

Proceedings of Meeting No. 16
of the
SPECIAL INDUSTRIAL RECOVERY BOARD

Held in
The Conference Room, No. 5842
Department of Commerce
October 2, 1933

PERSONAL AND CONFIDENTIAL

Copy No. 6

For Hon. Frances Perkins

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ATTENDANCE AT MEETING NO. 16

October 2, 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. Harold M. Stephens, Assistant Attorney General

Hon. Turner Battle, Assistant Secretary of Labor

Hon. Alvin Brown, Assistant Administrator

Hon. Charles H. March, Chairman Federal Trade Commission

Hon. John Dickinson, Executive Secretary

Mr. E. W. Jensen, Assistant Secretary

Mr. B. P. Foote, Reporter

SPECIAL INDUSTRIAL RECOVERY BOARD

AGENDA

Meeting No. 16, Oct. 2, 1933

1. Approval of minutes of Meeting No. 15, held Sept. 25.
2. Discussion concerning major activities since last meeting.
3. Opinion of the Attorney General on the Shipping Code.
4. Executive Orders.
5. What is the progress of the Retail Code and the Building Code?
6. Administrative Record---expenses of District offices, Bureau of Foreign and Domestic Commerce in connection with NRA activities through September 15, 1933.
7. Is there a final report from Mr. Peck on the study he has been conducting?
8. Approval of additional NRA appointments.

Proceedings of Meeting No. 16

of the

SPECIAL INDUSTRIAL RECOVERY BOARD

3:31 P. M.

October 2, 1933

CHAIRMAN ROPER: Mr. Brown, what about the General?

MR. BROWN: I understand he will be down later in the afternoon.

CHAIRMAN ROPER: Are the minutes all right?

COMMISSIONER MARCH: There are two copies of page 5 in my minutes, but that is better than having one left out, Mr. Secretary.

CHAIRMAN ROPER: All right, with that correction, we will pass the minutes.

Now, Mr. Brown, will you make a report on the points you would like to have brought up for General Johnson?

MR. BROWN: There is only one major activity I know of during the past week and that was the proposal of a compromise in the case of the steel corporation's coal mines up in Pennsylvania in the hope that we will end the strike, but I have not heard yet if the strike is ended. Outside of that, there has been no major activity, although of course the hearings on the codes have gone along in their accustomed fashion. The General has studied the Retail Code personally but I have not heard what conclusion he has reached on it.

CHAIRMAN ROPER: Since I saw you last I have met with three distinct groups of people. One of them was the Secretaries of the

Chambers of Commerce Convention in New York, representing some 250 cities. The next group was the Chamber of Commerce and NRA group in Buffalo, and the next group was a new group to me--the Genesee Conference of the Northern Methodist Church. Those are rather diverse groups, aren't they? But I got this distinct feeling that the common people, as we call them, the general run of people, are very, very strong for this program and increasing in their cooperation I think. But the people who ought to be leaders are too much inclined to be critical. It is a case of where the privates are propelling the generals. The generals are not leading as they should. That is the general impression I got.

Now, I asked these people, who ought to be leading a little more vigorously, why they are not keeping up their enthusiasm and they give numerous reasons; but boiled down it just about means this, that they think we are not making the progress we should in getting out the codes. They seem to think it has fallen down in that respect. They say there are several hundred accumulated codes; they do not know much about it, you know.

Another question they have is as to who is going to execute the program. They tell you now and then of somebody having taken down a Blue Eagle, for instance, and that there isn't the enforcement program following up the situation.

But, as I say, the people generally are sold on it. We have made a splendid record, we think, and the fellows higher up do not talk very loud you know about it. They realize that there is great force among the people down the line.

MR. BROWN: Would you like me to comment on any of those things?

CHAIRMAN ROPER: Yes.

MR. BROWN: I think perhaps there is some truth to the statement that the codes have not been put through as promptly as they should-- if we understand that properly--not so promptly as conditions require, though perhaps just as promptly as any organization could have gotten them through and endeavor to bring to bear on them all the viewpoints which we endeavored to bring to bear. In other words, we try to meet the wishes both of labor on the one hand, and industry on the other. It is not always easy to compose those different viewpoints. We could have handled them in arbitrary fashion. The law, of course, authorizes the President to impose a code if he wishes. So far he has not been required to do that, and I am sure he wants to avoid doing it. I do think there is some justice to the criticism, though probably it has been no one's fault; but I think we ought to bend every effort we can to get the codes through as soon as possible.

DR. DICKINSON: Would an increase in the number of Deputy Administrators help you there, Mr. Brown?

MR. BROWN: Yes, within certain limits; but you cannot go out and hire a flock of persons, because they just mill around.

DR. DICKINSON: Still if you concentrated their responsibility each one on two or three codes you might get a little speedier action.

MR. BROWN: We are trying to take on more people as rapidly as we can assimilate them.

COMMISSIONER MARCH: Do you think the industries themselves come as quickly as they could? Take the Oil Code for instance.

MR. BROWN: Some do and some do not.

COMMISSIONER MARCH: Do you think that if you give them a code after you have discussed it with them about so long it will be done much more rapidly?

MR. BROWN: That is, in effect, our procedure. We really write these codes. We receive the code in the first place and we suggest changes. It goes to the hearing on that revised basis. After the hearing and all viewpoints are brought out, we really have to write the code.

COMMISSIONER MARCH: Don't you think you could make them agree to the code a little more rapidly than they did in the Oil Code and some of the others?

MR. BROWN: Of course not all the industries involve the problems that the oil industry and the coal industry do, and they are coming through more rapidly. We have quite a number of codes at the present time that the General has approved. I think they are on the way to the President now.

CHAIRMAN ROPER: Do you remember the total number approved by General Johnson?

MR. BROWN: I should say during the past week there were probably a dozen sent up to the hospital and three or four came back from him with the request for modification.

CHAIRMAN ROPER: The total is getting up near 50?

MR. BROWN: Yes, the number approved is 30 and of course it must be remembered these include some of the larger industries.

CHAIRMAN ROPER: Have you any idea of the total number of codes after you have administered them?

MR. BROWN: No, I have not. For example, I was talking to the Deputy Administrator who has lumber and lumber products and he has about 18 wood-working industries of various types. He has a plan to get them all under one code. If that plan is successful it will be one code, and if it is not we will have 18 codes.

COMMISSIONER MARCH: The lumber people have agreed on a code, haven't they?

MR. BROWN: Yes, but not the lumber products.

CHAIRMAN ROPER: Are there any further comments?

MR. BROWN: You spoke of the question of administration of the codes.

CHAIRMAN ROPER: Yes.

MR. BROWN: Of course I think our thoughts are fairly lined up on that though perhaps the industries do not appreciate them.

CHAIRMAN ROPER: I had this very interesting reaction, I may say, in two of these talks. I tried to show them how a law of this character could not be enforced by officers. It had to have the continuing support of the people. These Chambers of Commerce have the responsibilities resting upon them as educators and guides, and they should study these things and undertake to reenforce the officers. I said, "There are only three things, in my opinion, to be kept in mind about the success of this program, three things that concern you; and when you find yourselves weakening on any one of these three, please investigate. Do not take rumors. Number one is: Are the purposes or objectives of this

program right? Do you believe in them? Is there something in your mind that is doubtful about them as to the purposes? If so, of course that is the first thing you ought to straighten out." Nearly all of them would nod that the purposes were appropriate.

I said "It will be necessary for you to keep that very definitely in mind because you may be side-tracked by all kinds of rumors. The next thing that follows immediately is, have you faith in your leadership? I recognize that no one can be as enthusiastic about even a good plan if you feel that you have people trying to enforce it that you cannot go along with. The personal element, therefore, is very, very important." Of course that goes back to the President and most of them are all right there. I told them to reenforce themselves from time to time there.

