

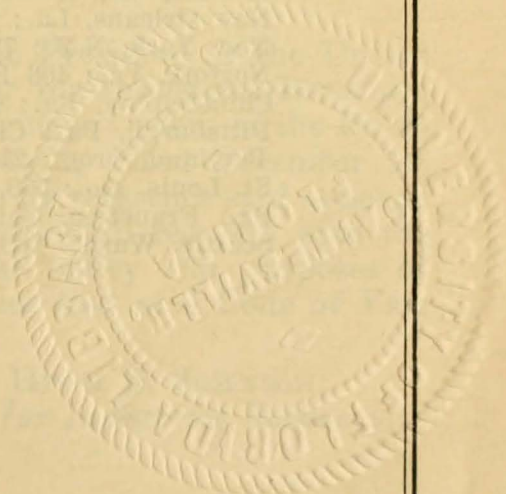
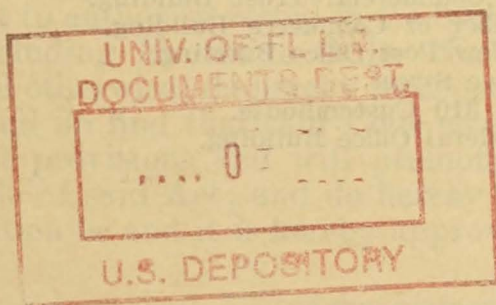
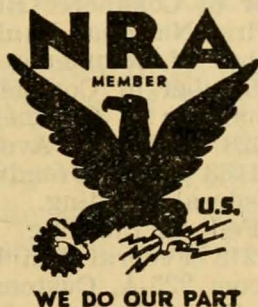
NATIONAL RECOVERY ADMINISTRATION

CODE OF FAIR COMPETITION

FOR THE

WOOL TRADE

AS APPROVED ON JANUARY 16, 1934



UNITED STATES
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Approved Code No. 213

CODE OF FAIR COMPETITION

FOR THE

WOOL TRADE

As Approved on January 16, 1934

ORDER

APPROVING CODE OF FAIR COMPETITION

FOR THE

WOOL TRADE

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 Wool Trade, 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 16, 1934.

The PRESIDENT,
The White House.

SIR: This is the report on the Code of Fair Competition for the Wool Trade submitted by the Boston Wool Trade Association. The hearing was conducted in Washington, D.C., on October 23, 1933. Every person who requested an appearance was freely heard in accordance with statutory and regulatory requirements. The Code was presented by duly qualified and authorized representatives of the trade, representing approximately 73% of the volume of business.

DESCRIPTION OF INDUSTRY

This Code was originally submitted by the Boston Wool Trade Association, a representative body of several years standing in the trade. This Association, however, limited its membership to firms having a place of business in Boston. Because of this restriction on membership, a new association, the National Wool Trade Association was formed which embraces an even higher percent of the trade than did the former association.

The services performed by the Wool Trade are primarily those of merchandising and do not include producing or manufacturing processes. The Wool Trade deals directly with the growers, furnishing them at shearing time with an immediate outlet for their product, and thereafter assuming the financial responsibility of carrying the wool until it passes into the manufacturer's hands. The Wool Trade is concerned with handling, financing, grading, warehousing, and selling of this product from grower to manufacturer. The business is, by nature, seasonal. Its peak occurs at the time of the spring wool clip when the heavy weights of wool from the West cause a high peak of employment of temporary labor.

The Wool Trade is already identified with carrying out the purposes of the Farm Credit Administration and is, in certain instances, subject to regulation by that branch of the Government. Through loans made to wool growers by farm relief and loan agencies, the Farm Credit Administration has become directly or indirectly interested in a substantial proportion of the wool clip of the United States. This wool is being handled on consignment by members of the Wool Trade who have thereby been subjected to regulation not only with respect to the consigned wool which they are handling for the farm relief agencies but also with respect to the manner in which they handle wool which they themselves own or hold on consignment from others.

