



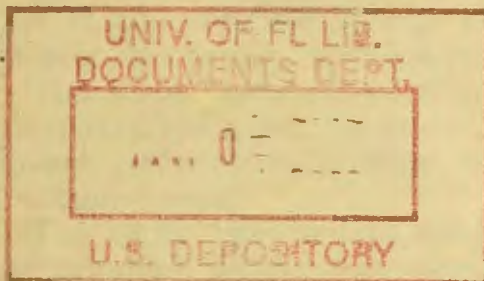
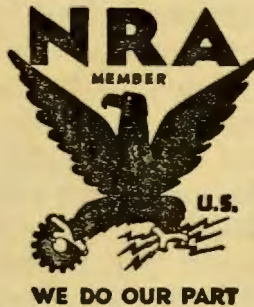
NATIONAL RECOVERY ADMINISTRATION

PROPOSED CODE OF FAIR COMPETITION

FOR THE

SILK TEXTILE INDUSTRY

AS REVISED FOR PUBLIC HEARING



The Code for the Silk Textile Industry
in its present form merely reflects the proposal of the above-mentioned
industry, and *none of the provisions contained therein are
to be regarded as having received the approval of
the National Recovery Administration
as applying to this industry*

UNITED STATES
GOVERNMENT PRINTING OFFICE
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PREAMBLE

To effectuate the policy of Title I of the National Industrial Recovery Act, during the period of the emergency by reducing unemployment, improving the standards of labor, eliminating practices inimical to the interests of the public, employees, and employers, and otherwise to improve the condition of the silk manufacturing industry, to increase the consumption of industrial and agricultural products by increasing purchasing power, and in other respects, the following provisions are established as a code of fair competition for the silk industry:

ARTICLE I—DEFINITIONS

1. The term "Industry", as used herein, means those concerns engaged in the warping and/or weaving and/or converting of silk woven fabrics and such weavers and/or converters of rayon fabrics as elect or who have elected to come under the provisions of this Code. It shall include silk and rayon sewing threads, spun silk, woven labels, and such other related branches as may from time to time be included under the provisions of this Code.

2. The term "employers", as used herein, means any persons who employ labor in the conduct of any branch of the industry.

3. The term "employees", as used herein, means any persons employed in the conduct of any branch of the industry (including a proprietor, his family, and his relatives doing production work).

4. The term "productive employee", as used herein, means any employees in the industry, except office employees, repair-shop crews, engineers, electricians, firemen, supervising staff, shipping, watching, and outside crews.

5. The term "productive machinery", as used herein, means all looms, winders, warpers, coppers, or quillers for the industry; dressing frames for the spun-silk industry; spooling, coning, balling, tubing, and skeining for the sewing thread and floss industry.

6. The term "person", as used herein, means any individual, partnership, association, trust, or corporation.

7. The word "Association", as used herein, means "The Silk Association of America, Inc.", or its successor.

8. The word "Division", as used herein, means any branch of the industry having a Divisional Committee and operating through the Association.

ARTICLE II

Employers shall comply with the requirements of the National Industrial Recovery Act as follows:

1. That employees shall have the right to organize and bargain collectively through representatives of their own choosing, and shall be free from the interference, restraint, or coercion of employers of labor, or their agents, in the designation of such representatives, or in

self-organization or in other concerted activities, for the purpose of collective bargaining or other mutual aid or protection;

2. That no employee and no one seeking employment shall be required as a condition of employment to join any company union or to refrain from joining, organizing, or assisting a labor organization of his own choosing; and

3. That employers shall comply with the maximum hours of labor, minimum rates of pay, and other conditions of employment, approved or prescribed by the President.

ARTICLE III—HOURS OF LABOR AND MACHINERY HOURS

1. Employers shall not operate on a schedule of hours of labor for their productive employees in excess of forty (40) hours per week and they shall not operate productive machinery in the industry for more than two shifts of forty hours each per week.

2. No other employee (excepting repair-shop crews, engineers, electricians, firemen, supervising staff, shipping, watching, and outside crews) shall work more than 480 hours in any twelve weeks, an average of 40 hours a week; and not more than 48 hours in any one week.

3. The maximum hours of labor of repair shop crews, engineers, and electricians shall, except in case of emergency work, be 40 hours a week with a tolerance of 10 percent. Any emergency time in any establishment shall be reported monthly through the Association to the General Planning Committee hereinafter provided. A schedule of maximum hours for outside crews shall be submitted to the Administrator for approval not later than January 1, 1934.

