

November 25, 1946.

Dear Cap:

As I have revised somewhat my memorandum on the coal situation after our conversation of last Friday, I am venturing to enclose a copy of the revision for whatever use, if any, you may wish to make of it.

Sincerely yours,

The Honorable J. A. Krug,
Secretary of the Interior,
Washington, D. C.

Enclosure

P.S. Saw John Snyder today about another matter and left a copy of this memorandum with him.

M.S.E.

ET:b

November 22, 1946.

The present crisis amounts to an economic war against the Government of the United States, as the press generally recognizes. The President alone, however, can dramatize the issue in these terms for the general public. He alone can appeal to the public to face this rebellion as we would face a war. The only alternative to surrender is to prepare for a fight to the finish.

In this battle the ammunition is coal. It, therefore, must be mobilized and conserved to protect life, health and property to the utmost. This can only be accomplished by a drastic program. The President should make a national broadcast at the earliest possible time in order to dramatize and clarify the issue. In this broadcast he should give notice to the miners that unless Lewis announces not later than Saturday the end of the walkout, ordering the miners to return to work on Monday morning, the President would:

1. Call Congress in special session to enact legislation (a) providing that the contract which the Government entered into with the miners last spring would be legalized as a contract between the mine owners and the workers, the Government in effect acting as the agent to bring this about. The legislation should authorize the Government to impose sanctions to insure performance of the contract. (b) To commandeer all coal supplies wherever located to be used and distributed only for protection of life, health and property. (c) To draft workers to mine coal just as soldiers are drafted to fight a foreign instead of a domestic enemy.

2. Call for volunteers, assuring them of protection by Federal troops at the mines.

In the broadcast, the President should appeal to all States, counties and cities, pending enactment of legislation, to put into effect wartime brownouts and bring about the utmost possible conservation, urging

at the same time that all places of amusement and other nonessential places be closed, public gatherings suspended, and industrial and other users place themselves under the most rigid self-rationing.

The effect of announcing such a drastic course of action and the calling of Congress itself would dramatize and bring home to the nation the gravity of the issue. It should be made clear that the issue is not one of wages, hours, etc., or reducing labor's living standards, nor is it one of the legalities connected with the court injunction action, this being merely a legal formality which will not settle the strike, no matter what the outcome. The fundamental question is whether any group has a right to strike against the Government and thus inflict irreparable injury not only upon the entire domestic economy but upon all our international relationships.

Present stocks of coal probably would not last more than 40 days if used normally. Requisitioning and rationing of the existing supply is essential because it is not evenly distributed, and acute distress is likely to develop in some areas in a very short time. The length of time the Government can hold out against Lewis will depend on how effectively the supply is conserved and redistributed. The drastic program indicated would make it possible to hold out for two and a half to three months, with the use of other fuels.

At least 15 to 20 million people would be thrown out of work immediately following the putting into effect of the full program, rather than gradually as would be the case if the use of the coal were left to the discretion of the private owners. This in itself would obviously bring incalculable public pressures to bear upon the rebellious labor leaders. With

millions out of employment, the appeal for volunteers under Federal protection would receive an immediate response and thus an immediate way of breaking up the strike would be opened. Superintendents, foremen and other mine supervisors, not members of the union, would be available to work with and direct even a small number of volunteers at first, and production would be steadily increased as more were recruited, and especially as the miners themselves in scattered areas who are not in sympathy with striking against the Government joined the volunteers.

The miners' leaders know that in a short time the situation will be so critical that public opinion may veer around to a point where the Government would be forced to capitulate. On the other hand, the knowledge that the Government is determined to win, that it is prepared to take the drastic steps indicated in order to win, would be a tremendously potent influence in breaking the morale of the labor leaders and strikers so rapidly that public distress would in the end be infinitely less than by following any other course at this time. If, through the President, the issue is made unmistakably clear as a rebellion against the Government itself, it will serve to divide the ranks of labor. It is well known that Lewis is more feared than he is popular. If he wins, however, he will emerge as a virtual dictator of labor, more powerful than the Government itself, and fear and other human motives will tend to drive millions to his ranks. Moreover, surrender to Lewis would usher in a series of wage-price increases making certain a boom and bust that would have disastrous consequences at home and abroad.

The Government cannot afford to wait it out under anything less than an all-out program. Lewis can afford to wait it out, particularly if the issues

can be confused and he can appear to be a champion or a martyr upon behalf of labor. The Administration has everything to gain and nothing to lose. Only the boldest action will convince the country and especially the rebellious labor leaders that this Government will not capitulate or accede to any appeasement. Manifestly, the issue rises far above Lewis and the coal miners. It is fundamental to the preservation of the nation and our democracy.

