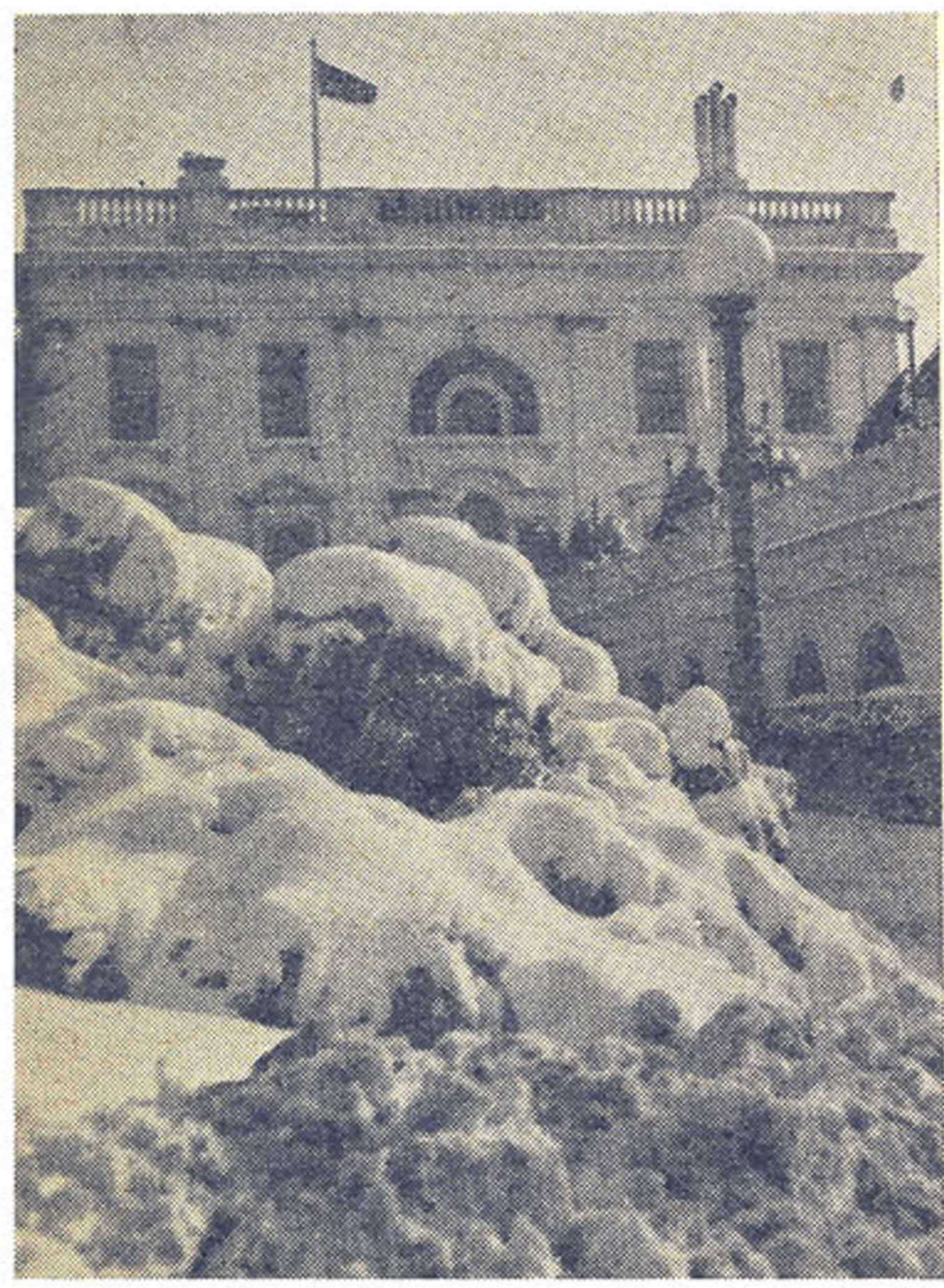


Exodus of Former New Dealers

Attraction of Higher Pay After Enthusiasm for War Jobs Vanishes

Mr. Truman's worry over failure to draw top-flight executives to Washington

President Truman is finding it hard to get—and keep—capable men for key Government jobs. The men who have been doing the thinking, the planning, the real administering and shaping of policies are



WHITE HOUSE

More than big money . . .

going out of the Government. Replacements are increasingly hard to find. This problem is becoming a major White House worry.

The part the United States is to play in the affairs of the rest of the world is growing. The Army wants to turn over to civil administrators its share in the rule of Germany. The same thing soon will be done in the Far East. At home, the President is trying to keep the nation on an even keel while it converts from war to peace. And he has a reconversion problem of his own for 2,500,000 federal employees.

But, more and more, the work of running the federal establishment, at home and abroad, is falling into inexperienced hands. The men whose job it was to foresee troubles and work out plans to meet them no longer are around the White House. And the expert administrators whose job it was to keep troubles to a minimum are leaving the public service.

