

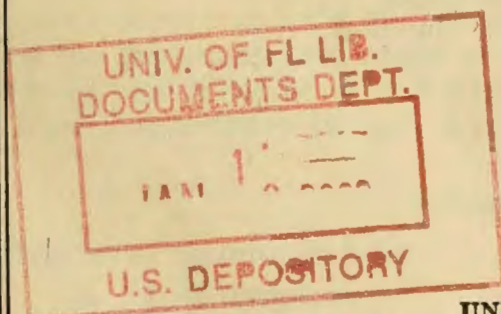
NATIONAL RECOVERY ADMINISTRATION

**CODE OF FAIR COMPETITION
FOR THE
LIGHT SEWING INDUSTRY
EXCEPT GARMENTS**

AS APPROVED ON JANUARY 23, 1934



INCLUDES AMENDMENTS NOS. 1-6 INCL.



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Approved Code No. 226

CODE OF FAIR COMPETITION

FOR THE

LIGHT SEWING INDUSTRY EXCEPT GARMENTS

As Approved on January 23, 1934

ORDER

APPROVING CODE OF FAIR COMPETITION

FOR THE

LIGHT SEWING INDUSTRY EXCEPT GARMENTS

An application having been duly made pursuant to and in full compliance with the provisions of Title I of the National Industrial Recovery Act, approved June 16, 1933, for approval of a Code of Fair Competition for the Light Sewing Industry Except Garments, and hearings having been duly held thereon and the annexed report on said Code, containing findings with respect thereto, having been made and directed to the President:

NOW, THEREFORE, on behalf of the President of the United States, I, Hugh S. Johnson, Administrator for Industrial Recovery, pursuant to authority vested in me by Executive Orders of the President, including Executive Order No. 6543-A, dated December 30, 1933, and otherwise; do hereby incorporate by reference said annexed report and do find that said Code complies in all respects with the pertinent provisions and will promote the policy and purposes of said Title of said Act; and do hereby order that said Code of Fair Competition be and it is hereby approved.

HUGH S. JOHNSON,
Administrator for Industrial Recovery.

Approval recommended:

A. D. WHITESIDE,
Division Administrator.

WASHINGTON, D.C.,
January 23, 1934.

THE PRESIDENT,
The White House.

SIR: This is a report on the Hearing on the Code of Fair Competition for the Light Sewing Industry Except Garments, held in accordance with the provisions of the National Industrial Recovery Act, in the Chinese Room of the Mayflower Hotel, on November 28, 1933. The Code which is attached was presented by duly qualified and authorized representatives of the Industry, complying with statutory requirements, said to represent 75 percent or more in volume of each division of the Industry.

In accordance with the customary procedure every person who had filed a request for an appearance was freely heard in public, and all statutory and regulatory requirements were complied with.

This Code is a combination of a number of separate Codes originally submitted to the Administration. These separate Codes would have placed several divisions of this Industry under completely separate documents. Should these Codes have been put through separately, manufacturers of more than one of the articles now included within this Code would have been obliged to operate under several Codes. Furthermore, a large number of small sewn articles not listed specifically in any proposed Code might not have been brought under the jurisdiction of the Act.

The tendency of Industry Groups and Associations was to submit Codes for their principal items of manufacture, but to overlook or fail to include the many small items made by them. It would be almost impossible to enumerate these many small items in separate Codes. Had they been included in the definition of the larger separate sewing codes other than garments, manufacturers would have found themselves operating under a multiplicity of such codes. Accordingly, the Code submitted herewith is designed to coordinate all sewn articles other than garments that have not or are not being granted separate Codes.

THE INDUSTRY

The Industry as represented by the seven divisions now specifically included in the Code comprises about 232 concerns, having an investment in 1933 of \$16,323,400. In 1928 the Industry provided employment for 10,821 employees. This figure has declined to about 8,404 workers during 1933. The aggregate annual sales have fallen from \$42,553,270 in 1928 to \$30,534,100 in 1932.

PROVISIONS OF THE CODE

The Code provides for a minimum wage of 32½ cents per hour. Employees in the Fabric Auto Equipment Division, however, may be paid at the rate of 30 cents per hour in the South. The weekly

compensation for employment in excess of the minimum wages provided in this Code shall not be reduced although the hours of work have been reduced and provision is made for increasing the pay for such employment by an equitable readjustment of all pay schedules.

Office employees are permitted to work 48 hours in any one week provided they do not work more than 40 hours per week averaged over a period of two months. Hours of work for factory employees are limited to 40 hours in any one week and 8 hours in any 24-hour period except that these employees are permitted to work 48 hours per week for not more than six weeks in any six months' period provided that the number of hours shall not be in excess of 40 hours per week averaged over a six months' period, and provided further that all hours worked in excess of 40 hours in any one week shall be paid for at not less than one and one third ($1\frac{1}{3}$) times the normal rate. Employees in a supervisory capacity receiving \$35 per week or more, watchmen and outside salesmen are not limited as to hours. Employees on emergency repair work are excepted from the maximum hour provisions but are to be paid time and one third for overtime work. Maintenance employees are permitted to work 44 hours per week. Operations are limited to one shift of 40 hours in the Mattress Cover Division and two shifts of 40 hours each per week in all the other divisions.

