

## DOD MANPOWER PLANNING

18 November 1958

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## NOTICE

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Honorable Charles C. Finucane was born in Spokane, Washington on 6 September 1905. He received his early education in Spokane, attended the Taft School at Watertown, Connecticut, and was graduated from the Sheffield Scientific School, Yale University in 1928 with a degree in Industrial Engineering. In 1930 he became vice president and general manager of the Sweeny Investment Company and has been its president since 1949. In 1939 he was elected to the Washington State Legislature. He was then appointed chairman of the Board of County Commissioners of Spokane County and was active in Government until he entered active military service in June 1941. During the war he served in the Navy as an Ordnance officer in various important staff assignments with the Northwest Sea Frontier, the 13th Naval District, and the Bureau of Ordnance. In 1946, with T. H. Galland of Spokane, Mr. Finucane founded Finucane and Galland, which manages commercial buildings and handles general insurance. Since 1946 he has been a director of the Spokane and Eastern Division of the Seattle First National Bank. Mr. Finucane was Assistant Secretary of the Army for Financial Management from 18 August 1954 to 8 February 1955. He was Under Secretary of the Army from 9 February 1955 to 30 April 1958. President Eisenhower nominated Mr. Finucane to be Assistant Secretary of Defense for Manpower, Personnel, and Reserve on 27 June 1958. He was confirmed by the Senate on 11 July and sworn into office on 15 July. This is his first lecture at the Industrial College.

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ADMIRAL CLARK: Without in any way depreciating the importance of our other national resources, I think it's obvious that our human resources constitute the very foundation of our ability to assure our national security. Unless we plan wisely and carefully to employ our manpower in an efficient and economical way, all of our other national resources may well prove to be of relatively little consequence, particularly if we get involved in a war of major proportions. Therefore one of the subjects which is of compelling interest to all of us here is the planning that the Defense Department is doing to assure the readiness of our manpower for war.

To address us on this subject this morning we have the Assistant Secretary of Defense for Manpower, Personnel, and Reserve, the Honorable Charles C. Finucane. As you have seen from his biographical sketch, he has had a distinguished career both in business and in governmental service; and it's a great honor for us to have him as our guest this morning.

Mr. Secretary, it's a great pleasure and honor to welcome you to the College and introduce you to the Class of 1959.

SECRETARY FINUCANE: Thank you very much, Admiral Clark.

Members of the Faculty and Gentlemen of this fine institution: I greatly appreciate your invitation to be here today, and I hope that my remarks will prove of interest and of value to you in your current studies this year.

I am certain that you have already acquired a keen appreciation of the role of human resources as a primary element in our national strength. I will attempt to cover the major considerations involved in the use of our Nation's human resources from the viewpoint of the Office of the Secretary of Defense.

When we talk about manpower planning, of course, we are embarking upon a well-nigh limitless topic, one which bears on all sorts of situations and most directly upon the overall question of the kind of defense establishment which we in this country require for our safety.

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The very fact that planning has become such a central consideration is indicative of the radical changes which recent years and experience have caused in much of our military thinking. Oversimplification is always dangerous in this or in any other context, but in its simplest form it is true that we have had to fight two World Wars, and indeed take an initial beating in Korea, before we got firmly and clearly into our minds the fact that manpower planning is essential to our security. Today, while we have not entirely achieved the goals which this realization caused us to establish, we are working hard toward them, with good prospects and with a keener awareness of our past deficiencies and errors.

In considering these matters, the Office of the Secretary of Defense obviously cannot function in a vacuum, or do without external and internal direction, study, and guidance. Externally, as you know, the DOD receives this guidance and direction from the President, from the NSC, and from the Congress. Internally, the Office of the Secretary receives information and recommendations from each of the military services and from the Joint Chiefs of Staff. This latter group, as you know, has been greatly expanded recently. The facts and the opinions and the requirements obtained from these sources must be constantly weighed and balanced to produce the most effective program that is possible.

I should like to begin by describing some of the current policies governing manpower. Following this, I will discuss some of the major problem areas, and conclude with a mention of our current posture.

### Basic Considerations

There are certain basic considerations which continue to govern manpower policies, and the overall national military policy also. These were given specific definition by the President.

First, we recognize that the threat of our security is of continuing duration. We can see no single danger date against which to design our defense planning. This, of course, means that the Armed Forces must be geared to long-range objectives, and that the strength necessary to counter aggression must be developed within a relatively stable framework.

This concept requires that modern equipment be in the hands of the troops at all times. It further requires that our active forces must have an immediate combat capability, which means that our personnel must be trained and must be experienced in their job at all times. We can no

longer afford a structure largely made up of personnel who serve only their initial period of obligated service.

Secondly, we recognize that the threat to our security is complex and that future aggression will not adopt any predictable or single form. This requires a defense posture which is of sufficient flexibility to meet whatever situation might arise. We must be prepared to fight limited wars--wars limited geographically, limited strategically, limited tactically; and we must also be prepared to meet a general war or a general emergency. Sole reliance on any single strategy would weaken rather than strengthen the security of the United States.

Thirdly, true security requires a strong and expanding economy, readily convertible to the uses of war. Our continued economic strength is as essential as adequate military strength. To amass military power without regard to economic capacity would be to defend ourselves against one kind of disaster and invite another.

Military programs which undermine our economic strength are as contrary to the national interest as economic considerations which fail to support an adequate defense structure. Today's defense programs must be fashioned to avoid both dangers.

The mission and the curriculum of this college fully recognize this interrelation of military and economic factors in the development of the national security objective--indeed, probably far more than any other college we have.

Now, fourth, we recognize the constantly increasing influence of science upon the character and the conduct of war. We are basing our security on military formations which make the maximum use of technological advances, with less emphasis purely on the manpower.

The maintenance of an adequate defense, therefore, means the constant modernization, the constant reevaluation, of the organization of our Armed Forces in light of the introduction of the new weapons and the new concepts of warfare.