Next, having laid down that foundation, there is only one other thing necessary and that is to make sure that every citizen will discharge his duty as a citizen in this regard and, if so, we will put over the program. But, I said, "You can not do that by everybody clamoring to come to Washington to help. We do not need everybody there."

They told me in Buffalo that working on that plan they had a hundred per cent result.

COMMISSIONER MARCH: I think through the country as a whole they have.

CHAIRMAN ROPER: And they said "We are a hundred per cent on all three of your propositions." I said "If you are, we are all right."

I believe we need that kind of educational work. I do not believe it is so much telling the people what they do not know as it is trying to get them to do as well as they do know.

The next item is something we will ask Judge Stephens to comment upon.

JUDGE STEPHENS: I do not know whether you want me to take the time to read it; perhaps I can state it more briefly. The Attorney General rules that the National Recovery Act is applicable to the Shipping Code. We express ourselves as believing that the courts will probably so rule, although the matter is not wholly free from doubt, because there is a somewhat parallel condition in the railroad situation. We do not assume to pass here upon the question of policy involved as distinguished from the legal question. There are a number of considerations of policy with respect to the difficulty of applying codes to the shipping industry, especially in view of the foreign competition which General Johnson and those directly in charge are perhaps better prepared to pass on than Mr. Cummings and myself.

(See Appendix A for the complete opinion of the Attorney General on this subject.)

CHAIRMAN ROPER: I believe that is all we need on that.

Judge Stephens, we held over from the last meeting the consideration of the policy with regard to Executive Orders. I do not know that there is anything imminent there.

JUDGE STEPHENS: There were some proposed orders submitted recently in which we made a number of changes. The Legal Department

of the National Recovery organization has recently, in order to expedite its proceedings, adopted the method of sending up to us for preliminary survey proposed Executive Orders which it hopes later to present for final opinion, but I think in that way it is saving some delay. Mr. Blackwell Smith has been doing that. We have had one or two rather interesting questions. I do not know whether you intended I should discuss those here or not, Mr. Secretary, but with reference to the matter of submitting orders, I understand that the National Recovery Administration expects to submit them through the Budget Officer and the Attorney General in the usual way except when exempted in emergencies by the President. In order to save time for the Recovery Administration I think Mr. Smith plans to send them up a week ahead.

MR. BROWN: Our understanding is that Mr. Smith desires their views.

JUDGE STEPHENS: We are very happy to do that.

DR. DICKINSON: Mr. Smith in the Legal Department?

MR. BROWN: He is Mr. Richberg's first assistant.

CHAIRMAN ROPER: I may have been responsible for this plan in the first instance of having all the Executive Orders handled through one or two offices. It grew out of a very interesting situation. Just before August 10, the time that much thought was being given to the Shipping Board situation, the President called me in and we discussed the legal questions involved, and after covering those legal questions I told him we were ready to take over the Shipping Board on

August 10 according to the Executive Order. But he had not more than gotten back to Hyde Park--certainly within a week--when he sent me a note and attached to the note was an Executive Order deferring the bringing over of the Shipping Board until December. He said "Have you changed your mind already?" I did not know where this Executive Order started from and never have been able to find out where it started from.

That was rather startling to me that an Executive Order like that could get through without my knowing anything about it, so I thought it was to the interest of all concerned to have Executive Orders go through the Director of the Budget, who ought to know about it, and the Attorney General. I believe we ought to follow some such plan as that though I do fully appreciate the necessity of expedition, and I think that with anything requiring immediate action the Director of the Budget and the Attorney General ought to clear the way and give it immediate consideration.

JUDGE STEPHENS: I might say, Mr. Secretary, that further carrying out your suggestion with respect to having a clearing house in the Attorney General's Department, Mr. Cummings and myself discussed the matter and we thought if it was to be worth anything it must be placed in the hands of the right man in the Department, so we are handling these matters as follows: All the Executive Orders that come to the Department of Justice are first assigned by the Attorney General's Office to the various divisions where they might be most acceptably handled and are given ap-

approval by the Assistant Attorney General in charge of that division; then they are all passed through the office of the Assistant Solicitor General so that he sees every Executive Order that comes there and in the course of a short time will become familiar with the various orders, will catch the faults and check orders one against the other.

CHAIRMAN ROPER: I think that is fine.

The next item is, What progress are we making on the Retail Code?

MR. BROWN: The Retail Code went out to the hospital for the General to study. I do not know what conclusions he may have reached on it.

DR. DICKINSON: Might I say in that connection I hoped to be able to report that the Price Committee would have something for us to do; but Dr. Sachs has been out of town and the Committee has gotten into a bit of a snarl, about which I won't say anything at the present time. But there is some effort to clear the snarl up and report later on if necessary.

MR. BATTLE: Mr. Brown, might I ask what is the status of the company stores in the Retail Code? Do you know if it was retained in its original form?

MR. BROWN: I am not familiar with its original form. My recollection is that there is such a clause in the Code.

MR. BATTLE: The coal operators requested that they be allowed to operate company stores and there was some talk of a change at their request.

MR. BROWN: I may state a recollection which may be inaccurate, but it seems to me I recall it in the last draft. I have heard no discussion about it.

CHAIRMAN ROPER: Here is a very interesting and very important matter coming up to us from the Pacific Coast, which I believe we should give very careful attention to.

DR. DICKINSON: I might say that one of the points that will develop in connection with this matter is also apparently not confined to the Pacific Coast. I have here some correspondence with George Creel out there and I happened to go up on the train the other afternoon with Colonel Eisner, who is the administrator for New Jersey, and some of the points that are developed here in Mr. Creel's correspondence also were brought out independently by Colonel Eisner in the talk I had with him. As you probably know, Mr. Creel sent his resignation on September 11, giving as his reason the fact that he had devoted several months of time and had to turn back to his own affairs. Mr. Creel states that the newspaper accounts to the effect that he was leaving because of his disapproval of or lack of sympathy with the Administration are unfounded. Then he goes on in these telegrams and letters and does express concern about the situation existing on the Pacific Coast. He says here that there are a great many quarrels between the multiplicity of Boards which exist

out there without any central authority to coordinate and prevent duplication and actual conflicts. He says:

"As it is today, various organizations in each community are fighting over power, and the State Recovery Board is trying to assert its right to control local compliance boards. The absence of a directive force is resulting in what comes close to being demoralization."

Apparently out there they had already set up on their own hook a set of Adjustment Boards. He says:

"The Adjustment Boards, as set up by me on August 15th, not only handled complaints but also functioned most effectively in the settlement of industrial disputes. Scores of strikes were averted and differences amicably settled that might well have developed into serious trouble. The order directing the compliance boards to refer all industrial disputes to Washington has created widespread consternation both among employers and workers, for speed is the very essence of these settlements."

I might say in that connection that if I understand correctly the National Labor Board--Senator Wagner's Board--is proceeding to set up its own local Boards.

MR. BROWN: There are very few of them.

DR. DICKINSON: I suppose there are no local Boards to handle these industrial disputes that he refers to, and he said that is creating serious trouble. He says:

"Our adjustment boards, composed of three men only, representing employers, workers and the public, seemed to satisfy everybody as to fairness. The change to a Board of seven, however, has aroused no little bitterness on the part of labor, for under the new arrangement, they have two voices out of seven, and are convinced that it is not possible for them to get what they term 'an even break.'

