

**NATIONAL RECOVERY ADMINISTRATION****CODE OF FAIR COMPETITION**

FOR THE

**NOVELTY CURTAIN DRAPERIES
BEDSPREADS, AND NOVELTY PILLOW
INDUSTRY**

AS APPROVED ON NOVEMBER 1, 1933

BY

PRESIDENT ROOSEVELTUNIV. OF FL LIB.
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U.S. DEPOSITORY

1. Executive Order
2. Letter of Transmittal
3. Code

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EXECUTIVE ORDER

CODE OF FAIR COMPETITION FOR THE NOVELTY CURTAINS, DRAPERIES, BEDSPREADS AND NOVELTY PILLOW 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 my approval of a Code of Fair Competition for the Novelty Curtain, Draperies, Bedspreads and Novelty Pillow Industry, and hearings having been held thereon and the Administrator having rendered his report containing an analysis of the said code of fair competition together with his recommendations and findings with respect thereto, and the Administrator having found that the said code of fair competition complies in all respects with the pertinent provisions of title I of said act and that the requirements of clauses (1) and (2) of subsection (a) of section 3 of the said act have been met:

NOW, THEREFORE, I, Franklin D. Roosevelt, President of the United States, pursuant to the authority vested in me by title I of the National Industrial Recovery Act, approved June 16, 1933, and otherwise, do adopt and approve the report, recommendations, and findings of the Administrator and do order that the said code of fair competition be and it is hereby approved.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE,
November 1, 1933.

Approval recommended:

HUGH S. JOHNSON,
Administrator.

The PRESIDENT,
The White House.

SIR: This is a report of the Hearing on the Code of Fair Competition for the Novelty Curtains, Draperies, Bedspreads, and Novelty Pillows Industry, conducted in the Carlton Room of the Carlton Hotel, on October 2, 1933, in accordance with the provisions of the National Industrial Recovery Act. The Code which is attached was presented by duly qualified and authorized representatives of the Industry, complying with the statutory requirements, said to represent 80 percent in number and 90 percent in volume of the capacity of the Industry.

THE INDUSTRY

The Industry comprises between 250 and 300 plants, having an investment of over \$15,000,000. The number of employees is estimated to have increased from 8,500 to above 10,000. Aggregate annual sales are estimated at \$25,000,000 for 1932, the estimate for the years of 1928, 1929, and 1930 being \$32,000,000.

It was specifically stated that the minimum wage had been as low as \$7.00 per week and it is thought that rates in some sweat shops were even below this.

Briefs have been submitted to show that change of operations to conform to the provisions of the code has resulted in an hourly increase averaging about 70 percent in one of the largest plants in the Industry.

PROVISIONS OF THE CODE

The Code provides for a minimum of 32½¢ an hour or at a rate of \$13.00 per week of 40 hours. Office workers are limited to an average of 40 hours, but in no case more than 48 hours per week. Productive employees are limited to 40 hours per week while certain maintenance employees are permitted to work up to 44 hours. Employees, however, are to receive one and one half times the regular rate of pay for such excess above 40 hours. Provision is made for the maintenance of differentials between wages above the minimum. Reports of increases made in accordance with the provisions of this code are specifically required by its provisions.

Operations will be limited to one shift of 40 hours each. The Administration of the code is organized along regional lines. Provisions with respect to representation of nonmembers of the association leave this problem largely in the hands of the Administration. Provision is made for the reporting of any pertinent information desired by the Administration. Trade practices are quite extensive, but not in any respect objectionable.

FINDINGS

I find that—

(a) This code complies in all respects with the pertinent provisions of Title I of the Act, including without limitation subsection (a) of Section 7 and subsection (b) of Section 10 thereof.

(b) The National Association of Manufacturers of Novelty Curtains, Draperies, Bedspreads, and Novelty Pillows Incorporated to be truly representative of the Novelty Curtains, Draperies, Bedspreads and Novelty Pillows Industry. The By-Laws of this association provide no inequitable restrictions to membership.