### Defense Manpower Policies

Within the boundaries of these basic considerations that I have just expressed, we have established more specific Defense policies and objectives to guide our current program.

We endeavor to develop programs which will represent the minimum personnel requirements consistent with the tasks assigned. In this regard, manpower requirements are considered as a total of the military, civilian, and Reserve personnel, based on missions and tasks approved by the Secretary of Defense.

We view our work force as consisting of the active forces, the civilian employees, the indigenous personnel overseas, our Reserve forces, plus that portion of civilian industry performing contract work for the Department of Defense. Changing one element of this vast force affects another. The balance between elements must at all times be maintained. The determination of the relative size of each of these elements is made after considering military requirements, job requirements, and economic factors.

We place emphasis on the maintenance and the modernization of combat forces that are required for the initial phases of hostilities. This is in line with our force-in-being concept and in recognition of the need to keep our active forces combat-ready at all times.

We attempt to maintain the highest practicable proportion of operating forces to the total forces. Operating forces, as you know, are the cutting edge of our personnel structure, namely, the divisions, and our combat ships and air wings.

At the present time we have about 62 percent of all our military personnel in this first category. This is an increase of some 5 percent over the last five years.

Requirements for administrative and support-type personnel are carefully reviewed to achieve reductions whenever and wherever possible.

We must make every effort to meet our manpower needs through the use of volunteers, providing they meet the required mental and aptitude standards. Roughly speaking, we require an annual intake of about 600,000 to replace those men whose enlisted terms or periods of induction have expired and who are thus returned to civilian life.

This number will be reduced somewhat as retention increases. However, we should like to emphasize that improved quality controls will work to increase our procurement requirements very greatly in numbers, as you can well imagine. Last year it was necessary to ask the draft boards of Selective Service to provide about 126,000 out of the 630,000 we needed. This year the draft calls are running slightly higher than in comparable periods last year.

With these considerations in mind, therefore, the position of our Department with respect to the UMT&S Act can be simply stated. We propose to request a four-year extension of the draft authority. We consider that despite an improving personnel picture, we have no other real choice. We can afford, of course, to look hopefully forward to a day when it will be possible to achieve a completely volunteer force. That day has not yet arrived. From your studies I know you will agree that we cannot get the people we presently require without the aid of the draft.

### Stability

The Department of Defense strives for stability in its manpower program. There are actually three kinds of such stability. First is that of the total force. In the overall we foresee generally level numbers of people. However, those numbers are always subject to analysis to take advantage of improved weaponry, improved mobility, better management practices, and any change that might come in the international picture.

Obviously, we cannot maintain a level force in terms of dollars spent, for to do so would be to decrease the effectiveness of our forces, because, unfortunately, each year the dollar seems to buy less and less.

The second kind of stability we need is in terms of the individuals who constitute our Armed Forces. We must resist excessive turnover. I will return to this point in some detail a little later.

The third kind of stability is in terms of the stability of individuals at locations and at units. We are trying our best to reduce the PCS move and to hold personnel rotation to a very minimum.

Now, I will mention some of these goals as I discuss certain problem areas.

### Problem Areas

I think you are all aware that our number one manpower problem has been and probably still is, the retention of qualified personnel. In recent years the services have had an unacceptable percentage of turnover, amounting in some instances to one-third of all the manpower force annually.

This problem is complicated by the complexity of new weapons, making it impossible to properly train and qualify men to handle them in a matter of months. Long-lead-time skills require long periods of service; yet all too few of our personnel in hard-to-train specialties have been willing to serve beyond their initial period of service obligation.

We have been faced with the cold fact that we have been unable to properly maintain and operate the equipment and hardware we are now putting in our inventory without greater retention. Consequently, for the past several years and up to the present, major efforts have been made to get at the roots of our personnel difficulties, to recognize those problems, and to do something about them.

This has frequently meant disregarding some of our traditional methods and procedures, for the plain truth is that a lot of our personnel policies which we have been following are now obsolete and they are in bad need of overhaul.

I have said that we believe the situation is improving. The services have worked effectively at changing outdated procedures; and the Congress has given steady support in a concerted effort to bring our personnel problems in line with the current demand.

Time here prohibits a full discussion of all that has been done, but in the main, action has been taken to improve conditions of service and put more stress on quality. These actions include better personnel facilities, more attention to quarters, and a recognition of the need to treat personnel as individuals. This action requires greater emphasis on ability and far less emphasis on seniority. It also means the identification and elimination of substandard and marginal officers and enlisted men.

We have upgraded the career and the prestige of the serviceman. This has been done by increasing pay, providing new grades, and embarking on a continuing program to make our public aware of the true nature of our Armed Forces today.

The Congress has provided realistic and proper benefits for the military man and his family. Items such as medical care and survivor benefits are included here.

The services are building a better training and instruction base. This is being done by taking advantage of new techniques, such as TV

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instruction, and by research designed to bring our training more in line with our job requirements.

The Armed Forces are employing greater selectivity in the recruitment of personnel. By better screening methods we are able to reject personnel with limited aptitudes and limited potential before they ever enter the services.

Efforts to take advantage of these actions must be taken at all levels. The voice of personnel must be heard and recognized at all echelons. Commanders must become intimately involved in personnel factors on a daily basis, for manpower and personnel planning can no longer be done by staff officers alone after decisions have already been made.

The laws passed by the Congress and the policies promulgated by the Office of the Secretary of Defense, as you know, are merely management tools. Full use of these tools has to be made by commanders and by leaders in the field in order to develop the kind of people we need to do our jobs.

#### New Legislation

I'm going to talk a few minutes on new legislation coming up this year, we hope.

Last year four major personnel proposals were submitted to the Congress. Only two of these were enacted into law. The other two will be resubmitted this January.

The four items were a new pay plan for the armed services growing out of the two year Cordiner study; the authority for the President to raise minimum standards of induction; the provision for added authority and flexibility in the career management of the Regular officer corps; and, finally, added monetary incentive for Reserve officers to stay on active duty beyond the obligated service. I wish to consider each one of these briefly.

