

NATIONAL RECOVERY ADMINISTRATION

CODE OF FAIR COMPETITION
FOR THE
PLEATING, STITCHING
AND BONNAZ AND HAND
EMBROIDERY INDUSTRY

AS APPROVED ON FEBRUARY 10, 1934

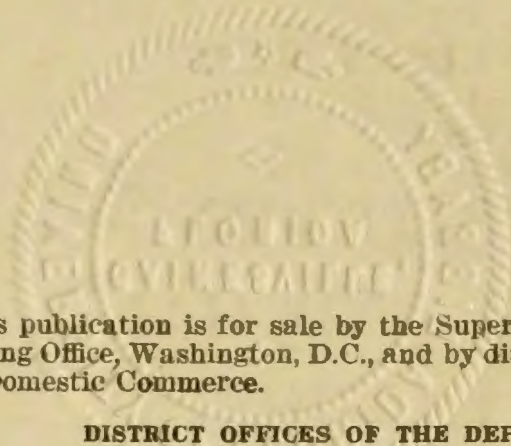
BY

PRESIDENT ROOSEVELT



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Approved Code No. 276

CODE OF FAIR COMPETITION

FOR THE

**PLEATING, STITCHING, AND BONNAZ AND HAND
EMBROIDERY INDUSTRY**

As Approved on February 10, 1934

BY

PRESIDENT ROOSEVELT

EXECUTIVE ORDER

**APPROVING CODE OF FAIR COMPETITION FOR THE PLEATING, STITCHING,
AND BONNAZ AND HAND EMBROIDERY INDUSTRY**

An application having been duly made, pursuant to and in full compliance with the provisions of Title I of the National Industrial Recovery Act, approved June 16, 1933, for my approval of a Code of Fair Competition for the Pleating, Stitching, and Bonnaz and Hand Embroidery Industry, and hearings having been held thereon and the Administrator having rendered his report containing an analysis of the said Code of Fair Competition together with his recommendations and findings with respect thereto, and the Administrator having found that the said Code of Fair Competition complies in all respect with the pertinent provisions of Title I of said Act and that the requirements of clauses (1) and (2) of subsection (a) of Section 3 of the said Act have been met:

NOW, THEREFORE, I, Franklin D. Roosevelt, President of the United States, pursuant to the authority vested in me by Title I of the National Industrial Recovery Act, approved June 16, 1933, and otherwise, do adopt and approve the report, recommendations, and findings of the Administrator and do order that the said Code of Fair Competition be and it is hereby approved, subject to the following conditions:

That the Code Authority shall make a complete and detailed study to determine whether the minimum wages provided in Article IV of the Code are in fact tending to become maximum wages, and the Code Authority shall report to the Administrator thereon, within sixty (60) days after the effective date hereof, with recommendations for the continuation, elimination, or modification of any or all of the wage rates provided in the Code. Upon the approval of the

Administrator, after such notice and hearing as he may prescribe, the aforesaid recommendations, or any of them, shall become effective provisions of the Code.

Provided, that the Administrator may at any time after the effective date of the Code, cause hearings to be held for the purpose of determining whether the wage rates provided in the Code are in fact tending to establish maximum wages.

FRANKLIN D. ROOSEVELT.

Approval recommended.

HUGH S. JOHNSON,
Administrator.

THE WHITE HOUSE,
February 10, 1934.

LETTER OF TRANSMITTAL

THE PRESIDENT,
The White House.

SIR: The proposed Code of Fair Competition for the Pleating, Stitching and Bonnaz and Hand Embroidery Industry was submitted and a hearing thereon was held the third day of October 1933. Every person who filed a request for an appearance was fully heard in accordance with statutory and regulatory requirements.

Testimony at the hearing showed that this Code represents a consolidation of separate Codes which were presented by various groups throughout the United States. The letter of transmittal states that the Code is the joint work of eight associations, two of which, the National Association of Pleaters, Stitchers, and Embroidery Manufacturers, Inc., and the Embroidery Manufacturers Association, both of New York City, combined, represent approximately 75 percent of the entire industry in the United States.