The exodus of experienced men from Washington is affecting every branch of Government, from the White House and Congress down to remote federal agencies. It is removing familiar hands from the controls of many agencies and substituting untried ones in their place.

In the latest group to go are Robert Nathan, an economist; Judge Samuel I. Rosenman from the White House staff, Vice Admiral Emory S. Land as chief of the War Shipping Administration, Byron Price as chief censor, and J. A. Krug, the head of the War Production Board. From Congress, Representatives Clifton A. Woodrum of Virginia and Robert Ramspeck of Georgia, both Democrats, have resigned to go into private industry. Mr. Woodrum was a powerful and long-seasoned member of the Appropriations Committee. Mr. Ramspeck was Democratic Whip. These are just a few examples.

The first reason usually given for this exodus is the salary difference that exists between the man on the federal pay roll and the man in private industry. Apparently, most of the capable economists, planners and administrators in the Federal Government would be able to step out into private industry at a salary from two to four times as large as that which they now are getting from Government. In large numbers, that is what they are doing.

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To offset this movement toward private industry, Mr. Truman is throwing his weight behind legislation to raise the pay of federal workers. The pay raise proposed runs all the way down through the ranks of Government workers. But Mr. Truman is particularly interested in being able to offer real salaries, ranging up to \$12,000 or better, for capable administrators. As it stands, the Federal Government has comparatively low-paid Justice Department attorneys who must match their talent with the best legal minds hired by industry. The Labor Department has \$3,500-a-year conciliators trying to settle wage disputes between \$100,000 industrialists and \$25,000 labor leaders.

Top emphasis usually is given to the salary difference when resignations are discussed with President Truman. That is



HARRY HOPKINS

... figured in the exodus

the reason most often given to him for not taking a job, or for resigning from one. But those who know the problem from intimate personal experience say this reason is too obvious and not wholly true. The salary that private industry was willing to pay a top-ranking man always has been greater than Government could offer. One official says that, at a time when he was making \$6,800 a year in Government, he was offered an industrial post paying \$26,500 a year. He stayed in Government, as has many another man.

The real reasons given by those familiar with the problem are less apparent than a difference in pay. Some of the men who are going out of Government are quitting because they were made to feel that they were not welcome any longer. Others stayed in public service as long as they felt that they were part of a team headed for a real objective. Now they feel that the team is breaking up and the objective no longer is compelling.

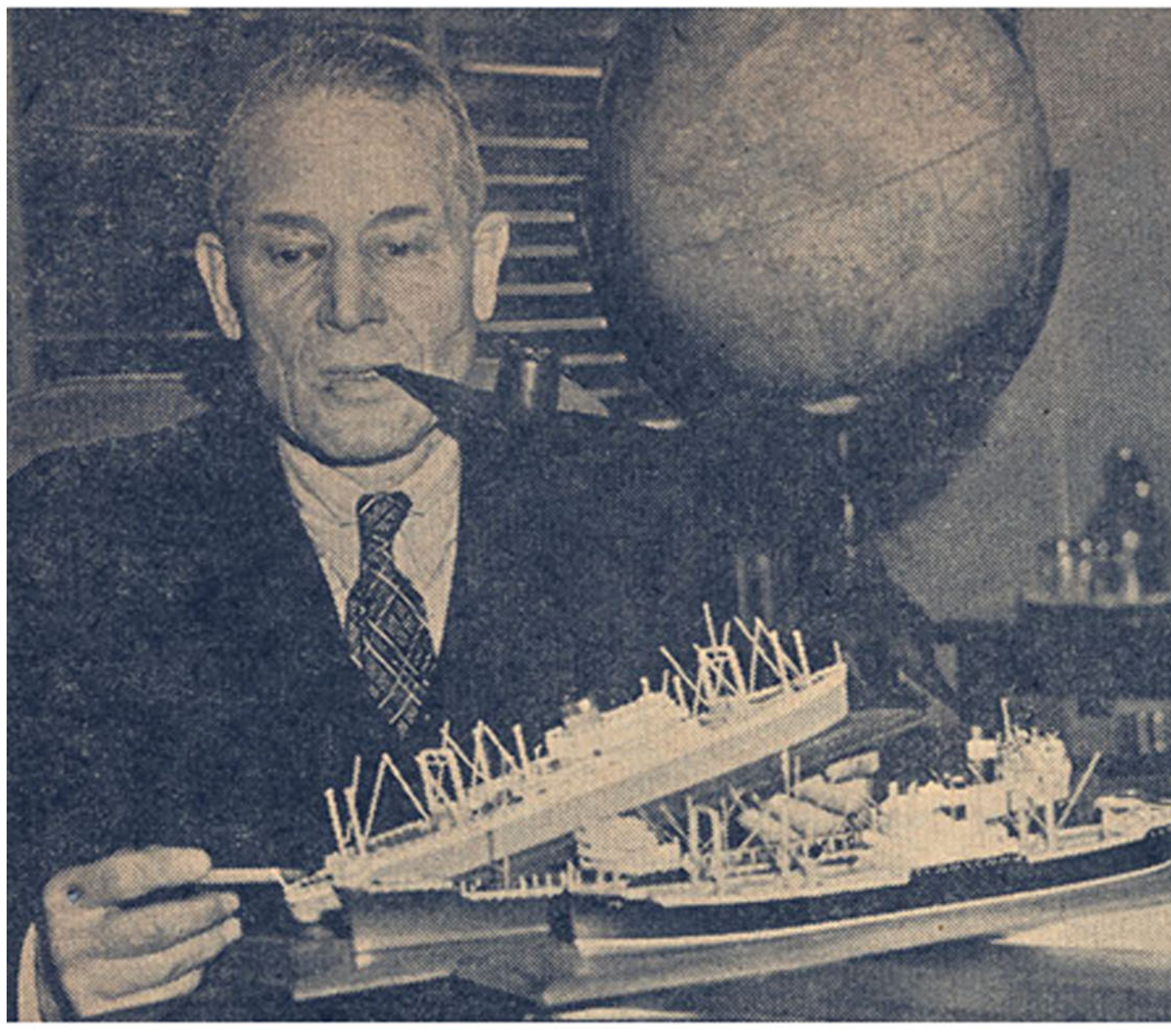
Instead of a large salary, they preferred to feel that they were performing a genuine service to the public, that the work they were doing was appreciated and was important to the attainment of a long-run program. When that feeling vanished, they felt free to move out and take the higher salaries that private industry offered.

