

L60- 74 C. I

Lecture only  
Discussion period  
filed in Classified  
Reference Unit



Property of the Library  
INDUSTRIAL COLLEGE OF THE  
ARMED FORCES

DEPARTMENT OF DEFENSE  
MANPOWER PLANNING

Honorable Charles C. Finucane

NOTICE

This lecture has not been edited by the speaker. It has been reproduced directly from the reporter's notes for the students and faculty for reference and study purposes.

No direct quotations are to be made either in written reports or in oral presentations based on this unedited copy.

Reviewed by: Colonel J. H. M. Smith, USAF

Date: 23 December 1959

INDUSTRIAL COLLEGE OF THE ARMED FORCES  
WASHINGTON, D. C.

1959-1960

DEPARTMENT OF DEFENSE MANPOWER PLANNING

17 November 1959

CONTENTS

	<u>Page</u>
INTRODUCTION--Lieutenant General G. W. Mundy, USAF, Commandant, ICAF.....	1
SPEAKER-----Honorable Charles C. Finucane, Assistant Secretary of Defense for Manpower, Personnel, and Reserve.....	1

NOTICE

This lecture has not been edited by the speaker. It has been reproduced directly from the reporter's notes for the students and faculty for reference and study purposes.

No direct quotations are to be made either in written reports or in oral presentations based on this unedited copy.

Reviewed by Colonel J.H.M. Smith, USAF, 23 December 1959.

Reporter: Grace R. O'Toole

Property of the Library INDUSTRIAL COLLEGE OF THE ARMED FORCES
--

PublicationNo. L60-74

INDUSTRIAL COLLEGE OF THE ARMED FORCES

Washington 25, D. C.

DEPARTMENT OF DEFENSE MANPOWER PLANNING

17 November 1959

GENERAL MUNDY: One of the most difficult problems confronting our Government today has to do with the use of our human resources. This is particularly true with respect to our military requirements.

To discuss the important topic of Department of Defense Manpower Planning we are privileged to have as our speaker the Honorable Charles C. Finucane, Assistant Secretary of Defense for Manpower, Personnel, and Reserve.

Mr. Secretary, since the class has been given your biography, I will say only that we are very pleased that you are giving us this time this morning, and I would like to welcome you back to this platform for your second talk at the College.

Gentlemen, Mr. Finucane.

MR. FINUCANE: Thank you very much, General, for those warm and kind remarks. It is a great pleasure to be back here again.

We speak and think a good deal about our top, senior, joint educational institutions, and most of us who have any modesty at all come here with a good deal of fear and trepidation, because we well recognize that to be chosen to take this course you are well informed and are very nearly experts in your professional calling, and anything we can add to that, of course, we are happy to do. But we do come with a feeling of modesty and with a feeling of almost inferiority in some cases.

I am very happy, as I say, to be here, and I trust that the discussion will prove to be of interest and of value to you in the course of the studies. I know that each of you is aware of the importance, indeed, of the central role played by human resources in our overall national strength. As it has always been, men and not machines still account for a nation's relative strength, and, indeed, for its relative weakness, and the degree to which manpower is used intelligently and imaginatively determines in many cases whether we have a sound or an imperfect or perhaps a disastrous defense system.

The subject itself, as you know, is limitless in scope, since it takes in the entire structure of society and bears on every conceivable human situation. Rather than to get lost in trying to take care of every aspect of the subject, I will attempt to cover only the major considerations involved in the use of our Nation's human resources from the standpoint of the Department of Defense.

It wasn't so long ago in this country that the term "manpower planning" in the military program would have had little or no meaning at all. I think you are all very familiar with the reason that this was the case. The first and most compelling reason was the fact that the United States, by the middle of the 20th century, had fought several major wars without a defeat, and this country had never developed much of a philosophy of military preparedness. Indeed, as we know, it was almost an article of faith that America would not tolerate large standing military

forces, preferring instead to rely upon a small, professional cadre which could be expanded rapidly in times of danger to provide whatever forces we needed to protect ourselves.

