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PROBLEMS AND PLANS
OF THE
DEPARTMENT OF LABOR IN ECONOMIC MOBILIZATION

20 May 1953

2007

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Honorable Lloyd A. Mashburn, Under Secretary of Labor, was born in Greely, Colorado, 10 October 1897. He withdrew from high school because of his father's death. He attended night school at Los Angeles, California, and took a correspondence course at Franklin Institute. Some of the positions he held were: various jobs before 1917, including farming, trucking, and employment with the Great Western Sugar Company; Union Pacific Railroad, Pocatello, Idaho, 1917; lather-foreman-superintendent, consecutively, Construction Industry, Los Angeles, 1919-1926; (joined the international Union of Wood, Wire & Metal Lathers, AFL, 1926); lathering contractor, 1926-1930; foreman, Tenth Olympic Committee, Los Angeles, 1930-1933; vice president, Los Angeles Building Trades Council, 1937-1939; assistant to secretary-treasurer, Los Angeles Building Trades Council, 1939-1943; executive secretary-treasurer, Los Angeles Building Trades Council, 1943-1951; Labor Commissioner, State of California, November 1951-February 1953. Some of the labor-management positions he held were: secretary and spokesman, Southern California Labor Negotiating Committee; chairman, California State Federation of Labor Resolutions Committee; and president, Los Angeles Labor Temple Association. Mr. Mashburn has taken part in various public activities and has written articles on apprenticeship training, war manpower, and labor. In February 1953 he was appointed as Under Secretary of Labor by President Eisenhower.

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COLONEL VAN WAY: Admiral Hague and gentlemen of the two colleges: The role of labor in economic mobilization has always been one of the most important subjects in the curriculum of the Industrial College of the Armed Forces. One of the most significant developments of our course since it was started after the war has been this increasing attention that we have paid to this part that labor plays in economic mobilization.

Today we give more time and attention to manpower and its various aspects than we do to any other single subject. The reason for this is quite obvious. Manpower is our greatest productive resource. It is a resource without which our other productive resources would be of no value to us.

Our speaker this morning comes to us as the representative of the Executive Department which has primary responsibility for this vital resource. It is a privilege and a pleasure to present to this audience Honorable Lloyd C. Mashburn.

MR. MASHBURN: First, allow me to express appreciation for the opportunity to talk to you. The topic suggested is complex but we are on top of it.

The Department of Labor's interest and role in economic mobilization centers around manpower almost entirely. It ranges from the shaping of manpower mobilization policies for an M-day to postattack rehabilitation and thence to reconversion problems. Between these extremes we are engaged in current day-to-day operating programs, many of which are specifically modified for the current level of defense mobilization. These are giving us more and more working know-how. Because we are dealing with people, there is not a single bureau or division in the Department that does not fit into the mobilization program.

Everything we do affects the supply of labor, manpower, people. In a mobilization of any degree, it is our job to have the right people, at the right place, at the right time, in the right numbers. (The United States Employment Service is the key agency in the process of matching men with the jobs to be done.) So we tackle it this way: Tell the workers the story and they will be there. We may have motivated their decision, but they arrived at it of their own free will. We think that's the American way to do it.

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Yes, we are of the opinion that a voluntary manpower program is the only one that makes sense in a period of mobilization, because it is the only one that will work. Recall World War II experience for proof. I was in the thick of the voluntary manpower program on the west coast. I saw it at work at first hand. It had some defects, but all imperative manpower requirements were met. Yet we were the only major nation at war without national service-type legislation.

In our current planning we are attempting to eliminate some of the defects we found in World War II. For example, there was too much in-and-out migration of people to and from whole areas. Now the plan is to bring the work to the worker. The more this is done, the more a whole array of mobilization problems solve themselves.

You probably want to know what kind of manpower organization is being planned. Who will head it? What will be its policies? We can give you only what now exists, but this forecasts the future. At this stage what we know as the mobilization readiness program and all policy and planning, including that for manpower, is coordinated by the Office of Defense Mobilization (ODM) in the Executive Office of the President.

The Selective Service System administers the drafting of military manpower, within policies laid down by Congress and the President, but the Department of Defense administers the statutes governing the Armed Forces Reserves, subject to policies laid down by Congress and the President.

The Department of Labor has the responsibility for shaping plans that will mean that sufficient manpower is available for Selective Service, for reservist call-ups, and for the total manpower requirements.

