

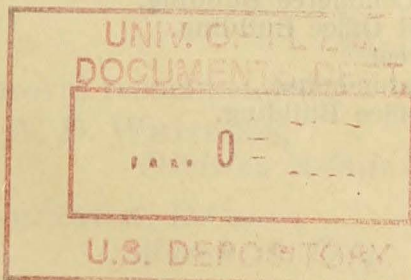
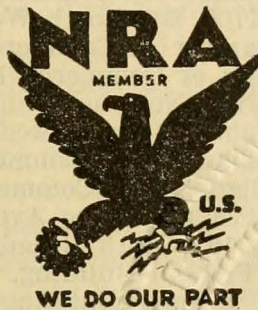
NATIONAL RECOVERY ADMINISTRATION

CODE OF FAIR COMPETITION

FOR THE

ART NEEDLEWORK
INDUSTRY

AS APPROVED ON MARCH 16, 1934



UNITED STATES
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Approved Code No. 335

CODE OF FAIR COMPETITION
FOR THE
ART NEEDLEWORK INDUSTRY

As Approved on March 16, 1934

ORDER

CODE OF FAIR COMPETITION FOR THE ART NEEDLEWORK 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 Art Needlework 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.,
March 16, 1934.

REPORT TO THE PRESIDENT

The PRESIDENT,
The White House.

INTRODUCTION

SIR: This is the report of the Administrator on the application for, and the public hearing on, the Code of Fair Competition for the Art Needlework Industry as proposed by the Art Needlework Association. The public hearing was conducted in Washington on January 16, 1934. Every person who requested an appearance was freely heard in accordance with statutory and regulatory requirements.

There are estimated to be 62 concerns in the Industry, 37 of which are members of the Association and account for approximately 80% of the total volume of business according to the figures presented by the Art Needlework Association.

ECONOMICAL AND STATISTICAL MATERIAL

The volume of sales in 1929, which was the peak year, was \$22,000,000 and the total employment was 5,000 employees. The estimated volume of sales for 1933 is set at \$14,000,000 and the number of employees at 3,500.

The representatives of the Industry claim that the employment figures will be increased by at least 15% when the Code goes into effect. There will also be an increased purchasing power for the individual employee under the Code.

RESUME OF CODE PROVISIONS

The Code establishes forty (40) hours as the basic week for production and thirteen (\$13.00) Dollars per work week as the minimum rate of pay.

It is to be noted that there is a provision which outlaws "home work" by April 1st, except for the finishing of samples and display models not intended for resale.

Trade practices are standard and their application should bring about stabilized competitive conditions.

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.

MARCH 16, 1934.

CODE OF FAIR COMPETITION FOR THE ART NEEDLE- WORK 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 Art Needlework 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 "Art Needlework Industry" as used herein includes the stamping and/or importing and/or original sale of goods for art needlework; the processing and/or importation of worsted, silk, rayon, linen, and cotton yarns and other fibres exclusively to be used for hand embroidery, hand-knitting, crocheting, and other art needlework; the sale of art needlework accessories and tapestry needlepoint, and such branches or subdivisions thereof as may from time to time be included under the provisions of this Code. This definition does not include the "manufacture of sewing, crochet, embroidery, and/or darning cotton thread" as incorporated in the Code of Fair Competition for the Cotton Textile Industry by amendment approved on November 8, 1933.

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, Title I of the National Industrial Recovery Act, and the Administrator for Industrial Recovery.

ARTICLE III—HOURS

1. *Maximum Hours*.—No employee, except outside salesmen and employees engaged in a managerial capacity who receive not less than Thirty-five (\$35.00) dollars a 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, except that an office employee may be permitted to work not more than sixty (60) additional hours

in any calendar year but not in excess of four (4) hours in any one week provided that time and one-third be paid for such additional hours.

2. *Exceptions as to Hours.*—The maximum hours fixed in the foregoing section shall not apply to any employee on emergency maintenance or emergency repair work involving breakdowns or protection of life or property, but in any such special case at least one and one-third times his normal rate shall be paid for hours worked in excess of the maximum hours herein provided.

3. *Standard Week.*—No employee shall be permitted to work more than six (6) days in any seven (7) day period.

4. *Employer Working as Employee.*—Any member of the Industry who does the work of, or assists in, the actual manufacture of products of this Industry, shall be subject to the provisions of this Code as to hours of labor.

