

Proceedings of Meeting No. 13  
of the  
SPECIAL INDUSTRIAL RECOVERY BOARD

held in

The Conference Room, No. 5842

Department of Commerce

September 11, 1933

PERSONAL AND CONFIDENTIAL

Copy No. 6

For Hon. Frances Perkins

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ATTENDANCE AT MEETING NO. 13

September 11, 1933

Hon. Daniel C. Roper, Secretary of Commerce, Chairman

Hon. Harold M. Stephens, Representing the Attorney General

Hon. Harold L. Ickes, Secretary of the Interior

Hon. Henry A. Wallace, Secretary of Agriculture

Hon. Frances Perkins, Secretary of Labor

Gen. Hugh S. Johnson, Administrator

Hon. Charles H. March, Chairman Federal Trade Commission

Hon. R. O. Kloeber, Representing the Budget

Hon. Alvin Brown, Executive Officer

Hon. John Dickinson, Executive Secretary

Miss Frances Robinson, Assistant to General Johnson

Mr. E. W. Jensen, Assistant Secretary

Mr. B. P. Foote, Reporter

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2:35 P.M.

CHAIRMAN ROPER: I presume I might first ask the Board to approve of these personnel journals which the Chairman has signed.

(See Appendix)

JUDGE STEPHENS: I move that they be approved.

MR. KLOEBER: I second the motion.

CHAIRMAN ROPER: Are there any unsigned journals?

MR. JENSEN: No, sir, there are not.

CHAIRMAN ROPER: No. 13 on the agenda reads "Expiration of the appointment of those individuals on the temporary personnel journal approved at Meeting No. 8, held August 7, 1933, whose appointments terminate no later than September 15, 1933." This is a continuation of the temporary portion of the General's list which will expire on the 15th. He has recommended the continuation of these employees. (See Appendix B.)

MR. JENSEN: Until the study is completed.

SECRETARY WALLACE: I move the approval of the General's recommendations.

The motion was seconded.

CHAIRMAN ROPER: All in favor let it be known by saying "Aye"; those opposed by the contrary sign; it is so ordered.

A question of interest both to the Department of Commerce and, I think, to the Department of Agriculture, is the purchasing of certain cars for which bids were put out some time ago. A number of these low bids, I understand, are for Ford cars--five or six are involved, among some twenty or thirty. The question arises as to whether when the low bid is for a Ford car we should, in view of the present situation as related to Mr. Ford, approve of those bids. This matter came up at the Cabinet Meeting on Friday and the President said "Please hold that question in abeyance until after Monday."

GENERAL JOHNSON: I was over there this morning and he raised the question. He said to just let it ride until we come to some determination.

CHAIRMAN ROPER: That is fine.

Now is there any objection to the approval of the minutes of the last meeting? If not, the minutes will stand approved as you have read them.

SECRETARY WALLACE: Mr. Chairman, do you have any idea how long we may have to wait on this matter of the Ford cars?

GENERAL JOHNSON: I do not know, Henry, but it is right at the critical hot point.

SECRETARY WALLACE: We have been holding them up for about three weeks or such a matter now.

GENERAL JOHNSON: Can't you rent some cars?

SECRETARY WALLACE: Yes, we can, but it would be good to know how long we would have to wait.

Secretary Perkins came in at this point.

CHAIRMAN ROPER: Madam Secretary, this of course is a regular meeting of the Board, and we held a special meeting here last week at which time a matter was considered by the Executive Committee of this Board, and I believe that in view of the fact that the chairman of the sub-committee is here--namely, Judge Stephens--I will just get him to make the report.

JUDGE STEPHENS: I will just briefly report orally that Mr. Brown, for General Johnson, presented a proposed letter to be sent out urging appointments of so-called Conciliation Boards. Some discussion was had on the various features of that letter and then Mr. Battle asked that the matter be postponed until Madam Secretary Perkins could be heard on the subject, and General Johnson, through Mr. Secretary Roper, consented to the postponement and it was postponed until this time.

SECRETARY PERKINS: That is the matter which we talked about over the telephone?

GENERAL JOHNSON: Yes, it has to do with the Blue Eagle campaign.

The letter has to do with the first attempt we are trying to make in connection with violations which largely arise out of misunderstandings. This has nothing to do with the policing of codes or code procedure at all. It is in connection with the Blue Eagle campaign and is an emergent necessity,

SECRETARY PERKINS: The Blue Eagle campaign is a campaign to persuade people to sign up.

GENERAL JOHNSON: Yes, to get them to sign the President's Agreement.

SECRETARY PERKINS: Then they have obligated themselves to do certain things.

GENERAL JOHNSON: That is right. Then there arise certain things they do not do, or at least we get reports that they are not doing it, and sometimes the report is justified and sometimes it is not justified. Sometimes investigation proves that although it is not strictly in accordance with the Agreement, it is the only practical thing to do under the circumstances.

SECRETARY PERKINS: It seems to me that when we are setting up the machinery for dealing with the Agreement, or even the granting of an exemption from the Agreement, we are getting right away to the heart of the whole thing. It is not the code but an agreement, which is just as binding as a code. And when we are setting up machinery to permit variations or exemptions and to recommend procedure which will mean that the Blue Eagle will be taken away if it is not complied with, we are at once getting into the enforcement situation which requires very careful use of police powers and we are getting very close to enforcement.

GENERAL JOHNSON: Getting close to it but we are not there yet.

SECRETARY PERKINS: When you are going to enforce anything it is very important to be able to depend on the complete certainty and reliability and accuracy of your facts, and that, it seems to me, can't possibly be done with any kind of precision and fairness through the medium of volunteer local boards which will be composed of people in the local board who, at the moment, are serving on committees that the chambers of commerce have organized for the purpose of creating sentiment in favor of the Blue Eagle. They may be very good people for that sort of thing

but I do not believe that they are the people to whom you or I would want to commit a case as important as these are.

GENERAL JOHNSON: I think a little better understanding of what this changing picture is might change your mind about that. If this law were ideally executed, it would turn out with a vertical organization of industry more or less policing itself and with, perhaps, vertical organization of labor with responsibility at the top the same way. This is a guild-government law. When we came to execute it we found that perhaps not 24 per cent of the people were coming in under it. We had to devise a means to obtain general consent, and the means we devised was the President's Agreement. That was for the purpose of getting the principles of the law into execution and also for the purpose of driving these individuals into trade associations or manufacturers' associations for guild government. There are over 2,000,000 individual agreements and they are passing over almost daily into these associations. As rapidly as they do that, the President's Agreement is a vanishing function. We are rapidly reaching the point where the organization changes. First, it was the President's Agreement; second, code hearings; third, the administration of the codes. It seems to me it was wrong to attempt to come in here and set up any crystallized rule as to any of these things when we know that within a week or month a different situation would be reached. Nevertheless, it was necessary not to neglect complications with the Blue Eagle. We are now reaching that stage. I have

been somewhat dilatory on account of the coal situation.

Our organization is primarily set up for two things; first, to hold the hearings on the codes; and second, to turn the President's Reemployment organization into an organization for administration of the codes. In the organization for administration of the codes, of course, comes the question of complaints and investigations and enforcement, which is the thing that you and I talked about. In this emergency, I am speaking from the firing line and not hypothetically. I know it is necessary to carry out the purpose of satisfying public opinion in the different localities by having some sort of tribunal where they can state their case. I do not know any better way than to set up these volunteer committees. It has worked in several places. We have given them no authority except to hear and to report. The policing of the codes is a very serious question. I do not think this particular organization should ever police the codes. I think it should have some means of investigating them and then turning them over to the Attorney General, or to the Federal Trade Commission. This is temporary, intermediate and is emergently necessary.