#### Pay Bill

With respect to the pay bill, we have not yet had sufficient experience to judge its full effect on retention. However, initial indications are very encouraging. First-term reenlistment rates have shown a

moderate improvement in all services, with some evidence of an increase in officer retention as well.

Further improvement is expected as the proficiency pay system becomes effective. This will allow increased payments to critically needed specialists and to outstanding performers and to leaders. The first payments, incidentally, I believe, were made this week.

Congressional support for the pay bill of 1958 in the economic climate of last spring is convincing evidence of increased public awareness of the need for a professional military force to maintain our national security.

### Minimum Standards

Now, prior to the new law of minimum standards for induction, you will recall, the Army was compelled to accept many thousands of individuals lacking aptitude for training in specialized military skills. Indeed all services had many, too many, so-called category 4. Last year about 34,000 low-aptitude inductees were separated from the service. I believe the Army discharged around 72,000 inductees and prior service personnel. Under the law passed, the Army now accepts groups of registrants only if they meet minimum standards based on a series of preinduction aptitude tests.

We believe that the overall results of this new authority will be to improve quality of inductees, reduce the turnover, and increase enlistment capability. We believe also that we will be seeing far fewer disciplinary and court martial problems--something that we will welcome with enthusiasm. Incidentally, 50 percent of the entire population of our retention barracks and jails and other similar institutions is made up of category 4 people.

### Career Officer Bill

Turning to the third item, the Career Officer Management Bill, the purpose of this proposed legislation is to insure the existence of a Regular officer corps of the highest efficiency and quality in all ranks. Specifically this bill would do the following: It will accord increased recognition and incentive for outstanding ability and competence. It will establish approved standards of retention for officers after 20 years service who are serving in the permanent grades of lieutenant colonel, colonel, commander, and captain. The objective is to relate retention

more directly to the requirements of the service, taking into particular account also the degree of contribution or productivity of each individual officer.

Due to the limited time for consideration of the many policy issues involved, hearings on this bill were postponed until the opening of the next Congress in January. Our office is presently studying suggested changes in the bill prior to its resubmission. Proposed additions include the establishment of uniform requirements for minimum service in the grade for permanent promotion to all grades, through colonel and captain; approved selection board procedures; and equitable severance pay for officers separated in the best interest of the service.

Consideration is also given to eliminating certain provisions. For example, the original bill contained provisions for solving the Navy and Marine Corps hump problem by authorizing the Secretary of the Navy to provide for early retirement of captains and Marine Corps colonels in numbers required to maintain an effective officer corps. It has been proposed that such authority, which is for a limited time only, be submitted as separate legislation by the Navy this year.

#### Reserve Officers

Now, with respect to the Reserve officers on active duty, the Department of Defense submitted legislation last July providing for a new system of active duty agreements or contracts. No action was taken on this proposal by the 85th Congress, frankly, because we were too late in making up our own minds and submitting the action for their consideration. But we anticipate--and indeed they have agreed--that it will be taken up very early in the next session; and at this moment we feel there is no active opposition to the bill.

The purpose of the bill is to provide lump-sum payments to Reserve officers who serve beyond obligated service but short of a qualification for retirement. We consider that such legislation is urgently needed to raise the low rate of retention of Reserve officers beyond obligated tours of duty. I'm sure you'll see some action on this, as I said.

Now a summary of our legislation: Considering the sizable gains we have already achieved through congressional assistance and those which we propose to seek, the pattern is one of consistent attack upon many of our personnel practice weaknesses. Reduced to essentials, the pattern is also one of encouraging the superior and refusing to tolerate

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the mediocre, of setting constantly higher standards, and equating them with higher incentives, of placing our emphasis on getting the utmost for the country from our tremendous investment in men, in materiel, and in money.

We may have seen the day when we could put up with the not-so-good, the second-best, the just-able-to-get-by variety of enlisted men, and, indeed, officers too; but we assure you quite candidly that we don't believe that we can any longer afford to do this. It just costs too much money, and we most certainly cannot afford it from the standpoint of national security. We visualize a program of continuing emphasis upon getting the best, training the best, promoting the best, and keeping the best in the service until retirement.

### Reserves

In this connection I should like to make a mention of the Ready Reserve. Here, as in the active forces, the objective is the same--combat readiness and top professional quality. The services are continuing to screen the Ready Reserve. During 1958 they reviewed the records and qualifications of approximately 2.8 million Reservists. Of these, about 500,000 were released through discharge or transfers to the Standby Reserves. The remainder were determined to be qualified for immediate service in a national emergency.

DOD is now developing additional screening criteria designed to increase the mobilization readiness of the Ready Reserve through elimination of Ready Reservists who already occupy important civilian jobs in the event of an emergency. These men are likely to be in double jeopardy during the mobilization, since they would be ordered to active duty and at the same time their civilian employer and the requirements of the Nation as a whole would need them most--probably in supporting the national defense effort in the position they presently hold.

The new criteria contemplate requiring civilian employers of Reserve personnel to designate them by name either as available or nonavailable for active military duty in a national emergency. These designations are then reviewed by the services, who will screen into the Standby Reserve those designated as not available, and will retain the others in their mobilization assignments. The objective, obviously, is to insure that individuals assigned to the Ready Reserve are in fact ready and available for service when called.

This program will not affect the opportunities for retirement or the promotion of Reservists transferred to the Standby Reserve, because they are not available for immediate active duty. They may continue to earn their credit toward promotion, and retire under the law on a voluntary basis.

### Current Posture

Now let's look at our current posture. Just a brief mention of the manpower strength existing at the present time.

We ended fiscal 1958 with a total strength in all services of 2.6 million. Today the active forces of the United States remain approximately this level. And to this we add about 1 million in the Ready Reserve in drill pay status. The total planned active force by the end of fiscal 1959 is 2.5 million, with about the same million Reserves and drill pay status. These are estimated levels, which will, of course, see careful consideration given to the prevailing world situation from day to day as we progress.

