

CONFIDENTIAL

Press Conference #209,
Executive Offices of the White House,
May 31, 1935, 11.00 A.M.

THE PRESIDENT: What is the news?

Q (Mr. Stephenson) That's what we want.

THE PRESIDENT: Have you any questions to ask?

Q What did you do yesterday outside of seeing Mr. Richberg?

THE PRESIDENT: I saw lots of people. I telephoned to a lot more,
and I am continuing to do it.

Q Do you care to comment any on the N. R. A.?

THE PRESIDENT: Well, Steve, if you insist. That's an awful thing to put up to a fellow at this hour of the morning, just out of bed. Suppose we make this background and take some time because it is an awful big subject to cover and it is just possible that one or two of you may not have read the whole twenty-eight or twenty-nine pages of the Supreme Court Decision. I have been a good deal impressed by -- what shall I call it? the rather pathetic appeals that I have had from all around the country to do something. They are very sincere as showing faith in Government -- so sincere that you feel in reading them -- and so far there have been somewhere between two and three thousand by letter and telegram and I haven't seen this morning's mail yet -- so sincere that you feel the country is beginning to realize that something in the long run has to be done. And they are all hoping that something will be done right away. I think probably the best way to illustrate it is to read you just a few telegrams that came out of this huge pile. They are all from

businessmen, every one. I only took out the telegrams from businessmen. And they illustrate pretty well that the information that they have received since Monday through the press and through the radio has failed to explain to them the implications of the Supreme Court's Decision. In other words, they are groping and they have not yet had information from either the press or the radio or from me, which would put this situation in plain, lay language.

Well, for instance, here is one from Indiana. A state association of small -- well, they are drugstore people. They start off: (reading)

"We commend you for what you have done to protect the small businessman from ruthless destructive trade practices. We hope you will continue your sincere efforts to the end that Constitutional legislation be enacted that will save the small businessman from eventual extinction."

In other words, "Mr. President, do please get some Constitutional legislation that will save us."

Here is one from Jackson, Mississippi. This is another association of small businessmen. (Reading)

"Stabilization of business through codes has been of untold value to America. We cannot urge you too strongly to seek some plan to further the great work. Unless the use of loss leaders by chain store vultures is prohibited the small independent merchants will be the greatest sufferers."

Here is one from New York. (Reading)

"I respectfully appeal to you to issue a proclamation to uphold the NRA and I suggest that the same be brought to the people for a vote. A crisis exists. Congress represents the electors and this will give you full power."

I am just giving you this to show the state of mind of people in

the country because the situation has never been explained to them as yet.

Here is a man from Hastings. He says: (reading)

"Suggest you get button out. 'I am for the N.R.A.'"

That is his solution.

Here is a man from Westchester County. He says: (reading)

"My business was well on the way to recovery under the NRA cigarette and cigar code. All indications point to conditions more chaotic than when you took office. Prices are being ruthlessly slashed. I, like all other small retailers, am keeping my faith in you to keep me from losing my business. Save the people."

In other words, "Mr. President, please save me."

Here is another man: (reading)

"Sincerely hope that you may be able to do something to replace the National Recovery Act in a legal form. Gladly admit that before the birth of the Act our business was very far below par and because of a code in our industry we made money in the past year which under the new conditions we cannot in the future. It would be a shame at this late date of the chiselers which you so properly dubbed them early in your Administration won this great battle. I would hate ever again to see Wall Street and utilities in control of the Government of the United States. I heard one hotel manager today remark now that the Act has been temporarily voided he would not have to pay code prices. He would make money in his business by paying his bell boys \$3.00 a week and so on down the line."

In other words, "Please do something to re-establish the codes."

Here is one from Iowa: (reading)

"We urge constructive legislation for the protection of the small businessman. We feel such legislation is imperative if he is to survive."

Here is one from New York: (reading)

"The battle is on. Retailers demanding their

pound of flesh. Next step sweat shop labor competitions. In the name of my hundred employees and our investment we beseech you to restore NRA."

Here is one from Georgia: (reading)

"Respectfully call your attention to section of Constitution referring to appellate power: 'The Supreme Court shall have appellate jurisdiction both as to law and fact, with such exceptions and under such regulations as Congress shall make.' Suggest act establishing compulsory standard of labor relations and fair trade practices for all industries substantially affecting interstate commerce and creating special court with exclusive jurisdiction thereover and excluding appellate jurisdiction of the Supreme Court."

That's from a rather prominent lawyer in Atlanta who is also in business. That is another angle -- another suggestion.

Here is one from Galveston, Texas: (reading)

"We feel that some law meeting the objections of the Supreme Court should be passed immediately to take the place of NRA. If this cannot be done by Federal law then think you should urge all states to pass laws to take care of this."

That is another suggestion. That is the forty-eight states man.

Here is one from White Plains: (reading)

"I beg to submit following suggestion for making NRA constitutional. Congress has unlimited power regarding income taxes. Make NRA technically voluntary under Government sponsorship. Increase corporation income tax rate say 25 per cent. Allow NRA cooperating corporations 25 per cent deduction on ground adherence reduces federal relief costs."

That is another one.

Here is one from New York: (reading)

"Suggest the Government issue new Blue Eagle to all voluntary adherents to codes."

And then he goes on with another suggestion: (reading)

"That Government, states and cities agree to buy only from holders of new Blue Eagle and that the public be asked to pledge themselves to buy only from holders of the new Blue Eagle."

Here is another one from Texas: (reading)

"In order to give business a proper opportunity to show its ability to serve customers and employment of labor we suggest you advance legislation for a permanent NRA. On this basis you will support economic recovery."

He wants a new NRA.

Here is one from Pittsburgh, from another Code Authority in which they say they will observe the fair trade practice provisions of the code, as well as the maximum hours and minimum rates of pay provided therein -- and he read a good many of these telegrams in the papers and they use the first part of the telegram and not the last for most of them go on and say, "Until there are such changes in conditions as may render it inadvisable to do so."

Here is one from Islip that says: (reading)

"Study of the Supreme Court's opinion does not seem to justify fright. Simple adherence to the Constitution through new legislation can preserve NRA values and at the same time get rid of its errors."

I only have two or three more. Here is another one: (reading)

"The decision of the Supreme Court abolishing NRA has automatically terminated the FACA which governed our industry."

This is from the Wine and Spirits Institute and they want legislation which will continue the work of the FACA immediately, regardless.

All this new legislation is regardless of the Supreme Court's decision, just new legislation! And they are all good citizens.

Here is another firm: (reading)

"All good citizens are looking to you to exercise whatever power is at your command to prevent business chaos which seems inevitable following Supreme Court decision. Already --"

and then mentioning the name of a very large store --

"and many smaller people are rashly cutting prices."

Q Do you mind telling us the city from which that came?

THE PRESIDENT: I had better not because you might locate the store.

(Laughter)

Here is one from Pennsylvania: (reading)

"I hope your Congress is intelligent enough to quickly come through with a new program that will definitely make your efforts a success and sustain all the good that has been brought about."

That is from a printing company.

Here is another one: (reading)

"Our business crippled by the decision. Chiselers already at our throats and have begun choking us. Need immediate action."