4. Where a State law specifies a lower maximum number of hours that must not be exceeded, the requirements of such State law shall govern within that State.

5. The provisions for maximum hours establishes a maximum number of hours of labor per week for each employee so that under no circumstances shall any employee be employed or permitted to work for more than one employer in the aggregate in excess of the prescribed number of hours.

ARTICLE IV—MINIMUM WAGES

1. The minimum wage that shall be paid by employers to any of their employees—except learners—shall be at the rate of \$12 per week when employed in the Southern section and at the rate of \$13 per week when employed in the Northern section, for forty hours of labor. The Southern section shall include the States of: Virginia, North Carolina, South Carolina, Georgia, Tennessee, Alabama, Mississippi, Louisiana, Texas, and Florida; the words "Northern Section" are defined to mean the rest of the United States.

2. A learner is hereby defined as one who has served an apprenticeship of less than six weeks in the industry and the rate of pay of such employees shall not be less than 80 percent of the minimum rate. Learners in any plant shall not exceed 5 percent of the total number of employees in that plant.

3. The amounts of differences per hour existing prior to July 1, 1933, between the wage rates paid various classes of employees receiving more than the established minimum wage shall not be decreased.

4. No member of the industry, however, upon obtaining approval by the Administrator shall be required to make any increase in the rate of pay per hour to be paid by such member to any of its employees in any wage district where it appears to the satisfaction of the Administrator that such increase will result in a rate of pay per hour which shall be higher than the rate of pay per hour paid to employees doing substantially the same class or kind of labor in the same wage district by any member of the industry which shall have increased its rate of pay per hour in accordance with the foregoing paragraph 3 of this article.

6. Employees who are physically incapacitated may, of their own volition, waive their right to minimum wages, but no employer shall employ such workers at less than standard piece rates or at less than \$8.00 per week for time work or employ more than one such person in plants employing less than one hundred, or one percent, of the total employees in any manufacturing establishment.

ARTICLE V—AGE LIMIT

No person under the age of sixteen shall be employed in the industry; provided, however, that where a State law provides a higher minimum age, no person below the age specified by such State law shall be employed within that State.

ARTICLE VI—ADMINISTRATIVE AGENCY

1. To effectuate further the policies of the Act, a General Planning Committee is hereby designated to cooperate with the Administrator as a Planning and Fair Practice Agency for the industry. The Committee shall consist of eleven representatives of the industry elected by a fair method of selection, to be approved by the Administrator, and three members without vote appointed by the President of the United States. Such agency may from time to time present to the Administrator recommendations, based on conditions in the industry as they may develop from time to time, which will tend to effectuate the operation of the provisions of this Code and the policy of the Act. Such recommendations, when approved by the Administrator, shall have the same force and effect as any other provisions of this Code.

2. The expenses of administering this Code by the General Planning Committee for the industry shall be borne by the employers in such proportions and amounts and in such manner as may be determined from time to time by such Committee. Failure of any employer to pay any assessment for a period of thirty days after the date on which it became payable shall constitute a violation of the Code.

3. Such Committee shall also cooperate with the Administrator in making investigations as to the functioning and observance of any provisions of this Code and, at its own instance or on complaint by any person affected, report thereon to the Administrator. Such Committee, by a duly authorized representative or representatives, shall have power to examine all books and records of employers to ascertain whether they are observing the provisions hereof, and employers shall submit such books and records to the Committee for such examination when requested.

4. Such Committee shall not present to the Administrator any Code or proposed amendment of any Code affecting any "Division" without first conferring with that "Division" or its representatives, and if such "Division" does not consent thereto, giving the division notice of date of proposed presentation.

5. No "Division" shall make any application to the Administrator for the approval of any Code or amendment thereof without first notifying such Committee and giving it notice of the proposed date of presentation and hearing thereon.

ARTICLE VII—REPORTS

1. With a view to keeping the President informed as to the observance or nonobservance of this Code of Fair Competition, and as to whether the industry is taking appropriate steps to effectuate the declared policy of the Act, each employer will furnish the General Planning Committee, as and when required, with duly certified reports in substance as follows and in such form as may hereafter be provided:

(a) *Wages and hours of labor.*—Returns every four weeks showing actual hours worked by the various occupational groups of employees and minimum weekly rates of wages.