SECRETARY PERKINS: It seems to me that the two things could be made to feed each other, for they are, in essence, the same thing. One is an interpretation of whether or not an individual has violated the President's Agreement and, therefore, should lose the Blue Eagle, and the other is whether a member under the code has violated his code. It is the same kind of procedure.

GENERAL JOHNSON: Yes, if we had a month to wait, but we haven't an hour to wait.

SECRETARY PERKINS: It seems to me the simplest way to do it. There must be eventually a centralized group to have charge of complications with the codes and agreements, and I should think you might just as well at this time set up a Compliance Director.

GENERAL JOHNSON: We are going to set up one.

SECRETARY PERKINS: I don't see why you could not do this other thing. I think it is a great mistake to have 7,000 local committees engaged in interpreting and setting up standards on these most delicate situations.

GENERAL JOHNSON: They are not engaged in that.

SECRETARY PERKINS: They will have the effect of that. The complaint is made, for instance, that Jones' Drug Store is keeping their people working 60 hours a week. The question comes down to a question of facts. What you want is facts on the subject. If Mr. Jones admits the charge, of course it is true. But you always want the facts determined even in a case of complaint. With the Compliance Director appointing not so many as 7,000 but perhaps the number of the states or judicial districts, or something of that sort, you would bring your whole judicial tribunal into a reasonable focus so that people knew they had to go, say, to a neighboring city to make their explanation. If they had to go before something that had a sort of governmental sanction back of it, you would have something like judicial procedure. The thing I am

most alarmed over is the general spirit of emotion about the Blue Eagle. Some very zealous individuals are already attempting, as you know, to read their own notions into this thing and we may find ourselves doing some very serious injustices.

GENERAL JOHNSON: What is your suggestion?

SECRETARY PERKINS: I hastily drew up something which I have here--

CHAIRMAN ROPER: May I make this suggestion? Would this procedure be effective,-- to have the General or Mr. Brown read to you, Madam Secretary, the letter which has been prepared?

SECRETARY PERKINS: I read it carefully, sir.

CHAIRMAN ROPER: In that connection, let me read paragraph (c) under Section 6 of this Act, which we might keep in mind:

"(c) Upon the request of the President, the Federal Trade Commission shall make such investigations as may be necessary to enable the President to carry out the provisions of this title, and for such purposes the Commission shall have all the powers vested in it with respect of investigations under the Federal Trade Commission Act, as amended."

I just want to let that be in our minds as we proceed.

All right, Madam Secretary, we will have your memorandum.

SECRETARY PERKINS: I would like to talk it over with the General, but in a general way, it makes a plan of this sort, that the National Recovery Administrator appoint a National Director of Compliance, who has two kinds of duties relating both to labor violations (whether of codes or of the President's Agreement) and to trade practice violations.

Secretary Perkins then read largely from the following memorandum:

NATIONAL RECOVERY ADMINISTRATOR

(The sole authority to correct, punish or exempt shall be vested in the Administrator who will act upon recommendations from the National Director of Compliance)

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National Director of Compliance

(To be appointed by the President upon the recommendation of the Administrator. The Director shall be responsible for the administrative machinery of enforcement; shall make recommendations for punishment and exemption, etc.

Under the National Director shall be two entirely different schemes of enforcement, depending on the subject-matter of the complaint

- (1) trade practice violations shall be investigated by authorities set up on an industrial or code basis
- (2) labor violations (whether of codes or of the President's Agreement) shall be investigated by authorities set up on a geographical basis.)

(Trade Practice Violations)

(Labor Violations)

The Code Authority for each Industry

District Director of Compliance

(This body will recommend to the National Director the 3 employer members of the board for the industry. It will receive complaints for the industry. It will endeavor to persuade the members of the industry to comply with the Industrial Compliance Board's decision. It may use publicity as a weapon of enforcement; but outside of that it shall merely have authority to recommend appropriate action to the National Director.)

(For each state there shall be at least one district director. Possibly the United States Attorney should be named as District Director; he would have the advantage of public respect for the office and functions of a District Attorney. If the U. S. Attorney is not appointed, the man named should be nominated by the National Director of Compliance and appointed by the National Recovery Administration. The District Director shall receive complaints relating to labor questions such as hours, wages and unjustified discharge. He shall act as prosecuting officer before the Board. After the Board's decision and with its approval, he may use publicity as a method of enforcement; but outside of that he shall merely have authority to recommend appropriate action to the National Director.)

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Industrial Compliance Board

District Compliance Board

(An industrial compliance body shall be appointed by the National Director for each industry. The board shall consist of 5 members. Three of these members shall be appointed by the National Director from nominations by the Code Authority, a fourth member shall be chosen from labor in the industry and a fifth member shall be a distinguished citizen not connected with the particular industry for which the board is created.

(One or more district compliance boards shall be created for each district. The Boards shall deal only with simple questions of hours, wages and labor conditions. Each board shall consist of an employer, an employee and an impartial person not connected with any industry, such as an educator, statesman, ex-judge or religious leader.

:

The Board shall hold public hearings and shall make findings and recommendations, but shall not itself punish or exempt any person.)

Industrial Investigators

(This panel shall consist of investigators, skilled in the practices of the particular industry. They shall be attached directly to the Code Authority which shall give them for investigation all complaints received. These investigators shall try to adjust as well as to report all violations).

District Investigators

(The district investigators shall so far as possible be drawn from existing federal and State bureaus of investigation. When the existing supply of investigators is inadequate the District Director shall have authority to employ new investigators.)

General Comments:

ALL COMPLAINTS RELATING TO TRADE PRACTICE VIOLATIONS SHOULD BE MADE OR REFERRED TO THE APPROPRIATE CODE AUTHORITY; ALL COMPLAINTS RELATING TO LABOR VIOLATIONS SHOULD BE MADE OR REFERRED TO THE APPROPRIATE DISTRICT DIRECTOR OF ENFORCEMENT.

Every person in any way connected with this organization for compliance must either already be a federal employee or a person specially enrolled in the federal service (perhaps at \$1 a year) and required to take the federal employees' oath of office.

The expenses of the investigation and hearing of trade practice violations shall be borne by the industry itself, but the expenses of the investigation and hearing of labor violations shall be borne by the N.R.A.

CHAIRMAN ROPER: What becomes of the State Boards?

SECRETARY PERKINS: I do not think the State Boards have any picture in this. You mean the local Recovery Boards?

CHAIRMAN ROPER: I mean the State Recovery Boards.

SECRETARY PERKINS: They do not have any picture in this. I think the most dangerous thing we run into is finding the different interpretations in different parts of the country. I think that when it comes to a question of compliance with the codes, the people have a right to have a relatively near-by organization to handle the matter. The Recovery Boards are largely Boards to promote the idea, not to exercise this very grave judicial and administrative function; and I do not think that

the same type of men and women who are appropriately members of those Recovery Boards to promote the idea are necessarily the same type of individuals, or have the same type of responsibilities, as those who would perform the quasi judicial or administrative functions, but that the District Boards could conduct the hearings and any man who has a reason for not complying has a full chance to make it a matter of record.

DR. DICKINSON: You do not mean the existing Boards, but the Compliance Boards?

SECRETARY PERKINS: That is right. I personally am gravely doubtful of the kind of people that are being appointed, when you work through the local chambers of commerce and Kiwanis Clubs. They are not the people that you and I would look to to determine the important problems of justice in our own lives.

CHAIRMAN ROPER: Madam Secretary, it seems to me that the thing that is concerning the General is expedition. How long would it take to set up an organization such as that you have in mind?

SECRETARY PERKINS: I should think--

GENERAL JOHNSON: I must just call attention to the fact that I have done one of these executions of an act like this before and I don't think I speak entirely with inexperience on the matter of handling this.

