

NATIONAL RECOVERY ADMINISTRATION

CODE OF FAIR COMPETITION

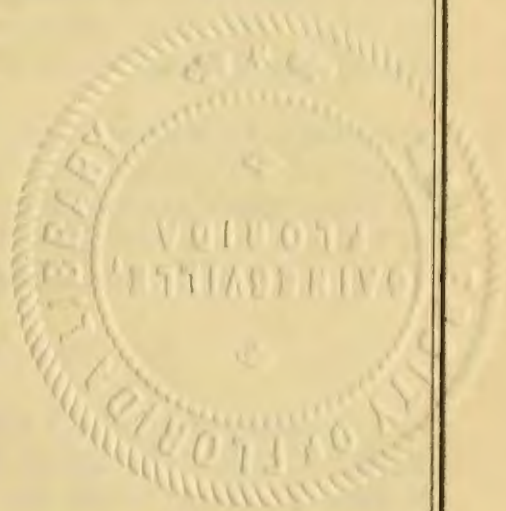
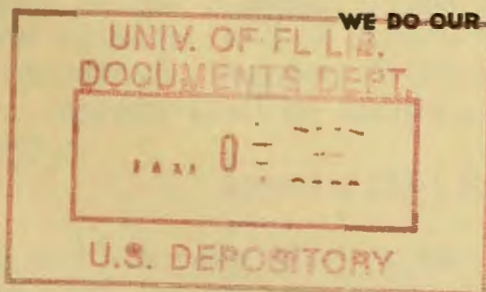
FOR THE

CREPE PAPER INDUSTRY

AS SUBMITTED ON AUGUST 30, 1933

REGISTRY No. 405—13

The Code for the Crepe Paper 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
WASHINGTON : 1933

GENERAL CODE OF FAIR COMPETITION FOR THE CREPE PAPER INDUSTRY

To effectuate the policies of Title I of the National Industrial Recovery Act the following is hereby established as a Code of Fair Competition for the Crepe Paper Industry.

ARTICLE I—DEFINITIONS

The words used herein are hereby defined as follows:

“Industry”—The manufacture in the United States of plain crepe paper in bulk, package, and/or Jumbo rolls, (single, duplex, or triplex); printed crepe paper, stock or special including borders; crepe shelf paper; crepe paper streamers, plain or printed.

“Member”—A person engaged in such industry.

“Crepe Paper Industry Authority”—The Body herein created charged with authority to administer this code.

“Act”—The National Industrial Recovery Act.

“Administration”—The National Industrial Recovery Administration.

“Administrator”—The National Industrial Recovery Administrator.”

“Person”—Includes partnerships, corporations, and associations, except associations not for profit.

ARTICLE II—CREPE PAPER INDUSTRY AUTHORITY

1. There is hereby created a body to be known as the Crepe Paper Industry Authority which is charged generally with the duty of administering this code and shall have such other powers and duties as are hereafter prescribed.

2. The Crepe Paper Industry Authority shall consist of Executive Committee of the National Crepe Paper Association of America, Executive Manager, and of three additional members designated by the Administrator; members so designated shall have no vote but in all other respects shall be members of said Crepe Paper Industry Authority.

ARTICLE III—EMPLOYMENT

1. On and after the effective date of this Code employers in this industry shall not operate on a scale of hours of labor for their employees engaged in the manufacture of their products except supervisory staff, mechanics, and others engaged in the preparation, care, maintenance, and repair of plant, machinery, and facilities of and for production, watchmen, cleaners, truck drivers, and helpers in excess of forty (40) hours per week or more than eight (8) hours in any one day, provided, however, that to meet seasonable requirements

or emergencies manufacturers may work labor in excess of such maximum hours seventy-two (72) hours overtime for an individual worker within any one calendar year within the further provision that in no case shall the overtime exceed eight (8) hours in any one week.