(b) *Machinery data.*—Mills having no looms but doing commission warping, winding, copping, and/or quilling, and other activities specified under "productive machinery" must furnish every four weeks such reports and information called for, pursuant to the provisions of this or any amended code. In the case of mills that have looms, returns shall be made every four weeks showing the number of looms in place, the number of looms actually operated each week, the number of shifts, and the total number of loom-hours each week.

(c) *Reports of Production, Stocks, and Orders.*—Weekly returns showing production in terms of the commonly used unit, i.e., linear yards, or pounds or pieces; stocks on hand both sold and unsold stated in the same terms and unfilled orders stated also in the same terms. The "Association", address 468 Fourth Avenue, New York City, is constituted the agency to collect and receive such reports.

2. Each person shall, from time to time, upon request of the Association or the General Planning Committee approved by the Administrator, furnish any other reports and information called for pursuant to the provisions or pertinent to the purposes of this or any amended Code.

ARTICLE VIII—COMPETITIVE PRACTICES

1. Each employer shall afford equal terms, prices, and advantages to all buyers similarly situated, and shall permit no unfair discrimination to be made in merchandising terms, prices, or practices.

2. No employer shall take orders to manufacture merchandise below cost.

3. Where goods are shipped on consignment or memorandum and the buyer does not return them within ten days, they shall be invoiced as of the date of shipment and shall be paid for accordingly.

4. Any dispute or claim on finished merchandise must be made in writing within ten working days after receipt of goods and no claim or allowance shall be made for such goods after they have been cut.

5. It shall be unfair competition to place any order for printing or Jacquard weaving or to do any printing or Jacquard weaving of any

design not registered with the Textile Design Registration Bureau of The Silk Association of America, Inc., or to do any work on any registered design except with the written consent of the person making the registration. (Sewing threads, tie fabrics, and flosses are excluded.)

6. All transactions between buyers and sellers in excess of \$500.00 shall be confirmed by signed contracts. It is the purpose of this section that records, documents and book entries shall accurately reflect all such transactions and that no such entry or document usually made in the normal course of business shall be omitted in whole or in part, so that the original transaction and all modifications thereof will be accurately reflected in, and easily ascertainable from an inspection of, available books and documents.

7. Selling terms, etc., shall be as per Schedule A annexed.

8. Where the costs of executing contracts entered into in the industry prior to the effective date of this Code are increased as a result of the operation of the provisions hereof it is equitable and promotive of the purposes of the National Industrial Recovery Act and this Code that appropriate adjustments of such contracts to reflect such increased costs be arrived at by arbitration proceedings or otherwise; and that where performance of orders accepted prior to the effective date of this Code be delayed or prolonged as a result of the operation of the provisions hereof appropriate additional time for performance should be sought by arbitration proceedings or otherwise. The Association is hereby constituted an agency to assist in effecting such adjustments where such adjustments are not agreed upon by the parties.

ARTICLE IX—AMENDMENTS, MODIFICATIONS, AND ADDITIONS

1. Such of the provisions of this code as are not required to be included therein by the National Recovery Act may, with the approval of the President, be modified or eliminated in such manner as may be indicated by the needs of the public, by changes in circumstances, or by experience: all the provisions of this code, unless so modified or eliminated, shall remain in effect until the expiration date of Title I of the National Recovery Act.

2. In order to enable the industry to conduct its operations subject to the provisions of this code, to establish fair trade practices within the industry and with those dealing with the industry, and otherwise to effectuate the purpose of Title I of the Act, supplementary provisions of this code or additional codes may be submitted from time to time for the approval of the President.

3. This Code and all the provisions thereof are expressly made subject to the right of the President, in accordance with provisions of Clause 10 (b) of the National Industrial Recovery Act, from time to time to cancel or modify any order, approval, license, rule, or regulation, issued under Title I of said Act, and specifically to the right of the President to cancel or modify his approval of this Code or any conditions imposed by him upon his approval thereof.

ARTICLE X—EFFECTIVE DATE

This Code shall become effective on the second Monday following its approval by the President.