SECRETARY PERKINS: You had the national Government approve of the individual who was put up.

GENERAL JOHNSON: So did they here, and I do not believe there were 10 changes in the whole organization.

This requires immediate action. I think in 70 per cent of the cases the Boards have taken under consideration the man did not know his obligations, and in most of those cases he has immediately complied. This plan is to cover a transitory phase of 30 days for immediate action.

SECRETARY PERKINS: Could we get a little more complete understanding of what the emergency is?

GENERAL JOHNSON: The emergency is that the people are in utter confusion and it is necessary to set up some unit that we can instruct who will go in and do that thing as a part of their regular duty.

SECRETARY PERKINS: If you use the existing investigating units of the various state and local governments and federal government, you get people who are already trained to do just exactly that kind of thing.

GENERAL JOHNSON: On the other hand, you also get bureaucratic officialdom. Do you realize that there are 2,000,000 cases to deal with and that while waiting for the mechanical operations of having these Boards set up and proceed with this work, we would have cases piled up waiting for some kind of action, -- waiting for weeks, if not months?

SECRETARY PERKINS: You say yourself that half of those are misunderstandings.

GENERAL JOHNSON: I said about 70 per cent of them.

SECRETARY PERKINS: I am always much less alarmed at the bureaucratic tendencies of the government than at the tendencies of the chambers of commerce.

GENERAL JOHNSON: These are not chambers of commerce.

SECRETARY PERKINS: But you have the kind of authority that assumes it has the power that no government official has ever taken upon himself.

GENERAL JOHNSON: This is merely setting up a nominating committee to make nominations.

SECRETARY PERKINS: You will get fairly third-rate people this way, and I think it is a serious function. It seems to me the political entities of the community ought to be involved. I think elected public officials or their direct appointees ought, some way or other, to be involved in this kind of organization. I think it is very dangerous if they are not. How were your Recovery Boards appointed?

GENERAL JOHNSON: Those were selected by the Secretary of Commerce.

CHAIRMAN ROPER: There is no relationship, as I understand it, between the selection of the local committees and the State Boards which were selected through this Department. I do not know of any relationship.

SECRETARY PERKINS: To whom is this letter addressed?

GENERAL JOHNSON: Mostly to chambers of commerce.

SECRETARY PERKINS: That is what I thought.

GENERAL JOHNSON: The instructions under step No. 1 are as follows:

"1. Convene immediately and act as Chairman of a nominating committee, composed of individuals representing the interests of labor, trade, industry and the consumer, for the purpose of naming the members of this Compliance Board. To secure this representation, the heads of the following organizations, or the nearest equivalent thereto, should be appointed, whenever possible, members of this committee: Chamber of Commerce, Retail Merchants Association, Manufacturers Association, some representative labor organization, Federation of Women's Clubs and the local Bar Association."

SECRETARY PERKINS: It is elected under their auspices. It seems to me that is a poor way to go at it. They are good for promotion purposes but they have no real serious responsibility in the community and they have no responsibility to their own members. I think that as soon as you get out of the field of promotion into the field of administration, we ought to keep the thing closely integrated with government.

GENERAL JOHNSON: It has got to be as soon as we get by this and we are going very, very rapidly. This is an emergency and I think with the responsibility I have on my shoulders the Board ought to be willing to take my word for it that it is an emergency and if somebody can show me a better, more expeditious, and at the same time, adequate plan, I should be glad to get it.

CHAIRMAN ROPER: Isn't the whole point a matter of time -- as to how long it would take to carry out your suggestions, so that it could be done with expedition? Wouldn't that settle the question?

SECRETARY PERKINS: I don't think anybody can say which is more expeditious than the other.

GENERAL JOHNSON: This organization could be set up in 24 to 48 hours.

CHAIRMAN ROPER: Could yours be carried out within a limited time--say four or five days?

SECRETARY PERKINS: I have the feeling that it could be done in four or five days, but I should not want to guarantee that.

GENERAL JOHNSON: Madam Secretary, if you did start out to set up the organization, how many Boards would there be and what would their personnel be?

SECRETARY PERKINS: You do not have to have Boards until the fact-finding individual has dealt with the case.

GENERAL JOHNSON: How many fact-finding individuals would you have?

SECRETARY PERKINS: One for each state.

GENERAL JOHNSON: This requires 18,000.

SECRETARY PERKINS: I do not think you need that many. I think the existing offices of the government can accomplish almost as much as your 18,000 inspectors could, if you will give the cases to existing agencies of government, most of whom want to be used.

GENERAL JOHNSON: There are many thousands of complaints on file at this time.

SECRETARY PERKINS: I think that is true, but as you say, a large proportion of them are matters of misunderstanding.

SECRETARY ICKES: How do you set up your districts, General?

GENERAL JOHNSON: They are the districts of the Department of Commerce.

SECRETARY WALLACE: Madam Secretary, would your attitude be prejudiced if the plan as worked out by General Johnson were allowed to go on for a couple of months or so until the pressure was off to some degree?

GENERAL JOHNSON: It would not need to go on for a couple of months-- probably not more than 30 days.

SECRETARY PERKINS: My experience has been that it is much easier to grant powers than to take them away. Once people have such powers a very large number of them will prove to you that the thing they have been doing has been perfect.

GENERAL JOHNSON: These Boards are going to be disbanded.

SECRETARY PERKINS: Who is going to pay for the services of these Boards?

GENERAL JOHNSON: Nobody.

SECRETARY PERKINS: What about that solicitation of funds?

GENERAL JOHNSON: That was in the State of Massachusetts only.

SECRETARY PERKINS: They thought all over New England that was what was going to be done.

CHAIRMAN ROPER: I have been assured that that has been stopped. How would it do to let the General proceed with his plan and then get the necessary advance mechanics to work out a program along your line and also with a view of selecting the individuals?

SECRETARY PERKINS: I think General Johnson agrees with me.

GENERAL JOHNSON: I have never been in the slightest disagreement.

CHAIRMAN ROPER: It is only a matter of getting the personnel or set-up.

SECRETARY PERKINS: We have agreed as to the personnel.

CHAIRMAN ROPER: Could you proceed now to recognize that and agree to let this program go into effect and in the meantime begin your efforts to get this other set-up, so that in the course of 30 days you could simply transfer these functions to the other group?

SECRETARY PERKINS: I have no objection, sir. I raised the question and I do think it is important. I would not have raised it otherwise.

CHAIRMAN ROPER: I fully appreciate your point, and I also see the necessity of something being done to meet the present emergency and difficulty which the General has in mind. Now, if we can

work out a plan that will utilize both ideas, that is what we should do.

GENERAL JOHNSON: I agree with Madam Secretary that her plan is the permanent plan.

JUDGE STEPHENS: I am very much impressed with the discussion of the emergency nature of this thing. I think we are in a time of confusion and we ought to meet the objection the General raises.

GENERAL JOHNSON: What I am going to have to do is to select a member of your organization immediately and one from the Federal Trade Commission.

CHAIRMAN ROPER: Couldn't you also refer in your letter to the fact that this is temporary and is to be supplanted by a more permanent procedure?

SECRETARY ICKES: Could their appointment be limited to a certain length of time?

GENERAL JOHNSON: I think that is a good plan.

JUDGE STEPHENS: Why couldn't this plan of Miss Perkins be combined with the other at this time?

GENERAL JOHNSON: Our plan takes into consideration about 18,000 people.

JUDGE STEPHENS: I understand you agreed to the effectiveness of Miss Perkins' plan.

GENERAL JOHNSON: I do.

SECRETARY PERKINS: I think I understand what the General means. He means that although you could get the skeleton under the permanent plan it could not at once become effective because it would have to get its own organization.