Hours of work have been reduced from 47 to 40 by the application of this Code. According to the Division of Research and Planning, the actual number of hours that this Industry will operate under the provisions of the Code will be approximately 37 hours per week, so that the effect will be to reduce the hours of work between 15 and 20 percent and increase employment in the same proportion.

Average wages in this Industry will be increased from \$13.00 to approximately \$15.00 per week. This represents a substantial increase since the minimum wages must be raised considerably to account for this change in average wages.

Representation on the Code Authority is provided for all members of the Industry. The Code sets up Divisional Committees to administer the supplemental fair trade practices for the separate divisions of this Industry.

There are no highly restrictive provisions in the Code itself. Provision is made for prohibiting the sale of merchandise below cost in certain divisions when and if a uniform and standard system of cost accounting is approved by the Administrator. No such provision, however, will become effective without further approval of the Administrator.

FINDINGS

I find that:

(a) Said Code is well designed to promote the policies and purposes of Title I of the National Industrial Recovery Act, including removal of obstructions to the free flow of interstate and foreign commerce which tend to diminish the amount thereof and will provide for the general welfare by promoting the organization of industry for the purpose of cooperative action among the trade groups, by inducing and maintaining united action of labor and manage-

ment under adequate governmental sanction and supervision, by eliminating unfair competitive practices, by promoting the fullest possible utilization of the present productive capacity of industries, by avoiding undue restriction of production (except as may be temporarily required), by increasing the consumption of industrial and agricultural products through increasing purchasing power, by reducing and relieving unemployment, by improving standards of labor, and by otherwise rehabilitating industry.

(b) Said Industry normally employs not more than 50,000 employees; and is not classified by me as a major industry.

(c) The Code as approved complies in all respects with the pertinent provisions of said Title of said Act, including without limitation Subsection (a) of Section 3, Subsection (a) of Section 7, and Subsection (b) of Section 10 thereof; and that the applicant associations are industrial associations truly representative of the aforesaid Industry; and that said associations impose no inequitable restrictions on admission to membership therein.

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

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

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

For these reasons, this Code of Fair Competition for the Light Sewing Industry Except Garments has been approved.

Respectfully,

HUGH S. JOHNSON,
Administrator.

JANUARY 23, 1934.

CODE OF FAIR COMPETITION
FOR THE
LIGHT SEWING INDUSTRY EXCEPT GARMENTS

ARTICLE I—PURPOSES

To effectuate the policies of Title I of the National Industrial Recovery Act, the following provisions are established as a Code of Fair Competition for the Light Sewing Industry Except Garments, and shall be the standard of fair competition for such Industry and shall be binding upon every member thereof.

ARTICLE II—DEFINITIONS

1. The term "Light Sewing Industry Except Garments" or "Industry" as used herein includes the manufacture and original sale of all sewn textile articles and/or table pads and/or table mats except wearing apparel and excepting such articles as are governed by the provisions of other codes of fair competition, and shall include 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.

2. The terms "table pad" and "table mat" as used herein are defined to mean any mat manufactured for use in protecting the surface of tables against heat, liquids, or marring, composed of a water-proof surface and an insulating element such as asbestos, cork, pasteboard, felt paper, or corrugated paper.

3. The term "member of the Industry" includes, but without limitation, any individual, partnership, association, corporation, or other form of enterprise engaged in the Industry either as an employer or on his or its own behalf, and includes anyone who furnishes or contracts for labor as a part of a larger or further operation in the process of manufacturing any of the products of this Industry.

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

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

6. The term "productive machinery" as used herein and as applied to the divisions of this Industry is defined:

(a) For the Quilting Division: Quilting machines.

(b) For the Comfortable Division: Hand-guided sewing machines and hand-needle work equipment, and automatic quilting machines.

(c) For the Covered Carpet Padding Division: Carpet lining, sewing and quilting machines, garnetts, lappers, pickers, stitching and bending machines, and cloth-cutting machines.

7. The term "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 office employee shall work or be permitted to work in excess of forty (40) hours per week, averaged over a period of two months, or forty-eight (48) hours in any one week or eight (8) hours in any twenty-four (24) hour period.

2. No other employee, except as hereinafter provided, shall work or be permitted to work in excess of forty (40) hours in any one week or eight (8) hours in any twenty-four (24) hour period, except that such employees may be permitted to work forty-eight (48) hours per week for not more than six (6) weeks in any six-month period, provided that the number of hours shall not be in excess of forty (40) hours per week averaged over a six months' period. Work done in excess of forty (40) hours in any one week, however, shall be paid for at not less than one and one third ($1\frac{1}{3}$) times the normal rate.

3. The maximum hours fixed in the foregoing sections shall not apply to:

(a) Executives and employees in a managerial or supervisory capacity who receive thirty-five dollars (\$35.00) or more per week, watchmen, and outside salesmen.

(b) Repair-shop crews, engineers, electricians, and firemen, who shall be permitted to work not in excess of forty-four (44) hours per week.