In the Mobilization Readiness Program, the ODM has assigned to us the "manpower aspects." This responsibility includes:

1. Estimating the total feasible manpower requirements for full mobilization.
2. Estimating the Nation's existing and future manpower resources.
3. Identifying manpower deficiencies.
4. Developing a program and organization to provide manpower in the numbers, skills, industries, and areas as required.

It means working from the whole, that is, the mobilization base, in its entirety. This base is the sum of the resources we have when fully utilized to meet military, war-supporting, essential civilian,

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and export requirements in the event of full-scale war. It includes all elements of the production process, such as essential services, food, raw materials, facilities, production equipment, organization, and manpower.

The Readiness program itself is the process of measuring our mobilization or maximum defense capacity, identifying bottlenecks or deficiencies, taking action to correct the deficiencies, and continuing to plan for resources development, to broaden the mobilization base.

We are seeking the answers to three questions basic to all our planning:

1. What are the Nation's manpower resources by occupation, by industry, by area, and by sex, that can be readily mobilized, in the broad sense?

2. What would be the manpower requirements for the mobilization contemplated in the Readiness program? We have to know the answers in terms of occupation, industry, area, and sex. Do we have the manpower to meet the pattern of armed forces and industrial requirements contemplated in full mobilization?

3. Where will be the manpower deficiencies? How can they be overcome? Will it be necessary to tailor manpower requirements to resources, to labor supply? What sort of recruiting, transfer, utilization, or other programs should be devised to take effect now, in this period of partial mobilization, as a matter of readiness for possible full mobilization?

We must make certain estimates and start with certain assumptions. For example, we can estimate our manpower resources available now or at some future date. This estimate would be used to test the Readiness program's assumed gross national product, or, in other words, the number of workers who could be brought into employment, times the number of hours they would work per year, times the value of their output per hour.

We start with the assumption that a decision has been made to move as rapidly as possible toward full mobilization, industrially and militarily. For manpower we assume at the beginning a labor force base of 67.2 million (November 1952), with 63.6 million in the civilian labor force and 3.6 million in the armed forces. The labor force target for the end of the first year of mobilization is 63.2 million in the civilian labor force, 6.5 million in the armed forces. This totals 69.7 million.

The objective at the end of the third year of mobilization is 74.2 million, of which 13 million will be in the armed forces. In terms of

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Labor demand this assumes further industrial expansion, immediate conversion of industry to defense, and a work-week average of what it was last November. In manufacturing the work week averaged 41.2 hours and in metals and metal-products industries, 41.9 hours.

Production of essential civilian goods and services is assumed to be programmed at World War II levels. It is also assumed that we would again have controls over wages and prices, along with materials controls. It is further assumed that plant, shipyard, military, and housing constructions would be small compared with World War II.

This is a very rough outline. We cannot calculate industrial requirements for labor in detail until the other departments of the Government have completed their production plans in detail also. We expect to have these at a later date.

Once we get the detailed production requirements, which will come from the ODM, we can match them up to manpower requirements by industry, occupation, and area. In this way it will be possible to set up a "trial balance" to evaluate bottlenecks and points of dislocation.

The Department's Defense Manpower Administration fits in here. It is the point of contact, in the Labor Department, with the ODM. It is the coordinator of the Department's manpower function. For example, the BLS is charged specifically with estimating manpower supply and requirements by key industries and with estimating the impact of military requirements on the civilian manpower supply; yet the Bureau of Employment Security will do the same thing by area.

It will fall to the Defense Manpower Administration, with the assistance of the Department's bureaus and the National Labor-Management Manpower Policy Committee, to develop manpower programs to deal with the discovered deficiencies by industry, occupation, and area.

Here are some of the problems which we have identified with the help of the National Labor-Management Manpower Policy Committee.

Assume every person will be needed in some capacity in an all-out war. We must then determine how to increase his or her usefulness, how best to expand and conserve the labor force, of which he or she is or should be a part.

Assume an all-out war needs as many people as the population will allow, in some capacity. We would need them in the labor force. How best could we expand manpower? How best could we conserve it? It may mean changes in employers' hiring and training policies, and in work conditions and arrangements so that more women, older workers, younger workers,

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and handicapped persons could be of service to the national effort. There are improvements along these lines now. In a war effort they would have to progress faster.

We are aware that adjustments may be necessary in the length of the work week, although this would not mean suspending the overtime provisions of the labor standards laws. We didn't have to do it in World War II. We had a 48-hour work-week order, requiring overtime after 40 hours, in accordance with statutory requirements. Its purpose was to get war plants to operate longer hours per week. Because overtime pay was a powerful incentive, it served to attract workers to the plants most needing them. More work was turned out in 48 hours than in 40. In that respect, it conserves labor. Fewer people are needed per plant. It was found, however, in World War II, that beyond 48 hours, work output per man diminished.

