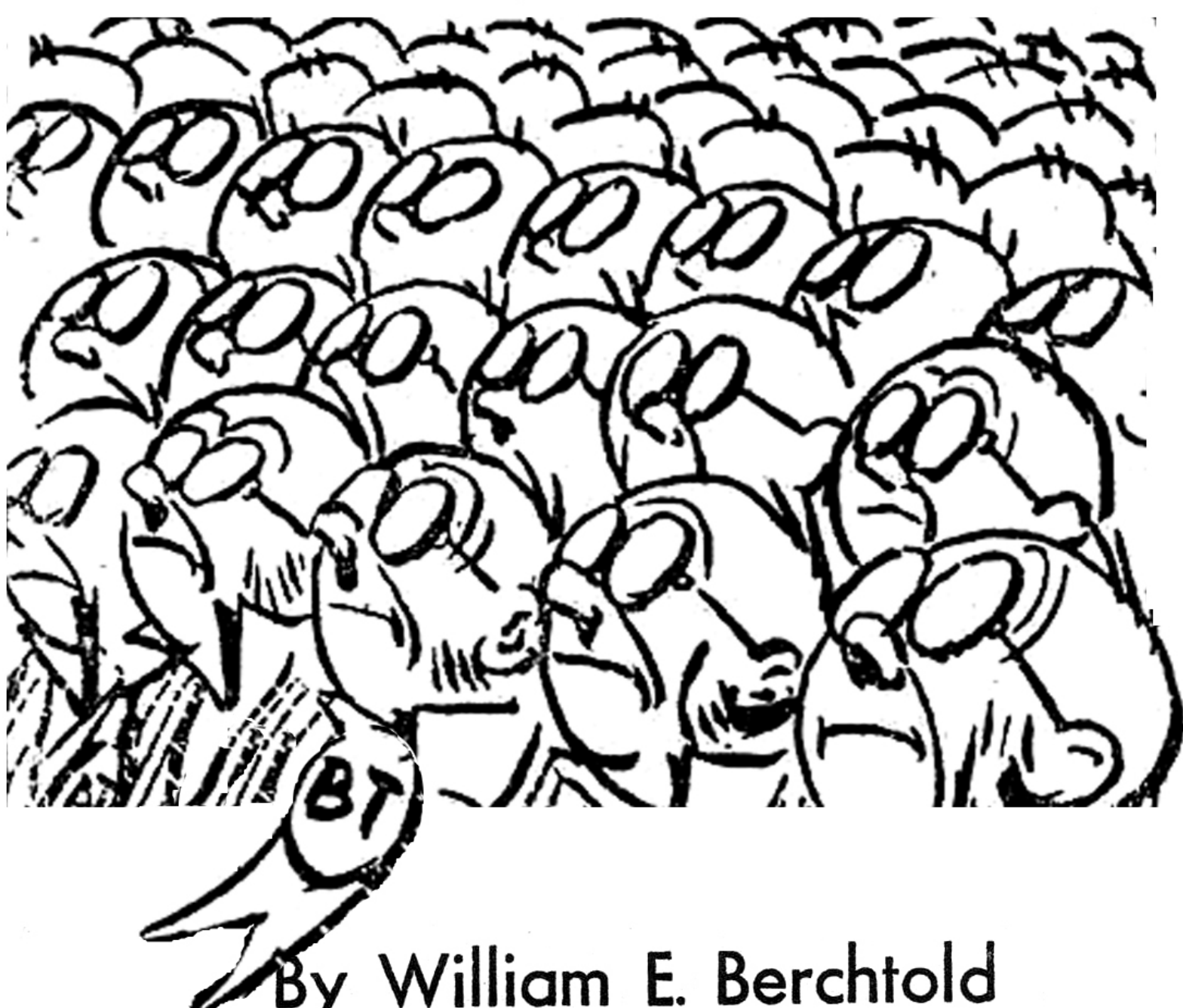


NEW
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The New Deal's Personnel Problem



By William E. Berchtold

A managed economy, completely controlled by centralized government, presents an unsuspected problem in personnel. A serious crisis approaches in Washington, the writer states, in the situation of finding the "right" Democrat for the right job.