Following the public hearing a succession of conferences worked diligently to harmonize divergent viewpoints among the manufacturers of the different markets and to find ways to deal with many grave abuses that were disrupting the industry. The prorated meetings were worth the effort, for the final code is the agreed-upon opinion of 95% of the industry. The dissenting 5% mostly represents those contractors who have utilized home workers in producing their output.

Though it covers a wide range of products, the industry is primarily a service industry to the wearing-apparel group, with wide seasonal variations in productivity and violent fluctuations in styles to meet changes in fashion. Most of the workers are highly skilled. Even the embroidery produced on the Bonnaz machine is an individualized product, while much of the hand work is artistry of a high order.

Stabilization of the industry has been impossible in the past. Vicious competition through exploited home workers and owner-operated shops careless of health, fatigue, night, day, or Sundays have been the source of bottomless price cutting. The problems that arose from these fundamental conditions were the object of great consideration by the conferences in the preparation of the Code and the Code represents their considered answers to those problems.

Specifically the Code covers the manufacture and production of pleating, stitching, Bonnaz embroidery, hand embroidery, crocheting, crochet beading, hand drawing (except handkerchiefs), rhinestone trimming, eyelets (except automatic eyelets), nailheads, bindings and pipings, and all other embroidery and stitching accessories to the wearing apparel industry; and the production of articles using those operations.

RÉSUMÉ OF CODE AS TO HOURS AND WAGES

The Code provides for a 35-hour week and a normal work day of 7 hours. No employee may work more than 8 hours in any 24-hour period. The maximum hours per week for clerical or office employees is set at 40; the maximum per day is 9 hours. Designers, outside salesmen, and employees, in managerial or executive capacities, receiving more than \$30.00 per week, are excepted from the maximum hour provisions of this Code. The standard work week for shipping clerks, porters, and watchmen is 40 hours; for a maximum period not to exceed 16 weeks in any calendar year, these employees may be permitted to work 48 hours, provided that overtime work is compensated at not less than the regular rates for the 40-hour week. Employees on emergency work are permitted 10 percent tolerance in excess of the 40-hour week with payment of time and one third for overtime. Foremen and forewomen who do no productive work are permitted to work 40 hours in any one week, with 10 percent tolerance.

The minimum wage established is 35 cents per hour. The Code contains a long classification list of minimum wage rates by occupation. The minima for all the occupations or crafts in the industry range from \$12.25 to \$42.00 per week with differentials for all markets outside of the New York Metropolitan Area. The classification as it appears in the Code is uniform throughout the industry, and it was maintained in the Code because it represents a long established custom in the industry and is acceptable to all establishments without regard to their geographic location or their industrial relation status.

The wage scales and differentials are left open for investigation by the Code Authority. The purpose of such investigation (to be initiated within 10 days of the Constitution of the Code Authority) is to determine the fairness and accuracy of the differentials and classifications, and within 60 days to make recommendations to the Administrator with respect to changes or modifications, which if approved by the Administrator, after notice and hearing, shall become binding provisions of the Code.

Overtime is to be investigated by the Code Authority for the purpose of determining equitable rules to govern this type of work in the various markets. The Code provides that the Code Authority shall make recommendations to the Administrator, which upon his approval, after notice and hearing, shall become binding provisions of the Code.

The problem of "learners" or "apprentices", also is to be studied by the Code Authority and recommendations made thereon to the Administrator which, upon his approval, after notice and hearing, shall be binding provisions of the Code.

ECONOMIC EFFECTS OF THE CODE

According to the report of the Research and Planning Division, it is estimated that there are about 5,500 workers employed in the factories in this industry at the present time (November 1933) and

about 2,000 unemployed. Assuming that the industry has been operating on the basis of a 48-hour week, the 35-hour maximum proposed in the Code will require an additional 37 percent of the labor force now employed to maintain the present production. In other words, the 35-hour week will give reemployment to about 2,000 more workers than now employed, thus absorbing the estimated number of all unemployed factory workers. The same report estimates that a 37 percent increase of the number of workers employed means—on the basis of November 1933 wages—a 37 percent increase in the pay roll. With the reduction of the work week and the establishment of the minimum wage rates it is calculated that the present pay roll may increase approximately 50 percent.