Obviously the future size of the Armed Forces cannot be predicated on some kind of an inflexible, rigid, or uncompromising schedule. Our basic objective continues to be to provide and to maintain an adequate posture of defense for the United States and the free world mindful of the sizable strengths and of the capabilities of our allies everywhere. The central problem is the determination of our actual military requirements in terms of total national strength and in full recognition of the strength of our potential enemy.

These requirements are being met by a balanced combination of highly trained manpower, a superior system of advanced weaponry, and by continued progress in the essential areas of research and development. To be completely effective for today and tomorrow, however, our defense programs must possess the capacity for rejecting the obsolete and the old and bringing in the new. It also means taking full advantage of such assets as enormously increased unit and individual fire power, our streamlined divisional and Unified Command organization, greater mobility of our air, sea, and ground forces, and the steady increase in percentages of highly skilled personnel who will operate today's advanced weaponry.

The obvious question, as General Twining put it the other day, is "How do we stand?" And I will quote his answer verbatim.

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"The Soviets outnumber us in divisions and in submarines. They are probably ahead of us in the development--and I stress the word 'development'--of long-range missiles. But relative military strength does not depend on numbers alone, nor on developmental progress. Considering our superior strategic retaliatory power, our flexible and our mobile tactical power, our industrial power and know-how, and our economic strength, I say in full confidence that we are militarily superior overall to the Soviet Union today. I see no reason why, with concentrated effort and good judgment, we should not be superior in the 1960's as well."

### Summary and Conclusion

Now, gentlemen, I'm going to briefly conclude with these remarks: We know that the challenge which we face in the form of an expansionist communism may be with us for years to come. Knowing this, it becomes imperative that we utilize the manpower resources of our Nation in a wise relationship with all our other resources, namely, our scientific, our economic, our political, and our industrial resources. We are truly in a long-term situation, and our manpower decisions and programs must be fully responsive to such a reality. Old practices and traditional ways of doing business are being dropped every day. New demands are piling up and others will inevitably be on their way.

Consider the revolution in armament costs alone within the last 10 to 15 years. A couple of examples come appropriately to mind.

Back in 1940 a B-29 cost around \$600,000. Today a B-52 costs about \$18 million, or 30 times as much. In 1940 a P-51 fighter cost \$21,000. Today F-100 jets cost about half a million--23 times as much. A program for the development of a single guided missile can and does indeed run into billions of dollars.

The cost of training manpower itself has increased tremendously, to the point where we are spending around \$17 billion a year on personnel costs of one kind or another. We measure the training of a jet pilot in thousands, and indeed in hundreds of thousands, of dollars; and the rates are comparable for many other specialities of weapons and electronics.

In short, where we once dealt in millions, we, unfortunately, now find ourselves forced to spend billions. And nothing indicates that we

can lessen this expenditure. On the contrary, we may have to increase it, and we may have to maintain this level of expenditure for many years to come.

Much speculation, of course, centers around the question of the nature of Armed Forces in the years to come. I doubt if the services or any of us know the answer in any degree of finality, so swift is the march of technology and so rapid the rate of obsolescence in the spectrum of our weapons.

All services would doubtless agree, however, that in both the active forces and in the Reserves the basic requirement will have to be for more intensively trained forces, smaller in size probably than in former years, very much more mobile, quickly adaptable to sudden situations, and able to get the utmost from the destructive potential of our advanced weapons systems.

Now, all would certainly agree that the key to proficiency will have to be the quality man--the right men in the right jobs at the right time. If we are to maintain the type of dynamic and superior defense structure which we unquestionably need and have to have, then we have no choice but to require ever higher standards throughout the structure of all the Armed Forces. We must do so if we are to take full advantage of our advanced weapon systems and if we are at the same time to protect the economy which provides the real foundation for our continuing strength.

Improvements in efficiency, elimination of nonessentials, reduction in administrative and logistical support activities, reduction in turnover, and the full development of combat capability of smaller, mobile, fast striking forces are all directly related factors. Continued progress toward these objectives, coupled with intensive research and development programs, will permit the carrying out of the defense mission with an ever-increasing assurance of success.

In military manpower our basic need is for the trained personnel to man our intricate weapons and assume the tasks of this difficult age. We need military careerists, proud of their profession, and rewarded not only with adequate material considerations, but with respect, status, and position in American society. We need the top quality and we can settle for no less.

Such forces will continue to require a chain of support reaching all the way back to the operations of the services themselves, through the factories of industry, and coming at last to the laboratories and the

research institutes of colleges, of industries, and of private foundations. Further, all signs point to the fact that this support must now be greatly increased.

We are in a day of radically changing tactics and concepts, involving the highest originality and flexibility in the thinking of our commanders on all levels. We are moving rapidly ahead into an atomic age, where the true arbiter of a nation's strength is becoming the research scientist, the production specialist, and the highly trained man.

Every contribution of the human intellect is involved, and every calculation has to be made in the sure knowledge that those on the opposite side of the world are doing the same thing. Our defense program will continue to need the finest in our national storehouse of talent and of ability and brains, for in today's split-second world there is no such thing as a second best.

These are the considerations motivating the Department of Defense's drive to achieve corrective legislation, a better active and Reserve program, accelerated Administrative action, and a greater career stimulus for all those in our Armed Forces.

Admiral and Gentlemen, I thank you very much for your kind and courteous attention.

COLONEL KLEIN: The Secretary is ready for your questions.

QUESTION: Mr. Secretary, you spoke, as other speakers have previously spoken, about reduced manpower requirements because of the introduction of nuclear weapons. Just lately there have been some questions raised as to the validity of this. Has your office been able to document this, or are there any meaningful data yet as to quantitatively how much it might reduce these requirements?

