

THE LABOR POOL TODAY

19 October 1953

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COLONEL PRICE: Admiral Hague, gentlemen: This morning we continue our manpower studies by consideration of our most important resource, the manpower of our own Nation. Dr. Seymour L. Wolfbein, Chief, Division of Manpower and Employment Statistics, Bureau of Labor Statistics, Department of Labor, will discuss with us "The Labor Pool Today." Dr. Wolfbein.

DR. WOLFBEIN: Admiral Hague, gentlemen: For the past half hour, Mr. Maserick, the staff, and your Admiral have been entertaining me, and one thing that struck me very, very forcefully was that you folks who have been in session for a little more than a month, have certainly been exposed to something called statistics. So here I am, from the Bureau of Labor Statistics, Chief of the Division of Manpower and Employment Statistics, a little hard put to know exactly what to do, what to say to all of you who have had all these statistics.

So what I am going to do today in the brief time I have is not to throw statistics at you but do this: I would like to present to you informally a few basic trends that we think have been going on for the past 25 to 50 years and which we think are the fundamental, overriding factors that affect the manpower situation today. As a matter of fact, I go so far as to say that they are all-important in affecting the manpower situation today and for many, many years hereafter. I think you will see that the various statistics that you have learned and that will be presented to you later on will fall into line, will fall into place when you consider these two or three--that is all I would like to mention--basic, all-pervasive trends in this country.

The first one I would like to mention and the one that I think you have certainly all heard about is the factor of population. I know you have heard all sorts of stories and statistics on birth rates going up and population increasing, so on and so forth. I would like to start out with the population factor this way:

One of the men in my office had to write an introduction to a volume on manpower that Harper is publishing in the near future. He had in front of him a volume of statistics on labor force, employment, and unemployment trends. He looked this whole deal over and he just wrote a one-sentence introduction which I think perhaps you folks can take as the touchstone, as the hallmark of any manpower studies that you are going to make. It is a very simple sentence. He said that "The proper study of manpower, my friends, is man." And if you study the individual himself, when he is born,

how many years he works, and when he dies, you will have a tremendous amount of perception into the manpower problems that are facing us today and that you are going to see later on.

Let me give you a few examples. Let us think of a good one. Here's one:

You know about every year or so the newspapers will run a series, usually written by a woman, who chats and also gives statistics on how it is getting harder and harder for a woman to get married these days. This is a very important manpower problem. This is based on the fact that for the first time in our history there are more women than men in the United States. This happened around 1948--there were more women than men in the United States. This is a gorgeous handle, to have more women than men. That means obviously that it is much harder for a woman to get married. But interestingly enough, if you follow the statistics, you know what has been happening to marriages. They are out of this world. Higher and higher they go. The reason is a very simple one, but a very, very important one, and a very serious one. Follow me for just two figures.

In the United States, as I think you know, a baby girl who is born today is going to live to be 71 years of age on the average; a baby boy who is born today can expect to live to be about 67. This differential has always been the case, not only in the United States but in every country where figures are kept. This, I think, is one of the most serious manpower problems in the United States.

Now, in the United States also, the average girl marries a boy who is three or four years older than she is. This is not always the case but in the great majority of cases, for various reasons, it is true. I can see by the way you are looking that you are way ahead of me. This really means--and it has already shown up--that the average married woman in the United States will spend between seven and eight years of her life in widowhood, and it is happening right now.

So we do have more women than men, but mostly in the age groups 65 years of age and over. In fact there are about 1.5 million more women 65 years old than there are men.

But to revert to the usual newspaper article, at age 20 or 21, at the marriage ages, there are just about as many men as there are women. But this points out a very serious manpower problem aside from the fact that men die younger than women do.