"Another real weakness of the new compliance board is that it really has no power whatsoever to go to the heart of a complaint. The members are specifically instructed not to act as investigators, and not to say or do anything beyond assisting the employer to make his voluntary statement in answer to the complaint. As it works out,

all that the employer has to do now is to return a denial, and the matter ends at once. This is a further grievance of labor.

"Many compliance boards not even organized and in numerous counties two or three boards fighting over authority. Financial resources exhausted after giving seventeen hours a day for two months paying my own expenses. But if Secretary Roper and General Johnson wish me to remain and will designate me as coordinative head for Pacific Coast I will continue until machinery is smooth running again."

Now I have here an independent telegram from a member of the State Board of California relating particularly to the situation in that southern part of the State. You will recollect that there are two distinct Boards functioning in California which cut across the State line. There is a State Board for California, then there is a District Board for San Francisco which includes northern California, Nevada and Utah, and a District Board for southern California which includes southern California, Arizona and New Mexico, in addition to these various local Boards. The member of the California State Board says:

"Relating NRA conditions California it is utmost importance for success NRA campaign this state that State Recovery Board be given authority throughout State as divided situation among two district and one state board creating endless and harmful confusion. State Board has been tremendously active coordinating all work, arranging statewide radio broadcasts, appointing and guiding county chairmen and weeks ago worked out and applied compliance procedure with printed forms exactly in line with recent procedure outlined by Washington and which has worked successfully averting strikes, walkouts, lockouts, boycotts and minor troubles. District Board (that is the Los Angeles District Board and not the one of which Creel is chairman) not active in South and only partially so in North because Creel concentrated on getting things started. State press of 400 newspapers now working harmoniously with State Board and splendid publicity resulting."

I gather from this that there is a conflict of jurisdiction of some magnitude between these various Boards, the Boards which they independently had set up and the Boards which have been set up from Washington by the N.R.A.; and the question simply is whether Mr. Creel's suggestion that he, or somebody else, be designated to work out some sort of working arrangement between these various Boards is one that should be decided.

JUDGE STEPHENS: The situation is further complicated there, according to our District Attorney, by the fact that California has passed a local recovery act and has made the violation of the National Recovery Act a violation of the state law. Our District Attorney has had considerable difficulty in keeping out of tangles but so far has used very good judgment.

DR. DICKINSON: Colonel Eisner is Chairman of the State Board in New Jersey and they want to do what Judge Stephens says was done in California. They want to make violation of the NRA also a violation of state law. He said some of these Compliance Boards had at once undertaken to function with a flourish and there was one case down at Cape May Court House where they had cited some employer before them and created a great deal of bad feeling in that locality, and as State Chairman he did not feel he had sufficient control over them. This is just an illustration from another part of the country of the difficulty inherent to this whole problem.

CHAIRMAN ROPER: Mr. Brown, who in the organization has charge of the field service of this kind?

CHAIRMAN ROPER: Do you think he is aware of the situation that has been presented?

MR. BROWN: I think he is. I am inclined to think the situation of the local Boards will clear up. All the Boards to which Mr. Creel referred are, of course, in so far as their dealing with the violations of the Agreement is concerned, self-constituted.

DR. DICKINSON: They were apparently set up by the State District Board.

MR. BROWN: That may be. I do not think the impeachment on the score of inadequate representation of labor is deserved. He speaks of Boards of three in which labor had one representative. The representation of two to seven is practically the same. There is a situation there with State Boards, probably, in that California is a two-headed state.

CHAIRMAN ROPER: Yes.

DR. DICKINSON: And I suppose he means there is some necessity to iron out the situation between the two Boards of the state and also these other states that have this arrangement.

CHAIRMAN ROPER: Doctor, you spent several years out there.

DR. DICKINSON: Yes, sir.

CHAIRMAN ROPER: Why would it not be a good idea to have Dr. Dickinson take this material and discuss it with Mr. Healy?

DR. DICKINSON: There are two aspects of it. In one sense it is a part of the problem all over the country, and in another it is a peculiar situation to the Pacific Coast; that is, they are so far away that they do not feel in contact. Creel says he has been trying for ten days to get some contact with the NRA.

CHAIRMAN ROPER: He was not able to get any reply.

DR. DICKINSON: For ten days he was wiring and wiring and not getting any reply. He said they felt isolated.

CHAIRMAN ROPER: Creel is sitting in his office expecting us to call him up by long distance this afternoon. It is very easy to lend to the confusion without we connect properly with Mr. Healy, for instance, and I believe this thing ought to be cleared up this afternoon.

DR. DICKINSON: Creel says he won't go ahead unless he is given some word that he can start getting some order out of this chaos which he visualizes.

MR. BROWN: He asks to be given responsibility for administration in that state, and I think that would be very unwise. It seems to me as head of the District Board in the southern part of the state he has been asked---

DR. DICKINSON: He is head of the northern Board at San Francisco.

MR. BROWN: He has been asked to do the very thing he wants to do for the whole state.

CHAIRMAN ROPER: It seems to me, with the little information I have about it, that is a situation worthy of sending somebody to the Pacific Coast to sit down and work out.

DR. DICKINSON: I should think it would be very desirable.

CHAIRMAN ROPER: George Creel is a very constructive man when you get him on the right line and he is the kind of fellow we would not want against us; he has a very vitriolic trend. He is very much with us now; he left here very enthusiastic about the situation. If you have some good safe man that you and Mr. Healy could send out there, I think it is quite worthy of that action. It is a considerable area and they have always felt they were too far away from Washington.

DR. DICKINSON: They have that feeling very strongly---that nobody comes to see them.

CHAIRMAN ROPER: I have on my desk here now a telegram or letter from Jones, who is a former candidate for Governor.

DR. DICKINSON: Madison Jones.

CHAIRMAN ROPER: He has gotten so much interested that he is coming here to take it up. They do not realize the great burden of responsibility here and if they do not hear within a week's time they get very much worried.

DR. DICKINSON: Mr. Brown, would it really be appointing Creel to administer, which we all agree would be an unwise thing on the Pacific Coast, if we gave him authority to coordinate the administrative agency? That is, isn't there a distinction there? Couldn't he work out some plan for coordinating these agencies and perhaps send the plan in to Washington for approval, or something of that sort? I mean, I don't think we are going to satisfy him this afternoon unless we give him some assurance of that kind. There is some possibility that he may blow off again.

CHAIRMAN ROPER: If you can tell him that somebody is going to be sent there within a few days to work it out with him it will help.

JUDGE STEPHENS: Would he be satisfied if he is authorized to help somebody work it out?

MR. BROWN: I think he has already been told something along that line.

DR. DICKINSON: That telegram I sent him apparently was not sufficient to satisfy him. I will read what I said.

CHAIRMAN ROPER: Here is a very interesting compilation to me showing the way in which the District offices of the Department of Commerce are cooperating with the NRA workers. This indicates

that the number of employees in our District offices for the period up to August 15 was 1,065. It has now been reduced to 827, as of September 15; and the expense of operating those offices for the period named has decreased from \$42,400 to \$36,400. It is a very interesting thing.

I do not know as that will be of any use to you, Mr. Brown.

MR. BROWN: I would like to have it. (See Appendix B.)

DR. DICKINSON: I might say that the expense of those employees has been borne by the NRA. However, the time of the managers and assistant managers we have been bearing as well as a good deal of the expense of the Bureau downstairs who have been working, of course, exclusively for the NRA.

Mr. Brown, this is the telegram I sent to Mr. Creel on September 29 in Secretary Roper's absence and after my talk with you:

"Wish also to say that while no Board has enforceable legal authority over any other board we look to District Boards to iron out and coordinate all difficulties between Boards acting in smaller units."

