

THE HUNT FOR MANPOWER

It won't be long before labor shortages in the war factories reach the critical stage. Case history of a zinc miner. Why workers move from job to job. Planning and training.

Washington.

TOTAL war is making the most rigorous demands on the productive systems and on the manpower of every nation. Recently from Paris we heard again of the manpower shortages encountered by the Nazis—and their fascist solution based on the most brutal enslavement of the populations of Germany and the occupied countries alike. In our own country as well, we are beginning to feel the strain of this all-embracing war; we too face the problem of finding sufficient labor reserves. But democracy will not and dare not take recourse in brutalization and slavery. And still we cannot allow men to idle in one part of the country while elsewhere the productive apparatus halts because of labor scarcity. "Our labor supply," states the fifth and latest report of the House Tolan committee, "will become our most critical resource." To utilize most effectively the nation's manpower, the report declares, "calls for a detailed knowledge of the total demand for labor in war production, the preparation of schedules for the flow of such labor to the expanding jobs as contracts are undertaken, and the training and upgrading of that labor to keep pace with expansion. The job calls for the location of available labor supplies, and over-all planning for their training and placement."

Unfortunately we have as yet made little progress in meeting the emergency demands on our manpower. So far, the Tolan report charges, the War Manpower Commission, headed by Paul V. McNutt, has failed to function. It has still to evolve a realistic program to overcome labor shortages which already are felt in certain key industries. These shortages are particularly acute in non-ferrous metals—copper, lead, zinc, tungsten, chrome, and manganese. The Mine, Mill, and Smelter Workers Union has for its part issued a memorandum with conclusions closely approximating those of the Tolan committee. Both these studies point out that unless the crisis in manpower is met forthwith, severe disruption will occur all through the war production effort.

THE causes of manpower shortages are varied and numerous. Primarily, the Tolan committee states, "Full manpower mobilization is contingent upon full mobilization of production." Perhaps the inter-relationship between production and manpower is most apparent when illustrated by a typical case history—like that of the zinc miner in a lonely camp in the New Mexican mountains. The causes that finally bring this miner to migrate to the large industrial centers—thereby contributing to the labor shortage at the mines, which in turn reduces zinc production—throws light on the problems the Manpower Commission must resolve.

The zinc miner lives with his family as near the mine as

possible. But each morning he must travel approximately fifty miles to work. He provides his own transportation. When his tires wear out, he has little hope of obtaining replacements. His wages are lower than the wages paid in most war industry, even lower than the average for mining. He lives in a miserable shack, for which he pays exorbitant rent. His children lack schooling. His family is without proper medical care. He must buy his food and supplies at the company store—where prices are far steeper than in the chain stores of the larger towns. A trip to the movies means an excursion of at least 100 miles to the nearest town—and his tires are wearing thin. Working conditions at the mine are extremely bad, even dangerous. Inadequate ventilation, dust, dampness, inefficient methods still used by the company make work arduous and hard on the miner's health. In addition to all this, the miner who is known as a good union man, or who happens to be born a Mexican, is excluded from skilled jobs—if he is lucky enough to have a job at all.

To this forsaken community comes the news of boom times in the war production centers. There jobs can be had for the asking, jobs at salaries that allow men to meet the high cost of living. In Los Angeles or Seattle or Oakland transportation is no insurmountable problem plaguing the worker. A man and his family can even rent a decent house, with running water and proper sanitary conditions. Children can go to school; on a rest day the family can see a movie or sit in the park. Discrimination because of union activity is not so prevalent. Working conditions are far less hazardous. And the zinc miner asks himself why he should work at low wages in a hazardous mine when he can move to a larger community and contribute just as surely to the war effort. So he piles his belongings into the jalopy and waves goodbye to the camp. His neighbors follow his lead. And those who remain behind take alarm as the mine curtails operations because of labor shortage; fearing eventual shutdown, more and more of the zinc miners begin the trek to better jobs, to a life not so dreary and so dangerous. The result of this migration is to reduce the output of zinc, imperative to the war effort.

This illustration is by no means an exception. Throughout the United States workers move on to more attractive employment; raw material output lags though production schedules call for ever-increasing supplies. Instead of acknowledging the causes of this out-migration, Washington allows vague and threatening rumors to spread, rumors of job freezing, labor drafts. The moment a rumor of this sort reaches the sub-standard industries (and rumors travel fast), the migration accelerates. No man wants to be "frozen" into a low-paying, hazardous job when he can get better wages and better conditions farther on.