Home work was at first a serious difficulty, since there have been more workers employed by this industry in their homes than in factories, although the exact number of home workers cannot be determined. It was estimated at the public hearing by some of the employers who were sponsors of the Code that there are about 20,000 home workers in this industry, but upon examination of the list of home workers, names were found to be repeated. Checking all available sources of information, 10,000 home workers would undoubtedly be a generous estimate of those on call at any one time. It is particularly important to point out that the foregoing does not mean that 10,000 home workers are employed at any one time but are merely "on call."

There can be no question that home work as carried on in the embroidery industry is a source of disaster in any attempts at organizing a stable industry. Evidence was offered at the public hearings and in the conferences to show that hand workers were paid as little as 5¢ an hour and that the highest rate paid for home work by even reputable manufacturers was 12¢ an hour, and these rates were for embroidery requiring years of training and the utmost skill and artistry. On work requiring less degree of skill or in preparation of work of high skill, when work is taken to the homes, the children of the household are employed in most of their spare hours. The impossibility of any cost accounting control and price cutting prevention under such conditions is self-evident. The abolishment of home work was therefore decided by an overwhelming majority in the industry, notwithstanding great difficulties in readjustment that will be faced by every member of the industry.

The Code provides that all home work in the industry shall be abolished by June 1, 1934, but pending the abolishment it is provided that prices for articles done by home workers shall be determined on the basis of a minimum hourly rate of 35¢. To further aid in the process of converting the home worker into a factory worker and raising the standard of their status in the industry, it is provided that within one month after the effective date of the code every employer shall register with the Code Authority the name and address of each person who performs home work; and the Code Authority is charged with the duty of making investigation and holding conferences to determine proper wage scales for the classes of workers who shall be taken into the factories.

FINDINGS

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

I find that—

(a) Said Code is well designed to promote the policies and purposes of Title I of the National Industrial Recovery Act, including removal of obstructions to the free flow of interstate and foreign commerce which tend to diminish the amount thereof and will provide for the general welfare by promoting the organization of industry for the purpose of cooperative action among the trade groups, by inducing and maintaining united action of labor and management under adequate governmental sanctions and supervision, by eliminating unfair competitive practices, by promoting the fullest possible utilization of the present productive capacity of industries, by avoiding undue restriction of production (except as may be temporarily required), by increasing the consumption of industrial and agricultural products through increasing purchasing power, by reducing and relieving unemployment, by improving standards of labor, and by otherwise rehabilitating industry.

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

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

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

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

I recommend that you approve the Code.

Respectfully,

HUGH S. JOHNSON,
Administrator.

FEBRUARY 10, 1934.

CODE OF FAIR COMPETITION FOR THE PLEATING, STITCHING, AND BONNAZ AND HAND EMBROIDERY INDUSTRY

ARTICLE I—PURPOSES

To effect the policies of Title I of the National Industrial Recovery Act, the following provisions constitute a Code of Fair Competition for the Pleating, Stitching, and Bonnaz and Hand Embroidery Industry, shall be the standard of fair competition for such industry and shall be binding upon every member thereof.

ARTICLE II—DEFINITIONS

1. The term "Pleating, Stitching and Bonnaz and Hand Embroidery Industry", as used herein includes the manufacturers engaged in producing pleating; stitching; bonnaz embroidery; hand embroidery; crocheting; crochet beading; hand drawing, except handkerchiefs; rhinestone trimming; eyelets, except automatic eyelets; nailheads; bindings and piping; and all other embroidery and stitching accessories to the wearing apparel industry, and the production of articles using the above enumerated operations; and such branches or subdivisions thereof as may from time to time be included under the provisions of this Code.

2. The term "member of the industry" includes any individual, partnership, association, corporation, or other person engaged in the industry, either as an employer or on his own behalf.

3. The term "employee" as used herein includes anyone engaged in the industry, however compensated, except a member of the industry.

4. The term "employer" as used herein means any employer engaged in the industry.

5. The terms "President", "Act", and "Administrator" as used herein shall mean respectively, the President of the United States, the National Industrial Recovery Act, and the Administrator of Title I of said Act.

ARTICLE III—HOURS

MAXIMUM HOURS

1. No employee shall be permitted to work in excess of thirty-five (35) hours in any one week or eight (8) hours in any twenty-four (24) hour period, except as herein otherwise provided. A normal workday shall not exceed seven (7) hours; the hours of work shall be 8:45 A.M. to 4:45 P.M., with one (1) hour for lunch.

