

Proceedings of Meeting No. 9
of the
SPECIAL INDUSTRIAL RECOVERY BOARD

held in
The Conference Room, No. 5842
Department of Commerce
August 14, 1933

PERSONAL AND CONFIDENTIAL

Copy No. ____

For _____

Distribution of copies:

1. Hon. Franklin D. Roosevelt
2. Hon. Daniel C. Roper, Chairman
3. Hon. Homer S. Cummings
4. Hon. Harold L. Ickes
5. Hon. Henry A. Wallace
6. Hon. Frances Perkins
7. Hon. Charles H. March
8. Hon. Lewis W. Douglas
9. Hon. Hugh S. Johnson, Administrator
10. Hon. Harold M. Stephens
11. Hon. Rex Tugwell
12. Hon. Turner Battle
13. Hon. John Dickinson, Executive Secretary
14. Col. Louis McHenry Howe
15. Hon. Marvin H. McIntyre
16. Mr. E. W. Jensen, Assistant Secretary
17. File

ATTENDANCE AT MEETING NO. 9

August 14, 1933

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

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. Harold M. Stephens, Assistant Attorney General

Hon. Turner Battle, Assistant Secretary of Labor

Hon. Alvin Brown, Representing Director Douglas

Hon. Charles H. March, Chairman, Federal Trade Commission

Miss Frances Robinson, Assistant to General Johnson

Hon. John Dickinson, Executive Secretary

Mr. E. W. Jensen, Assistant Secretary

Mr. B. P. Foote, Reporter

Proceedings of Meeting No. 9

of the

SPECIAL INDUSTRIAL RECOVERY BOARD

August 14, 1933

2:33 P.M.

CHAIRMAN ROPER: It is good to see you all here. We have before us as the first item, approval of the Minutes of Meeting No. 8. Are there any changes or corrections?

JUDGE STEPHENS: There is a slight change on page 10. Instead of reading "Does that cover the mailing by any one other than the central organization itself," it should read -- "Does that cover the mailing to anyone other than the central organization itself." What I wanted to know was, whether it covered the mailing of letters to private individuals as distinguished from mailing them in here.

CHAIRMAN ROPER: Without further suggestions the minutes will be approved subject to this correction.

We will pass over the item calling for General Johnson's report.

We have here the personnel record sheets which we handled the best way we knew how under the emergency. These sheets carry 130 names. The salaries range from \$720 up to the maximum of \$6,000.

SECRETARY ICKES: \$720 a year?

CHAIRMAN ROPER: Yes, from that up to \$6,000 a year. These have been approved by the Chairman, according to your instructions, subject to the approval of the Board.

JUDGE STEPHENS: I move the Board approve of them. (See pages 1a to 1c.)

SECRETARY ICKES: I second the motion.

CHAIRMAN ROPER: Next we have a report of the utilization of the District and State Recovery Boards in the Recovery Program.

NATIONAL RECOVERY ADMINISTRATION PERSONNEL JOURNAL

Pages 13 to 17, inclusive

<u>Name</u>	<u>Salary</u>	<u>Position</u>	<u>Effective</u>
Smith, Ray D.	\$6000.	Asst. to Gen. Hammond	8-1-33
Fox, Harry W.	4000.	Assistant Labor Advisor	8-3-33
Williams, Hilda	1800.	Secretary	8-7-33
Allison, Eunice	1680.	Dicaphone Operator	8-3-33
Thorne, Ruth	1320.	File Clerk-Typist	8-7-33
Stafford, Howard J.	1260.	File Clerk	7-31-33
Stocking, George W.	25. Per diem (not to exceed 30 days)	Technical Advisor	7-17-33
Hillman, John Adams	3600.	Code Advisor	8-7-33
Sylbert, Jed	3000. (30 days, subject to extension)	Special Advisor	8-7-33
Sadd, Victor	3000.	Administrative Asst.	8-7-33
Brown, Russell M.	1800.	Statistical Clerk	8-8-33
Symmes, E. A.	1800.	Senior Stenographer	8-3-33
Dewinter, Mary	1680.	Stenographer	8-7-33
McNulty, Bernard L.	20. Per diem (not to exceed 30 days)	Special Advisor	8-7-33
Roberts, Gordon S.	1440.	Stencil Cutter	8-7-33
Sparks, Minnie	1800.	Secretarial-Steno.	8-7-33
Harron, Marion J.	3600.	Attorney	8-8-33
Early, T. G.	3000.	Asst. to Adm. Officer	7-28-33
Thurston, A. Henry	2600.	Textile Specialist	7-25-33
Connor, Julia D.	2400.	Secretary	8-5-33
Gray, F. Carlin	1800.	Correspondence Clerk	8-5-33
Young, H. C.	1800.	" "	8-4-33
Eidson, J. M.	1800.	Dictator	8-8-33
Cochrane, L. J.	1800.	Correspondence Clerk	8-3-33
Hill, D. E.	1800.	" "	8-3-33
Burke, Ethel W.	1800.	Secretary	7-24-33
Comley, Helen H.	1800.	"	8-7-33
Sloan, Grace	1680.	Stenographer	8-4-33
Schaublin, Elizabeth	1500.	File and Research Clerk	8-8-33
Tyng, Vivian	1440.	Stenographer	8-2-33
Bacus, H. A.	1440.	Typist	8-2-33
Wimsatt, Genevieve	1440.	Statistical Clerk	8-1-33
Moore, Vivian	1440.	Stencil Cutter	8-9-33
Dinsmore, Jeanne	1440.	Stenographer (nit. work)	8-8-33
Price, Levin M.	1200.	Under Clerk	8-1-33
Fernandez, Raymond	1200.	Under Clerk	8-7-33
Osborne, Raymond D.	840.	Messenger	8-8-33
Slattery, Daniel J.	840.	Messenger	8-4-33
Walsh, Jack	840.	Messenger	8-9-33
Houlihan, Alice	2100.	Personal Secretary	8-8-33
Sappington, James C.	1800.	Jr. Administrative Asst.	7-29-33
Cramer, Frances	1800.	Secretary	8-7-33
Wright, Gertrude J.	1680.	Stenographer	7-26-33

