

Proposal for a Division of Industrial Information

Prepared at the Request of  
Mr. George Reynolds

by

Dr. Heinrich Kronstein  
Mr. Philip N. Youtz

SUMMARY

The establishment of a new Division of Industrial Information to gather, sift and apply the technical knowledge accumulated during the war for the purpose of strengthening American business and of assuring jobs to returned soldiers and warworkers is recommended.

United States Government Agencies and defeated German are excellent sources for this technical information.

The dissemination of technical information particularly in non-industrialized areas will contribute to permanent post-war prosperity.

The new Division of Industrial Information will serve as a clearing house for all government technical agencies as well as for private institutions of applied science.

The Division will make a good laboratory in which to study the working of patent laws here and abroad.

Certain broad factors favorable to industry such as cheap power, transportation and natural resources should be surveyed by the Division.

Ultimately a budget for letting research and development contracts to technical schools can be initiated on the model of the successful programs of OSRD and OPRD during the war.

The starting point should be local needs of the states and territories and their requirements for regional development.

Enthusiastic cooperation may be expected from such state officials as Governors, Senators and Congressmen.

Personnel should be minimum in number but of the highest technical competence and should be devoted to the government interest.

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The Department of Commerce can strengthen American business and assure jobs for returned soldiers and war workers by establishing a new Division of Industrial Information for the purpose of gathering, sifting and applying the new technology developed during the war particularly in the United States and Germany. Such a division would serve the permanent function of keeping American business men informed of important technical advances throughout the world.

Rich sources for such information are the research divisions of our government such as those operated during the war by the Army, Navy, War Production Board, the permanent government departments and the independent government agencies. Among these may be mentioned the National Inventor's Council, the Patent Office, the National Bureau of Standards, the Bureau of Mines, the National Academy of Sciences, the National Research Council, the Office of Scientific Research and Development, the Office of Production Research and Development, the numerous

the Division of Patent Administration of the Office of Alien Property Custodian and the Department of Justice. To these government sources should be added the research under way or completed by technical schools, foundations, laboratories and other public institutions. And lastly there is the large amount of research carried out by commercial companies for the purpose of aiding the war effort.

The surrender of Germany may be expected to release a vast quantity of economically important technical processes. The salvaging of this information may well prove one of the major forms of indemnity with which Germany can compensate the United States for the latter's expenditures during the war.

These accumulated resources in technology can be used to encourage the development of independent competitive industries throughout the country particularly in those states and territories which are chiefly raw material producers and which, consequently, have a low per capita income. If this technology is made available it can be used to raise the American standard of living to a uniformly high level and thus provide a greatly enlarged domestic market for our industrial production. Also this technical information can be distributed abroad in such countries as promise to become important customers for American exports as soon as their own industrialization advances sufficiently to accumulate within them the

prosperity and assure this country of maximum markets at home and abroad.

The new Division should serve as a clearing house and an outlet for all of the existing governmental, public and private agencies engaged in technical research. By making the findings of such agencies widely available and by informing a larger public of the nature of their work, the Department of Commerce can increase its own usefulness and at the same time add to the prestige of the agencies with which it cooperates. There has long been a need for coordinating and unifying the technical efforts of the government. The difficulty has been to avoid interference with established work. The new Division of Industrial Information will be able to accomplish this consolidation of results without endangering the freedom of action of other agencies.

An important function of the new Division will be to advise the American business man of the patents affecting the new technology. Many of the new processes are available without payment of royalty. Many more can be had under license from the owner of the patents. A study of the patent laws at home and abroad may reveal procedures which the administration of the patent office may wish to utilize. The new Division will be in a position to recommend to the Secretary of Commerce such amendments to the existing patent laws as are calculated to serve the best interests of

the American business man and

The new Division of Industrial Information should make a special study of the general geographic and social factors that are favorable to the establishment of regional industry. The technological climate that is required both for new and established industry includes such factors as low cost power, favorable railway rates, equitable state trucking laws, good water transportation, airports and airlines, available natural resources, a high standard of living for workers, progressive agriculture and local markets. States which can offer all or most of these conditions possess a tremendous competitive advantage in building post war industries.

