Registry No. 223-02

NATIONAL RECOVERY ADMINISTRATION

CODE OF FAIR COMPETITION

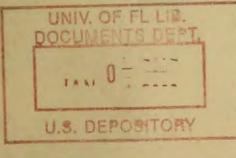
FOR THE

MILK FILTERING MATERIALS AND THE DAIRY PRODUCTS COTTON WRAPPINGS INDUSTRY

AS APPROVED ON APRIL 19, 1934



WE DO OUR PART



UNITED STATES GOVERNMENT PRINTING OFFICE WASHINGTON: 1934

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Approved Code No. 396

CODE OF FAIR COMPETITION

FOR THE

MILK FILTERING MATERIALS AND THE DAIRY PRODUCTS COTTON WRAPPINGS INDUSTRY

As Approved on April 19, 1934

ORDER

CODE OF FAIR COMPETITION FOR THE MILK FILTERING MATERIALS AND THE DAIRY PRODUCTS COTTON WRAPPINGS 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 Milk Filtering Materials and The Dairy Products Cotton Wrappings 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., April 19, 1934.

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REPORT TO THE PRESIDENT

The PRESIDENT,

The White House.

SIR: This is a report on the Hearing on the Code of Fair Competition for the Milk Filtering Materials and Dairy Products Cotton Wrappings Industry, held in Room 3204, Department of Commerce Building, on February 1, 1934. The Code which is attached was presented by duly qualified and authorized representatives of the Industry, complying with statutory requirements, said to represent ninety-three percent or more in volume of the Industry.

In accordance with the customary procedure every person who had filed a request for an appearance was freely heard in public, and all statutory and regulatory requirements were complied with.

THE INDUSTRY

The Industry comprises 17 concerns, having an investment in 1932 of \$400,000. In 1929 the Industry provided employment for 135 employees. This figure has increased to about 150 workers in 1932. Aggregate annual sales have increased from \$450,000. in 1929 to about \$500,000. in 1932.

PROVISIONS OF THE CODE

The Code provides for a minimum wage of 35 cents per hour. No hourly or weekly compensation shall be reduced because of any reductions in the number of hours of work per week and wage differentials existing prior to June 16, 1933, are to be maintained for all employees receiving \$35 or less per week.

Hours of work for all employees are limited to 40 hours per week and eight hours per day with the following exceptions:

Employees engaged exclusively in a supervisory capacity receiving \$35 per week or more and outside salesmen are not limited as to hours, employees on emergency repair work are excepted from the maximum hour provisions but are to be paid time and one-third for all overtime work, watchmen are permitted to work not more than 56 hours per week. During any six weeks in any year employees are permitted to work 48 hours per week, but not more than eight hours per day, provided that at least time and one-third shall be paid for all hours worked in excess of 40 hours per week.

Representation on the Code Authority is provided for all members of the Industry. There are no highly restrictive provisions. The Code provides for an open price association in the Industry, but permits prices to be revised without a waiting period.

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 on 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 sanction and supervisions, 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, this Code of Fair Competition for the Milk Filtering Materials and the Dairy Products Cotton Wrappings Industry has been approved.

Respectfully,

HUGH S. JOHNSON, Administrator.

APRIL 19, 1934.

CODE OF FAIR COMPETITION FOR THE MILK FILTER-ING MATERIALS AND THE DAIRY PRODUCTS COTTON WRAPPINGS 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 Milk Filtering Materials and the Dairy Products Cotton Wrappings 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 "Milk Filtering Materials and Dairy Products Cotton Wrappings Industry" referred to hereinafter as the "Industry" means and includes the manufacture and the original sale of cotton and flannel discs, rolls and squares and flannel bags, tubes, pieces and rolls sold exclusively for use in the filtering of milk and the manufacture from woven piece goods and the original sale of cotton cheese bandages and other cotton goods sold exclusively for use in manufacturing, wrapping and packing dairy products. The term "Industry" shall not include the weaving of fabrics from which the above products are manufactured.