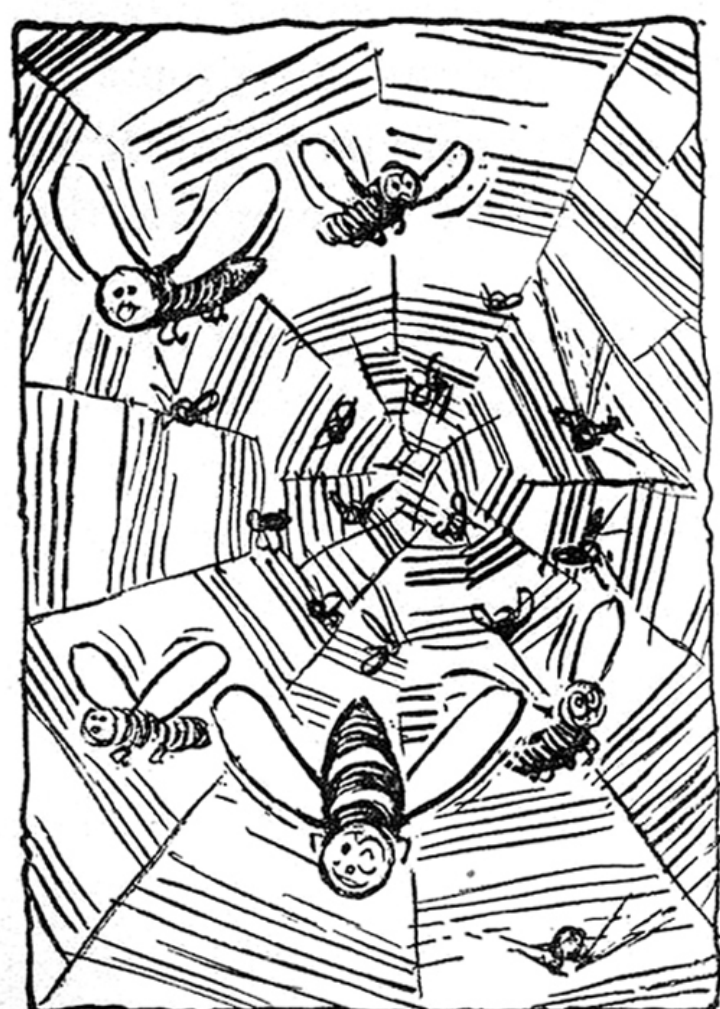
IT may seem paradoxical in a nation burdened with 13,000,000 unemployed to say that the New Deal's biggest problem of the hour is one of qualified personnel. Nevertheless, that is the fact. It has been a source of growing concern among those responsible for many phases of the Roosevelt program until now it threatens to throttle the effectiveness of the whole structure erected to carry out the notions of social justice which underlie the New Deal philosophy.

There is no shortage of worthy party workers whose ardor outweighs their ability to fill governmental posts. They still line the outer offices of Senators and Congressmen from every state and district. They buzz about the capital with notes from their Democratic National Committeemen. They are so willing and so numerous that they constitute a serious embarrassment to those who undertake the task of fulfilling the economic and social implications of the New Deal.

If there is any plan to the New Deal at all (and at times the confusing advances and retreats make it appear to be without the barest thread of a plan), its foundation stone is governmental control of the nation's social and economic structure. The National Industrial Recovery Act, the Agricultural Adjustment Act, the Securities Act of 1933, the Stock Market Regulations Act and most of the other basic legislation have headed the New Deal to-

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ward governmental control, regulation, or supervision in some form. Law has been piled upon law to build up this structure, and the 73rd Congress contributed its share to erecting the legal edifice.



But as Swift once said: "Laws are like cobwebs, which may catch small flies, but let wasps and hornets break through." That has been the experience of the Roosevelt Administration to date. The small flies have been swatted with sadistic ardor by those charged with administration of the new legislation, but the wasps and hornets have buzzed in and out with a good

deal of their old freedom.

The whole problem has resolved itself into one of administration. But administration of laws which seek to mete out a measure of social justice to producers, financiers, consumers and laborers alike implies the employment of administrators with the attributes of a referee. Such referees need to be well trained, unpolitical and above all, honest. Where are they to be found? Would it be possible to appoint them, if they could be found?



