



NATIONAL RECOVERY ADMINISTRATION

CODE OF FAIR COMPETITION

FOR THE

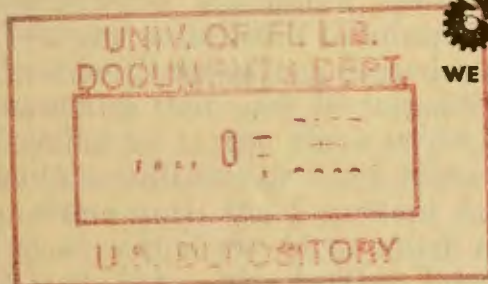
INTERLINING IMPORTING

INDUSTRY

AS SUBMITTED ON AUGUST 30, 1933

REGISTRY No. 299—32

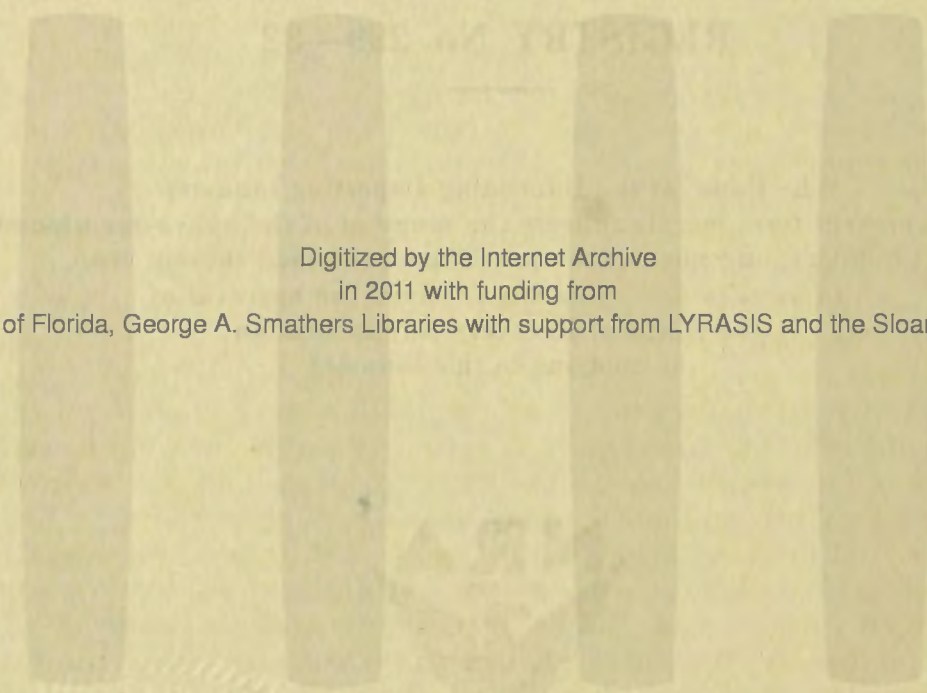
**The Code for the Interlining Importing Industry
in its present form merely reflects the proposal of the above-mentioned
industry, and none of the provisions contained therein are
to be regarded as having received the approval of
the National Recovery Administration
as applying to this industry**



**UNITED STATES
GOVERNMENT PRINTING OFFICE
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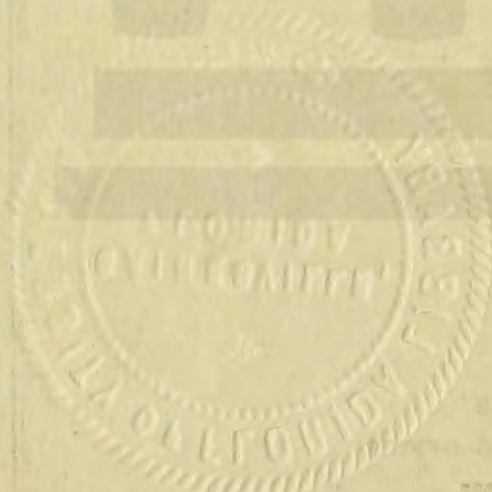
INTERNATIONAL IMPORTING
INDUSTRY

AS SUBMITTED ON AUGUST 10, 1902



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CODE OF FAIR COMPETITION OF THE INTERLINING IMPORTERS

(PURSUANT TO THE PROVISIONS OF TITLE I OF THE N.I.R.A.)

