



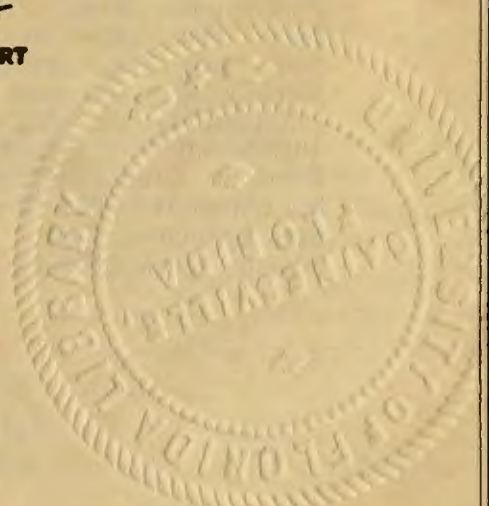
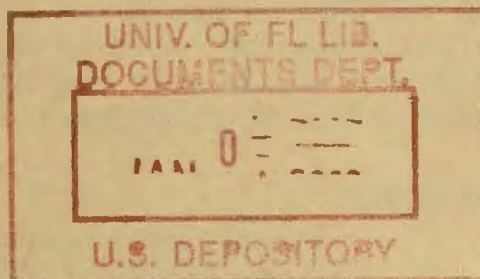
NATIONAL RECOVERY ADMINISTRATION

CODE OF FAIR COMPETITION

FOR THE

SANITARY NAPKIN AND
CLEANSING TISSUE INDUSTRY

AS APPROVED ON JANUARY 12, 1934

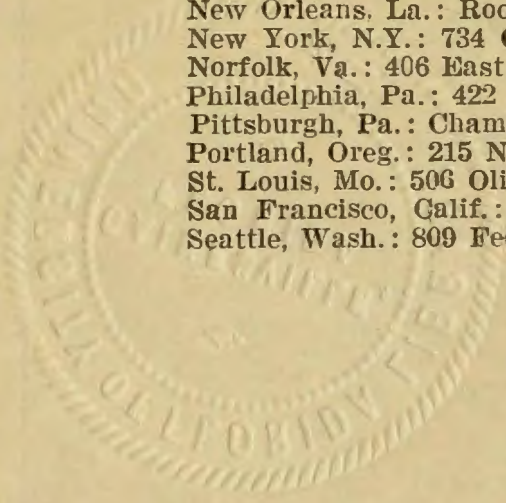


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Approved Code No. 200

CODE OF FAIR COMPETITION

FOR THE

**SANITARY NAPKIN AND CLEANSING TISSUE
INDUSTRY**

As Approved on January 12, 1934

ORDER

APPROVING CODE OF FAIR COMPETITION

FOR THE

SANITARY NAPKIN AND CLEANSING TISSUE INDUSTRY

An application having been duly made pursuant to and in full compliance with the provisions of Title I of the National Industrial Recovery Act, approved June 16, 1933, for approval of a Code of Fair Competition for the Sanitary Napkin and Cleansing Tissue Industry, and hearings having been duly held thereon and the annexed report on said Code, containing findings with respect thereto, having been made and directed to the President:

NOW, THEREFORE, on behalf of the President of the United States, I, Hugh S. Johnson, Administrator for Industrial Recovery, pursuant to authority vested in me by Executive Orders of the President, including Executive Order No. 6543-A, dated December 30, 1933, and otherwise; do hereby incorporate by reference said annexed report and do find that said Code complies in all respects with the pertinent provisions and will promote the policy and purposes of said Title of said Act; and do hereby order that said Code of Fair Competition be and it is hereby approved.

HUGH S. JOHNSON,

Administrator for Industrial Recovery.

Approval recommended:

A. D. WHITESIDE,

Division Administrator.

WASHINGTON, D.C.,

January 12, 1934.

The PRESIDENT,
The White House.

INTRODUCTION

SIR: This is a report of the Administrator on the application for, and public hearing on, the Code of Fair Competition for the Sanitary Napkin and Cleansing Tissue Industry as proposed by the Sanitary Napkin and Cleansing Tissue Association. The public hearing was conducted in Washington on November 3, 1933. Every person who requested an appearance was freely heard in accordance with statutory and regulatory requirements.