That apparently was not sufficient to satisfy him in view of these more recent telegrams that have come in since he has received that. Here is the last one that came in:

"As I telephoned today Pacific Coast immediate-imperative need is some one authoritative to coordinate and direct so order may be brought out of what has become demoralization and chaos. Financial situation pretty desperate but will continue if given this authority by General Johnson. As evidenced by huge volume of protests against resignation I feel every element on Pacific Coast will agree gladly to my investment with administrative authority. Will be here Monday awaiting long distance telephone call."

He wants something that goes farther than mere assurance that if he starts to coordinate we will let him do so.

CHAIRMAN ROPER: What do you think of my suggestion, Mr. Brown, that Dr. Dickinson go down and talk that over with Mr. Healy?

MR. BROWN: I think that is a very good idea.

CHAIRMAN ROPER: Mr. Brown, you referred last week to the matter of Mr. Peck's study.

MR. BROWN: He has not a final report yet, but he is very close to it. He has practically all the places classified. We were not able to put it into effect on the 1st of October. He does feel he can get it to us for the 16th of October. We believe we should start as of a pay break.

CHAIRMAN ROPER: I have before me the personnel journal sheets involving 32 additional names and that makes a total number of employees-- (See Appendix C for complete list)

MR. JENSEN: I have not that here now.

COMMISSIONER MARCH: We had 1164 last time.

MR. BROWN: It is approaching 1200. I do not think it is quite there.

CHAIRMAN ROPER: Is the Board willing to approve these?

DR. DICKINSON: Are there any names there of Deputy Administrators, or assistants? I think the Secretary of Labor indicated an interest in those higher positions last time.

CHAIRMAN ROPER: Suppose you seek those, Mr. Secretary (passing the personnel journals to Dr. Dickinson).

DR. DICKINSON: Here is Mr. Frank Healy, Legal Assistant, \$5,000; W. B. Campbell Pilcher, \$5,000; Burr Tracy Ansell, \$4,000 a year.

Can you give us the background of these gentlemen, Mr. Brown?

MR. BROWN: I know Mr. Healy.

DR. DICKINSON: Is that the Mr. Healy about whom we have been speaking?

MR. BROWN: Yes, he was in the Legal Division for a month and then he
was assigned to the Blue Eagle Division.

DR. DICKINSON: Where does he come from?

MR. BROWN: I do not know about that.

DR. DICKINSON: I think it would be interesting if we might have some
little biography of these gentlemen.

MR. BROWN: Where would you draw the line there?

DR. DICKINSON: I thought we might consider the line at \$4,000 or above.

CHAIRMAN ROPER: Without objection we will assume that we would like
to have that information. It seems to me that the persons
who are going to be permanently associated with this work,
looking forward to the enforcement of compliance, are very
important and we should know the qualifications of these
people and especially their attitude. We are obliged to
get men of such proportion as will impress all the elements
that are necessary to have the cooperation to put this thing
over. Now, what are those elements? It must be a man who
is big enough so that the man who is looking at it from the
standpoint of labor would say, "That man is fair and just.
We are willing to risk him."

From the standpoint of industry he must be a man who
is not so thoroughly identified with any competing line of
industry, any competitive industry, as to be objectionable,
or whose attitude has not been against labor. He must be
a man who can think both for himself and the other fellow.

As far as the consumer element is concerned, he must be a man who has some feeling of fairness and an attitude toward the general human equation of life. It won't take very many such men but it would be exceedingly unfortunate if we got men here who violated the rule we referred to in the beginning, namely, a man that the people would not have confidence in, and it is an exceedingly difficult thing to get them. But if this work can be handled by outstanding men and women--say to the extent of six or eight such persons-- I believe we shall be pretty well staged for success. We would not need to be so careful about the others. I presume that the men who are being appointed at this time of the grades referred to would naturally be carried in to the other era, because just now we are well nigh ready to pass from one era to the other. They will be the men who will have the training and experience necessary to carry on the work, and maybe for that reason we ought to be very careful.

MR. BROWN: You are not speaking about \$4,000 a year men?

DR. DICKINSON: You see \$6,000 is the upper limit, so that some of these \$4,000 men, as I recall in looking over the list, seem to occupy fairly important positions. This man Healy gets \$5,000.

MR. BROWN: He was advanced to \$6,000 when he took over the Blue Eagle work.

DR. DICKINSON: He is a man in a responsible position.

CHAIRMAN ROPER: I think the men I am referring to would be \$5,000 and above.

JUDGE STEPHENS: In this connection, I should like to make a suggestion to General Johnson and the Board which perhaps might be worth considering. It came to our attention in the Department of Justice about ten days ago. A rather serious complaint had been privately expressed as to the fairness of one of the administrators presiding over the hearings of an important industry. The story came to our attention accidentally and we immediately acquainted the National Recovery Administration, through Mr. Blackwell Smith, with it in specific terms. The story that came to us was to this effect: That in making the protest known those persons who claimed that the administrator was not fair claimed that he was a "plant" by some industry to get a code favorable to itself; that through the persuasion of the press these objectors had decided to sit quiet for a while and let the code be made and then have a big story break on us all.

It occurred to me that perhaps we should take into consideration the fact that with the large number of hearings and the large number of administrators and deputies, there might be some who would be unfair and some who would be thought to be unfair although not actually so, and that some such informal device as providing for the filing of some statement or affidavit by virtue of which any industry could protest the fairness of a particular administrator,

the lack of which would foreclose them against protest if they did not do it at the outset would serve the double purpose of insuring there was a fair administrator and preventing objection if their protest was not made. I called that informally to the attention of Mr. Blackwell Smith and he said he thought some such measure might be considered.

MR. BROWN: May I suggest that those things ought to be taken up with the General?

JUDGE STEPHENS: I could not reach him, Mr. Brown.

DR. DICKINSON: I think that might go a little farther than the Deputy Administrator.

CHAIRMAN ROPER: General Johnson will probably be here at his desk very soon and why shouldn't we just prepare a little memorandum covering this suggestion, if you wish, and turn it over to Mr. Brown who, in turn, will bring it to the attention of the General.

MR. BROWN: I think that suggestion is a very good one.

CHAIRMAN ROPER: Will you put that in memorandum form?

JUDGE STEPHENS: Yes, Sir.

CHAIRMAN ROPER: It seems to me that it would be a good plan, Mr. Stenographer, to have the agenda appear in the minutes hereafter. Will you see that that is done?

MR. FOOTE: Yes, sir.

CHAIRMAN ROPER: Is there anything else?

SECRETARY ICKES: I anticipate we are approaching the time when a hurry-up call will be made again for funds for this Administration

and on at least two occasions I have urged that some form of budget ought to be sent over to us. I would also like to have Mr. Brown, who is a budgetary man to a degree I could never hope to be, look after that. I would also like to have it sent over before 11:59 of the hour when they have to have the money. The last time I had, on my own responsibility, to voucher out \$100,000 without authority of the Board. When a request for \$500,000 came, I asked that there be some sort of break-down in the way of a budget. I really think it ought to be done.

MR. BROWN: I agree with you, sir. I have a request for an allocation supported by a break-down of our past expenses and an estimate of our expense, but I have not felt free to submit it in the General's absence, and I have not felt I should burden him with it.

DR. DICKINSON: Would it be in order along that line to suggest that possibly the organization has reached the stage of crystallization where we might have an organization chart? We have never had that.

MR. BROWN: That, too, is awaiting the General's return. You will recall Secretary Perkins raised the question at the last meeting. General Johnson has some relatively minor changes in the organization to be made and he felt that he wanted to speak to the President before making them. When they are made, we will get that out.