Proper distribution and stabilization of the labor force was in many ways the most difficult manpower problem of World War II. Whenever jobs are plentiful, job turnover tends to increase; not all turnover is undesirable. In full mobilization we would want workers in less essential activities to move to essential activities and defense work. We want workers to move to jobs which use their highest skills.

To induce workers to leave essential work where they have accumulated job rights, to get them to move to the right jobs, and to keep workers in the essential work is the real problem.

Employment stabilization plans were instituted during World War II. Voluntary stabilization plans are under consideration again. The primary emphasis will be placed on stabilizing employment at the plant level through providing increasing personnel opportunities and incentives. We are compiling a "List of Critical Occupations" to guide the manpower agencies during full mobilization in determining deferment policies and the recall of Reservists.

Perhaps you are familiar with a recent survey of industrial research and development. It was done by the Research and Development Board of the Department of Defense and our own BLS. It included engineers and scientists doing research in private industry in calendar year 1951. Some 2,000 firms employing 94,000 engineers were studied.

The survey showed that at that time the annual rate of separations for military service was only 3 per 100 workers, of which Reserve calls accounted for 1.8 and Selective Service for 1.2. However, in full mobilization the separation rate would be quite different. The study showed that as of January a year ago, 19 percent of the 94,000 engineers and scientists were members of the Reserves and the National Guard, liable for service when called.

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Another 6 percent were classified 1A or 2A by Selective Service. They were available for service or granted temporary occupational deferments. The two groups together totaled about 23,500 or over one-fourth of the total employment of 2,000 firms.

The study showed further that the two industries with the largest defense research programs were the most vulnerable to military call-ups. In the electrical machinery industry, including most electronics research, 34 percent of the engineers and scientists were vulnerable. In the aircraft companies 29 percent were liable for military service.

At the time of the survey the draft age group was 18 years and six months through 25. In an all-out situation the upper age limit would rise, with a corresponding rise in the number of employees in essential activities liable for military service. It takes no stretch of the imagination to see what research would be confronted with after M-day, unless there was a most orderly withdrawal of Reservists into military service.

We are giving the whole problem of the recall of Reserves considerable thought in our own planning. We are restudying the entire field of labor utilization, work incentives, and morale. We have to, because nature is getting the best of us. We will have to make the very best use of what the population offers. We are growing in numbers but not in the ideally perfect numbers to meet military requirements under full mobilization.

For example, according to Census Bureau estimates, the male population of all ages will have increased 11 million in the ten-year period July 1945 to July 1955. In this same period the male population of military age will have increased only 900 thousand. Military age is assumed to be 18 through 40. There will be 28,780,000 males in this age bracket. Yet this is not many more men available for military service than were available at the end of World War II. In July 1945 this pool totaled 27,875,000.

On the other hand between 1945 and 1955 the total population requiring goods and services will have increased by 23.6 million--that many more persons requiring food, clothing, shelter, and other essential services.

Of course, increased productivity will to some extent offset the increased requirement for goods and services. Yet, because of the greater complexity and volume of military equipment, full mobilization will make a heavier demand upon manpower than was the case in World War II. In terms of skills or occupations there would be greater difficulties as well. The occupational characteristics of the labor force have undergone significant changes since then.

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Our preliminary figures, based on BIS and Bureau of Apprenticeship data, show what is occurring. Professional and semiprofessional workers have increased about 2 million since the end of the war. Craftsmen and kindred workers have increased by about the same number. However, the total of semiskilled workers remains about the same as in 1945. Despite the increasing numbers of craftsmen, we have already run into shortages in many of the highly skilled occupations. Examining six of these, six critical occupations, we have found deficits in terms of numbers in each.

Assuming the employment of machinists on 1 July 1952, holds constant through the next three years to the extent that the same number will be needed then as now, we will be short 8,400. This is calculated as follows: There were 240,000 employed on that date, whereas over the three-year period 14,400 will have retired from the trade or died, compared to 6,000 apprentices who will have completed their training over this span. This makes the 8,400 deficit.

Using the same demand-supply bench mark for toolmakers and die-makers, we estimate a deficit in this skill of 2,800 by 1 July 1955. For molders the shortage will be 3,700; for patternmakers, 230; for boiler-makers, 1,900; and for millwrights, 2,500. Ask any production man what a shortage of only a few, or even one man, in these six occupations can mean at a critical time.