The importers of interlining recognize the existence of an emergency affecting the welfare of both employers and employees in the importation and domestic distribution of interlining. The emergency demands that unfair competitive practices be eliminated, that unemployment be reduced and relieved and that standards of employment be improved. It is the declared purpose of the importers of interlining and adherents to this code to bring as far as may be practicable the rates of wages paid in the interlining importing trade to such levels as are necessary for the creation and maintenance of the highest practicable standard of living; to restore the income of enterprises within the trade to levels which will make possible the payment of such wages and avoid further depletion and destruction of capital assets; and from time to time to revise the rates of wages in such manner as will currently reflect their equitable adjustment to variation in the cost of living.

The interlining importing trade is fully cognizant of the fact that under clause (e) of Section 3 of the N.I.R.A., the President, on his own motion or on complaint of producers or distributors of competing domestic products, is authorized and empowered to direct an investigation by the U.S. Tariff Commission of the domestic effect of competition by imported products with domestic products, to determine whether the imported articles "render or tend to render ineffective any code or agreement"; that if he so finds, he is directed, after investigation and notice and hearing of importers, to permit such imported articles to enter only upon such terms and conditions and subject to such fees and to such limitation in total quantity that may be imported in the course of any specified period, as he may find necessary; that in order to enforce a Presidential limitation on imports, the President is authorized by the Act to forbid their importation without a Treasury license, and the Secretary of the Treasury is directed to admit only those articles that conform to the President's directions regarding terms, conditions, fees, limitations on quantities that may be imported, and licensing; that the President's decision as to the facts is declared conclusive; and that the President's conditions or limitations with respect to imported articles shall continue until the President finds and informs the Secretary of the Treasury that the facts which led to their imposition no longer exist. It is therefore the further purpose of this code to effect cooperation with the President in regard to the interests of importers of interlining, in connection with any complaint, investigation, hearing, or order, under the aforementioned section and subdivision of the N.I.R.A.

To effectuate the policy of Title I of the N.I.R.A., the following provisions are established as a code of fair competition for interlining importing trade:

I—DEFINITIONS

1. The term "interlining" as used herein is defined as follows:

Canvas padding composed of jute; cotton and jute; linen, or linen and jute, which is imported and sold entirely to (a) clothing manufacturers who themselves manufacture the goods into coat fronts, or (b) to coat-front manufacturers, who cut the canvas, manufacture it into coat fronts, and sell it to the clothing manufacturers.

2. The term employees as used herein shall include all persons employed in the selling and shipping departments or as office help.

3. The term effective date as used herein is defined to mean August 31, 1933, or if this code shall not have been approved by the President two weeks prior thereto, then the second Monday following such approval.

4. The term persons shall include natural persons, partnerships, and corporations.

II—PROVISIONS PURSUANT TO SEC. 7A

Employers in the interlining importing trade shall comply with the following requirements of section 7a of Title I of the N.I.R.A.

1. That employees shall have the right to organize and bargain collectively through representatives of their own choosing and shall be free from 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 union of his own choosing; and

3. That employers shall comply with maximum hours of labor, minimum rates of pay, and other conditions of employment.

III—MINIMUM RATES OF PAY

On and after the effective date, and continuing during the period of the emergency as defined in the N.I.R.A., the minimum wage that shall be paid by employers in the interlining importing trade to any of their employees shall be at the rate per week for forty hours of labor as follows: \$15 a week; provided, further, that compensation for employment now in excess of the minimum wages hereby agreed to shall not be reduced.

IV—MAXIMUM HOURS OF EMPLOYMENT

On and after the effective date, employers in the trade shall not employ their employees in excess of 40 hours per week.

V—REPORTS

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 trade is taking appropriate steps to effectuate the declared policy of the N.I.R.A., each person engaged in the interlining importing trade shall furnish duly certified reports to the Executive Secretary of the Association hereinafter named in such substance and in such form as may from time to time be required:

1. Returns every four weeks showing actual hours worked by the various occupational groups of employees, and the minimum weekly rates of pay.

2. Weekly reports of imports received, sales, sales contracts for future delivery and a record of shipments made against such contracts. Provided, however, that all reports and information furnished by members or obtained from their contracts, books, or records, shall not be divulged to any other member, nor to any other person, except as it may be necessary to divulge such information to enforce the observance of the provisions of this code or with a bona fide purpose to enforce such observance.

The Interlining Manufacturers Association, Inc., is constituted the agency to collect and receive such reports.

VI—PLANNING AND FAIR PRACTICE AGENCY

To further effectuate the policy of the N.I.R.A., the Board of Directors of the Association is set up to cooperate with the President as a planning and fair-practice agency for the interlining importing trade.