Here is another one from a Massachusetts small operator in the candy business: (reading)

"Price cutting tactics have returned. We in this business require protection."

Here is one from New Jersey: (reading)

"So far all laws have been made for protection of property rights. I firmly believe that if you will incorporate in a constitutional amendment the human rights program --"

and so forth and so on.

Here is one from Pennsylvania: (reading)

"As the Constitution confers no authority expressed or implied upon the Supreme Court to declare Act of Congress unconstitutional would not the

decision that the NRA is void be an excellent reason and this an excellent time for repudiation of such action by the Court?"

And so forth and so on.

I suppose there are several thousand along the same line, mainly from businessmen.

Q In connection with the suggestion they make, I heard some time ago that there was some suggestion made of a Federal Incorporation Law:

THE PRESIDENT: I had one or two along that line, too.

Q Has that been taken up at this time?

THE PRESIDENT: All of these have been taken up.

Now, coming down to the decision itself. What are the implications? For the benefit of those of you who haven't read it through, I think I can put it this way: that the implications of this decision are much more important than almost certainly any decision of my lifetime or yours, more important than any decision probably since the Dredd Scott case, because they bring the country as a whole up against a very practical question. That is in spite of what one gentleman said in the paper this morning, that I resented the decision. Nobody resents a Supreme Court decision. You can deplore a Supreme Court decision and you can point out the effect of it. You can call the attention of the country to what the implications are as to the future, what the results of that decision are if future decisions follow this decision.

Now, take the decision itself. In the Schechter case the first part of it states the facts in the case, which you all

know. Then it takes up the code itself and it points out that the code was the result of an Act of Congress. It mentions in passing that the Act of Congress was passed in a great emergency and that it sought to improve conditions immediately through the establishing of fair practices, through the prevention of unfair practices, and then goes on in general and says that even though it was an emergency, it did not make any difference whether it was an emergency or not, it was unconstitutional because it did not set forth very clearly, in detail, definitions of the broad language which was used in the Act. In fact, it says that it makes no difference what kind of an emergency this country ever gets into, an Act has to be constitutional. Of course, it might take a month or two of delay to make an Act constitutional and then you wouldn't know whether it was constitutional or not -- you would have to do the best you could.

Now, they have pointed out in regard to this particular Act that it was unconstitutional because it delegated certain powers which should have been written into the Act itself. And then there is this interesting language that bears that out. It is on page eight. We are told that the provisions of the statute authorizing the adoption of the codes must be viewed in the light of the great national crisis with which Congress was confronted. (Reading)

"Undoubtedly, the conditions to which power is addressed are always to be considered when the exercise of power is challenged. Extraordinary conditions may call for extraordinary remedies. But the argument necessarily stops short of an attempt to justify action which lies outside the sphere of constitutional authority. Extraordinary

conditions do not create or enlarge constitutional power."

Of course, that is a very interesting implication. Some of us are old enough to remember the war days -- the legislation that was passed in April, May and June of 1917. Being a war, that legislation was never brought before the Supreme Court. Of course, as a matter of fact, a great deal of that legislation was far more violative of the strict interpretation of the Constitution than any legislation that was passed in 1933. All one has to do is to go back and read those war Acts which conferred upon the Executive far greater power over human beings and over property than anything that was done in 1933. But the Supreme Court has finally ruled that extraordinary conditions do not create or enlarge constitutional power! It is a very interesting statement on the part of the Court.

However, the question of the delegation of legislative power is not so very important in this particular case because the Supreme Court has at least intimated that in so far as the delegation of power was concerned, it could have been in 1933 in this emergency -- the language of the Act could have been so improved as to give definite directions to administrative or quasi-judicial bodies and in that respect it refers to the methods already used in the case of the Federal Trade Commission and cites that with approval.

In other words, for the future the delegation of power is not an unsurmountable object, and undoubtedly an Act could be written which would in general conform to this opinion of the Supreme Court as to delegated powers -- get that! So that is

not the most serious implication yet.

However, you come down to something else which is the most important implication and that relates to Interstate Commerce.

Before I go on to the other point there is one interesting paragraph on page eighteen in regard to the delegation of powers.

(Reading)

"Section 3 of the Recovery Act is without precedent. It supplies no standards for any trade, industry or activity. It does not undertake to prescribe rules of conduct to be applied to particular states of fact determined by appropriate administrative procedure. Instead of prescribing rules of conduct --"

It only prescribed, if you remember, objectives to be sought --

"-- it authorizes the making of codes to prescribe them. For that legislative undertaking, section 3 sets up no standards, aside from the statement of the general aims of rehabilitation, correction and expansion described in section one. In view of the scope of that broad declaration, and of the nature of the few restrictions that are imposed, the discretion of the President in approving or prescribing codes, and thus enacting laws for the government of trade and industry throughout the country, is virtually unfettered. We think that the code-making authority thus conferred is an unconstitutional delegation of legislative power."

Of course, there is a good deal said in the opinion about the imposing of codes. As I remember it, there was only one code imposed and that was the Alcohol Code. I don't think there was any other code imposed by Executive Order.

Now we come down to this big thing. The implication of the provisions as applied to intrastate transactions. Why is it -- let me put it this way -- why is it that so many of these telegrams are futile? Why is it that so many of these letters and telegrams show that the senders do not realize what the rest of this decision means? Let's put the decision in plain lay language

in regard to at least the dictum of the Court and never mind this particular sick chicken or whatever they call it. That was a question of fact but of course the Court in ruling on the question of fact about these particular chickens said they were killed in New York and sold and probably eaten in New York, and therefore it was probably intrastate commerce. But of course the Court does not stop there. In fact the Court in this decision, at least by dictum -- and remember that the dictum is not always followed in the future -- but at least by dictum the Court has gone back to the old Knight case in 1885, which in fact limited any application of interstate commerce to goods in transit -- nothing else!

Since 1885 the Court in various decisions has enlarged on the definition of interstate commerce -- railroad cases, coal cases and so forth and so on, and it was clearly the opinion of the Congress before this decision and the opinion of various attorneys general, regardless of party, that the words "interstate commerce" applied not only to an actual shipment of goods but also to a great many other things that affected interstate commerce.

It went so far, for example, that I might cite you a case that came up when I was Governor of New York. We had a little branch railroad that ran from Flushing up to Port Jefferson. It was a little branch of the Long Island Railroad, and the Long Island Railroad wanted to abandon it. The railroad was not only in the State of New York but it was confined to Long Island. It was a little feeder but a good many commuters came in on that

road -- a good many thousands rode over it every day but they wanted to abandon it, and they went to the Public Service Commission of the State of New York and said, "We want to abandon this little eight or ten-mile road," and the Public Service Commission of the State of New York said, "You can't! There are too many people dependent on this little branch." And the Long Island Railroad said, "We are very sorry, Mr. Public Service Commission of the State of New York, but we will go to Washington."

And they went to Washington and they went to the Interstate Commerce Commission and the Interstate Commerce Commission under delegated power, delegated to them by the Congress, ruled that the little eight-mile feeder on Long Island was intimately connected with interstate commerce -- that the Interstate Commerce Commission, the Federal Government, had the right to close it up. That road was wholly within the State. But theirs was a delegated power and they held that the Federal Government had the right to say that it was so important to interstate commerce and so directly affecting it that it could be closed up. In other words, the Federal Government could terminate it.