To prepare for this all-out effort, we need to identify key skills and guide qualified people into study and training for them. We are doing that now to meet defense shortages.

The question of student deferment is important to this problem. On the student deferment policy hinges the flow of future doctors, dentists, scientists, engineers, and all other categories of college trained personnel.

Allied to this is apprentice deferment. Most apprenticeships are for four years, some even more. It is essential that persons requiring broad training receive their training before an M-day. Therefore, deferment policies must be developed to insure that an adequate number of apprentices are in training in the occupations that would be most needed in the event of war.

Our Bureau of Apprenticeship is abreast of this problem in all its facets. Since Korea it has also developed what is known as a skill improvement program. In a nutshell this program starts with the journeyman. It brings his skill up to date. It has figured importantly these past three years.

The farm labor situation is another one of our concerns. Farm labor at peak seasons has been short for years. We are having to import Mexican nationals now. In full mobilization the demand would be much greater.

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The Department of Labor is charged with the responsibility for administering the Mexican farm labor recruiting program. I have been on the brunt end of that and, believe me, it is really a tough one.

Not too many city dwellers know that one of the largest programs of the Bureau of Employment Security is the recruiting of domestic farm labor. We are giving careful attention to it in our planning. And while I am on the subject of crops and food, it should be pointed out that during World War II the wage and price gathering facilities of the BLS were used in every phase of economic stabilization and control. The BLS figures are the authoritative measure of stability in the defense program. The wage stabilization and price stabilization agencies used its findings as the basis for decisions affecting everybody. Congress took its findings into account in adjusting uniformed servicemen's pay-- and still does.

Rehabilitation of bombed-out plants is a new kind of problem for the United States. How to provide the manpower for this rehabilitation and under such conditions is a problem which is under consideration. Because it is new it is difficult to develop adequate and realistic programs. We will nevertheless have a program in due time. I think we will have a fairly good program.

Yes, everything we do concerns people. Because it does, we also consult representatives of important segments of our society in our planning. People do things better if they understand why.

Almost since the inception of the defense program we have worked within the framework of an organization encompassing a labor-management committee to consult with and advise us. It is the National Labor-Management Manpower Policy Committee in the ODM. The public hears little about it, but its members, an equal number from the trade-unions agriculture, and industry, hear much and say much and do much. It has two cochairmen. One is the Executive Director of Defense Manpower Administration, the other is the Assistant Director of the ODM.

Since this Committee's establishment, not a major manpower move has been made without consulting it. It has reviewed, frequently revised, and finally approved all major manpower policies emanating from the ODM. They range from hiring policies that industries should effect during this period of partial mobilization to conserve manpower to Selective Service draft-deferment policies, and so on.

For months past, at the initiative of the Committee, we have been consulting with it in the preparation of the full mobilization program. We find its members active participants, anxious to be of maximum service to their country. Because the groups they represent, industry and labor, will be the ones who will have to do what we are planning in the event

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of war, we feel we are developing workable plans, not just paper plans to be diluted by "annexes" when put to the test of application. Many hours of staff work have gone into the preparation of working papers, stating the various problems as we see them, so that the members of the Committee can become adequately informed. Armed with this information, they are equipped to make intelligent decisions. This they are doing. Piece by piece, we are putting together a full mobilization program in manpower that will have met the test of practicality, applicability, and adequacy. That is the goal.

In the process we are learning and the members of the Labor-Management Manpower Policy Committee are learning. They are becoming invaluable consultants to the Government in the manpower field. But we are not satisfied to stop at the Washington level. Again, it is people with whom we must be concerned. People also live outside Washington. The best laid plan must be applied at the local level. It must meet the test of geographic or area applicability. Customs in the coal-mining regions are not the same as in the farm belt. They must be taken into consideration.

Once we get the manpower aspects of the plan completed, which we will not be long in doing now, we will propose to the Committee members that they send it to their representatives in communities and areas throughout the Nation for comment and suggestions. We and the members of the Committee will want their reactions. In the give and take of the comment and reaction, we hope to develop all-important community leadership while we are perfecting the plan. It is community leadership that will sell intelligent recruiting and hiring methods to employers, that will sell workers on the need to take essential jobs and stay at them. We cannot do it from Washington.

At an appropriate time, we expect to get the give and take going by having the local public employment service managers sit in with those to whom the plan has been sent. They will call the community leaders together for their comment on the plan. I know; I was on the Regional Manpower Committee during the last war and we had some ideas of our own at that level. That must be taken into consideration.