The Board of Directors may from time to time present to the Administrator recommendations based on conditions in the interlining importing trade 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, and more particularly along the following lines:

A. Recommendations as to the requirement by the Administrator of such further reports from the persons engaged in the trade, of statistical information and the keeping of uniform accounts, as may be required to secure the proper observance of the code and promote the proper balancing of production and consumption and the stabilization of the trade and employment.

B. Recommendations for the setting up of a service bureau for accounting, reporting, collection, and dissemination of credit information, and other purposes, and to meet the conditions of the emergency and the requirements of this code.

C. Recommendations for the making by the Administrator of requirements as to methods and conditions of trading, the naming and reporting of prices which may be appropriate to avoid discrimination, to promote the stabilization of the trade, and to prevent and eliminate unfair and destructive competitive prices and practices.

D. Recommendations for regulating the disposal of distress merchandise in a way to secure the protection of the owners and to promote sound and stable conditions in the trade.

E. Recommendations as to the making available to the supplier of credit to those engaged in the trade of information regarding terms and actual functioning of any or all the provisions of the code, the conditions of the trade, and regarding the operations of any and all of the members of the trade covered by such code, to the end that during the period of the emergency available credit may be adapted to the needs of such trade considered as a whole, and to the needs of the small as well as the large units.

F. Recommendations for dealing with any inequalities that may otherwise arise to endanger the stability of the industry and of production and employment.

Such recommendations when approved by the Administrator shall have the same force and effect as any other provisions of this code.

VII—UNFAIR METHODS OF COMPETITION

Violation by any interlining importer of any of the provisions of this code, or of any approved rule issued thereunder, is an unfair method of competition. The following are specifically declared to be unfair methods of competition:

1. Selling or offering for sale any merchandise below cost.
2. Enticing away employees of competitors with the purpose and effect of unduly hampering or injuring or embarrassing competitors in their business.
3. Making, causing, or permitting to be made, or published, any false or deceptive statements on or concerning the business policies or methods of competitors.
4. Selling or offering for sale any merchandise of the trade, with misrepresentation calculated to deceive customers or prospective customers as to the quality, quantity, grade, substance, nature, origin, size, or preparation of any of said merchandise.
5. Shipping of goods on consignment or memorandum, either directly or indirectly.
6. Paying or allowing secret rebates, refunds, credits, or unearned discounts, whether in the form of money or otherwise, or extending to certain purchasers confidential prices, special services, or privileges not mentioned in his original specifications.
7. Substituting other materials or grades for the kind ordered without written approval of the purchaser.
8. Selling any product or article other than canvas at an unreasonable price for the purpose of evading or defeating the terms of this code.
9. Representing certain prices or terms as special when they are in fact regular prices and regular terms, with the tendency and capacity to mislead and deceive purchasers.
10. Secret deviation from announced or published price lists directly or indirectly in any guise by allowance of rebates, commissions, refunds, or unwarranted freight allowances.
11. Imitation of designs, names, borders, or selvages or other marks of identification of competitors, having the tendency or capacity to mislead or deceive purchasers or prospective purchasers.

12. Paying or promising to pay any employee or agent of the purchaser or prospective purchaser a commission in the form of money or anything of value, for the purpose of inducing or compensating for the sale with or without the knowledge of the purchaser.

VIII—TRADE STANDARDS, PRACTICES, AND CUSTOMS

1. Each firm shall adhere to such terms of sale as are provided in its contracts and shall enforce collection in accordance with its terms.

2. Each firm shall every 30 days before the 10th day of the succeeding month file with the association selling price lists of all items offered for sale.

3. Terms shall be net cash U.S. funds with a maximum credit limit of 90 days from the date of shipment.

4. The making of oral contracts, or of incomplete and ambiguous written contracts for the sale of imported interlining provides a medium for unfair price discrimination, including fraud, giving rise to disputes and disturbing the stability of the industry. Therefore, all contracts for the sale of interlining shall be in writing, signed by the customer, and shall contain a definite statement of price, quantity and grade, terms of payment, time, and place of delivery, and which contracting party pays the freight and/or cartage, and all other elements necessary for a complete contract. They shall also provide for arbitration of all disputes arising out of said contracts, either by the arbitration board of the textile industry or by the American Arbitration Association. Such contracts shall also contain a provision reciting that the prices therein contained are subject to change from time to time, to include any increases in duties which may be decreed by the Secretary of the Treasury pursuant to Presidential direction under the import provisions of the N.I.R.A.