2. On and after the effective date of this Code the maximum number of working hours of all employees engaged in clerical and general office work in this industry shall be eight (8) hours a day and forty (40) hours per week except supervisory staff, watchmen, cleaners, bookkeepers, and accountants, and persons engaged in the servicing and repair of inside and outside equipment carried on in connection with sales activities. It is provided, however, that individuals engaged in clerical and general office work may work a maximum of eight (8) hours of overtime in any one week provided that the individual works a corresponding amount of undertime in succeeding weeks within the next succeeding six weeks, with the further provision that in no case shall the individual worker exceed an average of forty (40) hours per week within each six-week period. The provisions of this paragraph shall not apply to salesmen or to persons employed in branch offices where not more than two persons are engaged in clerical or general office work, or in branch warehouses where not over two (2) men are employed in general warehouse work.

3. The minimum wage for all employees engaged in the manufacture of the products of this Industry (except learners during two (2) months apprenticeship or semipensioners) who are compensated on a time or piecework basis shall be not less than thirty cents (30¢) per hour for females and thirty-five cents (35¢) per hour for males. In the following states named in this paragraph a differential of five cents (5¢) below the respective hourly rates above mentioned will be permitted: North Carolina, South Carolina, Georgia, Florida, Alabama, Mississippi, Louisiana, Tennessee.

4. The minimum compensation of all other employees in this Industry in any department or branch of the business (except learners during three (3) months' apprenticeship or semipensioners) shall be: Not less than twelve dollars (\$12.00) per week for an average of forty (40) hours per week within any six-week period.

5. Maximum hours of labor shall not apply in cases of emergency for protection of property.

6. Employers shall not reduce the rate of compensation per hour for employment now in excess of the minimum rates above specified.

7. Each employer will furnish the Association duly certified reports in such form as may hereafter be provided showing actual hours worked by individuals or occupational groups or employees and wages paid the various occupational groups.

8. 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 of protection; no employee and no one seeking employment shall be required as a con-

dition of employment to join any company union or to refrain from joining a labor organization of his own choosing.

9. Nothing in this Code is to prevent the selection, retention and advancement of employees on the basis of their individual merit with regard to their affiliation or nonaffiliation with any labor organization.

10. No one under sixteen (16) years of age will be employed in this industry.

ARTICLE IV—HOURS OF OPERATION OF MACHINERY

On and after effective date no employee shall operate crepe machines for more than one hundred forty-four (144) hours per week.

ARTICLE V—TRADE PRACTICE RULES

The industry adopts the following trade practice rules, the violation of which shall be deemed to be unfair methods of competition in commerce within the meaning of the Federal Trade Commission Act as amended, and a violation of this code.

1. *Selling below cost.*—The selling of any crepe paper or crepe paper products below the average cost, as determined on the basis of uniform principles of accounting, shall constitute unfair competition. Cost is defined as including all cost at the time of delivery to the buyer, including among other items all materials, waste, cost of rejections, allowances and seconds, and labor and overhead costs, as well as all charges such as interest on capital invested, salesmen's, agents' or brokers' commissions, depletion, obsolescence, and proper reserves.

2. *Publication of and adherence to prices.*—Manufacturers will strictly adhere to their published prices, differentials, and terms, and each manufacturers will publish and file his complete price lists with all differentials and terms with the Secretary of the National Crepe Paper Association of America.

3. *Completeness of contract.*—The making of incomplete, ambiguous, and deceptive contracts provides a medium for making unfair and discriminatory prices, induces fraud and repudiation thereof, gives rise to disputes, and disturbs stability in business operations, and it is, therefore, declared that all contracts for the sale of products falling within the field of this Code shall contain a definite and true statement of the product covered, price, quantity, terms of payment, place of delivery, date, name of purchaser, and all other items necessary to form a complete contract, and that all contracts so entered into shall be in conformity with this Code and performed in letter and spirit. It is further declared that in order to carry out the foregoing, all invoices shall contain a full statement of all facts necessary to make such invoice a full and complete record of the transaction represented on the face thereof, and such invoices and all books of record pertaining thereto shall be available at all times to such authorized officers or agents of the group association within whose scope the product covered by such contract shall fall, or to an authorized accounting firm as may be determined by such association.

4. *Inducing breach of contract.*—Inducing or attempting to induce the breach of a contract between a competitor and his customer during the terms of such contract is an unfair method of competition.