The whole tendency over these years has been to view the Interstate Commerce clause in the light of present-day civilization. The country was in the horse and buggy age when that clause was written, and if you go back to the debates on the Federal Constitution, you will find in 1787 that one of the impelling motives for putting in that clause was this: There wasn't much interstate commerce at all -- probably 80 or 90%

of the human beings in the thirteen original states were completely self-supporting within their own communities. They got their own food, their own clothes; they swapped or bought with any old kind of currency because we had thirteen different kinds of currency. They bought from their neighbors and sold to their neighbors. However, there was quite a fear that each of the thirteen states could impose tariff barriers against each other and they ruled that out. They would not let the states impose tariff barriers but they were afraid that the lawyers of that day would find some other method by which a state could discriminate against its neighbor on one side or the other, or discriminate in favor of its neighbors on one side or the other. Therefore the Interstate Commerce clause was put into the Constitution with the general objective of preventing discrimination by one of these Sovereign States against another Sovereign State.

They had in those days no problems relating to employment. They had no problems relating to the earning capacity of people -- what the man in Massachusetts earned, what his buying power was, had in those days no relationship. Nobody had ever thought of it, of what the wages were or the buying capacity in the slaveholding states of the South. There were no social questions in those days. The question of health on a national basis had never been discussed. The question of fair practice had never been discussed. The word was unknown in the vocabulary of the founding fathers. The ethics of the period were very different from what they are today. If one man could skin a fellow and get away with it, why, that was all right.

In other words, the whole picture was a different one when the Interstate Commerce clause was put into the Constitution than it is now. Since that time, because of the improvement in transportation, because of the fact that, as we know, what happens in one state has a good deal of influence on the people in another state, we have developed an entirely different philosophy. The prosperity of the farmer does have an effect today on the manufacturer in Pittsburgh. The prosperity of the clothing worker in the City of New York has an effect on the prosperity of the farmer in Wisconsin, and so it goes. We are inter-dependent -- we are tied in together. And the hope has been that we could, through a period of years, interpret the Interstate Commerce clause of the Constitution in the light of these new things that have come to the country, that under the Interstate Commerce clause we could recognize not only by legislation but by the upholding of that legislation by the courts that a harmful practice in one section of the country could be prevented on the theory that it was doing harm to another section of the country and that was why the Congress for a good many years, and most lawyers, have had the thought that in drafting legislation we could depend on an interpretation of the legislation that would enlarge the definition of interstate commerce to mean those matters of direct interstate commerce and also those matters which indirectly affect interstate commerce.

The implication, largely because of what we call obiter dicta in this opinion, the implication of this opinion is that we have gone back, that the Supreme Court will no longer take

into consideration anything that indirectly may affect interstate commerce; that hereafter they will decide the only thing in interstate commerce that they can permit Federal jurisdiction over is goods in transit plus, perhaps, a very small number of transactions which would directly affect goods in transit. Furthermore, they have quoted with approval -- that is, before I leave that goods in transit -- they say on page 19: (reading)

"(1) Were these transactions 'in' interstate commerce? Much is made of the fact that almost all the poultry coming to New York is sent there from other States" . . . "When defendants had made their purchases, whether at the West Washington Market in New York City or at the railroad terminals serving the City, or elsewhere, the poultry was trucked to their slaughterhouses in Brooklyn for local disposition. The interstate transactions in relation to that poultry then ended."

Then to come to the next point, they take one very interesting stand; first, they talk about necessary and well-established distinctions between the direct and indirect effects. They quote a number of cases and finally come down to the quotation of Industrial Association against the United States at the top of Page 23. They say:

"The alleged conspiracy and the acts here complained of, spent their intended and direct force upon a local situation -- for building is as essentially local as mining, manufacturing or growing crops -- and if, by resulting diminution of the commercial demand, interstate trade was curtailed either generally or in specific instances, that was a fortuitous consequence so remote and indirectly as plainly to cause it to fall outside the reach of the Sherman Act."

Now, that is interesting because the implication is this: We have in this country about five major human activities. One is transportation and that is not listed here. The other four

are construction in the first instance -- I suppose the theory is that the building, even though the materials come from other states and none of the materials come from the locality of the building, that the building is part of the land and therefore that nothing entering into the erection of that building can have anything to do with the Interstate Commerce clause of the Constitution. The next, the third large occupation, is mining. That is to say, the taking of coal, oil or copper or anything else out of the ground. The implication there is that no matter where the coal or oil or copper goes it cannot be considered to have any relationship to interstate commerce because it came out of one place. It was a part of a place or locus.

Another great occupation is manufacturing, and the implication is that if I manufacture at Hyde Park, New York, let us say, a national article, such as a national brand of tooth paste or a national brand of automobiles, if I am Henry Ford, while I only sell a few tubes of tooth paste or four or five cars in the place of manufacture at Hyde Park, and despite the fact that the rest are sold in interstate commerce, the actual manufacturing itself, in the light of this opinion, seems to be so closely tied to the actual factory that it does not make any difference where the goods go and therefore the Interstate Commerce clause of the Constitution cannot apply to any of the elements of the manufacturing at that place, either to materials that may come from other states, to the conditions that obtain in the factory, to the wages paid or to the unfair practices that I as a manufacturer may be engaged in.

And then finally you have a fifth great occupation of human life which is the growing of crops and it evidently does not make any difference whether after I grow my wheat it is put in an elevator in a different state, perhaps to be commingled with other wheat and sold in Liverpool, or New York, or Germany, or in another state of the Union -- it doesn't make any difference. The fact is that the wheat was grown in one place and therefore the growing of crops cannot be considered in any shape, manner or form as coming under the Interstate Commerce clause of the Constitution. Perhaps wheat actually in transit under this decision may come under it. But it could not if it were in storage, for example, in a bin, because there it would be tied to a definite locality.

And so the citation of this does bring us up rather squarely in the country as to the big issue and how we are going to solve it. The big issue is this: Does this decision mean that the United States Government has no control over any national economic problem?

Well, the simple example of that is crop adjustment. Are we going to take the hands of the Federal Government completely off of any effort to adjust the growing of the national crops and go right straight back to the old thought that every farmer is a lord of his own farm and can do anything he wants, raise anything, any old time, in any quantity, and sell any time he wants? You and I know perfectly well that if we abandon completely crop control -- I don't care whether it is the present method or, let us say, the McNary-Haugen method, because, after

all, that is a Federal method, too -- if we are going to abandon any Federal relationship to a crop, we will have thirty-six-cent wheat and you can't stop it. Under present world conditions we will have five-cent cotton -- that is obvious.

And then you come down to the next series of things -- manufacturing. We have tried to improve the economic conditions of certain forms of manufacturing. I am not talking about the social conditions now. I am talking about the economic conditions, giving to manufacturers a chance to eliminate things that we have had national questions as to whether they are fair or not. For example, the chain stores going into little communities or big communities all over the country and starting the system of loss leaders, and of course nobody who does their own marketing -- and all you ladies of the Press will appreciate this -- knows perfectly well that where you have the loss leader system and are trying to get along on a budget, you are going to look into the chain store window and see what the loss leader is that day. You may get a can of peas for fourteen cents instead of eighteen cents; naturally you wait and buy the loss leader. The chain store can afford to put out loss leaders, but the independent grocery store cannot.