I might say I once testified before some congressional committee, the name of which I have forgotten, and pointed out this fact. I think it was in connection with Social Security benefits and Old Age Survivors Insurance benefits. That has a very important

affect on the Old Age and Survivors Insurance System and how much they pay. But above all, for our business this morning, "What are we getting in the United States with a very, very high birth rate?" The answer is a very small group of working-age people, substantial members in the younger-age groups, and many folks in the older-age group. The decade of the 1950's will therefore go down in our history as the time when, with the threat of mobilization for war and all the problems that go with it that you folks have been studying, for all sorts of reasons, we have the smallest relative number of people of working age--the largest among the youngest and the largest among the oldest.

It sure is a funny kind of pyramid that you have these days in terms of numbers and of manpower, and this, at least in terms of numbers, is impossible to break out of. This is your framework. These are your limitations in terms of the numbers you have available.

Now keep that in mind and let me go on to the second point.

I come from a place called the Bureau of Labor Statistics, as the Colonel told you, and each month we release figures on the number of people employed in various industries. I would like to name just eight major industries and I want to chat with you about them for a moment.

First, of course, is the Government. That is the one that comes easiest to mind. Then there is manufacturing, the big segment of trade, mining, construction, transportation and public utilities, finance, and then we have service. Those are the eight major industries of the United States.

Would anybody here want to take a chance to tell me what is the biggest industry group?

STUDENTS: Trade.

STUDENTS: Government.

STUDENTS: Service.

QUESTION: Where does agriculture come in there?

DR. WOLFBEIN: All right, let us include agriculture, too. We could take a vote but it will take too much time. Somebody else mentioned another one.

STUDENT: Manufacturing.

DR. WOLFBEIN: The reason why I asked this question is that for the past several years I have been going around to various schools and colleges lecturing. I always ask this. I am making a survey; someday I am going to write a paper on this. Every school and college that I have gone to in the past two years, without exception-- I say that unequivocally--whenever we take a vote on this and I ask which is the biggest category, Government always wins. You might think of that.

These are rough figures. I don't know them exactly. There are 17 million wage and salary workers in manufacturing. There are about 10 million in trade; about 1 million in mining; about 4 million in construction--roughly, it depends on the season; transportation and public utilities have about 4; finance has about 3; service has about 6; Government has about 6 or 6.5; agriculture also, of course, depends on the season, let us call it roughly 7 million.

Do you know how many of these Government workers are Federal Government employees?

STUDENT: About half.

DR. WOLFBEIN: About 2 or 2.5 million. It is very interesting. I think it would be interesting if you ever get to talk to school groups or college groups, they are always amazed--they get frantic--when I tell them that teachers are classified as Government employees. This always hurts. Anyway, all the firemen, all the teachers, all the people that you are familiar with are in this category.

The point I want to make about this thing is as follows: Let us put on one side those people who actually put out goods that you and I need--clothing, furniture, food, the houses, the roads, the minerals, anything else you can think of; the goods that you and I need in order to live. If you do that, this is what you get.

First of all, there are 17 million people in manufacturing. That is, the people in iron and steel, machinery, rubber, chemicals, all the manufactured goods in the United States. Then there are the people in construction. These are the people who build the houses, the roads, the office buildings, and anything else you can think of that goes into construction. Then we have the folks in mining. They get out the coal, the iron, the lead, the zinc, the copper, and all the mineral resources you can think of, petroleum, and so on. Then, of course, we have agriculture, which puts out the food and the feed that we need for subsistence.

Add up those categories and you have 17, 18, 22, 29 million. The rest is 6, 16, 20, 29 million. This is pure luck. It never comes out that exact.

Now here, in my opinion, is the story of American economic history for the past 50 years, and here again is one of the most important things that affects the manpower pool today or any year thereafter, because we know what is happening in the United States. There are just as many people in this country today buying, selling, transporting, financing, servicing, and so on, as there are people putting out the goods that you and I need to live.

Whenever the Department of Defense or the ODM or any other of the agencies comes to the Bureau of Labor Statistics and says, "We are going to need 12 million, 13 million, 14 million people in the armed forces in case we really have a full-scale mobilization effort, is that sort of thing feasible?" what does it mean? One of the first questions that we have to answer is, "How many of these 29 million who are financing, servicing, real estating, buying, selling, and so on, how many of those people can you squeeze if you need more manpower?" And if you ever want to get into a real dog fight, here it is.