HOURS FOR CLERICAL AND OFFICE EMPLOYEES

2. The maximum hours fixed in the foregoing section shall not apply to:

(a) Employees in clerical or office work who shall not be permitted to work in excess of forty (40) hours in any one week or nine (9) hours in any twenty-four (24) hour period. A normal day shall not exceed eight (8) hours.

(b) Employees exclusively in a managerial or executive capacity who receive more than \$30.00 per week.

(c) Shipping Clerks, Porters, and Watchmen who shall not be permitted to work in excess of forty (40) hours in any one week, nor more than 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 during a maximum of sixteen (16) weeks in any calendar year, provided that for all such overtime work, such employees shall be paid at not less than the hourly rate paid to them for the regular forty (40) hour week.

(d) Employees on emergency maintenance or emergency repair work involving breakdown or protection of life or property, who shall not be permitted to work in excess of forty (40) hours with a ten percent (10%) tolerance. Such excess to be paid for at the rate of $1\frac{1}{3}$ overtime.

(e) Foremen and forewomen who do no productive work who shall be permitted to work forty (40) hours in any one week, with 10% tolerance.

(f) Designers or outside salesmen.

STANDARD WEEK

3. No employee shall be permitted to work more than five (5) days in any seven (7) day period, commencing on Monday of each week and ending on Friday.

EMPLOYMENT BY SEVERAL EMPLOYERS

4. No employer shall knowingly engage any employee for any time which when totaled with that already performed with another employer, or employers, in this industry exceeds the maximum permitted herein.

EMPLOYER WORKING AS EMPLOYEE

5. Any employer who does the work of an employee shall be subject to the provisions of this Code as to hours of labor.

ARTICLE IV—WAGES

MINIMUM WAGE

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

MINIMUM WAGE FOR CLERICAL AND OFFICE EMPLOYEES

2. No person employed in clerical or office work shall be paid less than fourteen dollars (\$14.00) per week.

PIECEWORK COMPENSATION—MINIMUM WAGES

3. This Article establishes a minimum rate of pay which shall apply, irrespective of whether an employee is actually compensated on a time-rate, piecework, or other basis.

MINIMUM WAGE RATES BY OCCUPATION

4. The minimum wage scale for the respective operations in the industry shall be as follows:

For the New York Metropolitan area:

	Per week		Per week
Bonnaz Embroiderers	\$42.00	Machine drawers	\$17.00
Tuckers	42.00	Stampers	25.00
Shirrs	25.00	Stamper's assistant	15.00
Air Tuckers	25.00	Spoolers	15.00
Hemstitchers	25.00	Pinner	15.00
17 W 12 Operators	25.00	Finishers	15.00
Menders	25.00	Pleater-Pattern makers	37.00
Zig-zag operators	18.00	Pleaters	35.00
Pin-hemmers	18.00	Pleater-helper	22.00
Hand Rollers	18.00	Machine-setter	22.00
Bottom-makers	18.00	Machine-feeder	15.00
German hemstitcher or machine operators	17.00	Rhinestone & Nailhead setters	12.25

For all markets other than the New York Metropolitan area, the following differentials are established for all the above classifications of \$25.00 or above:

Philadelphia 20%; Boston 25%; Western Markets 30%.

The minimum wage scale on all classifications in the \$22.00 group above:

Philadelphia	\$18.00
Boston	17.00
West	16.00

The minimum wage scale on all \$18.00 and \$17.00 groups above:

Philadelphia	\$15.00
Boston	14.50
West	14.00

The minimum wage scale on all \$15.00 group above:

Philadelphia	\$15.00
Boston	14.00
West	14.00

For all markets other than those hereinabove defined and until such time as the Code Authority has had ample opportunity to investigate and make recommendations to clearly define proper market areas, such markets shall pay minimum rates of wages equal to those rates paid in the nearest market or area.

All employees not specifically enumerated herein shall receive a minimum wage rate of 35¢ per hour.

Within ten days of the constitution of the Code Authority, it shall initiate investigations and conferences to determine the fairness and accuracy of the foregoing differentials and classifications, and within sixty days thereafter make recommendations to the Administrator with respect to changes or modifications therein,

which upon his approval, after such notice and hearing as he may specify, shall become binding provisions of this Code.