(c) Employees on emergency maintenance or emergency repair work involving breakdowns or protection of life or property, but in any such special case overtime shall be paid for at not less than one and one third ($1\frac{1}{3}$) times the normal rate.

At the end of each calendar month every employer shall report to the Code Authority hereinafter provided for, in such detail as may be required, the number of man-hours worked in that month in cases of emergency and the ratio which said emergency man-hours bear to the total number of man-hours of labor during said month.

4. Members of the Industry shall not operate for more than two (2) shifts of forty (40) hours each per week, except as provided hereafter in supplemental provisions.

5. No employee shall work or be permitted to work for a total number of hours in excess of the number of hours prescribed for each week and day, whether employed by one or more employers.

ARTICLE IV—WAGES

1. No employee shall be paid at less than the rate of 32½ cents per hour except that employees in the Fabric Auto Equipment Division may be paid at the rate of not less than 30 cents per hour in the Southern States, which shall include only the States of Virginia, North Carolina, South Carolina, Georgia, Florida, Alabama, Mis-

Mississippi, Tennessee, Kentucky, Louisiana, Arkansas, Oklahoma, Texas, and the District of Columbia.

2. This Article establishes a minimum rate of pay, regardless of whether an employee is compensated on a time-rate, piecework, or other basis.

3. The weekly rate of compensation for employment now in excess of the minimum wages herein provided shall not be reduced (notwithstanding that the hours worked in such employment may be hereby reduced), and the pay for such employment shall be increased by an equitable readjustment of all pay schedules.

4. Female employees performing substantially the same work as male employees shall receive the same rates of pay as male employees.

5. 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.

ARTICLE V—GENERAL LABOR PROVISIONS

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

2. 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.

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. Within each State members of the Industry shall comply with any laws of such State imposing more stringent requirements on employers regulating the age of employees, wages, hours of work, or health, fire, or general working conditions than under this Code.

6. Employers shall not reclassify employees or duties of occupations performed by employees so as to defeat the purposes of the Act.

7. Each employer shall post in conspicuous places accessible to employees full copies of this Code.

8. Until adoption of further provisions of this Code that may prove necessary in order to prevent any improper speeding up of the

work (stretch-outs) no manufacturing employee in the Industry shall be required to do any work in excess of the practice as to the class of work of such employee prevailing on July 1, 1933, or prior to the Share-The-Work movement, unless such increase is submitted to and approved by the Code Authority created by this Code, and by the Administrator.

9. No employer shall have work done or labor performed on any article produced in this Industry in the home of a worker, except hand work only as follows:

(1) Candlewick bedspreads.

(2) Hand quilted textiles for a period of six months, but thereafter only if specifically exempted by the Administrator.

ARTICLE VI—ADMINISTRATION

There shall forthwith be constituted a Code Authority.

1. Organization and constitution of Code Authority:

(a) The membership of the Code Authority shall include seven (7) members (which number may be increased to ten (10) members if and when necessity arises therefor by further inclusion of additional Divisions within this Code) to be selected in a manner approved by the Administrator from the following Divisions:

Quilting, 1 Member.

Mattress Covers, 1 Member.

Comfortables, 1 Member.

Fabric Auto Equipment, 2 Members.

Other Members of the Industry, 1 Member.

In addition to the membership as above provided, there may be three (3) additional members without vote appointed by the Administrator, one of whom may be appointed on the nomination of the Labor Advisory Board of the NRA.

(b) Divisional Committees consisting of not more than seven (7) members each shall be selected by each of the following divisions of this Industry in a manner approved or prescribed by the Administrator: Comfortable Division, Covered Carpet Padding Division, Fabric Auto Equipment Division, Mattress Cover Division, Table Pad Division, and Quilting Division. New divisions of the Industry may be established on the recommendation of the Code Authority with the approval of the Administrator. The Administrator may appoint up to three members, without vote, to each of the Divisional Committees.

(c) In order that the Code Authority and the Divisional Committees shall at all times be truly representative of the Industry and in other respects comply with the provisions of the Act, the Administrator may provide such hearings as he may deem proper; and thereafter if he shall find that the Code Authority or the Divisional Committees are not truly representative or do not in other respects comply with the provisions of the Act, may require an appropriate modification in the method of selection of the Code Authority or of the Divisional Committees.

(d) Each trade or industrial association directly or indirectly participating in the selection or activities of the Code Authority or a Divisional Committee shall (1) impose no inequitable restric-

tions 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.

2. The Code Authority and the Divisional Committees shall have the following duties and powers:

(a) The Code Authority shall cooperate with the Administrator in the administration of the provisions of this Code. The Divisional Committees, subject to the general approval of the Code Authority, shall cooperate with the Administrator in the administration of the supplemental provisions applicable to their respective Divisions.