<u>Name</u>	<u>Salary</u>	<u>Position</u>	<u>Effective</u>
Brown, Letty	\$1680.	Stenographer and Typist	8-3-33
Roberts, William B., 3rd	1560.	Clerk	7-28-33
Eicholz, Dorothea	1440.	Stenographer	8-9-33
Thaler, Emilie	1440.	"	8-9-33
Mills, Marjorie	1440.	"	8-9-33
Singletary, Venetta	1440.	"	8-9-33
Weisblatt, Ida	1440.	"	8-7-33
Hass, Alva B.	1440.	"	8-7-33
Collins, Kathryn	1080.	Junior Clerk	7-29-33
Young, Katherine K.	1080.	" "	7-29-33
Allen, Esthere	1080.	" "	7-29-33
McClellan, Dorothy	1080.	" "	7-29-33
Mitchell, Verna E.	1080.	" "	7-29-33
Adcock, Francis	1080.	" "	7-29-33
Purcell, Marjorie	1080.	" "	7-29-33
Brown, Eva	1080.	" "	7-29-33
Covington, Alfred B.	1080.	" "	8-8-33
Edgecomb, Delbert L.	840.	Messenger	8-7-33
Glover, John D.	840.	"	8-9-33
Worthy, James	3000.	Asst. Deputy Admins.	8-7-33
Bell, Spurgeon	3600.	General Economist	8-7-33
McMain, T. W.	2300.	Draftsman	7-15-33
Winstead, I. D.	2300.	"	7-15-33
Berry, Harold	1200.	Under Clerk	8-7-33
Schneiderman, Rose	25.	Per diem Labor Advisor	6-22-33
Orton, Majorie	1440.	Stenographer	8-9-33
Bailey, Eleanor	1440.	"	8-7-33
Levin, Jack	4800.	Asst. Counsel	8-1-33
Keating, John M.	4800.	Asst. Counsel	8-4-33
Miller, Lee	3000.	Liaison Officer	8-7-33
Wyvell, Marion	1800.	Secretary	8-9-33
Bost, Carolyn N.	1620.	File Clerk	8-8-33
Chisholm, Mildred	1560	Stenographer	8-11-33
Cox, A. Leckie	1440.	Asst. File Clerk	8-9-33
Carmichael, Caroline	1440.	Stenographer	8-7-33
Satterfield, Mary	1440.	Secretary-Steno.	8-10-33
Bagley, W. H.	1020	Messenger	8-3-33
Luber, Gerald	840.	Messenger	8-8-33
Scott, Rufus W.	20. per diem--	Not to exceed 30 days con- tinuous service Special Advisor	7-15-33
France, E. W.	20. per diem--	Not to exceed 30 days con- tinuous service Special Advisor	7-24-33
Henry, Robert E.	20. per diem--	Not to exceed 30 days con- tinuous service Special Advisor	7-24-33

<u>Name</u>	<u>Salary</u>	<u>Position</u>	<u>Effective</u>
Burke, T. A.	\$ 10. per diem--Estimated term of employment 90 days.	Special Assistant	8-9-33
Pirnie, Malcolm	6000.	Asst. Dep. Adm.	7-19-33
Glassie, Don Caffery	3600.	Special Asst.	8-7-33
Niklason, Clarence B.	3900.	Statistician	8-10-33
Forsberg, Allen B.	3600.	Code Adviser	8-7-33
Brin, Leonard M.	2400.	Special Asst.	8-7-33
Howard, T. B.	2400.	Special Asst.	8-7-33
Crain, R. W.	2400.	Special Asst.	8-8-33
Davies, Hazel L.	2000.	Stat. Clerk	8-3-33
Boulineau, William W., Jr.	2000.	Special Asst.	8-9-33
Herndon, Flora	1800.	Secy.-Steno.	8-9-33
Finlayson, Prince G.	1800.	Clerk	8-9-33
Murphy, Elizabeth	1800.	Secretary	7-29-33
Milligan, Augusta G.	1800.	Secretary	7-28-33
Haddock, George B.	1800.	Secretary	8-10-33
Bird, R. H.	1720.	Stat-Clerk-Typist	8-5-33
West, Evelyn Liles	1680.	Secretary	8-4-33
Johnson, Florence	1680.	Secretary	8-1-33
McAllister, Alma K.	1660.	Stenographer	8-5-33
Landes, George H.	1440.	File Clerk	8-5-33
Dalby, Dent E.	1440.	File Clerk	8-5-33
Durkin, Helen D.	1660.	Stenographer	8-4-33
Dunkle, John A.	1440.	Stat. Clerk	7-31-33
Seymour, L. G.	1440.	Stencil Cutter	8-2-33
Russell, Elizabeth	1440.	Typist	8-5-33
Cornnell, Naomi L.	1440.	Typist	8-5-33
Linthacum, Matilda	1440.	Typist	8-7-33
Behan, John	1440.	Typist	8-9-33
Horan, Rose	1440.	Typist	8-14-33
Callinan, Frank E.	1440.	Clerk	8-9-33
Bunch, Frances	1440.	Stenographer	8-9-33
Creque, Viola	1440.	Stenographer	8-4-33
McCormick, Elizabeth	1440.	Typist	8-11-33
West, Mary	1440.	Stenographer	8-10-33
Risser, Robert	1320.	Jr. Clerk	8-11-33
Rogers, Margaret	1320.	Clerk-Typist	8-10-33
Mitchell, Peter	1260.	Under Clerk	8-8-33
Poore, Alice B.	1260.	Under Clerk	8-10-33
Healy, John	1220.	Junior Clerk	8-1-33
Hogwood, A. W.	1020.	Stat. Clerk	7-31-33
Shouse, John H.	1020.	Inspector	7-29-33
Conley, Earnest	1020.	Under Clerk	8-2-33
Jovick, Vance	840.	Messenger	8-11-33
Dozier, R. B.	720.	Messenger	8-9-33
Benham, R. E.	720.	Messenger	8-7-33
Luckenback, J. Lewis	20. per diem--Not to exceed 30 days contin- uous service	Special Advisor	7-19-33

Will you explain this, Mr. Secretary.

MR. JENSEN: This is a Recovery Board chart gotten out by Thomas S. Hammond, Executive Director of the President's Reemployment Program. It is an allocation of duties of the District Recovery Boards, of which there are 26 corresponding to the Foreign and Domestic Commerce offices, the State Recovery Boards, and the local City Committees. Rather than take the time of the Board now to read it, I think we should just put it into the minutes.

The Recovery Board Chart was then handed to the stenographer to be included in the minutes, as follows:

RECOVERY BOARD CHART

<u>The BLUE EAGLE Division N.R.A.</u>	:	
	:	
Consists of the Washington Office and its 26 District Recovery Boards which latter are NRA's field representatives with power "to advise" - "to report" at will but have no power to "pass upon" except as ordered by NRA. NRA and its 26 District Boards form a single administrative unit in which the Boards are the field inspectors of the Washington Headquarters.	:	
	:	
	:	
	:	<u>State Recovery Councils</u>
	:	May at will "re-
<u>State Recovery Boards</u>	:	commend" and "re-
These have power at will "to advise" and "to report" and "to act" when requested by NRA.	:	quest" but have no
	:	other power. It is
	:	the field inspector
	:	of the State Board
	:	as are District
	:	Boards to the NRA
	:	
	:	
	:	
<u>NRA Local Committees</u>	:	
Arouse and maintain popular support of NRA	:	
action as that is applied through the State	:	
Boards. It will advise, report to and act for	:	
the state board in local affairs.	:	

The President's Reemployment Agreement goes into effect by means of the above indicated mechanism. That mechanism is now in operation, to continue during the life of the NRA or until prosperity is regained. Nationwide, this mechanism operates primarily through the State Recovery Boards who alone have power to act, directly or through their NRA local committee when so authorized by National Headquarters. That Headquarters is a unit of which the "District Boards" are an undivided part whose territorial boundaries do not hinder the direct flow of action between Washington and the State Boards, and thence through the latter and the NRA Local Committees to the people direct. Please read NRA Bulletin No. 3, pages 3 and 4 in connection with the above.

Washington,
August 12, 1933

Thomas S. Hammond, Executive Director
The President's Reemployment Program.