Ultimately, in order to give American business the maximum possible assistance, the new Division of Industrial Information should have a budget to enable it to let research and development contracts to technical schools and laboratories, both public and private, so as to carry out an active program to assure that our industry shall have the competitive advantage of the latest technology. Such a mobilization of American scientifically trained personnel by means of government research contracts was successfully carried out by the Office of Scientific Research and Development and also by the Office of Production Research and Development during the war period. After the new Division of Industrial Information has demonstrated the value of its service, the Secretary of Commerce may be in a position to ask Congress for an appropriation for research contracts and thus enable

such problems as American industry may refer to it.

In order to accomplish the job of providing this country with the latest technical information, the proposed Division should give a major part of its attention to the distribution of information and to the education of potential users as to the value of the new methods of applied science. An introvert bureaucracy can hardly perform such a broad function of technological education. Success will come, not by emphasizing the cloistered round of laboratory research but by starting with actual community needs. Each of the forty-eight states has its own group of problems which must be studied and solved individually. A first step along this direction is outlined in "Program for Regional Development of Industry" by Philip N. Youtz. The important feature of this outline is the emphasis placed on adapting technology to local requirements and on utilizing available local technical resources to meet local needs.

State cooperation on distributing information likely to be of value to their industries will save the new Division the responsibility of organizing separate field offices of its own. Moreover local initiative should be encouraged and the function of the Division should be purely advisory. Every Governor, Senator, Congressman, Director of a State Development Bureau, President of a State Technical School and other officials will be glad to help wholeheartedly in the development of his state. The dissemination

in each village, town, city and county by local organizations such as farm cooperatives, labor unions, clubs and societies, private businesses, banks, local papers, public libraries, scholl boards, draft boards, chambers of commerce, veterans organizations and trade associations.

#### Personnel

In setting up the organization and choosing the personnel of the new division, the emphasis should be placed on a minimum staff of the highest technical competence to be found anywhere in the world at the present time, rather than on numbers for a mass attack on the work. Reliable, up-to-the-minute knowledge is the service which members of the new division will be expected to contribute to American industry. The government personnel should be equal in grade to the technical men employed by industry at the management level.

1. A director who has a broad rather than a specialized technical background, who knows American industry, and who is acquainted with the forty-eight states and their different characteristics would have the background for successfully guiding the new Division. In addition he should be thoroughly independent, experienced as an esecutive and accustomed to government proceedure.

2. Technical research personnel of exceptional competence can be assembled during the final phase of the war and the demobilization period. It should be repeated that a few

prerequisites for an effective Division of Industrial Information. One top flight scientist would be worth any number of plodders. Enough men specialized in particular lines to cover the whole field of industrial technology would be required. Their function would be to report on the new developments in applied science and to thrash the good gain so as to separate it from the large bulk of straw.

3. Experienced economists or business men should be represented on the staff of the new Division so as to appraise the possibilities of survival of new technical processes. Economic analysis will prevent a lot of financial trouble to American industry, and will protect the Division from distributing gold bricks to the public.

4. A legal staff of men who have specialized on industrial and patent law will be needed to define the rights of the public in putting into practise new industrial processes. All of the information furnished by the Division must be cleared legally so as to permit American industry to utilize it with confidence. A study of American industrial requirements may from time to time suggest changes in patent practise or even in law which can be refered to the Secretary of Commerce.

5. A small editorial staff to prepare technological reports and publications so that they will be in clear readable form will render important service because few

6. Educational personnel consisting of specially chosen consulting engineers will be essential for bridging the gap between technical data and local use. The function of this group will be to study regional needs and then to select the technical processes most likely to serve the local requirements. Their place in the division will be a key one because it will be their duty to see that work of the Division is firmly based on local possibilities and that it is not an exploratory voyage into the uncharted regions of pure science such as would be appropriate for a university or foundation to undertake. The service of the Department of Commerce should be essentially practical and directed toward economic use.

Budget for Personnel

1	- Director.....	10,000
1	- Assistant Director.....	8,000
3	- Secretaries.....	8,400
12	- Research Scientists.....	96,000
12	- Secretaries.....	28,800
8	- Economists.....	64,000
8	- Secretaries.....	19,200
1	- Patent Lawyer.....	8,000
3	- Assistant Lawyers.....	18,000
4	- Secretaries.....	9,600
16	- Educators (Consulting Engineers).....	128,000
16	- Secretaries.....	38,400
1	- Editor.....	8,000
4	- Editorial Assistants.....	24,000
4	- Secretaries.....	9,600
9	- Research Assistants.....	23,400
5	- Secretaries.....	12,000