SECRETARY FINUCANE: Well, you have asked quite a lot of questions all at once. I don't think that this reduction is necessarily on account of nuclear weapons. It's just on account of the advancement of all weapons. I think it would be more appropriate to analyze why we have 870,000 people in the Army. I suppose that's the basis of your question.

That figure was arrived at as follows: Four or five years ago there was a determination by the NSC that somewhere in the neighborhood of 2.4 million would be an adequate number of our standing Armed

Forces in this day of indefinite suspense. We have been trying to get there ever since one way or another. As you will remember from your experience, it originally was up around 3 million. Now we're down to 2.6 and trying to go to 2.5.

We have certain international commitments for the Army, namely, to keep five divisions in Europe and two in Korea. We have contracts and treaties with Allied Nations. We also have an example to set. That is, we can't materially reduce our forces overseas, in view of the fact that the French and the English have moved some forces out at one time or another. So we have quite a problem.

The next thing to decide is how many men it takes to keep these commitments. We got down to a suggestion of 850,000 a year or two ago, and it seemed quite apparent to us that we couldn't possibly do it at those figures.

Then we were asked how many men we needed. It was finally decided in the highest planning circles in the Government that 870,000 could do the job, and so we started toward that figure.

Now, I don't think that the 870,000 has changed the requirement to do that job. But one of the questions on the table now is this: We've been given additional duties that weren't contemplated at the time that the 870,000 was arrived at. Of course, that is a matter of much discussion.

The other two services are satisfied with their manpower allocations--well, nobody is ever satisfied--but with the amount of money available to them, the amount of weapons they see they have to buy, the number of ships and aircraft they have to pay for, and the amount of R&D required, they are quite satisfied with the general level in manpower to accomplish their mission. I think the Marine Corps would like to have substantially more, as would the Army.

I've given you a long, roundabout answer, much too long but I know it's in all your minds.

QUESTION: Mr. Secretary, the last Congress, in this pay bill you mentioned, included a proficiency pay permissive section for, as I recall, \$50, \$100, \$150 for a colonel. Could you tell us the status of implementation of that?

SECRETARY FINUCANE: You are speaking of officers now?

STUDENT: Yes, officers.

SECRETARY FINUCANE: That is a subject about which every person has a very different and usually very forceful opinion. We sent to the services this kind of request: When I say "we" I am talking about the Department of Defense. We have not had their replies yet, although two replies are in and one is coming and the suspense date was 1 November. We said: "If this were implemented, how would you implement it?" Maybe we should have asked, "Do you approve of it or not?" But I think if we had asked that, we would have had such a variety of opinion that we would never have decided anything. But we will find out, I think, when we see the services' studies, whether or not it's a practical thing to do.

It's certainly a very radical and violent departure from anything we have ever known in the officer corps before. Personally I think there is great question as to whether one officer is more proficient than another. If one is not so proficient, maybe the answer is not to pay the other more but to release the less proficient one. It is going to be a pretty difficult problem to figure out which man is more proficient and which is less proficient in the officer field when men are doing one thing one year and another thing in another year. I don't want to try to anticipate what the services are going to say about it, but I think you will see that I have to be sold a little bit if I have anything to say about it.

QUESTION: Mr. Secretary, it is my understanding that the reason that the services had to take in the 4-F's was perhaps public opinion in regard to certain numbers of people that were getting, shall we say, a free ride as regards service obligations. Yet it seems that there are a number of jobs in the services that can be done by a man who limps or who has bad teeth or something of that nature, or even though he may have a low capability test, and still not obligate the Government for professional medical care or something like that afterward. You mentioned that by raising the standards we are getting rid of some of these. But what are we doing to actually take advantage of those people in the services?

SECRETARY FINUCANE: I think you asked several different questions there. In the first place, this category 4 is a mental classification. It has nothing to do with whether he limps or whether he has anything wrong with his physical being.

On the mental cases, the reason we had to take an inordinate number of 4's was the philosophy. The philosophy is still in the country--and I don't know what we're going to do about it--of equal service for everyone; that everybody who comes to the door must be taken, so that you don't discriminate against anybody.

Actually speaking, many of these category 4 men never had it so good before in material matters. So we have acquired a group of professional privates, which we obviously don't want. We found out, when we had to take anybody that arrived at the door, that we inducted a lot of people who were completely untrainable, whom we couldn't teach anything.

So we evolved a program last year or the year before of keeping them for 30 days and then releasing them. But that is enormously expensive--to put them through preliminary training and waste the time of everybody and so forth and so on. Finally we got up to where 40 percent of inductees in the Army were category 4's and, thank heaven we were granted relief last year.

Now, the reverse won't happen. It doesn't mean that we're not going to take anybody in category 4, obviously. A category 4 man might be a very skillful mechanic, but he might not have the book knowledge to do very well on an aptitude test. That's why we have these proficiency tests--to try to find out the men that will be of value to us irrespective of how smart they are. And, incidentally, the ones who are too smart we don't want either, as you know.

So presently we have a 12 percent category 4 as a minimum for the three services. The Army, I suppose, is down now to about 25 percent rather than the 40 (for its draftees), and they are probably going to go lower. The Navy and the Air Force would like to get rid of the percentage altogether.

We are studying now as to whether we should reduce it further. We don't want to just do away with it and take no category 4's. Congress didn't intend to give us that kind of license when they removed the requirement forcing us to take them.

But I think you will all agree that for dollars spent we get tremendously much more for our money if we start out with good material than if we are forced to take inferior.

QUESTION: Mr. Secretary, you mentioned that at the present time approximately 62 percent of the Armed Forces are engaged in operational

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tasks--in combat and in the operational areas. Would you say, sir, that through the use of contract personnel for some of the routine house-keeping functions, for forces such as mass cooking and compartment cleaners, we could achieve a still higher percentage and thereby perhaps commission a few more ships or have a few more squadrons and have a more effective defense force?

SECRETARY FINUCANE: That's a subject that we looked at a long time ago and more or less abandoned.

