

ADDRESS

of

WILLIAM O. DOUGLAS

*Chairman, Securities and Exchange Commission*

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Administrative agencies such as the SEC require, not only in their early stages but during their later development, a continuous inflow of technically trained, competent, imaginative and adventuresome people. And it is on that theme that I want to say a few words this afternoon. Quality of personnel is tremendously important to the future of administrative government. So it is with great interest that I approach the problem of trying to develop here at the SEC model standards for training personnel.

As I go about the country I brag about the people who work at the SEC. And I think that I can justify that bragging. I think we have reached in a very short period of time a high order of efficiency in our personnel. And my interest is in seeing to it that by a systematized approach to the problem we maintain and constantly endeavor to improve that quality.

The quality of which I speak is dependent not entirely upon technical ability alone. It entails the matter of an esprit de corps, the presence of the adventuresome spirit, and the desire to make more than just a workaday contribution. To develop such an esprit de corps places upon all of us a heavy responsibility. That responsibility is in part a responsibility for creating in this country values of the kind that we have not had before, so that people will place the public service high in their scale of values. Other countries place the army and navy high in their scale of values. We in America have placed business and the professions high in our scale of values. I think that by continuous education and by precept and example, we can begin to get a real tradition of public service in this country. That is number one. It is a slow job, just begun.

The examples that we set will be emulated by the people who will follow. That is important, for we all know that we cannot keep for long periods of time many of the people who join our ranks. For various reasons they will want to leave. Whatever those reasons may be, it is a fact that our turn-over has been, and probably will be substantial. Our continuous job is necessarily, therefore, one of creating for youth a challenge to give a few years of their lives for their government in our kind of work, even though the monetary reward may not be great. The presence of that turn-over is one reason why our job is today so difficult. But I am happy to say that I find there are more and more persons joining our ranks who are willing and ready to find a career service here. In respect to these persons particularly, I want to say a few words this afternoon.

Today we are on the threshold of a program that holds great promise for those who want to make a career service in government. The details of that program cannot be outlined even in charcoal this afternoon. I think that this program should be worked out with us by groups like your organization, whose individual members, many of them, have their entire stake in the future of administrative government. Under the President's Executive Order we have ahead of us the setting up of a training program for people in our service. I do not know what the details of that program will be. I hope you can work it out with us and help us make it a real vital force rather than a mere formality. It has great potentialities, difficult to overestimate.

We have here at the SEC increased opportunities at the top, not only because of our turnover but also because of our growth. You know our policy has been to afford these opportunities, wherever possible, to persons in our service. We cannot always do so but we have tried to do it wherever it has been possible. And it has been our hope to bring our personnel along as fast as possible from the bottom to the top. It is a great comfort to be able to do this. When you rub shoulders with a man for six months, a year or two years, in a shop such as ours, you get to know him fairly well. When you can place him in the top job, you sleep better at night than you do when you must gamble with the unknown, the untried, and the untested. He knows the tradition of the SEC. It is he, and others like him, strong in our tradition, who give us great strength. They are the people we sincerely want to try to bring along. So far as I am personally concerned that program of bringing them along cannot be done too fast.

I personally have great confidence in youth. I have had considerable experience in working with them and placing responsibility on them. It is seldom that they have ever let me down. I have seen them grow over night under responsibility to the stature demanded of a new job. I am anxious to see to it that the system provided here will give "Youth" its chance. It is through "Youth" (which is measured not necessarily by age) that we can hope for our greatest accomplishment, because "Youth" has zest, vigor, imagination and drive.

In its full-blown form I can visualize, and have visualized, for the SEC a training program that would be unexcelled for its kind in any organization. And now I will let you in on a secret of mine. For two years I have had the idea of setting up in the SEC a graduate school in finance, with a dean and a faculty. That may sound to you a little ambitious--perhaps it is--but I hope we may be able to work it out. Having come from the field of education and having worked with students in class rooms and in research laboratories, I know what the limitations of modern education are as regards training for work of the kind that we do daily in the SEC. I know how inadequate are the opportunities in the field of corporations, corporate reorganization, public utility management, and in other segments of business and finance afforded many students. And knowing these things, I appreciate perhaps as much as anyone else the great limitations that the young man must feel upon entering this place for the first time. I know on the basis of my own experience that he is entering a completely new field, largely unoriented, largely unacquainted not only with the techniques but with the broader aspects of the work he is about to undertake. His training has not equipped him to see the basic economic significance of the tasks assigned to us. Realizing that deficiency, I set about two years ago to try to work out on paper a scheme for a graduate school of finance within the SEC. I hope we can work it out and put it into motion. With such a school I think we can make this an unusually attractive place. I believe if we can do something like that we shall have helped make administrative government increasingly attractive, because we shall have provided a real educational opportunity for the people (young or old, experienced or inexperienced) who come here to work. With such a program I am convinced that we could attract and keep young people who would see here an opportunity for professional advancement through a broader, fuller education.

But this takes care of just one level of our work. There is another level that reaches down to more routine phases of our work. Here also I think there is great potentiality for a training program, so that there would be continuous preparation of the individual in a junior position for the responsibilities of a senior position. More than that, there can be developed some cross-fertilization between the various divisions or departments of the Commission so that people in one place may train themselves for work in another. I think that is particularly important in view of the high degree of specialization that our various divisions require. And with that high degree of specialization must go a special training program.

So I leave with you the thought that we should work out a broad comprehensive educational program of practical application in the SEC workshop. Such a program should not only increase the opportunities for those who are in our ranks; it should give great strength and vigor to the whole process of administrative government in whose hands is going to rest a large portion of the future effectiveness of capitalism under the democratic system of government. I believe that with your help we can fashion a program that will be practicable and at the same time will be conditioned by those idealistic qualities that distinguish a real education from a trade school program. I think if we can work out a program having at its top a graduate school of finance that we may rest assured that we shall have laid permanent foundations here at the SEC for the best type of administrative agency that human beings can design.