This PDF is a selection from an out-of-print volume from the National Bureau of Economic Research

Volume Title: The Labor Force in War and Transition: Four Countries

Volume Author/Editor: Clarence D. Long

Volume Publisher: NBER

Volume ISBN: 0-87014-351-4

Volume URL: http://www.nber.org/books/long52-1

Publication Date: 1952

Chapter Title: The Korean War and Possibilities for Further Expansion

Chapter Author: Clarence D. Long

Chapter URL: http://www.nber.org/chapters/c3137

Chapter pages in book: (p. 48 - 51)
million men in late spring 1946 when the labor force had returned to peacetime proportions. As in Canada, the civilian sector was overdisbanded. After 1946 the total labor force stayed above the prewar proportion of population, unemployment was less than 4 percent of the labor force, and the armed forces still retained over a million men. During the 12 or 18 months after victory the labor force tended to anticipate the precipitous flight from military service.

Very little can be discovered about the labor force demobilization of Germany during the months following the defeat. Official enumerations made in 1946 covering all four zones of occupied Germany, plus Berlin, disclosed that the combined labor force proportion of population 14 and older, standardized for age and sex, was 4 percent below the labor force participation in the same areas in May 1939. (Wirtschaftswissenschaftliches Institut der Gewerkschaften, Deutschland in Zahlen, 1950 [Köln, 1951] pp. 12-13, 31.) The fact, however, that this deficiency was much larger than in the United States, Britain, or Canada could have been due (a) to the postwar industrial disorganization of Germany, (b) to the possession by Germans of far more money than they could spend, in view of the restricted quantity of goods offered at controlled prices, or (c) to the taking of the census in late October, by which time the labor force may have lost many agricultural helpers normally at work in May, the month in which the prewar count was made.

8 The Korean War and Possibilities for Further Expansion

At the threshold of the Korean conflict, in April 1950, the labor force contained 63.5 million workers of which 1.3 million were in the armed forces. The monthly figures for April 1940 through April 1951 are from Census Current Population Surveys and rest on interviews with about 25,000 households. The accuracy of sample surveys is always suspect and the 1950 enumeration of the nation's households does nothing to settle them, for a preliminary release, also resting on a sample though a much larger one, reports 3.5 million fewer in the April 1950 labor force on the basis of the same concept and measurement technique (Series PC-7, No. 2, April 11, 1951, pp. 1-2). The Census ascribed the cause of this paradoxical discrepancy to the poor quality and inexperience of the 130,000 temporary interviewers as well as their responsibility for questions on housing, income, and agriculture. The Survey enumerators, in contrast, were a "small, well-trained group with, on the average, more than 12 months of specialized experience in the enumeration of the labor force. . . . As was the case a decade earlier, when the monthly survey results were compared with the 1940 Decennial Census data, it appeared that the more skilled interviewers had had greater success in handling the labor force questions for population groups whose activity is difficult to measure and, in consequence,
By the end of the next 12 months, the armed forces were nearly 3 million strong, and 1.2 million new workers and work seekers had moved into the labor market. The rise in the labor force from the population growth was a bit larger than in early World War II but the additions in excess of the population growth were much smaller: a half million, representing an increase in people's willingness to be in the labor force. The ratio of the labor force to the armed force enlargement was well under that in 1940-41 or 1941-42. Though there was as yet no general labor shortage, stringencies were afflicting key occupations. As defense orders take hold, there will be a great need for extra manpower. What are the prospects for further expansion?

A paragraph of caution is directed at those who would use the World War II experience to project employment and labor force increases...
during future wars. In April 1951, following the Korean outbreak, there were only a fourth as many unemployed as in April 1940, and the labor force proportion was 3.0 percent of the population 14 and older above that eleven years before. Of the reserves that might have existed if pre-World War II conditions had been reproduced, 6.2 million formerly unemployed and 3.4 million outside the labor force were presumably at work in April 1951. Nearly 10 million of the World War II additions to civilian and military employment had thus already been absorbed.

Nevertheless, prospects are now good for filling another 9 million jobs in the event of a major war. About 3 million may be expected to come into the labor force during the next four years from the new population. Another 5 million might well enter if the armed forces were raised to a maximum by calling up 9 million more men (on the basis of the 0.5 to 0.6 ratio of labor force to armed force increases that prevailed in the later years of World War II). Still another million and a quarter civilian employed would come from a fall of unemployment to the trough in World War II.

With these potential reinforcements, the armed forces could add another 9 million to its present 3 million without depressing civilian employment below the 60 million in April 1951. Lengthening the workweek 5 hours, fully practicable only under considerable strain, could supply another 5 million equivalent workers. (The average person in non-agricultural industries is now working the same number of hours as in the spring before Pearl Harbor.) Essential employments could also get more personnel by converting automobile plants to tank production and diverting domestic servants, bartenders, unproductive farm workers, and the like, to munitions industries. However, too sharp a curtailment of laundry, cleaning, catering, plumbing, painting, and other services would add burdens to housework, so that fewer women and young persons could work outside the home. An overlong workweek would depress the hourly productivity of those employed\(^4\) and keep out of jobs many women who must have time after work to shop and cook. Depletion of high schools, colleges, and technical institutes for many years would cut off future skilled workers and trained leaders. Consequently,

in increasing the labor supply attention has to be given to keeping all its parts in balance. The manpower potential is far more fully utilized than in 1940 and certain skills are already short. Still, in all-out war, 14 million equivalent fulltime workers, a quarter of present employment, might be added to military and civilian occupations. Reserves of this relative size give an economy great flexibility. They surely exist in no other land and, with them in prospect, the United States is entitled to face a total mobilization with considerable confidence.