(b) The Code Authority may from time to time present to the Administrator recommendations based on conditions in the Industry as they may develop which will tend to effectuate the operation of the provisions of this Code. The Divisional Committees may present to the Administrator recommendations concerning their respective supplemental provisions. Such recommendations, when approved by the Administrator, after notice to and after opportunity given to the Divisional Committees of all Divisions affected to be heard, shall have the same force and effect as any of the provisions of this Code. Such recommendations may include recommendations for use by all members of the Industry in their respective Divisions, of an N.R.A. label and for the establishment of the necessary machinery to manufacture and issue the same.

(c) The Code Authority shall collect statistics covering number of employees, wage rates, employee earnings, hours of work, and such other data as may be prescribed or approved by the Administrator and may designate the Divisional Committees as the agencies to collect such statistics.

(d) *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 and Divisional Committees are authorized, subject to the approval of the Administrator:*

(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 their 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 receiving 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 secure equitable contributions as above set forth by all such members of the Industry, and to that end, if necessary, to institute legal proceedings therefor in its own name.*

Only members of the Industry who comply with the requirements of the Code and contribute to the expenses of its administra-

*tion, as provided herein, and assent in writing to the Code, shall be entitled to participate in the selection of the members of the several Divisional Committees and to receive the benefits of their voluntary activities or to make use of any National Recovery Administration Insignia. Failure to contribute to the expenses of the administration of this Code, as provided herein, shall constitute a violation of the Code.*¹

(e) Nothing contained in this Code shall constitute the members of the Code Authority or of the Divisional Committees partners for any purpose, nor shall any member of the Code Authority or of the Divisional Committees be liable in any manner to any one for any act of any other member, officer, agent, or employee of the Code Authority, or of the Divisional Committees, nor shall any member of the Code Authority, or of the Divisional Committees, exercising reasonable diligence in the conduct of his duties hereunder be liable to any one for any action or omission to act under this Code, except for his own willful misfeasance or nonfeasance.

3. In addition to the information required to be submitted to the Code Authority, there shall be furnished to government agencies such statistical information as the Administrator may deem necessary for the purposes recited in Section 3 (a) of the Act.

4. If the Administrator shall determine that any action of a Code Authority, Divisional Committee, or any agency thereof is unfair or unjust or contrary to public interest, the Administrator may require that such action be suspended for a period of not to exceed thirty days to afford an opportunity for investigation of the merits of such action, and further consideration by such Code Authority, Divisional Committee, or agency, pending final action which shall be taken only upon approval by the Administrator.

ARTICLE VII—TRADE PRACTICES

1. The violation of any provision of this Code or of any supplemental provisions thereto shall constitute an unfair trade practice.

ARTICLE VIII—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 on the basis of experience or changes in circumstances, such modifications 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 Administrator.

ARTICLE IX—MONOPOLIES

No provision of this Code shall be so applied as to permit monopolies or monopolistic practices, or to eliminate, oppress, or discriminate against small enterprises.

¹ Italicized words added by Amendment No. 2, approved May 22, 1934.

ARTICLE X—EFFECTIVE DATE

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

Article XI

Subject to all rules, regulations, and orders concerning issuance and/or use of labels heretofore or hereafter prescribed by the National Industrial Recovery Board, all members of the Mattress Cover, Comfortable and Quilting Divisions of the Industry shall affix to all their products, official labels issued by the respective Divisional Committees, bearing thereon the N. R. A. insignia, this provision to be effective on such date, not later than 45 days after approval of this Article, as the respective Divisional Committees may prescribe, providing all members of the respective Divisions shall be given due notice of the aforesaid effective date by the respective Divisional Committees.²

Approved Code No. 226.

Registry No. 299-50.

² Italicized words added by Amendment No. 6, approved Nov. 14, 1934.

COMFORTABLE DIVISION

Division No. 1

I—DEFINITION

The term "Comfortable Division" as used herein includes all members of the Industry producing comfortables and comforts.

II—TRADE PRACTICES

1. No member of the Division shall sell or exchange or offer to sell any product of the Division below his own cost, when and if same may be determined as herein provided, except to meet the competition of any member of the Division whose price for a product of equivalent quality is not less than his own cost. When a uniform and standard system of cost accounting, prescribed by the Divisional Committee, shall be approved by the Administrator, every member of the Division shall use a system of accounting which conforms to the principles of such system. The Divisional Committee shall, subject to the approval of the Administrator, determine the cost factors to be included in such system.

The Divisional Committee shall have the power to suspend the operation of the provisions of this Section and to make provision for the disposal of discontinued lines, seconds, and other sales to be excepted from the application of this Section.

2. Members of the Division shall file with the Divisional Committee a schedule of prices and terms of sale for the products of the Division, within thirty (30) days after the effective date of this Code. Such price lists may be revised only upon five (5) days' notice by registered mail to the Divisional Committee. The Divisional Committee shall immediately send copies of all price lists filed to all members of the Division.

Members of the Division shall not sell their products at lower prices or on more liberal terms than set forth in their own price list. When any member of the Division revises his price list, any other member of the Division may revise his price list accordingly, to become effective on the same date as the revised price list first filed.

The following may be sold without filing revised price lists therefor, but shall be reported to the Divisional Committee immediately after sale: dropped lines and seconds.

The Divisional Committee shall have the power to suspend the operation of the provisions of this Section.