President Roosevelt faced these same questions soon after his inauguration and sought to answer them. If he ever thought of turning to the United States Civil Service to obtain such impartial administrators, there is no record of it. In fact, the Civil Service as it is now constituted would have offered little aid in solving the problem. The Democratic politicians, whose emaciated followers had suffered the privations of twelve years of Republican rule, were ready to provide the answer; their mendicant clients were eager to fill any mould. Quite obviously, they had to be provided with jobs, but they were not the administrators sought. Big business had been traditionally credited with the employment of the nation's ablest talent, and now a corps of industrial satellites were indicating their readiness to serve with war-time fervor during the "emergency." But one of the New Deal's many promises to the electorate was to *reform* Big Business; some of its emissaries could be used, but a careful balance must be maintained to insure the appearance of impartiality necessary to public confidence. The champions of labor and the farmer and the less articulate exponents of the consumer's interests were anxiously awaiting their opportunity to grasp the reins of power. While some of their number could be used to offset the industrialists chosen, too many would frighten private industry into a state of prostration. Mr. Roosevelt's successful use of a small group of professorial advisors during the campaign suggested the universities and colleges as a likely source for the trained, untainted, impartial referees needed. It was frankly an experiment to call college professors and their intellectual proteges into the government service in large numbers, but "experiments" were the order of the day. The creature begotten from that noble experiment—christened the Brain Trust—is turning out to be the Frankenstein of the New Deal. As one of its most brilliant members said during a conversation which the writer had with him recently: "It is time that the anti-trust laws be brought into play to dissolve the Brain Trust! The activities being ascribed to it threaten to destroy the ad-

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ministrative nucleus necessary to make the New Deal legislation more than an unexecuted promise."

Much of the confusion along the Potomac can be traced to its epicenter: the personnel problem. The jumbled record of NRA is an outstanding manifestation of a breakdown in the selection of trained, impartial, unpolitical administrators. NRA has been staffed chiefly with men whose backgrounds were founded in the military or industrial fields, or a combination of both. An attempt was made, at first, to assign the chief administrative officials to codes which did not concern the industries from which they had taken temporary leaves for the duration of the "emergency." It was soon found that these officials lacked sufficient basic knowledge of the new industries to which they had been assigned to balance the formidable presentations made by the counsel for major industrials and for labor. Then reassignments were made so that the deputy administrators were put into fields in which they had practical experience, but their most sincere attempts at fair administration fell short of winning the confidence of the conflicting interests that came before them. Pressure politics, of a brand not dissimilar from that which had placed politicians and their ilk into disrepute, soon ruled NRA. The stronger industrial groups overshadowed their weaker adversaries and eclipsed the exponents of labor and the impotent representatives of the consumer.



Mr. Roosevelt not only relied upon his youthful Brain Trust to develop the plans for the New Deal in all principal agencies outside NRA, but he called upon these economic planners to administer the very acts which they had prepared for the approval of a docile and properly confused Congress. When it came to selecting personnel qualified to act in the capacity of referee so necessary to the administration of regulatory legislation, the Brain Trust professors soon tangled horns with Mr. Farley and his patronage lieutenants in a losing battle. Their fondest hopes for carrying out the President's publicly announced policy of placing "brains above party politics" were soon thwarted by Mr. Farley's iron-clad patronage rules. They soon learned, however, that Mr. Farley, and not the President, was to be the personnel policy dictator of the Administration, although they were confused with it all for a time. What is likely to prove quite as serious from the standpoint of carrying out the New Deal program: the professorial planners assigned to administrative posts have continued to busy themselves with further planning to the detriment of adequate administration of the plans already approved. There is little doubt that the Brain Trust's place in the New Deal must soon undergo some major readjustments.



This does not mean (as some quarters would like to have us believe) that the professors must go. The professors are going to stay, but their place in the New Deal is not going to be the omnipotent one generally credited to the Brain Trust and actually believed to be a fact by some of its own members. Those who are not able to adjust themselves to this more permanent order in Washington will most certainly return to their classrooms. Some will find it convenient to take up their academic work again with the opening of the fall semester!