5. *Employment by Several Employers.*—No employer shall knowingly permit any employee to work for any time which when totaled with that already performed with another employer, or employers, in this Industry exceeds the maximum permitted herein.

ARTICLE IV—WAGES

1. *Minimum Wage.*—No employee shall be paid at less than the rate of Thirteen (\$13.00) Dollars per week of forty (40) hours.

2. *Piecework Compensation—Minimum Wages.*—This Article establishes a minimum rate of pay, irrespective of whether an employee is actually compensated on a time rate, piece-work or other basis.

3. *Wages Above Minimum.*—No employee whose hours of work per week are reduced by the provisions of this Code shall be paid less than he or she was paid for the normal full time week in the four weeks ended June 17, 1933. A definite plan for the adjustment of those wages above the minimum herein prescribed shall be presented to the Administrator for his approval within thirty (30) days of the effective date of this Code.

4. *Female Employees.*—Female employees performing substantially the same work as male employees shall receive the same rate of pay as male employees.

ARTICLE V—GENERAL LABOR PROVISIONS

1. *Child Labor Provision.*—No person under sixteen (16) years of age shall be employed in the Industry, nor anyone under eighteen (18) years of age at operations or occupations hazardous in nature or detrimental to health. The Code Authority shall submit to the Administrator not later than sixty (60) days after the effective date of this Code, 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 or age certificates or permits, showing that the employee is of the required age.

2. *Provisions from the Act.*—In compliance with Section 7 (a) of the Act, it is provided:

(a) 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.

(b) No employee and no one seeking employment shall be required as a condition of employment to join any company union or to refrain from joining, organizing, or assisting a labor organization of his own choosing, and

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

3. *State Laws*.—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.

4. *Reclassification of Employees*.—Employers shall not reclassify employees or duties of occupations performed by employees so as to defeat the purposes of the Act or engage in any other subterfuge.

5. *Posting*.—Each employer shall post in conspicuous places accessible to employees full copies of Articles III, IV and V of this Code in ten point type or larger and the address of the nearest Compliance Board.

6. *Home Work*.—All members of the Industry shall arrange to discontinue the system of home work by April 1, 1934. If, however, this provision works an unreasonable hardship on any employer he may, upon appeal to the Code Authority and subject to the approval of the Administrator, be allowed additional time up to a total of two (2) months in which to complete its abolishment.

This provision shall not prohibit home work on the finishing of samples and display models not intended for resale, but the name and address of every employee so engaged shall be reported to the Code Authority.

7. *Discharging of an Employee*.—No employee shall be dismissed by reason of making an honest complaint or giving truthful evidence with respect to an alleged violation of this Code.

8. *Standards for Safety and Health*.—Every employer shall provide 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 within six (6) months after the effective date of this Code.

ARTICLE VI—ORGANIZATION, POWERS AND DUTIES OF CODE AUTHORITY

1. *Organization*.—To further effectuate the policies of the Act, the Code Authority is hereby constituted to administer this Code.

(a) The Code Authority shall consist of five individuals, 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) The Code Authority members shall be selected as follows:

Each member of the Industry, who qualifies as provided in Section 8 of this Article, shall have one vote in the 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 Executive Committee of the Art Needlework Association shall act in this capacity.

(c) 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. 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, 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.

3. Members of the Industry shall be entitled to participate in and share the benefits of the activities of the Code Authority and to participate in the selection of the members thereof and to use the N.R.A. Insignia by assenting to and complying with the requirements of this Code and sustaining their reasonable share of the expense of preparation, presentation and administration of this Code. Such reasonable share of the expenses of administration 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.

4. Nothing contained in this Code shall constitute the members of the Code Authority partners for any purpose. Nor shall any member of the Code Authority be liable in any manner to anyone for any act of any other member, officer, agent, or employee of the Code Authority exercising reasonable diligence in the conduct of his duties hereunder nor be liable to anyone for any action or omission to act under the Code, except for his own willful misfeasance or non-feasance.

5. *Powers and Duties.*—The Code Authority shall have the following powers and duties in addition to those elsewhere provided in this Code to the extent permitted by this Act:

(a) To adopt by-laws and rules and regulations for its procedure and for the administration and enforcement of the Code, in accordance with the powers herein granted, to submit to the Administrator such information as to its activities as the Administrator may deem necessary to effectuate the purposes of the Act.