Those people that you suggest would have to be paid, of course. The work would have to be done; so it would cost probably more money than at present in the overall.

The question of doing work by contract, to leave out the cooking and the waiting on table and the cleaning and that sort of thing, varies between the services in the way of money vis-a-vis personnel ceilings of one kind or another that are placed on them. In other words, if our office says: "All right. You've got 300 civilians working in your shop. You can only have 250," the man in charge of the shop is going to contract if he can. So the management problem, if you really want to cut down, is to stop the contracting and still cut down numbers of people in the interest of efficiency.

This argument of inhouse work versus contract work goes on forever. The contracting public naturally feel that they are private enterprise and they're paying their taxes and they'd like to have all that business. Indeed, I had a very severe time yesterday with a man who runs an aircraft repair contract service in California. He gave me a very bad time because the Air Force people at Dayton didn't contract all their maintenance and overhaul work.

I really believe that our balance is probably pretty good. Certainly we need and want to keep a great capacity of inhouse ability and know-how and for the training of leaders in the event of an emergency.

Likewise I'm pretty sure that if you can call contractors in and take them out at certain times, contracting, with the high and low variation of load, will in fact be a little cheaper. Indeed, this week we have taken the ceilings off of our industrial fund activities in the services to enable them to do just exactly that.

QUESTION: Mr. Secretary, it has been said that the United States has a matriarchal society. Does this have a great effect on the turnover that we have in the Armed Forces?

SECRETARY FINUCANE: I don't know a great deal about a matriarchal society. Does that mean the country is run by the women? I'll agree with that. What it has to do with the birthrate or the turnover in the services I don't know.

I think our turnover in the services varies about with the feeling of a man toward himself and his wife and his country. I'm sure it's going to be greatly improved as our people fare better in housing, in money, take-home pay, and all those things. But the draftee--we're never going to get him to stay in. Indeed, I don't know whether we want him. He comes in under pressure. He doesn't come in voluntarily.

I think when we get over our first or second reenlistment, we'll be all right. Our reenlistment rates are about 50 percent. They're really quite good, I think. If we can get Reserve officers who are flying the hot airplanes and these electronic experts to stay in for 10 or 15 years, which the retention bill should do, I think it will help quite a bit.

QUESTION: I read in the press during the past week that former President Truman recommended universal military training. I was interested to know what the Department of Defense's feelings are on this, and will it affect our manpower at all in the services in the future if this becomes law.

SECRETARY FINUCANE: May I give you my opinion?

QUESTION: Yes.

SECRETARY FINUCANE: I'm not speaking for the Defense Department, but certainly my opinion is that if you want to have universal military training, you'll have to get somebody else to do it. We need about 500,000 people a year, through enlistment or induction to maintain our forces. The number of men reaching military age currently is about 1.2 million and will grow to nearly 2 million before the end of this next decade.

The problem of training three or four times as many people as we want would certainly require building camps and turning it over to someone else. Why, the trainers alone would be a big problem. I think

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it takes 9,000 trainers to train 52,000 men for 6 months in a year. I just happen to have that figure. It's all wrapped up in a special package--so much for this and so much for that. But it was 9,300 for 52,000 additional. You can see that it would cost us an army alone to just maintain the training establishment. So I just don't believe that's going to happen. Maybe, but I doubt it.

QUESTION: Sir, we know that over the past many years we have had an annual inflation factor of about 2 or 3 percent. Considering this, and considering the desirability of pay incentives, what are your thoughts on an escalator provision on military pay?

SECRETARY FINUCANE: You don't mean an escalator of so much percentage every year, I know, because some years it wouldn't go up as much and maybe if we had a depression, it would go down. You would like to tie it to the cost of living or one of those things?

QUESTION: The GNP or BRT, like the unions do.

SECRETARY FINUCANE: I don't think that would be a bad idea at all. It might involve a tremendous processing problem, an accounting problem; but I think it could probably be done.

Incidentally, the services, since I've been here, which is just four years, have been doing quite well under the present system. I would think they have been doing better under the present system than they would under the BRT system.

However, this was a catching-up period. In other words, prior to 1955 or the pay act of 1954, nothing had been done for a very long time, particularly in the area of housing and fringe benefits. So I think that the large advances that have been made in the last three or four years--which, incidentally, are enormous in one way or another--have been most gratifying; and we deeply thank the Congress for them. So between the medical care and the new housing and the pay increase and one thing and another, a great improvement has been made since 1955. If you add it all up, you would be surprised.

QUESTION: Mr. Secretary, since the adoption of the uniform code of military justice some years ago, much has been said within the military and without regarding the effect of the diminution of the disciplinary powers of commanding officers in terms of combat efficiency. It has been my personal experience that the most effective units with which

I have been associated have had a forceful and consistent discipline exercised by the commanding officer. Your comment about the need to recognize the individuality of each man--does this portend a perhaps further reduction in the disciplinary powers of commanding officers?

SECRETARY FINUCANE: I should surely hope not, because I deplore trying to run military organizations by "if you like" or "won't you please." I just don't think it can be done.

But there has been a good deal of criticism. It probably goes beyond the GI gripe: The general public does not look upon military career with enough favor. The Department at one time, I think, paid Gallup to go out and find out. I think that was about the number one beef. Incidentally, the pay complaint was down around ninth.

But this matter of getting the recognition and approbation of your neighbors is a real problem. I don't know why people think that way, because the President got there through a military career and many of the industrialists around the country have spent anywhere from 10 to 35 or 40 years in the services. So I have never found anything particularly wrong with this way of life. But it is part of the modern concept that we must have everybody feel good and have them oriented right mentally and above all take care of their morale. I believe that is the word we use most.

QUESTION: Sir, going to the question of public esteem and prestige for the military forces, one problem I think is well illustrated by the fact that a 2-weeks draftee who committed rape is carried on the front page, not as the son of Mr. So-and-so, but as a soldier. Is any attempt being made to get together with editors and the various news media to see if we can't subtly change this public idea of the Armed Forces?