The advent of the professors and their intellectual proteges in the government (those holding professorial titles and their Ph.D. retinues now numbering more than 750) has resulted in the discovery that there is no

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more uniformity in the ability and temperament of such a group than might be expected in a similar number of politicians. By pinning the Brain Trust label on all of them (or at least the title of Junior Brain Trustee) the best are pulled down to the level of common mediocrity. The Brain Trust began as a small group of personal advisers to the President, but now that nebulous body has been expanded in com-



mon Washington parlance to include nearly everyone who has come into the Administration with a college degree. It has become a Frankenstein which provides a vast target at which jealous politicians may take pot shots without troubling to take aim. Unless the current notion of the Brain Trust is changed, a college degree may turn out to be the political death warrant of those sought for posts in the governmental service. There are many politicians who would welcome such an order of affairs, and some are losing no opportunities to heap ridicule on those who have the temerity to suggest that their training for governmental posts includes something other than faithfulness to the Democratic party.

The lot of the intellectual in politics has never been a particularly happy one, and the current experiment was certain to have its complications. Most of the men taken from the universities and colleges to staff the New Deal were minor dignitaries on their home campi. Such men suffer severely from the low public esteem in which they are held during times of prosperity. The New Deal and its Brain Trust raised them to a level occupied ordinarily by men considered their superiors by the general public. It set free long oppressed egos and the most obscure lost no time in seizing the most gaudy places in the limelight. Their extravagant actions were a natural result. They sought to crack down on the Old Order with a sadistic ardor reminiscent of the New England witch-hunters in an earlier reform movement of our history. Such men are not the administrators needed to consider the interests of producer, financier, consumer and worker alike in acting as an impartial referee. It is this realization of the unfitness of many of the professors for such administrative posts which is troubling those who would like to see the notions of government control as provided in the New Deal legislation given a fair test.

The experience with the industrial satellites brought into the New Deal as emergency administrators has been little better, if it has not been worse. Curiously enough, many of the men who had enjoyed substantial reputations in the business and industrial world began to act like the much maligned politicians of an earlier day once they had reached the high places of power. The failure of the NRA to be anything more than a sham, long on ballyhoo and short on impartial administration, can be attributed to the men who staffed it in administrative capacities. From General Johnson down, the NRA was largely staffed by men from Big Business whose patriotic enthusiasm led them to accept posts offered them as a "public duty in the emergency." As might have been expected, they acted as the representatives of Big Business and of the particular industries with which they had been previously connected.

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Their Big Business viewpoint had been too deeply ingrained to permit them to be the impartial referees which such administrative posts demanded if the interests of the consumers and workers were to be considered equally with those of industry. The Consumers' Advisory Board, staffed with a full complement of well meaning but impotent professors, was completely ignored by General Johnson and his retinue of industrialists. Labor, placated on a few occasions, succeeded in winning no major engagement against the industrial-minded administrators, although some of them probably felt that they were allowing labor a share larger than it deserved. It is not meant to imply that they were dishonest or negligent in their duties; their viewpoint made it impossible for them to weigh the interests of conflicting groups impartially.



