

NATIONAL RECOVERY ADMINISTRATION

CODE OF FAIR COMPETITION

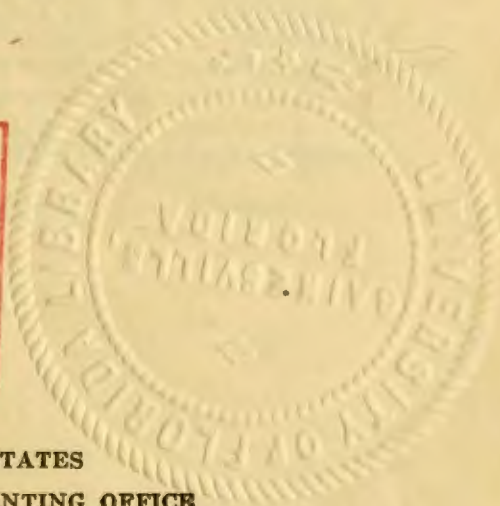
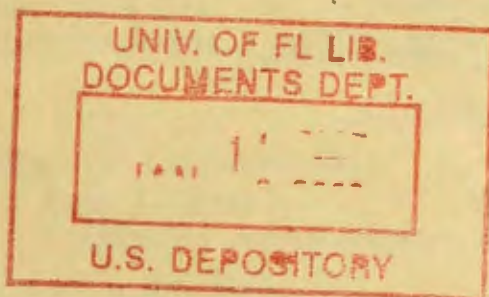
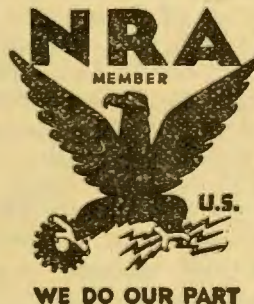
FOR THE

CURLED HAIR MANUFACTURING

INDUSTRY AND

HORSE HAIR DRESSING INDUSTRY

AS APPROVED ON MAY 14, 1934



UNITED STATES
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Approved Code No. 427

CODE OF FAIR COMPETITION

FOR THE

CURLED HAIR MANUFACTURING INDUSTRY AND HORSE HAIR DRESSING INDUSTRY

As Approved on May 14, 1934

ORDER

APPROVING CODE OF FAIR COMPETITION FOR THE CURLED HAIR MANUFACTURING INDUSTRY AND HORSE HAIR DRESSING INDUSTRY

An application having been duly made pursuant to and in full compliance with the provisions of Title 1 of the National Industrial Recovery Act, approved June 16, 1933, for approval of a Code of Fair Competition for the Curled Hair Manufacturing Industry and Horse Hair Dressing 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:

GEO. L. BERRY,
Division Administrator.

WASHINGTON, D.C.,
May 14, 1934.

REPORT TO THE PRESIDENT

The PRESIDENT,
The White House.

SIR: This is a report on the approved Code of Fair Competition for the Curled Hair Manufacturing Industry and Horse Hair Dressing Industry, the hearing on which was conducted in Washington, December 5, 1933, in accordance with the provisions of the National Industrial Recovery Act.

Under the provisions of this code no female employee shall be paid less than at the rate of thirty-five cents (35¢) per hour, and no male employee shall be paid less than at the rate of forty cents (40¢) per hour. It is further provided that female employees, performing substantially the same work as male employees, shall receive the same rate of pay as male employees. Section 5, of Article IV, provides for an increase in the pay of all employees receiving in excess of the minimum wage, who have not received an adjustment since June 16, 1933.

No employee shall be permitted to work in excess of forty (40) hours in any one week or eight (8) hours in any one day, with the exception of watchmen, firemen, and engineers, who are permitted to work forty-four (44) hours per week. Emergency maintenance or emergency repair men shall be paid at the rate of time and one-half for all hours worked in excess of forty-eight (48) hours in any one week or ten (10) hours in any twenty-four (24) hour period.

The Horsehair Dressing Industry embraces establishments engaged in the dressing of horsehair, which consists of the following processing: washing, combing, assorting, dressing, and finishing. This industry is very small both in number and size of establishments. There are at the present time only twenty (20) establishments; ten (10) located in Philadelphia and ten (10) in Chicago. The aggregate invested capital in this industry over the past five years has declined from one million dollars in 1929 to five hundred thousand dollars in 1933.

The Curled Hair Industry consists of establishments engaged in the washing, spinning, and combing of hog, goat, horse and other animal hair. These establishments, numbering thirteen (13) in total, are located in the central and eastern sections of the United States. The aggregate invested capital in 1933 was two million dollars. This represents a 33.3 per cent decrease under 1929.

