ORGANIZED LABOR AND MANPOWER CONTROLS DURING WORLD WAR II

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The development of manpower policy during World War II was influenced to a great extent by the participation of management, labor, and agricultural groups in its formation. It is the purpose of this paper to show the form of that participation and how manpower policy was shaped by it. Special attention is given to the role of organized labor.

Just as with our present (1951) mobilization program, organized labor insisted throughout the war that it be given a voice in policy formation. It was particularly interested in representation on the War Production Board, the Office of Price Administration, the War Manpower Commission, and the National War Labor Board. In one of these—the National War Labor Board—organized labor was granted participation on the Board itself. On the War Production Board and in the Office of Price Administration, labor representatives served as advisers or were asked to deal with problems on the periphery of the main task of the agency. In the War Manpower Commission, organized labor served on an advisory committee which did influence major policy decisions.

The United States entered the period of defense production prior to the war with a reservoir of unemployed—a legacy of the depression decade of the 1930's. By December 7, 1941, increases in civilian employment and the expansion of the armed forces had greatly lowered the number of unemployed, but about 4 million workers were still without jobs. Serious local shortages of skilled, semi-skilled, and unskilled workers existed. These shortages were, of course, concentrated in areas where war production was heavy. At the same time regions such as New York City had labor surpluses.

During the fall of 1941 defense officials were more concerned with material shortages than with the labor-supply problem. Although the shortages of skilled workers were sometimes serious, the overall labor-supply picture was more favorable than the materials-supply picture.

The Bureau of Labor Statistics estimated that the war production program called for by the President in January 1942 would require 10 million more workers in war industries. Counting the needs of the armed forces, BLS put the figure for the total required labor force at 60 million. There were at that time 55 million men and women at work, unemployed, or in the armed forces.

Analysis of labor supply figures in major labor market areas showed that a general labor shortage never developed during the war. The absence of such a shortage is important

in understanding why the essentially voluntary methods of recruiting labor worked as well as they did. If the war had continued another year it is likely that manpower controls would have undergone a significant change.

Before the establishment of the War Manpower Commission the responsibility for the recruitment of manpower was divided among several government agencies. The Office of Production Management had the responsibility for supplying manpower for war production, but did not have control of the United States Employment Service and Selective Service. The OPM was the principal operating agency in the recruitment of industrial workers, while the Selective Service System recruited men for the armed forces without much regard for manpower needs in industry. Deferment policy was too often determined by local boards under compulsion to fill quotas. The Army and Navy Departments encouraged voluntary enlistments, which took key production workers away from their civilian jobs when they might have been more useful there than in military service.

The War Manpower Commission was created by presidential order in April 1942 to develop uniform manpower policies.[1] Not until December 1942 was it given control over the United States Employment Service and the Selective Service System and did it succeed in having voluntary enlistments terminated. This was largely due to the work of labor and management representatives in the agency.

Although no provision was made for the participation of organized labor or industrial management in the work of the Commission, the Chairman, Paul V. McNutt, established a Management-Labor Policy Committee to advise him on manpower policy. Later this group was formally incorporated into the Manpower Commission structure. As originally constituted, only organized labor and industrial management were represented, but by March 1943 agricultural labor and management and railway labor and management were given places on the Committee. At the same time, the Chairman of the War Manpower Commission was instructed by the President to consult with the Committee before taking action on policy questions.[2]

The strengthened position of the Management-Labor Policy Committee—its name was not changed when representatives of agriculture were included—resulted in large measure from the dynamic character and aggressive action of the Committee itself. From the outset it took an active interest in a wide variety of policy and operational questions. It made itself the most important policy-making body within the structure of the War Manpower Commission—surpassing even the Commission itself. In fact, after June 30, 1943 the Commission changed its meeting schedule from weekly to biweekly because the Policy Committee and the Commission staff had taken over so many of the policy making functions the Commission had once performed.[3]

[1] Executive Order No. 9139, April 18, 1942.

[2] Executive Order No. 9279, December 5, 1942.

[3] Ellen Parks, *Management-Labor Policy Committee of the War Manpower Commission: A Case Study of Organized Group Participation in Administration*, U. S. Bureau of the Budget, War Records Section. (Unpublished manuscript in the Library of the Bureau of the Budget, Washington, D. C., no date, p. 18.)

The Policy Committee was able to take the lead in policy formation because it was far better suited for the job than the Manpower Commission. The Commission was composed of representatives of a number of agencies that were rivals in manpower recruitment. It was hard for them to agree on policy. The Policy Committee, on the other hand, was composed of men who had cooperated in several defense and war agencies. They understood each other and worked together smoothly. The Committee developed a corporate spirit. But most important, the management and labor members agreed that workers should not be forced into jobs—they were opposed to any form of national service legislation. They also agreed that local problems should be solved locally with the national committee determining broad guiding policies.