There are twenty-six (26) known firms in this Industry, of which eighteen (18) are members of the Association and account for 82% of all sanitary napkins and cleansing tissues produced. One of the nonmembers attended the public hearing and was heard.

ECONOMIC AND STATISTICAL MATERIAL

For 1929 the sales volume was almost \$13,000,000 and employment at about 900 to 1,000. The volume of sales for 1933 is estimated to be within 25% of the volume of 1929. The Industry at present gives employment to about 1,100 to 1,200 workers. Consequently, the Industry has more than absorbed its unemployed as measured from the 1929 level. With such figures at hand one cannot expect an appreciable increase in employment under the provisions of the Code. Increased purchasing power is indicated, nevertheless, because it is estimated that with the proposed minimum wages there will be at least a 13% increase in pay rolls. The statistics at hand are based on June of 1933 as a representative month, when approximately 37% of the employees were working in excess of 45 hours per week with 60 hours or more per week, a top figure. Rates of pay were as low as 20¢ per hour for workers although the weighted average would unquestionably demonstrate a more satisfactory rate.

In this connection, it is important to remember that two manufacturers control about 75% of the total volume. With such a concentration of production, the Administrator has had to weigh all provisions carefully so as not to eliminate or oppress small enterprises, who may not be as highly mechanized as their competitors and who do not enjoy the advantages of large volume.

RÉSUMÉ OF CODE PROVISIONS

The Code establishes 41 $\frac{2}{3}$ ¢ per hour for men and 33 $\frac{1}{3}$ ¢ per hour for women as the minimum rate of pay. The basic week for pro-

duction is 40 hours. Such provisions will require a substantial contribution toward national recovery from part of the Industry. I believe that more drastic limitations at this particular time would work a hardship upon the smaller firms in the industry.

Trade practices are standard and may be expected to create a degree of stability which heretofore has been notably lacking.

FINDINGS

The Deputy Administrator in his final report to me on said Code having found as herein set forth and on the basis of all the proceedings in this matter;

I find that:

(a) Said Code is well designed to promote the policies and purposes of Title I of the National Industrial Recovery Act, including removal of obstructions to the free flow of interstate and foreign commerce which tend to diminish the amount thereof and will provide for the general welfare by promoting the organization of industry for the purpose of cooperative action among the trade groups, by inducing and maintaining united action of labor and management under adequate governmental sanctions and supervision, by eliminating unfair competitive practices, by promoting the fullest possible utilization of the present productive capacity of industries, by avoiding undue restriction of production (except as may be temporarily required), by increasing the consumption of industrial and agricultural products through increasing purchasing power, by reducing and relieving unemployment, by improving standards of labor, and by otherwise rehabilitating industry.

(b) Said Industry normally employs not more than 50,000 employees; and is not classified by me as a major industry.

(c) The Code as approved complies in all respects with the pertinent provisions of said Title of said Act, including without limitation Subsection (a) of Section 3, Subsection (a) of Section 7, and Subsection (b) of Section 10 thereof; and that the applicant association is an industrial association truly representative of the aforesaid Industry; and that said association imposes no inequitable restrictions on admission to membership therein.

(d) The Code is not designed to and will not permit monopolies or monopolistic practices.

(e) The Code is not designed to and will not eliminate or oppress small enterprises and will not operate to discriminate against them.

(f) Those engaged in other steps of the economic process have not been deprived of the right to be heard prior to approval of said Code.

For these reasons, the Code has been approved.

Respectfully,

HUGH S. JOHNSON,
Administrator.

January 12, 1934.

CODE OF FAIR COMPETITION

FOR THE

SANITARY NAPKIN AND CLEANSING TISSUE INDUSTRY

ARTICLE I—PURPOSE

To effectuate the policies of Title I of the National Industrial Recovery Act, the following provisions are established as a Code of Fair Competition for the Sanitary Napkin and Cleansing Tissue Industry, and shall be the standard of fair competition for such Industry and shall be binding upon every member thereof.

ARTICLE II—DEFINITIONS

The term "Sanitary Napkin and Cleansing Tissue Industry" hereinafter called "the Industry", as used herein includes the manufacture, conversion, and/or primary distribution of sanitary napkins, cleansing tissues, and other similar products and such branches or subdivisions thereof of as may from time to time be included under the provisions of this Code.

The term "employee" as used herein includes anyone engaged in the Industry in any capacity receiving compensation for his services, irrespective of the nature or method of payment of such compensation.