COMPULSION, as the Tolan committee stresses, is considered a cure only by officials who fail to comprehend the magnitude of their task in overcoming labor shortages. It would be far more efficient to rectify abuses—the conditions in the New Mexican zinc mine only highlight maladjustments obtaining in other mining communities and other industries. As the Mine, Mill, and Smelter Workers' memorandum points out, "The upward wage adjustments needed to make inroads on this problem are very substantial, far more substantial than the government and management have been considering in other basic industries. But evasion of responsibility, resort to half measures, will not solve this critical problem." Encouragingly, the WPB has just recognized—according to a recent statement—the need of raising wages in the non-ferrous mines.

Wages are only one facet. The elimination of poor working conditions, of job hazards, cannot be postponed. Not only does

the removal of abuses tend to hold workers to their jobs, cutting down migration and shifts in labor supply, but likewise increases production efficiency and augments the flow of vital materials.

In addition transportation difficulties can be solved by providing buses to and from mines or plants. Workers have the right to demand needed housing and other services which they can obtain in the larger centers. Finally, threats of compulsion and discrimination hardly improve morale. Negroes are still the most abused section of the population in this respect, though Mexicans suffer almost as much. In many localities, prejudice against Jews or union members or even Catholics impedes the war effort and endangers the nation's security.

THE solution to manpower dislocations, the Tolan committee emphasizes, is part and parcel of the production problem: "The more pressure there is for compulsion of workers under existing circumstances, the more likely it will be that our production program is faltering. . . ." Quite simply, schedules of output must be related to the available labor supply. According to testimony taken by the Tolan committee, we will require next year, in addition to the needs of our army, 11,000,000 additional workers in war industry as well as an increase of 2,500,000 farm workers at the peak of the season. This enormous demand for manpower can only be satisfied by the most painstaking planning, certainly not if the problem is approached in the present haphazard manner. Nor can the requirements be met unless those in charge of directing manpower supply are allowed to cooperate and coordinate their activities with the departments in charge of production.

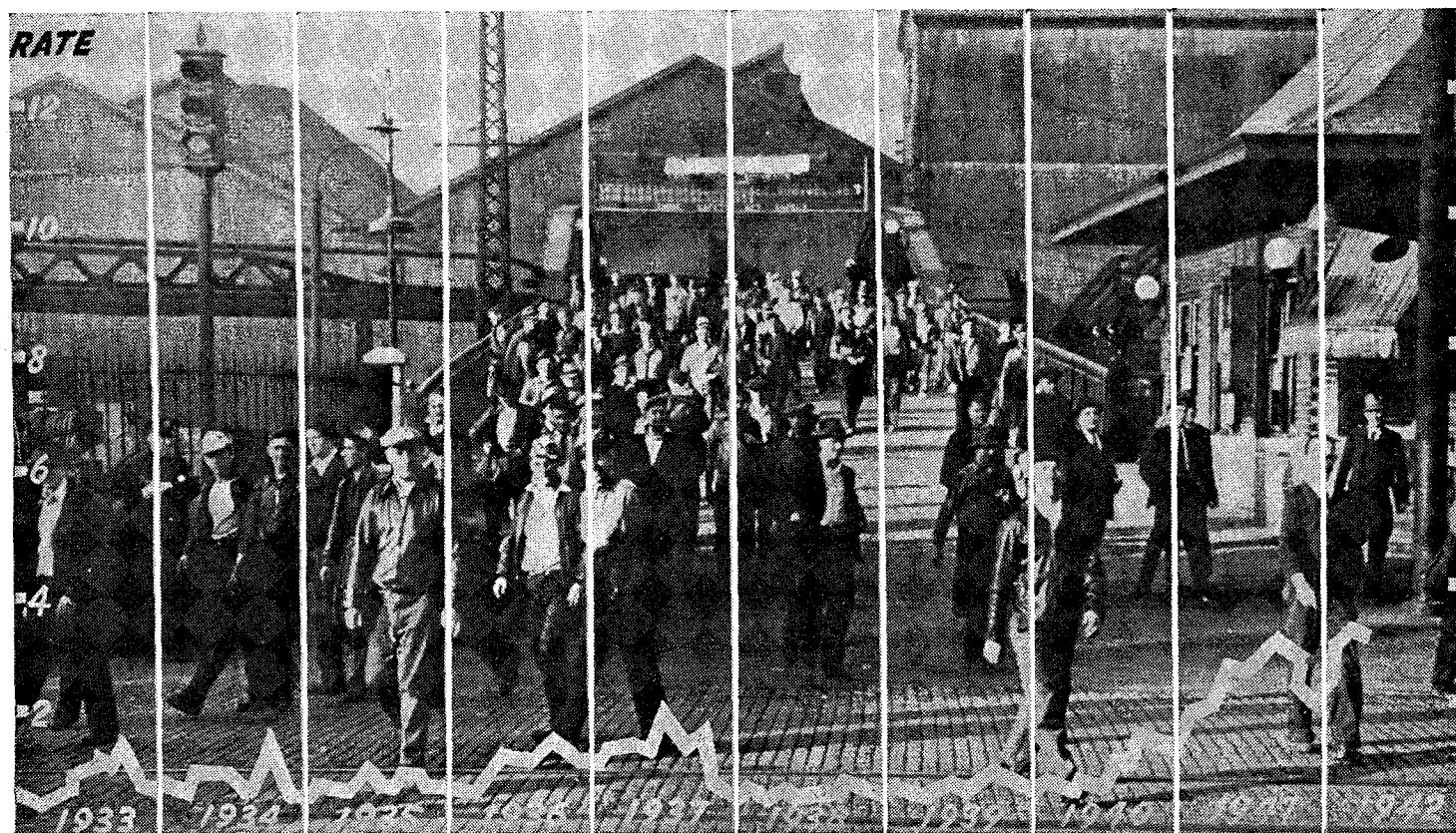
This relationship between manpower and production is still to be established. Workers in certain war occupations and critical industries will have to be deferred from selective service in order not to disrupt production. Moreover, we can no longer delay training programs for the unemployed and for those in occupations curtailed because of the war emergency. Women as well as men, Negroes as well as white, the foreign-born and the youth must be included in this training for war work. But successful training also demands other