GENERAL JOHNSON: In nearly every city in the United States there is one of these things functioning anyway,-- not that we told them to,-- and with singular unanimity they are arriving at about the same thing.

SECRETARY PERKINS: I am wondering who is to make the interpretations?

GENERAL JOHNSON: We have a division that has been making them every day. It has no other function than to make them as they are needed.

SECRETARY PERKINS: These local committees are going to look here to get the information as to what will be the standard of work?

GENERAL JOHNSON: As a matter of strategy, I think we want to start with one or two terribly flagrant cases of big fellows who have committed wilful violations and make an example of them. I think that example will do ten times or perhaps a hundred times more than going around and harrassing some little fellow out in the country. I think a few of those cases will clear away a great number of those who have seemed to be recalcitrant.

CHAIRMAN ROPER: As I understand it, General, if this letter and your tentative instructions are approved, you will immediately proceed to work out this permanent program.

GENERAL JOHNSON: Yes, we have planned to do that.

CHAIRMAN ROPER: And in that there will be a representative of the Federal Trade Commission, the Department of Justice and the Department of Labor.

GENERAL JOHNSON: And also the A.A.A., the Tariff Commission and the Relief Administration. There will be plenty of work for every one of those people.

SECRETARY PERKINS: What will be the duties of those people?

GENERAL JOHNSON: We are going to set up what we will call the Liaison Division. It has been entirely unsatisfactory so far. We will need these people there all the time, because the Federal Trade Commission has an immense amount of information on fair trade practices and all that kind of thing and they should be there to help shape the policy as to how this thing is going to be administered permanently. We necessarily proceed in a fumbling way toward the final results by means of experience, and questions are asked me daily as to whether or not we should turn the Federal Trade Commission loose or request the Attorney General to do this or that, and we have reached the place where it is almost necessary to have somebody there to watch our show as it goes by without going through the process of writing letters. If this is ever going to be anything, it has got to work out as a sort of guild government of industry. We are getting to the point where we are getting into the problem of administration. Every department of this government is going to participate in this or else it is going out of the window. Even in this Board it is inconceivable for anybody to get the feel of what is going on in this country unless they are intimately associated with it. It is impossible for me to describe it in reports. It has such tremendous bearing that you have got to have more intimate contacts with these other departments of the government.

SECRETARY PERKINS: Their duties will be very general?

GENERAL JOHNSON: No, their duties will be very specific. I have several problems I am bringing up in this report today that will demonstrate.

CHAIRMAN ROPER: Madam Secretary, are you ready to make a motion with regard to the disposition of this matter?

SECRETARY PERKINS: You mean because I raised the question?

CHAIRMAN ROPER: Yes.

SECRETARY PERKINS: I have no objection to the procedure being tried out as suggested by General Johnson if it has a definite time stop on it. I understand that my questions on this had the effect of postponing the sending out of the letter.

CHAIRMAN ROPER: General Johnson extended that courtesy.

SECRETARY PERKINS: I would really like to see the word "conciliation" changed to "compliance." Would there be any objection to that?

GENERAL JOHNSON: We will take out the word "conciliation." Is there any objection to the word "mediation"?

SECRETARY PERKINS: Both of those words have to do with the Labor Department. I want to get rid of the idea of enforcement and compulsion.

MR. KLOEBER: How would "Correction Board" do?

GENERAL JOHNSON: We will use the word "compliance."

SECRETARY PERKINS: I move that the plan as suggested by the Administrator be approved in its application to the President's Agreement temporarily until such time as seems best to the Administrator and this committee to put into effect a more permanent form.

CHAIRMAN ROPER: Which permanent form is to receive further consideration.

JUDGE STEPHENS: I second the motion.

CHAIRMAN ROPER: All in favor, make it known by saying "Aye"; those opposed by the contrary sign; it is so ordered.

Now you may go ahead, General Johnson.

General Johnson then read the following paragraph.

"Our most difficult, critical and emergent tasks are (1) the Bituminous Coal Code and (2) negotiations for a settlement of all labor disputes in the Appalachian field. The time of the Administrator has been devoted almost exclusively to these. The situation is highly complex and it would take too much space to report upon but can be developed by questions if desired. We have confidence in a favorable outcome in spite of the publicity war being carried on daily by conflicting interests. Sub-surface progress has been good."

GENERAL JOHNSON: When we settled the coal strike, we settled it on the determination of a code. If there should be none, we bought a nation-wide coal strike. There are probably between 275,000 and 300,000 coal miners involved. It is a very complex situation and one that goes out the window and then we have to go out and bring it back again. If we get it settled, we have accomplished a very remarkable thing, and if we do not, we will have chaos.

"The next most critical situation is the mutual attempt of labor and industry to pull and haul interpretations of Section 7 (a) of this Act to their own advantage. One final, authoritative and succinct interpretation is necessary and must be forthcoming this week. We are trying to get agreement between labor and industrial leaders on our Boards on such a statement. If we can not get it at their joint meeting Tuesday night, we must make it on our own responsibility."

Mr. Attorney General, we may have to call on you for an opinion in this matter.

JUDGE STEPHENS: We are supposed not to give an opinion on hypothetical questions.

GENERAL JOHNSON: What has been done is that the management has just carved out of that Section the interpretations that suit their point of view and published it all over their plants and, on the other hand, the labor people have carved out of the President's speeches or simply statements I have made, or Richberg has made, whatever they like until the whole thing is in confusion.

SECRETARY PERKINS: Why is it necessary at this time, in advance of an actual case, to make interpretations? To me the most dangerous thing we do is to interpret it. I do not know why the automobile people were allowed to write that interpretation into their code.

GENERAL JOHNSON: This is a situation that we are confronted with and if we do not do something about it, this law, instead of resulting in peace in industry, is going to result in strikes all over the country.

SECRETARY PERKINS: Why not wait until you do have a strike?

GENERAL JOHNSON: And let this whole thing blow up?

SECRETARY PERKINS: It seems to me that the thing has got to be tested when the occasion arises. Whenever there is an organization that is not recognized, you are going to have a strike.

GENERAL JOHNSON: The point is that the people are being completely misinformed.

SECRETARY PERKINS: I have seen some of the stuff. A few enterprising unions have said that you have got to join the union; that you

will never get your rights unless you do. And there was the other thing put out by the employers, but I should not say it was very inflammatory to any individual who kept his head.

GENERAL JOHNSON: It is a terrific problem. We have been able to settle the question largely so far by telling them what the fact is. But there is very great danger of chaos on account of deliberate misinterpretation of this statute.

CHAIRMAN ROPER: I found that very true out in Kansas City.

JUDGE STEPHENS: Just what question will you probably have to ask the Department of Justice? We are not going to stand on ceremony, but we try to avoid hypothetical questions.

GENERAL JOHNSON: The questions left unanswered are the questions of the old open and closed shop controversy.

SECRETARY PERKINS: I think that is a very complex problem.

GENERAL JOHNSON: I have to execute that law without leaning either to one side or the other. We are not supposed to give an interpretation favoring either side.

SECRETARY PERKINS: You haven't two sides in this matter; you have a variety of sides.

GENERAL JOHNSON: There are two sides--the right and the wrong.

SECRETARY PERKINS: There are lots of interests. A good many unions have had a closed-shop agreement for years. They have been strong enough to get it, and you have an interpretation which says they can have that.

GENERAL JOHNSON: The question is, what is required under Section 7 (a)?

SECRETARY PERKINS: Has anybody raised the question?

