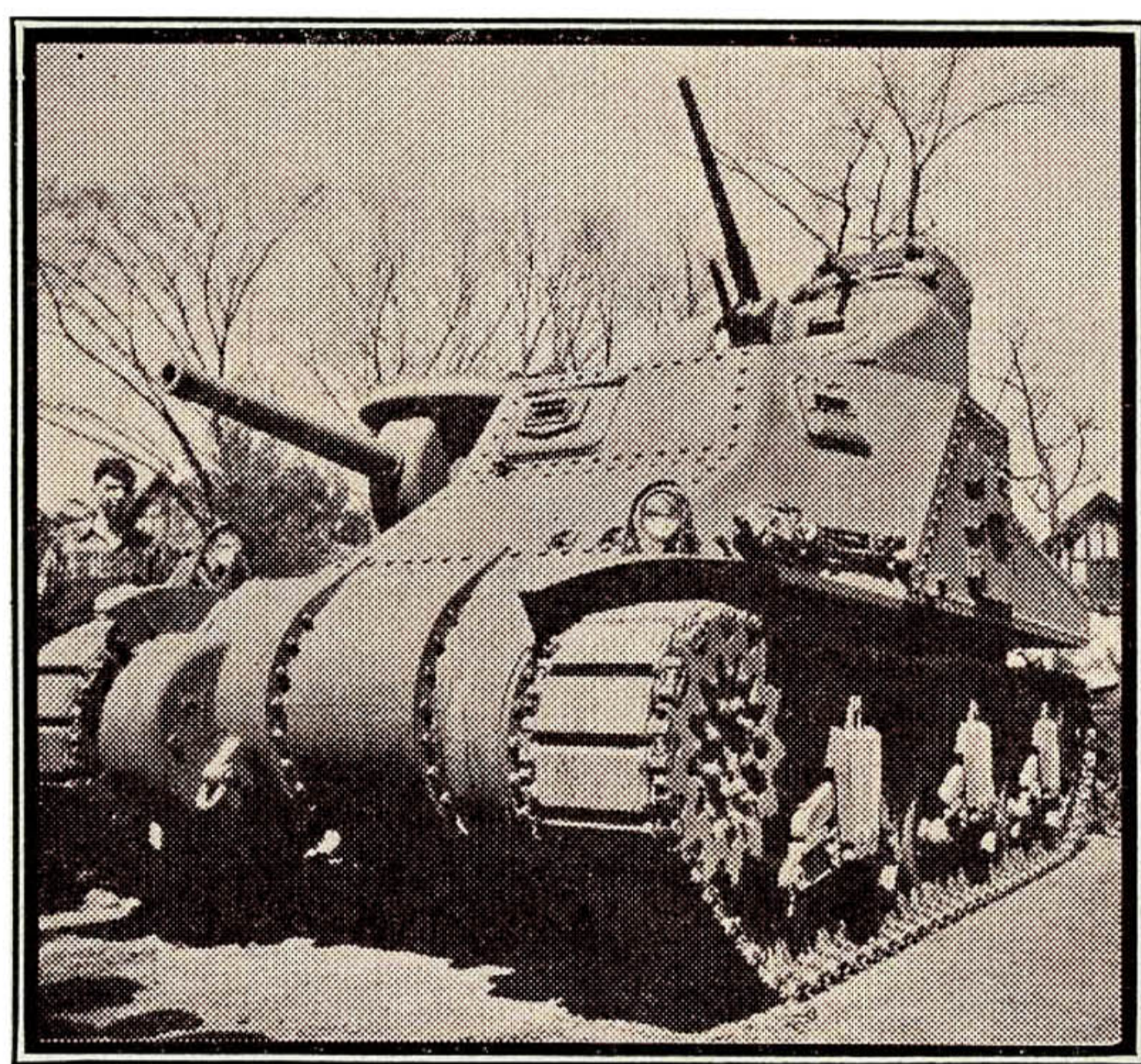


Newsweek

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America Urged to Gird Itself for Long-Haul Defense Effort

Vast Job Ahead Emphasized
as Leaders Praise Arms Output;
Labor Troubles Chief Worry



Tanks: American Locomotive's first M-3 is greeted in Schenectady . . .