SCHEDULE A OF THE CODE OF FAIR PRACTICE FOR THE SILK TEXTILE INDUSTRY

BROAD GOODS WEAVERS AND CONVERTERS

For raw broad goods, terms shall not exceed 60 days. For finished broad goods, the terms shall be either 6/10/60 or a maximum of 8/10 e.o.m. Additional dating as of the first of the following month may be given on any merchandise delivered after the 25th of the month, and no anticipation shall be allowed at any rate higher than 6% per annum. No optional terms to be given.

HAT BANDS

For wholesale manufacturers of hats in the United States of America.

Terms, 10/10, e.o.m.; 25th of the month as of the first of the following month; payment to be made in currency, check, or if made in trade acceptance or note, interest must be paid at the rate of 6% per annum; anticipation to be at the rate of 6% per annum.

All sales shall be made on the basis of f.o.b. shipping point. Six months after date of contract, any goods undelivered shall be billed and such billing shall constitute delivery.

RIBBONS

All sales of ribbons shall be on the basis of 6/10/60 or 7/10 e.o.m.. or its equivalent, shipped after the 25th of the month as of the first of the following month. Anticipation at the rate of 6% per annum, No seasonal datings shall be granted. All past due bills shall bear interest at the rate of 6%. No shipments shall be on consignment or memorandum. No goods shall be redyed or reprocessed free of charge. No exchanges shall be made. No tender of return shall be accepted after ten days, and all disputes must be settled immediately. Returns shall be accepted only for manufacturing defects or if merchandise was originally submitted as sample. All merchandise shall be shipped f.o.b. shipping point. The rule in the General Code in regard to confirmation of all orders by signed contracts shall apply only to orders for future delivery in excess of three weeks. Where a contract covers the sale of goods in which the assortments are not determined at the time of sale, there must be three weeks time allowed for delivery to be made. If the assortments are not given, seller shall bill the customer on the contract date of delivery for the full value of the merchandise covered by the contract.

SEWING THREADS AND FLOSSES

No goods may be consigned or shipped on memorandum. No datings may be allowed. The goods of other sewing thread and floss manufacturers must not be purchased or exchanged for the purpose of substitution. Cash discount, 2%, 10 days, e.o.m., may not be exceeded. No protection to retail accounts on their unsold stocks in case of decline in price. Stock protection to Notion Jobbers on

30-day purchases previous to date of decline is proper, provided such purchases do not exceed the stock on hand at the time of decline. Should the purchases amount to more than the stock on hand, the protection will be stock on hand.

SPECIAL FABRICS

Shipping on memorandum and billing at a later date constitutes an unfair method of competition as it defeats uniform selling terms. Any goods invoiced on memorandum which are subsequently invoiced regularly shall be billed on the date of shipment on memorandum. At the beginning of the spring season, spring goods are to be dated as December 1, and at the beginning of the fall season, fall goods are to be dated as July 1. On finished merchandise, the maximum terms are to be 6%, 10 days, and 60 days dating, or a maximum of 8%, 10 days, e.o.m., goods shipped after the 25th of the month to be dated from the first of the following month.

SPUN YARNS

Maximum discount shall be 2%, 10 days, e.o.m. Allowance for cooperative advertising and sale promotion between buyer and seller may be permitted on novelty yarns. Purchasers shall not be allowed any commissions, bonuses, rebates, subsidies, or privileges of any kind, whether in form of money, services, or otherwise. No close-out sales shall be made without the permission of the Divisional Planning Committee.

TIE FABRICS

6/10/60, no e.o.m. dating. Anticipation at the rate of 6% per annum. Interest shall be paid on deferred deliveries at the rate of 6% per annum. Not more than sixty days shall elapse between delivery of samples and delivery of merchandise. No orders for sample lengths shall be taken without orders for goods for later delivery. No extra dating shall be given on samples. No member of the Tie Silk Industry shall ship merchandise on consignment or memorandum except to his duly accredited agent.

WOVEN LABELS

Shipping on memorandum and billing at another date constitutes an unfair method of competition and no goods shall be billed more than sixty days after date of shipment. Terms, 2/10 e.o.m.

THROWN SILK, THROWN RAYON, AND SYNTHETIC YARN DEALERS

All transactions between buyers and sellers shall be confirmed by signed contracts and subject to following terms: To Hosiery Manufacturers, 1/10 e.o.m., net 60 days' trade acceptance from date of shipment; to Weavers, 10 days, 1%, net 60 days' trade acceptance from date of shipment. Interest shall be paid on deferred deliveries at the rate of 6% per annum.