The term "employer" as used herein includes anyone by whom any such employee is compensated or employed.

The term "member of the Industry" as used herein includes anyone engaged in the Industry as above defined, either as an employer or on his own behalf.

The terms "President", "Act", and "Administrator" as used herein shall mean respectively the President of the United States, the National Industrial Recovery Act, and the Administrator for Industrial Recovery.

Population and metropolitan districts for the purposes of this Code shall be determined by reference to the 1930 Federal Census.

ARTICLE III—HOURS

1. No employee shall be permitted to work in excess of 40 hours in any one week or 8 hours in any 24-hour period, except—

(a) Employees engaged exclusively in an executive or managerial capacity who are receiving \$35.00 or more per week.

(b) Outside salesmen;

(c) Office employees, who shall be permitted 4 hours per week in addition to the maximum herein established but who shall not be permitted to work more than an average of 40 hours per week in any consecutive 3 months' period.

2. The maximum hours fixed in the foregoing section shall not apply to any employee engaged in emergency work involving breakdowns or protection of life or property, but in any such special case employees shall be paid at the rate of not less than one and one third times the established rate for each hour worked in excess of 8 hours in any one day and/or 40 hours in any one week.

3. No female employee shall be required or permitted to work between the hours of 8 p.m. and 6 a.m.

ARTICLE IV—WAGES

1. No employee, except as provided in Section 2 of this Article, shall be paid at less than the rate of $33\frac{1}{3}\%$ per hour for women, and $41\frac{2}{3}\%$ per hour for men. This minimum wage shall not in any way be considered as a discrimination by reason of sex, and where in any case women do substantially the same work, or perform substantially the same duties as men, they shall receive the same amount of wages as men receive for doing such work or performing such duties.

2. No accounting, clerical, office, service, or sales employee shall be paid at less than the rate of \$15.00 per week in any City of over 500,000 population, or in the Metropolitan District; or less than at the rate of \$14.50 per week in any City between 250,000 and 500,000 population, or in the Metropolitan District; or less than at the rate of \$14.00 per week in Cities of 250,000 or less, or in the Metropolitan District.

3. This Article establishes a minimum rate of pay, regardless of whether an employee is compensated on a time rate, piecework, or other basis.

4. There shall be an equitable adjustment of all wages above the minimum. Within sixty (60) days of the effective date of this Code, the Code Authority shall present a proposal for such adjustment to the Administrator, such proposal to become binding as a part of this Code upon approval by the Administrator after such hearing as he may prescribe, provided, however, that in no event shall hourly rates of pay be reduced below those in effect for the 4 weeks ended June 17, 1933.

5. A person whose earning capacity is limited because of age or physical or mental handicap may be employed on light work at a wage below the minimum established by this Code if the employer obtains from the State Authority or other agency designated by the United States Department of Labor a certificate authorizing his employment at such wages and for such hours as shall be stated in the certificate. Each employer shall file with the Code Authority a list of all such persons employed by him.

ARTICLE V—GENERAL LABOR PROVISIONS

1. No person under 16 years of age shall be employed in the Industry, nor anyone under 18 years of age at operations or occupa-

tions hazardous in nature or detrimental to health. The Code Authority shall submit to the Administrator within 30 days after this Code is approved a list of such occupations. In any State an employer shall be deemed to have complied with this provision if he shall have on file a certificate or permit, duly issued by the authority in such State empowered to issue employment certificates, showing that the employee is of the required age.

2. 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.

3. 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.

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

5. Employers shall also comply with the hygienic regulations promulgated by the United States Public Health Service.

6. Within each State this Code shall not supersede any laws of such State imposing more stringent requirements on employees regulating the age of employees, wages, hours of work, or health, fire, or general working conditions than under this Code.

7. Employers shall not reclassify employees or duties of occupations performed by employees so as to defeat the purposes of the Act.

8. Each employer shall post in conspicuous places accessible to employees full copies of Articles III, IV, and V of this Code.

ARTICLE VI—ADMINISTRATION

To further effectuate the policies of the Act, a Code Authority is hereby constituted to administer this Code.

1. Organization and constitution of Code Authority.

(a) The Code Authority shall consist of seven members, or such other number as may be approved from time to time by the Administrator, to be selected as hereinafter set forth, and of such additional members, without vote, as the Administrator, in his discretion, may appoint to represent such groups or governmental agencies as he may designate.