A number of states -- and here we come down to the last question -- have attempted to take away the privileges or the advantages that come to very large nationwide businesses, by imposing special taxes on chain stores, but only a few states have done it. And that is a very good illustration of the difficulty of correcting economic conditions by forty-eight separate

actions. We attempted to do it in the codes by getting industry itself to write codes that would eliminate loss leaders, and they did, and as a result the flow of bankruptcies of small stores throughout the country, which was under way two years ago, was stopped. And the volume of telegrams that has come in today leads one to believe that they again face, a great many of them, bankruptcies, or at least they think they do. The other example is that of a department store which puts in a book department and sells all the latest detective stories that retail ordinarily at \$1.50 -- I ought to know because I read them -- for ninety cents. Up to the time that their code went through, bankruptcies of small book stores throughout the country where these practices were engaged in were increasing. They were being put out of business because they could not afford to sell \$1.50 books for ninety cents. The big department stores could afford to do it because people who go into that department to save sixty cents on a detective story were undoubtedly buying a good many other things in that department store and the store was able to make up the loss. Now all that seems to be out of the window. We made a very sincere effort to eliminate things that were called unfair trade practices, not only because they were hurting little fellows, but also because they were giving advantages to people with lots of capital or with nationwide systems -- advantages over smaller men or local men, and it seemed to be going pretty well. That was done under the general theory that because these goods came from every part of the United States there was a rather direct

implication that they affected the internal commerce of the United States as a whole, and therefore came under the Interstate Commerce clause.

Then we came down to the mines. There have been a number of cases about mines but the implication in this quotation is that mines and mining do not come under interstate commerce. It is purely a local thing no matter where the copper or the oil or coal goes. It is rather interesting, I think, that there are former decisions of the Supreme Court which have held much more liberally in labor cases, mining cases where people have tried to get an injunction against labor, and in those cases the Supreme Court has tended, up to the present time, to approve a mining injunction on the ground that the coal was going to go into interstate commerce.

This case, however, seems to be a direct reversal in that the shoe is on the other foot and that where you try to improve wages and hours of miners the coal suddenly becomes a purely local intrastate matter and you can't do anything about it.

Those are the important human occupations affected in this decision, the mining and manufacturing and growing of crops -- the important ones.

Well, what does it do? It seems to me it brings -- oh, I suppose you will want to say an issue. I accept the word "issue" on one condition and that is that you make it very clear that it is not a partisan issue. It is infinitely deeper than any partisan issue, it is a national issue; yes, and the issue is this, going back to these telegrams that I have been reading to you: Is

the United States going to decide, are the people of this country going to decide that their Federal Government shall in the future have no right under any implied power or any court-approved power to enter into a national economic problem, but that that national economic problem must be decided only by the states?

The other part of it is this: Shall we view our social problems -- and in that I bring employment of all kinds -- shall we view that from the same point of view or not, that the Federal Government has no right under this or following opinions to take any part in trying to better national social conditions? Now, that is flat and that is simple!

If we accept the point of view that under no interpretation of the Constitution can the Federal Government deal with construction matters, mining matters (which means everything that comes out of the ground), manufacturing matters or agricultural matters, but that they must be left wholly to the states, the Federal Government must abandon any legislation if this decision is followed in future decisions. Thus we go back automatically to the fact that there will not be thirteen governments as there were in 1789 and where none of these questions existed in the country, but we will go back to a government of 48 states and see what happens.

Or we can go ahead with every possible effort to make a national decision based on the fact that 48 sovereignties cannot, in our belief, agree quickly enough or practically enough on any solution for a national economic problem or a national social problem.

When I was in Albany I had on two or three occasions the desire of getting through the Legislature certain bills relating to the improvement of factory conditions and the improvement of labor conditions, and people came to me and said, "If those bills go through we are going to move into Pennsylvania." That gave to the Chief Executive of one state serious concern. Should he force the legislation and let these factories move out of this state into a state that didn't have any restrictions and didn't have nearly as advanced social legislation, or should he go in and leave certain evils that we considered as evils just as they were? In other words, by the returning of all these powers to the states you will unavoidably develop sectionalism. Just imagine what will happen in the case of the cotton textile industry -- the problem of the differential in wage between New England and the South. Less than two years ago that differential was more than five dollars a week in favor of the South. Under the code system it has been cut to two and a half dollars and in all human probability if we had gone on under these code methods the differential would gradually have been cut still further. They were actually working on an additional cut in the labor differential in the cotton textile industry. That, of course, we have had to desist from.

We come down in passing to the question of whether they can now live up to these codes. We hope so -- sure. Everybody hopes that the wage agreements and codes will be lived up to and every effort should be made to have people in every industry live up to the codes and I sincerely hope that everybody will live up to them.

On the other hand, as President, naturally I have to think of what is going to happen to the country if people, some people, do not live up to them. You go back to the same old 90% and 10% we have talked about so often. There are, let's say, 100 of us in this room who are making cotton textiles. Each one owns a mill and out of the 100 there are three or four, that is all, who see an advantage to be gained -- an immediate advantage of quick profit and they cut their wages and increase their hours and go ahead with the stretch-out system beyond the code allowance. What is going to happen to us? Let us say that it happens to be a mill right next to Charlie Hurd's mill. Charlie Hurd, making the same kind of goods, is naturally going to call a meeting and he is going to say, "This fellow over here, Bill Smith, is cutting his wages and increasing his hours and increasing his stretch-out. And I am going broke." Well, we are going to have an awful lot of sympathy for Charlie Hurd and what are we going to do about it? Probably he would say, "Do you think I ought to go broke?" and probably most of us would say, "Why, no; you came 100% right straight through and we will release you from any obligation to keep on with these code practices." He, being human and in order to keep his head above water, will probably try to meet the competition of the other fellow, and we wouldn't blame him one bit. So it is not a question of fighting industry. The great bulk of industry is perfectly sincere and honest in wanting to keep good wages and wanting to keep fair hours, but the problem is going to be: Can they do it by agreement? That is the thing, of course, we cannot tell between Monday and Friday of this week.

But fundamentally it comes down to this: You and I know human nature. In the long run can voluntary processes on the part of business bring about the same practical results that were attained under NRA? Can they do this? I mean, the good results? Of course there have been some bad ones. But I mean the good results. Can it be done by voluntary action on the part of business? Can we go ahead as a nation with the beautiful theory, let us say, of the Hearst press, "At last the rule of Christ is restored. Business can do anything it wants and business is going to live up to the golden rule so marvelously that all of our troubles are ended." I ask you? Do not mention Hearst press because it might be some other papers, too. It is a school of thought that is so delightful in its naivete.

Here is somebody else: "What the Court's decision has done is to bring an end to confusion and to avert a worse condition in the future." I hope that the man who wrote that is right. I hope so.