We all know that in fact this system did have some serious flaws. Without forgetting that oversimplification is dangerous in this or any other context, we still had to fight two World Wars and to take a kind of initial mauling in Korea before we accepted the fact that the systematic programs of preparedness, including long-range manpower planning had in this day and age become essential.

We have had to recognize that the time has passed when we could maintain skeletonized defense forces, secure in the thought that we would always have plenty of time to organize and train a powerful military machine after the appearance of a major crisis.

In the current era of continuous crises, our manpower planning must provide for a manpower structure which is always ready in size and quality to cope with the various threats which may confront us. This change in concept from the oldtime buildup to the continuous maintenance of a powerful defense structure was not an easy or a simple step for us to take. Indeed, today, while we have not entirely achieved the goals which this realization has caused us to establish, we are working very hard toward them, and I think we have good prospects of achievement and a keen awareness of our past deficiency.

In considering these matters, the Office of the Secretary of Defense

obviously cannot function without the external and internal direction, study, and guidance. Externally, as you know, the department receives its guidance from the President, from the National Security Council deliberations, and in some cases from the Congress. Internally, the Office of the Secretary receives information, <sup>and</sup> recommendations, from each of the military services and from the Joint Chiefs of Staff. The facts and the opinions and the recommendations obtained from all these sources are constantly weighed and balanced to produce the most effective program possible.

It is well recognized that the provision of effective, active forces is not simply a matter of numbers alone. The determination of strengths for the active forces requires a careful analysis of the large number of interrelated factors. The objectives, the roles and the missions, the strategy, and the availabilities of weapon systems are but some of the many basic considerations, and, in addition, sound managerial principles require the evaluation of a number of other factors before an intelligent determination can be made.

Some of these are projected improvements in retention, improvements in personnel quality, the possible reduction in transients, and in other nonproductive status, and, of course, an appraisal of the gains and losses resulting from prior input.

I should like to begin by describing some of the current policies

governing manpower. Following this I will discuss some major problem areas, and, finally, I will conclude with a mention of our current posture.

There are certain basic considerations which continue to govern manpower policy and to govern the overall national military policy also. These are specifically defined by the President. First, we recognize that the menace to our Nation is of indefinite duration; while the temperature of the cold war may fluctuate from day to day considerably, it is still a deadly serious conflict and will be for the foreseeable future. This means that the Armed Forces must be ready to fight not only on a day-to-day basis but must also continue to develop new skills and new weapons for future readiness. Thus, we can no longer afford a manpower structure made up largely of personnel who serve only their initial period of obligated service.

Second, we recognize that the threat to our security is an extremely complex one, and one whose patterns are almost impossible to predict in terms of method, of time, or of geographical location. Consequently, we must be prepared to provide adequate deterrence to a general war, with a simultaneous capability to undertake the offensive or, indeed, the necessary defensive tasks which might be required in activities short of a general war.

We are convinced that the sole reliance on any single strategy or single weapon system could weaken substantially our strength to resist

and the security of our country.

Third, we must take into account the constantly increasing influence of scientific discovery upon the tools and the tactics and strategies of war. We must plan our organizations and our strategies to make the maximum use of the new weaponry developments, with less emphasis on the purely quantitative aspects of manpower.

Fourth, and finally, we must recognize the fact that our security is also dependent upon a strong and an expanding economy, readily convertible to the uses of war if necessary. Military programs which would dissipate our economic strength are as contrary to the national interest as economic considerations which fall short of an adequate defense structure. Today's defense programs, therefore, must be fashioned to avoid both these dangers.

Within the boundaries of these basic considerations which 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 our security and with the tasks assigned us. In this regard manpower requirements are considered as a total of the military, civilian, and reserve personnel needed, based on the 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, and our reserve

forces, plus that portion of the civilian industry which is performing contract work on weapons for the department. Changing one element of this vast force affects each other element. 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 the military requirements, the job requirements, and the economic factors. We place emphasis on the maintenance and modernization of combat forces required for the initial phases of hostility. 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 practical proportion of operating forces to the total forces. Operating forces, as you know, are the cutting edge of the personnel structure, namely, the divisions, and our combat ships, and our combat air wings.

