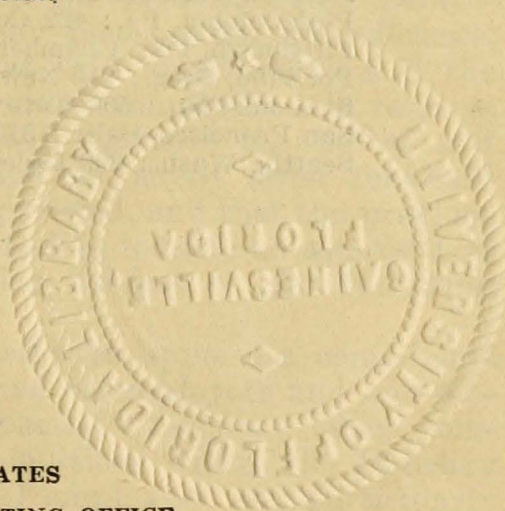
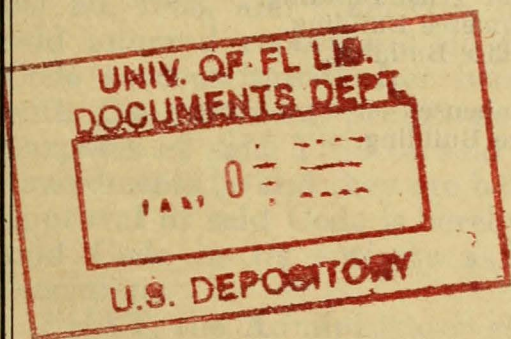
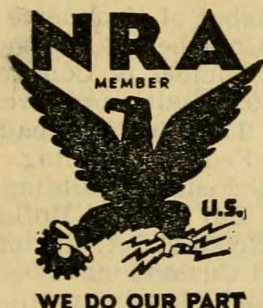


NATIONAL RECOVERY ADMINISTRATION

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AMENDMENT TO  
CODE OF FAIR COMPETITION  
FOR THE  
ARTIFICIAL FLOWER  
AND FEATHER INDUSTRY

AS APPROVED ON AUGUST 14, 1934

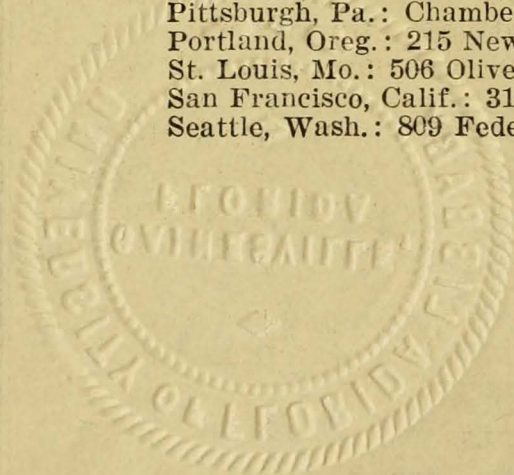


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Approved Code No. 29—Amendment No. 1

## AMENDMENT TO CODE OF FAIR COMPETITION

FOR THE

## ARTIFICIAL FLOWER AND FEATHER INDUSTRY

As Approved on August 14, 1934

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### ORDER

#### APPROVING AMENDMENTS TO AND AMENDED CODE OF FAIR COMPETITION FOR THE ARTIFICIAL FLOWER AND FEATHER 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 amendments to and an amended Code of Fair Competition for the Artificial Flower and Feather Industry, and hearings having been duly held thereon and the annexed report on said amendments, 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 amendments and the Code as constituted after being amended comply 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 amendments be and they are hereby approved, and that the previous approval of said Code is hereby modified to include an approval of said Code in its entirety as amended subject to the following condition:

THAT, the Administrator shall forthwith appoint a commission of three consisting of one representative of employers and one representative of employees, with an impartial Chairman, which commission shall undertake a study of conditions within the Industry with respect to the hours and wages of employees, and particularly with respect to the provisions of the Code which regulate the employment of learners in the Industry, in order to make recommendations for such modifications of the amended Code as are necessary for the effective control of learners, the learning period, and the percentage of learners necessary for the Industry, in order to effectuate the pol-

icies of the Act. The Labor member of this commission shall be nominated by the Labor Advisory Board of the National Recovery Administration, and the Industry member of this commission shall be nominated by the Code Authority; the impartial Chairman shall be nominated by the Labor member and the Industry member of this commission; provided, however, that upon failure of these two members to agree upon an impartial Chairman within ten (10) days following their appointment, the Administrator shall appoint an impartial Chairman of his own choosing.