(b) Each member of the Industry who qualifies as prescribed in Section 2 of this Article shall have one vote in the nomination and election of the members of the Code Authority, such nomination and election to be arranged by the proponents of the Code within one month of the effective date thereof, unless otherwise provided with the approval of the Administrator. In the interim, the Code Committee of the Sanitary Napkin and Cleansing Tissue Association shall act in this capacity. In order that the Code Authority shall at all times be truly representative of the Industry and in other respects comply with the provisions of the Act, the Administrator may pro-

vide such hearings as he may deem proper, and thereafter if he shall find that the Code Authority is not truly representative or does not in other respects comply with the provisions of the Act, may require an appropriate modification in the method of selection of the Code Authority.

(c) The Code Authority shall coordinate the administration of this Code with such Codes, if any, as may affect any division or subdivision of this or a kindred Industry, with a view to promoting joint action upon matters of common interest.

(d) Each industrial association directly or indirectly participating in the selection or activities of the Code Authority shall:

(1) impose no inequitable restrictions on membership, and

(2) submit to the Administrator true copies of its Articles of Association, By-Laws, Regulations, and any amendments when made thereto, together with such other information as to membership, organization, and activities as the Administrator may deem necessary to effectuate the purposes of the Act.

2. Members of the Industry shall be entitled to participate in and share the benefits of the activities of the Code Authority, to participate in the selection of the members thereof and to use the N.R.A. Code insignia by assenting to and complying with the requirements of this Code and sustaining their reasonable share of the expenses of preparation, presentation, and administration of this Code. The reasonable share of such expenses shall be determined by the Code Authority, subject to approval by the Administrator, on the basis of volume of business and/or such other factors as may be deemed equitable to be taken into consideration.

3. The Code Authority shall have, to the extent permitted by the Act, the following powers and duties:

(a) Such agency may from time to time present to the Administrator recommendations based on conditions in this Industry as they may develop which will tend to effectuate the operation of the provisions of this Code. Such recommendations, upon approval by Administrator as provided in Article VIII, Section 2, shall become operative as part of this Code.

(b) Such Agency shall receive complaints of violations of this Code, make investigations thereof, and bring to the attention of the Administrator recommendations and information relative thereto for such action as in his discretion the facts warrant.

(c) Members of the Industry shall file with the Code Authority at such time and in such manner as may be prescribed, statistics covering number of employees, wage rates, employee earnings, hours of work, and such other data as may be required by the Administrator.

(d) Every member of the Industry shall compile and forward to the Code Authority a complete list of items, showing all prices, terms and discounts to this class of trade.

(e) As soon as practicable the Code Authority shall recommend a method of determining cost of production and shall formulate regulations for its application, such method and regulations upon approval by the Administrator as provided in Article VIII, Section 2, shall become operative as part of this Code. In formulating such regulations, the Code Authority shall take into consideration the necessity of

selling below cost to meet competition, to dispose of discontinued lines and seconds and other pertinent factors.

(f) Standard trade customs for the Industry (including deliveries, contracts, sales on consignment, cash discount terms, quantity price, standardization features, and sales of seconds) shall be formulated by the Code Authority; subject to the approval of the Administrator after due notice and hearing, they shall be binding upon every member of the Industry.

(g) The Code Authority shall make a study of conditions in the Industry to determine the feasibility of the adoption of a shorter working week and shall, within three (3) months after the effective date of this Code, make a report of its findings to the Administrator. The Code Authority shall also submit to the Administrator within six (6) months after the effective date of this Code, a plan for the stabilization and regularization of employment.

(h) If it shall be represented to the Administrator by any interested party, or he shall determine upon his own motion, that any action of the Code Authority, or of any subdivision Code Authority, is unfair to any private interest or contrary to the public interest, the Administrator may require that such action be suspended for a period of not to exceed thirty (30) days to afford an opportunity for investigation of the merits of such complaint and further consideration by the Code Authority pending final action, to be taken only upon approval by the Administrator.

5. In addition to the information required to be submitted to the Code Authority, there shall be furnished to the Government agencies such statistical information as the Administrator may deem necessary for the purposes recited in Section 3 (a) of the Act.