Any agreement between employers and employees made in accordance with the National Industrial Recovery Act, may fix other wages and hours than those set forth in this Code, provided that no such agreement may fix maximum hours in excess of those provided in this Code, or minimum wages lower than those provided in this Code.

None of the provisions of this Article shall be construed or applied in such manner that the minimum wages provided herein become maximum wages, and the duties delegated to the Code Authority shall include a report with respect to the question of whether the minimum wages provided herein are in fact tending to become maximum wages.

MAINTENANCE OF EXISTING RATES

5. In no event shall compensation for any employee above the minimum wage rates herein provided be reduced, notwithstanding that his hours of labor may have been reduced by this Code.

OVERTIME

6. The Code Authority shall make investigations and hold hearings to determine equitable rules for overtime in the various markets and present recommendations to the Administrator, which upon his approval, after such notice and hearing as he may specify, shall become binding provisions of this Code.

HOMEWORK

7. After June 1, 1934, no employer shall have work done in the home of a worker. By May 1, 1934, the Code Authority, after proper investigation and conference shall recommend to the Administrator the wage scale that should be paid to the classes of workers taken into the factories from homework, which upon his approval, after such notice and hearing as he may specify, shall become binding provisions of this Code. Prices for articles done by homeworkers, until June 1, 1934, shall be determined on the basis of a minimum hourly rate of 35¢.

Within one month after the effective date of this Code, every employer shall register with the Code Authority the name and address of each person who performs homework for said employer, directly or indirectly, and no work shall be given by any employer to such person unless said person's name is registered with the Code Authority.

FEMALE EMPLOYEES

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

LEARNERS

9. The problem of apprentices in the Industry shall be studied by the Code Authority and recommendations made to the Adminis-

trator, which, upon his approval, after such notice and hearing as he may specify, shall become binding provisions of this Code.

ARTICLE V—GENERAL LABOR PROVISIONS

CHILD LABOR PROVISION

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.

PROVISIONS FROM THE ACT

2. (a) Employees shall have the right to organize and bargain collectively, through representatives of their own choosing, and shall be free from the interference, restraint, or coercion of employers of labor, or their agents, in the designation of such representatives or in self-organization or in other concerted activities for the purpose of collective bargaining or other mutual aid or protection.

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

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

RECLASSIFICATION OF EMPLOYEES

3. No employer shall reclassify employees or duties or occupations performed for the purpose of defeating the provisions of the Act or of this Code.

STANDARDS FOR SAFETY AND HEALTH

4. Every employer shall provide for the safety and health of his employees at the place and during the hours of their employment. Standards for safety and health shall be submitted by the Code Authority to the Administrator within six (6) months after the effective date of this Code, and when approved by the Administrator, shall become a part of this Code, and be binding upon every member thereof.

STATE LAWS

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

POSTING

6. All employers shall post in conspicuous places accessible to employees, copies of this Code, in whole or in part, as may be provided by the Code Authority.

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

ORGANIZATION

1. A Code Authority is hereby constituted to cooperate with the Administrator in the administration of this Code.

2. The Code Authority shall consist of ten (10) members to be selected by the Industry as hereinafter provided, and of such additional members, not exceeding three (3), without vote, as the Administrator may appoint to represent such groups or interests or such governmental agencies as he may designate.

One of these three may be appointed by the Administrator on recommendation of the Labor Advisory Board to represent Labor.

The industry members shall be selected as follows:

One by the Pleaters, Stitchers, and Embroiderers' Association of Philadelphia, Pennsylvania; one by the Embroidery Manufacturers' Association of Chicago and the Pleaters, Stitchers, and Button Manufacturers' Association of Chicago; one by the United Embroiders, Stitchers, and Allied Trades Association of Cleveland, Ohio; one by the Embroiders Association of Massachusetts, Inc.; three by the National Association of Pleaters, Stitchers, and Embroidery Manufacturers, Inc., of New York; three by the Bonnaz Embroidery Association of New York.

3. Each trade or industrial association directly or indirectly participating in the selection or activities of the Code Authority shall (1) impose no inequitable restrictions on membership, and (2) submit to the Administrator true copies of its articles of association, bylaws, regulations, and any amendments when made thereto, together with such other information as to membership, organization, and activities as the administrator may deem necessary to effectuate the purposes of the Act.