Anybody who sat through such discussions during World War II and discussions about essentiality of activities and so on will know what I mean. Yet when we are thinking of the available manpower necessary to get out a bill of goods, whether it is in peacetime or any other time, this is what we face up to. I am not saying that this is good or bad. It just happens to be the fact.

Now, remember this in conjunction with the point that we just made about population. There are hundreds of points we can make about population. I just mentioned this other one to tie up with this. We have this kind of industrial distribution; then we have a population distribution, weighed down at both extremes of the age scale. A comparatively small number of people of working age are doing this. And I don't care what manpower problem you are going to be tackling this afternoon, or next week, or any other time, whether in terms of partial or full mobilization, you are going to come up against this particular deal.

All sorts of ethical discussions can come up. Is it good to have this kind of distribution where half the wage and salary workers are putting out goods and the other half services? That is a real nifty question which always is asked.

I want to mention one other item. Again this item is in terms of the framework or context in which your minds are going to have to work when you study the manpower situation. Since about 1900--you may have heard this before--the gross national product (GNP) of the United States per capita has tripled. This is a very fancy set of words--gross national product per capita. All it means is that the amount of goods and services that we produce in the United States for every man, woman, and child has tripled in the past 50 years. This is really fantastic. If you want to talk about the American standard of living, there it is.

Now for your purposes I think you will be interested in the manner in which we went about attaining this fantastic growth in the American standard of living, because if you think of it for a few minutes, you will see that there are only three ways in which a democratic society, such as ours, can increase its GNP that much.

The first way is to increase the hours of work. If we want to get out more goods and services for every man, woman, and child, we say that we have our labor force working more and more hours. Well, you know what happened in that direction. Since 1900, hours have gone down and not up. So we didn't do it this way.

The second way to do it is to increase the proportion of our population that is in the labor force. So we can increase our labor force. Well, one of the most interesting things that has happened in the United States for the past 50 years is that the percentage of the American population who are workers has remained just about the same from 1900 to 1950. Roughly, it has gone up a little bit. It hops along when we have a war, but if we look at the trend from 1900 to 1950, we have roughly the same number of workers. So we didn't do it this way. As a matter of fact--and this is the fantastic thing--we tripled GNP per capita with the same labor force working many, many less hours since 1900.

The third way we can do it, the only way we can do it and the only way we did it was by increased productivity. And this is supposed to be the secret--American productivity. And if I may tie it down to what we have said so far, look at this:

You have a population distribution which is heavy at the age extremes with a comparatively smaller number in the middle. They are working many less hours. Fifty percent of them are distributed in the production of services rather than goods.

That is why when the chips are down and we have to make estimates about manpower and can we carry out a given bill of goods under various mobilization conditions, we always get back--we can't escape from it--to the decision, "How much can we increase this item called productivity?" Given the population distribution and the industrial distribution, this becomes the prime factor in our manpower estimates and that is the hardest one to do.

Some say population is easy. We always bring a chart; Mr. Maserick has it. You will undoubtedly see it this afternoon if you haven't already seen it. It shows the number of 18-year-olds coming up every year. Take a look at it. You don't have to be a prophet; you don't have to be a seer; you don't need a crystal ball. The people who are going to be 18 years old in 1954, 1955, 1956 have already been born. If you look at that chart, it will hit you right between the eyes, just like some of this stuff does.

A person who is 18 years old in 1953 was born in 1935; 1934, 1935, 1936, were years of very, very low birth rates. So what has happened? The number of persons coming up now for military service, 18 and 18½ are at the lowest point that we have had for years and years. As a matter of fact, it is not going to be until almost 1960 that the services are going to get 18-year-olds in numbers as high as we had in 1940. By 1960 an 18-year old is a boy who was born in 1942, and that is when the birth rate began to move up.