(c) The code is not designated to promote monopolies or to eliminate or oppress small enterprises and will not operate to discriminate against them and will tend to effectuate the policy of Title 1 of the National Industrial Recovery Act.

(d) While not attaining a level of wages comparable to conditions existing prior to the depression, the wage level represents a most substantial rise over conditions prevailing prior to the recovery movement.

(e) The trade practices should be helpful in bringing greater orderliness into a highly competitive market.

I recommend that the code be approved.

Respectfully,

HUGH S. JOHNSON,
Administrator.

CODE OF FAIR COMPETITION FOR THE NOVELTY CURTAIN, DRAPERIES, BEDSPREADS, AND NOVELTY PILLOW INDUSTRY

ARTICLE I—PURPOSES

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 Novelty Curtain, Draperies, Bedspreads, and Novelty Pillow Industry and shall be the standard of fair competition for such industry and shall be binding upon every member thereof.

ARTICLE II—DEFINITIONS

1. The term "Industry" as used herein means and includes the using or hiring of equipment, or the engaging or hiring of anyone owning or hiring equipment, to perform the operation of making piece goods into novelty curtains, draperies, bedspreads (made by cutting apart and/or sewing together out of the same materials, or out of the same materials in combination with other materials employing plain or fancy stitching, embroideries, laces, or appliques in conjunction therewith, but excluding bedspreads made out of one piece of material cut apart for size only), and novelty pillows.

2. The term "Association" as used herein means the National Association of Manufacturers of Novelty Curtains, Draperies, Bedspreads, and Pillows, Inc., of 7 East 44th Street, New York City.

3. 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.

4. The term "Employer" as used herein, includes anyone by whom such employee is compensated or employed.

5. 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.

6. The term "President", "Act", and "Administrator", as used herein, shall mean, respectively, President of the United States, the National Industrial Recovery Act, and the Administrator of Title I of said Act.

ARTICLE III—HOURS

1. No office employee in the Industry shall be permitted to work more than an average of forty (40) hours per week over each nine (9) week period but not more than forty-eight (48) hours in any one week during such period nor more than eight (8) hours in any twenty-four (24) hour period.

2. No other employee except outside sales people and executives earning a salary in excess of thirty-five dollars (\$35.00) per week shall be permitted to work in excess of forty (40) hours in any one week or eight (8) hours in any twenty-four (24) hour period.

3. The maximum hours fixed in the foregoing sections shall not apply to employees engaged on emergency maintenance or emergency repair work involving breakdowns or protection of life or property.

No employee permitted under this section to work in excess of forty (40) hours per week shall be compensated at less than one and one third times his or her regular rate of pay for such excess.

4. No machinery in the Industry shall be operated for more than one shift of forty (40) hours per week.

ARTICLE IV—WAGES

1. No employee shall be paid at less than the rate of thirteen dollars (\$13.00) per week of forty (40) hours or thirty-two and one half cents (32½¢) per hour.

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

3. The compensation for employment now in excess of the minimum wages herein provided shall not be reduced notwithstanding that the hours worked in such employment shall be hereby reduced, and rates of pay for such employment shall be increased by an equitable readjustment of all pay schedules.

Within thirty (30) days after this Code becomes effective employers shall report to the Code Authority action taken by them since July 1, 1933, with respect to adjustments of wages above the minimum.

ARTICLE V—GENERAL LABOR PROVISIONS

1. No person under the age of sixteen (16) years shall be employed in the Industry.

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

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

7. Until adoption of further provisions of the Code that may prove necessary in order to prevent any improper speeding up of the work (stretch-outs) no manufacturing employee in the Industry shall be required to do any work in excess of the practice as to the class of work of such employee prevailing on July 1, 1933, or prior to the

Share-The-Work movement unless such increase is submitted to and approved by the Code Authority created by Article VI, Section 1, of this Code, and by the Administrator.

