

# ALLOCATION OF MANPOWER

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Total war requires the systematic assignment of a nation's resources to assure that every item is fully utilized. In terms of manpower each individual must be fitted into the place where he or she can contribute the most. This means that some persons must be assigned to military duty. But not every person qualified for military duty should be permitted to join the service. Some individuals because of their training and experience can serve best in industry and other activities necessary for the support of the war effort.

From an industrial standpoint the requirements of war are the concentration on supplying those things needed for prosecuting the war and supporting civilian life, and the elimination wherever indicated of all nonessential production and services (nonessential measured in terms of contribution to the war effort). Industry can readily use many persons not suited for military service, including a majority of the persons rejected by the army on physical grounds, in addition to women, youths, and "over-aged" workers both skilled and unskilled. But, these workers cannot make the needed planes, tanks, ships, guns, and equipment, except with the guidance and assistance of engineers, supervisors, and skilled craftsmen. Some of the men in these trades and professions are also needed in the army. Indeed it is frequently pointed out that a modern army in some respects resembles a gigantic mobile factory. There are ground crews, repair crews for tanks and ships, in addition to signal and engineering corps, and other specialized units. In many cases, however, the skills required by these specialized units are basic skills adjusted to meet a special situation—ability to perform under combat conditions. Even skilled workers taken from industry generally have to undergo considerable retraining. It would seem, therefore, that military needs for skilled workers should be met as far as possible by training unskilled workers, especially since the complete control over the individuals to be trained provides an opportunity to reduce training time to a minimum.

Under present circumstances, the armed forces and industry directly compete in the recruitment of manpower. The Selective Training and Service Act<sup>1</sup> renders all men from 20 to 45 years of age liable to military service. Deferment is provided for certain government officials, ministers, and ministerial students, and men who are

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<sup>1</sup> Act of Sept. 16, 1940, §3, 54 *STAT.* 885, 50 U. S. C. §303.

physically, mentally or morally deficient or defective. In addition, deferment may be granted to men on grounds of dependency and occupational status.

The provisions for occupational deferment can best be understood in light of the deferment experience in the First World War. At that time the acute need for shipping facilities led to the deferment of all shipyard workers. Occupational and worker analysis was in only an elementary stage, and in the deferment of shipyard workers the authorities failed to take into account the fact that many of the workers thus deferred could have been replaced by workers not liable or acceptable for military service. As a consequence, many skilled and unskilled workers alike found themselves engaged in lucrative work in a "sheltered" industry, while many other workers, better qualified occupationally, were inducted into the army. Resentment was expressed in an avalanche of criticism of the operation of the Selective Service System. It was with vivid recollection of this experience that the Selective Training and Service Act was drafted in 1940.

The Act permits the deferment of men engaged in activities necessary to the maintenance of national health, safety or interest.<sup>2</sup> This general provision is hedged in by another provision which specifically forbids deferment from military service except on the basis of the status of each individual.<sup>3</sup> No deferment can be made of individuals by occupational groups or by group in any plant or institution.

The responsibility for determining whether or not a registrant is engaged in an activity necessary to the maintenance of national health, safety, or interest and therefore eligible for deferment is left to the local board in the first instance. For the guidance of the local board the Director of the Selective Service has ruled<sup>4</sup> that a registrant should be considered for occupational deferment only if:

1. He is engaged in an activity necessary to war production, or an activity essential to the support of the war effort, or would be so engaged but for a seasonal or temporary interruption;
2. He cannot be replaced because of a shortage of persons with his qualifications or skill in such activity;
3. His removal would cause a serious loss of effectiveness in such activity.

When the Selective Service System began to operate late in 1940 fear was expressed in some quarters that it might result in skilled workers needed for war production being drawn off into military service. At the time, however, there was still considerable unemployment and industry was not generally converted to war production. Moreover, only a limited number of men—less than a million—were to be inducted in the army annually and these for only one year of training. Although the law was subsequently amended to permit keeping the men in the army for a longer period of time,<sup>5</sup> those 28 years of age and over began to be mustered out in the Fall of 1941. In this connection, special employment offices were established in

<sup>2</sup> *Id.* §5(e), 54 STAT. 887, 50 U. S. C. §305(e).      <sup>3</sup> *Ibid.*

<sup>4</sup> Selective Serv. System Memo. I-405, March 16, 1942, 1 C. C. H. War Law Serv. (2d ed.) ¶18849.

<sup>5</sup> Act of Aug. 18, 1941, §2, 55 STAT. 626, 50 U. S. C. (Supp. I) §352.

the larger army camps for directing skilled workers among the discharged soldiers to employment in war production.