And so, ladies and gentlemen, we are facing a very, very great national non-partisan issue. We have got to decide one way or the other. I don't mean this summer or winter or next fall, but over a period, perhaps of five years or ten years we have got to decide whether we are going to relegate to the forty-eight states practically all control over economic conditions, not only state economic conditions but national economic conditions, and along with that whether we are going to relegate to the states all control over social and working conditions throughout the country regardless of the fact as to whether those conditions have a very

definite bearing outside of the individual states; in other words, a bearing on the conditions in other states. That is one side of the picture. The other side of the picture is whether in some way we are going to turn over or restore to -- whichever way you choose to put it -- turn over or restore to the Federal Government the powers which vest in the national governments of every other nation in the world -- get that -- the right to legislate and administer laws that have a bearing on and general control over national economic problems and national social problems.

That actually is the biggest question that has come before this country outside of time of war and it has got to be decided, and, as I say, it may take five years or ten years.

This decision seems to be squarely -- if you accept the obiter dicta and all the phraseology of it -- this decision seems to be squarely on the side of restoring to the states forty-eight different controls over national economic and social problems. Now, this is not a criticism of the Supreme Court's decision; it is merely pointing out the implications of it.

In some ways it is probably the best thing that has happened to this country for a long time that this decision has come from the Supreme Court, because it clarifies the issue, and if the press and the radio of this country can make that issue perfectly clear, it will be doing a very great service, because it will mean that the telegrams that I have been reading to you, suggesting every kind of a method of overcoming this, those telegrams won't continue to come in, because all except a very few of them suggest remedies which are wholly and totally outside of the opinion of

the Supreme Court. In other words, they are in violation of that opinion -- nine remedies out of ten are in violation of the strict interpretation of that opinion.

Now, of course I think it is perfectly proper to say further that the implications of this decision could, if carried to their logical conclusion, strip the Federal Government of a great many other powers. Federal Alcohol Control -- well, that is gone -- we know that is gone. This decision did it. Federal Alcohol Control was put in with an objective. At the end of prohibition, when spirits and beer came back, I think everybody, whether on the prohibition side or the anti-prohibition side, believed that the Federal Government should do everything in its power to see that pure liquor and good liquor was offered to the American people. That is not, apparently, a federal power. We have forty-eight nations from now on under a strict interpretation of this decision. Forty-eight nations which will each prescribe a different standard for its own liquor and which are completely powerless to prevent liquor from the next-door state, or ten states away, from coming into its borders. In other words, it is a perfectly ridiculous and impossible situation. It is a very good example of what forty-eight independent nation-control means.

Your next implication relates to certain things that we believe were within the federal power. They have not been definitely outlawed by this decision, but the/raises a very great question. ^{decision} The Securities Act of 1933 was intended to prevent nationally the issuing of securities to the investing or speculating public under false pretenses. The Act required that, through a central federal

organization securities that were proposed to be issued should have stated the full truth about them. That is all there was -- it was a Truth in Securities Act and it has been working very well. However, securities, I suppose, like a crop, are like manufactured goods and can be held to be issued in one place and bought by the public in one place, and are therefore wholly intrastate.

It does not make any difference whether the securities afterwards go into forty-eight states or not. The issuance and buying in one state, like a crop or a factory, have no character or interstate commerce about them under this decision.

In the same way the decision raises a question with respect to the Stock Exchange Act. After all, the Stock Exchange is just a building in one place -- in one city. There are a good many of them scattered throughout the country. They sell various forms of securities but each one is attached to the ground like wheat or cotton -- like coal or anything else. It raises a question. Then you come down to the A.A.A. itself. I have discussed that. The question is raised by this decision as to whether the Federal Government has any constitutional right to do anything about any crop in the United States, and it suggests by implication that forty-eight states should each have their own crop laws.

You see the implications of the decision and that is why I say it is one of the most important decisions ever rendered in this country. And the issue is going to be not a partisan issue, because I don't think it is a partisan issue for a minute. The issue is going to be whether we go one way or the other. Don't

call it right or left; that is just first-year high school language, just about. It is not right or left -- it is a question for national decision on a very important problem of government. We are the only nation in the world that has not solved that problem. We thought we were solving it, and now it has been thrown right straight in our faces and we have been relegated to the horse-and-buggy definition of interstate commerce.

Now, as to the way out -- I suppose you will want to know something about what I am going to do. I am going to tell you very, very little on that. There will be this afternoon or tomorrow morning an announcement in regard to pending cases. And there will be on Sunday or Monday a further announcement of another step and probably in the next few days there will be a number of announcements which will be along that line. This is only for the next four or five days, along the line of clarifying certain existing situations. Let the bigger things sink in for the next four or five days. So many suggestions have come that I have asked all of the suggestors to send their suggestions to a central source -- the Solicitor General and the Attorney General -- in order that they might be digested. Nobody is writing out anything for me. And Steve (Mr. Early) says it is one o'clock daylight time and we have been talking an awful lot.

Have you any other questions?

Q (Mr. Stephenson) Can we use the direct quotation on that "horse-and-buggy stage"?

THE PRESIDENT: I think so.

MR. EARLY: Just the phrase.

Q You referred to the Dred Scott decision. That was followed by the Civil War and by at least two amendments to the Constitution.

THE PRESIDENT: Well, the reason for that, of course, was the fact that the generation of 1856 did not take action during the next four years.

Q You made a reference to the necessity of the people deciding within the next five or ten years. Is there any way of deciding that question without voting on a constitutional amendment or the passing of one?

THE PRESIDENT: Oh, yes; I think so. But it has got to come in the final analysis.

Q Any suggestion as to how it might be made, except by a constitutional amendment?

THE PRESIDENT: No; we haven't got to that yet.

Q Or a war? (Laughter)

THE PRESIDENT: Just qualifying the issue, that is all.

MR. STORM: Thank you, Mr. President.

CONFIDENTIAL

Press Conference #210,
Executive Offices of the White House,
June 4, 1935, 5.10 P. M.

Q They said you talked in French to them (the French Ambassador and a group of Frenchmen) this afternoon?

THE PRESIDENT: It was all right. If I did not do it about once a month I would forget it all.

Q Did they bring over the debt?

THE PRESIDENT: The debt? No. (Laughter)

Q What is French for that?

THE PRESIDENT: I am thinking seriously of seizing the NORMANDIE: That's about sixty million dollars. That's something.

Q Yes, we could use it for Press quarters.

Q Yes, that would be a start.

THE PRESIDENT: Gosh, what a mob! You have mimeographed copies of this so you do not have to take it down.

Q How many copies?

THE PRESIDENT: How many copies?

MR. EARLY: Plenty.

THE PRESIDENT: That is all right; you can have two.

Q Phillips says you need a still larger room.

THE PRESIDENT: Are all the Frenchmen here too?

Q No, not yet.

THE PRESIDENT: Not the fifty thousand Frenchmen?

Q No.

Q There are fifty thousand Indians.

Q There will be two hundred and fifty.

MR. DONALDSON: All in.

THE PRESIDENT: I was telling the front row that I had a very nice opening address to the Conference, based on the theory that there were going to be fifty French newspaper men with us today who came over on the NORMANDIE, and I was going to continue the discussion in French for the rest of the Conference. Now my style is very much cramped. I have to go back to English.

I'm going to tell you about two steps, three things really and they are all down in mimeographed form, so you won't have to take notes. I think the mimeographed form will follow substantially the one I am looking at in talking to you.

Today's announcement is confined to the following, in other words all the news that is, as one of the newspapers says, fit to print.