GENERAL JOHNSON: It is one of the principal bones of contention in the coal controversy. I cannot take sides on the thing, but I do not believe it is possible to have anything but a closed shop in the coal mining industry. I do not believe non-union men will work in mines with union men. A lot of people say it does require it, and a lot of others say it does not, and allowing confusion to become worse confounded, is sitting here inviting chaos.

CHAIRMAN ROPER: General, you may proceed with your report.

(General Johnson then commenced reading):

"The third serious problem is the General Retail Code. It is vitally necessary to the essential purposes of this Act.

"We think it is important to the concept of industrial self-government not to have general rules of what should and what should not be in codes. This must be determined in public hearings. Resolutions requiring the Administrator to include or not to include this or that thing in codes are violations of the essential policy of this law and very embarrassing to the Administration."

We have started out on the policy that the law is the law and we cannot interpret it. We cannot say "You are supposed to present a constitution and by-laws for the government of your industry, but you must put this in and leave that out," and that is the reason I feel the whole policy of administration as carried out here would be frustrated by announcing price-fixing.

CHAIRMAN ROPER: What is the present status of the Retail Code?

GENERAL JOHNSON: Hearings and negotiations go on night and day. I never interfere with it. I think it is going to be presented to me tonight or tomorrow morning.

SECRETARY WALLACE: Mr. Chairman, the Retail Code is such an important matter that I wonder if this body could not be given a chance to go over it before it is passed on for the President to sign?

GENERAL JOHNSON: That will be all right.

COMMISSIONER MARCH: The question of price-fixing depends on the particular case.

GENERAL JOHNSON: I don't think you can absolutely say whether there should be price-fixing or not. Take the Petroleum Code, for instance; the necessity there for some kind of price regulation seems to be absolutely overwhelming.

CHAIRMAN ROPER: Will it be understood that we will have a called meeting of this Board as soon as we hear from General Johnson that the Retail Code is ready for consideration by the Board?

GENERAL JOHNSON: I think it would be a great deal better as soon as the Code has been presented to have copies struck off and send them around to the members of the Board.

COMMISSIONER MARCH: I would like a chance to study it.

CHAIRMAN ROPER: In advance of the Board meeting then, the General will send copies around to the members of the Board.

GENERAL JOHNSON: (reading)

"It is essential to maintenance of the morale in this organization that other departments of government do not give instructions to departments of NRA, except through the Administrator, and also that matters affecting administration be taken up with the Administrator before being appealed to the Special Recovery Board. Three-quarters of the time of this Board and a great deal of confusion could thus be saved."

CHAIRMAN ROPER: I believe we all appreciate that; that is all right.

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GENERAL JOHNSON (reading again):

"This Administration was, as at present, organized to hear codes and to conduct hearings on codes and to secure assents to individual agreements. These codes must now be administered and their agreements placed under codes by a great national movement into the trade associations. A compact organization to administer complaints, inspection and onforcement of codes must now be set up. Our phase is still transitional but we are already so broadly in the phase of code administration that a new form of organization must now be adopted. It is important that there now be permanently assigned to NRA representatives of

- (a) The Department of Justice
- (b) The Department of Labor
- (c) The A.A.A.
- (d) The Federal Trade Commission
- (e) The Tariff Commission
- (f) The Relief Administration

These representatives are necessary on a full-time basis to channel the functions of this Administration which should be performed by these other departments and to knit closer the several departments."

As far as the Department of Labor is concerned I think you already have the best representative.

SECRETARY PERKINS: I think probably when you get into the administration, you will want some people who are experienced in the technique of investigation, reporting, compliance, interpretation of law and all that sort of thing, and I will try to pick one who is best suited for that work.

JUDGE STEPHENS: You want someone permanently on this committee to help work this out?

COMMISSIONER MARCH: Just one person?

GENERAL JOHNSON: I think one person from each of these departments can sit in on the various functions.

JUDGE STEPHENS: For example, you prefer to have some one from the

Department of Justice who is acquainted with the trade practice question as it has been developed?

GENERAL JOHNSON: Yes, and also under this law I believe that the District Attorneys have an original automatic function, don't they?

JUDGE STEPHENS: Would you rather have a lawyer or a member of the Bureau of Investigation?

GENERAL JOHNSON: My recollection is that your District Attorneys have a function under this law.

JUDGE STEPHENS: They can initiate injunction suits.

GENERAL JOHNSON: We have tried not to take any action that could be brought into court, but if we have to we want to know how to do it.

COMMISSIONER MARCH: You can do it under the Federal Trade law.

GENERAL JOHNSON: There are about four different ways.

JUDGE STEPHENS: You have been exceedingly successful in keeping out of court.

GENERAL JOHNSON: We have one man giving his entire time to that.

JUDGE STEPHENS: I move that General Johnson's request be approved.

COMMISSIONER MARCH: I second the motion.

CHAIRMAN ROPER: All in favor make it known by saying "Aye"; those opposed by the contrary sign; it is carried.

GENERAL JOHNSON (reading):

"The present status of codes is as follows:

	<u>received</u> <u>to 9/2</u>	<u>received during</u> <u>week ending 9/8</u>	<u>total</u>
National -	804	85	889
Local -	1828	209	2037
TOTAL -	<u>2632</u>	<u>294</u>	<u>2926</u>

During the week 16 codes were set for hearing, as follows:

- 1-Radio Broadcasting Industry
- 2-Commercial Printing, Publishing-Printing and Printing
- 3-Saddlery Manufacturing Industry
- 4-Asphalt Shingle and Roofing Industry
- 5-Cap and Closure Industry;  
Crown Manufacturing Industry
- 6-Plastering Industry
- 7-Marking Devices Industry
- 8-Hotel Industry
- 9-Motion Picture & Theatre Supply and  
Equipment Dealers
- 10-Can Manufacturers Industry
- 11-Newspaper Publishing Industry
- 12-Motor Vehicle Retailing Trade
- 13-National Limestone Industry
- 14-Valve and Fittings Manufacturing Industry
- 15-Gas Cock Industry
- 16-Soap and Glycerine Manufacturing Industry

This makes a total of 103 codes set for hearing to date.

"During the week five codes were approved by the President as follows:

- 1-Motion Picture Laboratory Industry
- 2-Leather Industry
- 3-Wallpaper Industry
- 4-Salt Producing Industry
- 5-Cast Iron Soil Pipe Industry

This makes a total of 23 codes approved to date by the President."

CHAIRMAN ROPER: How many agreements are there?

GENERAL JOHNSON: Something over two thousand.

CHAIRMAN ROPER: Would you think it a fair guess that these might consolidate into 500 codes?

GENERAL JOHNSON: That is the figure we use.

CHAIRMAN ROPER: I understand there are about 45,000,000 persons gainfully employed in this country. About how many employees are affected under the codes?

GENERAL JOHNSON: I have never made a compilation. What we have tried to do is to advance the principal employing industries which cover by far the bulk of employment. Of course, this Retail Code in trade has a tremendous bulk of employment, but that is rather indefinite. After the Retail Code has been approved these people can be herded into associations, which I think is one of the most vital and necessary parts of the whole job.

CHAIRMAN ROPER: May we now pass on a matter that was left for this meeting, or for a subsequent meeting, the Builders Code, which I believe was brought up by the Secretary of Agriculture. Mr. Secretary, have you anything further on this?

SECRETARY WALLACE: I have had no opportunity to make any further investigation of the matter. I wondered if Secretary Perkins or General Johnson could tell to what extent the farm building is affected by it.

GENERAL JOHNSON: The Code has not been presented to me. Of course, I know in a general way what is involved. It is a very serious economic question; a great many are involved there. I think you can answer your own question better than I can as to the application of this Code in farm building. There is here, of course, the problem of small home building in towns not highly organized and a very serious question arises here. You have to activate these huge industries and if you get the cost of building up too high you are going to kill the goose that lays the golden egg.