The recommendations of this commission shall be made prior to December 31, 1934, and upon approval by the Administrator, either in their original or modified form, after such hearing and notice as he may specify, such recommendations either in their original or modified form shall become a part of this amended Code.

HUGH S. JOHNSON,  
*Administrator for Industrial Recovery.*

Approval Recommended:

WILLIAM P. FARNSWORTH,  
*Acting Division Administrator.*

WASHINGTON, D.C.,  
*August 14, 1934.*

## REPORT TO THE PRESIDENT

The PRESIDENT,

*The White House.*

SIR: The Public Hearing for the purpose of amending and modifying the Code of Fair Competition for the Artificial Flower and Feather Industry as proposed by the Code Authority, was conducted in the Ambassador Hotel, Washington, D. C., on March 24, 1934.

Every person who requested an appearance was fairly heard in accordance with the regulations of the National Recovery Administration. The amended Code has the approval of the Industrial and Labor Advisory Boards, the Legal Division and the Division of Research and Planning of the National Recovery Administration. The Consumers' Advisory Board has withdrawn its advisory service with respect to this Code in order to give it more time and energy for the consideration of Codes and Code provisions which are, from its standpoint, more important to the consumers of the country. The Code Authority, on behalf of the Industry, has also given its approval to the final draft of the Code.

The Industry as defined in the amended Code, includes the manufacture in whole or in part, assembling, importing, wholesale distributing, and sale of "Artificial Flower and Feather products", to be used for decorative, ornamental, and/or trimming purposes.

### RÉSUMÉ OF THE AMENDED CODE

Article I gives the purpose of the Code.

Article II sets forth certain definitions.

Article III contains the maximum hour provisions of the Code.

Article IV establishes the minimum wage for employees in the Industry.

Article V sets forth general labor provisions.

Article VI provides for the organization and constitution of the Code Authority and defines its powers and duties.

Article VII sets forth trade practice rules.

Article VIII provides for a free and open market and prohibits conspiracies to maintain prices.

Article IX regulates price cutting.

Article X provides for modification of the Code.

Article XI prohibits monopolies.

Article XII is on price increases.

Article XIII specifies the effective date.

### FINDINGS

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

"I find that:

"(a) Said amended 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 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) The amended 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 Code Authority is truly representative of the aforesaid Industry.

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

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

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

For these reasons the amended Code has been approved.

Respectfully,

HUGH S. JOHNSON,  
*Administrator.*

AUGUST 14, 1934.

## AMENDED CODE OF FAIR COMPETITION FOR THE ARTIFICIAL FLOWER AND FEATHER INDUSTRY

The Code of Fair Competition for the Artificial Flower and Feather Industry, as approved on September 7, 1933, is hereby amended to read as follows:

### ARTICLE I—PURPOSE

To effectuate the policies of Title I of the National Industrial Recovery Act, the following provisions are established as a Code of Fair Competition for the Artificial Flower and Feather Industry, and shall be binding upon every member thereof.

### ARTICLE II—DEFINITIONS

1. The term "Industry" as used herein includes the manufacture in whole or in part, assembling, importing, wholesale distributing, and sale of "artificial flower and feather products", as defined herein, to be used for decorative, ornamental, and/or trimming purposes, and such other branches and subdivisions of the said Industry which may from time to time be included by the Administrator under the provisions of this Code.

2. The term "Artificial Flower and Feather Products" as used herein means and includes artificial flowers, leaves, and parts thereof; artificial fruits; artificial plants, and parts thereof; prepared plants and other botanical products, and parts thereof; and feathers, crude and/or manufactured.

3. The term "employee" as used herein means and includes any person engaged in any phase of the Industry in any capacity receiving compensation for his services, irrespective of the nature or method of payment of such compensation, including members of a co-partnership or a firm, or an officer, director or stockholder of a corporation doing the work of an employee.

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

5. The term "member of the Industry" as used herein means and includes any person, firm, co-partnership or corporation or other form of enterprise exclusively or in part engaged in the Industry, either as an employer or on his, their or its own behalf, as a manufacturer, jobber, importer, or contractor, and including, but without limitation, any selling organization wholly or partially owned or directly or indirectly controlled by any member of the Industry as above defined.