The three economic groups represented on the Committee—management, labor, and agriculture — agreed in their opposition to government control of the labor market. Their reasons for opposition were different, but the result was a smoothly operating committee. Management representatives feared that government regulation of the labor supply would take away from management some of its traditional controls over hiring and the conduct of its business, while the labor groups wanted no government action that might deprive them of the gains they had made during the previous ten years.

The national Management-Labor Policy Committee considered broad policy questions, but left their application with regard to local conditions to regional, state, and area committees. It insisted that all questions of importance to local labor and management groups should be channeled through these committees. Both labor and management representatives were of the opinion that local union representatives and local plant managers could handle such problems more efficiently than the Committee in Washington.

In the early days of its existence, the agenda of Committee meetings contained many items suggested by Committee members. As time went on, much of the spadework of policy formation was done by the War Manpower Commission staff. The Committee reviewed and modified staff proposals. It always insisted that it be allowed to consider major policies before they were adopted.

The importance of the Committee lay not only in its policy formation function, but in its help in translating adopted policies into action and in reviewing the impact of policies and programs on the economy. The members of the Committee were chosen as representatives of groups rather than as individuals so that they would work for the cooperation of management, labor, and agriculture in the execution of manpower policies. The labor members received constant reports on the operation of the manpower program through local and international unions, the American Federation of Labor and the Congress of Industrial Organizations. By virtue of their position as official spokesmen for labor they were able to enlist the cooperation of these organizations in the execution of the policies they helped formulate.

The impact of the Management-Labor Policy Committee can best be seen by tracing the development of several policy questions.

The most important problem facing the War Manpower Commission and the Policy Committee involved national service legislation. The Committee opposed the passage of any law that would assign workers to jobs without their consent. Throughout the war it believed that enough workers would come forth where needed if management, labor, and agriculture voluntarily entered into agreements on control procedures.

In August 1942 the President asked the Chairman of the War Manpower Commission to undertake a study of possible forms of a national service act. A small staff group was put to work without notification to Committee members. When they heard about it through press reports they demanded that the Committee be given an opportunity to consider the matter.[4] The Chairman had already stated publicly that he believed national service legislation in some form would eventually be necessary, but after meeting with the Committee he agreed to tell Congress that the voluntary system was working better than most people hoped it would and should be given the fairest trial possible.[5]

While opposing national service legislation, the Committee urged that the War Manpower Commission be strengthened so that it could do the job without legislation. It asked that the Selective Service system be controlled by the Commission, that voluntary enlistments cease, that the War Manpower Commission be allowed to coordinate training programs in nonmilitary institutions, and that a strong operating organization be established within the War Manpower Commission. Practically all of these suggestions were incorporated in the President's order of December 5, 1942.[6] At the same time the Committee informed the Chairman and the President that its members did not believe that the moral obligation to serve, which already existed, would be made more effective by transferring it into a legal obligation.

The committee was unanimous in its opposition to national service legislation. Gradually its viewpoint permeated the War Manpower Commission organization. When the President requested a national service law in his State of the Union message in January 1944, the Chairman supported him; but no representative of the War Manpower Commission testified in favor of the bills introduced to carry out the President's proposals. Aided by the continuing availability of workers in adequate quantities, the Committee continued to fight compulsory legislation until the issue died with victory in Europe.

The heart of the manpower mobilization program was the employment stabilization plan. The Committee insisted that all plans provide for voluntary methods and the handling of local problems locally. The labor members were particularly concerned that minimum standards of

[4] *Summary Minutes of Management-Labor Policy Committee of the War Manpower Commission*, National Archives, Washington, D. C. Meeting of August 7, 1942.

[5] MLPC *Minutes*, April 2, 1943.

[6] Executive Order No. 9279, December 5, 1942.

hours and working conditions be written into any plan adopted and that an appeals procedure be a part of each plan.

In June 1942 the Committee adopted a plan aimed at preventing labor pirating. This practice occurred where shortages of skilled labor existed. Employers would bid workers away from each other with no regard for the needs of war production. The directive issued as a result of the Committee's plan instructed regional and area War Manpower Commission representatives to work out plans with labor and management representatives for more effective recruitment and utilization of workers. When such a plan was in operation or being developed, the area was to be designated critical by the Chairman and thereafter all hiring was to be done through the United States Employment Service. Provision was made for appeals to the Area Management-Labor Committees, and from them to the regional and national committees. This was a point labor insisted upon.

In December 1942 the President ordered the Chairman of the War Manpower Commission to see that all hiring of critical labor be done through the United States Employment Service or other channels approved by the Chairman, and that no employer retain a worker whose services could be more effectively used in some other establishment.[7] This directive became the guiding policy for the commission for the duration of its life.