NOTE.—Whenever notice of the existence of a contract is brought to the attention of any person, he shall promptly discontinue all efforts which might induce a contracting party to break such contract.

5. *Repudiation of contracts.*—Contracts are business obligations which should be performed in letter and in spirit. The repudiation of contracts by seller on a rising market, or by buyer on a declining market, is equally reprehensible. Such action shatters confidence, induces violent fluctuations in price, destroys stability in business operations to the consequent injury of the industry, as well as to the general public, and is an unfair trade practice.

6. *Invoicing less quantity than actual shipment.*—The practice of invoicing a less quantity than the actual amount shipped is an unfair trade practice.

6a. *Premiums or free goods.*—Premiums or free goods which constitute a reduction in price is an unfair trade practice.

7. *Coercion.*—The practice of compelling the purchase of one or a group of products, as a condition to the purchase of a desirable item, is an unfair trade practice.

8. Selling goods on consignment shall constitute a violation of this code.

9. No manufacturer, agent, or wholesaler shall be permitted to offer or sell to the retail trade for advertising or any other purposes, merchandise at a price less than the industry of that class of merchandise has established as a fair wholesale price for it.

10. Selling of merchandise at a price reduced from a fictitious or any unreasonably marked-up prices, will constitute a violation of this code.

11. *Not to permit bribery.*—It is the opinion of the industry not to permit the secret gift of any commission, gratuity, or any other thing of value to employees of concerns to whom we sell; and we further agree not to allow our salesmen expense money for any other purpose than for legitimate expenses, and not to permit any funds to be dispensed in any unethical way to influence business.

12. *Advertising, deceiving purchasers.*—Advertising by use of printed word or pictorial representation, or radio, or otherwise for the purpose of, or with the effect of misleading or deceiving purchasers with respect to the quantity, quality, grade, or substance of goods purchased, is an unfair method of competition.

13. Securing information from competitors concerning their business by false or misleading statements or representations or by false impersonations of one in authority, or securing information concerning competitor's business by bribery of their employees, and the wrongful use thereof to unduly hinder or stifle the competition of such competitors is an unfair trade practice, and a violation of this Code.

14. *Imitation of trade marks or trade names.*—The imitation of the trade mark or trade name of a competitor results in the deception of buyer and consumer, is an invasion of the property rights of such competitor, and is an unfair trade practice.

15. *Enticement of employees.*—Interference with competitor's business through the enticement of an employee from his employment is an unfair trade practice.

16. *Defamation of competitor or disparagement of his goods.*—The defamation of a competitor by words or acts imputing to him dishonorable conduct, inability to perform contracts, or questionable credit rating, or the false disparagement of the grade of quality of his goods is an unfair trade practice.

17. *Threats of suit for patent or trade-mark infringement.*—The circularization of threats of suit for infringement of patent or trade mark among customers of a competitor, not made in good faith and for the purpose of harassing and intimidating customers, is an unfair trade practice. The owner of a patent or trade mark should in fairness deal directly with the alleged infringer rather than attempt to intimidate his customers.

18. *Use of inferior materials.*—The use of any inferior materials which tends to bring crepe paper and crepe paper products into disrepute or to defraud the buyer or the public, is an unfair trade practice.

19. *Secret rebates.*—The secret payment or allowance of rebates, refunds, commissions, credits, or unearned discounts, whether in the form of money or otherwise, or secretly extending to certain purchasers special services or privileges, not extended to all purchasers under like terms and conditions, constitutes a violation of this Code.

20. *Guarantee against decline.*—Guaranteeing either dealers' or wholesalers' floor stock against decline from price shall be an unfair trade practice.

21. *Misbranding.*—Mismarking, misbranding, or misrepresentation of goods shall be an unfair trade practice.

22. *Deliveries not conforming to sample or order.*—The practice of shipping or delivering products which do not conform to the samples submitted or representation made prior to securing the order constitutes a violation of this code.

23. *Deviations from standards.*—Deviation from the established standards of the industry by any deceptive or false means or device, with the effect of misleading or deceiving purchasers or prospective purchasers, constitutes a violation of this code.