2. 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.

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

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

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

ARTICLE III-HOURS

1. No employee shall work or be permitted to work in excess of 40 hours per week or 8 hours in any 24 hour period except as follows:

(a) Employees engaged exclusively in a managerial or executive capacity who receive thirty-five dollars (\$35.00) or more per week and outside salesmen.

(b) During peak periods, not to exceed six (6) weeks in any one year, employees may work forty-eight (48) hours per week, but in no case shall they work more than eight (8) hours in any one day, provided, however, that at least time and one-third shall be paid for all hours worked in excess of forty (40) hours per week.

(c) Employees on emergency maintenance or emergency repair work involving breakdowns or protection of life or property are excepted, but in any such special case at least one and one-third $(1\frac{1}{3})$ times the normal rate shall be paid for hours worked in excess of the maximum hours herein provided.

(d) Watchmen shall not work more than fifty-six (56) hours per week.

2. No employee shall work more than six (6) days in any seven (7) day period.

3. No employee shall work for a total number of hours in excess of the number of hours prescribed for each week and day, whether employed by one or more employers.

ARTICLE IV-WAGES

1. No employee shall be paid at less than the rate of thirty-five cents (35ϕ) per hour.

2. Female employees performing substantially the same work as male employees shall receive the same rates of pay as male employees.

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. No hourly or weekly rates of compensation for employment now in excess of the minimum wages herein provided shall be reduced notwithstanding that the hours worked in such employment may be hereby reduced except, in such establishments as have been working since September 1, 1933 on a schedule of fewer maximum hours and higher minimum wages in which case the weekly earnings shall not be reduced. Wage differentials existing prior to June 16, 1933, shall at least be maintained for all employees receiving thirty-five (\$35.00) dollars or less per week. Each member of the Industry shall file with the Code Authority within forty-five days of the approval of this Code a report showing that this provision is being complied with.

ARTICLE V—GENERAL LABOR PROVISIONS

1. No person under sixteen (16) years of age shall be employed in the Industry. No person under eighteen (18) years of age shall be employed in operations or occupations which are hazardous in nature or dangerous to health. The Code Authority shall submit to the Administrator within ninety (90) days from the effective date a list of such operations and 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 or age certificates or permits, 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. No provision in this Code shall supersede any State or Federal law which imposes more stringent requirements as to age of employees, wages, hours of work, or as to safety, health, sanitary or general working conditions, or insurance or fire protection, than are imposed by this Code.

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

7. Each employer shall post in conspicuous places copies of Articles III, IV, and V of this Code.

8. Every employer shall make reasonable provisions for the safety and health of his employees at the place and during the hours of their employment. Standards for safety and health shall be submitted by the Code Authority to the Administrator for approval within six (6) months after the effective date of this Code.

ARTICLE VI-ADMINISTRATION

There shall forthwith be constituted a Code Authority.

1. Organization and constitution of Code Authority.

(a) The Code Authority shall include five (5) individuals, or such other number as may be approved from time to time by the Administrator, to be selected as hereinafter set forth, and such additional members without vote and without expense to the Industry, not to exceed three, as the Administrator in his discretion may appoint to represent such groups or interests or such governmental agencies as he may designate.

(b) Four members of the Code Authority shall be selected by the Milk Filtering Materials Institute from among its membership, and one member may be elected by members of the Industry who are not members of the Institute by a method approved or prescribed by the Administrator.

(c) 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.

(d) 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 prescribe 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.

(e) Members of the Industry shall be entitled to participate in and share the benefits of the activities of the Code Authority by assenting to and complying with the requirements of this Code and sustaining their reasonable share of the expenses of its administration. The reasonable share of the expenses shall be determined by the Code Authority, subject to review 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.

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

(a) With a view to informing the President and the Administrator as to the observance of this Code, and as to whether the Industry is taking appropriate steps to effectuate the declared policy of the Act, each member of the Industry shall furnish duly certified reports in such form as may be required by the Code Authority and approved by the Administrator. The Institute is hereby constituted the agency for the collection and receipt of such reports and for the forwarding of such reports to the Administrator. All such reports shall be held in strict confidence by the Institute, except when they shall be required by the Administrator or the Code Authority in connection with a violation of the provisions of this Code.