6. The term "contractor" as used herein means and includes any person, firm, or corporation or other form of enterprise, employing manufacturing labor, who manufactures or produces in whole or in part for the account of another, any of the products enumerated

above and/or any part thereof that may be necessary to finish or complete any of said products.

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.

7. "Prepared plants" and "botanical products" as used herein mean and include natural plants and/or parts thereof used in their natural state and/or which have been treated, preserved, colored, fashioned and/or put into form for decorative uses and purposes.

### ARTICLE III—HOURS OF LABOR

1. Except as hereinafter provided, no employee shall be permitted to work in excess of forty (40) hours in any one week nor in excess of eight (8) hours in any one day period, nor in excess of five (5) days in any seven (7) day period.

a. In the "prepared plants" and other "botanical products" branches of the Industry, employees may be permitted to work six (6) days in any seven (7) day period and/or ten (10) hours in any twenty-four (24) hour period, provided, however, that in no event shall employees be permitted to work in excess of forty (40) hours in any one week as provided for above; and provided further that if an emergency exists in which the product may deteriorate or be destroyed while in a perishable condition, such employee may be permitted to work in excess of ten (10) hours in any one day for the purpose of processing said perishable product into a non-perishable condition, provided that they are paid at the rate of not less than time and one-third of the normal rate of pay for all hours worked in excess of ten (10) hours in any one day.

b. Watchmen, guards, engineers, firemen and employees engaged in maintenance or repair work, clerical or office work, and members of shipping crews shall not be permitted to work in excess of forty-four (44) hours in any one week nor in excess of nine (9) hours in any twenty-four (24) hour period, nor in excess of six (6) days in any seven (7) day period.

2. The Code Authority, with the approval of the Administrator, may establish such shorter maximum work week than the foregoing as may be required to further effectuate the purposes of the Act.

3. Except as hereinbefore and hereinafter provided, no overtime whatsoever shall be permitted in the manufacture, production, assembling or finishing of products manufactured by the Industry. Any member of the Industry may apply to the Industrial Relations Committee of the Code Authority for certification of compliance with all rules and regulations governing the need of employment of emergency or overtime workers due to shortage of workers. Upon such certification of compliance and upon favorable recommendation of such Industrial Relations Committee, the Code Authority may, subject to the disapproval of the Administrator, permit employment for overtime work. In no event, however, shall any employee be permitted to work in excess of five hours per week overtime, nor shall any overtime be permitted during more than fourteen (14) weeks in any twelve months period, nor in any market or locality in which there does not exist an actual shortage of available workers. Rates

of pay for such overtime work as may be permitted shall be not less than 1 and  $\frac{1}{3}$  times the normal rate of pay. Subject to review by the Administrator, the Code Authority may prescribe additional rules and regulations concerning overtime employment consistent herewith.

4. No member of the Industry shall knowingly permit any employee to work for any time which, when added to the time spent at work for another member or members of the Industry, exceeds the maximum permitted herein.

5. The provisions of this Article shall also apply to all employers insofar as they themselves perform the work of craftsmen.

6. The provisions of this Article shall not apply to outside salesmen.

7. Each member of the Industry shall administer work in his charge so as to provide the maximum continuity of employment practicable for his personnel. The Code Authority shall submit to the Administrator, as hereinafter provided, a plan for the regulation and stabilization of employment in this Industry.

#### ARTICLE IV—RATES OF PAY

1. Except as hereinafter provided, no employee shall be paid less than a minimum rate of fifteen (\$15.00) dollars per week of forty (40) hours; provided, however, that each employee who is permitted to work in excess of forty (40) hours per week in accordance with the provisions of Section 1(b) of Article III shall not be paid less than the normal rate of pay for such hours worked in excess of forty (40) in any one week.