MR. BATTLE: What is the status of that questionnaire on statistics?

MR. BROWN: It is being prepared.

MR. BATTLE: It has not been mailed yet?

MR. BROWN: No.

CHAIRMAN ROPER: Here is quite an interesting report from various sections of the country as to how the NRA is working-- just a line from a number of different cities. If you would like to hear it I shall be very glad to have it read. Without there is objection, suppose you read that (handing it to Mr. Jensen). These are just messages that reached us in the due course of business, are they?

DR. DICKINSON: I think they are reports from the District offices.

CHAIRMAN ROPER: But we have not called upon them for these reports.

Mr. Jensen then read the following:

"There seems to be a general feeling throughout the country that unless the NRA shows a disposition to enforce the President's Agreement quickly all respect for the Blue Eagle will be lost.

"The following quotations from reports of District Managers (one from each section of the country) bear out the above:

"Philadelphia: 'An attitude of skepticism has apparently developed the past fortnight in certain communities, traceable largely to 'backsliding' of considerable proportions, which has resulted from the lack of reenforcement in many communities. It is expected that prompt organization and action by Compliance Boards will remedy this to some extent, but it is a question whether all the damage done can be remedied.'

"Chicago: 'Not as favorable lately due to failure to punish violators of the PRA; also some discontent with working out of national codes.'

"Houston: 'Generally good. Some indication of feeling that code control board appointments too much dictated from top and not selection of rank and file of industry. May be rather important criticism.'

"Jacksonville: 'Slight tendency toward unfavorable attitude, but believe recent creation of local Compliance Board will assist in the turn to more favorable conditions.'

Many complaints received regarding alleged violations and without means to take care of them, some persons feel that the NRA will not be a success.'

"Seattle: 'No opposition but there is a noticeable lull in public interest in the movement.'

"San Francisco: 'Favorable. Apparent feeling that National Codes do not cover Western conditions in all cases and that regional codes should be considered.'

"Louisville: 'Continues favorable even though there is plenty of questioning as to the successful working out the President's plan.'

"New Orleans: 'Impression spreading that Blue Eagle will not be taken away from anyone.'"

DR. DICKINSON: I would like to emphasize that in addition to this feeling as to non-enforcement, there is a lot of conflict and squabbling between the Boards, which might have a more harmful effect than the mere failure of enforcement taken by itself. That is the reason I feel that this Creel matter and the matters brought up by Colonel Eisner ought to have some attention so that we may be moving along all together.

CHAIRMAN ROPER: Why not take this along with you? We want that information utilized to the best advantage.

SECRETARY WALLACE: I would like to ask Mr. Brown, now that we are getting farther along in this movement, if any effort is being made to determine the effect of this program on the relationship between profits on the one hand and wages and prices paid out for material on the other. For the past year and a half, possibly longer, there has been a tendency for profits to take a higher percentage of the gross income of corporations en masse than wages and what is paid for

materials, and of course we have all been feeling in the Agricultural Adjustment Administration that in so far as the NRA increased payrolls that sooner or later it was bound to have an effect on agricultural recovery; but we are beginning to wonder if it might not be advisable---possibly you have already done it---to make some continuing statistical studies to see the effect. To be specific, the thing has a bearing, really on the way in which the codes ought to be modified. It is a matter of real concern.

MR. BROWN: It is a matter of very great interest, Mr. Secretary, but I don't see how it would modify the codes.

SECRETARY WALLACE: I see it in our work. In the tobacco thing a certain type of agreement could easily increase the tobacco profits. You can see it in the Steel Industry Code, or in our sugar agreement where it might legalize an existing monopoly situation. I think the thing very decidedly enters into the codes sooner or later. I can see that it enters into our agreements and I assume by analogy it enters into the codes.

CHAIRMAN ROPER: At least the study ought to be continuous in the effort to meet and adjust it where possible.

SECRETARY WALLACE: I think it would be a very slow thing, but it is about time to begin to survey it.

CHAIRMAN ROPER: I get the information from some points that certain groups of industries, certain companies at least, are making larger profits than ever before. That is, they are finding

ways to deal with this situation and that is what is in your mind. We would like to see just how it is working out. That is, a man, as you know, who simply reduces hours and takes on no more people and crowds his business into those hours is, of course, increasing his profits.

DR. DICKINSON: And he raises the price because of the general feeling that costs are higher.

CHAIRMAN ROPER: I think that fellow is defeating all the purposes of the plan.

MR. BROWN: And will defeat himself, Mr. Secretary.

CHAIRMAN ROPER: I have a very interesting letter from Josephus Daniels in Mexico. He said that some days ago there was a great demand in Mexico for iron pipe--I do not now remember the amount, and he was anxious, of course, to have that order placed here; but the iron pipe people here immediately ran their prices up 20% and defeated his plan of getting that order for iron pipe here. I have today another letter from Josephus Daniels calling attention to the way in which some of our business people here are defeating us in getting Japanese trade. He says that the trade there with Japan, I mean between Mexico and Japan, in the last three or four months has very greatly increased to our proportionate decrease or loss. It seems to me that this study that the Secretary of Agriculture is referring to might take major proportions. It might relate not only to our situation here but to what is going on the way of cramping our international situation and our exports. Are our own people so lacking in vision and so short-sighted as to be working in the interest of the

foreigners rather than in the interest of our folks at home? It looks that way.

SECRETARY ICKES: Another thing that is happening, Mr. Secretary, is this: we had some bids for some road scrapers and graders and when they came in they were identical to the cent.

DR. DICKINSON: Higher than before?

SECRETARY ICKES: No, just what they were before. They are saying that under these codes the idea is to put us all on a parity and give us an even break, etc. Between these machines there is a difference in weight of some 700 or 800 pounds, that is between two machines of the same sort, and yet they were the same bid down to a cent. I wish I had as much confidence as I would like to have in the patriotism of certain of our business groups; but the one fact is that they take advantage of every war or every national emergency to feather their own nest and gouge the public. Just as you said, the general run of citizens want to see this thing work; but just as it was during the great war the people at the top--the big fellows--who have goods to sell and manufacture are taking advantage of every loophole to gouge the public and defeat the purposes of the Act.

CHAIRMAN ROPER: That is true.

SECRETARY ICKES: I really think it is a mistaken policy to give the impression that we are afraid to meet the test of these codes in the courts. Sooner or later we will have to go to court, and I think it is better practice for us to choose our own issue rather than be dragged into court on the

weakest kind of case. If the code is no good, let's find it out before we go much farther; and if it is good, let's establish it through court procedure. I have been trying to force the issue on the Oil Code.

JUDGE STEPHENS: I would like to say that Mr. Cummings and myself are both giving study to this and we are fully in accord with your views on the subject.

SECRETARY ICKES: This is not meant as criticism of the Attorney General's office at all.

JUDGE STEPHENS: I know that.

CHAIRMAN ROPER: We have here a business advisory and planning group, as we call it. It is a group of men, some fifty in number, business men of the country who confer with us on the general plans of this Department. They divide themselves into little sub-groups to study special problems; but what I am thinking about is this, there is a great work that men of that type could accomplish, either collectively or separately, in getting behind a line of policies which are going to be necessary in the enforcement of this law. One of these policies is to awaken in the business men a realization of what this means to the country. We cannot deal segmentarily in this thing. Not only will the man defeat himself but he will defeat the whole program.

SECRETARY ICKES: They are dragging the country down with them. They are so short-sighted they do not realize that.

CHAIRMAN ROPER: Here is a great opportunity for patriotic endeavor that will be separate from the Government--the people's endeavor, the business men's endeavor. I think that is worth thinking about. Talk it over with the General.