Although the Wool Trade, as such, conducts no actual manufacturing operations, it deals in wool in processed forms. Thus, it deals in the byproducts of wool manufacturing, such as wool wastes and noils, which constitute the raw stock used by certain woollen manufacturers. It also deals in scoured and carbonized wool, garnetted stock and similar merchandise which are the direct products of processes designed to prepare it for subsequent manufacturing

operations. Although these preparatory processes are not actually conducted by the Wool Trade, they are frequently done for them on commission by manufacturers, the purpose being to convert the commodity into merchantable form. The grading and sorting of wool, processes which involve no machinery but prepare the wool for sale, are functions of the Wool Trade as merchants.

The Wool Trade, as defined in this Code, does not include top makers who, although owning no machinery, buy wool, sort it and cause it to be scoured and combed in proper blends by the commission wool comber. As a group, at their request, they have been treated in this Code as manufacturers rather than merchants.

LABOR PROVISIONS

The Industry proposes to pay a minimum wage of 37½ cents per hour. Hours of labor are limited to 40 hours per week, except for watchmen, outside salesmen, and buyers and managerial workers receiving more than \$35.00 per week. Clerical and office employees may work an average of 40 hours per week during the six months, beginning May 15, but not more than 48 hours in any one week. The code provides that in order to prevent or relieve transportation congestion during the peak of the season, employees engaged in this activity may work in excess of the maximum hours and shall be paid time and one third for overtime.

The Code provides also that employers of not more than five persons located in towns of less than 2,500 population are not included within the minimum wage and maximum hour provisions. This is to accommodate those persons, such as farmers and small store owners, mainly in the wool-growing sections of the West, who buy and sell wool incidentally to other occupations during the shearing season.

ADMINISTRATION

The provisions of the Administration of this Code are capable of providing the N.R.A. and the Wool Trade with sufficient data to recommend any modifications or amendments that may be indicated by experience. It is also provided that fair trade practices shall be submitted within sixty days from the effective date, and that these fair trade practices are to be mutually agreed upon by the members of this trade and the National Association of Wool Manufacturers.

CONCLUSION

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

(c) The Code as approved complies in all respects with the pertinent provisions of said Title of said Act, including without limitation Subsection (a) of Section 3, Subsection (a) of Section 7, and Subsection (b) of Section 10 thereof; and that the applicant association is a trade association truly representative of the aforesaid Trade; and that said association imposes 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 Wool Trade has been approved.

Respectfully,

HUGH S. JOHNSON,
Administrator.

JANUARY 16, 1934.

CODE OF FAIR COMPETITION

FOR THE

WOOL TRADE

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 Wool Trade, and shall be the standard of fair competition for such trade and shall be binding upon every member thereof.

ARTICLE II—DEFINITIONS

1. The term "wool trade" as used herein shall mean the business of buying, selling, or dealing in any of the following commodities: (a) wool, shorn or pulled; (b) new wool waste; (c) noils and all other by-products of wool manufacturing; (d) the products of wool resulting from preparatory processes, which include the products of the processes of grading, sorting, dusting, picking, carding, garnetting, carbonizing, and scouring; it is provided, however, that manufacturers of wool textiles operating under another Code of Fair Competition, who buy direct for their own purposes and not for resale, shall be governed as to such share of their business as is included within the above definition of wool trade by the provisions of such other code and shall be excluded from all the provisions of this Code except such provisions relating to fair trade practices as may subsequently be mutually agreed upon by the National Wool Trade Association and the National Association of Wool Manufacturers and approved by the Administrator.

2. The term "wool" as used herein shall include wool and the hair of the angora goat, cashmere goat, alpaca and like animals.

3. The term "employee" as used herein includes anyone engaged in the trade in any capacity receiving compensation for his services, irrespective of the nature or method of payment of such compensation.

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

5. The term "member of the trade" as used herein includes anyone engaged in the trade as above defined, either as an employer or on his own behalf.

6. The terms "President", "Act", and "Administrator" as used herein shall mean respectively the President of the United States,

Title I of the National Industrial Recovery Act, and the Administrator for Industrial Recovery.

7. Population for the purpose of this Code shall be determined by reference to the 1930 Federal Census.

ARTICLE III—EXEMPTION OF TOWNS UNDER 2,500 POPULATION

1. Employers who do not employ more than five (5) persons and who are located in towns of less than 2,500 population (according to the 1930 Federal Census) which are not in the immediate trade area of a city of larger population shall not be included within the provisions of Articles IV and V of this Code.