CHAIRMAN ROPER: It shows the functioning of the Boards.

MR. JENSEN: Yes sir.

CHAIRMAN ROPER: The Board will be glad to know that we get very satisfactory reports from these units. It seems that the thing is well organized. There are large numbers of people coming to these Boards for instructions. We have had to increase the personnel at nearly all of these offices to handle the people who come in. I get practically no complaints. It seems to have been a splendid thing to head these units with the trained people from this department.

Since you were here we also created a Local Board in the District of Columbia. Everybody seems to be pleased with it, and it is one of the things, so far as I know, that we have had no flare-back against at all. I have not heard a single objection to the Local Board. It was gotten up in this way: the local Chamber of Commerce and the Board of Trade and the Civic organizations each were permitted to name one man, and the others were gotten through equally safe channels, and it seems to have worked out splendidly. I would like to have that in the minutes.

The Secretary then passed to the stenographer a sheet containing

the following information:

"District of Columbia representative on the Norfolk District Board: W.W. Everett, manager of Woodward & Lothrop."

"MEMBERSHIP OF THE DISTRICT OF COLUMBIA RECOVERY BOARD

"Russell Balderson, President, Balderson Company
Brice Clagett
John B. Colpoys, Editor of the Trade Unionist
Mrs. Helen F. Essary
Melvin D. Hildreth
Mark Lansburgh
Ben L. Prince
A.K. Shipe
J.G. Yaden"

CHAIRMAN ROPER: We would like now to have the report of the Executive Committee on printing. Mr. Secretary, suppose you read it.

Mr. Jensen then read the following:

"August 14, 1933.

"Honorable Daniel C. Roper, Chairman,
National Recovery Board,
Department of Commerce,
Washington, D.C.

"My dear Mr. Secretary:

"The committee consisting of Dr. R.G. Tugwell, Assistant Secretary of Agriculture, Mr. Turner W. Battle, Assistant to the Secretary of Labor, and myself, appointed by you to suggest additional names for the Committee of Arbitrators to pass on the cost of lithographic work done for the National Recovery Administration, begs to report as follows:

"Mr. Battle suggests the name of Mr. George L. Barry, President of the National Pressmen's Union. Mr. Battle urges the name of Mr. Barry because he feels that Labor should be represented upon the Committee of Arbitrators. Dr. Tugwell joins me in the suggestions heretofore made by me of Mr. Colvert Bowie, Vice President of the H.L. Rust Company, and Mr. J.W. Bryan, National Press Club. Dr. Tugwell and I, in suggesting these two names, have in mind persons who will give fair consideration to the interests of the Government.

"While Mr. Battle especially urges the inclusion of a representative of Labor on the Committee of Arbitrators, nevertheless, the committee as a whole joins in approving the selection by you of any or all of the three names suggested for addition to the Committee of
+.

Arbitrators.

Respectfully,

(Signed) HAROLD M. STEPHENS
Assistant Attorney General."

CHAIRMAN ROPER: You have the report; what will you do with it?

SECRETARY PERKINS: I move that these three be appointed Arbitrators.

CHAIRMAN ROPER: It is moved and seconded that these three be appointed Arbitrators. Are there any comments? All in favor of the adoption of this report let it be known by saying "Aye" --opposed by saying "No."

It is so ordered.

We now have the question of the use of penalty envelopes.

Mr. Jensen then read the following ruling of the Post Office Department:

"August 8, 1933.

"Mr. E. Willard Jensen,
Assistant Secretary,
Special Industrial Recovery Board,
Washington, D.C.

"My dear Mr. Jensen:

"I am in receipt of your letter of August 8, asking whether the penalty privilege may be used by members of City Committees working in cooperation with the National Recovery program.

"Official correspondence of the City Committees, functioning under the supervision of the National Recovery Administration, will be accepted for mailing in penalty envelopes of the National Recovery Administration furnished to such Committees.

Very truly yours,

(Signed) ROY M. NORTH
Acting Third Assistant Postmaster General."

CHAIRMAN ROPER: That is the local Committees?

MR. JENSEN: Yes, the City Committees.

CHAIRMAN ROPER: I take it you would like to have that included in the

minutes.

I would like now to have the Secretary read what to me was a very interesting communication left here by Mr. Hugh F. Smith.

Mr. Jensen then read the following:

"PROTECTION MUST BE GIVEN CODE SIGNERS ON STATE CONTRACTS

"While Executive order issued yesterday provides that a contractor selling supplies to the Government must live up to N.R.A. provisions or suffer the abrogation of contracts, only two States have issued regulations concerning contracts with the States, and in the case of the State of Ohio the regulation regarding bids furnished to State Highway Department is so worded that it does not protect parties that have complied with codes of fair competition or with the President's reemployment agreement.

"It is suggested that the several State Highway departments which are spending State funds issue the following regulation:

'In compliance with the National Recovery Act no bids will be considered unless accompanied by satisfactory evidence showing that the bidder has subscribed to and is abiding by a code of fair competition or an agreement under Title 1 of the National Recovery Act. No materials or supplies will be accepted in connection with any project unless produced by a firm operating under such codes or agreements. When any contractor makes a bid based upon bids from material or supply men he must produce evidence that material men or others furnishing materials or supplies which he will use have prescribed to and are abiding by a code of fair competition or an agreement under the National Industrial Recovery Act.'

"For instance, Ohio passed the above regulation without the last sentence. Therefore, contractors can make bids based upon offers to furnish materials and supplies from others who have not complied with the Act and who are still offering to sell below cost and eliminating from competition others who have complied with the Act and have had increased costs and therefore cannot compete.

"Unless the States adopt such a program unfair practice of continuing to sell below cost by those who have not complied with the Act will continue to the detriment of companies that are under the Act and lending their support to the Administration's program.

"It is requested that proper request be made to the several States to issue such a regulation through the machinery already set up by the N. R. A."

CHAIRMAN ROPER: I take it that we will just accept that as information and refer it to General Johnson for proper consideration.

I am going to do an unusual thing. For the next few days I am going to be out of town, and I am wondering whether we should arrange so that the Chairman of this Board would be a member of the Cabinet in order of their position as members of the Cabinet.

SECRETARY PERKINS: I think that is a very good idea.

JUDGE STEPHENS: I move that that be the rule.

COMMISSIONER MARCH: I second the motion.

CHAIRMAN ROPER: All in favor manifest it by saying "Aye"; those opposed by saying "No". It is carried.

There are two or three communications which have been interesting to me, and I think they will be interesting to the Board. I am going to have them read now so that when we call on General Johnson for his report he will have these in mind if he wishes to refer to them.

Mr. Secretary, will you read that statement submitted by Mr. H. B. Rust, who I believe, is the President of the Koppers Company of Pittsburgh.

Mr. Jensen then read the following:

"August 14, 1933.

"Memorandum of Statement made to the
Secretary of Commerce today.

- "1. I am 100% in favor of rationing work.
- "2. Koppers Co. and its subsidiaries which employ possibly 20,000 people are doing everything in their power to work in accordance with their understanding of the purpose of the Administration.
- "3. A number of its subsidiaries have signed the blanket code. All others are working on codes for their respective industries, some of which have been agreed on.
- "4. One of the very inspiring things that has been brought out through this long and severe depression has been the cooperation between the people of all classes and degree of work, the confidence

that the people generally of this country have in each other. It is vital that this situation should not be disturbed.