Discussion of methods to put the presidential order into effect occupied the committee for several weeks. The labor members succeeded in having included in the plans the statement that labor organizations were approved hiring channels along with private employers, professional organizations, schools and universities. Organized labor was recognized as the proper representative of workers in the development of local stabilization plans. All members of the Committee insisted that plans be developed locally in consultation with representatives of management, labor, and agriculture. On the insistence of the labor members of the Committee it was agreed that no plan would be put into effect until appeals machinery was ready to operate.[8] The representatives of railway labor and railway management succeeded in having the Railroad Retirement Board designated as one of the approved hiring agencies. The Committee agreed that the Chairman should instruct the Regional and Area Manpower Directors not to apply the plans to railway labor until instructed to do so.[9]

Labor members objected strenuously to the exclusion of agricultural labor from the operation of stabilization plans. They argued that all workers should be treated equally. A final revision of the plan provided that movement of agricultural workers to non-agricultural employment be covered but not other movements, unless agriculture was represented on the Area Management-Labor Policy Committee.[10]

A new basis for manpower control was provided by the President's "hold-the-line" order of April 8, 1943. The Chairman of the War

[7] Executive Order No. 9279, December 5, 1942, Section 5.

[8] MLPC *Minutes*, December 30, 1942, January 8, 1943, January 9, 1943, and January 29, 1943.

[9] MLPC *Minutes*, January 9, 1943.

[10] MLPC *Minutes*, January 29, 1943.

Manpower Commission was told to prevent transfers of workers to jobs at higher rates of pay unless such transfers would aid the effective prosecution of the war.[11]

The Chairman issued the directive without consulting the Policy Committee. This was one of the few occasions when the Policy Committee was not consulted before the issuance of a major policy order. The labor members of the Committee made it clear that they did not approve of this "freeze" of workers and that had they been given the opportunity would have demanded major changes.

Following this action the Committee adopted a set of standards to be included in all stabilization plans. Management and labor members agreed that the plans should be developed locally to meet local needs, but that they should include guarantees against loss of seniority rights, arbitrary discharge, and undue loss of working time. Each group wanted local determination because it feared that the plans might interfere with its position in the plant. Management wanted control over hiring and production to remain in its hands as much as possible, while labor wanted to safeguard union gains in working conditions, hours, dismissal pay, and seniority.

By the end of 1943 the positions of the parties became clearer. The government agencies concerned with production established Production Urgency Committees and Manpower Priority Committees in tight labor markets. Their job was to determine the urgency of all work in the area so as to guide the United States Employment Service in sending workers to the most important jobs. The military procurement agencies dominated the committees. Labor and management feared they would lose control of their own operations so they asked that the function of determining priorities be transferred to regional and Area Management-Labor Policy Committees. They were not successful in areas where manpower was extremely short.

Labor tried to have priorities taken away from employers found to be violating federal or state labor relations laws, or paying wages below the legal minimum. Management fought this demand successfully with the argument that the enforcement of labor laws was not the job of the War Manpower Commission.

The employment stabilization plans and national service legislation were the most important subjects discussed by the Management-Labor Policy Committee; therefore a review of the positions of the parties is in order.

Labor and management alike were opposed to the encroachment of government into their economic lives—especially when the aim of government was to tell them the conditions under which they must work. They joined in demanding that manpower regulation be self-imposed after deliberation by the affected groups. They were fully aware that an all-out war effort must include the integration of manpower controls with controls over other resources, but wanted the form of control to be determined by the parties.

The representatives of organized labor were concerned with working

[11] Executive Order No. 9328, April 8, 1943.

standards in the discussion of all issues before the Committee. Before workers were forced to work for an employer, they felt that the employer should adhere to minimum standards. They wanted a guaranteed weekly wage to protect employees who couldn't quit because they were in essential war work.

Labor was more aggressive than management in defending what it considered its rights. This undoubtedly was because free collective bargaining and the strike had been given up, so that labor felt that its position must be maintained by other means. Labor also believed that it was still an underdog in American economic life; that unions could not afford to be complacent.

Although labor and management were able to compromise on a number of controversial issues, they did not compromise on matters each considered basic to its existence. The question of a guaranteed weekly wage was never settled because management considered it a fundamental issue. Labor would not yield on minimum standards, so management agreed to their inclusion in employment stabilization plans.

Where differences appeared within the Committee they were more often between agriculture and labor than between management and labor.

The Policy Committee operated by a process similar to collective bargaining. Agreement was reached after discussion and compromise. If manpower problems could be so handled when the nation was at war, today's partial mobilization should not require more stringent methods.