(b) To obtain from members of the Industry for use of the Code Authority, for the use of the Administrator in the administration and enforcement of the Code, and for the information of the President, reports based on periods of one, two, or four weeks, or one

month, or multiples thereof, as soon as the necessary readjustment within the Industry can be made and to give assistance to members of the Industry in improving methods, or in prescribing a uniform system of accounting and reporting. All individual reports shall be kept confidential as to members of the Industry and only general summaries thereof may be published.

(c) To 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.

(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 and to pay such trade associations and agencies the cost thereof, 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 of this Code.

(e) To secure an equitable and proportionate payment of the expenses of maintaining the Code Authority and its activities from members of the Industry.

(f) To cooperate with the Administrator, in regulating the use of the N.R.A. Insignia solely by those employers who have assented to, and are complying with, this Code.

(g) To develop fair trade practices and industrial planning, including the regularization of employment and stabilization of employees for the Industry, any such recommended practices or regulations to be presented as Amendments to the Code, shall be subject to the approval of the Administrator.

(h) The Code Authority may coordinate the Administration of this Code with such other Codes, if any, as may be related to the Industry, or any subdivision thereof, and may assist in promoting joint action upon matters of common interest by establishing a joint Advisory Board to which one or more of its members shall be delegated.

(i) To initiate, consider, and make recommendations for the modification or amendment of this Code.

(j) The Code Authority may appoint and remove and fix the compensation of such employees, accountants, attorneys, and officers as it shall deem necessary or proper for the purpose of administering the Code.

(k) The Code Authority shall investigate the problem of design piracy and as soon as practicable make recommendations in connection therewith to the Administrator.

(l) The Code Authority may grant a temporary extension, subject to the approval of the Division Administrator and/or the Administrator, of the hours of work of factory employees upon a showing by the member requesting such extension that the limitations of his plant and equipment will not permit an expansion in the number of factory employees, and that such restriction works an undue hardship upon said member, but the granting of such permission must not allow such member an unfair competitive advantage nor work to the detriment of other members.

(m) The Code Authority shall study the necessity for overtime work and shall recommend to the Administrator a definite plan for its limitation, within four (4) months of the effective date. Such plan, upon approval by the Administrator after such hearing as he may require, shall become operative as part of this Code.

ARTICLE VII—GENERAL ADMINISTRATIVE PROVISION

1. In addition to information required to be submitted to any 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 National Industrial Recovery Act to such Federal and State agencies as the Administrator may designate; nor shall anything in this Code relieve any person of any existing obligation to furnish reports to Government agencies.

2. An appeal from any action by the Code Authority affecting the rights of any employer or employee in the Industry may be taken to the Administrator.

3. If the Administrator shall determine that any action of a 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 such 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 VIII—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. *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.

3. *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.

4. *Consignment*.—No member of the Industry shall ship goods on consignment except under circumstances to be defined by the Code Authority, where peculiar circumstances of the Industry require the practice. This provision does not apply to bona fide samples. Any member of the Industry may take back yarn for exchange or credit provided that there be a replacement order of equal value accompanying the return of yarn to be shipped immediately.

5. *False Invoices*.—To withhold from or insert in an invoice or order statements or entries which make such documents a false record, wholly or in part, of the transaction represented on the face thereof.

6. *Terms*.—The terms of sale shall not be in excess of a cash discount of 2/10 with the option of sixty extra or 3/10 E.O.M. Shipments made on the 25th of the month and after shall be allowed as of the first of the month. No further dating.

7. *Sales Below Cost*.—To sell or offer to sell any product below its cost except to meet the competition of a member of the Industry whose cost is lower. Cost is defined as the sum of direct material and direct labor plus overhead. The term "overhead" shall be defined by the Code Authority with the approval of the Administrator. The sale of finished samples below cost is not prohibited by the provisions of this section.

8. *Sale of Seconds*.—The sale or offer for sale, at a reduced price, of rejects, factory seconds, or discontinued lines by any member of the Industry in excess of ten per cent (10%) of his total production. Any such sale shall be reported to the Code Authority. Sales in excess of ten per cent (10%) may be permitted by the Code Authority, upon a finding that such restriction works an undue hardship upon a member of the Industry, but the granting of such permission must not allow such member an unfair competitive advantage nor work to the detriment of other members. The provisions of this Section shall be subject to the right of review by the Administrator.

ARTICLE IX—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, 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 X—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 XI—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 XII—EFFECTIVE DATE

This Code shall become effective on the tenth day after its approval by the President.

Approved Code No. 335.
Registry No. 231-08.

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