Markets for the Horsehair Dressing Industry's products are exclusively jobbers, who in most cases are also importers of dressed horsehair. These jobbers sell to brush, haircloth and furniture manufacturers, and a few other small industries, the above mentioned outlets being in the order of their importance as to volume used. Within the past five years the markets for domestic dressed horsehair have declined to a point where a large number of establishments are

operating on a minimum capacity basis, due to the low cost of foreign dressed horsehair.

The markets for the Curled Hair Industry are furniture, bedding and automobile manufacturers. The demand for curled hair has decreased about 66.7 per cent from 1929 to 1933. The Curled Hair Industry is confronting a very grave problem, and that is the substitution of other products for curled hair.

The effects of the proposed code on reemployment and pay-roll increases for the Horsehair Dressing Industry cannot be determined for two reasons; (1) work is not steady for it is on the order basis and size of orders determines the time of work; (2) the increase in wages to be paid will depend entirely on the hours worked. However, the employees will be benefited by the shorter hours and increase in wage rates when employed.

The Curled Hair Industry will not increase the number of employees due to the shorter hours, as they are now working on the spread-work system, and business does not require more production.

Increased burden to the industry, because of wage rate increase, will be about \$90,000 per year, or an average increase of \$4.00 per week per employee, providing all employees are retained and work full weekly hours.

The Acting 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 tends 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 realization 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 trade 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 and trade group are an association and trade group truly representative of the aforesaid industries and that said association and said group impose no inequitable restrictions on admission to membership therein.

(d) The Code is not designed to and will not permit 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, and for these reasons, this Code has been approved.

Respectfully,

HUGH S. JOHNSON,
Administrator.

MAY 14, 1934.

CODE OF FAIR COMPETITION FOR THE CURLED HAIR MANUFACTURING INDUSTRY AND HORSE HAIR DRESSING INDUSTRY

ARTICLE I—PURPOSES

To effectuate the policies of Title I of the National Industrial Recovery Act this Code is established as a Code of Fair Competition for the Curled Hair Manufacturing Industry and the Horse Hair Dressing Industry and its provisions shall be binding upon every member thereof.

ARTICLE II—DEFINITIONS

1. The term "Industries" as used herein means the Curled Hair Manufacturing Industry and the Horse Hair Dressing Industry as defined in Sections 2 and 3 of this Article.

2. The term "Curled Hair Manufacturing Industry" as used herein includes the manufacture and sale by the manufacturer of curled hair, and such related branches or subdivisions as may from time to time be included under the provisions of this Code by the President of the United States, after such notice and hearing as he may prescribe.

3. The term "Horse Hair Dressing Industry" as used herein includes the dressing, selling and/or wholesale distribution of "Horse Hair", and such related branches or subdivisions as may from time to time be included under the provisions of this Code by the President of the United States, after such notice and hearing as he may prescribe.

4. The term "member of the industries" includes, but without limitation any individual, partnership, association, corporation or other form of enterprise engaged in the Curled Hair Manufacturing Industry and/or the Horse Hair Dressing Industry, either as an employer or on his or its own behalf.

5. The term "employee" as used herein includes any and all persons engaged in the industries, however compensated, except a member of the Industries.

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

7. The terms "Act" and "Administrator" as used herein mean, respectively, Title I of the National Industrial Recovery Act and the Administrator for Industrial Recovery.

ARTICLE III—HOURS

1. No employee shall be permitted to work in excess of forty (40) hours in any one week or eight (8) hours in any one day, except as herein otherwise provided.

2. The provisions of this Article shall not apply to persons employed in a managerial or executive capacity who receive not less than thirty-five (\$35.00) per week, nor to traveling salesmen nor to employees engaged in emergency maintenance or emergency repair work involving protection of life or property, provided, however, that all employees engaged in emergency maintenance or emergency repair work shall receive at least one and one-half times their normal rate of pay for all hours worked in excess of forty-eight (48) hours in any one week or in excess of ten (10) hours in any twenty-four (24) hour period.

3. No watchman, fireman or engineer shall be permitted to work in excess of forty-four (44) hours in any one week.

4. No employee shall be permitted to work more than six (6) days in any seven (7) day period.

5. Employers, when working as producers, shall be governed by the maximum working hours provided herein.

6. No employee shall be permitted to work for a total number of hours in excess of the number of hours prescribed herein whether he be employed by one or more employers.