At the present time I am glad to report, we have 63 percent of all our military personnel in the operating forces. This has been increased some 6 percent in the last 5 years. Requirements for administrative and support-type personnel are being carefully reviewed to achieve reductions wherever and whenever possible. We must, of course, and we do, make every effort to meet our manpower needs through the use of volunteers, providing that these volunteers can meet the required mental and aptitude standards. Roughly speaking, we are required to take in annually about one-half million new men to replace those whose

enlistments or periods of induction have expired, and for those who have returned to civilian life. This number will be reduced somewhat as our retention increases.

Last year it was necessary to ask the draft boards to provide about 110,000 new people out of the 400,000 that we required. This year our draft calls are running slightly lower than last year, in fact we hope about 20 percent before the year is over. This is a very useful and helpful program for us, as you know.

With these considerations in mind, however, the position of the department with regard to the draft can very simply be stated. We consider that the draft is essential to the maintenance of the type and force of Armed Forces that we require . Because of this, as you know, we last year requested and received from the Congress the authority to extend the draft for another four years.

Now, despite the improving personnel picture, we have no other choice, although we still look forward hopefully to the day when we can have a 100 percent volunteer force. That day hasn't come yet. From your studies I know you will agree that we cannot get the people presently without the aid and the push of the draft.

The Department of Defense strives for stability in this manpower program. There are three kinds of such stability. First is that of the total force. In the overall at this time we foresee generally, for the first time since Korea, a generally level number of people. However,

these numbers are always subject to possible revision, as you know, to take advantage of the improvements in weapons, the improvements in equipment, or to conform to any change that might come in the international picture due to the lessening of the cold war aspects.

The second kind of stability which we need is in the terms of individuals who constitute our Armed Forces. We must resist, and do resist, excessive turnover. I am going to 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, and indeed in their jobs. We are trying our best to reduce the number of permanent change of station moves, and we are trying to hold personnel rotation to the very minimum.

I am going to mention some of these goals as I discuss certain problem areas. I think you are all aware of our No. 1 manpower problem of recent years. That is, and still is, the retention of qualified personnel in the services. The services have had an unacceptable percentage of turnovers, mounting in some instances to one-third of the entire manpower force annually. This situation has been materially improved in recent years, thanks to the legislation that we got, and thanks to many changes in our administrative policies. However, the turnover, particularly in certain skills, is still far too high to maintain the quality we need.

This problem, of course, is complicated by the complexity of the

new weapons. This makes it almost impossible for us to properly train and qualify men to handle these weapons in the matter of months, as we used to do. 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.

and

I have said that I believe, / we believe, that the situation is improving. The services have worked effectively in changing outdated procedures, and the Congress has given steady support in a concerted effort to help solve our personnel problems.

Time prohibits a full discussion of all that has been done, but in the main action has been taken to improve conditions of service and to put more stress on quality. These actions include better personnel facilities, greater attention to quarters--we are building, as you know, some 70,000 Capehardt houses--general recognition of the need to treat personnel as individuals. This latter action requires greater emphasis on ability and far less emphasis on seniority. It also means the identification and the elimination of substandard officers and substandard enlisted men.

We have upgraded the career and the prestige of the services. This has been done by increasing pay, by providing new grades, 8 and 9, and by embarking on a continuing program of making the public aware of the true nature and quality of the personnel in our Armed Forces today.

The services are building a better training and instruction base.

This is being done by taking advantage of new techniques designed to bring our training more in line with the 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 potential before they ever enter the service, incidentally for the first time.

All of these actions have had their objective of the creation and the maintenance of quality people, quality forces, well balanced in skills and based on the proper individual adjustments.

Now at this point I'd like to talk for a few minutes about our personnel legislation, which is still pending in the 86th Congress, and some of the legislation which has recently been enacted. In the past two years we have submitted to Congress four major personnel proposals--the new pay plan, of which you are all aware; the authority for the President to raise minimum standards for induction, namely, the Category 4 Bill; the provision for added authority in career management for the regular officer corps, the White Charger and the Naval Hump Bill; and, finally, added monetary incentive for young reserve officers to stay on active duty beyond their period of obligated service, or the Term Retention Bill.