"5. Through the way some of the propaganda and statements have been made to the public a vast number of wage earners and salaried people have received the distinct impression that they are entitled to receive immediately an increase not only in hourly rates but an increase in the amount of money in their weekly or monthly envelope. It is impossible to accomplish this under existing conditions and every care should be taken to disillusion the public in this respect.

"6. I believe in good pay and good wages and good salaries. I am confident that the statement in the law has been so interpreted in many instances to laboring people as to give them the impression that the President and the Administration is desirous that the country should be largely unionized. I am equally confident that forcing the unionization of industry on the people of this country at this time will disturb that feeling of mutual confidence that has existed, will cause friction and tend to defeat the purpose of the Act.

"7. To permit anyone to use this occasion to unionize important industries that are not unionized will prove a national mistake. There is less need for any such movement with the government fixing prices and wages than there ever has been.

"8. The recent coal strike in Western Pennsylvania was obviously brought about by propaganda to the effect that the Administration has placed an interpretation on the law which I do not believe is true.

"9. I earnestly recommend that the Administration 'Stop, Look and Listen' before injecting things into the situation that are not required by law, that for the moment a brief and clear statement should be issued and given wide publicity by the highest authorities to the effect that (a) the enforcement of this law does not necessarily carry with it increased monthly pay, (b) that collective bargaining through company unions or some measure other than national unions will be a compliance with the law and national unionization is not essential. Unless this is done there will be created unnecessary discord and friction which will go a long way towards defeating the purpose of the Administration."

CHAIRMAN ROPER: One portion of this memorandum, I take it, is covered by General Johnson's efforts in the last few days to stress the necessity of buying and sustaining prices.

Now to get before us one other matter --

SECRETARY PERKINS: Do you want any action on that matter now?

CHAIRMAN ROPER: I was going to ask General Johnson to comment on it, but we might have that right now.

GENERAL JOHNSON: Some of the things he asked us to do would be direct violations of the law. This is a Mellon Company. We have made these clear statements over and over again that this Administration is not concerned with union organizations. What has happened is that some of these aggressive labor unions have misrepresented the plan and some of the industrial units have misrepresented it, sending out circulars to their men which were really abusing the men's trust in their informants. The labor unions said the only way to get the benefits of the recovery plan was to join a particular labor union; and the companies have stated that it was absolutely necessary for the men to join the company union. It just left us in the position of saying that both statements were untrue. The President has said practically that. It is true that this is an embarrassment. This law provides that anybody who signs an agreement or subscribes to a code may engage in collective bargaining through representatives of the workers' own choosing without being under the control of the employer. It is not a condition that a person shall belong, or shall not belong, to a union. This law should bring about open shops--shops where a man will be employed regardless of whether he belongs to any union or not.

SECRETARY PERKINS: It doesn't force open shops.

GENERAL JOHNSON: No it doesn't, but an open shop is where belonging to or not belonging to a union is not a condition of employment. Some of these labor unions have represented that a man cannot be employed unless he belongs to their union, and some of the employers have represented almost the exact opposite viewpoint. All I am doing is to administer this law as I find it. I am not shading

either way, but there is misapprehension and misunderstanding, a good deal of which has been deliberately provoked with about equal fault on both sides. In my opinion, if this law went to ultimate and complete success you would find each one of these industries would be organized vertically as an industry. All the companies of an industry would be allowed to combine under this law for certain purposes. If that happens and the law becomes permanent, it seems to me that it is almost necessary that there be organization of the labor in the industry. That is not the condition now except in a few garment trades and the coal industry. The industries would be organized vertically and the labor would be organized laterally in unions. If we could get an agreement in connection with bituminous coal that the industries would permit their men to join industrial unions on condition that the unions use no weapons against a particular company but make their demands to the governing body of that industry, we would accomplish the greatest thing that has been accomplished in the world in labor conditions. Whether we can do that I do not know. Things are in flux and there are uncertainties in the whole thing. All we can do is to attempt to work these codes out. They present terrific problems. The Steel Code is absolutely unacceptable, monopolistic, archaic in some of its conceptions. I do not know how we can work it out, but the only thing to do is to tackle it. We have great problems in both the coal and oil industries. We have been doing a lot of negotiating. It is a little too early to say what we are going to arrive at, but all I can say is that we are doing the best we can under the circumstances.

SECRETARY PERKINS: I think it would be fatal to answer that letter in any definite way.

GENERAL JOHNSON: We have already answered it.

CHAIRMAN ROPER: The only thing I promised was that it would be brought before the Board. I have done that. I do not see that there is any further action to be taken.

General, you may proceed with any further statements you wish to make.

GENERAL JOHNSON: I do not have time to get up formal statements. Most of the things are in the press. If I started out to recite what has happened, it would take me an hour; but I present myself here and if anybody wishes to ask questions I will answer them fully and freely. I think that is the best way to get at this thing.

CHAIRMAN ROPER: All right, we will proceed that way, then.

SECRETARY PERKINS: I have a number of matters I want to bring up when the proper time comes.

CHAIRMAN ROPER: Suppose you proceed, then.

SECRETARY PERKINS: Statistical reporting is becoming a considerable problem. Under a number of codes that are being adopted there is a provision that the information shall be reported direct to the trade associations. This is creating a very chaotic and unsatisfactory condition in many of the Government departments, particularly those departments which, for a long period of years, have been in the habit of collecting material regularly. When we sent one company the regular monthly questionnaire with regard to employment, which they had been receiving every month for the last 15 years, they informed us that they are not forwarding the

information because they are taking up the plan to report directly to the trade associations. That throws the thing entirely out of scale. Moreover, the reports to the trade associations are irregular and they are not subject to checking. We have already discovered that the reports of some firms were apparently deliberately incorrect, and not in harmony with other reports available to the Government. It is also an extremely bad idea, I think, for the Government to accept material that comes through second-hand. We went all through this in the State of New York one time in getting reports for the State Insurance Fund from an agency of employers. We found that we often did not have the facts and that we were subject to misrepresentation and misleading information that we ought not to accept. It is very bad for the employer group to get into the habit of reporting to the trade associations and not to the Government. They must look to the Government in many ways, and the economic facts must be in the hands of the Government. The trade associations can be very useful but the Government must be the source of impartial and correct economic information. I think we should not allow the employer group to get out of the habit of reporting to the Government. Moreover, I think that they should establish stronger habits of reporting more things to the Government. We want to establish a firm economic basis during this Administration by democratic association with the leaders in industry, but the information ought to be pure at the fountainhead or otherwise we would not be in a position to take the leadership. The people who are handling the statistical work in the departments feel that the statistical reporting should be direct to the

Government. I think the Statistical Committee has made a resolution on that, and I think they are right, that that is the way it should be handled unless the General has objections.

GENERAL JOHNSON: We started out with the idea of setting up industrial self-government and that those trade associations shall assist themselves, and that they shall police themselves unless we find it necessary to police them.