So again you don't have to be a big shot to be able to come before these various committees and say, "This is what is going to happen in the future to your 18-year-olds." You know that. You know 1952 was the year in which we had the lowest number of 18-year-olds. That is no problem.

I remember going before a congressional committee and finding it aghast because I had statistical data that showed that in 1954 these children were going to be crowding the doors of our kindergartens like you never had to squeeze them before. You don't have to be a seer to know that in 1947, 3.9 million babies were born and to know that five years later 3.9 million little children--except for a very small number due to infant mortality--were going to be knocking on the doors and saying I want to go to kindergarten. That is the reason why, if you want to be a college teacher, check with some of our statistics. In a comparatively short period of time colleges are going to need so many teachers, it will be out of this world because of the babies born in 1940.

Do you know how many babies were born since 1940? In 1950 the census takers went out and counted everybody. They found we had 150-odd million people. Do you know how many of those were born in the 1940's? There were 35 million births in the 1940's. This, incidentally, my friends, is the great manpower hope, once we get out of the low birth rate--the results of the depression of the thirties.

If you desire, you really can learn a great deal by playing around with a few of these population figures. They give a terrific amount of perspective.

What can you say about productivity in the United States, except that it has gone up and we hope it will go up some more. I don't know how you feel about this. I had to make up my mind when I came in how I was going to pitch this deal. I decided to do it informally and chat with you about what we think of these facts. There are all these facts to consider--age, sex, color, marital status. I am not trying to derogate them. I make a living off them. But as you assess them and as you think about them, and as you talk about them with various groups, keep in mind just these two or three major items, and you will see that they give a great amount of information on what this stuff adds up to.

Thank you very much for listening so attentively.

QUESTION: You mentioned the percentage of population in the labor force as leveling off and remaining somewhat at the same level. Mr. Durand in his book on manpower showed that about 1880 we had about 35 percent of our total population in the labor force. In his book written in 1948, he said it leveled itself off at 40 or 41 percent up to 1960. It seems to me that we have to be very careful in what we do in percentage of population in the labor force because a growth of 6 percent from 1880 to 1960 of the total population in the labor force is significant when we apply even 1 percent against the 160 million today. So that factor of increase in the labor force does merit more detailed analysis. That is one question I would like to have discussed.

The other is entirely unrelated to that. In my mind I am not convinced that GNP is a valid yardstick between different cultures or between the same cultures between largely different kinds of things.

For instance, in 1900 steel, I think we would say, was used mostly in the production of horseshoes and plowshares and had a certain value based on that production. Today it has a different intrinsic value. In this country a pound of rice is 12 cents a pound; a pound of steel is worth a dollar. Compare that against the GNP of China where the intrinsic value of a pound of rice is a dollar and a pound of steel is worth 12 cents. I am not convinced that GNP national product is a valid yardstick in studying manpower.

DR. WOLFBEIN: Let us take them in reverse order. On the GNP it so happens that I can refer you to an article written by Seymour Wolfbein which criticizes the GNP concept and we are always fighting with the Department of Commerce about it.

But let me say this about the way it is used here. Everybody hunts for some sort of measure of what a country puts out. In the United States we call it gross national product. I said that the GNP per capita tripled since 1900. Actually--and I think this is in accordance with your point--GNP qualitatively--the thing that you mentioned, steel, rice, and so on--must have gone up much more than just tripled because the goods and services we put out now are much more complicated than they were in 1900, as you pointed out. As a matter of fact, if we could adjust for quality--just talking about the United States now; it is not comparing with other countries for a minute--to say GNP tripled is to give it the minimum.