ARTICLE VII—TRADE PRACTICES

The following practices constitute unfair methods of competition for members of the Industry and are prohibited:

(a) *False Marking or Branding.*—The false marking or branding of any product of the Industry which has the tendency to mislead or deceive customers or prospective customers, whether as to the grade, quality, quantity, substance, character, nature, origin, size, finish, or preparation of any product of the Industry, or otherwise.

(b) *Secret Rebates.*—The secret payment or allowance of rebates, refunds, commissions, credits, or unearned discounts, whether in the form of money or otherwise, or the secret extension to certain purchasers of special services or privileges not extended to all purchasers on like terms and conditions.

(c) *Commercial Bribery.*—No member of the Industry shall give, permit to be given, or directly offer to give, anything of value for the purpose of influencing or rewarding the action of any employee, agent, or representative of another in relation to the business of the employer of such employee, the principal of such agent or the represented party, without the knowledge of such employer, principal, or party. Commercial bribery provisions shall not be construed to prohibit free and general distribution of articles commonly used for advertising except so far as such articles are actually used for commercial bribery as hereinabove defined.

(d) *Interference with Contractual Relations.*—Maliciously inducing or attempting to induce the breach of an existing oral or written contract between a competitor and his customer or source of supply, or interfering with or obstructing the performance of any such contractual duties or services.

(e) *Defamation.*—The defamation of competitors by falsely imputing to them dishonorable conduct, inability to perform contracts, questionable credit standing, or by other false representations or by the false disparagement of the grade or quality of their goods.

(f) *Imitation of Trade Mark or Trade Name or Style Piracy.*—The imitation of trade marks, trade names, slogans, or other marks of identification of competitors, having a tendency and capacity to mislead or deceive purchasers or prospective purchasers.

(g) *Price Discrimination.*—Any discrimination in price between purchasers of the same class (not including discrimination in price on account of difference in grade, quality, or quantity of the product sold, or which makes only due allowances for difference in cost of selling and transportation) or discrimination in price in the same or different communities not made in good faith to meet competition.

(h) *Misrepresentation or False or Misleading Advertising.*—The making or causing, or knowingly permitting to be made or published any false, materially inaccurate, or deceptive statement by way of advertisement or otherwise, whether concerning the grade, quality, quantity, substance, character, nature, origin, size, finish, or preparation of any product of the Industry, or the credit terms, values, policies, or services of any member of the Industry, or otherwise, having the tendency or capacity to mislead or deceive customers or prospective customers.

(i) *Requiring Chain Purchases.*—To sell any product or products on condition that the purchaser will also purchase another product or products made or sold by the same member of the Industry; or to sell such product or products at reduced prices or on special terms or under special conditions to induce the buyer to purchase such other product or products. Each member of the Industry shall sell each different line of merchandise independently and shall not cut the price of one with the provision that other lines be purchased or require a purchaser to purchase one class of merchandise as a consideration for being allowed to purchase another. This regulation does not govern the distribution of bona fide samples.

(j) All sales shall be made strictly in accordance with such price lists as provided for in Article VI, Section 3 (d).

(k) Except under regulations established in Article VI, Section 3 (e) it shall be a prohibited unfair method of competition for members of the Industry to sell any of their products below their cost of production except in accordance with such regulations.

ARTICLE VIII—MODIFICATION

1. This Code and all the provisions thereof are expressly made subject to the right of the President, in accordance with the provisions of subsection (b) of Section 10 of the National Industrial Recovery Act, from time to time to cancel or modify any order, ap-

proval, license, rule, or regulation issued under Title I of said Act, and specifically, but without limitation, 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.

2. After due notice and hearing this Code may be amended upon a recommendation of the Code Authority or any interested party or group or upon the Administrator's own notice, and any modifications so arrived at shall be effective when approved by the Administrator.

ARTICLE IX—MONOPOLIES

No provision of this Code shall be so applied as to permit monopolies or monopolistic practices, or to eliminate, oppress, or discriminate against small enterprises.

ARTICLE X—PRICE INCREASES

Whereas the policy of the Act to increase real purchasing power will be made impossible of consummation if prices of goods and services increase as rapidly as wages, it is recognized that price increases shall be delayed and that, when made, the same should, so far as reasonably possible, be limited to actual increases in the seller's costs.

ARTICLE XI—EFFECTIVE DATE

This Code shall become effective on the seventh day after date.

Approved Code No. 200.

Registry No. 299B-30.