Through these men who will send the plan back to us, with the comments, we expect to have to do some rewriting. We look for recommendations amounting to adaptations of its basic content to a particular community's needs. This is what we will want and will invite. Within the restrictions of security, the wider participation in its drafting, the more likely its adaptability and adequacy. Most certainly this would apply to its acceptance; unless we have that, we have nothing. That is why our approach is that we are dealing with people when we are dealing with manpower.

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Before I close, I would like to say we are planning a "dry run" of the impact of full mobilization on the labor force and community facilities of an important industrial area. It is anticipated that Cleveland or an area with similar characteristics will be selected. We will use as the bench mark for full mobilization the manpower requirements of World War II, including armed forces withdrawals.

We will estimate the area's manpower requirements by industry and occupation, including withdrawals for military service. We will estimate current local labor supply, its sources and characteristics. We will put the two together to determine the number and characteristics of local labor shortages and to assess the possible impact of the expanded labor force and in-migration on the community's housing, child-care, transportation, and job-training facilities.

Out of it should come plans for the types of programs and actions that will be necessary to resolve the manpower problems the test discloses. The local public employment office, a part of the Federal-State employment service system, will have a key role in the test.

I appreciate this is a rather long and meaty statement. However, it does not compare with the discussions we have had in this planning. After all the information has been gathered by our various bureaus, we will be pretty sure that our information is correct. We are not so sure our assumptions are correct. That is why we want to make this test run, to see where we are going and whether or not we are doing the right thing, even before we send our plan out to the local regional committees. However, I think we have sufficient people and sufficient information so that we can do a fairly good job. We hope we can. We will do our best.

Thank you very much.

COLONEL VAN WAY: Gentlemen, I am sure those of you who are in the Industrial College will be pleased to know our old friend, Mr. Robert C. Goodwin, is here. Mr. Goodwin is Director of the Bureau of Employment Security.

Mr. Mashburn is ready for your questions.

QUESTION: It seemed to me that you indicated we will need about 15 million more personnel in the labor force of both the services and industry three years after M-day.

MR. MASHBURN: Yes; something like that.

QUESTION: Do you think we will be able to get those 15 million additional personnel without some type of universal work-draft law?

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MR. MASHBURN: Yes, I think we will, and I think that if we don't, our production will be down. One of the great squabbles that we on the local area had with the National Manpower Committee last war was about too much regimentation. It is my feeling, and it was the feeling of most of our group--and it finally worked out--that the voluntary method is the best way to get production and that you get much more production.

In America you just can't move people around like you do furniture. They just don't move. That was tried on the west coast, freezing the people on their jobs, and it didn't work out. We get at least 8 percent more production on a voluntary program than we did when we had a tighter freeze. We think that is an indication that we can get much more production, with fewer people, probably, on a voluntary basis than we can on a full, compulsory basis.

QUESTION: In your plan do you have provision for action to be taken in the event there is atomic bombing in this country during mobilization and after M-day?

MR. MASHBURN: Yes, that is being given full consideration, as to what we are going to do if and when they hit--the decentralization of particularly essential manufacturing, as well as the people who go along with it. Our thought is that there was entirely too much dislocation last time, where we tried to move the people to the jobs, without housing and all the housing facilities and everything else. It takes a lot of time, material, men, work, and a lot of money.

If we can now get our manufacturing decentralized where it cannot be bombed out, where it will be entirely out of it, and get it centralized in the place where the people are, particularly in the labor-surplus areas, we will avoid all this moving of people. We should move the industry to them.

At the present time we of course have 34 labor-surplus areas. Some of those labor-surplus areas are as much as 20 percent unemployed. It is our feeling that we can get that essential manufacturing into those labor-surplus areas now, and that is what we are attempting to do. There's progress being made on it. It will avoid this dislocation. It will also help in case we are bombed.

On the question of taking care of the situation after we are bombed, we are organizing the construction industry from the top clear down to the bottom. They are the people we are going to have to use first, of course, in order to get things cleared away. I think that objective is fairly well started on its way through the Building Trades Department.

QUESTION: I quite agree with your voluntary system of manpower allocation. It seems to me from our experience in the last war that we

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are going to have to have some pretty rigid freeze as to wages and other problems of work, so as to make it equally as attractive for a man to volunteer for one thing as for another. Will you comment on the wage policy that is implicit in voluntary allocation of manpower?

MR. MASHBURN: Very frankly, my position was at that time--even though for 25 years I represented the Building Trades Union in Southern California, Arizona, and Nevada, the area that we called the labor-supply area at that time--that wages and prices both should have been frozen, and that they should have been frozen immediately, and that they should have been held there; except that, where inequalities occurred, and where we couldn't get people, some adjustments should be made.