ARTICLE IV—WAGES

1. No female employee shall be paid less than at the rate of thirty-five cents (35¢) per hour and no male employee shall be paid less than at the rate of forty cents (40¢) per hour, except as herein otherwise provided.

2. A person whose earning capacity is limited because of age or physical or mental handicap 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 his employment at such wages and for such hours as shall be stated in the certificate. Each employer shall file with the Code Authority a list of all such persons employed by him.

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

4. This article establishes a minimum rate of pay which shall apply, irrespective of whether an employee is actually compensated on a time rate, piece-work performance or other basis.

5. It is the policy of the members of this industry to refrain from reducing the compensation for employment which compensation was prior to June 16, 1933, in excess of the minimum wage herein set forth, notwithstanding that the hours of work in such employment may be reduced; and, unless since such date such adjustments have been made, all members of this industry shall endeavor to increase the pay of all employees in excess of the minimum wage, as herein set forth, by an equitable adjustment of all pay schedules.

ARTICLE V—GENERAL LABOR PROVISIONS

1. No person under sixteen (16) years of age shall be employed in the industry. No person under eighteen (18) years of age shall be employed at operations or occupations which are hazardous in

nature or dangerous to health. The Code Authority shall submit to the Administrator within sixty (60) days from effective date of this Code, a list of such operations or occupations. In any State an 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.

2. In compliance with Section 7 (a) of the Act it is provided:

(a) That 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) 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 organization of his own choosing, and

(c) That 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. No employer shall reclassify employees or duties of occupations performed or engage in any other subterfuge for the purpose of defeating the purposes or provisions of the Act or of this Code.

4. Every employer shall provide for the safety and health of 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 months after the effective date of the code.

5. No provision in this Code shall supersede any State or Federal law which imposes on employers more stringent requirements as to age of employees, wages, hours of work, or as to safety, health, sanitary or general working conditions than are imposed by this Code.

6. All employers shall post and keep posted complete copies of the hour, wage and general labor provisions of this Code in conspicuous places accessible to employees.

ARTICLE VI—ADMINISTRATION

ORGANIZATION AND CONSTITUTION

1. A Code Authority is hereby established to cooperate with the Administrator in the administration of this code and shall consist of eight (8) members, three (3) of whom shall be chosen by the Curled Hair Manufacturing Industry and five (5) shall be chosen by the Horse Hair Dressing Industry, through a fair method of selection approved by the Administrator. The Administrator in his discretion may appoint not more than three (3) additional members without vote and without compensation from the industry, to serve for such period of time and to represent the Administrator or such group or groups as he may designate. The members of the Code Authority from the Curled Hair Manufacturing Industry and the

members of the Code Authority from the Horse Hair Dressing Industry shall be the sole Code Authority on all matters pertaining exclusively to their respective industries.

2. Each trade or industrial association directly or indirectly participating in the selection or activities of the Code Authority shall impose no inequitable restrictions on membership, and shall 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. In order that the Code Authority shall at all times be truly representative of the industries 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, he may take such action as he may deem necessary under the circumstances.

4. Any member of the industries 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 by assenting to and complying with the requirements of this Code and sustaining their reasonable share of the expenses of its administration. Such reasonable share of the expenses of administration shall be determined by the Code Authority, subject to the approval of the Administrator, on the basis of volume of business and/or such other factors as may be deemed fair and equitable.

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 willful mis-feasance or non-feasance.

6. *Powers and Duties.*—The Code Authority shall have the following further powers and duties:

(a) To administer the provisions of this Code, provide for the compliance of the industries with the provisions of the Act and to propose and submit to the Administrator its recommendations for amendments and/or modifications of this Code which shall become effective as a part of this Code upon approval by the Administrator after such notice and hearing as he may specify.

(b) To adopt by-laws and rules and regulations for its procedure and for the administration and enforcement of the Code.

(c) To obtain from members of the industries such information and reports as are required for the administration of the Code and to provide for submission by members of such information and reports as the Administrator may deem necessary for the purposes recited in Section 3 (a) of the Act, which information and reports shall be submitted by members to such administrative and/or government agencies as the Administrator may designate; provided that nothing in this Code shall relieve any member of the industries of

any existing obligations to furnish reports to any government agency. No individual reports shall be disclosed to any other member of the industries or any other party except to such 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 with such other codes, if any, as may be related to the industries.