2. Learners may be paid not less than \$9.00 per week of 40 hours for the first three months of employment, and not less than \$13.00 for the next nine months of employment, after which period of twelve months employees shall be paid not less than the minimum of \$15.00 per week of 40 hours.

a. If the operation at which any Learner is engaged during the first three (3) months of his employment has a piecework rate and the amount earned at such rate is in excess of the rate of nine (\$9.00) dollars per week of forty hours, such Learner shall be paid at such piecework rates; and if the operation at which any Learner is engaged during the succeeding nine (9) months of his employment has a piecework rate and the amount earned at such rate is in excess of the rate of thirteen (\$13.00) dollars per week of forty (40) hours, such Learner shall be paid at such piecework rate.

b. Any time worked by a learner in the Industry shall be deemed a part of such apprenticeship period, whether such time is worked continuously, or in more than one shop, or for more than one employer, or at more than one kind of operation in the same subdivision of the Industry.

c. The number of Learners engaged by any one employer shall at no time exceed twenty-five (25%) percent of the total number of employees engaged by such employer, except that for a period beginning July 1st and ending December 31, 1934, an additional twenty-five (25%) percent of the total number of employees may be employed.

3. A person whose earning capacity is limited because of age, physical or mental handicap, or other infirmity, may be employed on light work at a wage below the minimum established by this Code, if the employer obtains from the state authority, designated by the United States Department of Labor, a certificate authorizing such person's employment at such wages and for such hours as shall be stated in the certificate. Such authority shall be guided by the instructions of the United States Department of Labor in issuing certificates to such persons. Each Employer shall file monthly with the Code Authority, a list of all such persons employed by him, showing the wages paid to, and the maximum hours of work for such employee.

4. This Article establishes minimum rates of pay which shall apply irrespective of whether or not an employee is compensated on a time rate or other basis, and the Code Authority shall at times specified by the Administrator, investigate and report on the effect of such rates of pay on fair competition in the Industry, and the continuance of such rates of pay, as minimum rates of pay only.

5. No employer shall make any reduction in the full time weekly earnings of any employee whose normal full time weekly hours are reduced by twenty percent (20%), or less, below those existing for the four weeks ending July 1, 1933. When the normal full time weekly hours of an employee are reduced by more than said percent, the full time weekly wage of such employee shall not be reduced by more than one-half of the percentage of hour reductions above said percent. In no event shall hourly rates of pay be reduced, irrespective of whether compensation is actually paid on an hourly, weekly, or other basis, nor shall any wages be at less than the minimum rates herein provided.

Within thirty (30) days of the effective date hereof, (unless such adjustment has been made theretofore) each employer shall adjust the schedule of wages of his employees in such an equitable manner as will conform to the provisions hereinabove set forth, and still preserve wage differentials reasonably proportionate to those in effect prior to the effective date of this Code.

6. Female employees performing substantially the same work as male employees shall receive the same rate of pay as male employees.

7. No employer shall reclassify employees or duties of occupations performed or engage in any subterfuge so as to defeat the provisions of the Act or of this Code.

#### ARTICLE V—GENERAL LABOR PROVISIONS

1. No person under sixteen (16) years of age shall be employed in the Industry in any capacity. In any state, any employer shall be deemed to have complied with this provision as to age, if he shall have on file a certificate or permit, duly signed by the authority in such state empowered to issue employment or age certificates or permits showing that the employee is of the required age.

(a) No person under eighteen (18) years of age shall be employed at operations or occupations, if any, which are hazardous in nature or detrimental to health. The Code Authority shall submit to the

Administrator within ninety (90) days of the effective date of this amendment a list of all such operations or occupations.

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; and

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. Every employer shall provide for the safety and health of his employees during the hours and at the places of their employment. Standards for safety and health shall be submitted by the Code Authority to the Administrator within six (6) months of the effective date of this amendment.

6. No manufacturing, assembling, or production work shall be performed nor be contracted for performance in any home, nor in any part of the living quarters of any employee or other person, except in accordance with the provisions of the Executive Order of the President, dated May 15, 1934.

7. No provisions of this Code shall supersede any law within any state which imposes more stringent requirements on employers as to age of employees, wages, hours of work, or as to safety, health, or sanitary regulations, or insurance, or fire protection, or general working conditions, than are imposed by this code.

8. All employers shall post and keep posted, copies of the labor provisions of this Code in conspicuous places, accessible to all employees. Every member of the Industry shall comply with all rules and regulations relative to the posting of the provisions of Codes of Fair Competition which may, from time to time, be prescribed by the Administrator.

9. No provisions in this Article shall modify established practices granting privileges as to vacation periods, leaves of absence, or temporary absence from work heretofore granted to office employees.

10. Every employer shall file with the Code Authority a full and accurate list of all employees, hired, or employed as "Learners", as defined above, and shall comply with all rules and regulations prescribed by the Code Authority, with the approval of the Administrator, governing the employment of Learners in this Industry.