3. The following Unfair Trade Practices are prohibited:

(a) Giving, permitting to be given, or directly offering 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. 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.

(b) Using or substituting any material inferior in quality to that specified by the purchaser of any product.

(c) Maliciously inducing or attempting to induce the breach of an existing oral or written contract between a competitor and his customer or source of supply or interfering with or obstructing the performance of any such contractual duties or services.

(d) The secret payment or allowance of rebates, refunds, commissions, credits, or unearned discounts, whether in the form of money or otherwise, or the secret extension to certain purchasers of special services or privileges not extended to all purchasers on like terms and conditions.

(e) The branding or marking of any product of the Division in any manner which tends to deceive or mislead purchasers, with respect to the grade, quality, quantity, origin, size, material content, or preparation of such product.

(f) Selling on more liberal terms than 3/10 E.O.M. *All goods shipped to retailers after May 1, may be billed as 2/10/60 or 3/10 E.O.M., as of August 1. Anticipation at the rate of six percent (6%) per year may be allowed. After January 1, business may be solicited from wholesalers on a basis of August 1 datings with usual terms.*³

(g) The failure to plainly mark seconds.

(h) The making or causing or knowingly permitting to be made or published any false, materially inaccurate, or deceptive statement by way of advertisement or otherwise, whether concerning the grade, quality, quantity, substance, character, nature, origin, size, finish, or preparation of any product of the Division, or the credit terms, values, policies, or services of any member of the Division, or otherwise, having the tendency or capacity to mislead or deceive customers or prospective customers.

(i) Making sales upon any other terms than expressly set forth in the invoice pertaining to such sales.

4. The selling or offering for sale of any product of the Division on memorandum or on consignment or on conditional sale shall be an unfair trade practice.

The Divisional Committee shall have the power to suspend the operation of the provisions of this Section.

³ Italicized words added by Amendment No. 4, approved July 17, 1934.

MATTRESS COVER DIVISION

Division No. 2

I—DEFINITION

The term "Mattress Cover Division" as used herein includes all members of the Industry producing mattress covers; comfortable covers; blanket covers; and pillow ticks when manufactured for sale for the purpose of replacing ticks on bed pillows.⁴

II—TRADE PRACTICES

1. No member of the Division shall sell or exchange or offer to sell any product of the Division below his own cost, when and if same may be determined as herein provided, except to meet the competition of any member of the Division whose price for a product of equivalent quality is not less than his own cost. When a uniform and standard system of cost accounting, prescribed by the Divisional Committee, shall be approved by the Administrator, every member of the Division shall use a system of accounting which conforms to the principles of such system. The Divisional Committee shall, subject to the approval of the Administrator, determine the cost factors to be included in such system.

The Divisional Committee shall have the power to suspend the operation of the provisions of this Section and to make provision for the disposal of discontinued lines, seconds, and other sales to be excepted from the application of this Section.

2. Members of the Division shall file with the Divisional Committee a schedule of prices and terms of sale for the products of the Division, within thirty (30) days after the effective date of this Code. Such price lists may be revised only upon five (5) days' notice by registered mail to the Divisional Committee. The Divisional Committee shall immediately send copies of all price lists filed to all members of the Division.

Members of the Division shall not sell their products at lower prices or on more liberal terms than set forth in their own price list. When any member of the Division revises his price list, any other member of the Division may revise his price list accordingly, to become effective on the same date as the revised price list first filed.

The Divisional Committee shall have the power to suspend the operation of the provisions of this Section.

3. The following Unfair Trade Practices are prohibited:

(a) Giving, permitting to be given, or directly offering 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. This provision shall not be con-

⁴ *Italicized words added by Amendment No. 1, approved May 1, 1934.*

strued 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.

(b) Using or substituting any material inferior in quality to that specified by the purchaser of any product.

(c) Maliciously inducing or attempting to induce the breach of an existing oral or written contract between a competitor and his customer or source of supply, or interfering with or obstructing the performance of any such contractual duties or services.

(d) The secret payment or allowance of rebates, refunds, commissions, credits, or unearned discounts, whether in the form of money or otherwise, or the secret extension to certain purchasers of special services or privileges not extended to all purchasers on like terms and conditions.

(e) The branding or marking of any product of the Division in any manner which tends to deceive or mislead purchasers, with respect to the grade, quality, quantity, origin, size, material content, or preparation of such product.

(f) Selling on more liberal terms than 3/10 E.O.M.

(g) The failure to plainly mark seconds.

(h) The making or causing or knowingly permitting to be made or published any false, materially inaccurate, or deceptive statement by way of advertisement or otherwise, whether concerning the grade, quality, quantity, substance, character, nature, origin, size, finish, or preparation of any product of the Division, or the credit terms, values, policies, or services of any member of the Division, or otherwise, having the tendency or capacity to mislead or deceive customers or prospective customers.

(i) Making sales upon any other terms than expressly set forth in the invoice pertaining to such sales.

4. The selling or offering for sale of any product of the Division on memorandum or on consignment or on conditional sale shall be an unfair-trade practice.

The Divisional Committee shall have the power to suspend the operation of the provisions of this Section.