CHAIRMAN ROPER: Why don't we have the same understanding included in both of these Codes?

The next thing is the requests we are getting from Hawaii about a Recovery Board.

SECRETARY ICKES: Why can't the Executive Committee pass on that, Mr. Chairman?

CHAIRMAN ROPER: All right, we will refer that to the Executive Committee.

GENERAL JOHNSON: I want to tell you something about that other one, Puerto Rico. Under this law I suppose these codes do extend to Hawaii and Puerto Rico. I do not know of my own knowledge, and it is largely a matter of conjecture or supposition, but I very much fear the question involved in Hawaii. Everybody knows that the Japanese and Chinese form a large part of the population, being on wages that are not at all comparable to the wages here. There is an entirely different economic set-up, and I am very much afraid that the pressure to have these codes extended may have some political bearing of a very dangerous nature. I feel we ought to move with the utmost caution about extending the code provisions any farther than we have to in these islands. It should not be done without sending to both places somebody that we can rely on.

COMMISSIONER MARCH: It is very dangerous to labor, I should say.

CHAIRMAN ROPER: We will pass that, then. The next is No. 7 on the agenda-- "Shall further consideration be given to providing funds for State Recovery Boards." Mr. Jensen, will you read this telegram as bearing on that point?

Mr. Jensen then read the telegram.

CHAIRMAN ROPER: General Johnson, I will take care of that.

CHAIRMAN ROPER: Let us now pass on to No. 8, "Report on resolutions of Central Statistical Board transmitted to General Johnson through Mr. Brown."

Is there something to be said on that subject? Judge Stephens' motion at the last meeting read as follows: "I move that these resolutions of the Central Statistical Board be transmitted to General Johnson, and that this Board recommend to General Johnson that he give serious consideration to them and, if possible, report at the next meeting of this Board."

GENERAL JOHNSON: We sent out an order that all industries should be advised that no provisions of any code relieve any industry from the obligation of continuing to make customary statistical reports to government departments.

SECRETARY WALLACE: Has that been sent out to everybody?

MR. BROWN: Not yet.

SECRETARY PERKINS: That is not the entire purpose of the plan as discussed here, which was not only to prevent cutting off the reports that have been coming regularly in the past, but also to centralize the statistics in government hands. The information which is now being gathered is very valuable in making future plans.

GENERAL JOHNSON: What do you mean by centralizing?

SECRETARY PERKINS: In the government departments, not in trade associations.

GENERAL JOHNSON: It must be in the trade associations.

SECRETARY PERKINS: It must come to the government first and then be transmitted to the trade associations.

GENERAL JOHNSON: I know what the administration of these trade associations means and if we do not have in the codes that they must submit their reports to the trade associations, we are not going to have any industrial self-government.

SECRETARY PERKINS: The resolutions of the Central Statistical Board were definite on the subject.

GENERAL JOHNSON: They required that any time the Central Statistical Board wanted to send out a questionnaire they could send it out.

SECRETARY PERKINS: There is the very key to the future guidance of this whole industrial program. If you do not have centralized control, you will never know whether it is leading to disaster or success, whether one industry is progressing at the expense of another. There is certainly no reason why an appropriate amount of information authorized by the Administrator, gathered by the Central Statistical Board or any of its agents in the various departments, should not be a perfectly natural matter.

GENERAL JOHNSON: If it is authorized by somebody; but I have been through this before and to turn a bunch of statisticians loose on American industry would be terrible.

SECRETARY PERKINS: The Central Statistical Board should not be allowed to send out questionnaires promiscuously any time.

GENERAL JOHNSON: You ought to have seen it happen!

SECRETARY PERKINS: It should always be with the approval of the Administrator, but it is highly important to get this information into government hands and not have to take a chance of getting it from trade associations.

MR. BROWN: While I am not familiar with the resolutions of the Statistical Board, the action of this Board at this meeting was not quite as particular as Madam Secretary suggests. As I read the minutes, General Johnson was asked to do two things; first, tell the trade associations they were not relieved from reporting

to the usual government agencies and, second, "That General Johnson be urged by the Central Statistical Board to request all firms coming under any code to report such further statistical information to existing governmental departments as may be approved by the Central Statistical Board." Surely that is not something on which you can take action until they have made a specific request.

SECRETARY PERKINS: I thought certainly we discussed this matter of resolutions of the Statistical Board.

GENERAL JOHNSON: It may have been done when I was absent. I do not think that at any time there has been a request of this Board to turn the Central Statistical Board loose on industry.

SECRETARY PERKINS: It was my understanding that there was before us a set of resolutions from the Central Statistical Board and that at that time you said you would like to examine them.

GENERAL JOHNSON: I think this resolution is a result of that.

CHAIRMAN ROPER: This was a subsequent report.

SECRETARY PERKINS: I think it is vital that the governmental agencies collect the original statistical information and that they distribute it to the trade associations when they need it.

GENERAL JOHNSON: I do not agree with that. I do not care what information the government gets; but we are trying to set up industrial self-government and encourage them to wipe out their own bad practices and do the other things though never without the surveillance of the government in a negative way for the purpose of seeing that they do not oppress small industries, that the consumers' interests are taken care of, and that there is

no tendency toward monopoly. I do not want to give them absolute flexibility.

SECRETARY PERKINS: What they need for administrative purposes is quite different from what the government will need. We are now reaching toward the third or fourth phase of this whole thing, which is that out of these activities is emerging a consciousness that it is possible, and probably necessary within the next ten years, to have some proper plans.

GENERAL JOHNSON: I think long before ten years, if we can once get these industries into the associations and brought up to some sort of administration.

SECRETARY PERKINS: Unless the government itself has the information, it cannot make the plans. I should be most unwilling to make a plan for the future economic life of the country without reliable statistics.

GENERAL JOHNSON: The government should have whatever it needs. I would turn it over to somebody that had in mind all views and interests, because an economist or statistician is an enthusiast for a particular thing. I have seen it with my own eyes.

SECRETARY WALLACE: I was wondering if there was not a reconciliation of these two viewpoints that, in so far as the trade associations were gathering economic information as distinguished from administrative information, that they might save themselves a certain amount of time, bother, labor and expense by having that kind of material which should be gathered by the government be gathered by the government instead of having it reported to them first.

SECRETARY PERKINS: The first clause in this resolution is this: "All persons subject to this code shall, upon the request of the

Administrator, submit such report, at such time, on such forms and to such government agencies as may be prescribed by said Administrator;" that would seem to me to solve it.

GENERAL JOHNSON: Who has a copy of the statute?

SECRETARY PERKINS (reading): "Provided that where the trade association and Administrator have occasion to collect identical information from the same person, the trade organization shall use forms acceptable to the Administrator and arrangements shall be made for duplicate reports to be sent to the Administrator and the trade organization; and

"Provided that all information submitted regarding the affairs of any single person shall be kept confidential," etc., and so on.

GENERAL JOHNSON (reading from the Act):

"The President may, as a condition of his approval of any such code, impose such conditions (including requirements for the making of reports and the keeping of accounts) for the protection of consumers, competitors, employees, and others, and in furtherance of the public interest, and may provide such exceptions to and exemptions from the provisions of such code, as the President in his discretion deems necessary to effectuate the policy herein declared."

That is the limit of our authority.

SECRETARY PERKINS: That says the President may require them to make any report.

GENERAL JOHNSON: As a provision of the code.

SECRETARY PERKINS: Nearly all require reporting to trade associations. They should contain a clause requiring them to report to the government.

GENERAL JOHNSON: They do require that the industries under the code

report as the President may require. He may require them to report to the trade associations. What they shall report is entirely in the discretion of the President.