In order to meet the immediate problem relating to the Executive branch of the Government as a result of the Supreme Court decision, two steps, two immediate steps, have been discussed and agreed to. That was as a result of the first Cabinet meeting this morning and later on the discussion with various heads of agencies affected and finally by talking it over with the three Senators and three Members of the House you saw come in here: they were Senators Robinson, Harrison and Wagner and Speaker Byrnes, Chairman Doughton, and Chairman O'Connor.

The first step relates to the operation of the existing National Recovery Administration. As you know, the National Recovery Administration is still a legal agency of the Government. The Supreme Court decision merely said that the codes created under the National Re-

covery Administration were out and therefore we are seeking an amendment by the House of Representatives to the Senate Joint Resolution which Resolution extended the life of the NRA to April 1, 1936. In effect, this amendment would merely do this: it would eliminate from that Joint Resolution the language therein relating to codes because codes, as such, are impossible under the grounds laid down by the Supreme Court, first as to the delegation of power and secondly as to Interstate Commerce. It would remove reference to code-making.

It would continue what remains of the useful functions of NRA which, however, have nothing to do with code-making or the maintenance of fair standards of employment or fair business practices. This action would send the Joint Resolution back to the Senate in a simplified form. In other words it would strike out all questions of codes or the extension of NRA in relation to codes, it would merely extend what might be called the corporate life of NRA as an Administration.

That work of NRA would, between now and next April 1, cover the following: it would bring together and summarize the vast amount of information which is now in the possession of NRA relating to the actual results of the codes during the past year and a half, the effects on employment, the effects of fair trade practices, the effect on prices. It is generally felt that this information is of sufficient value to reduce it to simple, understandable form, for the information of the Congress and the information of the Administration and the information of the public.

The second thing that NRA would continue to do would be to study the effects between now and next April 1 on industry, both employers and employees, of the abandonment by the Government of code enforce-

ment or code requirements as was made necessary by the Supreme Court decision. In other words, they will study, in parallel columns, you might say, the results under code administrations and the results in industry without codes. That again will be of great value in determining next steps.

Furthermore, NRA would, if extended as a corporate entity, as an organization, it will be useful in carrying out the second stage, the second step that I am coming to in two or three minutes. In other words, that second step is a requirement that Government purchases and Government contracts be placed only with corporations or contractors who live up to certain minimum requirements.

The NRA machinery which is in existence in all the major centers of the United States can be used to see that contractors and Government supply people, people who supply things to the Government, live up to the requirements that are proposed for Government contracts of all kinds. In other words, somebody has to see that the contract is lived up to and the NRA organization can be used for that purpose.

Now, the extension of NRA means that there are 5400 people in its employ of whom, as I remember it, 4200 are in Washington and 1200 are in other parts of the country.

Q 4200?

THE PRESIDENT: Forty-two hundred in Washington, I think roughly, and 1200 in other parts of the country.

This extension of NRA, of course, does mean that quite a number of people will be relieved but, on the other hand, it means the retention of a substantial number of them.

In that connection, this seems to be a good opportunity for doing it, I want to record my deep appreciation and that of the country

for the unselfish work which thousands of men and women employed under or in conjunction with the National Recovery Administration have done in the past two years. I want to extend to them my sincere thanks, and I regret the circumstances under which the retirement of many of them from Government service becomes obligatory.

Now, finally, in connection with this first point, I think it should not be assumed -- and I say this so as to avoid raising false hopes -- it should not be assumed by any person, any partnership, any corporation that this proposed legal continuation of the National Recovery Administration from June 16 next to the first of April, 1936, relates in any shape, manner or form to enforcement of working conditions or fair trade practices that formerly existed under codes, because all such requirements were eliminated with the Supreme Court decision eliminating the codes. I don't want anybody to raise false hopes that an extension of NRA in this very, very limited form can have anything to do to circumvent the decision of the Supreme Court. The only exception is that regarding Government contracts which I am coming to in number two.

This other measure which, like the first, must be considered as only a very partial stop-gap, relates to Government contracts and to the use of Government funds. Only a very small portion of industrial production in the United States, probably not over one per cent, is used in Government work. The other 99 per cent of American production is used in private work. Nevertheless, in spite of this small percentage, I feel that the Government should take a practical and definite step to show its good faith in maintaining the larger objectives sought by NRA.

The proposed legislation would authorize a requirement in every

Government purchase, or every Government contract, and in the use of Government loans and grants to States, municipalities or other local Government agencies, that all persons engaged in the production of the supplies or in the carrying out of the contract shall be paid in accordance with minimum-wage and maximum-hour standards and that no person under the age of 16 shall be employed in carrying out the supplies or contracts.

There is another reason for this proposed action and that is this: that the bill not only carries out the moral responsibility of the Federal Government but that it also points the way as an example to private industry and expresses, as forcibly as anyone can, the hope that private industry in all of its branches will follow the lead of the Government.

Like the first measure relating to NRA, however, it does not make much progress toward obtaining the ultimate objectives of National standards for the working population of the United States, nor for National standards which seek to protect honorable employers against the unfair practices of less honorable competitors.

One bill gathers information and lets us know what is going on and the other bill affects the production of about one per cent of industrial production as a whole.

Now, we come down to the third thing which is not very exciting but somebody had to do it. We had the list last week of all of the different agencies that have been set up and which were affected, one way or the other, by the decision because they were set up in part or in whole with the same -- some of them were set up only in part and some were set up wholly under Title I of the National Industrial Recovery Act. There were about sixteen of them. Of these six-

teen, new legislation would be necessary for the continuance of four. This is all down in this mimeographed copy so you don't have to take the whole thing down.

The first is the Federal Alcohol Control Administration. Legislation for a new Federal Alcohol Control Administration is practically ready. Secondly, legislation for the Electric Home and Farm Authority, which has been selling electric gadgets on time payments in the Tennessee Valley, in certain areas of the Tennessee Valley. That is being worked on at the present time. Third, legislation for the continuation of the Central Statistical Board. That is already in the House, ready to be reported out of Committee. The Central Statistical Board, as you know, for the first time brought together all kinds of statistical information of the Government, done by different departments, and has sought to standardize its terms and has sought to get a simple and uniform picture instead of having fifteen or twenty different pictures which seem to vary from each other because they use different terms. Probably in the long run it will save a good deal of actual appropriations by consolidation of the statistical work of the Government.

The fourth is the Petroleum Administrative Board and that question is tied up, not with any special legislation, but with such general oil legislation as Congress decides to pass.

Those are the four whose continuance depends on new legislation.

Then you come down to two agencies which can very easily be continued and will be continued by amendments to Executive Orders. They are the National Emergency Council and the National Resources Board. One of them, the National Emergency Council, relates to the execution of work relief and the other, the National Resources Board,

relates to planning for work relief. They, therefore, both of them, come under the Work Relief Act and a very slight modification of the two Executive Orders keeps them going.

Then there are three agencies which have completed their work and it was planned some time ago that they would go out of business on the sixteenth of June anyway. That was planned a month or six weeks ago. Those agencies are the Committee on Economic Security which helped to draft the Social Security Act last summer and has been continuing through the winter. We also have the Advisory Council on Economic Security which was a brother of the other one. The third is the Special Advisor to the President on Foreign Trade. The other two agencies that Mr. Peek runs, the two Export-Import Banks, continue with Mr. Peek in charge of the banks.