Moreover, the feeling is growing among certain groups of federal employees that an inflationary spiral is about to set in. They figure that this is a good time to get out of Government and into private business, away from a fixed, low income to a higher one.

Patriotism brought many of the top-most figures out of industry and into the Government during the war. But the dollar-a-year men, many of them famous in business, found that there is a special technique in Government. It takes years to learn how the Government operates and how to get things done. Like the dollar-a-year men, the men who have this governmental know-how were held by patriotism as long as the war lasted.

But, now that the war is over, the men skilled in Government are streaming out

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ADMIRAL LAND

Private industry lures top administrators . . .



ROBERT NATHAN

. . . but still a need for storm-cellar planners?

of the federal organization into industry. Among them are hundreds of capable and highly intelligent men who really made and put into effect the decisions that kept the war agencies going. Quite a few of these might have been persuaded to stay in Government to fill posts that the State Department has, or will have, open.

The crusading spirit that Franklin D. Roosevelt was able to summon up in the minds of Government employees at the outset of his first Administration, and which he rekindled again and again in the years that followed, now is vanishing. The spirit and imagination of Mr. Roosevelt brought into public service many a man who otherwise would not have been there.

It was this quality that captured the enthusiasm of engineers like J. A. Krug; of lawyers like Oscar S. Cox, Ben Cohen and Thomas Corcoran; of economists like Robert Nathan, Lauchlin Currie, Leon Henderson and Isador Lubin. Mr. Krug came in with the Tennessee Valley Authority and stayed on to run the War Production Board. Mr. Cox wrote the Lend-Lease Act. Mr. Corcoran and Mr. Cohen turned out many of the New Deal laws that now are taken for granted. The economists watched for danger signals and worked out plans for storm cellars.

This small group is only an indication of the many men who became so enthusiastic over the Roosevelt program that they came to be known as New Dealers. Save for Mr. Cohen, who now is counsel for the State Department, and Mr. Lubin, who is finishing up his work with the Reparations Commission, all this group has left, or is leaving the Government.

Personal loyalty held many of the Roosevelt men, just as others were held by loyalty to a program. Harry Hopkins worked for Mr. Roosevelt for many years for \$10,000 a year. When he went out, he got a \$25,000 salary. Stephen T. Early went into the White House at a sacrifice and stayed for 12 years as Secretary to the President. His salary trebled when he went into private industry. Samuel I. Rosenman gave up life tenure as a judge in New York State to take a place with Mr. Roosevelt paying less than half his yearly salary as a judge.

The Truman program. Mr. Truman, too, is bringing old friends into the White House through personal loyalty. John W. Snyder, the Reconversion Director, and

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Charles Ross, Mr. Truman's Press Secretary, each took a pay reduction when he went to work there.

But Mr. Truman finds it hard to lure into Government skilled administrators and planners—with whom he has no personal ties. Men of the type that he **now** is trying to get are waiting to see **how** his program evolves.

Democratic politicians spread the word through the Government soon after Mr. Truman went into the White House that there would be no more need for planners and economists. Men who had done this work for Mr. Roosevelt were made to feel unwelcome in the new Administration. And, now that they are wanted, the planners and administrators are hard to find. This has Mr. Truman worried.