The pay bill was enacted about 18 months ago. While we have not had time to evaluate the full effects of this act, the results to date have been very encouraging and, indeed, to me very surprising. The first

term reenlistment rates in the Department of Defense have risen from about 25 percent in fiscal 1957 to 30 percent in 1959. There is evidence of an increase in the officer retention rates as well. Indeed, we have just gotten out a booklet which I hope you will have an opportunity to glance at, which shows the most remarkable upgrading in reenlistment after the first reenlistment period. In fact, we are getting up to 60 percent in the Air Force, which I am sure is as high as we want to go, in the main, because, if we get 100 percent, our force will not get sufficient turnover and we will grow in age.

This reenlistment rate shows a very encouraging trend, although it doesn't tell the whole story. We are still not getting a desired optimum reenlistment rate in the more skilled occupational fields, while the rate in the lower skills is higher than optimum, and, indeed is many more than we want. However, we anticipate further improvements in this area as the proficiency pay system is more fully established. As you well know, this system is to be phased over a four-year period, and we are now only in the second year. In the third and fourth years particularly, if we go into increased rates, we do hope that we will be able to compete with industry satisfactorily so that we do not get this very drastic turnover in our hard skills.

Prior to the enactment of the new law of minimum standard for induction, you will remember, the Army was compelled to accept thousands of individuals lacking in aptitude for training in specialized

military skills, and indeed, unfortunately, in some cases completely untrainable. Indeed all the services have many too many <sup>of the</sup> /so-called Category 4 personnel. Under the new law the Army now accepts groups of registrants only if they meet minimum standards, based on a series of pre-induction aptitude tests. To further raise the mental quality of the enlisted force, the services took administrative action to discharge large numbers of low-potential, 8-ball types of people. The total for 1958 alone was 115,000 that were released.

The immediate result of this is a gratifying rise in the overall mental level of the enlisted forces. Another result **was** a sharp decrease in number and rate of disciplinary cases. This is probably not too surprising, when we note that 50 percent of the entire population of our detention brigs, prisons, and barracks was made up of Category 4 personnel. We can illustrate the improvement by stating that in the Army alone 3 out of 4 disciplinary barracks have been closed since June 1957, and the number of prisoners has dropped by 75 percent.

Turning now 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 the bill would do the following: It would accord increased recognition and incentive for outstanding ability and competence, and it would establish approved standards of retention for officers after 20 years of service who are serving in the permanent grades of

lieutenant colonel, colonel, and commander, 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 the productivity of each individual officer.

Although it was introduced in Congress last year, hearings on this bill have been postponed until January of this coming year. In the meantime certain changes were made before resubmission of the bill, including removing therefrom a portion dealing with the Navy and Marine Corps Hump problem. As you know, this has been enacted into a separate law and is being put in effect.

The career officer management bill was passed by the Senate in July but it has not as yet been acted on by the House.

Now, with respect to the reserve officers on active duty, or the Term Retention Bill, the Department of Defense submitted legislation in July last year, providing for a new system of active duty agreements or contracts. No action was taken on the proposal by the 85th Congress, frankly, because we were probably too late in making up our minds as to exactly what we wanted and submitting it in bill form for their consideration. However, it was taken up early in this past session, and it was passed by the House last March. Although there seems to be no active opposition, the bill was not considered in the Senate this session. It probably will be next year.

The purpose of the bill is to provide lump-sum payments to reserve

officers who serve beyond their obligated tour of duty but short of the 20-year requirement for retirement. We consider that such legislation is urgently needed to raise the low rate of retention of reserve officers beyond the obligated tour of duty.

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 a consistent attack on any weaknesses in our personnel management practices. Reduced to essentials, the pattern is also one of encouraging the superior in refusing to tolerate the mediocre, of setting constantly higher standards, and of equating them with higher incentives, of placing our emphasis on getting the most for the country from the very large investment we have in men and material and in expenses and money.