MR. BROWN: All right.

DR. DICKINSON: I would like to bring up along the line of this price increase matter a report which I have not checked up but which I would like passed on to Mr. Brown and also to Secretary Ickes, to the effect that the soil pipe manufacturers, who recently adopted a code, are taking advantage of that code to increase the price of their product from \$17.50, which is believed to be slightly below cost, to \$55.00 a ton, and that some of them say it is in anticipation of the large amount of soil pipe which is to be needed in the Public Works Program.

CHAIRMAN ROPER: Suppose a survey were made by a large business group and some of these things exposed.

JUDGE STEPHENS: I think it would be splendid.

CHAIRMAN ROPER: I think the sooner it is done the better.

SECRETARY WALLACE: I would like to see us have a more complete array of facts first.

SECRETARY ICKES: The first thing we tried to do under this code, we issued certain rules and regulations and promulgated them and at once sent them to the east Texas field, and we succeeded in shutting them up pretty well. They filed a bill for injunction against me here in the District Court, but that was thrown out of court in our favor. Immediately the people who were violating this Oil Code began to come in and talk settlement. We got one check for \$2,000 and they asked for mercy. We are taking all the profit they made for violating that Oil Code. There is another check for \$10,000, I understand. It just discouraged them--a court decision here before the United States District Court

in the District of Columbia. If we once establish this thing they will stop chiseling.

CHAIRMAN ROPER: Exactly.

SECRETARY ICKES: We might just as well be frank about this thing. This program hasn't the validity that it had two weeks ago, and two weeks ago it didn't have the validity it had a month ago. Unless something is done to let the people know we mean business, there will be an avalanche.

DR. DICKINSON: There is also this advantage of getting cases into court at the present time and that is while we have a certain body of experience, at the same time we are still in a frame of mind where the judges would perhaps be more favorable to us than they would be six months from now.

JUDGE STEPHENS: Exactly.

CHAIRMAN ROPER: If there is nothing else we will now stand adjourned.

Meeting adjourned at 3:45 P.M.

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APPENDIX A

September 25, 1933

Honorable Daniel C. Roper,
Chairman, Special Industrial Recovery Board,
Washington, D. C.

Dear Mr. Chairman:

I have your letter of September 19th asking me to advise you whether the shipping industry is within the provisions of the National Industrial Recovery Act. In my opinion the courts will probably hold, if the question is presented to them, that Title I of that Act applies to shipping.

Title I covers every "trade or industry". It thus embraces shipping unless an intention to exclude shipping is to be inferred from the Act itself or its legislative history, or from some general policy otherwise declared by Congress. Nothing in the legislative history of the Act throws any light upon the intent of Congress in this connection. Certain provisions of Title I are or may be inapplicable to shipping, for example, Section 3(e) authorizing the President to limit imports which threaten the maintenance of codes and Section 3(b) making violations of a code an unfair method of competition within the meaning of the Federal Trade Commission Act. But the inapplicability of these particular provisions does not indicate that Congress intended to exclude shipping from the general provisions of Title I.

Elimination of unfair competition based upon destructive wage or price cutting is one of the important aims of the Recovery Act. Although various acts of Congress regulate to some extent the rates and practices of common carriers by water, including many details of the employer-employee relationship, these laws do not provide for fixing minimum wages or maximum hours (with trifling exceptions, see U.S.C., Title 46, Sec. 673) and do not effectively prevent price cutting. They thus leave open an important field for the operation of industrial self-government under the measure of governmental control provided in the Recovery Act. Application of the Recovery Act to shipping would therefore appear to be within the general purposes and policy of the Act.

Congressional regulation of shipping is not so comprehensive and detailed, as it is in the case of the railroads, that the inference arises that Congress did not intend the new forms of control authorized by the Recovery Act to cut across the scheme of regulation which Congress had already established and carefully evolved.

Furthermore, Congress enacted emergency legislation dealing with railroads (the Emergency Railroad Transportation Act, 1933) practically simultaneously with the Recovery Act.

Notwithstanding the force of the foregoing considerations which suggest that shipping is within Title I of the Recovery Act, I think it advisable to call your attention to certain opposing contentions which might be urged. These may be briefly stated as follows:

Viewing the provisions of Title I as a whole, there would seem to be substantial grounds for urging that it does not apply to industries subject to permanent regulatory legislation enacted by Congress. But whether or not this interpretation be correct, an intention on the part of Congress to exempt shipping from the scope of Title I may perhaps be implied from the peculiar circumstances affecting it. Title I does not apply to its competitors, namely, foreign ships competing with it in foreign commerce and railroads* competing with it in interstate commerce. It follows that if shipping is subject to the title and its competitors are not, and if the standards imposed upon it by codes, agreements or licenses increase its operating costs, it may be put at a serious competitive disadvantage. Furthermore, certain similarities between shipping and the railroads may indicate that Congress intended to treat them alike in the matter of the application of Title I. Both are public utilities requiring a large amount of invested capital and engaged in furnishing transportation and, in addition, the Federal legislation regulating shipping "closely parallels" that regulating the railroads "in its general scope and purpose, as well as in its terms" (United States Navigation Co., Inc. v. Cunard Steamship Co., Ltd., 284 U.S. 474, 481).

While I have thus called attention to the divergent views which may be taken of the question you have presented, in my opinion the better view is, as stated at the outset, that Title I of the Recovery Act applies to shipping. I should add that this letter deals solely with the legal aspects of the question and is not to be taken as expressing any opinion upon the question whether, as a matter of policy, a code of fair competition for shipping should or should not be approved or imposed.

Yours very truly,

(Signed)

Homer S. Cummings

Attorney General

*This contention assumes the correctness of the conclusion of the Federal Coordinator of Transportation that the Recovery Act does not apply to railroads.

Appendix B

EXPENSES OF DISTRICT OFFICES IN CONNECTION WITH N. R. A. ACTIVITIES THROUGH SEPTEMBER 15, 1933.

District Office	NUMBER OF N. R. A. WORKERS			DISTRICT RECOVERY BOARD EMPLOYEES		SALARIES PAID N. R. A. WORKERS			
	Period Ended August 15.	Period Aug. 16-31	Period Sept. 1-15	Period Aug. 16-31	Period Sept. 1-15	Period Ended August 15.	Period Aug. 16-31	Period Sept. 1-15	Total Salaries Sept. 15
Atlanta	23	13	8	-	-	\$ 890.15	\$ 400.87	\$ 256.88	\$ 1,547.90
Birmingham	13	13	13	-	-	670.27	591.45	504.90	1,766.62
Boston	83	86	78	47	43	3,032.51	3,085.37	2,698.54	8,816.42
Buffalo	3	5	6	-	-	71.75	295.00	287.25	654.00
Charleston	9	9	5	-	-	451.50	335.50	171.50	958.50
Chicago	113	99	98	-	-	4,227.65	4,958.27	3,980.44	13,166.36
Cleveland	145	79	65	-	-	4,082.50	3,638.50	2,692.00	10,413.00
Dallas	22	24	14	1	1	1,193.20	942.10	737.15	2,877.45
Detroit	75	77	48	-	-	2,902.35	3,450.20	1,963.15	8,315.70
Houston	88	40	37	-	-	2,922.05	1,941.75	1,572.75	6,436.55
Indianapolis	28	26	23	-	-	1,330.75	1,167.50	989.50	3,487.75
Jacksonville	20	20	20	-	-	1,036.25	1,052.75	780.25	2,869.25
Kansas City	27	35	29	-	-	628.00	997.00	822.25	2,447.25
Los Angeles	3	4	6	3	12	74.50	213.00	262.00	549.50
Louisville	13	15	9	-	1	731.90	729.70	368.60	1,830.20
Memphis	15	15	10	1	2	944.00	656.00	512.00	2,112.00
Minneapolis	14	14	13	-	-	629.50	691.80	590.40	1,911.70
New Orleans	13	14	11	-	-	690.75	608.25	514.25	1,813.25
New York	97	94	92	-	-	5,654.17	5,329.62	4,375.48	15,359.27
Norfolk	30	25	24	-	-	1,235.90	1,126.20	1,100.00	3,462.10
Philadelphia	90	90	99	-	-	3,291.08	3,972.49	3,523.70	10,787.27
Pittsburgh	17	13	15	-	-	621.50	598.00	517.00	1,736.50
Portland	32	30	21	-	2	1,315.35	1,236.60	858.09	3,410.04
St. Louis	12	14	12	1	2	687.50	579.00	477.00	1,743.50
San Francisco	51	35	51	-	-	1,911.90	1,470.23	2,009.04	5,391.17
Seattle	29	24	20	-	-	1,186.00	939.25	857.00	2,982.25
TOTAL	1,065	913	827	53	63	\$ 42,417.98	\$ 41,006.40	\$ 33,421.12	\$ 116,845.50