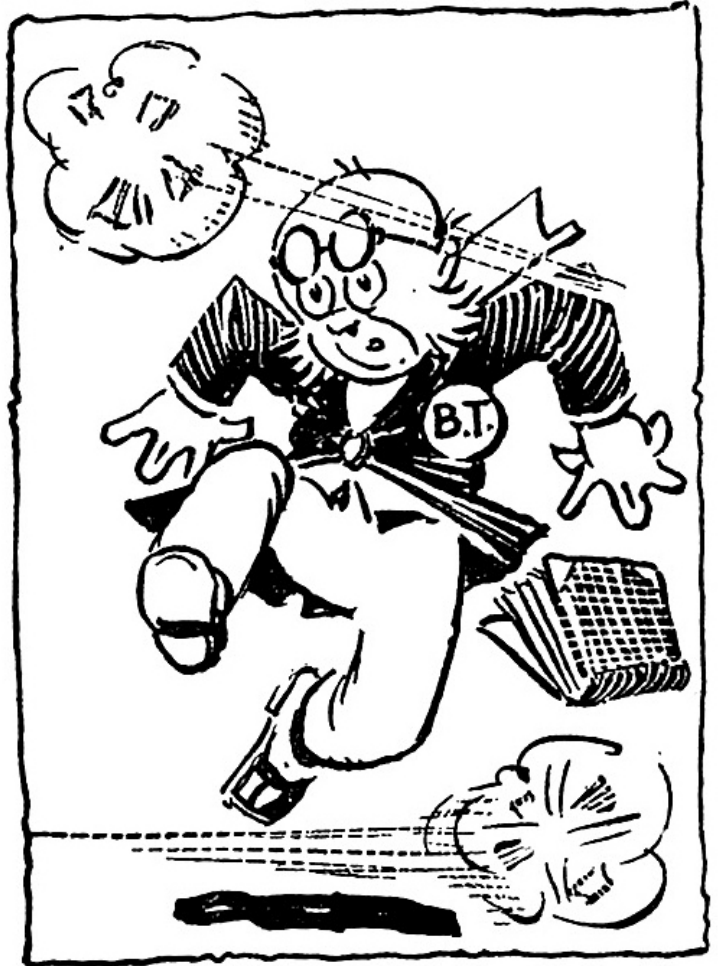
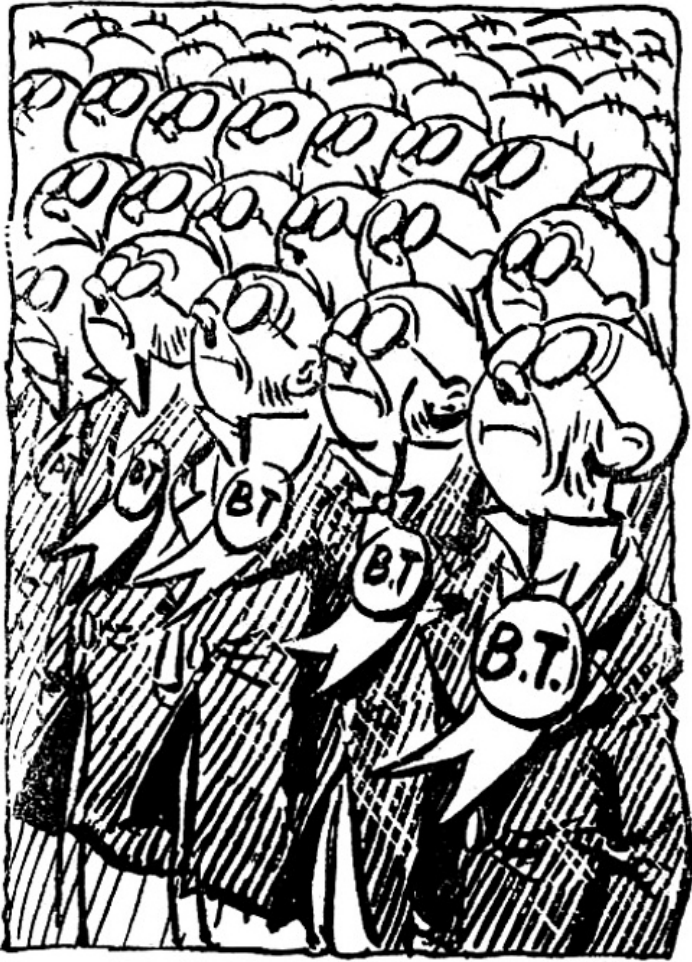
Perhaps it will be necessary to breed and train a whole new race of men to fill the places of the referee-administrators needed, men who can place public interest above self-interest and men whose reform motives are not afflicted by those subterranean demons of the Freudian menagerie. Secretary Wallace in one of his politico-religious moods has suggested as much by saying: "When the 40,000 undisciplined slaves, known as the children of Israel, left Egypt it was possible for them to reach the Promised Land within a few months. But they were not fitted to go in and take possession, because the older generation thought of everything in terms of the flesh pots of Egypt. It was necessary for the younger generation, hardened by travels in the wilderness, to come to maturity before the Promised Land could be possessed. . . . We have left the flesh pots of Egypt. We are on our way. The Promised Land is at hand, and the only question is whether the older generation is fitted to go in and take possession. The men who have proposed the New Deal, I fear, are in somewhat the same situation as those who led the children of Israel out of Egypt."

