

OFFICE FOR EMERGENCY MANAGEMENT  
WAR MANPOWER COMMISSION

WASHINGTON, D. C.

February 18, 1943

Chairman

PAUL V. McNUTT

FEDERAL SECURITY ADMINISTRATOR

MEMORANDUM

TO: Mr. James F. Byrnes  
Director, Office of Economic Stabilization

FROM: Paul V. McNutt  
Chairman, War Manpower Commission

SUBJECT: Executive Order 9301

I. Steps Taken to Effectuate the Order

A. Scope of Application

In taking steps to carry out the President's Order, I have interpreted the purpose of the Order to be the conservation of manpower for purposes essential to the war. Accordingly, I have taken steps immediately to provide for application of the Order in those areas and those industries in which the shortages of labor warrant such action. Furthermore, I have delegated to the Regional Directors of the War Manpower Commission the authority to extend the application of the order to areas and industries where in their judgment the 48 hour week will aid in alleviating labor shortages that are impeding the war program. In formulating regulations and procedures to carry out the order, I have specifically avoided applying it immediately in areas and industries where its net effect would be merely to release workers who could not be readily absorbed in employment and who would, therefore, remain unemployed.

Similarly, I intend to issue specific orders, applying the 48 hour week to essential industries, whose operations are impeded by labor shortage but which, because of the nature of their activities, are usually not located in industrial areas and would, therefore, not be covered by the application of the order to such areas. Typical of these industries are lumbering, coal mining, metal mining, mica mining, and fluorspar mining. In general, the extractive industries (other than agriculture) will be dealt with in this way; other industries will be covered insofar as they occur in areas of labor shortage and share the manpower problems of such areas.



### B. Coverage and Exclusions

The regulations specify that the order is applicable to all employment within the designated areas and industries except certain types of employment which are specified for exclusion. These are:

- 1) Agriculture, because in most cases it is difficult to measure the employee workweek in this industry, and because most agricultural workers are already working more than 48 hours a week.
- 2) Employment in establishments employing seven persons or less, because of the administrative difficulties involved and because it is assumed that the application of a minimum workweek to any such establishment would not significantly effect its labor requirements.
- 3) Employees of States and their political subdivisions and wholly owned instrumentalities thereof, because of the legal and administrative questions which they present.
- 4) Employment of persons less than sixteen years old, because a long workweek might be injurious to the health and welfare of such persons.
- 5) Employment of individuals who for some good reason are not available for full-time work, but whose part-time participation in the labor market should be encouraged because it will help to alleviate labor shortage.

### C. General Procedures

In order to permit the orderly transfer of released workers, I have specified that in cases where the lengthening of the workweek will permit the release of employees who cannot readily be placed in other jobs, such action shall be taken only at such time as approved by the Regional Manpower Director or his representative and shall not be required prior to April 1. In areas or industries to be designated hereafter, in general, I expect to allow one month after the announcement of the application of the Order.

In those areas in which the Order has been invoked, employers who could adopt the minimum workweek without releasing any labor are required to do so as soon as practicable. In these cases the lengthening of the workweek will permit the expansion of production and reduce the need for additional employees. Employers who will find it necessary to release labor as a result of the adoption of the minimum workweek may be required

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to adopt it as soon as possible and release such workers if the workers so released can be expected to find suitable employment promptly. If the workers to be released would not be readily absorbed, the employer is to adopt the minimum workweek when he has filed with the War Manpower Commission a schedule of releases from his employment and has been notified by the War Manpower Commission to proceed with these releases. This is intended to give the War Manpower Commission an opportunity to find new employment for such workers in essential work, and thereby facilitate orderly transfer.

If an employer is not complying with these provisions, he is prohibited from hiring additional workers.

D. Provision for Exceptions

I am fully aware that there are many kinds of employment in which the adoption of a minimum 48-hour workweek would not be feasible or would not effectuate the purposes of the Order. In the course of drafting our regulations and procedures, we have explored many industrial situations in which the uniform adoption of a 48-hour minimum workweek would not only contribute nothing to the alleviation of labor shortage but might actually be detrimental to the war effort. I have, therefore, specified that the regulations shall be designed to obtain compliance with "a minimum wartime workweek" which will under most circumstances be 48 hours but which may be less for good reasons.

In general, three classes of reasons are recognized and are specified in the regulations as justifying a workweek of less than 48 hours:

- 1) Where a workweek of 48 hours would be impracticable in view of the nature of the operations; e.g., where a plant is operating three shifts of eight hours minus a meal period. In such cases, the minimum wartime workweek of 45 hours might be considered in compliance.
- 2) Where a workweek of 48 hours would not contribute to the reduction of labor requirements; e.g., where the pressmen in a newspaper establishment need work only long enough each day to print the daily required number of copies of the paper and if no useful purpose would be served by keeping them any longer.
- 3) Where a workweek of 48 hours would conflict with any Federal, State or local law or regulation limiting the hours of work as specified in Section 5 of the Executive Order.

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While I expect that there will be many exceptions under one or another of these conditions, I have specified that in these cases there shall be no blanket release from the provisions of the Order but that the workweek shall always be the greatest number of hours less than 48 feasible in the light of the above conditions.

For your information, I am attaching a copy of the regulations and of the areas to which the Order is being initially applied. These are areas found by the War Manpower Commission to be areas of critical labor shortage in which all measures for the mobilization and conservation of labor (including the withdrawal of war contracts) are being undertaken.



## II. General Affect Upon Labor Costs

The affect of the lengthened workweek upon unit labor costs depends three factors: first, whether the industries to which the order is applied pay a premium rate for hours in excess of some specified number (generally 40); second, the extent to which the application of the Order will actually increase the number of hours to be compensated at the premium rate; and, third, the effect of possible longer hours on average production per hour. In establishments which do not pay overtime at a premium rate, the longer workweek may have no affect on labor costs: presumably, the additional pay will be compensation exactly for additional work. If there is no change in hourly production, costs will be unchanged.