(b) The Code Authority may recommend to the Administrator any action or measure deemed advisable, including further fair trade practice provisions to govern members of the Industry in their relations with each other or with other industries, measures for industrial planning, and stabilization of employment; and including modifications of this Code which shall become effective as part hereof upon approval by the Administrator after such notice and hearing as he may specify.

(c) The Code Authority is also set up to cooperate with the Administrator in making investigations as to the functioning and observance of any provisions of this Code, and its own instance or on complaint of any person affected, and to report the same to the Administrator, subject to the regulations of the Administrator.

(d) To use such trade associations and other agencies as it deems proper for the carrying out of any of its activities provided for herein, provided that nothing herein shall relieve the Code Authority of its duties or responsibilities under this Code and that such trade associations and agencies shall at all times be subject to and comply with the provisions hereof.

3. In addition to the information required to be submitted to the Code Authority, there shall be furnished such statistical information as the Administrator may deem necessary for the purposes recited in Section 3 (a) of the Act, to such Federal and State agencies as the Administrator may designate; but nothing in this Code shall relieve any person of any existing obligation to furnish reports to government agencies.

4. If the Administrator shall determine that any action of the Code Authority or any agency thereof may be unfair or unjust or contrary to the public interest, the Administrator may require that such action be suspended to afford an opportunity for investigation of the merits of such action and further consideration by the Code Authority or agency pending final action which shall not be effective unless the Administrator approves or unless he shall fail to disapprove after thirty days' notice to him of intention to proceed with such action in its original or modified form.

ARTICLE VII-UNFAIR TRADE PRACTICES

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

1. Secret Rebates. No member of the Industry shall secretly offer or make any payment or allowance of a rebate, refund, commission, credit, unearned discount or excess allowance, whether in the form of money or otherwise, nor shall a member of the Industry secretly offer or extend to any customer any special service or privilege not extended to all customers of the same class.

2. Inaccurate Advertising. No member of the Industry shall publish advertising (whether printed, radio, display or of any other nature), which is inaccurate in any material particular, nor shall any member in any way misrepresent any goods (including but without limitation its use, trade-mark, grade, quality, quantity, origin, size, substance character, nature, finish, material, content or preparation) or credit terms, values, policies, services, or the nature or form of the business conducted; and no member shall use advertising or selling methods or credit terms which tend to deceive or mislead the customer or prospective customer.

3. Interference with Another's Contracts. No member of the Industry shall attempt to induce the breach of an existing contract between a competitor and his customer or source of supply, nor shall any such member interfere with or obstruct the performance of such contractual duties or services.

4. Commercial Bribery. No member of the Industry shall give, permit to be given, or directly or indirectly 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. This provision 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.

ARTICLE VIII

1. Within thirty (30) days after the effective date of this Code each member of the Industry shall file with the Code Authority a schedule of his own individual prices, terms, discounts and conditions of sale for the products of the Industry. Such price lists may be revised at any time and shall become effective on the date of mailing to the Code Authority by registered mail. The Code Authority shall at once send copies of all price lists to all members of the Industry and such price lists shall be available to any interested party. No member of the Industry shall sell or offer for sale any product of the Industry below the prices, or on any other terms, discounts, and conditions of sale than in his own individual price list.

ARTICLE IX

No provision of this Code shall be interpreted or applied in such manner as to promote or permit monopolies or monopolistic practices, or to eliminate or oppress small enterprises, or to discriminate against them.

ARTICLE X-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 sub-section (b) of Section 10 of the Act, from time to time to cancel or modify any order, approval, license, rule, or regulations 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 Administrator.

ARTICLE XI

This Code shall become effective the eleventh day after the date on which it shall have been approved.

Approved Code No. 396. Registry No. 223-02.