11. The Code Authority, subject to the approval of the Administrator, shall, within thirty (30) days of the effective date of this Code, and, if necessary, from time to time thereafter, issue rules and regulations concerning the manufacture and production of Artificial Flower and Feather Products and/or any part thereof that may be necessary or required to finish or complete any Artificial Flower and Feather Products under conditions known as "contracting", and after such approval by the Administrator no member of the Industry shall manufacture and/or produce or cause to be

manufactured and/or produced any Artificial Flower and Feather Products and/or any part thereof that may be necessary or required to finish or complete any Artificial Flower and Feather Products under such conditions of "contracting" unless the "contractor" shall comply in all respects with all such rules and regulations.

Without limitation, such rules and regulations shall include rules and regulations concerning (a) registration of contractors and those employing contractors; (b) uniform written contracts which shall be used in all relationships between contractors and those employing contractors; (c) the filing of all such written contracts with the Code Authority; (d) reports by contractors and those employing contractors for full compliance with the provisions of this Code and all amendments when made thereto.

## ARTICLE VI—ORGANIZATION, POWERS AND DUTIES OF THE CODE AUTHORITY

### ORGANIZATION AND CONSTITUTION

1. A Code Authority is hereby established consisting of nine (9) representatives of the Industry who shall be selected by the Administrator upon recommendations from members of the Industry. The Industry shall be entitled to representation upon the Code Authority as follows: Decorative Flower Manufacturers, two (2) members, Flower Manufacturers for the Millinery Trade, one (1) member, Flower Manufacturers for other apparel trades, one (1) member, The Feather Industry, two (2) members, Importers and Jobbers, one (1) member, and two (2) members at large. Members of the Code Authority shall be appointed to hold office for one year, subject, however, to the provisions of Section 3.

2. In addition to membership as above provided, there may be three (3) members, without vote, to be known as Administration members, to be appointed by the Administrator to serve for such terms as he may specify.

a. One such member as provided for in Section 2 above shall be appointed upon nomination by the Labor Advisory Board of the National Recovery Administration.

3. 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.

4. 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 of the Code Authority.

5. 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. Nor shall any member of the Code Authority, exercising reasonable diligence in the conduct of his duties hereunder, be liable to anyone for any action or omission to act under this Code, except for his own wilful malfeasance or nonfeasance.

6. If the Administrator shall at any time 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 (30) days' notice to him of intention to proceed with such action in its original or modified form.

7. Subject to such rules and regulations as may be issued by the Administrator, the Code Authority shall have the following powers and duties, in addition to those authorized by other provisions of this Code:

(a) To insure the execution of the provisions of this Code and to provide for the compliance of the Industry with the provisions of the Act.

(b) To adopt by-laws and rules and regulations for its procedure.

(c) To obtain from members of the Industry such information and reports as are required for the administration of the Code, and to establish a confidential agency to which such information and reports are to be delivered by members of the Industry, and to set up rules and regulations governing the making of returns and reports by members of the Industry as to: (1) Production, (2) Machine hours, (3) Labor hours and pay-roll account. The aforesaid reports shall be made not less than every three months, and at such other times as the Artificial Flower and Feather Code Authority may determine; provided, that no member of the Industry shall have access to the confidential returns and data reported by the individual members, but all such data shall be correlated, or otherwise presented in such manner as to avoid disclosure of individual plant operations, except when its use is necessary to prove or disapprove a complaint or violation of this Code. In addition to information required to be submitted to the Code Authority, members of the Industry subject to this Code shall furnish 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 he may designate; provided, that nothing in this Code shall relieve any member of the Industry of any existing obligations to furnish reports to any Government agency. No individual report shall be disclosed to any other member of the Industry or any other party except to such other Governmental agencies as may be directed by 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.

(e) To make recommendations to the Administrator for the coordination of the administration of this Code and such other codes, if any, as may be related to or affect members of the Industry.

(f) 1. It being found necessary in order to support the administration of this Code and to maintain the standards of fair competition established hereunder and to effectuate the policy of the Act, the Code Authority is authorized:

(a) To incur such reasonable obligations as are necessary and proper for the foregoing purposes, and to meet such obligations out of funds which may be raised as hereinafter provided and which shall be held in trust for the purposes of the Code;

(b) To submit to the Administrator for his approval, subject to such notice and opportunity to be heard as he may deem necessary (1) an itemized budget of its estimated expenses for the foregoing purposes, and (2) an equitable basis upon which the funds necessary to support such budget shall be contributed by members of the Industry;

(c) After such budget and basis of contribution have been approved by the Administrator, to determine and obtain equitable contribution as above set forth by all members of the Industry, and to that end, if necessary, to institute legal proceedings therefor in its own name.