III—HOURS

1. Members of the Division shall not operate for more than one shift of forty (40) hours.

TABLE PAD DIVISION

Division No. 3

I—DEFINITION

The term "Table Pad Division" as used herein includes all members of the Industry producing table pads and/or table mats.

II—TRADE PRACTICES

1. No member of the Division shall sell or exchange or offer to sell any product of the Division, except small novelty mats, below his own cost of labor and raw materials except to meet the competition of any member of the Division whose price for a product of equivalent quality is not less than his own cost. When a uniform and standard system of cost accounting, prescribed by the Divisional Committee, shall be approved by the Administrator, every member of the Division shall use a system of accounting which conforms to the principles of such system. The Divisional Committee shall, subject to the approval of the Administrator, determine the cost factors to be included in such system.

The Divisional Committee shall have the power to suspend the operation of the provisions of this Section and to make provision for the disposal of discontinued lines, seconds, and other sales to be excepted from the application of this Section.

The Administrator may suspend the operation of the provisions of this Section after giving notice to the Division.

2. Members of the Division shall file with the Divisional Committee a schedule of prices and terms of sale for the products of the Division, except small novelty mats, within thirty (30) days after the effective date of this Code. Such price lists may be revised only upon five (5) days notice by registered mail to the Divisional Committee. The Divisional Committee shall immediately send copies of all price lists filed to all members of the Division.

Members of the Division shall not sell their products at lower prices or on more liberal terms than set forth in their own price list. When any member of the Division revises his price list, any other member of the Division may revise his price list accordingly, to become effective on the same date as the revised price list first filed.

The Divisional Committee shall have the power to suspend the operation of the provisions of this Section.

The Administrator may suspend the operation of the provisions of this Section after giving notice to the Division.

3. The following Unfair Trade Practices are prohibited:

(a) Giving, permitting to be given, or directly offering 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. 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.

(b) Using or substituting any material inferior in quality to that specified by the purchaser of any product.

(c) Maliciously inducing or attempting to induce the breach of an existing oral or written contract between a competitor and his customer or source of supply, or interference with or obstructing the performance of any such contractual duties or services.

(d) The secret payment or allowance of rebates, refunds, commissions, credits, or unearned discounts, whether in the form of money or otherwise, or the secret extension to certain purchasers of special services or privileges not extended to all purchasers on like terms and conditions.

(e) The branding or marking of any product of the Division in any manner which tends to deceive or mislead purchasers, with respect to the grade, quality, quantity, origin, size, material content, or preparation of such product.

(f) Selling on more liberal terms than 2% 10 days, end of month, net 60 days.

(g) The failure to plainly mark seconds.

(h) The making or causing or knowingly permitting to be made or published any false, materially inaccurate, or deceptive statement by way of advertisement or otherwise, whether concerning the grade, quality, quantity, substance, character, nature, origin, size, finish, or preparation of any product of the Division, or the credit terms, values, policies, or services of any member of the Division, or otherwise, having the tendency or capacity to mislead or deceive customers or prospective customers.

(i) Making sales upon any other terms than expressly set forth in the invoice pertaining to such sales.

(j) Making any allowances or discounts for advertising or for payment for space in newspapers, magazines, guides, or directories on behalf of any retailer to be used in promoting the sale of merchandise to the consumer. The supplying of cuts, matrices, or window cards shall, however, not be included in such prohibition. This provision shall not be circumvented by advertising directly for the benefit of any purchaser or particular group of purchasers. Nothing herein, however, shall be deemed to prohibit any member of the Division from nationally or generally advertising his merchandise so as to benefit all of his trade equally.

QUILTING DIVISION

Division No. 4

I—DEFINITION

The term "Quilting Division" as used herein includes all members of the Industry producing quilting and quilting products.

II—TRADE PRACTICES

1. No member of the Division shall sell or exchange or offer to sell any product of the Division below his own cost, when and if same may be determined as herein provided, except to meet the competition of any member of the Division whose price for a product of equivalent quality is not less than his own cost. When a uniform and standard system of cost accounting, prescribed by the Divisional Committee, shall be approved by the Administrator, every member of the Division shall use a system of accounting which conforms to the principles of such system. The Divisional Committee shall, subject to the approval of the Administrator, determine the cost factors to be included in such system.

The Divisional Committee shall have the power to suspend the operation of the provisions of this Section and to make provision for the disposal of discontinued lines, seconds, and other sales to be excepted from the application of this Section.

2. Members of the Division shall file with the Divisional Committee a schedule of prices and terms of sale for the products of the Division, within thirty (30) days after the effective date of this Code. Such price lists may be revised only upon five (5) days' notice by registered mail to the Divisional Committee. The Divisional Committee shall immediately send copies of all price lists filed to all members of the Division.

Members of the Division shall not sell their products at lower prices or on more liberal terms than set forth in their own price list. When any member of the Division revises his price list, any other member of the Division may revise his price list accordingly, to become effective on the same date as the revised price list first filed.