SECRETARY FINUCANE: I think that people have been trying to get together with editors and news media since the time of our Lord, and I don't know that anybody has ever been successful.

On the second question, Can you keep rape off the front page? No; it just can't be done, no matter who does it.

The best thing that we've done in that area is a little preventive medicine, if you like. Where you get into real trouble is, generally speaking, overseas, for a variety of reasons. And since the very bad time that we had, a whole lot of bad luck all at once, about three years

ago, we have just screened our men very carefully before they are even sent overseas. They are watched when they arrive, and if they show any tendencies toward instability, they're shipped home pretty quick. That's about a number one program in the Army, and I think it has produced really fine results. You are still going to get a few traffic accidents and people are going to get into trouble overseas and all those things are going to happen. But it doesn't seem to me it's been nearly as bad as it was.

You remember the time when a soldier knifed the man on a ship going across the Rhine. Then there were three or four other crimes and they came all in one week. Then the Germans got in a terrible mental state.

Of course, what happened is they damn you in the press and praise you privately. We have been since then getting letters from mayors and police chiefs and people in Germany congratulating us on the new program. But, unfortunately, that's not news. That's the thing that's expected.

QUESTION: Mr. Secretary, all concerned, I am sure, will welcome this recent legislation which permits the services to take fewer of those category 4 people and a higher quality of the ones they do take. The opposite of that, it would seem to me, would be for permission for the services to take more and more of the higher quality. What would be the prospects of a revision of the QDF, the quality distribution formula, to permit the services to take more category 1 and 2 versus the 4's?

SECRETARY FINUCANE: Well, we are working on that right now, as I explained a minute ago. The Air Force is very anxious to do away with the whole category system.

We don't have too much objection to that. We are now down to 12 percent. We are considering somewhere between 6 and 9. When you get down to 6 percent category 4's and you can do what you like with the other three categories, you've pretty nearly got what the Air Force is asking for.

If we just said: "All right. We'll have no categories at all" and nobody took any category 4's, we would have some trouble. What we are really trying to do is the very best job we can for the services and still not get a reversal of feeling among our legislators. It took us two years to get this category 4 bill. There's a lot of feeling that these low-category people should be taken care of and educated in the services. I don't know what the reason is, but you can use your own judgment.

QUESTION: Mr. Secretary, in your opinion do you think the ESP Program has been very beneficial to the services?

SECRETARY FINUCANE: What's that one?

QUESTION: The Enlisted Specialists Personnel Program for bachelors, masters, and so on.

SECRETARY FINUCANE: Yes. I believe in general it has. I think in general you can make a statement that we ought to get the most value we possibly can out of the brains and equipment that a soldier has. We have tried to do that, as you know. The trouble is, like the trouble that we had up at Edgewood last week, that when you get a lot of brilliant minds together, they get disgruntled and unhappy at being inducted. So you concentrate your problem.

It's pretty hard when you are dealing with so many thousands of men; it's awfully difficult to be sure that you do everything just exactly right.

Take this case that got so much bad notoriety--this exceptional mathematician. He was truly remarkable, according to his professor at the University of Illinois. But he had not taken a degree in any subject. So he is asked at the induction center "Did you go to college?" "No." "Did you go to high school?" "No." "All right. Stand over there."

Well, he didn't volunteer the fact that he was a mathematical genius; and if he doesn't tell anyone who's going to know? So the next thing I hear this inductee is peeling potatoes out at camp. And I think on the boy's part it was probably deliberate.

QUESTION: Mr. Secretary, has the Office of the Secretary of Defense had any problems involving physical conditioning of young soldiers and young officers coming into the service? I have in mind the writings recently on the relative physical condition of young Americans vis-a-vis young Russians, young Germans, and young Frenchmen. How is our national physical condition of young Americans? Does your office get involved in that question?

SECRETARY FINUCANE: No, we don't. But probably we should.

This thing is a matter of national concern. There's no question about it. The President called together a committee of educators and

professional people of all kinds to study this problem. I'm a member of the committee. We are in the second year of studying this problem to see if we can't do something about the general physical condition of our youth.

I think we are probably making some progress. We still have automobiles and soft foods and nobody is doing rigorous manual work in this country, and so we are not going to be the toughest people in the world. But I went to Parris Island the other day and you would be pretty much impressed with the quality of the fellows that they get in there. It's true they don't take the ones, or the ones aren't invited who are no good at all. But when I watched those boys, they are not sissies by any means. And I am sure that our Army training is just as good.

QUESTION: Sir, in our attempt to reduce manpower requirements throughout the services we are confronted many times by two main obstacles. One is political opposition to the closing of local installations. The other is vested interests within the services against reduction in some functional areas. Could your office help us out in these fields?

SECRETARY FINUCANE: Well, on the first question, on the politics, we all know what the situation is. Everybody wants savings in everybody else's district except his own. And while a few of the people are very statesmanlike, there are many who are not. Then we're in trouble all over again.

The vested interest of the services is a very nebulous thing to put your finger on. I am perfectly convinced, beyond anything else that I know anything about, that we are spending much too much money on semiobsolete, duplicative weapon systems of one kind or another. If we were not doing that, if somebody could stop that, I think we would have plenty of money for a few more personnel, which I think would be a fine thing. I think our personnel people are getting a little behind in this argument between personnel, logistics, and research and development. Of course that's my duty to speak for the personnel.

But the other one is a tough one to get around. You have, as you say, these people that have worked years on these things. The argument is made: "Well, I've got \$300 million on this, and for another 25 we'll get something for inventory," or "Well, this is all made in one plant, and it's kind of a bad labor thing. This means throwing 15,000 people out of work tomorrow."

The net result is, to be candid, that really virtually nothing is done. It's true that things phase out, but they usually are not abruptly stopped. I think there are some pretty tough decisions being debated right this minute on that subject.