Let me give you an example. The Bureau of Labor Statistics gets out a cost of living index. I don't know of anything we have had more trouble with on exactly the point you raised. The labor unions come to us. They have a contract; the CPI is picked on that contract; their wages are paid on it. They say, "Where do you get

the nerve? You are supposed to be such an objective agency. Where do you get the nerve to go out and price a car in 1939, then price a car in 1953 and, say, the price went up from 100 in 1939 to, let us say, 150 in 1953? That is nonsense. Do you mean to say that you can compare any car in 1953 with the same kind in 1939? It is not the same car. One is hydromatic, power steering, power brakes, much bigger motor, and all the rest you can think of. Where do you get the nerve to compare them? If you are only paying 50 percent more, you are getting a better article." It is the same deal on GNP, if anybody compares GNP in 1900 and 1950. You are perfectly right on that, except you can say that if you compare it and say GNP tripled, you know very well that it went up even more because in 1900 the goods and services put out by the United States didn't compare in quality with the kind put out here now.

Now the same thing goes for comparing between here and China or any other place. Everybody wants to make comparisons--you and I do--between what is put out in Russia, let us say, and by the United States. Perhaps it is a sad commentary on things if we have to depend on things like GNP to do it, but it is one of the few things that we have.

All this adds up to saying you are perfectly right, rice is much more important in China than it is here. The statisticians haven't found a way to lick this.

I will give you another example. The Senate asked the Bureau of Labor Statistics to report on the difference in the cost of living between Russia and the United States. How do you do it? Is the bread that you buy in Russia the same thing that you buy here? Or the iron and steel? Or the rice? Or anything else that they consume in Russia and that we consume here?

The lesson to be drawn from your statement, Colonel, is that, even though all the people ask about making these comparisons, maybe the statisticians should lie low and not make these comparisons at all.

Your other question was about the labor force. It is true that if we look at Durand's Writings and some of the other material from 1880 or even 1900 on, we will find in comparing percentage points of increase in the American labor force--and it is very important now with all the population developments we talked about--1 or 2 percent is very important. You are perfectly right on that. I was talking in approximate terms. The point, however, is still very, very important, and that is that the proportion of the population in the labor force is roughly approximately the same now and 50 years ago.

This is very important over 50-odd years. What is even more important yet is what I had a chance to discuss with the Admiral, the important thing there is that this happened despite the fact that there were enormous decreases in labor market participation among two of the biggest groups in the United States. The older persons: You know what happened to labor market participation among this group. It was precipitously down as we got pensions, Social Security system, so on and so forth; then, among the youngest: There were terrific decreases in labor market participation among the teen-agers.

The average age at which a boy entered the labor force in 1900 was about 14 years. Today the average boy makes his full-time entry into the American labor force at 18 years of age. What we have been doing is cutting away labor market participation at both ends of the scale. The only reason we even approach roughly a level of labor market participation is our good friends the women because that is where labor market participation has really come up.

So for the past 50 years the story there has simply been a sharp decrease among the old, a sharp decrease among the young, and a very substantial increase among women of all ages.

Don't forget to tell me to give you the reference to that criticism of GNP.

QUESTION: I have read that since 1939 in American manufacturing industry, the productivity has decreased or stayed at the same level. Would you care to comment on that?

DR. WOLFBEIN: This is one place where a statistician has perfect freedom to comment because I think I can say without any equivocation there are no figures on it. Since there are no figures on it, you and I can comment on this for a long, long time.

The argument has been made that, especially during World War II when we had to bring in a lot of newcomers to the labor force, productivity in American manufacturing actually went down, and that since World War II we have been a little bit on the upswing. So if you look at the period 1939 to date, you get roughly the same level. I think that is the basic pitch in the argument that productivity remained about the same.

My own opinion is that manufacturing has come up substantially. You know we have the same trouble in our productivity work as we have in the GNP stuff and in our cost of living--what is productivity?

Basically, you take the number of man-hours put in and you divide it into production and you find how many man-hours it would take to put out something. The trouble is this: Something is production.

Just between you and me, we had the audacity recently to put out--not for publication, just within our own shop--an index of productivity in the automobile industry. We are not publishing it because the American Automobile Manufacturers Association, the United Automobile Workers, CIO, and everybody else came down to discuss the situation. Again, we floundered on this basic problem we have.