"Dropper lines" and/or "seconds" shall be sold and/or shipped only during the months of January and August of any calendar year and "dropped lines" and/or "seconds" cannot be sold or shipped at any other time.

For the purpose of this Section "seconds" are finished products which have been damaged during the process of manufacturing quilts and quilting products, including misprints; and "dropped lines" are merchandise where the color assortment is not complete or where the merchandise has proved unsalable.⁵

⁵ Italicized words added by Amendment No. 5, approved Aug. 8, 1934.

The Divisional Committee shall have the power to suspend the operation of the provisions of this Section.

3. The following Unfair Trade Practices are prohibited:

(a) Giving, permitting to be given, or directly offering 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. 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.

(b) Using or substituting any material inferior in quality to that specified by the purchaser of any product.

(c) Maliciously inducing or attempting to induce the breach of an existing oral or written contract between a competitor and his customer or source of supply, or interfering with or obstructing the performance of any such contractual duties or services.

(d) The secret payment or allowance of rebates, refunds, commissions, credits, or unearned discounts, whether in the form of money or otherwise, or the secret extension to certain purchasers of special services or privileges not extended to all purchasers on like terms and conditions.

(e) The branding or marking of any product of the Division in any manner which tends to deceive or mislead purchasers, with respect to the grade, quality, quantity, origin, size, material content, or preparation of such product.

(f) Selling on more liberal terms than 3/10 E.O.M.

(g) The failure to plainly stamp seconds.

(h) The making or causing or knowingly permitting to be made or published any false, materially inaccurate, or deceptive statement by way of advertisement or otherwise, whether concerning the grade, quality, quantity, substance, character, nature, origin, size, finish, or preparation of any product of the Division, or the credit terms, values, policies, or services of any member of the Division, or otherwise, having the tendency or capacity to mislead or deceive customers or prospective customers.

(i) Making sales upon any other terms than expressly set forth in the invoice pertaining to such sales.

4. The selling or offering for sale of any product of the Division on memorandum or on consignment or on conditional sale shall be an unfair trade practice.

The Divisional Committee shall have the power to suspend the operation of the provisions of this Section.

FABRIC AUTO EQUIPMENT DIVISION

Division No. 5

I—DEFINITION

The term "Fabric Auto Equipment Division" as used herein includes all members of the Industry producing auto seat and slip covers, tire covers, top covers, side curtains, auto awnings, and fabric accessories for automobiles.

II—TRADE PRACTICES

The following Unfair Trade Practices are prohibited:

(a) Giving, permitting to be given, or directly offering 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. 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.

(b) The branding or marking of any product of the Division in any manner which tends to deceive or mislead purchasers, with respect to the grade, quality, quantity, origin, size, material content, or preparation of such product.

(c) The making or causing or knowingly permitting to be made or published any false, materially inaccurate, or deceptive statement by way of advertisement or otherwise, whether concerning the grade, quality, quantity, substance, character, nature, origin, size, finish, or preparation of any product of the Division, or the credit terms, values, policies, or services of any member of the Division, or otherwise, having the tendency or capacity to mislead or deceive customers or prospective customers.

(d) The failure to plainly stamp seconds.

(e) Rendering a bill or statement of account which is inaccurate in any particular.

(f) Failure to show the present 2% excise tax on the invoice as a separate item, excepting in the case of those members of the Division who sell to the jobbing or wholesale trade, who shall include the excise tax in their selling price.

(g) The selling or offering for sale of any product of the Division on memorandum or on consignment or on conditional sale shall be an unfair trade practice.

The Divisional Committee shall have the power to suspend the operation of the provision of this Section.

(h) *Selling on more liberal terms than 2%, 10 days E.O.M., net 30 except that dating on seasonable merchandise may be allowed, but anticipation shall not be allowed at a rate of more than ½ of 1% per month.*⁵

(i) *Failure to invoice samples of complete products.*

(j) *To make any allowance or discount for advertising or for payment for space in newspapers, magazines, guides, or directories on behalf of any retailer and/or wholesaler to be used in promoting the sale of merchandise to the consumer in excess of one-half of the cost of the advertising; providing, however, that payment for such advertising shall not be made until a copy of the publication containing the advertising together with receipted bill therefor is presented to a member of the Division. The supplying of cuts, matrices, or window cards shall not be included in such prohibition. Nothing herein, however, shall prohibit any member of the Division from nationally or generally advertising his merchandise.*

(k) *To make a contract for a definite quantity of advertising tire covers at a stipulated price and to deliver a smaller quantity without charging the regular price applying to the quantity delivered.*

(l) *To accept orders for future requirements which do not make provision for quantities, excepting that an average or underage of 10% is allowed.*⁵

III

When a standard system of cost accounting and methods of cost finding and/or estimating capable of use by all members of the Division is prepared by the Divisional Committee and approved by the Administrator, full details concerning said system shall be made available to all members of the Division. Thereafter, all members of the Division shall determine and/or estimate costs in accordance with the principles of such methods.

Following the approval of such system no member of the Division shall sell or exchange or offer to sell any product of the Division below his own cost of making such product, except to meet the competition of any member of the Division whose price for a product of equivalent quality is not less than his cost of making the product.