Then there are seven labor boards created under NRA. They have to terminate in their present capacity. They are: The National Labor Relations Board, The Petroleum Labor Relations Board, The Steel Labor Relations Board, The Textile Labor Relations Board, The Work Assignment Board for Cotton, The Work Assignment Board for Silk, and The Work Assignment Board for Wool.

However, I am sending to the Speaker this afternoon a supplemental estimate of appropriations for the Department of Labor for the coming fiscal year to the extent of \$600,000. This will enable the Secretary of Labor to conduct additional mediation and conciliation activities which in the past have been a part but only a comparatively small part of the work of these seven boards which have been put out. This will give to the Department of Labor enough money to go ahead with extending the mediation and conciliation work of the Department of Labor. It does not give any additional powers to the

Department of Labor in labor disputes today other than for mediation and conciliation services. It is worth noting, however, that the Wagner Labor Bill, if enacted, would set up new tribunals which would substantially cover the functions heretofore exercised by the seven boards which have gone out of existence.

So that covers the sixteen agencies which were affected by the decision under Section 1 of NRA.

Q Mr. President, you did not mention the Automobile Labor Board. Is that in a different status?

THE PRESIDENT: I don't know. It was not on the list; I will have to find out about it.

Q I assume that it is in the same category.

THE PRESIDENT: I will have to check on it. That was not down.

Q With regard to Government contracts, would you trace that back to the people that the contractors bought from?

THE PRESIDENT: Yes.

Q Probably the easiest way to illustrate that would be cement and coal?

THE PRESIDENT: Yes.

Q Does that one comparison cover the whole business?

THE PRESIDENT: In other words, it does by contract what was formerly done by code.

Q I think it would be more than that.

THE PRESIDENT: Not much, no.

Q Who will manage the curtailed NRA?

THE PRESIDENT: I don't know. It will be something like the same organization they have now.

Q Board or one man?

THE PRESIDENT: I don't know. I have not considered it at all. Have not

taken it up yet.

Q Will you send a message to Congress on this?

THE PRESIDENT: No.

Q What wages or hours will be required under this Government Contract Bill?

THE PRESIDENT: Substantially the hours and wages that are in existence under the codes.

Q The individual codes?

THE PRESIDENT: Substantially the same thing.

Q You said they would apply only to the contract. Supposing a manufacturer was making shirts for the Army, would the minimums and the maximums apply only to that contract or to his whole plant?

THE PRESIDENT: Wait. I will have to look at the bills to give you an answer.

No, the bill reads that in connection with all or any purchases for construction, supplies, material or services, except personal services, made or entered into hereafter by any executive or under the provisions of the Emergency Relief Act, there will be required to be inserted in the proposed purchase order or contract a representation or agreement that all persons in classes of employment designated engaged in the production of such supplies or in the carrying out of the contract have been and will be paid such minimum wages and employed not to exceed such maximum number of hours per week as shall be specified.

Q Then, in carrying out their other contracts, they could disregard the maximum?

THE PRESIDENT: Yes. Also no employee under sixteen years of age will be employed in the production of supplies.

Q Are you giving us copies of that bill?

THE PRESIDENT: No, because it is not in perfect form yet. In any event, it has only been given to the members on the Hill as something for them to work on.

Q Will there be hearings up there before the Committee?

THE PRESIDENT: I don't know.

Q This production of material for work to be done by the contractors,
does it go down --

THE PRESIDENT (interposing): It goes down to the sub-contractor.

Q Going up the scale, does it go back to the raw material?

THE PRESIDENT: I don't know. For anybody that wants to make their last editions, there are copies all ready outside. If anybody wants to stay behind and ask more questions, they are welcome to.

Q After next April first, then what?

THE PRESIDENT: How old is Anne?

Q As to purchases of supplies for use under the \$4,800,000,000 work relief program, would that 1% figure still hold?

THE PRESIDENT: Not very far off. Maybe a little over.

Q Is it possible under this new bill that any industry might run the risk of violating the anti-trust laws?

THE PRESIDENT: Nothing in this. One relates to the NRA as a corporate entity and the other relates to contracts. It is not the subject of the bill at all.

Q You have described these as stop-gap measures. Does that mean this is all to be done in this session?

THE PRESIDENT: That is all today in the way of news.

Q You mentioned the Wagner Labor Disputes Bill; is that going ahead?

THE PRESIDENT: I think so.

Q Any mandatory legislation for the Federal Trade Commission?

THE PRESIDENT: Not that I have heard of.

Q Mr. President, can you tell us anything about oil legislation?

THE PRESIDENT: I would just as soon tell you the situation with regard

to the oil legislation. It comes down to this and it is being discussed on the Hill. Six of the States have entered into compacts and those compacts in effect are State treaties. They are filed with the Secretary of State here in Washington and when and if they are ratified by the Congress it gives those States, under their treaty-making power with each other, the right to set a quota for oil production.

The chief objection to that is not that it is not good but that it does not cover a great many other States which also produce oil. For instance, in the East and Middle West there are a great many States like New York, Pennsylvania, West Virginia, Kentucky, Ohio and Michigan that are all oil-producing States. They produce a substantial amount of oil, mostly from what they call "strip" wells. Now, they are not included in these compacts at all. The compact-States want no legislation. They want to go ahead and see how this thing works for a year. A good many people on the Hill think that there should be some legislation which would enable the Federal Government to act in case the compact fails, and only in case the compact fails.

Suppose these six States made a compact and one of them failed to live up to it and produced 10 per cent more oil than they had agreed on in the compact. Of course, that would spoil the entire objective and effect of the compact and this legislation that is now proposed would give to a new Petroleum Administration the right to step in only if the compact method fails, and to set a quota and see to it that it was lived up to by all of the oil-producing States.

Q In the same connection, there are a group or groups of people from New England and the midwestern states meeting with Secretary Perkins

on a minimum wage, 40-hour week, child labor compact. Has that come to your attention?

THE PRESIDENT: No.

Q When will you announce the next step?

THE PRESIDENT: I don't know.

Q This week?

THE PRESIDENT: I don't know.

Q Is there a constitutional amendment in contemplation?

THE PRESIDENT: That is all there is today.

Q Is there going to be a Press Conference tomorrow?

THE PRESIDENT: This is in place of the one for tomorrow morning. Let us make the next one 10.30 A. M. Friday.

Q Mr. President, can you give us some light on the Guffey Coal Control Bill? Can you give us your views on that?

THE PRESIDENT: No, because if I gave it on that, I would have to give it on a lot more. However, I think I can say this on the Guffey Control Bill, that a great many people think that it is constitutional and is a way out in regard to one of the most important natural resources that we have and, furthermore, the passage of that bill may be the solution of the employment problem in the coal industry, which seems to be in somewhat critical condition.

Q You say a great many people believe that?

THE PRESIDENT: Yes.

Q Why isn't it a solution with respect to some other industries?

THE PRESIDENT: That is another thing.

Q You would not care to say whether you hold that opinion?

(The President did not answer.)

Q Does this mean you will pay code wages to work relief people?