Everybody agreed on the man-hours. We know how many people are employed; how many hours they work. But they again raise the question: "What are you doing dividing that into the number of automobiles and trucks produced in 1939 as against 1952?" It is a different problem. In 1952 we put out a much better car. Where are the adjustments for that? So we fall back and we say, "We don't have figures for that deal, but we have an intuitive feeling that productivity has gone up."

QUESTION: Doctor, you enumerated three points there which serve as sources of change or increase in GNP, and I think we all agree with you that productivity is the cause of it. How easy will it be in any large-scale mobilization to take advantage of the vast reserve that lies in the increase of hours and increase in the labor force?

DR. WOLFBEIN: That is a very good question because again when we start making these estimates we come up against not only productivity but these other two factors you mentioned, how much can we increase the labor force in times of stress and how much can we increase the hours of workers. There are a few areas at which we can look. You have World War II experience which you know as well as I do, if not better. We always get into opinion in this deal that there is a substantial amount of room in the increase of the work week.

The average work week right now is about 40.5 hours, I think, and our last war showed that we can go up to even 46 or 48 in times of emergency.

As to increasing the labor force--I would certainly think we could increase the labor force. Look what we did during World War II. I think, however, that if the emergency, let us say, is in 1953 or 1954, it is going to be much more difficult to get the kind of increase we had in World War II, simply because there are many more people employed, and also because of all the marriages and births that have taken place. I think the female part of the population is much more tied up now in marriage and birth than it was, let us say, in 1941.

So far as our opinion is concerned, we look mostly toward this combination, this team of productivity and hours of work if the emergency comes very soon.

QUESTION: Doctor, the 35 million of our population that was born between 1940 and 1950, what will they do to the percentage of people within the ages 18 to 55 counted in the labor markets in 1960 and 1970? Do you have any estimates on that?

DR. WOLFBEIN: Yes, we do. I think it is on the charts that I gave Mr. Maserick. You might like to take a look at them. There are two ways of looking at this. First of all 35 million children born in the 1940's are going to be showing up in a couple of decades as workers. Now when we go before the President's committee on Universal Military Service and we show 35 million children and how they are going to mature in a couple of decades, that is wonderful because in 1960 and 1970 we are going to have a big population coming of military age, more than we ever had before. So populationwise that is a good deal in terms of military service.

Then, when I take this chart and go down to the Council of Economic Advisers, they ask a different question and perhaps the one you are pointing to: All these people are going to want jobs! And if we have a normal peacetime situation, here is a real swamp, an enormous number coming up. They have knocked on the doors; they have had their education; and now they are going to want jobs. And they ask the question: "Are we going to have enough employment opportunities to take care of this growing segment of our population?"

It is really very interesting to see the different kind of thinking that occurred when you ask a different question, given the same fact--35 million babies born in 1940.

It isn't so long ago when a married woman couldn't teach. This was one way in the thirties when they kept women out of the labor market and tried to get jobs for the men who were bread earners. Perhaps you know that in the State of Rhode Island, that law is still on the books, despite the terrific teacher shortage we have.

That is one way of tackling this 35 million, and don't think people aren't talking about it. They are already asking questions. Maybe we can push some of the older workers out a little faster and make room for this coming population we have. So it all depends on how you look at it.

In my own opinion I think we are silly as anything to be scared of this big population we have coming up. It is a terrific resource for this country to have, not only for military purposes, but these are the people who will have babies, too, they want to eat, they want homes, and so on. We are building up a terrific demand for goods and services with a bigger population.

Sure, it is going to be a problem how to get them jobs, but I think it is silly to consider it as a problem that we have to be

scared of. I think we would have been much more scared if some of the population characters of the thirties had turned out to be right when they predicted that by 1975 the population of the United States was going to start declining. I think then you would have had something to worry about.

QUESTION: Doctor, are there figures to indicate how many of those babies born in the forties were colored?