*The Divisional Committee shall have the power to suspend the operation of the provisions of this Article provided five days' notice is given the Administrator and the members of the Division, and to make provisions for the disposal of discontinued lines, seconds, and other sales to be excepted from the application of this Article.*⁶

IV

*Learners may be employed for a period not exceeding four (4) weeks at a rate of not less than 80% of the minimum wages called for in the Code, provided that no employer may employ more than 10% of the total employees as learners, and provided further that any employer may be entitled to one learner at the above specified wage, and provided further that no employer can employ as a learner any employee who has been in the Division of the Industry within three years previous to the date of such employment.*⁶

⁵ *Italicized words added by Amendment No. 3, approved June 29, 1934.*

COVERED CARPET PADDING DIVISION

Division No. 6

I—DEFINITION

The term "Covered Carpet Padding Division" as used herein includes all members of the Industry producing padded, quilted, paper, and/or cloth covered carpet and rug linings and stair pads.

II—TRADE PRACTICES

1. No member of the Division shall sell or exchange or offer to sell any product of the Division below his own cost, when and if same may be determined as herein provided, except to meet the competition of any member of the Division whose price for a product of equivalent quality is not less than his own cost. When a uniform and standard system of cost accounting, prescribed by the Divisional Committee, shall be approved by the Administrator, every member of the Division shall use a system of accounting which conforms to the principles of such system. The Divisional Committee shall, subject to the approval of the Administrator, determine the cost factors to be included in such system.

The Divisional Committee shall have the power to suspend the operation of the provisions of this Section and to make provision for the disposal of discontinued lines, seconds, and other sales to be excepted from the application of this Section.

2. Members of the Division shall file with the Divisional Committee a schedule of prices and terms of sale for the products of the Division, within thirty (30) days after the effective date of this Code. Such price lists may be revised only upon five (5) days notice by registered mail to the Divisional Committee. The Divisional Committee shall immediately send copies of all price lists filed to all members of the Division.

Members of the Division shall not sell their products at lower prices or on more liberal terms than set forth in their own price list. When any member of the Division revises his price list, any other member of the Division may revise his price list accordingly, to become effective on the same date as the revised price list first filed.

The following may be sold without filing revised price lists therefor, but shall be reported to the Divisional Committee immediately after sale: dropped lines.

The Divisional Committee shall have the power to suspend the operation of the provisions of this Section.

3. The following Unfair Trade Practices are prohibited:

(a) Giving, permitting to be given, or directly offering 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. 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.

(b) Using or substituting any material inferior in quality to that specified by the purchaser of any product.

(c) Maliciously inducing or attempting to induce the breach of an existing oral or written contract between a competitor and his customer or source of supply, or interference with or obstructing the performance of any such contractual duties or services.

(d) The secret payment or allowance of rebates, refunds, commissions, credits, or unearned discounts, whether in the form of money or otherwise, or the secret extension to certain purchasers of special services or privileges not extended to all purchasers on like terms and conditions.

(e) The branding or marking of any product of the Division in any manner which tends to deceive or mislead purchasers, with respect to the grade, quality, quantity, origin, size, material content, or preparation of such product.

(f) Selling on more liberal terms than 5/10 or 4/10/60 Ex.

(g) The making or causing or knowingly permitting to be made or published any false, materially inaccurate, or deceptive statement by way of advertisement or otherwise, whether concerning the grade, quality, quantity, substance, character, nature, origin, size, finish, or preparation of any product of the Division, or the credit terms, values, policies, or services of any member of the Division, or otherwise, having the tendency or capacity to mislead or deceive customers or prospective customers.

(h) Making sales upon any other terms than expressly set forth in the invoice pertaining to such sales.

MOTOR ROBE DIVISION

Division No. 7

I—DEFINITION

The term "Motor Robe Division" as used herein includes all members of the Industry producing motor robes exclusive of loom-finished, fringed steamer rugs.

II—TRADE PRACTICES

1. All deliveries shall be F.O.B. factory or within the Metropolitan District thereof.

2. The following Unfair Trade Practices are prohibited:

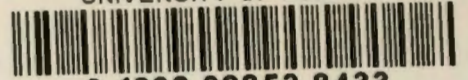
(a) Giving, permitting to be given, or directly offering to give, anything of value for the purpose of influencing or rewarding the action of any employee, agent or representative of another in relation to the business of the employer of such employee, the principal of such agent or the represented party, without the knowledge of such employer, principal, or party. 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.

(b) The secret payment or allowance of rebates, refunds, commissions, credits, or unearned discounts, whether in the form of money or otherwise, or the secret extension to certain purchasers of special services or privileges not extended to all purchasers on like terms and conditions.

(c) Selling on more liberal terms than 2% 10 days E.O.M. except that for shipments made to points west of the Rocky Mountains terms shall be 2% 10 days E.O.M. or 2% 10 days after receipt of goods. Goods invoiced on and after the twenty-fifth of any month may be dated as of the first day of the following month. No anticipation shall be allowed at a greater rate than 6% per annum.

(d) Making guarantees against price fluctuations.

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