Appendix B

EXPENSES OF DISTRICT OFFICES IN CONNECTION WITH N. R. A. ACTIVITIES THROUGH SEPTEMBER 15, 1933.

SALARIES PAID N. R. A. WORKERS			SALARIES - DISTRICT RECOVERY BOARDS			GRAND TOTAL SALARIES PAID TO SEPT. 15.	PURCHASE AND EXPENSE VOUCHERS PASSED TO SEPT. 15	GRAND TOTAL ALL SALARIES AND EXPENSES TO SEPT. 15	NUMBER OF AGREEMENTS HANDLED THROUGH SEPT.15
Period Aug. 16-31	Period Sept. 1-15	Total Salaries Sept. 15	Period Aug. 16-31	Period Sept. 1-15	Total Salaries to Sept. 15.				
\$ 400.87	\$ 256.88	\$ 1,547.90	\$ -	\$ -	\$ -	\$ 1,547.90	\$ 162.82	\$ 1,710.72	25,230
591.45	504.90	1,766.62	-	-	-	1,766.62	76.95	1,843.57	25,501
3,085.37	2,698.54	8,816.42	1,727.50	1,961.45	3,688.95	12,505.37	2,560.28	15,065.65	130,378
295.00	287.25	654.00	-	-	-	654.00	40.24	694.24	-----
335.50	171.50	958.50	-	-	-	958.50	198.30	1,156.80	14,371
4,958.27	3,980.44	13,166.36	-	-	-	13,166.36	1,397.14	14,563.50	224,223
3,638.50	2,692.00	10,413.00	-	-	-	10,413.00	1,575.82	11,988.82	134,851
942.10	737.15	2,877.45	22.80	49.40	72.20	2,949.65	397.19	3,346.84	40,338
3,450.20	1,963.15	8,315.70	-	-	-	8,315.70	1,368.49	9,684.19	77,325
1,941.75	1,572.75	6,436.55	-	-	-	6,436.55	52.02	6,488.57	109,905
1,167.50	989.50	3,487.75	-	-	-	3,487.75	293.92	3,781.67	67,632
1,052.75	780.25	2,869.25	-	-	-	2,869.25	270.95	3,140.20	28,969
997.00	822.25	2,447.25	-	-	-	2,447.25	1.38	2,448.63	78,601
213.00	262.00	549.50	220.00	459.00	679.00	1,228.50	-	1,228.50	11,693
729.70	368.60	1,830.20	-	165.00	165.00	1,995.20	351.83	2,347.03	26,782
656.00	512.00	2,112.00	12.00	60.00	72.00	2,184.00	206.30	2,390.30	49,267
691.80	590.40	1,911.70	-	-	-	1,911.70	173.29	2,084.99	54,880
608.25	514.25	1,813.25	-	-	-	1,813.25	213.47	2,026.72	37,535
5,329.62	4,375.48	15,359.27	-	-	-	15,359.27	2,367.16	17,726.43	367,185
1,126.20	1,100.00	3,462.10	-	-	-	3,462.10	549.71	4,011.81	82,710
3,972.49	3,523.70	10,787.27	-	-	-	10,787.27	485.74	11,273.01	193,544
598.00	517.00	1,736.50	-	-	-	1,736.50	288.34	2,024.84	18,898
1,236.60	858.09	3,410.04	-	95.00	95.00	3,505.04	418.53	3,923.57	30,536
579.00	477.00	1,743.50	52.50	96.00	148.50	1,892.00	1,010.20	2,902.20	66,956
1,470.23	2,009.04	5,391.17	-	-	-	5,391.17	856.02	6,249.19	167,778
939.25	857.00	2,982.25	-	-	-	2,982.25	244.28	3,226.53	46,346
\$ 41,006.40	\$ 33,421.12	\$ 116,845.50	\$ 2,034.80	\$ 2,885.85	\$ 4,920.65	\$ 121,766.15	\$ 15,560.37	\$ 137,326.52	2,116,434

RECAPITULATION:

	Period to Aug.15	Period Aug. 16-31.	Period Sept. 1-15
No. of Employees...	1,065	913	827
Total Number of days worked.....	11,065	10,618	8,741
Days worked per employee.....	10.4	11.6	10.6
Total Salaries paid	\$42,417.98	\$41,006.40	\$33,421.12
Average Salary per day per employee..	3.83	3.86	4.04

APPENDIX C

NATIONAL RECOVERY ADMINISTRATION PERSONNEL JOURNAL

Nos. 41-45
covering 32 names

<u>Names</u>	<u>Position</u>	<u>Salary</u>	<u>Bureau, Division or office</u>	<u>Effective</u>
Williams, L. W.	Asst. Dep. Adm.	\$2400	Malcolm Muir	8/21/33
Howell, Martha Tacy	Secretary	1620	Mr. A.D. Whiteside	9/25/33
Dane, Constance	Typist-Sec't.	1600	D. M. Keezer	9/19/33
Rudolph, Irene	Steno.	1296	Steno. Pool	9/15/33
Cathcart, Duncan F.	Jr. Clerk	1134	L. H. Peebles	9/21/33
Andrews, John	Messenger	972	R. B. Paddock	9/15/33
Selfridge, Edward A.	Asst. Dept. Adm.	4050	Tom Glasgow	9/13/33
Wolf, Benedict	Legal Asst-Sec'y.	4000	Robert F. Wagner	9/6/33
Edwards, Corwin D.	Economist-Price Anal.	3800	D. M. Keezer	9/14/33
Kirkpatrick, Nell	Sec'y-Steno.	1620	H. O. King	9/11/33
Gross, Henrietta R.	Steno.	1296	Steno. Pool	9/14/33
Martin, Louise Broy	Steno.	1296	Steno. Pool	9/20/33
Healy, Frank	Legal Asst.	5000	Legal Division	9/9/33
Pilcher, W.B.C.	Asst. Counsel	5000	Legal Division	9/9/33
Ansell, Burr Tracy	Asst. Counsel	4000	Legal Division	9/9/33
Schwan, Werner	Asst. to Dept. Adm.	3600	R. B. Paddock	9/15/33
Highsmith, Eleanor	Steno.	1296	Corres. Division	8/31/33
Criswell, Richard W.	Messenger	972	Personnel	9/18/33
Von Szeliski, V. S.	Chief Statistician	6000	Planning & Research	9/16/33
Elliott, Charles F.	Special Asst.	3000	H. O. King	8/29/33
Rumsey, Pearle S.	Steno.	1296	Steno. Pool	9/21/33
Sinnett, M. Louise	Steno.	1296	Steno. Pool	9/21/33
Brewer, John B.	Mess.-Clerk-Typist	1134	A. D. Whiteside	9/18/33
Ruddock, T. B.	Mess.-File Clerk	972	A. D. Whiteside	9/18/33
Sufrin, Sidney C.	Asst. Labor Adv.	2880	Leo Wolman	9/7/33
Ralph, Howard F.	Jr. Attorney	2600	Blackwell Smith	9/15/33
Wortham, Charles E.	Special Asst.	2600	H. O. King	9/18/33
Steinmetz, M. S.	Reader	2400	K. C. Blackburn	9/12/33
Jaffe, Madeline	Asst. Labor Adv.	1800	Leo Wolman	9/18/33
Specht, Helen J.	Sec'y2	1800	Alvin Brown	9/11/33
Reinsmith, Ruth A.	Steno.	1440	Steno. Pool	9/26/33
Roe, Edward T.	Photo. Opr.	1440	Drafting Division	9/25/33