1st memo - left with King
11/22/46
Was revised

The present crisis amounts to an economic war against the Government of the United States, as the press generally recognizes. The President alone, however, can dramatize the issue in these terms for the general public. He alone can appeal to the public to face this rebellion as we would face a war. The only alternative to surrender is to prepare for a fight to the finish.

In this battle the ammunition is coal. It, therefore, must be mobilized and conserved to protect life, health and property to the utmost. This can only be accomplished by a drastic program. The President could give notice to the miners that unless they ended their walkout within 48 hours, he would

1. Call Congress in special session, if necessary, to enact legislation (a) to commandeer all coal supplies above ground which would be used only for essential purposes and distributed where most vitally needed; (b) to draft workers for mines just as soldiers would be drafted to fight a foreign instead of a domestic enemy.
2. Call for volunteers, assuring them of protection by Federal troops at the mines.
3. Appeal to all States, counties and cities, pending enactment of legislation, to enforce wartime brownouts and effect the utmost possible conservation, urging at the same time that all places of amusement and other non-essential places be closed, public gatherings suspended, and industrial and other users place themselves on the most rigid self-rationing.

The effect of announcing such a drastic course of action and the calling of Congress itself would dramatize and bring home to the nation the gravity of the issue. It should be made clear that the issue is not one of wages, hours, etc., or reducing labor's living standards, nor is it one of the legalities connected with the court injunction action, but is a fundamental question of whether any group has a right to strike against the public and inflict irreparable injury not only upon the entire domestic economy but upon all our international relationships.

Notwithstanding such actions as have so far been taken or are now contemplated with regard to brownouts, reduction of train service, etc., present stocks of coal will not last at the outside more than 40 days. As a practical matter, this means 30 days because it takes at least 10 days after a strike is settled for coal to be delivered after production is resumed. The drastic program of conservation by Government action would make it possible to hold out for 60 to 90 days, with the use of other fuels.

The actual putting into effect of such a program would probably mean that approximately 20 million people would be thrown out of work immediately, rather than gradually as would be the case if coal supplies were left to be dissipated in individual industries. This in itself would obviously bring incalculable public pressures to bear upon the rebellious labor leaders. By appealing for volunteers under Federal protection, an immediate way of breaking up the strike would be opened. Foremen and other mine supervisors are on the ground, and even if only a small percentage of production is obtained at the mines, it will set a patriotic example and can be steadily increased, particularly as the miners themselves break ranks.

The miners know that in 30 days or less the situation will be so critical that public opinion may veer around to capitulation. On the other hand, the knowledge that the Government is determined to win, that it is prepared to take the drastic steps indicated in order to win, would be a tremendously potent influence in breaking the morale of the labor leaders and strikers so rapidly that public distress would in the end be infinitely less than by following any other course at this time. If, through the President, the issue is made unmistakably clear as a rebellion against the Government itself, it will serve to divide the ranks of labor. It is well known that Lewis is more feared than he is popular. If he wins, however, he will emerge as a virtual dictator of labor, more powerful than the Government itself, and fear and other human motives will tend to drive millions to his ranks. Moreover, surrender to Lewis would usher in a series of wage-price increases that could have disastrous consequences at home and abroad.

The Government cannot afford to wait it out under anything less than an all-out program. Lewis can afford to wait it out, particularly if the issues can be confused and he can appear to be a champion or a martyr upon behalf of labor. The Administration has everything to gain and nothing to lose. Only the boldest action will convince the country and especially the rebellious labor leaders that this Government will not capitulate or accede to any appeasement. Manifestly, the issue rises far above Lewis and the coal miners. It is fundamental to the preservation of the nation and our democracy.

In connection with his program to the Congress, the President also might well consider proposing reinstatement of an excess profits tax of possibly 65 to 70 per cent as evidence of the Government's even-handed determination not to let industry profiteer, as labor leaders unitedly declare it will be doing this year. Thus, C.I.O. and A.F. of L. leaders are constantly asserting that large wage increases can be granted without increasing prices. Such a tax would remove the alleged profits out of which they contend the wage increases can be granted without price increases. It would thus go far to remove the incentive for further demands now and prospectively. It would answer criticism that the Administration is anti-labor in this battle and pro-industry.

MSE-
ET:b
11/22/46

(WMO)