4. In order that the Code Authority shall at all times be truly representative of the industry and in other respects comply with the provisions of the Act, the Administrator may provide such hearings as he may deem proper; and thereafter if he shall find that the Code Authority is not truly representative or does not in other respects comply with the provisions of the Act, may require an appropriate modification in the method of selection of the Code Authority, or any sub-Code Authority.

5. Members of the industry shall be entitled to participate in and share the benefits of the activities of the Code Authority and to participate in the selection of the members thereof 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 review by the Adminis-

trator, on the basis of volume of business and/or such other factors as may be deemed equitable.

6. 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 the Code, except for his own willful misfeasance or nonfeasance.

POWERS AND DUTIES

7. The Code Authority shall have the following powers and duties in addition to those elsewhere provided in this Code, subject to the right of the Administrator, on review, to disapprove any action taken by the Code Authority.

(a) To adopt bylaws and rules and regulations for its procedure and for the administration and enforcement of the Code, in accordance with the powers herein granted, and to submit the same to the Administrator for his approval together with true copies of any amendments or additions when made thereto, minutes of meetings when held, and such other information as to its activities as the Administrator may deem necessary to effect the purposes of the Act.

(b) To obtain from members of the industry for use of the Code Authority, for the Administrator in the administration and enforcement of the Code, and for the information of the President, reports based on periods of one, two, or four weeks, or multiples thereof, as soon as the necessary readjustment within the industry can be made, and to give assistance to members of the industry in improving methods, or in prescribing a uniform system of accounting and reporting. All individual reports shall be kept confidential as to members of the industry and only general summaries thereof may be published.

(c) To receive complaints of violations of this Code, make investigations thereof, provide hearings thereon, and adjust such complaints, and bring to the attention of the Administrator for prosecution, recommendations, and information relative to unadjusted violations; but in no event shall the Code Authority proceed to prosecute without notice to and approval 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 and to pay such trade associations and agencies the cost thereof, provided that nothing herein shall relieve the Code Authority of its duties or responsibilities under this Code and that such trade associations and agencies shall at all times be subject to and comply with the provisions hereof.

(e) To coordinate the administration of this Code with such other codes, if any, as may be related to the industry, or any subdivision thereof, and to delegate to any other administrative authority, with the approval of the Administrator, such powers as will promote joint and harmonious action upon matters of common interest.

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

(g) To recommend to the Administrator regulations governing the use of the N.R.A. Code Insignia and label solely by those employers who are complying with this Code.

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

GENERAL ADMINISTRATIVE PROVISION

8. In addition to the information required to be submitted to the Code Authority as set forth in this Article 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 National Industrial Recovery Act.

9. Any interested party shall have the right of appeal to the Administrator, under such rules and regulations as he may prescribe, in respect to any rule, regulation, or other course of action, issued or taken by the Code Authority.

ARTICLE VII—TRADE PRACTICE RULES

— GENERAL DEFINITION

For all purposes of the Code the acts described in this Article shall constitute unfair practices. Any member of the industry who shall directly, or indirectly through any officer, employee, agent, or representative, knowingly use, employ, or permit to be employed, any of such unfair practices shall be guilty of a violation of the Code.

RULE 1. *Inaccurate Advertising.*—No member of the Industry shall use advertising (whether printed, radio, display, or of any other nature) or other representation which is inaccurate in any material particular or in any way misrepresents any commodity (including 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.

RULE 2. *"Bait" Advertising.*—No member of the industry shall use advertising or selling methods or credit terms which have the capacity or tendency to deceive or mislead the customer or prospective customer.

RULE 3. *False Billing.*—No member of the industry shall withhold from or insert in any quotation or invoice any statement that makes it inaccurate in any material particular.

RULE 4. *Inaccurate Labeling.*—No member of the industry shall brand or mark or pack any commodity in any manner which tends to deceive or mislead purchasers with respect to the brand, grade, quality, quantity, origin, size, material content, or preparation of such commodity.

RULE 5. *Inaccurate References to Competitors, etc.*—No member of the industry shall use advertising or other representation which refers inaccurately in any material particular to any competitors or their commodities, prices, values, credit terms, policies, or services.