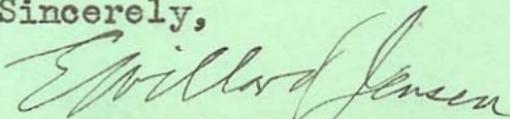
SPECIAL INDUSTRIAL RECOVERY BOARD
OFFICE OF THE SECRETARY
WASHINGTON

10/16/33

Dear Miss Jurkowitz:

I shall appreciate it if you will have someone remove from Secretary Perkins' folder containing Minutes of Meeting No. 16 pages 5, 7, 9, 22 and 23 and substitute the accompanying pages containing minor changes and corrections.

Sincerely,



E. Willard Jensen
Assistant Secretary

BPF

CHAIRMAN ROPER: Have you any idea of the total number of codes after you have consolidated them?

MR. BROWN: No, I have not. For example, I was talking to the Deputy Administrator who has lumber and lumber products and he has about 18 wood-working industries of various types. He has a plan to get them all under one code. If that plan is successful it will be one code, and if it is not we will have 18 codes.

COMMISSIONER MARCH: The lumber people have agreed on a code, haven't they?

MR. BROWN: Yes, but not the lumber products.

CHAIRMAN ROPER: Are there any further comments?

MR. BROWN: You spoke of the question of administration of the codes.

CHAIRMAN ROPER: Yes.

MR. BROWN: Of course I think our thoughts are fairly lined up on that though perhaps the industries do not appreciate them.

CHAIRMAN ROPER: I had this very interesting reaction, I may say, in two of these talks. I tried to show them how a law of this character could not be enforced by officers. It had to have the continuing support of the people. The Chambers of Commerce have the responsibilities resting upon them as educators and guides, and they should study these things and undertake to reenforce the officers. I said, "There are only three things, in my opinion, to be kept in mind about the success of this program, three things that concern you; and when you find yourselves weakening on any one of these three, please investigate. Do not take rumors. Number one is: Are the purposes or objectives of this

I believe we need that kind of educational work. I do not believe it is so much telling the people what they do not know as it is trying to get them to do as well as they do know.

The next item is something we will ask Judge Stephens to comment upon.

JUDGE STEPHENS: I do not know whether you want me to take the time to read it; perhaps I can state it more briefly. The Attorney General rules that the National Recovery Act is applicable to the Shipping Industry. We express ourselves as believing that the courts will probably so rule, although the matter is not wholly free from doubt, because there is a somewhat parallel condition in the railroad situation. We do not assume to pass here upon the question of policy involved as distinguished from the legal question. There are a number of considerations of policy with respect to the difficulty of applying codes to the shipping industry, especially in view of the foreign competition which General Johnson and those directly in charge are perhaps better prepared to pass on than Mr. Comings and myself.

(See Appendix A for the complete opinion of the Attorney General on this subject.)

CHAIRMAN ROPER: I believe that is all we need on that.

Judge Stephens, we held over from the last meeting the consideration of the policy with regard to Executive Orders. I do not know that there is anything imminent there.

JUDGE STEPHENS: There were some proposed orders submitted recently in which we made a number of changes. The Legal Department

August 10 according to the Executive Order. But he had not more than gotten back to Hyde Park--certainly within a week--when he sent me a note and attached to the note was an Executive Order deferring the bringing over of the Shipping Board until December. He said "Have you changed your mind already?" I did not know where this Executive Order started from and never have been able to find out where it started from.

That was rather startling to me that an Executive Order like that could get through without my knowing anything about it, so I thought it was to the interest of all concerned to have Executive Orders go through the Director of the Budget, who ought to know about it, and the Attorney General. I believe we ought to follow some such plan as that though I do fully appreciate the necessity of expedition, and I think that with anything requiring immediate action the Director of the Budget and the Attorney General ought to clear the way and give it immediate consideration.

JUDGE STEPHENS: I might say, Mr. Secretary, that further carrying out your suggestion with respect to having a clearing house in the Attorney General's Department, Mr. Cummings and myself discussed the matter and we thought if it was to be worth anything all orders must eventually go through one man in the Department, so we are handling these matters as follows: All the Executive Orders that come to the Department of Justice are first assigned by the Attorney General's Office to the various divisions where they might be most acceptably handled and are given ap-

JUDGE STEPHENS: In this connection, I should like to make a suggestion to General Johnson and the Board which perhaps might be worth considering. It came to our attention in the Department of Justice about ten days ago. A rather serious complaint had been privately expressed as to the fairness of one of the administrators presiding over the hearings of an important industry. The story came to our attention accidentally and we immediately acquainted the National Recovery Administration, through Mr. Blackwell Smith, with it in specific terms. The story that came to us was to this effect: That in making the protest known those persons who claimed that the administrator was not fair claimed that he was a "plant" by some industry to get a code favorable to itself; that through the persuasion of the press these objectors had decided to sit quiet for a while and let the code be made and then have a big story break on us all.

It occurred to me that perhaps we should take into consideration the fact that with the large number of hearings and the large number of administrators and deputies, there might be some who would be unfair and some who would be thought to be unfair although not actually so, and that some such informal device as providing for the filing of some statement or affidavit by virtue of which any industry could protect the fairness of a particular administrator, and

the lack of which would foreclose them against protest if they did not thus make it at the outset, would serve the double purpose of insuring there was a fair administrator and preventing objection if protest was not made. I called that informally to the attention of Mr. Blackwell Smith and he said he thought some such measure might be considered.

MR. BROWN: May I suggest that those things ought to be taken up with the General?

JUDGE STEPHENS: I could not reach him, Mr. Brown.

DR. DICKINSON: I think that might go a little farther than the Deputy Administrator.

CHAIRMAN ROPER: General Johnson will probably be here at his desk very soon and why shouldn't we just prepare a little memorandum covering this suggestion, if you wish, and turn it over to Mr. Brown who, in turn, will bring it to the attention of the General.

MR. BROWN: I think that suggestion is a very good one.

CHAIRMAN ROPER: Will you put that in memorandum form?

JUDGE STEPHENS: Yes, Sir.

CHAIRMAN ROPER: It seems to me that it would be a good plan, Mr. Stenographer, to have the agenda appear in the minutes hereafter. Will you see that that is done?

MR. FOOTE: Yes, sir.

CHAIRMAN ROPER: Is there anything else?

SECRETARY ICKLES: I anticipate we are approaching the time when a hurry-up call will be made again for funds for this Administration