SECRETARY PERKINS: The codes are most of them requiring in a special clause that they shall report to the trade associations. They should carry a further clause, or even a substitute for that, that they shall report to the Administrator, or any agencies of the government designated by the Administrator, any information required by him from time to time.

COMMISSIONER MARCH: You think that should be done in addition to the report they make here? They make a report to the different departments also.

SECRETARY PERKINS: They have been making reports in the past. Most of those are not sufficient for the purpose of making a real study of economic conditions.

GENERAL JOHNSON: How would it do to include in all subsequent codes that, in addition to the information reported to trade associations, all such information as may be required by the President to be reported direct to him shall be so reported?

SECRETARY PERKINS: Not direct to him--to any agency of government.

GENERAL JOHNSON: That is pretty loose.

SECRETARY PERKINS: The agencies of the government have to gather it. The NRA and the agencies of the government must do the collecting.

GENERAL JOHNSON: Suppose we say, be required to report as the Administrator shall prescribe such information as he may deem necessary for the purposes stated in Section 3 (a)?

SECRETARY PERKINS: Can you also get that accepted on the amendments of the codes?

GENERAL JOHNSON: It would be a terrific task.

SECRETARY WALLACE: You could see that there is a letter sent out.

CHAIRMAN ROPER: The next item is No. 10, "Further discussion of appointment of committee to study cost of production recommended by Central Statistical Board." We have sent out a letter to the several departments and related agencies asking them to designate a representative to form this committee. I do not know that there is any further discussion needed at this time.

GENERAL JOHNSON: Why isn't that a proper function for this Central Statistical Board?

SECRETARY WALLACE: I think the matter was originally referred to the Central Statistical Board.

GENERAL JOHNSON: I know they are going to make some kind of report on it.

SECRETARY WALLACE: It was their recommendation that this committee be formed. Why did they "pass the buck," I wonder.

CHAIRMAN ROPER: As I have held you unduly, will you permit me to hold that on the agenda for the next meeting?

Judge Stephens, will you make a statement on Item No. 11?

JUDGE STEPHENS: I suggested, General Johnson, informally, that as a result of some traveling I had been doing I had found a great deal of confusion everywhere on the part of lawyers and laymen as to just what we expect of them, and I wondered if it would be advisable to have a general review of some sort made of the recovery program to date.

GENERAL JOHNSON: That would be like a man in the midst of the Battle of the Marne trying to write a history of the battle. I would hate to sit down now and start writing a review of this thing.

JUDGE STEPHENS: I wondered if it could be done by some other agency.

GENERAL JOHNSON: I would rather make my own report.

CHAIRMAN ROPER: Something that would inform the public--was that your idea, Judge Stephens?

JUDGE STEPHENS: I think we could do something to clear up the confusion.

GENERAL JOHNSON: Just what do you mean?

JUDGE STEPHENS: A former law partner of mine--a rather able lawyer of Los Angeles--came here and spent a week to inform himself as to what the Public Works was doing and what the various acts mean. The report comes to me through letters from all parts of the country that the people are puzzled as to what the new statutes are intended to cover.

GENERAL JOHNSON: You don't mean a report of progress?

JUDGE STEPHENS: Oh, no!

SECRETARY WALLACE: Why not get the National Democratic Committee to do it?

GENERAL JOHNSON: Why don't we take somebody out of each one of these departments and get them to write a pithy presentation of their functions, and then have some board edit it? I think that is very important, because there is no doubt that we are getting out of step all over the lot.

CHAIRMAN ROPER: Do you want to leave that to me? I will look after that.

Now, to return to the matter of the Statistical Committee:

Mr. Jensen, will you read this?

Mr. Jensen then read the following:

"It is, therefore, recommended that the Special Industrial Recovery Board appoint a committee to consider this problem promptly, in the light of the codes which have already been approved and with especial regard to those which are now pending. The Committee might include representatives designated by the NRA and AAA and by the Secretaries of the Treasury, Interior, Commerce, Agriculture and Labor. In addition, it would be desirable to authorize the committee to request such other persons as it found desirable to sit as members or technical consultants."

CHAIRMAN ROPER: That is a report back to us from the Central Statistical Committee. That is the reason why the Board, at its last meeting, took the action it did. I see no objection to putting people to work to study this thing.

GENERAL JOHNSON: Except if we get this administration all snarled up with boards and committees.

SECRETARY WALLACE: Why couldn't that committee work in an advisory capacity with the Central Statistical Board, or with Mr. Sachs?

SECRETARY PERKINS: I think they felt the need of some experience that had to do with actual cost accounting techniques and actual business procedures.

GENERAL JOHNSON: What is the object of this?

SECRETARY PERKINS: The object is, I suppose, to lay the basis for the future determination of what are appropriate increases in price. It is a very difficult thing for you or me to say, "That is too great an increase in price," or "It isn't enough," or "It is justified," or "It is not justified." Cost of production is, itself, a technique that has not been completely agreed upon.

SECRETARY WALLACE: The thing found its origin in the cost-of-production clause in the Lumber Code which had in it that vicious circle of determining the cost of production which in turn is based on

the value of standing timber which is dependent on what the lumber folks can get for it.

SECRETARY PERKINS: The statisticians are not agreed on this subject.

Various techniques have been developed, and there is no agreed-upon standard. There should be on the committee those who can point out to them the way in which it has been padded.

GENERAL JOHNSON: I have been through this twice before, and if you attempt to lay down a rule in advance, you are doomed to failure. You are going to have to pass on these things as they come up.

SECRETARY PERKINS: I think that is true; and I think what we have in mind is not a board to take action but rather to study the problem and lay the facts out in such a way that the folks who have to pass on the problem of a period of time with regard to a particular industry will have the information needed.

CHAIRMAN ROPER: Strictly an advisory committee.

GENERAL JOHNSON: I shudder to think that we would ever be hampered by some economic council that begins to lay down rules. I think I would step out when it comes to that point.

COMMISSIONER MARCH: I think that is absolutely true.

SECRETARY WALLACE: You feel quite confident of this cost provision in the Lumber Code, do you?

GENERAL JOHNSON: Do you object to it?

SECRETARY WALLACE: Yes.

GENERAL JOHNSON: You didn't make any objection when the hearing was held.

SECRETARY WALLACE: We do not have time to attend all of your hearings. We have plenty of hearings of our own.

GENERAL JOHNSON: We have a procedure, and it is to have an open hearing; and yet everybody thinks there is some way they can run around behind this thing.

SECRETARY PERKINS: That is a matter of policy, and matters of policy ought not to be discussed at open hearings. Policy should be discussed by responsible officials of the Government.

SECRETARY WALLACE: This idea of writing cost of production into a code we have had up continuously for more than a month, and I think it is quite proper for this committee to develop.

CHAIRMAN ROPER: Wouldn't it keep it under proper control if Mr. Sachs were made chairman of this committee?

JUDGE STEPHENS: I understand the purpose of this committee is to get information.

SECRETARY PERKINS: I would like to have an analysis laid out before all of us.

GENERAL JOHNSON: I want all the information I can get from every source; but I do not want anything that hampers action.

SECRETARY WALLACE: We do not want anything to hamper action---we want all the action we can get; but I understood you, yourself, were very doubtful about having cost of production written into codes. I wonder if it was not in the general haste of the melee that it happened to get into one of the codes. I wonder if one of your assistants might not have put it in.

GENERAL JOHNSON: I am responsible for everything that goes into the codes. If there is anything wrong, I did it.

CHAIRMAN ROPER: I take it the General has no objection to getting all the information he can. I believe we have covered the subject now.

JUDGE STEPHENS: If the General wants to tell me either now, or privately, I shall be glad to know if it was any of the people in our department who have assumed to send instructions to his assistants so that I can take the matter up with them.