If prices are frozen, there is no reason for people to ask for wages to go up. It may be necessary, from an incentive standpoint, to do some manipulating so far as wages are concerned; but I think men who have seen the actual operation of wages and prices during the Korean period and the other war have found that it is not the type of thing we should have in an all-out war. We just can't have it.

Prices go up; wages go up; wages go up; prices go up. Who benefits by it? Aren't we better off, all of us, if we have a freeze, and take into consideration only the necessity of increasing wages where we have a low-wage rate and we have to have an increase in order to make it comparable to the labor-supply areas? Once you get the thing settled, freeze that--don't let it move.

It seems to me that one of our great problems last time was in getting people where we wanted them, in the numbers we wanted, and the right kind of people. That was because certain areas did increase wages and then drew people off from the very places we needed them. There are many arguments for absolutely freezing wages and prices.

QUESTION: On this business of universal service, I know it runs counter to every instinct, but I hear statements that voluntary methods have proven better than involuntary methods. Yet, when I look into them in comparison with what happened in Great Britain, I cannot find this state of things. Let me tell you one or two things I found, and you tell me where my information was wrong. First, in Great Britain there was virtually no labor turnover that I could find. In the United States it reached astronomical proportions almost all through the war. Obviously, that is inefficiency. Second, in Great Britain the record of productivity rose steadily throughout the war. In the United States it dropped and dropped for four years before it began to rise.

How does this information jibe with yours?

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MR. MASHBURN: Well, I of course don't know that your information is correct. First of all, I think you have to take an entirely different approach. As a matter of fact, that is not my information, nor was it the information we received. But I think you have a different situation where you are dealing with Europeans than you do when you are dealing with Americans.

Second, England had had quite a lot of experience in this type of thing; we had not had that same type of experience. I think that our production did steadily increase. I think our facts and figures will show that we had the greatest production per man of any time in our history or in that of any other country.

I think that you have to have controls, standards for the moving of these people, and some way to help them move. I don't think you should have the same kind of program they had in Britain. Also, you must recognize that they have had in Britain practically a wage freeze over there for a long time. They were also actually under attack. I think maybe the thinking of the American people might be also a little bit different if they got two or three of those bombs on them. Some of the time we were trying to get them to do things they wouldn't do, I heard the remark in manpower, "Maybe we ought to have a couple of bombs dropped. Maybe we ought to drop them ourselves, to wake these people up. They are too darned apathetic."

I think we have a philosophy different from what they have in Britain. Anyway, I will still take the voluntary program.

COLONEL BARTLETT: Mr. Mashburn, with respect to placing manufacturing in areas of labor surpluses, it seems to me that there is some degree of conflict between that conception and the present conception of Mr. Wilson that manufacturing should go to where it can be turned out at the cheapest unit price. Because the efficient, large companies are not, at least generally, located in areas of existing labor surpluses, will you have any trouble in reconciling your policy of placing business in areas of labor surpluses with the policy of placing business where it can be produced at the cheapest price?

MR. MASHBURN: We already have problems along that line, and many, many others. Of course, very probably there will have to be a balance reached there. I think in the present situation we are thinking of unemployment; we are thinking of unemployment now and after the war. We are also thinking of this decentralization.

I am of the opinion that the Department of Defense will go along on a reasonable program of having this decentralization, even though it does cost a little more money. We have another Department which is digging into that type of situation. That's the Treasury Department, which is

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the efficient and economic arm of our Government. It doesn't want to see money spent unnecessarily.

The plan being worked on at the present time is the amortization program, which actually doesn't cost you any money. It does cost money for the first five years, but over a twenty-year period it doesn't cost money. If we can get people to move their plants, certainly it is not going to cost more money, unless they are plants where skilled mechanics are available, not working at present. I think basically, over a long period, it is not going to cost money. I think we can convince them of that.

At the present time it is costing us for the labor-surplus areas 150 million dollars a year in unemployment insurance. If we can get normal employment in these labor-surplus areas, the unemployment cost will be only about 50 million dollars a year. So there is a saving of 100 million dollars a year right there, in addition to getting those people employed.

QUESTION: Mr. Mashburn, in your talk I believe you stated that we had certain specific shortages in certain types of specialists. I can understand how you can determine the number of specialists you have on hand, but I am not clear on how you determine the requirements. Will you comment on how you determine the employment requirements?