5. Whenever a customer shall fail to meet his obligations to any member of the trade, dealings with him shall thereafter be on a basis of cash on delivery, unless and until he shall state under oath, upon a uniform questionnaire form to be prepared by the Association for that purpose, his true financial condition at the time of making said statement, provided, however, that such forms shall not contain unreasonable request for information not germane to the credit standing of such customer. Immediately upon receipt thereof, the executive secretary shall notify the trade that such information is available, and thereafter members of the trade may exercise their own discretion as to whether they will extend credit to such delinquent.

6. No customer or prospective customer of the trade shall be eligible for credit unless at least once during his fiscal year he shall submit a financial statement under oath referred to in the next preceding paragraph, on the forms specially provided therefor by the Association.

7. No customer or prospective customer of the trade shall be eligible for credit if he shall have been found guilty in a court of record of concealing his assets or otherwise defrauding creditors, or if this was the judgment of any board of arbitration in a controversy to which he was a party.

IX—Cost

The Association shall proceed at once to provide for uniform methods of cost finding, and shall ascertain and establish from time to time, in conformity with such uniform method, the cost of various items dealt in by the trade, which cost when so found, established and filed with the Association, shall be the uniform cost to be adopted by the trade.

The term cost shall be interpreted to include among other items, duty, consul fees, brokerage, cost of materials based on custom house appraisal at port of entry plus freight, packing, cartage, insurance, taxes, interest, selling, and administration expense, credit losses, plus 5% of the amount of such cost to cover unforeseen exigencies or emergencies in connection with business operations.

X—REVISION AND SUPERVISION

Such of the provisions of this code as are not required to be included therein by the N.I.R.A. may, with the approval of the President be modified or eliminated if it appears that the public needs are being served thereby and as changes in circumstances or experience may indicate. They shall remain in effect unless and until so modified or eliminated or until the expiration of the Act.

It is contemplated that from time to time supplementary provisions to this code or additional codes will be submitted for the approval of the President to prevent unfair competition in price and other unfair practices, and to effectuate the purposes and policies of the N.I.R.A., and which shall not conflict with the provisions thereof.

The Board of Directors is hereby empowered to investigate as to the functioning and observance of any of the provisions of this code, at its own instance or on complaint of any person affected, to report the same to the Administrator; to cooperate with the Administrator; to propose additions, modifications, or revisions of this code; from time to time to require such reports from manufacturers as in its judgment may be necessary to advise it adequately of the administration and enforcement of the provisions of this code; to propose a marketing code with respect to collection and interchange of credit information; cooperative administration of insolvent debtors' estates and other aspects of marketing; to propose agreements or affiliation with allied trades and industries and with customers for mutual betterment and advancement; and, generally, to perform such other acts as may be reasonably necessary and proper to put these resolutions into effect and to accomplish the objects and purposes of the N.I.R.A.

XI—VIOLATIONS

In the event that such committee shall find the rules of fair competition, or any provisions of this code have been violated, the violation shall be reported to the board of directors for such action as they shall deem proper in accordance with this code, including in appropriate cases report to the U.S. Attorney, the Federal Trade Commission, or the instituting of license proceedings in accordance with law.

Such committee is also charged with the duty of keeping itself and the trade informed of any complaints that shall be made to the President with respect to any alleged competition of interlining imports with any domestic products, and to take all steps which they shall deem necessary and proper to further the interests of the interlining importing industry.

XII—PARTICIPATION

Participation in this code or in any subsequent revision of or addition to this code shall be extended to any person, partnership, or corporation in the interlining importing trade which shall accept its share of the cost and responsibility as well as the benefit of participation by becoming a member of the Interlining Manufacturers Association, Inc.

XIII—ARBITRATION

The members of the interlining importing trade endorse the principle of arbitration for the settlement of all disputes within the industry.

XIV—GENERAL PROVISIONS

This code is not designed to promote monopolies and shall not be availed of for that purpose.

The provisions of this code shall not be so interpreted or administered as to eliminate or oppress small enterprises or to discriminate against them.

The President, in accordance with the provisions of section 10b of the N.I.R.A., may from time to time cancel or modify any order, approval, license, rule, or regulation issued under Title I of the N.I.R.A.

The Interlining Manufacturers Association, Inc., will from time upon request from the Administrator, furnish all data, information, and statistics as it may have available bearing upon the question of price increases, if any, in the industry.