adjustments: workers are unwilling, for example, to spend six weeks preparing themselves for a job paying sixty cents an hour when they can make more at jobs which require no previous experience or skill.

The Mine, Mill, and Smelter Workers' memorandum stresses the fact that the unions themselves can play a decisive role in preventing dislocations. Labor-management committees have offered plans to increase efficiency of operation and output per man shift, intensifying the utilization of each man on the job. These joint committees have already made progress in obtaining agreements between factories not to poach on each other's labor preserves. In cooperation with the unions, management and government can readily narrow the causes of manpower shortages. The unions, naturally, should be given a full voice in determining policies.

The test of our production is the degree to which we utilize labor. The Tolan committee adds that the nation cannot permit manpower or materials "to be seriously limiting factors in the face of the job to be done." Already production is sufficient to supply a European land front in force, and to maintain this second front. But we dare not sanction lags or the prospect of any diminution of effort for any reason whatsoever. Too long has the war effort suffered from a tendency to ignore the magnitude of the present struggle. There must be an immediate end to the situation decried by the Tolan committee, which affirms that "nowhere is there apparent on the part of our production officials adequate realization that victory over the Axis is at stake."

The Tolan committee has again anticipated the needs of the war effort. Its fifth interim report can well become the basis of a realistic manpower policy—just as the committee's earlier reports helped push war production to present levels and helped expose attitudes of business-as-usual. Serious as are the problems raised by both the Tolan committee and the MMSW, the fact that shortcomings in our manpower policy are discussed and failures frankly publicized provides the basis for increased public agitation to improve the war effort, and to enhance the striking power of our country and the United Nations.



LABOR MIGRATES FROM UNSATISFACTORY JOBS. More men quit jobs this year, particularly in basic war industries like mining, than any time since 1933. February figures—the latest issued—show a rise of 2.41 jobs quit per 100 workers, an increase from 1.33 the previous year. There has been no improvement to date.

MONEY IN THE BANK

An economist takes issue with a recent New Masses article on inflation. What shall be done with the increase in voluntary savings? The President's program.

IN a recent issue of NEW MASSES (July 28) Ralph Hartwell's article "How High Is Inflation?" provided many valuable insights into our present problem. Nevertheless I feel that there is a certain one-sidedness in the author's approach which may possibly lead to serious errors.

One of Hartwell's essential arguments may be restated as follows: By means of the connected triple policy of limiting consumer goods production, of rationing scarce goods, and of price fixing all consumer goods and services, a large share of consumer income, perhaps the major part of the excess income constituting the so-called inflationary gap, can be effectively sterilized. The excess consumer income which cannot be spent will more or less automatically be saved and its inflationary effect thus destroyed.

Hartwell's argument gains plausibility when we consider that many economists have been guilty of a rather mechanical understanding of the nature of the excess purchasing power which creates the inflationary gap. They have assumed that such purchasing power will be exerted as a *continuously* forceful demand which, if it cannot have its effect in price rises, will express itself in a deterioration of quality of price-fixed goods, in exhaustion of stocks and reserves, in illegal trading, i.e., black markets, in vastly multiplied administrative difficulties of the price control and rationing program and in other non-price phenomena of an inflationary kind.