Hitler started rearming Germany in 1933. By September 1939, when war broke out, he had accumulated an estimated 4,000 tanks, 20,000 to 25,000 planes, and more than 7,000,000 soldiers and reserves. That was the result of a six-year "guns before butter" campaign in which the total energies of the German General Staff, industry, and people were directed toward building the powerful army that so far has intimidated or overrun thirteen countries.

The stark lesson in this, that "to plan for war today a nation should commence its preparations at least three to five years in advance," was stressed on April 16 by Secretary of War Henry L. Stimson when he summed up the nation's defense task before a Senate committee, headed by Sen. Harry S. Truman, which began an inquiry last week into rearmament progress. And Stimson pointed up that lesson as it affects the United States by declaring that the War Department last fall, after Congress had come through with billions for armament, was "faced with the necessity of acquiring in a short time munitions adequate to meet the munitions which Germany had spent seven years in producing."

Warning that the country was facing a dangerous emergency that "may be very prolonged," Stimson keyed the urgency of the preparedness drive by painting a vivid contrast between 1917-18 and today. During the last war, he said, America armed in "comparative leisure" behind the



... as ACF rolls light tanks off the line at Berwick, Pa.

protection of a stabilized front in France and unchallenged Allied sea control. Moreover, this country bought most of its heavy weapons from Britain and France. By contrast, he pointed out, the United States must now not only produce for itself every one of the complex weapons needed in modern warfare but also supply huge quantities of armaments to Britain and other democracies.

When the Secretary turned to results of the arms drive, his tone was optimistic. Because of up-to-the-minute planning for ordnance procurement by the War Department, industry had got off to an eight to twelve months' start as compared with the World War effort. As a result, he said, whereas in 1917-18 not one of 23,000 tanks contracted for in this country was finished before the Armistice, and only 143 out of 10,000 75-millimeter guns on order got to France, today tanks, anti-aircraft guns, and other weapons far more complicated than those used in the last war were already rolling off production lines.

That point was well illustrated last week when the American Car & Foundry Co. demonstrated light-tank mass production at its Berwick, Pa., plant and the American Locomotive Co. turned over to the government at its Schenectady, N. Y., factory, eight months ahead of schedule, the first commercially produced 28-ton medium M-3 tank, armed with one 75-millimeter (3-inch) cannon, one 37-millimeter anti-aircraft gun, and four machine guns.

From another witness, William S. Knudsen, the Senate committee got a confident verdict on American industrial capacity for the arms job. On April 17, the same day he announced that automobile companies had agreed on a 20 per cent cut in car and truck output to speed defense orders (see page 44), the co-chief of the Office of Production Management answered a question whether the United States could equal Germany's munitions output by declaring that when this country "gets going" it could turn out arms as fast as "any two countries in Europe." And as one symbol of that capacity, he said the OPM expected current speed-up moves to advance plane output to 33,000 yearly, or about 2,700 a month, by Dec. 31.

One factor behind this speed-up has been wider subcontracting which, Knudsen said, had helped raise March plane output to 1,214, or three times June production. And that this spread-the-work drive will soon receive a still bigger boost was indicated by preliminary results, announced last week, of the National Association of Manufacturers' census of small industries. This

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survey, which will be turned over to the OPM, has already listed 16,651 subcontractors, of which 80 per cent have no defense orders.

But the main problem before defense chiefs was still the simmering labor situation. That brought a statement from Knudsen on April 16 in which he blamed strikes largely on "some of the more radical local unions" and branded attempts to take advantage of the preparedness drive for selfish ends as criminal. Earlier, J. B. Matthews, Dies committee investigator, told the House Military Affairs Committee that Communist influence had been active in six recent strikes, including those at Allis-Chalmers and Ford.