THE PRESIDENT: No, we have the regular schedule. That is entirely a different subject.

Q Is it the conclusion that you cannot make a code under this decision?

THE PRESIDENT: Absolutely. That is what the Supreme Court said, that you cannot make a code.

(The Press Conference adjourned at 5.30 P. M.)

CONFIDENTIAL
Press Conference No. 211
White House Executive Offices
June 7, 1935, 10.50 A.M.

THE PRESIDENT: I hope you are all making arrangements and will let me know as soon as you can how many people are going up to Hyde Park, because Monday is the beginning of Commencement Week at Vassar and I have got to make arrangements for the boys who are going to help carry the daisy chain. (Laughter)

Q (Russell Young) Steve can carry it himself.

Q (Francis Stephenson) I think the Senator could be on the tail end of it.

Q (Russell Young) If Steve will help me it is all right.

THE PRESIDENT: Besides that, there is no news whatsoever I know of.

Q Mr. President, reviving an old topic, have you any comment to make on the A F of L announcement yesterday regarding NRA?

THE PRESIDENT: I have done no more than read the headlines in the newspapers.

Q (Francis Stephenson) How did you come out on that?
(Laughter)

THE PRESIDENT: Well, I read eight headlines so, of course, now I know all about it. No two of them agreed, otherwise it was all right.

Q Did you read a headline that said that Congress expected a message from you on the subject of inheritance taxes?

THE PRESIDENT: I haven't thought of taxes or looked at taxes for a month. I haven't done a thing on it.

Q Does that mean that you are not going to send a message up?

THE PRESIDENT: I don't know. Frankly, I haven't thought about it or looked at it for a whole month.

Q Can you give us your immediate legislative program? There have been stories as to what you told Congress you would like to have.

THE PRESIDENT: In other words you would like to have a list of the so-called "must" bills.

Q And any additions to them.

THE PRESIDENT: It depends on whose stories you have been reading and know what the previous must list was.

Q You had five.

THE PRESIDENT: Of course that wasn't a "must" list, because I was very careful to mention those particular five as desirable things, but there will be others besides the five.

Q Mr. President, what are those five?

THE PRESIDENT: What were they? They were set down in a letter or message.

Q It was a radio speech.

THE PRESIDENT: I guess it was, yes. There will undoubtedly be additions.

Q (Mr. Cromie) What would you say was the social objective of the Administration?

THE PRESIDENT: I am glad to see you back here. (Laughter) Is this going to help in the Canadian election too? Of course that is a terribly difficult thing to talk about, offhand. It would take an hour or two hours or something like that.

The social objective, I should say, remains just what it was, which is to do what any honest government of any country would do; to try to increase the security and the happiness of a larger number of people in all occupations of life and in all parts of the country; to give them more of the good things of life; to give them a greater distribution, not only of wealth in the narrow terms but of wealth in the wider terms; to give them places to go in the summertime -- recreation; to give them assurance that they are not going to starve in their old age; to give honest business a chance to go ahead and make a reasonable profit.

It is a little bit difficult to define it and I suppose that is a very offhand definition, but unless you go into an hour's discussion, it is hard to make it a more definite one for immediately you get into subjects. And I think we are getting somewhere.

Q Would it be possible for us to use that definition in quotes?

THE PRESIDENT: If you will let me read it over first.

Q That is fair enough.

THE PRESIDENT: Before you quote, I will let you use it in quotes if you will give me a chance to revise the English. Get it out for me, Kannee.

I don't think there is any other news. At Hyde Park I am going to do a great many things that have been pushed aside for the last month. About twice a year I get to a point where the old wire basket gets very, very full and at the present time there it is, (indicating), on the side of my desk. That is the wire basket and it is just about up to its maximum. I will do a certain amount of work cleaning that up at Hyde Park and doing a great many other things I have delayed, and I will also do a little reading.

Q We will help you read some of them, sir, if you want to.

THE PRESIDENT: I'd just as soon.

Q Do you have any comment on Governor Marland's request that Congress be asked to ratify the states' oil agreement?

THE PRESIDENT: Didn't I talk about oil the other day?

Q I understand he renewed his request by telegram either

last night or this morning.

THE PRESIDENT: I haven't seen it. I have no objections to the ratification by Congress at all and of course hope it will work, but in a national industry -- what are there, six states in this present compact?

Q I think so.

THE PRESIDENT: As I understand it, there are another five or ten states that produce oil and, as I said before, there ought to be some method of protecting those states and even for protecting the compacting states in case the compact is not lived up to.

Q The anti-trust laws immediately go into effect after the codes expire.

THE PRESIDENT: What?

Q The anti-trust laws will have to be enforced after the codes expire.

THE PRESIDENT: I will have to give you a very offhand opinion on that, and that is that the expiring of the codes means also the expiring of all of the provisions of the codes and therefore you go back, of necessity, to the fundamental statute law.

In other words, do not interpret that as meaning that I am not fully in favor of voluntary codes just so long as voluntary codes do not run counter to statutory law, because we are back to the statutory law and I am sworn to uphold statutory law.

Q Can they agree to voluntary codes under the present anti-trust laws?

THE PRESIDENT: Offhand, I should say yes. There are a great many things that can be voluntarily agreed to that do not violate any provision of the anti-trust law.

Q The Doughton Resolution, introduced yesterday, authorized voluntary agreements under the extension of NRA.

THE PRESIDENT: Anybody can draw up a voluntary code as long as it does not violate statute law. Now, I have no authority to waive statute law under the Doughton Resolution or in the absence of a resolution. You see the point. We people in this room can make a voluntary code.

Q Section 4-A, modified by a clause in 3-A is to the effect that they can get together and go ahead without any prosecution from anti-trust laws so long as they keep within the law.

THE PRESIDENT: They won't interfere so long as they stay within the anti-trust laws.

Q So long as they got together by themselves? Just getting together they would be subject --

THE PRESIDENT: Oh, no. We fellows can meet in this room and make a code. There is nothing in the anti-trust laws against that, so long as that does not --

Q Yes, sir; they can fix prices under certain conditions and do a lot of things under that Section 4-A which they couldn't do without it.

THE PRESIDENT: So long as they do not violate the statute law.

Q Under the code you had some provision for price maintenance. Now such agreement for price making is in restraint of trade and therefore against the anti-trust laws, therefore there could not be any voluntary agreement for price making.

THE PRESIDENT: Not if it is against the anti-trust law. In other words, I cannot waive the law by an action on my part. As to a code which violates the anti-trust laws, the mere approval on the part of the President is no go.

Q In previous administrations they refused to prosecute.

THE PRESIDENT: Sometimes they did.

Q If this oil compact was enlarged to include all oil producing states, would it be sufficient?

THE PRESIDENT: I could not quite hear.

Q If this were enlarged to include all the oil producing states, would that take care of the situation without national legislation?

THE PRESIDENT: Yes, if lived up to.

Q Mr. President, have you reached any decision yet as to the constitutionality of the reciprocal tariff

agreements in the light of the NRA decision?

THE PRESIDENT: I don't think there is any question, personally. It depends of course on which lawyer you hire.

Q Mr. Vandenberg, how would he do? (Laughter)

MR. STEPHENSON: Thank you.