

derly progress of our nation. Such a policy, if adopted for all workers, would immediately solidify national unity. Freedom from the fear of post-war insecurity would give added impetus to production for victory and would provide a powerful stimulus in striving for efficiency in production now and in the post-war period. On the basis of full employment or a guaranteed annual wage, together with necessary trade union safeguards, conditions would also be created for the establishment of a system of increased wage earnings to correspond fully to every increase in production.

6. The granting of the wage demands of the steel

Reconversion

REMARKS OF GILBERT GREEN

GILBERT GREEN, *New York*: In behalf of the Resolutions Committee I wish to place the Resolution on Reconversion before the convention for its consideration and action.

This resolution is not meant to supply an exhaustive analysis or program. Rather, it does hope to focus attention on the primary characteristics of the problem, and upon the essential steps that must be undertaken to meet it.

The first point it stresses is that we will be facing difficulties of reconversion long before the last shot in the war has been fired.

Present military production programs already call for large declines in production to begin shortly. James F. Byrnes, War Mobilizer, told the Academy of Political Science a few weeks ago that "the cutbacks" in the Army program approved for 1944 and 1945 amount to \$16,750,000,000 and these do "not include the air service."

These cutbacks are taking place with ample allowance made for all possible military emergencies. In other words, they are not based upon the expectation of an easy or rapid victory in Europe. This means that far more drastic reductions will take place as soon as a successful outcome of the European phase of the war is assured.

We face then the prospect of sizable unemployment of experienced factory workers in the midst of

workers is a prelude to similar adjustments for all industrial, agricultural, government, and white collar workers and calls for intelligent statesmanship and foresight on the part of government, employers and labor. The paramount consideration must be national unity for victory and post-war security. The principle of sound economic stabilization now and a policy of constantly improving the living standards and purchasing power of the people based upon maximum production and employment is a vital cornerstone for the prosperity and well-being not alone of labor, but of the farmers, small businessmen, and of the nation as a whole.

the war effort. The magnitude of this problem may become apparent during the election campaign and perhaps during the most strenuous military effort the United States will have ever undertaken.

That is why the resolution is emphatic in the belief that we dare not postpone action on the matter of reconversion until some indefinite date in the future. It must be grappled with now.

Of course, once we have agreement on this premise we run into another potent danger, one likewise stressed by the resolution—the danger that in the rush to reconvert we shall lose sight of what is still task number one—the winning of the war. This danger is not to be underestimated and may assume the proportions of a tidal wave, especially as the war in Europe reaches its climactic conclusion and people think that it is all over but for the shouting.

An ostrich-like refusal to face the immediate problems of reconversion is not, however, the way to meet and overcome this danger. Only careful planning and preparation now can remove or minimize the danger of panic later—a panic that may express itself in the flight of workers from essential war industries while they are still needed, or the reckless scramble of business groups for immediate all-out reconversion.

In considering reconversion to civilian goods production, both for the period prior to and after the end

of the European war, the following basic principles should be applied in order to avoid conflict with war needs:

1. Military and Lend-Lease requirements must be assured. Every control should be exercised to assure no interference with meeting the production schedules for the military and Lend-Lease requirements.

2. Similarly, the war-supporting production (*i.e.*, transportation and agricultural equipment and repair) must also be assured as per schedule.

3. Only after satisfying the above two prior demands should the remaining available production resources be utilized for the manufacture of essential goods. These available resources should likewise be allocated according to plan, with an eye to the most efficient and orderly reconversion to civilian production.

The key to the effective application of these guiding principles is to be found in the maintenance and strengthening of production, priority and price controls. This point may seem obvious, but the main pressures operating in Washington and industry today are for a relaxation of production controls. One of the reasons for this is the fear of manufacturers that partial and gradual reconversion may give their competitors undue advantages in capturing post-war markets. The more successful the concern was in obtaining war contracts yesterday, the more stubborn is it today in refusing to permit others to resume civilian production. Thus, while it may be possible to resume partial production of washing machines, for example, some large manufacturers of washing machines may not be able to get into production because of their war contracts. They are afraid that their competitors (who are either not so heavily engaged in war production or who have idle facilities in excess of such production needs) will capture new markets.

The failure to iron-out difficulties of this kind results in an all-or-nothing approach to reconversion. Yet these problems can be solved without giving undue advantages to any special interest groups and even on the basis of protecting the competitive positions of those manufacturers who may be unable to resume civilian production until the war is over. A number of proposals have already been made to meet this situation, one of which is to eliminate brand names during the period of reconversion and to produce an inferior but uniform product to be distributed to each manufacturer of such equipment ac-

cording to, say, their 1941 percentage of total sales.

The resolution stresses the importance of the period of reconversion as a transition period in which will be tested the ability of the nation to unite its ranks and solve its problems in an orderly and democratic fashion. This will be a period of great difficulty and also of great danger. We warn against those irresponsible and reactionary circles who look to the period of reconversion as the moment to unleash an attack upon labor rights and standards and in this fashion upon national unity. The Montgomery Ward provocation, organized and engineered by Sewell Avery, is part of a wide and dangerous conspiracy to create class warfare on the eve of the European invasion, to bring about the defeat of Roosevelt in the November elections and to destroy labor rights and gains in the immediate post-war period. The Averys must be answered in the first place by a united labor movement, but also by all responsible and patriotic sections of business, big and small, who should realize that failure to promote national unity in the post-war period can result only in national catastrophe.

Labor, too, must be ever vigilant against those who would create moods of panic and despair within its ranks in order to foment precipitous and dangerous strike actions. Labor must act in a united and responsible fashion, relying ever more upon its political action for the safeguarding of its basic rights, and the redress of its grievances, and coming forward ever more as the champion and spokesman for the interests of the nation as a whole.

DISCUSSION

WILLIAM SENTNER, *St. Louis*: . . . Too many of us in the labor movement are almost completely unaware of the degree of planning and the beginnings that are now taking place in almost every community, every county, city and state. I also believe that we are not sufficiently aware of the deep concern with which municipal, state and county government leaders and leaders of industry, owners of small shops are viewing this problem. For example, the state of Missouri, in the main an agricultural state with two main cities, Kansas City and St. Louis, had 178,538 workers in industry in 1939 with earnings around a billion dollars a year. At the present time, in the war industries alone, in plants that cost our govern-