With the declaration of war and the tremendous expansion of war production, the unnecessary loss of highly skilled workers to military service became a serious matter. No longer are men being selected for limited military training. They are being selected for the duration. The number to be inducted in the army cannot be measured in hundreds of thousands. Now it is an undetermined number of millions.

At the same time industry is being generally converted to war production and new facilities rushed to completion. The test of whether or not a particular skilled worker can be replaced is an inadequate safeguard against the loss of workers necessary for war production.

There is still a great deal of labor turnover, and in a substantial number of cases an individual worker can be replaced. However, many employers engaged in essential production have protested that the local Selective Service Boards have failed to defer key employees. This is probably because the expanding demands of war production are such that both the inductee and the man or woman recruited to replace him are needed.

The problems of allocating manpower are being constantly reviewed and some modifications in recruiting practices have been recently effected. Among other things the War Manpower Commission has been established<sup>6</sup> to formulate plans and programs and establish national policies for the most effective mobilization of our manpower. One of the first acts of the Commission was to order the United States Employment Service to prepare a list of essential activities and a list of essential occupations. The activities list will include (1) essential war activities, (2) activities required for the maintenance of war activities, and (3) activities essential to the maintenance of national safety, health, and interest. When the list is completed, it will contain six or seven hundred industries and segments of industries, covering the whole range of activities connected with war production and services. The occupational list will include occupations, crafts, trades or skills, or professions required in an essential activity in which an individual is unable to attain reasonable proficiency within less than six months of training or experience. It is estimated that this list will include 3,000 skilled and semi-skilled occupations, from airplane assemblers and mechanics to machinists, toolmakers and yard-masters.

The War Manpower Commission also requested the Director of the Selective Service to supply all local boards with copies of the lists of essential activities and occupations; and to instruct local boards that, to the extent required for the maintenance of essential activities, they are (1) to defer workers from military service, and (2) to allow qualified workers to establish grounds for deferment by permitting them to transfer to war production if they are not already employed in war industries.

Without waiting for the United States Employment Service to complete the lists of activities and occupations, the Selective Service has proceeded to translate the War

<sup>6</sup> Exec. Order No. 9139, April 18, 1942, 7 FED. REG. 2919.

Manpower Commission policy into instructions to local boards. If a local board is in doubt whether a registrant is engaged in an essential activity and can be replaced if inducted into the army, the local board is supposed to check with the Employment Service. If a replacement cannot be found, the local board is supposed to give due consideration to the report of the Employment Service in deciding whether the registrant should be inducted into the army or continue in the essential activity in which he is engaged.

In case of a registrant qualified in an essential occupation and not engaged in an essential activity, the local board is supposed to refer such registrant to the Employment Service for interview. The local employment office may be allowed 30 days in which to place the registrant in an essential activity, so as to utilize the occupational skill possessed by the registrant. If a transfer is effected, the local board is to give due consideration to the change in the occupational status of the registrant in completing the classification. If such a transfer of worker cannot be effected within the time allowed, the classification may be completed and the registrant inducted into the armed forces. The delay in classification of registrants will in some cases avoid the induction into the armed forces of qualified workers needed in war production, who happen to be otherwise engaged at the time they are classified.

While this new policy constitutes a significant advance in manpower allocation, the procedure is by no means perfect. Maybe enough occupational deferments have been granted. To date they amount to roughly 4% of the 18,000,000 men included in the first and second registrations. One thing seems certain, however, if we are to recruit an 8- to 10-million-man army: there have been too many deferments for physical defects. Such deferments have been running from 40 to 50% of all registrants reporting for physical examinations. Such a high percentage of rejects on physical grounds might be justified if the size of the army were to be only 3 or 4 million men. There can be no justification, however, for insisting on physical perfection when it becomes necessary to take as many as 20% of the entire eligible group. With an army of, say, 8 million men it is highly unlikely that the entire force will ever see combat duty. Many persons with physical defects can be used to perform non-combatant duties. The recently announced policy of the Army of accepting men who are not physically perfect should relieve some of the pressure on local boards trying to meet quotas based on the number of persons registered and qualified for military duty. Insofar as the pressure on local boards is relieved there will be more opportunity to defer skilled workers needed in industry.

When it comes to maintaining anachronistic recruiting requirements, industry has also been at fault. Employers have been slow to abandon the high requirements to which they became accustomed when they could pick and choose in a surplus labor market, and have refused to employ women and members of minority groups. In a tight labor market such as exists today, and under circumstances in which our total manpower is needed, employers will have to use skilled workers efficiently and sparingly and train a substantial proportion of their labor force.