Although the New Deal technique has taught the electorate to wait patiently while experiment after experiment is tried with the hope that success may be achieved by the trial and error method, it is not likely that the opponents of the Roosevelt technique are going to sit by while a new race of men is bred and trained for the New Deal's administrative posts. Something must be done soon!

The success of the young men with legal training who have been brought into the New Deal, and particularly the small group of administrators whom Professor Felix Frankfurter of Harvard Law School has recommended, suggests a possible solution of the perplexing personnel problem. While some of their names are not as well known as the Brain Trust professors who specialize in economics and political science, they are gaining recognition for their quiet, efficient and good-humored administrative work. They are inspiring confidence in the conflicting groups whose cases are placed before them for impartial consideration. That is half the battle won in the administration of legislation requiring government control or supervision.

Contrary to popular belief in Washington, Professor Frankfurter has recommended no more than fifteen men who are in important administrative posts. These men have, in turn, selected many other young lawyers to act as their assistants, varying from groups of perhaps a half dozen to as high as fifty to seventy men. The President obtained key appointments for some of the original group

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without too much attention to their party credentials, and as a result they have been sniped

at by jealous Democratic politicians who would have preferred the appointment of their own constituents. Because James M. Landis, Thomas G. Corcoran and Benjamin V. Cohen have been more than administrators in that they wrote the Securities Act of 1933 and the Stock Market Regulation bills, the Frankfurter proteges have drawn some hostile fire in recent months. Congressman Fred A. Britten, with a truly Wirtian affliction for seeing things under the bed, arose in Congress to characterize the Little Red House in Georgetown where some of the Frankfurter satellites live as "the birthplace of legislation which has shocked two continents." Aside from such partisan outbursts, the young men who have come into the New Deal with a background of legal training are, with few exceptions, building up enviable reputations for efficient, impartial administration.

Perhaps no one who has aided in the selection of personnel to staff the New Deal has held the principles underlying the British Civil Service system in higher regard than Professor Frankfurter. The success of his proteges is prompting a study of the British system as a model. Great Britain has a corps of 1,500 to 2,000 university-trained men and women, many of them honor graduates from Oxford and Cambridge, who run the British Government as their life work. Selected by competitive examination at about twenty years of age, they are appointed as public servants, impervious to politics and forbidden by law to participate therein. They staff the government up to, but not including, the rank of Minister. Their rate of pay is low, but they enjoy security through a pension system which provides for their wants after retirement at the age of 60 to 65 years. They are respected and held in high esteem by the people, who have implicit confidence in their ability and impartiality. Such confidence is absolutely necessary to the success of any plan for government control of the social and economic structure. The British Civil Service, like the United States Civil Service, also provides a small army of workers to fill such routine jobs as those of postmen, scrubwomen, customs inspectors, etc., but its most significant departure from our present system is its plan for staffing the top with men and women of scholarly training as well. Perhaps our only counterpart of this feature of the British plan is a small number of career diplomats who are selected and promoted on the merit system.

Some consideration has been given to the notion of setting up a training center in Washington (either connected with one of the existing universities there or as a separate entity) to which men and women with three or four years of college training might enter upon competitive exam-

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ination. The courses would point them for governmental posts through apprenticeships in the various government departments while continuing their education. Chester McCall, Assistant to Secretary of Commerce Roper, is formulating plans with the aid of a group of educators headed by Dean Walter James Shepard of Ohio State University to open a National Institution of Public Affairs in Washington next year. One hundred and fifty students from all sections of the country are to be selected on a plan similar to that used for Rhodes scholarships. The object of the institution is not purely to supply the government with qualified talent, but to train students for "political leadership" in their home states and communities, after serving short terms as apprentices in the government departments. The American University in Washington is similarly experimenting with a seminar on governmental affairs this summer. Both institutions offer possibilities for expansion to meet the needs of a training center for future occupants of government administrative posts, but their success depends largely on the type of personnel selected to staff the faculties and the thoroughness of the training and selection of candidates.