8. Each employer shall post in conspicuous places full copies of this Code.

ARTICLE VI—ADMINISTRATION

1. To further effectuate the policy of the Act a Code Authority is hereby designated to cooperate with the Administrator in the administration of this Code. The Code Authority shall consist of the Board of Directors of the Association and such additional representatives of the Industry as shall be selected by a fair method of selection to be approved by the Administrator, or as the Administrator shall prescribe; and up to three advisory members without vote who may be appointed by the Administrator.

As soon as the essential facts of the Industry are gathered by the Code Authority from the various geographical districts, such districts shall be given such proportionate representation on the Code Authority as is equitable and as shall be approved by the Administrator.

Each trade or 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, bylaws, 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.

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 provide 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.

2. The Code Authority shall have the following duties and powers to the extent permitted by the Act, subject to the right of the Administrator on review to disapprove or modify any action taken by it:

(a) It shall interpret the provisions of the Code for the members of the Industry, subject to the approval of the Administrator, and shall, under the general supervision of the Administrator, make investigation as to the functioning and observance of the provisions of this Code; or it may, at its own instance or on a complaint by any person affected, make such investigation and send a copy of its report to the Administrator.

(b) It shall also from time to time make such recommendations to the Administrator as will best effectuate the purpose of this Code and the policy of the Act. Such recommendations when approved by the Administrator, after such notice and hearing as he shall specify, shall have the same force and effect as any other provisions of this Code.

(c) It may from time to time appoint such committees as it shall deem necessary or proper in order to effectuate the purposes of the Code and delegate to any such committee, its general or any particular power hereunder. Such committees shall be appointed with a view to geographical representation. The Code Authority shall appoint

regional committees to represent each of the geographical districts set up in the following section, which committees shall be nominated by trade associations or other trade organizations truly representative of the Industry in such geographical district, and shall delegate to such regional committees all the powers of executive authority hereunder required to enable such regional committees to administer the Code in such geographical district under the general jurisdiction of the Code Authority.

3. For the purpose of administration of this Code, the Industry is divided into the following geographical districts:

(a) Eastern and South Atlantic District. This district shall include members whose principal place of business is located within the following area:

New York
District of Columbia
Virginia
Maryland

Georgia
West Virginia
North Carolina
South Carolina

Delaware
New Jersey
Pennsylvania
Florida

(b) Middle West District. This district shall include members whose principal place of business is located within the following area:

Michigan
Wyoming
Illinois
Ohio

South Dakota
Minnesota
Nebraska
North Dakota

Indiana
Colorado
Iowa
Wisconsin

(c) Western District. This district shall include members whose principal place of business is located within the following area:

Oregon
Utah
California

Nevada
Arizona

Washington
Montana

(d) New England District. This district shall include members whose principal place of business is located within the following area:

Maine
New Hampshire

Massachusetts
Connecticut

Rhode Island
Vermont

(e) Southern District. This district shall include members whose principal place of business is located within the following area:

Alabama
Kansas
Missouri
Kentucky

Mississippi
Texas
Louisiana

Arkansas
Tennessee
Oklahoma

4. With a view to keeping the President informed as to the observance of this Code of Fair Competition, and as to whether the industry is taking appropriate steps to effectuate the declared policy of the Act, the Code Authority shall collect statistics of the Industry through its duly authorized secretary, not a member of the Industry, and all members of the Industry shall furnish same as follows:

Duly certified reports containing information reasonably pertinent to the effectuation of the purposes of this Code shall be furnished in substance and in such form and at such intervals as the Administrator or as the Code Authority, subject to the approval of the Administrator, shall prescribe. Full protection shall be given to each member of the Industry as to the confidential nature of such data, but such information or copies thereof shall be furnished to the Administrator upon his request. If so directed or requested by the Administrator, or if it be

the policy of the Administrator, the regional committees shall collect and forward the reports to the Code Authority.