2. Each member of the Industry shall pay his or its equitable contribution to the expenses of the maintenance of the Code Authority, determined as hereinabove provided, and subject to rules and regulations pertaining thereto issued by the Administrator. Only members of the Industry complying with the Code and contributing to the expenses of its administration as hereinabove provided, shall be entitled to participate in the selection of members of the Code Authority or to receive the benefits of any of its activities.

3. The Code Authority shall neither incur nor pay any obligation substantially in excess of the amount thereof as estimated in its approved budget; and shall in no event exceed the total amount contained in the approved budget except upon approval of the Administrator; and no subsequent budget shall contain any deficiency item for expenditures in excess of prior budget estimates except those which the Administrator shall have so approved.

(g) To recommend to the Administrator any action or measures 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.

(h) To appoint a Trade Practice Committee which shall meet with the Trade Practice Committees appointed under such other codes as may be related to the Industry for the purpose of formulating fair trade practices to govern the relationships between employers under this Code and under such other codes to the end that such fair trade practices may be proposed to the Administrator as amendments to this Code and such other codes.

8. *Cost Finding.*—The Code Authority shall cause to be formulated methods of cost finding and accounting capable of use by all

members of the Industry, and shall submit such methods to the Administrator for review. If approved by the Administrator, full information concerning such methods shall be made available to all members of the Industry. Thereafter, each member of the Industry shall utilize such methods to the extent found practicable. Nothing herein contained shall be construed to permit the Code Authority, any agent thereof, or any member of the Industry to suggest uniform additions, percentages or differentials or other uniform items of cost which are designed to bring about arbitrary uniformity of costs or prices.

#### ARTICLE VII—TRADE PRACTICE RULES

1. No member of the Industry shall publish advertising (whether printed, radio, display or of any other nature), which is misleading or inaccurate in any material particular, nor shall any member in any way misrepresent any goods (including, but without limitation, its use, trademark, 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.

2. No member of the Industry shall knowingly withhold from or insert in any quotation or invoice any statement that makes it inaccurate in any material particular.

3. No member of the Industry shall brand or mark or pack any goods in any manner which is intended to or does deceive or mislead purchasers with respect to the brand, grade, quality, quantity, origin, size, substance, character, nature, finish, material, content or preparation of such goods.

4. No member of the Industry shall defame a competitor by falsely imputing to him dishonorable conduct, inability to perform contracts, questionable credit standing, or by other false representation, or by falsely disparaging the grade or quality of his goods.

5. Threats of Law Suits. No member of the Industry shall publish or circulate unjustified or unwarranted threats of legal proceedings which tend to or have the effect of harrassing competitors or intimidating their customers.

6. 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 for the purpose of influencing a sale, offer or extend to any customer any special service or privilege not extended to all customers of the same class.

7. No member of the Industry shall give, permit to be given, or offer to give, anything of value for the purpose of influencing or rewarding 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.

6. No member of the Industry shall wilfully induce or attempt to induce the breach of existing contracts between competitors and

their customers by any false or deceptive means, or interfere with or obstruct the performance of any such contractual duties or services by any such means, with the purpose and effect of hampering, injuring or embarrassing competitors in their business.

9. No member of the Industry shall require that the purchase or lease of any goods be a prerequisite to the purchase or lease of any other goods.

10. No member of the Industry shall grant any cash discount in excess of two (2%) percent, ten (10) days, E.O.M. to any purchaser of decorative flowers, prepared plants, botanical products, or raw fancy feathers, nor to any manufacturer of dresses, coats and suits, garters, handbags, shoes, slippers, or undergarments; and no member of the Industry shall grant a cash discount in excess of eight (8%) percent, ten (10) days, E.O.M. to any purchaser of any other article not covered by the above provisions.