DR. WOLFBEIN: Yes, sir; one out of every 10.

QUESTION: Doctor, with education and training, the quality of the worker can change almost as much as the product changes. Would you discuss the extent to which education, literacy, and training have improved the quality of our work force and how much further room is there for such improvement?

DR. WOLFBEIN: Thank you very much for asking that. That is right down the line. This I could talk about for a long time. Let me start it this way.

A year or so ago under the Foreign Aid program, I had a visit from a professor at the University of Paris. He was coming here for about six weeks and he came to my office first to talk about occupational trends, labor force trends, before he went out to visit various plants in the country.

I gave him this long song and dance about how improved the quality of our labor force was, how more and more people became educated, and this was not only in the professions. A doctor now doesn't get into practice for many, many years. But this is even true at the semiskilled level. There has been a tremendous increase in apprenticeships, a fantastic increase in the education and training of the American labor force.

I gave him this talk. Out he went, and six weeks later he came back, and he made a specific point of coming to my office, even though he was very busy, just so he could tell me how wrong I was.

Now I may be wrong, but what the professor said was this: He went to Du Pont; he went to Ford; he went to GM in Detroit; he went to the meat packing places in Chicago, and so forth. And what struck this man, you see he was particularly taken by the meat packing places. He said, "Do you know we finally got one man there and all he does everyday is take a slice off, each minute of the day. There is another man, as the animals come by, all he does is pluck the eyebrows of the pig's carcass as it comes down."

I won't go through all the gory details, but it struck him that we had specialized and narrowed down this deal to such a terrific

amount that instead of any great quality, he saw people working on an assembly line basis, doing a little teeny job eight hours a day.

I got into an argument with the professor. I don't want to get into the same argument here. It is perfectly true. Here you have many people doing that kind of job, but as I told the director of the team in MSA when I called him up and balled him out, why didn't he take this professor in New York, in Wilmington, and in Chicago to some of the other offices of these same plants?

Was anybody here ever at the Du Pont Building in Wilmington? Do you know how many M.D.'s Du Pont hires? The number is 1,500. Did he go to the research laboratories in Detroit? Did he know that behind this mass production line were oodles of people working on drafting boards, tooling, and diemakers?

I don't have to repeat the whole complex of them; and what has happened in the United States, and the occupational statistics show it very clearly, is that we have had a big increase in three groups in the United States employed population. One of them is the semi-skilled. There is no question about it. A group of something like 22 percent of the employed persons is semiskilled. They are the people who operate the machines. But you have had corresponding increases in two other groups, the professional--that is out of this world--and the white collar workers. The white collar group is the fastest growing occupation in the United States.

So the quality of the labor force has increased and I don't think there is any question about the fact that a good part of the increasing productivity of the United States has come from and will come from the increasing education and training that people are getting in our Nation.

One more word on that--you know that Columbia University has established a National Manpower Council. If any of you have a chance in connection with your work, you ought to get in touch with those people. It was set up when President Eisenhower was president of Columbia, to look at the problem from the top. One thing to study in the United States field of manpower was the quality of manpower. I might say, parenthetically, that the university got a quarter of a million dollars from the Ford Foundation to do it. So it must be important.

Do you put your finger on a very important item. It is very hard to study, too, but it is quality that is going to pay off within population limits that we discussed this morning.

QUESTION: Doctor, our references define the labor pool or the manpower pool--that is, between the ages of 14 and 64--capable of useful labor and useful work. Does your department use a more refined definition than that?

DR. WOLFBEIN: Well, I don't know why I am always starting off these answers with an example, but let me do it now. In 1939 I happened to be sitting around a desk when formulating a definition for what is known as the Monthly Report on the Labor Force, which some of you may have seen. One of our basic references on the labor occupations was just defined "Anybody, man, woman, or child, 14 years of age and over." It doesn't make any difference, 90, 80, 63, 24, whatever his age, you count a person in the labor force who is anywhere from 14 up.