SECRETARY PERKINS: I think we are in deep water if we allow trade associations to handle our statistics. I think we must keep clearly in mind the fact that the only proper way to handle this matter is as a partnership.

GENERAL JOHNSON: The statistics have not been reliable in the past.

SECRETARY PERKINS: With industrial self-government, the Government must remain the senior partner.

GENERAL JOHNSON: That is all right.

CHAIRMAN ROPER: Will you permit me to have read here at this time a report from the Central Statistical Board.

DOCTOR DICKINSON: Might I call attention to the language of the Statistical Board on page 2?

CHAIRMAN ROPER: Let us have the whole document read, without the letter of transmittal.

Mr. Jensen then read the following resolution:

"August 14, 1933.

"Whereas Section 3 (a) of the National Recovery Act provides that: '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, employes, and others, and in furtherance of the public interest ***', and

"Whereas Section 10 (a) of the National Recovery Act provides that:

'The President is authorized to prescribe such rules and regulations as may be necessary to carry out the purposes of this title', and

"Whereas the vast majority of trade associations do not include in their membership all of the units of their industry, and

"Whereas, there are many industries in which the membership is divided between two or more trade associations, and

"Whereas, the absence of complete coverage for their industry by some trade associations and the division of control between two or more associations will make it difficult for the National Recovery Administration to secure through such sources a sufficiently wide coverage of specific industries to enable them effectively to accomplish the purposes of the National Industrial Recovery Act, and

"Whereas, the collection of information by an individual trade association in its own manner will interfere with the uniformity and comparability of statistical data as between different industries, and

"Whereas, the designation of private trade associations as official agencies for the collection of statistical data under codes approved by the President of the United States threatens to interfere with the collection of economic data which in many instances existing government agencies are required to collect by acts of Congress, and

"Whereas, certain firms have already refused to continue reporting to certain government departments, using as the basis for this refusal the fact that they are reporting to their trade association under the code,

"THEREFORE, BE IT RESOLVED: That the Central Statistical Board recommends that there be included in every code approved by the President of the United States under the National Recovery Act the following provisions:

(1) All persons subject to this code shall, upon the request of the Administrator, submit such reports at such times, on such forms and to such government agencies as may be prescribed by said Administrator;

"Provided (a) that the Administrator shall not inaugurate a reporting service which calls for a duplication of information already being collected by other agencies of the Federal Government; and

"Provided (b) that where the _____ (trade organization) and the 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 transmitted to the Administrator and the _____ (trade organization); and

"Provided (c) that all information submitted regarding the affairs of any single person shall be kept confidential, except as written

consent to publish specific items is voluntarily given by said person.

(2) Each failure to report as prescribed in subsection (1), and each report which is a deliberate falsification, shall be deemed a violation of this code.

(3) For purposes of this section, the word 'person' includes any natural or artificial person and any association of such persons, excepting that the words 'single person' shall not mean any trade or industrial organization or group organized by the Administrator or truly representative of the trade or industry in any area; and the words 'the Administrator' shall mean the Administrator for Industrial Recovery and/or his duly authorized agent or agents.

"BE IT FURTHER RESOLVED: That it be recommended to the President of the United States that such codes as have already been approved under authority of the National Recovery Act be amended to include the above mentioned provisions."

DOCTOR DICKINSON: I would like to point out, if I may, that this does not exclude the collection of statistical information by trade organizations. It simply provides that the code shall carry a clause which will permit the Administrator at any time to call for statistical information as follows: "All persons subject to this code shall, upon the request of the Administrator, submit such reports at such time, on such forms and through such government agencies as may be prescribed by said Administrator." In other words, if the Administrator thinks best he may continue to permit the collection through the trade associations, but, if for any reason, he feels that that information has not been properly collected, or is being inadequately collected, then he will have authority under the code to step in and call for the information to be collected by the government.

CHAIRMAN ROPER: When you say inadequately collected, you mean that the sources from which the association gathered its information are not complete, and that they cannot get it so complete as the Federal Government could?

DOCTOR DICKINSON: Exactly; or it may be that the trade association was not collecting information honestly. There might be a number of reasons of that kind.

CHAIRMAN ROPER: I can see how there might be a number of instances where you would be getting only a segmentary knowledge, whereas it is important to make sure that we get complete knowledge.

DOCTOR DICKINSON: Yes.

SECRETARY PERKINS: I think we ought to recognize that the setting up of that Central Organization was to enable all the agencies of the government to collect economic information without duplication, or unnecessary work.

GENERAL JOHNSON: I would like to state this: this plan cuts right square across some points of policy.

CHAIRMAN ROPER: We will leave this matter, then, to General Johnson for study and report at the next meeting. Is that all right, General?

GENERAL JOHNSON: Yes.

SECRETARY PERKINS: I would like to bring up for discussion with the General the name which is being used by some of the NRA Blue Eagle Committees of reemployment. It is becoming very confusing in some states where volunteers are announcing that they are getting people jobs. We have an elaborate reemployment committee under the Public Works section, and they are the only ones who can direct jobless people to jobs on the Public Works. I wonder if some plan could be worked out to eliminate this confusion.

GENERAL JOHNSON: Do you have any suggestion to make?

SECRETARY PERKINS: It would help if you could find a way to check up

the misuse of words.

GENERAL JOHNSON: What is the word that is being misused?

SECRETARY PERKINS: It is "Reemployment Committees." We have committees by that name that are actually the agencies by which the jobless are being fed into the Public Works. It makes a confusion in the local public mind. I would suggest that you stick to the word "Recovery" and we will stick to the word "Reemployment."

Another question is this -- that the working people, particularly those who are unorganized, do not know what the codes are, except as they can make them out of the newspapers, and we are overwhelmed in the Department of Labor with requests for information from workers as to how many hours they are supposed to work, what they are supposed to be paid, and what the conditions of work are supposed to be. The device of posting the code in all premises would enable those who can read to read and explain it to the others, and it would also enable us to say, "The code is posted on your premises; go and read it." We are starting a service whereby we can send people to these groups of workers, but that means considerable training of the people who work with us as volunteers.

GENERAL JOHNSON: A large part of these codes -- ninety per cent of the words in the code -- do not have anything to do with labor conditions.

SECRETARY PERKINS: In the State of New York we made a digest of the labor laws and posted it where the worker could read it.

Another question that I have been asked to grapple with is the question of police for violations of the codes, both the

general Blanket Code, which I think is less important, and the particular code.

GENERAL JOHNSON: Let me say a word about that. It is true that there is a tremendous amount of chiseling on that Blanket Code, as well as on the codes. If we are going to make this thing an entire success, we have practically got to get everybody in. We started out first of all to get everybody signed up. That was the purpose of the Agreement, and not to pay too much attention to chiseling at first. First there was to be very widespread acceptance of the Agreement, and second, very widespread public education as to what the Blue Eagle meant before we began the drive on chiselers. The plan is that probably about two weeks from now we will have to deal with a case which was very flagrant, and after they are all in, say by the first of September, then pick out three or four especially flagrant cases where we are absolutely on sound ground so far as our powers are concerned and make terrific examples of them; and then proceed to a more general mopping up of all the cases we can handle. I think it is almost necessary to follow that plan.