In order to conserve the existing supply of skilled and semi-skilled workers, less emphasis should be placed upon the immediate replaceability of an individual registrant about to be inducted into the military forces. In determining whether the available supply is large enough to permit the induction of a registrant in an essential activity, not only present demands for such workers should be taken into account, but also the demands that will develop in the next 6 to 12 months. In many occupations this latter demand will more than absorb the current supply of workers who may be unemployed or employed in nonessential activities.

The deferment policy should also take into account the difference in training time required for reasonably proficient performance in the various essential occupations. A registrant engaged in an essential occupation requiring 6 months to one year of training or experience should ordinarily be deferred for 3 months. A registrant engaged in an essential occupation requiring one year or more of training or experience should ordinarily be deferred for 6 months. At the end of the period the registrant's case should be re-examined in light of the new requirements of the armed forces and of industry to determine whether or not the deferment should be extended. Such a deferment should be granted not as a privilege to the registrant or to his employer, but in the interest of the war effort, which cannot afford any interruption of production. Except for the difficulties arising out of the quota system whereby local boards are under terrific pressure to supply men for the Army regardless of the circumstances, the deferments suggested here could in most cases be made without interfering with the induction of a sufficient number of men to meet the goals established by the military authorities.

With the assurance of uninterrupted production the deferment policy could be adjusted from time to time to take into account the relative needs for a larger army or increased production. When these adjustments are made, some of the men who may have been previously deferred because of their employment in essential occupations may have to be inducted into the army. Accordingly, it is imperative that employers proceed immediately to train replacements for men deferred on occupational grounds. For occupations requiring from 6 months to one year of training or experience, it will be possible in many cases to train replacements in a much shorter period of time through upgrading of workers with some experience. For occupations requiring more than one year of training or experience, the training of replacements will frequently be more difficult and will, in some cases, be virtually impossible. In all cases, however, the employer should be put on notice that the necessary training should be undertaken at once. At the same time the United States Employment Service should be notified, since it is responsible for assisting the employer in recruitment of trainees and for making recommendations to the public authorities as to the need for training courses.

There are two aspects to the problem of allocating manpower among civilian activities necessary for the prosecution of the war. One is the geographic distribution

of the workers, and the other is the allocation of workers among industries and individual plants within the industries engaged in war production.

The first orders for war materials were placed in established industrial communities. Here were located plants and facilities, managerial abilities, and labor supply. At first war production was frequently piled on top of existing production of consumer goods. The Army and Navy, accustomed to peace-time procurement methods and acting under the administrative policy of "guns *and* butter" enunciated in 1940, simply funneled 1940 and early 1941 contracts into their customary suppliers. Thus the arms and precision instrument industries of Bridgeport and Hartford, the aircraft industry of Southern California, and the automobile industry of Southern Michigan soon found themselves with backlogs of war contracts amounting to several years of normal production. As a matter of fact the increase in the employment and earnings of workers resulted in an increase in the production of consumer goods at the same time that war production was getting under way. A point was reached, however, when there occurred serious competition for available facilities and labor between the production of consumer goods and the production of goods needed for war purposes. There were not enough to meet all demands and critical materials had to be rationed. Thus the price of continued operations for many plants was their conversion to war production. The labor force of the converted plants was frequently transferred to war production without any severance in the employer-employee relationships. Oftentimes these conversions called for ingenious worker and job analyses, coupled with brief but intensive training. The story of the shift of the automobile industry is well known. The Servel refrigerator plant uses its labor in manufacturing airplane frames. Cast iron foundries made idle by curtailment orders are now busy producing aluminum castings, using their old, now retrained, labor. Workers in other plants that could not be converted transferred to plants engaged in war production located within the same community or elsewhere. Thus silk stocking operatives in Philadelphia, after receiving brief training, went to work for the Quartermaster's Depot as sewing machine operators turning out a variety of army wares.

At the same time these developments were taking place, new plants and facilities were being built principally in established industrial communities, usually so that management and skilled labor could be shared by the old and new plants. Gradually, however, new areas were affected and some communities which had been depressed by the cessation of civilian production were turned into "boom" towns almost overnight. Evansville, Indiana, passed from a distressed community to a labor shortage area as its plant facilities, such as Briggs Body, Servel and Chrysler, were filled with war work and as new plants, such as the new Republic Aviation plant, were constructed for expanding war production. Stimulated by strategic considerations, together with the incapacity of established industrial communities to accommodate a further expansion, rural and semi-rural areas were chosen as sites for the location of new plants and facilities. The open country was particularly sought for the construction of armament plants and depots, such as those at Huntsville, Alabama, Charles-

town, Indiana, and Ravenna, Ohio. Too, the availability of power, transportation, and other elements of production dictated the location of many plants in places with little local labor, such as Listerhill, Alabama, and Freeport, Texas.