Assuming that likely candidates for administrative posts can be selected and trained through some such system, there remains a very honest doubt as to whether they could be appointed. Without an Act of Congress extending the Civil Service, it would certainly not be possible, unless all were Democrats. The present patronage policy dictated by Postmaster General Farley insists that each candidate for an administrative post have the endorsement of the Senators from his home state, the Congressman in his district and the Democratic National Committeeman. All positions, outside a few protected by Civil Service and a small group of ranking officials appointed by the President, have been filled with strict adherence to this rule.

It is a rule to which some of the professors, ardent in their honest desire to staff the New Deal with qualified talent, had difficulties in acclimating themselves. They are all resigned to its iron-clad tenets now or, like Dr. Willard L. Thorp, who headed the Bureau of Foreign and Domestic Commerce for a time, they have passed out of the New Deal. Each department has a Farley lieutenant installed in a position where he can keep a watchful eye on all appointments and make certain that the party qualifications are fulfilled. H. Russell Amory, who proved to be Dr. Thorp's nemesis, is Farley's Man Friday in the Department of Commerce. Julien N. Friant holds a similar post in the Department of Agriculture, where some of the professorial heretics must be watched. Each department has its Amory or its Friant. When offending professors, uneducated in the ways of party politics, insist on the appointment of men who cannot successfully run the patronage gauntlet, they are occasionally called to the office of the Big Chief himself. The Postmaster General cannot quite understand why it might be necessary to go outside the Democratic party for adequate talent. He expresses a deep interest in securing qualified men for administrative posts, but he sees a certain inconsistency in a well qualified man having voted the Republican ticket. The professors have been somewhat fortunate in that some of the young men whom they want for their departments have shown little interest in voting, so that it is sometimes possible for them to get on the Democratic bandwagon now and obtain the necessary credentials with vows of faithful allegiance hereafter. Unless they fail to take their new duties to the Democratic party seriously, they hardly can be considered the well trained, *unpolitical*, impartial administrators which

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the British system demands, and the New Deal probably will need to become more than an unexecuted promise. The fact that appointees must show some allegiance to the Democratic party questions their impartiality from the moment of appointment.



There is a growing realization in Washington that most of the New Deal "emergency" legislation will become permanent, if there is any merit in the basic notion of government control or supervision at all. If and when the "emergency" passes, most of those from the colleges and from industry who rode into the New Deal on the crest of the wave of enthusiasm will return to their previous pursuits either because they are more lucrative or the New Deal has failed to follow the path of their own pet theories in economics or government. Some have already resigned; each month has shown an increasing number of resignations. Many of them will not be missed, but most of their places must be filled by men with even better qualifications. Thus the personnel problem becomes more acute each month.

The President could slash the Gordian knot. Many hope that he will do so by expanding our Civil Service along the lines of the British model. But most observers close to the Administration with whom the writer has talked feel that he will not do so because it would not be politically expedient. There is no doubt that Congress would send up a painful howl if such a proposal were made, and it is quite likely that such legislation would meet stiff resistance. The Postmaster General would be most certain to oppose such a move to cut into his powerful patronage machine.



Raymond Moley, one of the professors who held a gaudy place in the limelight during the early days of the Brain Trust, has said that "many divisions of the government are limping badly because of inadequate personnel." But Dr. Moley's newly acquired appreciation of political expediency prompts him to add that efficient men should be discovered and appointments made along strict party lines. His plan for finding qualified administrators is refreshingly simple: "Every Congressman can help to find them, carrying into his own State or district, like Diogenes, in one hand a lantern to discover honesty and in the other a lantern to search out competence."

The New Deal's personnel problem is obviously not so simple as that. It is a problem that has grown malignant partly because of the present patronage policy. The Postmaster General's devotion to that policy may render impossible the extension of our Civil Service to obtain the well trained, unpolitical, impartial public servants needed to administer a program of government control such as is necessary to make the New Deal more than an unexecuted promise. It may be Mr. Farley's countenance which will turn up on the Joker in the New Deal.

NEW OUTLOOK

ALFRED E. SMITH

Editor-in-Chief