SECRETARY PERKINS: I think that is sound on the prosecution end of it. I realize that you cannot step out and look for the violations yourself; but we might at this time adopt a plan or make up a plan for securing through appropriate and reliable sources the reports of violations so that we will not get in a mass of complaints that are based on ignorance of the law.

GENERAL JOHNSON: The complaints would take care of that.

SECRETARY PERKINS: But the complaints will largely be wrong.

GENERAL JOHNSON: We are talking about codes now.

SECRETARY PERKINS: Yes, codes.

GENERAL JOHNSON: In each one of these set-ups like the Cotton Textile Planning Committee we would first of all ask them to take care of the complaints.

SECRETARY PERKINS: That is the continuing Committee?

GENERAL JOHNSON: That is right.

SECRETARY PERKINS: In which the government has membership?

GENERAL JOHNSON: That is right. Then if that is not satisfactory, as in many cases it will not be, and we think they are not attending to their problems as they have agreed to attend to them, and the Committee finds actual violation, we will turn them over to the Federal Trade Commission.

SECRETARY PERKINS: You will get a great mass of complaints, 50 per cent of which will be unjust when carefully analyzed. Complaints come from people who just don't like the way things are going. The real violators are often not complained about because there is no system of determining actually and definitely who are the violators. Wherever we have had real law to enforce, we have had to have real inspection service. It is not practical to develop a new inspection service for this work. Nevertheless, we must have inspection/ of some sort. The Federal Government has many skilled inspectors who know the rights and duties of government officials, and if they know the law and are requested to do so they would be in a position to give you an accurate report. They will not make a foolish report that cannot be verified. They will verify their own reports; and what is more, it will serve to bring into the service of the government the states and to bring into cooperation with the govern-

ment the state organizations. We might lay the basis for a plan and not call it policing, or enforcement, but something which really means the same.

CHAIRMAN ROPER: Have you a Complaint Division?

GENERAL JOHNSON: Yes, we have one, but I probably have neglected that end of the business, partly by design and partly by press of work. We have not entirely neglected it; we have a committee that acts on it, but I have not set up the kind of organization Miss Perkins speaks of, and I think it is a splendid idea.

JUDGE STEPHENS: I suggest that the Bureau of Investigation might be able to help in this if you will take it up with the Department of Justice.

SECRETARY PERKINS: I think we ought not to wait for the complaints. I think the matter of handling complaints is largely a matter of public relations. The real violators will be often people who do not get complained about.

JUDGE STEPHENS: That is very true.

GENERAL JOHNSON: Would the plan you have in mind tie in with our organization?

SECRETARY PERKINS: It would be a complete tie-in with both services.

GENERAL JOHNSON: Have you in mind a real mechanism to do that?

SECRETARY PERKINS: I have it vaguely in mind. Is it desirable and wise to work it out now?

GENERAL JOHNSON: I think it is not a moment too soon to start it.

COMMISSIONER MARCH: Won't the industry itself bring in those complaints?

SECRETARY PERKINS: We are relying very largely upon the competing firms to report violations. We could not begin to cover this

country with inspection; neither is it desirable; but there is a way of utilizing inspection service strategically so that you take samples and out of that sampling you handle the entire situation.

CHAIRMAN ROPER: Madam Secretary, won't you be assisted wonderfully in that by the large organizations of consumers?

SECRETARY PERKINS: I have tried them. What we want is accurate, reliable information. The most terrible thing to deal with is an inaccurate report. If there is an item of inaccuracy on the report on which you are relying, it upsets the whole plan. The consumers and all the rest of these people give you inaccurate reports. You cannot call them as witnesses.

CHAIRMAN ROPER: Even if your consumers are organized in a very high class manner?

SECRETARY PERKINS: They have no way of knowing of labor violations. The only thing that hurts in this Code is the question of hours and wages.

CHAIRMAN ROPER: I am thinking of prices

SECRETARY PERKINS: You may get that also, but the thing that hurts-- the item of unfair competition--is that of hours and wages. The consumer has no way of knowing who the chiselers are. As a matter of fact, almost the only person who can get at that is the inspector who can go in and say, "Let me see your payroll."

COMMISSIONER MARCH: We can do that under the Trade Commission Act.

SECRETARY PERKINS: Do you have an inspection service?

COMMISSIONER MARCH: Oh, yes; we have had for 20 years. General Johnson said he looked to us to carry out that part of the law.

SECRETARY PERKINS: Do you inspect on complaints?

COMMISSIONER MARCH: Yes.

SECRETARY PERKINS: And you inspect the payrolls?

COMMISSIONER MARCH: No, we have never done that.

GENERAL JOHNSON: I think that if this Administration starts out with this inspection and police service it will scare everybody off.

COMMISSIONER MARCH: I think you are right about that, General.

SECRETARY PERKINS: We must not call them police or inspectors.

GENERAL JOHNSON: Can you put somebody on the job?

SECRETARY PERKINS: Yes, I will be glad to.

GENERAL JOHNSON: I think you ought to give somebody the job of working that out, putting them in touch with the Attorney General and the Federal Trade Commission.

SECRETARY PERKINS: We must not ignore the sovereign states in this matter. They will cooperate.

JUDGE STEPHENS: The Workmen's Compensation Board might help.

CHAIRMAN ROPER: What would you think of referring this to Madam Secretary, Judge Stephens and Chairman March of the Federal Trade Commission?

GENERAL JOHNSON: This is the kind of thing where you have to put somebody intensively on the job. I think it is a full-time job.

SECRETARY PERKINS: I would like to volunteer for a week's service on this, and then I will give you a survey on it.

GENERAL JOHNSON: I will hire somebody, if you have somebody in mind who will, under your direction, work this out with the Attorney General's office and the Federal Trade Commission.

SECRETARY PERKINS: Here is another item. These have all come in in

such a way that I cannot overlook them -- complaints as to the price-fixing that is already beginning to appear in connection with the Electrical Code. I heard the President say yesterday to an inquirer that there would be no price-fixing.

GENERAL JOHNSON: There is none, except that the people are not to sell below cost. That is the purpose of this Act.

SECRETARY PERKINS: I feel that we should be perfectly clear on that. It is one of the most dangerous terms in the world, selling below cost.

GENERAL JOHNSON: That is not price-fixing.

SECRETARY PERKINS: There is this funny little typewriter company that lost a million dollars a year every year because an old lady thought the cheapest way to keep a troublesome son out of mischief was to put him in charge of that company. That just wrecked the typewriter business. The prices charged by this particular company are making a lot of trouble. I think this policy of fixing prices is a very serious one.

GENERAL JOHNSON: The purpose is to benefit these industries that have been degraded -- and they have been degraded by one step after another.

Take the Cotton Textile Industry, for instance; that is one of them. I think many of these problems will be solved simply by what they call an open-price arrangement by which they report their prices. Every one of these industries is a little different and I know that in order to put a bottom under some of them we shall have to arrive at some formula. With some of them you have pretty nearly got to fix a minimum price. The purpose of the Act just

goes out the window if you don't. You mention the Electrical Code.

SECRETARY PERKINS: We had a great kick on that.

GENERAL JOHNSON: They had a great opportunity to make a kick through the hearing. It is not the time to bring in kicks now.