RULE 6. *Selling Below Cost.*—No member of the industry shall sell any commodity or service at a price below his own individual cost. In calculating said individual cost, for purposes of this rule, when the employer himself does the work of an employee on production work, his labor shall be taken as that of such employee.

RULE 7. *Threats of Law Suits.*—No member of the industry shall publish or circularize unjustified or unwarranted threats of legal proceedings which tend to or have the effect of harrassing competitors or intimidating their customers.

RULE 8. *Secret Rebates.*—No member of the industry shall secretly offer or make any payment or allowance of a rebate, refund, commission, credit, unearned discount or excess allowance, whether in the form of money or otherwise, for the purpose of influencing a sale, nor shall a member secretly extend to any customer any special service or privilege not openly extended to all customers of the same class.

RULE 9. *Selling on Consignment.*—No member of the industry shall ship commodities on consignment.

RULE 10. *Bribing Employees.*—No member of the industry shall give, permit to be given, or directly offer to give, anything of value for the purpose of influencing or rewarding the action of any employee, agent, or representative of another in relation to the business of the employer of such employee, the principal of such agent or the represented party, without the knowledge of such employer, principal, or party. 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.

RULE 11. *Interference with Another's Contracts.*—No member of the industry shall attempt to induce the breach of an existing contract between a competitor and his employee or customer or source of supply; nor shall any such member interfere with or obstruct the performance of such contractual duties or services. Nothing in this rule shall qualify Section 7 (a) of the National Industrial Recovery Act or obstruct the free exercise of the rights of collective bargaining therein guaranteed.

RULE 12. *Repudiating One's Own Contracts.*—No member of the industry shall repudiate a contract entered into in good faith when the purpose of such repudiation is to create for such member an unfair price advantage.

RULE 13. *Subletting.*—The Code Authority will conduct a study covering unfair competition in the industry arising from the practice known as "subletting" and will make recommendations to the Administrator with view to eliminating such unfair competition.

RULE 14. *Employers Working.*—Not more than one member of the Industry or more than one employer in any shop or factory shall be permitted to work on any machine or at any of the crafts enumerated herein, provided, however, that the Code Authority, subject to the approval of the Administrator, may make exceptions in appropriate cases for the purpose of effecting the Act or this Code.

RULE 15. *Design and Sample Piracy.*—No member shall violate any provisions, as they shall be adopted by the Code Authority, sub-

ject to the approval of the Administrator, governing piracy of samples and designs.

RULE 16. *Violence, Intimidation, or Unlawful Coercion.*—No member of the industry shall commit any of the following unfair practices:

(a) Use of violence to person or property, intimidation, or unlawful coercion, by a member of the industry against a member of the industry.

(b) Threat by a member of the industry to use such violence, intimidation, or unlawful coercion.

(c) Conspiracy among members of the industry, or among members of the trade and others, to use or to threaten to use such violence, intimidation, or unlawful coercion.

(d) Combining or cooperating by a member of the industry with anyone who is using or threatening to use such violence, intimidation, or coercion.

RULE 17. *Discount.*—No member shall allow other than the recognized terms of cash discount which shall be not greater than two percent (2%), ten days from end of month, and net thereafter.

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 National Industrial Recovery Act, from time to time to cancel or modify any order, approval, license, rule, or regulation issued under Title I of said Act and specifically, but without limitation, to the right of the President to cancel or modify his approval of this Code or any conditions imposed by him upon his approval thereof.

2. This Code, except as to provisions required by the Act, may be modified on the basis of experience or changes in circumstances, such modification to be based upon application to the Administrator and such notice and hearing as he shall specify, and to become effective on approval of the Administrator.

ARTICLE IX—MONOPOLIES, ETC.

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

ARTICLE X—PRICE INCREASES

Whereas the policy of the Act to increase real purchasing power will be made more difficult of consummation if prices of goods and services increase as rapidly as wages, it is recognized that price increase 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.

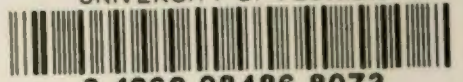
ARTICLE XI—EFFECTIVE DATE

This Code shall become effective on the second Monday after date.

Approved Code. No. 276.

Registry No. 231-1-06.

UNIVERSITY OF FLORIDA



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