GENERAL JOHNSON: No, it did not come from there. I am probably becoming too much strung out. It is becoming quite common for suggestions to come from somebody to some one in my Administration, and they just go ahead and I never hear about it until after it is done.

JUDGE STEPHENS: I want to make this clear, that if you have an actual controversy over what the statute means, I think you have a right to call on us.

GENERAL JOHNSON: What is the procedure? Do I write you a letter?

JUDGE STEPHENS: Theoretically, we are supposed to write no opinions except for the President and the heads of departments.

GENERAL JOHNSON: I am very much afraid it is going to be necessary this week.

CHAIRMAN ROPER: Is there anything further to come before us?

COMMISSIONER MARCH: Will you notify us when you want this committee of different departments?

CHAIRMAN ROPER: All right.

Meeting adjourned at 4:34 P.M.

APPENDIX A

NATIONAL RECOVERY ADMINISTRATION PERSONNEL JOURNAL

Pages 38 and 39

Covering 40 names

<u>Name</u>	<u>Position</u>	<u>Salary</u>	<u>Effective</u>
Buchanan, James A.	Expert Reader	\$2400	9-1-33
Van Dermark, Clarence	Examiner	2400	8-15-33
Osthagan, Clarence H.	Examiner	2400	8-30-33
Cross, William H.	Jr. Statistician	2000	8-29-33
Dudley, Herman A.	Special Assistant	1800	8-30-33
Frasher, Helen A.	Secretary	1680	8-23-33

<u>Name</u>	<u>Position</u>	<u>Salary</u>	<u>Effective</u>
Biscoe, H. C. Jr.	Jr. Statis. Clerk	\$1440	8-14-33
Hennings, William S.	Clerical Asst.	1440	8-26-33
Osborne, Anita N.	Steno.	1440	9-1-33
Crowell, Chester T.	Newspaper Clipper	1400	8-29-33
McElroy, Eleanor May Jones	Clerk	1260	9-1-33
Inman, Eva	Jr. Clerk	1260	8-25-33
Le Grand, Etta	Jr. Clerk	1260	8-25-33
Thornton, Vance L.	Jr. Clerk	1260	8-30-33
Amick, Frank E.	Multi. Operator	1260	8-30-33
Borland, Rosemary	Steno.	1260	8-28-33
Lundberg, Katherine A.	Steno.	1260	8-31-33
McEntee, Marie H.	Steno.	1260	8-29-33
Priddy, Roby	Steno.	1260	8-31-33
Ury, Bessie S.	Steno.	1260	9- 2-33
Jeffery, Clara	Under Clerk	1140	9- 1-33
Angell, Edwin	Messenger	840	9- 5-33
Miller, Frederick J.	Messenger	740	8-31-33
Newman, Hobart	Assistant Counsel	4000	8-27-33
Syms, Phillip J.	Newspaper Reader	2400	9- 5-33
Treichel, Merdith M.	Elliott-Fisher Operator	1620	8-22-33
Carruthers, Eva Lee	Address. Opr.	1296	8-28-33
Disney, Stanley E.	Multi. Operator	1296	9- 1-33
Johnson, E. S.	Multi. Operator	1296	8-30-33
McCrary, Arthur J.	Multi. Operator	1296	8-31-33
McErlan, Charles F.	Multi. Operator	1296	9-1 -33
Sturtevant, W. Lyle	Multi. Operator	1296	8-30-33
Hester, Elizabeth L.	Typist	1260	9- 1-33
Nelson, Elsie T.	Steno.	1260	9- 6-33
Walton, Reeder	Telephone Opr.	1260	9- 1-33
McGee, Lawrence A.	Assem. Machine Opr.	1140	8-31-33
Osin, Mary	Typist	1140	9- 1-33
Whitehouse, Irving L.	Messenger	972	8-31-33
Crowley, Fred V.	Messenger	744	9- 6-33
Willie, Walter T.	Messenger	744	8-31-33

APPENDIX B

September 11, 1933.

To: Chairman, Special Industrial Recovery Board.

From: Hugh S. Johnson, Administrator.

The "Salary Standardization Survey" not having been completed, authority is recommended to extend the appointments of all persons whose names appeared on "Temporary Personnel Journal" dated August 5, 1933, at their present salaries, until the completion of said survey except the following appointees whose services were terminated on the date shown.

<u>NAME</u>	<u>TITLE</u>	<u>SALARY</u>	<u>SEPARATED</u>
Johnston, Geraldine M.	Secretary	\$2400	8-15-33
Lieberman, Fannette	Secretary	\$1800	8- 3-33
McLeod, Martha	Statistical Clk.	\$1560	7-31-33
Hirst, Ruth	Stenographer	\$1500	7-26-33
Harville, Margaret	Stencil Cutter	\$1440	7-31-33
Murphy, Edwin	Stencil Cutter	\$1440	8-24-33
Gray, Phyllis	Stenographer	\$1440	8- 9-33
Miller, Bessie May	Stenographer	\$1440	7-31-33
Keogh, Gertrude	Typist	\$1320	8-24-33
Hammett, John H.	Messenger	840	8-31-33
Brown, Geoffrey	Consulting Engineer	\$25 per diem	7-15-33
Frey, Leslie L.	Consulting Engineer	\$25 per diem	7-15-33
English, Walter A.	Spec. Tech. Adv.	\$25 per diem	8-16-33
Pogue, Joseph E.	Dep.-Economist	\$25 per diem	8-11-33
Johnson, Mead S.	Spec. Investigator	\$25 per diem	8-11-33
Bruere, Robert W.	Spec. Investigator	\$25 per diem	7-15-33
Ogburn, W. F.	Cons. Adv. Board	\$5400	8-15-33
Arbocz, Jules R.	Asst. Pub. Relations	\$2500	8-21-33
Martin, George B.	Correspondence Clerk	\$1800	8-25-33
Johanning, Lillian	Stenographer	\$1440	7-25-33
Pfeiffer, Agatha	Stenographer	\$1440	8-10-33
Shackelford, Stanley	Messenger	840	8-31-33
Spear, A. L.	Proof Reader	\$1800	8-15-33
Johnson, William M.	Under Clerk	\$1260	8-11-33
Mayes, Lois	Correspondence Clerk	\$1800	8-24-33
De Haas, Mirian	Stenographer	\$1440	8-11-33
Lee, Richard	Messenger	840	8-31-33
Matthews, John R.	Asst. to Deputy	\$4000	8- 2-33
Degolyer, E. L.	Technical Advisor	\$25 per diem	8-11-33
Evenson, Howard N.	Technical Assistant	\$25 per diem	8-10-33
Johnston, Alexander	Asst. for Hearings	\$25 per diem	8-22-33
Persons, Charles E.	Technical Advisor	\$25 per diem	8-15-33
Seltzer, Lawrence H.	Technical Advisor	\$25 per diem	8-15-33
Peterson, Avery	Statistician	\$12 per diem	8-12-33
Mathews, Louis E.	Labor Advisor	\$10 per diem	8- 3-33
Freming, Harvey C.	Labor Advisor	\$10 per diem	8- 3-33
Barkin, Solomon	Technical Advisor		8-30-33
Ellis, Wayne P.	Technical Advisor	\$25 per diem	8-30-33
Fisher, Waldo E.	Technical Advisor	\$25 per diem	9- 1-33
Pierce, James H.	Technical Advisor	\$25 per diem	8-26-33
St. Clair, Labert	Chief, Press Div.	\$16.67 per diem	8-17-33

Hugh S. Johnson, Administrator

Approved:

Daniel C. Roper, Chairman  
Special Industrial Recovery Board.