SECRETARY PERKINS: I would not think of having the Electrical Code recalled. I was raising the question now as to policy on the future codes because we can get into a serious predicament. Why do we have to fix prices?

GENERAL JOHNSON: In some cases I know that you can't, but I think you have to put some element of stability against unconscionable price cutting.

SECRETARY PERKINS: What does price cutting rest on?

GENERAL JOHNSON: It is brought about by organizations moving into areas of exploitation, in the Cotton Industry, and carrying prices from that exploitation area into other areas. This has happened again and again.

SECRETARY PERKINS: We created that.

GENERAL JOHNSON: We created some of it. Take the bituminous coal industry, for instance - -

SECRETARY PERKINS: Yes, a carload of coal under some circumstances will just ruin the market for a couple of weeks. There are some of these so-called wagon mines where a man loads up a truck load of coal and hauls it away and sells it at a very low price. This is an extreme case. There are places down in Kentucky where you can see from one mine to another across the river where one is paying decent wages and the other is operated by a lot of hill-billies who receive almost nothing.

GENERAL JOHNSON: In some of these cases it would mean the elimination of some establishments; and that is what it is going to mean. We have to go right straight up against that on the basis at least of some price below which people cannot sell.

SECRETARY PERKINS: I think it is very dangerous to do that until we analyze these price depressions. In many cases they are based on wage cutting. The other ways to reduce prices are to reduce profits or reduce capital cost.

GENERAL JOHNSON: We have that right now in the Rubber Code in connection with the Fisk Rubber Company. I have done this myself: You buy a plant costing \$15,000 or \$16,000 and then with perhaps a million dollars you can go out and cut prices on that product and you just "raise Cain" with every other thing because the only other answer is to cut labor.

SECRETARY PERKINS: Or capital costs.

GENERAL JOHNSON: Yes, but you can't quite wipe out capital all over the country.

SECRETARY PERKINS: It seems to me that ought to be very carefully analyzed to see if the Fisk Rubber Company pays no overhead and no capital costs before we let them sell at the same price as others and therefore make an enormous profit.

GENERAL JOHNSON: That is just what I am doing -- analyzing them carefully.

SECRETARY PERKINS: I think we want to look out for this. We may be prolonging and keeping alive a capital structure which is not justified.

GENERAL JOHNSON: That is absolutely correct, especially in the steel

industry.

SECRETARY PERKINS: And in the coal industry.

GENERAL JOHNSON: I must take all those circumstances and arrive at something definite and say we are going on that line. We are going to get into injustices on both sides, but we must arrive at something definite. You have to strike a medium decision somewhere and that is what we are trying to do.

JUDGE STEPHENS: Since the Department of Justice is going to have to defend some of these cases, I would like to make a suggestion from the legal standpoint on this matter of price fixing. We ought, it seems to me, to proceed with great care and pick out a good case, for the statute is not wholly free from doubt. I think General Johnson himself will agree to that statement.

GENERAL JOHNSON: I think doubt is about all there is in it!

JUDGE STEPHENS: I am speaking conservatively, General. I would like to say this to the Board and for General Johnson's information -- one of our United States District Attorneys with a lofty purpose, but without advising us beforehand, arrested a man for misuse of the NRA emblem. I had circularized every United States District Attorney ordering that no arrests or prosecutions be made without first reporting to the Department of Justice all the facts, but this man got ahead of us, and I want to report that I ordered the miscreant released at once, after complimenting the District Attorney for his lofty motive.

GENERAL JOHNSON: We will have to go after that.

CHAIRMAN ROPER: I wanted to call your attention to this item.

One of our friends in the Bureau of Mines has made a suggestion which is as follows:

Memorandum for Dr. Dickinson.

As you know, the Bureau of Mines has done considerable work in connection with the health and safety of miners and the promotion of safety methods and precautions in the operation of mines. This has resulted in a material reduction in mine accidents and injuries and casualties.

One of our friends in the Bureau of Mines has made the suggestion that in connection with the bituminous coal code the National Industrial Recovery Administration should give consideration to incorporating some provisions on the health and safety phases of mining.

I am submitting the matter for your attention with the thought that you might wish to refer it to the proper officials in the Recovery Administration.

M. Kerlin

GENERAL JOHNSON: I would like to do that, but we have enough provisions now to fill this room.

SECRETARY PERKINS: That, it seems to me, is one of the refinements for next winter.

CHAIRMAN ROPER: How do you answer this question? The president of a tree company came to see me.

SECRETARY PERKINS: Does he want us to regulate the trees? (Laughter.)

CHAIRMAN ROPER: He says his people can work only six months a year

and he wants to know whether it is not feasible, General, to work out some arrangement that would enable him to have a longer range of average hours.

GENERAL JOHNSON: Yes, we have that problem in the seasonal industries.

CHAIRMAN ROPER: What is the answer?

GENERAL JOHNSON: We have allowed them to make their statistical showing. While the code is for all the people, we very promptly release them if they submit a code and substitute the provisions of their code for the provisions of the President's Agreement. Take the canning industry, for instance. The bulk of their work is done within six weeks. If they make a prima facie case, we allow a substitution after everybody has had a chance to contest it.

CHAIRMAN ROPER: They file the code subject to these amendments?

GENERAL JOHNSON: That is right. We just substitute this which lets them get the Blue Eagle.

SECRETARY PERKINS: Do you have any rough-and-ready estimate of the number of new people employed?

GENERAL JOHNSON: Oh, yes, we do.

SECRETARY PERKINS: They are very likely to forget that the limitation of hours is a humanitarian move in order to bring about the employment of more and more people.

GENERAL JOHNSON: The retail trade closed their stores.

CHAIRMAN ROPER: I doubt if we have made that as clear as we should.

GENERAL JOHNSON: There is no question about that.

CHAIRMAN ROPER: The employment of more people is the object.

Mr. Brown, in connection with that price-fixing board for the printing, is there any objection to giving that out that you can see now?

MR. BROWN: No, sir. I wanted to ask you this question to be clear.

Are these three added to the others, or do these three constitute the Board?

JUDGE STEPHENS: We were asked to suggest three additional names from which you might choose to add to the committee, any or all as you saw fit, but I understood we were not to eliminate.

CHAIRMAN ROPER: My thought was that there would be seven. Is that correct?

MR. BROWN: The larger the committee is the more difficult it is to reach a conclusion.

GENERAL JOHNSON: I would like to take up a matter before I go. It is with reference to Dr. Ogburn. I believe you sent him a telegram. You wanted to "kick him upstairs" or something like that. He came to me Saturday with a statement that he was not going to do that. I had asked him to do something else. I told him his services were needed some place else. When he came in Saturday he made a violent attack on Mrs. Rumsey and said she was not mentally or physically fit to go on with her job, and then presented some of his points of view. I said, of course we have to have organization, and we are in a period where policy is in formation and flux, and committee action is not properly carried forward by one man taking a position and insisting on it; he has a right to file a disagreement, but it is not the time to make a sounding board when we are asking for cooperation, and disagreement is intrinsic. We have labor on one side and capital on the other; we have deliberately chosen men to represent these different sides, because our purpose is to settle difficulties and not to hammer them out on the anvil of public opinion.