(f) (1) It being found necessary to support the Administration of this Code, in order to effectuate the policy of the Act and to maintain the standards of fair competition established hereunder, 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 shall be held in trust for the purposes of the Code and raised as hereinafter provided;

(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 all members of the Industry entitled to the benefits accruing from the maintenance of such standards, and the administration thereof;

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

(2) Each member of the industry shall be liable for his or its equitable contribution to the expenses of the maintenance of the Code Authority as hereinabove provided. Only members of the industry complying with the Code and making such contribution shall be entitled to participate in the selection of the members of the Code Authority or to receive the benefits of its voluntary activities or to make use of any N.R.A. insignia.

(g) To cooperate with the Administration in regulating the use of any N.R.A. insignia solely by those members of the industry who have assented to, and are complying with, this Code.

(h) 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.

(i) 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.

(j) To provide appropriate facilities for arbitration, and subject to the approval of the Administrator, to prescribe rules of procedure and rules to effect compliance with awards and determinations.

7. If the Administrator shall determine that any action of the code authority or any agency thereof may be unfair or unjust or contrary to the public interest, the Administrator may require that such action be suspended to afford an opportunity for investigation of the merits of such action and further consideration by 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.

ARTICLE VII—TRADE PRACTICE

1. No member of the industries 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, trade mark, grade, quality, quantity, origin, size, substance, character, nature, finish, material, content or preparation), or credit terms, values, policies, services or the nature or form of the business conducted.

2. No member of the industries 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 industries 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, origin, size, substance, character, nature, finish, material, content or preparation of such goods.

4. No member of the industries shall publish advertising which refers inaccurately in any material particular to any competitors or their goods, prices, values, credit terms, policies or services.

5. No member of the industries shall publish or circulate unjustified or unwarranted threats of legal proceedings which tend to or have the effect of harassing competitors or intimidating their customers. Failure to prosecute in due course shall be evidence that any such threats is unwarranted or unjustified.

6. No member of the industries shall ship goods on consignment except under circumstances to be defined and applied uniformly by the Code Authority, where peculiar circumstances of the industries require the practice.

7. No member of the industries shall attempt to induce the breach of an existing contract between a competitor and his customer or

source of supply; nor shall any such member interfere with or obstruct the performance of such contractual duties or services.

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

9. No member of the industries shall join or participate with other members of the industries who, with such member, constitute a substantial number of members of the industries, or who together control a substantial percent of the business in any specific product or products of the industries, in any transaction known in law as a blacklist, including any practice or device (such as a white list) which accomplishes the purpose of a blacklist.

10. No member of the industries 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 herein defined.

ARTICLE VIII—MERCHANDISING

The following provisions of this Article shall apply to and affect only the members of the Curled Hair Manufacturing Industry.

1. The Code Authority for the Curled Hair Manufacturing Industry shall forthwith recommend to the Administrator for his approval an adequate method of cost finding which shall contain the principal elements of cost and which shall be capable of uniform application within the industry. Within thirty (30) days after such method shall have been approved by the Administrator, it shall be used as a basis for determining individual cost, and thereafter no member of the industry shall sell his products at a price below his own individual cost, except as hereinafter provided.

2. Each member of the industry shall file with the Code Authority within thirty (30) days after such method of cost finding shall have been approved by the Administrator, a schedule of prices and discounts at which he proposes to sell the products of this Industry which shall become effective upon the date of filing thereof and no member of the Industry shall sell any of his products at a price lower or discount greater than those which he currently has on file with the Code Authority. Revised price lists and/or discounts may be filed by any member of the industry at any time thereafter to become effective upon the date of the filing thereof. All such price lists and discounts so filed shall be made available by the Code Authority to all members of the industry and to any other interested party upon request therefor.

3. Any member of the industry may sell his products at a price less than his own individual costs in order to meet bona fide competition in any specific instance, provided, such price is not less than the price of the lowest competing item on file with the Code Authority.

4. Any member of the industry may sell discontinued, obsolete or distress merchandise at a price less than his own individual cost with the approval of the Code Authority upon such terms and conditions as it may specify. Appeal from the decision of the Code Authority upon any application for the sale of such merchandise may be had direct to the Administrator and the decision of the Administrator in such cases shall govern the sale and disposal of the merchandise covered by the application.

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 Act, from time to time to cancel or modify any order, approval, license, rule or regulation issued under said Act.

2. This Code, except as to provisions required by the Act, may be modified or amended on the basis of experience or changes in circumstances, such modifications or amendments 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, unless otherwise provided.

ARTICLE X—MONOPOLIES, ETC.

1. 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

1. 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, but when made such increases should, so far as possible, be limited to actual additional increases in the seller's costs.

ARTICLE XII—EFFECTIVE DATE

This Code shall become effective on the second Monday after its approval by the President.

Approved Code No. 427.
Registry 1627-02.