24. *Guarantee to sell below competitors' published or known prices.*—The use of or participation in the publishing or broadcasting of any statement or representation, which lays claim to a policy or continuing practice of generally underselling competitors, is an unfair and uneconomical practice and is a violation of this code.

Seconds and close-outs.—The selling of obsolete, damaged or rejected crepe paper as seconds shall be limited to a period of six months from the date of this code. Further extensions may be granted by action of the Executive Committee with the approval of the membership as a whole. During this period (six months) seconds can be sold only to jobbers and converters.

Bulk crepe paper for resale.—All sales made by any one jobber, broker, commission broker, display company, or manufacturer to be made at not less than the manufacturer's published price list, the price governing the quantity to be shipped, billed, and delivered at one time according to manufacturer's published price list.

Pricing.—No manufacturer shall deduct the 2% discount from prices when quoting to a customer.

Length of crepe paper.—The maximum length of a standard fold of paper shall be ten feet four inches. This additional four inches is given to allow for contraction in the paper.

Creping ratios.—The following are the standard creping ratios which are most generally in use and we recommend them for adoption:

2½ to 1, 150% Stretch.

2¼ to 1, 125% Stretch.

2 to 1, 100% Stretch.

1¾ to 1, 75% Stretch.

1½ to 1, 50% Stretch.

1¼ to 1, 25% Stretch.

Standards of tissue.—The basis weight of tissue shall not be more than 10.44 lbs. to ream 24" x 36", with 5% tolerance, and for each half point additional weight an up-charge of not less than 20¢ per gross shall be made.

Swatches, electros, and catalogues.—It shall be a fair trade practice to furnish customers with sample swatches or printed inserts of regular grade of crepe paper. Advertising electros also furnished without charge. It shall be an unfair trade practice to defray all or any part of a catalogue cost.

Minimum wage scale.—Minimum wage rates are as follows:

Crepe machine operators, \$.62½ per hour.

Color mixers, \$.62½ per hour.

Crepe Cutters, \$.37½ per hour.

Crepe Packaging, \$.37½ per hour.

ARTICLE VI—PRICE SCHEDULE

1. Each manufacturer must publish a price schedule with differentials between sales in various quantities, such schedules to be based on manufacturers' weighted costs of all materials at prevailing market price.

2. All sales made to a jobber, broker, commission broker, or manufacturer to be made at the price governing the quantity to be shipped, billed, and delivered at one time to one point of destination.

3. Orders taken from a number of customers to be pooled, shipped, and billed to one customer or each individual customer must be sold at the price prevailing for the quantity delivered to each customer, whether sold by a manufacturer, broker, commission broker, or jobber.

4. Contracts may not be made covering a quantity of napkins, applying quantity price and splitting billing or delivery.

5. No sales to be made direct to large consumers buying direct from manufacturer, unless they be made at the price prevailing for quantity shipped and delivered at one time, and one destination, and according to zone of ultimate destination.

6. No drop shipments to be made to jobbers' customers unless they be made at the price prevailing for quantity shipped f.o.b. mill, and according to zone of ultimate destination.

ARTICLE VII—ARBITRATION

The industry recommends its approval of the practice of handling disputes in a fair and reasonable manner, coupled with the spirit of moderation and good will, and every effort should be made by the disputants themselves to arrive at an agreement. Any complaints, differences, controversies, or questions of unfair competition arising under or out of this Code, or concerning the interpretation or application of any provisions thereof, shall be determined in accordance with the procedure outlined in the articles of the National Crepe Paper Association of America.

This Code shall be in full force and effect when signed by Executives with power to act for the following firms in this industry:

And approved and accepted by the President of the United States.

Nothing herein contained shall be construed to hinder or prevent any party to the foregoing from making application or having recourse to a Court of Law or Equity.

We and each of us, representing at least 75% of the concerns in the industry of manufacturing crepe paper and crepe paper products, hereby agree and pledge ourselves to a full performance of the provisions of this Code of Fair Competition under the National Industrial Recovery Act as passed by the Congress June 13, 1933, and signed by the President of the United States June 16th, 1933.

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