I told him I would like to have him reconsider this matter and see if we could not get together on a point of view. I told him I was going away over Sunday; and then he goes to the press and announces his point of view, saying it will be impossible for him to comply with my request, and making up a press release.

SECRETARY PERKINS: He promised me yesterday he would not go to the press.

GENERAL JOHNSON: But he did, and the things he advances are the things we have said are our policy. It is just a question who is to carry out that policy -- whether it is the Consumers' Advisory Board or some other organization -- but he has gone to the press and they are besieging the corridors to ask "What about Dr. Ogburn?"

SECRETARY PERKINS: You asked him to prepare a statement for you, didn't you?

GENERAL JOHNSON: I did; and instead of giving it to me he gave it to the press.

CHAIRMAN ROPER: Let me see Dr. Ogburn and see what can be worked out.

SECRETARY PERKINS: Did he resign in the letter?

GENERAL JOHNSON: He was making himself a martyr for certain things that we have announced as our policy from the very beginning, but the point is he was not permitted to carry it out. He and Mrs. Rumsey did not agree on the Advisory Board.

SECRETARY PERKINS: That is unfortunate that he went to the press.

Did he do it through Michelson?

GENERAL JOHNSON: No, I think not. This was upon his severance, although I had asked him to remain.

SECRETARY PERKINS: Then he goes into the class with Miss Van Kleeck.

GENERAL JOHNSON: It is terrible to have an upset in our organization.

CHAIRMAN ROPER: I think inasmuch as he has resigned now it is best to accept that as his resignation. I take it he is a valuable man.

GENERAL JOHNSON: I do not think he is entitled to consideration.

COMMISSIONER MARCH: I agree with the General.

SECRETARY PERKINS: He is a valuable man and an extremely able sociologist and economist. He is, as you know, a Professor in the University at Chicago and teaches in the summer school and is extremely busy. Mrs. Runsey's answer will be that he was too busy with other things to do the things expected of him by the Consumers' Advisory Board. There is no necessity to find a place for him in the Federal Government. He has plenty of things to do. I think it is a misfortune for him to feel that he has been separated under circumstances of criticism. If we could find some consultative capacity for him it would be well.

CHAIRMAN ROPER: That is what I had in mind. What would be the sense of the Board about that? Should we give the matter consideration from the standpoint of trying to adjust this man in some advisory relationship unrelated, it might be, to what he has been doing?

COMMISSIONER MARCH: I would say not to consider it at all except as his resignation. It seems to me it is very unethical for him to do what he did in giving that statement to the press and resigning just contrary to what we would wish him to do.

GENERAL JOHNSON: I asked him not to do it.

SECRETARY PERKINS: I did too.

COMMISSIONER MARCH: It seems to me the thing to do is to let him go.

DOCTOR DICKINSON: I was very much surprised when I heard he had given the statement to the press, for I had understood he was not going to do it. But to "give the devil his due," I think his statement

was a very mild and dignified statement, as I read it. It would be very difficult to construe it into an attack.

GENERAL JOHNSON: The statement assumes that a policy which he advocates was turned down in this organization, which is literally and categorically untrue and without a word of justification.

DOCTOR DICKINSON: I think this statement was so worded that one would not draw that conclusion from it.

GENERAL JOHNSON: That is like hitting a man in the eye with a rotten tomato but doing it in a dignified manner! (Laughter)

CHAIRMAN ROPER: Let's let that rest now.

I see the Secretary of Agriculture is here and perhaps he has something to say of what he has heard and seen in the South.

SECRETARY WALLACE: There seems to be extraordinary enthusiasm for the NRA Program, and they are putting up the Blue Eagle in a casual way, but they really do not know what it is all about. That, of course, is speaking of the small folks.

SECRETARY PERKINS: Are the Chambers of Commerce informed? I found that in New England that when the Chamber of Commerce finally got around to it they got the correct information.

SECRETARY WALLACE: I think they are really informed. In Nashville they are getting ready with speakers to inform everybody.

GENERAL JOHNSON: There is no doubt that they are putting up the Blue Eagle but not putting up what they are supposed to do; but I think we ought to get the Blue Eagles up.

CHAIRMAN ROPER: I am with you a hundred per cent on that. Let's get the Blue Eagles up!

SECRETARY WALLACE: The thing merges over into the Negro labor problem. Apparently the laundry people are very much perturbed because they

feel they are going to suffer from competition with negro washer-women. They talk like people in genuine fright.

GENERAL JOHNSON: That has been our problem. The laundry people have finally submitted, and had approved, a temporary code for the whole laundry industry except the South; but they are out -- they have no Blue Eagle--they are left on a limb. I know I cannot approve a lot of people being paid \$5 or \$6 a week. I do not think that can be justified.

SECRETARY PERKINS: On the other hand, they say they cannot compete with the domestic laundry.

CHAIRMAN ROPER: Is there some other observation you wanted to make, Secretary Wallace?

SECRETARY WALLACE: No, I think not.

(General Johnson and Miss Robinson left the room at this time.)

CHAIRMAN ROPER: This matter of a committee to pass upon the price level of this printing which Mr. Brown submitted some time ago -- four names for us to check up. We checked up on those four names, and so far as my information went they were satisfactory, but it was suggested by our Committee, as I understand from the chairman, that the committee might be enlarged by one or two names.

JUDGE STEPHENS: As I understand the matter from the beginning, these four names were suggested by Mr. Brown as names which had been suggested to him -- he was not setting them out as finally selected -- but when the Executive Committee met it was suggested it might be desirable to have some other names from the labor standpoint and in fairness to the government, and therefore you asked Mr. Tugwell, Mr. Battle and myself, and we have suggested now three more names; but the

Committee's suggestion is subject entirely to your approval both as to quantity and quality, either adding to the committee of four or substituting, entirely at your discretion.

CHAIRMAN ROPER: How would it do to raise this committee to seven members? Probably it would not be convenient for all of them to attend always, but four could be fixed as a quorum so that all contracts would have to be approved by at least four of this group.

SECRETARY PERKINS: Are they all printers?

CHAIRMAN ROPER: One is a printer, one a newspaper man and one an advertising man.

JUDGE STEPHENS: Two represent government officials.

SECRETARY PERKINS: A government representative, a labor man and a printer.

CHAIRMAN ROPER: That is the case now on this committee of seven. Will you approve of a committee of seven, or should it be a smaller committee?

BR. BROWN: If a smaller number were given power to act, I think it might be very desirable. I am not at all sure that two of them are in Washington.

JUDGE STEPHENS: To get this matter started I move that we approve of this committee of seven with the understanding that a quorum of four may act and that three shall be of the character that Miss Perkins suggested.

CHAIRMAN ROPER: That four shall be a quorum, and that the quorum shall always include one representative of the government, one printer and one labor representative. All in favor please indicate it by saying "Aye." Those opposed by saying "No". It is carried.

SECRETARY PERKINS: I would like to suggest that I think it would be highly desirable if more of the members of this Board could attend some of the public hearings on the codes. They are illuminating as to the American mind and very illuminating on the procedure. I think that the lapses in our procedure are obvious as you sit in them.

CHAIRMAN ROPER: That is a very good suggestion.

The meeting adjourned at 3:55 P. M.