We visualize a program of continuing emphasis on getting the best, training the best, promoting the best, and keeping the best in service until their retirement. In this connection I would like to spend a few minutes on the ready reserve. It appears that in the active forces the objectives are about the same--combat readiness, <sup>and</sup> top professional quality. The services are continuing to screen the ready reserves. During 1958 they reviewed the records and qualifications of approximately 2 million 800 thousand reservists. Of these about 500,000 were released through discharge or transfer to the standby reserves. The remainder were determined to be qualified for immediate service in the national

emergency. The Department of Defense has developed additional screening criteria designed to increase the mobilization readiness of the ready reserve through the elimination of those reservists who already occupy essential civilian jobs in the Federal Government and who will be needed by their civilian agencies during an emergency.

The new criteria contemplate requiring the Federal department employing ready reserve personnel as civilians to designate them by name either as available or not available for active military duty in a national emergency. These designations are then to be 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 is to insure that such individuals assigned to the ready reserve are in fact ready and are in fact available for service if called.

This program is now in the final stages of development. It will not void the opportunity for retirement of those in the standby reserve or promotion of the reservists transferred to the standby reserve because they are not available immediately for active duty. These officers may continue to earn credits toward promotion and toward retirement under the law but on a voluntary basis.

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

1959 with a total strength of 2, 504, 000, and today's active forces in the United States here of the United States remain at approximately this level. To this we add the one million in/<sup>the</sup>ready reserve in a drill-pay status. The total planned active force for the end of 1960 at this time is 2.5 million, with about the same million reserve in the drill-pay status.

These, of course, are estimated levels which will see careful consideration during the prevailing world situation from day to day as we progress down the line. Obviously, the future size of armed services cannot be predicted on any 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 for the free world, mindful of the sizable strength and the capabilities of our allies everywhere. Indeed, in my opinion, they are growing rapidly and dramatically.

The central problem is the determination of our actual military requirements in terms of total national strength and in recognition of the strength of our potential enemies. These requirements are being met by a balanced combination of highly trained manpower, a superior system of advanced weaponry, and continued progress in 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 rapidly bringing on 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 organizations, the greater mobility of all our forces in the air, on the sea, and on the ground, and the steady increase in the percentages of highly skilled people to operate today's advanced weaponry.

In this context, I believe one of the President's statements in the Budget Message in January of this year is very appropriate. I quote:

"The objective of our defense effort today is the same as it has been in the past--to deter wars, large or small. To achieve this objective we must have a well rounded military force under unified direction and control, properly equipped and trained, and ready to respond to any type of military operation that may be forced upon us. We have such a force now, and under this budget we will continue to have such a force."

Now, gentlemen, I am going to conclude with these few remarks: We know that the challenge which we face in the form of an expansionist communism may be with us for many years to come. Knowing this, it becomes imperative that we utilize the manpower resources of our country in a wise relationship with all 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 not applicable today, and they are being dropped constantly. New demands are piling up, and other demands will inevitably be on their way. Much speculation, of course, centers around the question of the nature of the Armed Forces in the years to come. I doubt if any of us knows the answer in any degree of finality, so swift is the march of technology and so rapid is the rate of obsolescence in the spectrum of our weapon systems. All services would doubtless agree, however, that, in both the active forces and in the reserves, the basic requirement will be a far more intensively trained force. Probably the forces will be smaller in size than they have been in former years. They must be very very mobile, quickly adaptable to sudden situations, and they must be able to get the utmost from the tremendous, destructive potential of our new weaponry.

We all would certainly agree that the key to proficiency will be the quality man, the right man in the right job at the right time. If we are to maintain the type of dynamic, superior defense structure which we unquestionably need and must have, then we have no choice but to require even higher standards throughout the structure of all our military forces.

We need top quality and we can settle for nothing less. We are in a day of radically changing tactics and changing concepts requiring the highest degree of originality and flexibility in the thinking of our commanders at all levels. We are moving rapidly ahead in the space age, where

one of the fundamental measures of the Nation's strength lies in the numbers of research scientists, production specialists, and highly trained technicians. 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 exactly the same thing.

Our defense program will continue to require the finest brains in our national inventory of talent and the finest ability that we can generate, for, in today's war, as you well know, a second best is disastrous.

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

I thank you very much.