However, Sidney S. Hillman, OPM associate director-general, assured the Senate committee on Monday that labor was showing an increasing realization of its stake in the defense program and predicted a falling-off in walkouts in defense industries in future. At the same time, Hillman said he would favor government operation of strikebound plants as a last resort, but that such a move was not called for at present. And he expressed opposition to compulsory cooling-off periods.

Nevertheless, reflecting Congressional unrest over the labor trend, the House Naval Affairs Committee on April 17 had approved a drastic bill sponsored by Rep. Carl Vinson, the committee's chairman. This would freeze existing organizational setups, closed shop or otherwise, in defense plants, provide a 25-day cooling-off period before strikes could be called, and ban Communists, Bundists, and other subversive elements from defense work. A prompt retort from Philip Murray, CIO President, called the organizational and cooling-off clauses "anti-labor and repressive." And William Green, president of the AFL, declared in a letter to the House that the Vinson measure would create a "form of legislative compulsion that is tremendously offensive to free American workers."

Meanwhile, the prestige of the Mediation Board received a new boost as a result of its silent role in averting a strike of 2,100 CIO members in two plants of the Minneapolis-Moline Power Implement Co., makers of machine-gun shells and other defense products. Summoned to Washington for mediation talks after Secretary of Labor Perkins had certified the case, in the first instance of a dispute being sent to the mediators before a strike went into effect, union and company representatives happened to take the same train to Washington on April 17. This meeting led to discussions en route that resulted in postponement of the strike the next night and to complete agreement after an all-night conference in the capital.

However, five new walkouts brought the total of strikes outstanding at arms-producing plants by the start of this week to fifteen, involving 15,000 workers. And as government peacemakers went to work on these, six of which had been certified to the board, a major threat to defense production loomed as a result of the extended walkout of 400,000 Appalachian soft-coal miners, begun on April 2.

This strike, prolonged by refusal of Southern mine owners to drop their historic wage differential and grant the \$7-a-

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day wage rate already agreed upon by Northern operators and John L. Lewis' United Mine Workers, since it would mean a daily pay jump of \$1.40 in the South against only \$1 in the North, prompted a peace move by President Roosevelt. On April 18 Mr. Roosevelt acted to remove the wage issue by suggesting possible Federal action to modify coal freight differentials which, he said, discriminated against Southern operators.

Next day, Secretary Perkins asked Northern operators and the union to reopen Northern mines on Tuesday of this week. She also sought a resumption of stalled negotiations between the UMW and the Southern group. As all parties stood pat, President Roosevelt moved to break the deadlock: on Monday night he asked operators and miners to resume production immediately in the "public interest." He recommended that factions not yet in agreement reopen wage talk, the rate finally approved to be retroactive to the date of resuming work.

Meanwhile, the Michigan Labor Mediation Board invoked a 30-day waiting period for walkouts threatened against 30 General Motors plants in the state. Strike votes in these and in 31 other plants of the corporation, holder of \$600,000,000 in defense orders, had been called for April 25 by R. J. Thomas, president of the CIO United Automobile Workers Union.

Significance~~~~

Secretary Stimson's emphasis on the vast preparations needed for modern warfare and the huge task involved in catching up on Hitler's seven-year start threw into sharp relief the differing circumstances under which this country, as a democ-

As part of Hitler's method, involving the nullification of all personal freedoms, strikes and lockouts have been outlawed in Germany ever since 1933, while wages have not only been frozen at 1934 levels but, through heavy additional wartime taxes beginning on annual incomes of \$224 for single and \$270 for married men, have actually been substantially reduced. Furthermore, profits also have been subjected to rigid restriction, with dividends largely limited to 6 per cent since 1934.

While no one wants or expects any such drastic measures in this country, even in wartime, the German example affords some measure of the price this country must be prepared to pay, through avoidance of strikes and other production obstacles, if it is to compete on anywhere near equal terms. Furthermore, since the very freedom of labor is one of the issues involved in the present world crisis, labor itself has a major stake in putting across the defense program in a minimum of time. The difference is that in this country the objective can be attained through the democratic processes of voluntary collaboration among all parties.

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