But what I want to bring out to you, we got down to the point, How do you define labor force? Well, the labor force is made up of employed people and the unemployed people, and together they are the labor force. Fine. How do you define an unemployed person. Oh, the hours, the weeks that went into the definition of an unemployed person.

Should it be somebody who is able to work, willing to work, wanting to work? My wife is able to work; she is willing to work; she wants to work, but you should never count her as part of the labor force. She is able to work and she is willing to work, if you give her a job of four hours a day, right across the street, at a proper rate, so she can take care of the children, and all that.

What does able to work mean? Do you know what able to work means? In 1939 I went out to Herrin, Illinois, to make a test of these definitions. I went to one place where there was a man who was dying of cancer, and he wouldn't let me out of that house until I showed him I had put his name down on the schedule and listed him as able to work. That is an extreme example.

Is a man with one leg able to work? You can't define their value in those terms.

So that is why the statisticians in the United States passed on a questionnaire with a different concept. We don't ask, Are you able to work? Are you willing to work? Do you want to work? because it is a subjective matter. The enumerator goes around and asks, Did you have a job? Were you working? If the man is working, he is employed. Were you looking for work? If you were looking for work, you are unemployed. Otherwise you are not counted.

So in the United States today practically all the statistics are collected on what we call a basis of activity. What were you doing? If you were actively seeking work, you are unemployed. If you are working, you are employed. Employed plus unemployed gives the working force of the United States.

QUESTION: Then you don't use the definition 14 to 64 in your statistics.

DR. WOLFBEIN: No. It has no reference to ability. We found, what I guess we should have known all the time, that ability to work is an effect of the business cycle. In 1934 a chap with one arm couldn't find a job. With millions of people unemployed in the competition for a few jobs, obviously the man who was physically handicapped or was very old was at a disadvantage. Ten years later, in 1944 that was not the story. The physically handicapped were employed; they were hunting for people. The same thing is true of the older worker deal.

QUESTION: While we are on definitions, how do you define the "older worker"? Is that a relative matter?

DR. WOLFBEIN: It sure is. I know we all started out counting older workers as 65 years of age and older. Then it got to be 55. Last year I had to give a talk to the gerontological society. The topic was "Problems of Earning a Living from 45 Years on." I suppose next year it will be 35. We used to look at unemployment rates by age groups. Unemployment rates even now start moving up at age 45. What is going to be next year, I don't know.

QUESTION: I would like to hark back to the training and trained workers. Some of the research done by "Fortune" indicates that in the next war one of our problems might be in the area of what they call "black" work, unskilled dirty work which people are getting away from. Are we training ourselves out of people to do this dirty work?

DR. WOLFBEIN: Oh, the favorite question--"Have we got too much education and training?" All I can give you is my opinion, of course. The answer is definitely not, for a number of reasons. But first of all, I think "Fortune" magazine was incorrect from this point of view: In times of emergency, stress, and strain, if it really gets rough, we are going to find men to do the so-called dirty work. There are all sorts of ways of doing it--increasing the financial incentive; Selective Service incentive; or just telling them. I believe in telling them when it gets rough.

We shouldn't take something like that and use it to ask the question: Aren't we giving too much education and training? The answer obviously is no.

I was talking to the National Manpower Council. It got out a book a year or so ago that you ought to take a look at. It is called "The Uneducated." Look at that. During World War II, I think Dr. Elli Ginzberg pointed out in that book, Selective Service had to reject for educational reasons the equivalent of 49 Army divisions. Now when we have something like that, nobody can tell me that we are overeducating and overtraining the population of the United States, and it shouldn't be used. As to what is called

"black" work--we can get people to do black work. We shouldn't sacrifice education and training because of it.

MR. MASERICK: Dr. Wolfbein, on behalf of the Industrial College, thank you for a very fine lecture on "The Labor Pool Today," and the very interesting discussion period which you have provided. Thank you very much.

(16 Dec 1953--750)S/sgb