

PERSONAL AND
CONFIDENTIAL

November 27, 1946.

Dear Mr. Clifford:

In accordance with our conversation last evening and as you suggested, I am enclosing a copy of a memorandum along the lines of one I prepared last week for a discussion I had with Secretary Krug on Friday afternoon.

I feel very strongly that it is necessary to take far more drastic and effective action than the court procedure now underway. It seems to me that this court action is merely incidental, tending to confuse the public and obscure the basic issue, namely, this challenge to the sovereignty of the Government. However it turns out, the court action does not meet this issue and the practical problem of mining coal.

It seems to me that if the Government is determined to meet the challenge, it must mobilize all its resources, calling Congress to provide any emergency powers that may be needed to deal with the situation while leaving the question of long-term legislation to the new Congress. Every day's delay in obtaining authority to commandeer coal in order to ration it for the protection of life, health and property weakens the Government's position. Millions of tons of coal are being consumed daily for private purposes that are not as essential in a crisis of this sort as the basic public need to assure food supplies and warmth. By bringing all the powers it can to bear on this strike, the Government, in my judgment, can very soon break the morale of the strikers and end the strike.

Sincerely yours,

M. S. Eccles,
Chairman.

Mr. Clark M. Clifford,
Special Counsel to the President,
The White House.

Enclosure

November 27, 1946.

The present crisis amounts to an economic war against the Government, 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 a national broadcast or, in any case, in a formal public statement, the President should dramatize and clarify the issue, and announce:

1. That he is calling Congress in special session to enact legislation (a) to commandeer all coal supplies wherever located to be used and redistributed where necessary for the protection of life, health and property; (b) to impose fines, levied on union funds, and to dissolve the union; (c) to draft workers, as a final resort, to mine coal just as soldiers are drafted to fight a foreign instead of a domestic enemy.

2. That, meanwhile, if the strike continues, and as soon as necessary arrangements can be made, he will call for volunteers, assuring them of protection at the mines, either by asking the States to provide such protection through the National Guard or by calling on Federal troops to stand guard.

3. That he is appealing to all States, counties and cities, pending enactment of legislation, to put into effect rigid 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, that public gatherings be suspended, and that industrial and other users place themselves under rigorous 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. If the issue is drawn in these terms, it will tend to divide the ranks of labor which tend to be united by injunction action in the courts.

In this battle the ammunition is coal. It, therefore, should be mobilized and conserved to protect life, health and property to the utmost. Even if present stocks of coal were equally divided, they probably would not last more than 40 days if used normally. Requisitioning and rationing of the existing supply is essential because the coal is not evenly distributed, and acute distress is therefore likely to develop in some areas in a very short time. The length of time the Government can hold out clearly depends 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.

If the use of the coal is left to the discretion of the private owners, even under the best-intentioned, self-imposed conservation, many millions will be thrown out of work sooner or later, depending on how the

supply is now distributed. The proposed requisitioning and rationing would spread the unemployment more evenly and immediately. However, this would serve to bring tremendous public pressures to bear on rebellious labor. 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 undoubtedly 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 bold 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.