In establishments which pay time-and-a-half for hours over 40, if workers affected by the order previously worked exactly 40 hours, and if as a result of the Order, they have increased their hours of work to exactly 48, labor costs (assuming no change in hourly efficiency) would be increased by 8.33 per cent (52 hours' pay for 48 hours of work). This is the greatest possible effect which the Order could have on any establishment if efficiency is not changed (except in those rare instances where overtime rates begin below 40 hours).

It should be noted, however, that a 48-hour scheduled workweek is commonly reduced by normal absenteeism and turnover to about 46 hours. In this case, the labor costs would be increased by 6.50 per cent (49 hours' pay for 46 hours' work).

Further, many establishments are already working well over 48 hours. The latest data of the Bureau of Labor Statistics indicate that the average number of hours actually worked in all manufacturing industries was 44.0 in November 1942. This average, of course, includes many industries maintaining scheduled workweeks of 48 hours and above. For example, the latest reports of the War Production Board show that the average worker in selected metal industries worked 47.9 hours per week in January--equivalent to a scheduled workweek of 50 hours or more. On the other hand, hours in non-durable manufacturing are much less, averaging in some industries less than 40. Raising all manufacturing industries to a minimum 48-hour scheduled workweek would raise the average hours worked well above 46--probably between 47 and 48. The Bureau of Labor Statistics has estimated that a 46-hour actual workweek for all employees in manufacturing who worked less than 46 hours in November 1942 (leaving unchanged the hours of those who worked 46 or more) would increase labor costs per hour by 2.71 per cent.

As a matter of fact the change in costs will vary from industry to industry and from establishment to establishment. The attached table prepared by the Bureau of Labor Statistics, shows, for manufacturing industries the amount of additional overtime premium that would have

resulted from a minimum 46-hour workweek for all manufacturing employees in November 1942, and the corresponding increase in labor costs. It may be assumed that establishments in these industries located in the shortage areas, where the Executive Order is to be invoked, were already working longer than the average for the entire industry and that the increase would be correspondingly less.

It should be noted that these estimates refer specifically to increases in unit labor costs. It has been repeatedly pointed out that increases in the earnings of individual workers will be substantially greater. On the other hand, the increase in the total costs of an industry or establishment will be materially less, depending on the ratio of labor costs to total costs. If, for example, labor costs were 25 per cent of all costs in an industry, the effect of the lengthened workweek on cost would be only one-fourth as great as the effect on labor costs alone. Of course, the effect on earnings after taxes would, in most cases, be still less.

LIST OF AREAS DESIGNATED FOR THE APPLICATION OF EXECUTIVE ORDER 9301

Bath, Maine	Manitowoc, Wis.
Bridgeport, Conn.	Sterling, Ill.
Hartford, Conn.	Brunswick, Ga.
New Britain, Conn.	Charleston, S. C.
Portsmouth, N. H.	Macon, Ga.
Springfield, Mass.	Mobile, Ala.
Waterbury, Conn.	Panama City, Fla.
Buffalo, N. Y.	Pascagoula, Miss.
Somerville, N. J.	Wichita, Kans.
Baltimore, Md.	Beaumont, Tex.
Elkton, Md.	Cheyenne, Wyo.
Hampton Roads, Va. (Norfolk Newport News Portsmouth)	Ogden, Utah
Washington, D. C.	Las Vegas, Nev.
Akron, Ohio	Portland, Ore.
Dayton, Ohio	San Diego, Calif.
Detroit, Mich.	Seattle, Wash.

**Estimated Increase in Weekly Manufacturing Payrolls Caused by Additional  
Overtime Premium if Plant Average Weekly Hours are Raised to a Minimum  
of 46 (Scheduled 48)**

Industry Group	November 1942		Amount of increase in payrolls (thousands of dollars)	Percent increase in payrolls
	Weekly payrolls (thousands of dollars)	Average weekly hours		
All manufacturing	506,356.0		13,713.8	2.71
Durable goods	341,723.0		5,733.8	1.68
Iron and steel and their products	70,002.5	44.7	1,605.6	2.29
Electrical machinery	26,289.2	47.0	302.3	1.15
Machinery, except electrical	55,478.6	49.5	226.1	.41
Transportation equipment	105,855.3	47.7	926.2	.87
Automobiles	32,775.1	45.5	568.4	1.73
Nonferrous metals and their products	16,855.0	46.0	270.9	1.61
Lumber and timber basic products	13,128.2	41.7	759.3	5.78
Stone, clay, and glass products	11,596.5	41.4	664.0	5.73
Furniture	9,742.4	42.3	411.0	4.22
Nondurable goods	164,633.0		7,980.0	4.85
Textile mill products	32,379.8	40.8	1,909.0	5.90
Apparel and other finished textile products	20,183.9	37.0	1,306.4	6.47
Leather and leather products	9,190.5	39.0	603.2	6.56
Tobacco manufactures	2,210.8	40.6	141.5	6.40
Paper and allied products	9,767.5	44.0	283.7	2.80
Printing, publishing and allied industries	11,735.2	39.5	768.7	6.55
Chemicals and allied products	25,123.7	43.9	735.2	2.93
Products of petroleum and coal	5,549.3	41.8	281.8	5.08
Rubber products	6,634.8	43.4	232.8	3.51
Miscellaneous industries	12,603.2	45.0	283.1	2.25
Food and kindred products	29,253.4	42.4	1,434.6	4.90

Prepared by: Bureau of Labor Statistics  
Occupational Outlook Division  
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