MR. MASHBURN: Of course, part of it is guessing over a period of years, as we did over another certain condition. We have attempted to find out what the increased need has been over that period, and what the turnover has been during that period, and have tried to guess, in the event of all-out war, how many people we are going to have to train in order to fill those jobs.

We have always been short of toolmakers and diemakers in this country, even in peacetime, and particularly in war. We have been short of that highly skilled type of mechanic and the related trades that go along with it. That is based on guessing, and based also on some tests that have been run as to how many people are being trained. From that test we have arrived at facts and figures giving us the number of mechanics we had at a certain period, the number of mechanics short as of a certain period, and the number of mechanics being trained during that certain period.

I think we can make a fairly accurate guess, don't you, Bob?

MR. GOODWIN: Yes.

MR. MASHBURN: It is guesswork, of course.

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QUESTIONS: My question concerns public relations, and the possible attempt of your Department and other Departments of the Government to sell your various programs to the American people--the matter of personnel, changing from one location to another, or changing skills, and so on. It is my understanding that there is not at the present time, nor since the start of the Korean war, a central agency for the purpose of handling information to the public in the matter of explaining the Government's position in various things.

In the case of all-out mobilization, or in case of an atomic attack, it seems to me we are going to require something like that. I think we all remember the words of the song, "How're You Going to Keep Them Down on the Farm?" Maybe we should change the words to "How're You Going to Keep Them Away from the Farm?"--something like that.

My question is, does your planning envision some kind of central agency to handle this matter of explaining the Government's position and the reason for all these situations?

MR. MASHBURN: Yes, it does. There again, we will probably have an argument with our economy-minded Congress. However, you realize the information we gave you here is classified information and it does not go outside this room, and that there is only a certain type of information that can be put out at the present time. When this manpower plan is completed there will be a great deal of it that can be put out to the public. We are hoping we will have sufficient funds and the proper type of organization to let everybody know what is going on, as much as we can.

You military people know there are certain things you can't tell. There are certain things we can put out, if Congress will give us the money to set up that type of organization. I am sure that will be done. You can't give orders to your men if your men don't understand what your orders are. I think we are in the same position on the national level. Unless we let people know what they are expected to do and why they are expected to do it, they are not going to do it. I remember when I first went into the Marine Corps and heard "squads right" I probably went left. We will have to explain to the people what is in this program, and even more, so, if it is a voluntary program, it will have to be a program of selling entirely.

QUESTION: Mr. Secretary, over the last nine months we students have had a lot of practice in global thinking. It occurred to me as I was listening to you to wonder how much the Department of Labor conceived of the labor forces of the NATO countries; for example, gearing them into the United States labor force. How would that influence your thinking?

MR. MASHBURN: It is being studied. And of course we do have people in the Labor Department and the State Department over in those countries.

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We have a fairly good conception at the present time of the labor forces there. I think that by the time we get this thing wrapped up we will have almost the complete picture on that--won't we, Bob?

MR. GOODWIN: Yes; there have been several international conferences on this point in which we participated.

QUESTION: Mr. Secretary, I wonder to what extent that picture, when it is obtained, would work out in the sense of, for example, your labor-surplus areas--the labor force of, say, Italy, to be utilized in the expansion of offshore procurement or something of that sort. Is that your idea?

MR. MASHBURN: I don't think so. Is it, Bob? I am not sure of the details. Bob is closer to working out the details of the mechanism than I am.

MR. GOODWIN: The offshore procurement program, as you know, has taken the question of labor surplus of the NATO countries into account, but that is often thwarted, as you know, by the facility problem. The two have meshed in a great many places. But I guess there has been some help there so far as the surplus manpower is concerned. Does that answer your question?

COMMENT: That is the problem. We are wondering what is the thinking of the Labor Department--whether this is a goal toward which we must work, or whether it has a rather continental concept entirely--that the NATO countries are our allies, but their production is their own problem.

MR. MASHBURN: I know that is not true. We are thinking about it as a whole, through the State Department and through Harold Stassen's Mutual Security Agency. They are giving very heavy consideration to that particular problem; it has been discussed.

QUESTION: To put that another way: Do you think the AFL and the CIO take any definite stand on increasing the offshore procurement?

MR. MASHBURN: They have gone along so far on a program that we have already talked about to them. They have gone along completely. They of course want that program controlled--I think everyone else wants it controlled--to the extent that those people will not replace our people in jobs, replace our employment in critical areas. They have critical trades that we need badly. We think we can get them over. Labor is going along 100 percent.