These economists are in part confounded and Hartwell's approach in part justified by recent trends in the retail trades. In spite of the prediction of a large inflationary gap, and therefore presumably of a brisk demand for goods, the physical volume of retail trade has been falling in recent months. Demand has actually been below supply, and department stores reported inventories at the end of May 1942 which were seventy percent higher than a year ago. (National City Bank Economic Letter, July 1942.)

WHAT has happened to the excess purchasing power that was supposed to be ready to burst the boilers? It appears to have disappeared in the form of a substantial increase in savings. This is shown in the table in Hartwell's article reproduced from Labor Research Association's *Economic Notes* for July 1942.

This increase in savings requires careful analysis. Savings take many forms. First there are savings of a compulsory or semi-compulsory type. Among these are contractual repayment of debt (such as amortization of mortgages and instalment payments on consumer credit and loans), war bond purchases under pay-roll deduction plans, and life

Danger Signals

THERE are danger signals on the anti-inflation front. Between June 15 and July 15 uncontrolled food prices rose 2.5 percent. This was on top of a 4.8 percent increase the previous month. Price Administrator Henderson warns that "If the June 15-July 15 rate of increase of 2.5 percent were projected over a year—and this is anything but a fanciful projection—we would be paying an average of 30 percent more for many important foodstuffs twelve months hence." In this situation the announcement by Secretary of Agriculture Wickard that he has agreed to the setting of ceiling prices on livestock and that he now favors repeal of the provision permitting farm prices to rise to 110 percent of parity offers hope of some relief. A drive to crack the opposition of the so-called farm bloc in Congress is in order.

This highlights the broader problem of combating the inflationary danger. The articles by James Roland on this page and by Ralph Hartwell in our July 28 issue, as well as two earlier articles by A. B. Magil, indicate an approach based on the active implementation of the President's seven-point program. These writers differ sharply from the "inflationary gap" theorists who, instead of a rounded program such as the President proposes, try to frighten the public into accepting such one-sided and vicious devices as a sales tax and the freezing of wages. The dire predictions of newspapers like the *New York Times* that a relentless tide of \$17,000,000,000 in excess purchasing power will beat down the price ceilings is further refuted in a recent survey by the Department of Labor. This survey shows that the average income of city dwellers in the first quarter of 1942 rose seven percent over the corresponding period of last year, but "average expenses of current consumption" increased only two percent, while the cost of living advanced eight percent. There was also an increase of about seventy percent in savings.

The Department of Labor survey also tends to cast doubt on Mr. Roland's unqualified advocacy of compulsory savings. Perhaps this will ultimately prove necessary, but there is as yet no evidence that it is. We also believe he errs in thinking that compulsory savings have played any great role in keeping English living costs down. The forced savings system in England is of a very limited character and was introduced as a means of sugar-coating an increase in taxes.

There is every evidence that the public is cooperating in preventing the bidding up of prices. What is needed is for Congress to cooperate by passing the President's seven-point program, which is an essential war measure.

insurance premium payments. On the other hand, there are savings of a purely voluntary and therefore essentially unstable type. Among these are currency hoarding, savings in bank deposit form, repayment of non-contractual debt, and purely voluntary purchases of war bonds.

There is no question but that it is the voluntary forms of savings which are showing the big increases. In the semi-compulsory forms, only pay-roll deduction war bond purchases have increased and this may be offset by decreases in consumer credit payments as indebtedness runs out on the big volume of consumer durable goods purchased in 1940 and 1941 on the instalment plan.

There are two contradictory yet related reasons why potential inflationary demand has in recent months been largely converted into the quiescent form of an increase in voluntary savings. The first is that most people have confidence in the President's seven-point anti-inflationary program and particularly in the price ceilings. They want to cooperate with the program. The rush to buy goods which characterized the preceding rising price market has halted. Most people are refraining from non-essential buying and many are going without things they need even though they have the money to buy. On the other hand, people are uncertain and fearful of the future. They are trying to accumulate some funds in liquid form. Many war workers regard their increases in earnings as windfall gains which properly should be set aside as an emergency fund.

Nothing is more likely suddenly to transform the relatively large fund of latent purchasing power—which has hitherto been converted into certain forms of savings—into an irresistible inflationary pressure than a loss of confidence by the people in the effectiveness of the President's seven-point program. Therefore it is all the more urgent for the labor and progressive movement to take steps to support this program. Furthermore, we have the responsibility of urging that the program be implemented to remedy certain of its weaknesses.

Hartwell points out in his article that the price control program has already been endangered by the destructive work of the farm bloc, by the puncturing of the price ceilings on canned and dried fruits, gasoline, and by the granting of permission to lower the quality of women's and children's apparel. These dangerous phenomena are the result of the terrific pressure brought to bear by certain organized business interests on the government. But what we must realize is that one of the main stimuli of this pressure is the conviction on the part of these business interests that they can dispose of their