11. No member of the Industry shall accept returned merchandise for credit under any circumstances except in accordance with the following:

(a) Members of the Industry may accept merchandise for credit which has been shipped by a customer within five (5) working days from the date of receipt by the customer in his store, only for the following reasons: errors in shipment, delay in delivery, defective material or workmanship or any breach of contract. Members of the Industry shall not accept merchandise for credit unless accompanied by a letter or regular return form mailed by the customer to the manufacturer stating the contents of the package, reason for the return and the date on which the merchandise was received.

(b) Members of the Industry may accept merchandise for credit which has been shipped by the customer after five (5) working days from the date of receipt by the customer in his store, only for the following reasons: defective material or workmanship or breach of contract which cannot be detected by a reasonable inspection within the stated five (5) working days, and under circumstances defined by the Code Authority subject to the disapproval of the Administrator.

12. All shipments to customers shall be made f.o.b., point of shipment.

#### ARTICLE VIII—PRICE FIXING

1. No member of the Industry shall enter into any agreement, understanding, combination or conspiracy to fix or maintain price terms, nor cause or attempt to cause any member of the Industry to change his price terms by the use of intimidation, coercion, or any other influence inconsistent with the maintenance of the free and open market which it is the purpose of this Article to create.

#### ARTICLE IX—COST AND PRICE CUTTING

1. The standards of fair competition for the Industry with reference to pricing practices are declared to be as follows:

(a) Wilfully destructive price cutting is an unfair method of competition and is forbidden. Any member of the Industry,

or of any other Industry, or the customers of either, may at any time complain to the Code Authority that any price quoted and/or charged constitutes unfair competition as destructive price cutting, imperiling small enterprises or tending toward monopoly or the impairment of code wages and working conditions. The Code Authority shall within five (5) days afford an opportunity to the member quoting and/or charging the price to answer such complaint and shall within fourteen (14) days make a ruling or adjustment thereon. If such ruling is not concurred in by either party to the complaint, all papers shall be referred to the Research and Planning Division of NRA which shall render a report and recommendation thereon to the Administrator.

(b) When no declared emergency exists as to any given product, there is to be no fixed minimum basis for prices. It is intended that sound estimating methods should be used and that consideration should be given to costs in the determination of pricing policies.

(c) When an emergency exists as to any given product, sale below the stated minimum price of such product, in violation of Section 2 hereof, is forbidden.

## 2. Emergency Provisions:

(a) If the Administrator, after investigation shall at any time find both (1) that an emergency has arisen within the Industry adversely affecting small enterprises or wages or labor conditions, or tending toward monopoly or other acute conditions which tend to defeat the purposes of the Act; and (2) that the determination of the stated minimum price for a specified product within the Industry for a limited period is necessary to mitigate the conditions constituting such emergency and to effectuate the purposes of the Act, the Code Authority may cause an impartial agency to investigate costs and to recommend to the Administrator a determination of the stated minimum price of the product affected by the emergency and thereupon the Administrator may proceed to determine such stated minimum price.

(b) When the Administrator shall have determined such stated minimum price for a specified product for a stated period, which price shall be reasonably calculated to mitigate the conditions of such emergency and to effectuate the purposes of the National Industrial Recovery Act, he shall publish such price. Thereafter, during such stated period, no member of the Industry, shall sell such specified products at a net realized price below said stated minimum price and any such sale shall be deemed destructive price cutting. From time to time, the Code Authority may recommend review or reconsideration or the Administrator may cause any determinations hereunder to be reviewed or reconsidered and appropriate action taken.

## 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 pro-

visions 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.

2. Such of the provisions of this Code as are not required to be included herein by the Act may, with the approval of the Administrator, be modified or eliminated in such manner as may be indicated by the needs of the public, by changes in circumstances or by experience, All the provisions of this Code, unless so modified or eliminated, shall remain in effect until June 16, 1935.

#### ARTICLE XI—MONOPOLIES, ETC.

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 XII—PRICE INCREASES

Whereas the policy of the Act to increase real purchasing power will be made more difficult of consummation if prices of goods and services increase as rapidly as wages, it is recognized that price increases except such as may be required to meet individual cost should be delayed, and when made such increases should, so far as possible, be limited to actual additional increases in the seller's costs.

#### ARTICLE XIII—EFFECTIVE DATE

This amended Code shall become affective on and after the second Monday after its approval, and shall thereupon supersede the Code of Fair Competition for the Artificial Flower and Feather Industry, approved on September 7, 1933.

Approved Code No. 29—Amendment No. 1.  
Registry No. 1603-02.





