the operation of the program within the state, and the administrative costs of it are 100 percent a Federal responsibility. The Federal Government has the responsibility for the development of policies and rules and regulations which the states are required to follow.

At the outset of Korea, we considered the question as to whether or not we should recommend the federalization of the employment-service system. It had been federalized in World War II. Our conclusion was that we should not do it. It would have started a big political fight, for one thing; but we felt if we handled it intelligently, we probably could get as good or better results without attempting to federalize it.

We called the state administrators in and put it up to them on the basis that in a period of national defense the employment service had to operate in effect as a straight-line organization from the Federal Government down. We asked for assurance from the state administrators that they would in effect operate on that basis. They gave it their careful consideration and that resulted in their giving to the Department of Labor, in a formal manner, assurances that they would operate as a direct-line organization. In other words they would take orders on specific items, which the basic employment service law does not contemplate. I can report that they have faithfully carried out that commitment and I think most of our problems have been met.

COLONEL BARNES: I would like to ask a question while I am not recognizing a hand. Mr. Goodwin, I noted you stated that the government policy is that of bringing the work to the worker. If there should arise a situation where the reverse had to be considered, particularly in all-out war, that is, a plant area has to be filled out with new workers in an area where you simply can't get them, has the Government any plans under consideration for actually transporting a group of people and paying for their migration into this new area from an area where there was a surplus? Has it ever been done? If the situation arose in World War II, where has it been done?

MR. GOODWIN: In World War II the Department of Agriculture was handling the agricultural employment problem. It had authority to pay

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the transportation of workers, both foreign and domestic. That was used very sparingly so far as the domestic workers were concerned. On the industrial front there was a great deal of subsidizing of the movement of workers by industry and the Government paid for it, I assume, in one way or another.

We rather favor the continuation of that method, rather than a direct government payment, because there is no way, it seems to me, of stopping short of paying everyone's transportation.

I know other countries have had a form of direct subsidy on transportation; we may have to come to it. If so, we are familiar with the problem. We have studied it; I think we will be prepared to make recommendations on it when the problem has developed to a point where we have to deal with it.

QUESTION: Mr. Goodwin, you mentioned several problems which you recognize as being potential ones that will have to be solved some time in the future. Likewise is the problem of engineers and scientific personnel. However, I think that problem differs from some of the others to the extent that the lead time is quite different. I was wondering who today is actually facing up to the scientific and engineering student problem, which is generally recognized most any place in the country where you talk about it. What has actually been done now, where high school graduates may go into schools with some assurance that they can get an education of the type that presumably is required?

MR. GOODWIN: Of course you have touched on one of the most vital of manpower problems. Dr. Fleming has a special committee on scientific and technical manpower. We are represented on that committee and other departments of the Government that have a legitimate interest are likewise represented. The committee has come out with a report which recommends a number of areas of program activity and a number of specific things that should be done.

One of them is to get more information than we have now on our technical manpower needs and resources. A very big step was taken in helping to meet this problem, in the program for the deferment of college students. One of the recommendations of the committee has to do with the counseling efforts of the people in the schools and the employment services over the country. The objective is, of course, to get additional recruits.

More needs to be done but there is a fairly good start on the problem. You are right on the point about lead time. That makes it important that we get something more started now. One of the handicaps we have had is that only about two years ago there were widespread efforts made to advise students not to go into the engineering field because it was overloaded. That is something we have to live down and reverse that advice.

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COLONEL BARNES: We have time for one more question.

QUESTION: Mr. Goodwin, carrying Colonel Barnes' question one step further, has your organization made any studies of how far people voluntarily will go to work? I mean day by day, on that basis.

MR. GOODWIN: We do have studies on an individual labor-market basis. It differs very greatly as between labor markets. Part of it has to do with the local tradition of areas. You take a place like Detroit--there's sort of a tradition there of going long distances; people regularly travel 30 or 35 miles to work. We have been interested in the problem. At the Savannah River project, where we have had housing problems in the construction of the atomic energy plant, we have instances where workers are driving as much as 70 miles each way, 140 miles round trip. Of course, no matter what the local traditions are, that is not good. It takes too much time and too much energy. I would say the answer is yes, we have the studies which indicate generally at what point you start losing efficiency.

COLONEL BARNES: Mr. Goodwin, your lecture was crammed full of information that I know is going to be of great value to the class in the present study. It completely followed the scope that we suggested to you. I would like to add, also, that we always appreciate the time a speaker has to give from his job to come over here; and since you left four jobs, our appreciation is just four times as much.

MR. GOODWIN: Thank you, Colonel Barnes.

(24 July 1952--750)S/sgb

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