QUESTION: Sir, do you anticipate any difficulties in labor-management relationships and, if so, what part will the Department of Labor play in solving those difficulties?

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MR. MASHBURN: Well, we, of course, don't have conciliation and mediation under the Department of Labor. The Taft-Hartley Act took the Mediation and Conciliation Service from the Department of Labor and established an independent agency. However, the Labor Department does play a heavy role in the settlement of labor-management disputes, along with consiliation; but it is their jurisdiction. They take the lead. We do anything we can to help them solve these problems. Both myself and the Secretary have had some 30 years of being bumped around in that particular problem, so we can assist them.

At the present time they have no new head at the Conciliation and Mediation Service. I think you can say Consiliation and Mediation and the Labor Department in all the problems must work absolutely together. We have participated in their difficulties, and we are working just as a team with the person who is there now. You wouldn't know Consiliation and Mediation was anything but one of our various bureaus.

We have people who work on trying to settle disputes. In my home area they worked just last month on a strike at the Southern California Edison Company. However, I think we are probably going to have to have an enlargement of the Mediation and Consiliation Service if we get into this kind of situation.

COLONEL BARNES: Mr. Mashburn, I would like to go back to that question of shortages of skilled craftsmen that you anticipate and ask you if you can explain a little more fully just what plans the Department has in mind to provide them. Does it have in mind Government subsidy or an educational program? Does it anticipate objection on the part of organized labor in getting apprentices in now where it can't see immediate jobs in sight, and so on?

MR. MASHBURN: I think that there are three plans we have in mind. I don't think they will need to be subsidized. I don't think organized labor will object--in various areas, of course, it will, but I think we can get to labor and sell that type of program of apprenticeship training. Apprenticeship training is something that is very easily sold if you know what you are doing and try to sell it.

I think in Southern California we have in the building trades and metal trades industry the biggest apprenticeship program of any state in the United States. We have been very successful in that. Other states should do the same thing. I believe if we had more apprenticeship coordinators from the Federal level we could do that job on a selling basis by explaining what it is and setting up a joint labor-management committee to handle this apprenticeship thing.

The unions do not have exclusive control over saying how many apprentices they are going to have and what type of training there will be.

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We have mechanism set up under Federal law to have a joint management-labor committee. It has worked out very well--much better than when the unions had sole control over training apprentices. There has been a great deal of progress made in training apprentices in trades. There is some scientific basis set up as to the number of apprentices needed in accordance with the number of people going out of the trades, getting too old to work, and so on. This is set up and used in Southern California today and other places where there is training, and where labor and management are in agreement.

There is that controversial problem of partial training. Most trade-unions don't like the breakdown of a particular trade. During the last war, of course you know, we had to do exactly that; we didn't have enough people with skills to do the job. You can take one skilled person and put three or four unskilled people with him and do a fair job. You can take any trade, a metal trade, plating, or printing, and break that trade down into 10 different parts and train men much more quickly in them than where you try to train them in the whole trade. That's something the unions kick about when it is known. But they did it all over the country and did a good job of it. The unions don't like that type of thing; but, if they have to do it, they do it. That is expected. It was pushed along by the unions because they knew they had to have it.

Of course it is a great problem after the war, because they call them half-baked mechanics who can do only one part, and the employers won't accept them. They have a program which was necessitated by this situation. This was initiated in many instances by the unions jointly with the employers. We call it the supplementary training program. The unions tell some of these partially trained mechanics, "Either you go to school and get training on the job--you will have to take a reduction in pay and go back to the apprenticeship status--or, if you don't, we will send you out three times. The third time you come back we will know you are not a mechanic and we will not send you out again. Then you will have to go back and get training in school."

This solves the partial training problem. You get into all kinds of situations in training programs. I think our training programs in the last war were very effective; they also got accepted by both labor and management, generally. Of course, we had trouble here and there. I think that type of education and training in those critical crafts should begin now. I mean, it should be pushed up a little, the training of those people, to get it to where there is a normal average in shortages. I think it can be done.

COLONEL VAN WAY: Mr. Mashburn, it appears you have exhausted all the questions. You have performed a real service to the Industrial

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College and to the National War College. By your frank discussion of the many questions you received, and by your splendid lecture, I think you have added materially to our course in economic mobilization. On behalf of the Commandants and the student bodies of both colleges, I wish to express my sincere appreciation.

MR. MASHBURN: Thank you very much.

(18 June 1953--250)S/rrb

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ADDRESS OF
THE PRESIDENT OF THE UNITED STATES

THE ALUMNI ASSOCIATION

WASHINGTON, D.C.