Two sets of forces were operating to affect the allocation of manpower. In one case the existence of both a labor supply and production facilities determined the letting of contracts and the expansion of productive capacity, with the result that the labor was not shifted geographically, except insofar as it is necessary to supplement the local supply by in-migration. In the other case labor supply had to be shifted to new communities to man the plants and facilities which were built in nonindustrial areas.

The allocation of workers among different industries and plants is conditioned by strategic considerations, which in turn are affected by the fortunes of war. Workers should be assigned in accordance with the urgency of the need in the prosecution of the war for the different products being turned out. At one time the need for ships may be more urgent than the need for any other implement of war. The demands of the shipyards for workers in essential occupations may then outrank the demand of any other industry for the same workers. At another time it may be four-motored bombers that have priority over the next most urgent need; at another, tanks, guns, munitions, or other products. To render the problem of allocating manpower more complicated, the different stages of production of the various plants turning out war supplies have to be taken into account. Some plants may be operating at near capacity, while others may be in merely the tooling-up stage. Both plants may be in need of the same workers, say, machinists or toolmakers, of whom there is an insufficient supply. In such cases the assignment of the workers may involve the weighing of the value to the war program of a few additional units of products immediately against the value of a larger potential supply in the future.

In January of this year the Employment Service adopted a policy of referring available workers to war producers in accordance with the importance of their production. For want of a better criterion the material or equipment priority rating of employers was used to classify them in the order in which they would be supplied workers. For this purpose the third symbol of the priority rating was ignored and all employers with a material or equipment rating of A-1 to A-10 were deemed to be engaged in war production. Because the supply of workers available through the Employment Service was inadequate to meet the demands of all A-1 employers, wide latitude was allowed to the local employment offices in deciding which employers were to have such workers as could be recruited in shortage occupations.

In actual practice the effort of the Employment Service to assign workers to war employers in accordance with the importance of their production has not been very effective. Employers are not obliged to use the Employment Service and many important employers continue to use their own devices for recruiting workers. Employers with low ratings have had no incentive to use the Employment Service, since they have not been eligible to obtain workers in shortage occupations in which the

supply has been insufficient to meet the demands of employers with higher ratings. Similarly, in some occupations the workers have been long accustomed to obtaining employment through other channels and never come to the Employment Service to be referred to a job. One result of the Employment Service assigning workers according to the importance of employers in the war program has been to focus greater attention on the existence and character of the labor supply problems.

Recently another approach has been taken in an attempt to solve the problem of redistributing essential skilled and semi-skilled workers. In collaboration with the Selective Service System and through its organization, the Employment Service is taking an occupational inventory of all men registered by the Selective Service System. A questionnaire designed to obtain a record of the occupational training and experience of each individual is being obtained and turned over to the local employment offices. These questionnaires are being classified and each person not now employed in war production, who indicates having had experience in an essential occupation, is called in for interview. If the individual is qualified in an essential occupation, he is given an opportunity to transfer to war production where his services are needed.

The employment offices are attempting to transfer qualified workers to employers in accordance with the relative importance of their production to the war effort. Except for general guidance the local employment offices are obliged to use their own judgment in determining which employers are the most important. The War Manpower Commission, however, has recently requested the War Production Board to rate all establishments in accordance with the position they occupy in the war production program. When these ratings are available they will provide the Employment Service with a more satisfactory guide for the recruitment and allocation of workers.

It must be apparent from the foregoing that we have not yet developed an integrated program of manpower allocation. In absence of any declared policy, the different agencies concerned have wrestled with the problem as best they could. There is no compulsion on anyone to work at any particular job. Many experienced men needed in war production have not yet found their way into essential activities. Many other workers have moved aimlessly from job to job or in response to opportunities to obtain higher wages or to enjoy better working conditions. Similarly employers have been free of control over their employment practices. Competitive advertising and labor scouting have been engaged in extensively. The absence of direct authority to control the actions of either the workers or the employers constitute the crux of the yet unsolved manpower allocation problem. At the moment every possible alternative solution to the manpower problem, short of special labor market controls, is being considered, with full consciousness that such controls would inevitably limit the freedom of action of workers and employers alike.