The truth of the matter is, it's nobody's blame. It takes eight or nine years to develop one of these things, and the techniques and the research and development turn around every year. Four years ago we never even thought we could use solid fuel propellants, for example. Now they are almost commonplace. That makes all our efforts difficult. Don't say I'm against anybody's missiles, but it makes us take a long look at some of our liquid propellant jobs and so forth and so on--air breathers versus ballistic and so on.

QUESTION: Mr. Secretary, in about 1960 to 1962 it would appear that we are going to get quite a few people, a greatly increased number of personnel, who have completed the 20-year eligibility for retirement. In view of this situation, if it does exist, do we expect congressional activity or is the Department of Defense doing anything about revising the retirement situation?

SECRETARY FINUCANE: The problem is awful. That word means "full of awe." I think the cost might go up to about \$3 billion. Everybody, is worried, to some degree.

But commitments have been made with people. They have been led to believe they're going to get this for 20 years. I just can't conceive of their not getting it. I think it's just one of those contractual obligations that we've made with our people, and I'm pretty positive they're going to get it.

Now, head on, we might as well face this business of whether or not the retired man gets the same increases as the man on duty, because that's going to be a hot one coming up. You know, the Cordiner recommendations and the bill passed by Congress did not move over to the retired rank the same amount of increase that they gave to the on-duty ranks. You know as much about it as I do, and we are both going to hear much more about it in the next six months. I'm sure we'll make good our contracts with our people.

QUESTION: Mr. Secretary, I am a little confused about the correlation between the guidance you get from NSC and so forth and the agreements by the services, especially in personnel, where commitments

of the Navy, for instance, overseas are quite terrific, but they don't give them the personnel to man the ships and fight them in case we get into trouble. Would you care to comment on that?

SECRETARY FINUCANE: Yes. I'll be glad to comment on it. I don't believe that anything is done precipitously or just as an order to somebody or as a paper signed by somebody. These things are debated at great length. The people involved are there at all times. And they are redebated every week or so. In the Armed Forces Policy Council meetings they are under constant review and in the Joint Secretaries they are under constant review.

We do not, I believe, get specific orders from the NSC. I mean, they are not an action body. They lay out broad national policy and we try to implement and report back what we do. I think that's a more specific answer.

But there are forces, thousands of forces, bearing on every decision. The Bureau of the Budget has an idea. The three services have ideas vis-a-vis each other; and that, believe me, is no small package. There are words of the President, the general objectives of what we are trying to get, how much money is available, what the Congress tells us to do, and so forth and so on.

But we do nothing to any service without thorough coordination, discussion, and usually amendment and compromise and, we hope, without doing a good selling job with them. There are some bitter ones, but, generally speaking, everybody agrees when it's finally done. So I think your ships are well manned. Whether you've got enough of them, you could argue about that too.

QUESTION: Mr. Secretary, the services have gotten considerable publicity in the last few years in connection with the overseas problems. One is the base rights--the handling of disciplinary problems with service personnel. The others are the Supreme Court decisions, which practically took away from the services any control over anyone other than those in the services. This I realize is a two-pronged question, but my question really is, is there proposed legislation which you can tell us about that might help to solve these problems from the point of view of the overseas commanders trying to maintain discipline?

SECRETARY FINUCANE: The Department has no legislation that I'm aware of that touches on this Supreme Court decision at all. Whether

somebody will bring up something tomorrow I couldn't answer. It would probably generate in the General Counsel's office, as being a strictly legal matter, rather than mine. I have never heard any such suggestion.

This base rights problem is a different one. That, of course, is a matter of negotiation between our country and the foreign country. Generally speaking, wherever one country got a contract, then every country in the world had to have at least as good or a little better. You get into national pride. I don't think there's much of a problem here, incidentally. But the national pride problem is very severe.

We spent a year, as you know, with the Philippines, with no results, largely because somebody had made a little better deal with Japan.

The so-called Netherlands NATO Formula, which I think was the best that anybody had up to that time, has become sort of standard. Frankly, I haven't heard too much about it. I think that things are kind of quiet.

I noticed we're going to try again. I noticed in the paper, actually, that Ambassador Bohlen over in the Philippines is again going to try to resolve it, because our having no contract with them, I suppose, is most unsatisfactory. But that's the only country, as I remember.

QUESTION: You brought out in your talk, Mr. Secretary, that we have more and more complex weapons and therefore we need personnel of higher and higher intelligence to operate the weapons. Have there been made or are there attempts being made to reduce some of the complexity of operation of these weapons so you can use less intelligent personnel instead of more intelligent?

SECRETARY FINUCANE: I'm kind of glad you raised that question. We make these pat statements, you know; and I've just made one.

There is a responsibility here in these scientists that has got to be recognized. I'm perfectly convinced that some of our weapons are so terribly complex that they couldn't be operated except in the laboratory. Under field conditions, in the mud and the rain and bouncing around and being shipped, I'm afraid they might not work too well.

But it is correct that you start with a Rube Goldberg business and then in two or three years it gets simpler. Some of our missiles are pretty good examples. We're getting down now in the Army to a realm of

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things that are going to work pretty well, I think, in the hands of troops, whereas when we started it was terribly involved--a tailor-made, hand-operated job by scientists.

I've always thought that one of the great weapons was the Honest John. By this I don't mean to say that other people don't too. But it was kind of a simple thing. You just put a match to it and it went where it was supposed to go and with an awful wallop.

The perfectionist in the military is a little bit the enemy of the good sometimes, you know. It's never made much sense to me that a weapon had to hit within the radius of 3 or 4 feet at 25 miles if it had an atomic warhead on it. That doesn't make any sense to me, but to an artilleryman it's doctrine. It's things that he's been brought up with ever since he was born, and it's pretty hard to shake some of these opinions.

COLONEL KLEIN: Mr. Secretary, for a very forthright and comprehensive treatment of this subject, we thank you very much.

(19 Mar 1959--4, 150)B/msr:en