5. The Code Authority may, subject to the approval of the Administrator, make regulations for the issuance and use of an N.I.R.A. label in accordance with the policies of the National Recovery Administration.

6. In addition to information required to be submitted to the Code Authority, there shall be furnished to 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:

1. *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.

2. *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.

3. *Commercial Bribery.*—Directly or indirectly to give, permit to be given, or offer to give, money or anything of value to agents, employees, or representatives of customers or prospective customers, or to agents, employees, or representatives of competitors' customers or prospective customers, without the knowledge of their employers or principals, as an inducement to influence their employers or principals to purchase or contract to purchase from the makers of such gift or offer, or to influence such employers or principals to refrain from dealing or contracting to deal with competitors.

4. *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.

5. *Secret Rebates.*—The secret payment or allowances 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.

6. *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.

7. *Substitution of Material.*—The using or substituting of any material inferior in quality to that specified by the purchaser of any product.

8. *Date of Invoice.*—Stating in the invoice of the sale of any product as the date thereof a date later than the date of the shipping of such product, except as herein specifically provided, or including in any invoice any product shipped on a date earlier than the date of such invoice, except as herein specifically provided.

9. *Description of Product.*—Making any sale or contract of sale of any product under any description which does not fully describe such product in terms customarily used in the Industry.

10. *Size.*—Failure to clearly indicate on bedspreads or draperies or on the packages containing bedspreads or draperies the sizes thereof.

11. *Sales Below Cost.*—The selling or offering to sell any product of the Industry below cost as may be determined in accordance with this section, except (provided a statement is made to that effect on the invoice) (a) in sales to dispose of any stock in whole or in part for the purpose of discontinuing the sale of that particular line of merchandise, (b) in sales of goods that are damaged and that have deteriorated, (c) in bankruptcy sales or forced sales because of otherwise insolvent conditions of the seller. When a uniform and standard system of cost accounting, prescribed by the Code Authority, shall be approved by the Administrator, every member of the Industry shall install a system of accounting which conforms to the principles of and is at least as detailed and complete as such system. The Code Authority shall, subject to the approval of the Administrator, determine the cost factors to be included in the determination of such cost.

(a) *Taxes.*—Any Federal, State, or other taxes that have been or shall hereafter be imposed upon any merchandise which the manufacturer thereof shall be required to pay shall be separately itemized on each invoice and the amount of such taxes added to the total of such invoice.

12. *Samples.*—Supplying any samples, in excess of two percent (2%) of the initial order, below the cost thereof to the member of the Industry as defined in section 11 of this Article.

13. *Shipment.*—The making of shipments other than F.O.B. city of origin, except that members of the Industry may make local store-door deliveries in any local area. The word "local" as used herein may be defined from time to time by the regional committee subject to the approval of the Code Authority.

14. *Terms of sale.*—Selling on more favorable terms than 3/10 E.O.M. or 2/10/60 extra except that the terms for the Western District of the Industry shall be 3/10 or 2/30. Goods invoiced on and after the twenty-fifth day of any month may be dated as of the first day of the following month.

15. *Adherence to Contract Terms.*—The making or completing of sales upon any terms except as expressly set forth in the order, contract of sale, or in the invoice appertaining to such sale.

16. *Consignments, Etc.*—The selling or offering to sell any product of the Industry on memorandum or on consignment or on conditional sale.

17. *Other Unfair Practices.*—Nothing in this Code shall limit the effect of any adjudication by the Courts or holding by the Federal Trade Commission on complaint, finding, and order, that any practice

or method is unfair, providing that such adjudication or holding is not inconsistent with any provision of the Act or this Code.

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 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, 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. This Code, except as to provisions required by the Act, may be modified on the basis of experience or changes in circumstances, such modification to be based upon application to the Administrator and such notice and hearing as he shall specify, and to become effective on approval of the President.

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 should 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 tenth day after its approval by the President.