2. The "5 persons" refer to any person working in the establishment except a proprietor, provided such person works at least 24 hours per week.

3. A town of less than 2,500 population is deemed to be in the immediate trade area of a larger city in either of the following instances:

(a) If it is in the Metropolitan District of a city over 100,000 population as such Metropolitan Districts are defined in the Federal Census of 1930, or

(b) If its boundaries touch the boundaries of a city or town with a population over 2,500.

ARTICLE IV—HOURS

1. No employee shall be permitted to work in excess of 40 hours in any one week except watchmen, outside salesmen, and buyers, and employees engaged in a managerial or executive capacity who receive more than \$35 per week; provided, however, that clerical and office employees may be permitted to work 40 hours per week averaged over the six months, each year, beginning May 15, but in no event in excess of 48 hours in any one week, and further provided that watchmen shall not work more than 6 days per week.

2. The maximum hours fixed in the foregoing section shall not apply to any employee engaged in emergency work necessary to prevent or relieve transportation congestion, but in any such special case at least one and one third times his normal rate shall be paid for all hours in excess of the maximum prescribed herein. Emergency hours worked shall be reported monthly to the Code Authority.

ARTICLE V—WAGES

1. No employee shall be paid at less than the rate of 37½ cents per hour.

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

3. Wage differentials existing prior to June 16, 1933, shall be maintained for all employees receiving more than the minimum herein prescribed, notwithstanding that the hours worked may be hereby reduced. All employers shall report to the Code Authority within one month after the effective date of this code such readjustment of pay schedules.

ARTICLE VI—GENERAL LABOR PROVISIONS

1. No person under 16 years of age shall be employed in the trade. In any State an 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, and

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

5. Within each State this Code shall not supersede 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 full copies of this code.

ARTICLE VII—ADMINISTRATION

1. To further effectuate the policies of the Act, a Code Authority is hereby set up to cooperate with the Administrator in the administration of this Code. Such Code Authority shall consist of not less than 5 or more than 8 members, 5 of whom shall be representatives of the trade elected by a fair method of selection to be approved by the Administrator, and 3 of whom without vote may be appointed by the Administrator to serve without expense to the trade. Such agency may present to the Administrator recommendations based on conditions in the trade as they may develop which will tend to effectuate the operation of the provisions of this Code and the policies of the Act. Such recommendations, when approved by the Administrator, after such public hearing as he may deem necessary, shall have the same force and effect as any other provisions of this Code.

2. Such Code Authority shall cooperate with the Administrator in making investigations as to the functioning and observance of any provisions of this Code, at its own instance or on complaint by any person affected, and shall report the same to the Administrator.

3. For the purpose of supplying the Administrator with the requisite data as to the observance and effectiveness of this Code, and as to whether the Wool Trade is taking appropriate steps to enable it to adjust its hours of labor and wages in accordance with the de-

clared policy of the Act, each employer shall furnish regular reports as hereinafter provided. The Code Authority is hereby constituted the agency to provide for the collection and receipt of such reports and for the forwarding of the compiled results of such reports to the Administrator, and to provide for the holding of such reports themselves in confidence. Such reports shall be in such form, shall be furnished at such intervals, and shall contain such information relative to the purposes of this Code as shall be prescribed by the Administrator or by the Code Authority with the approval of the Administrator; including particularly information with respect to employment, hours, wages, and wage-rates, and with respect to stocks on hand of wool and of the other commodities specified in Article II, Section 1, hereof.

4. 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.

5. 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.

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 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. Such of the provisions of this Code as are not required to be included therein by the Act may, with the approval of the Administrator, be modified or eliminated in such manner as may be indicated by the needs of the public, by changes in circumstances, or by experience; all the provisions of this Code, unless so modified or eliminated, shall remain in effect until the expiration date of Title I of the Act.

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.

ARTICLE X—FAIR TRADE PRACTICES

Within 60 days after the effective date of this Code, the Code Authority, after consultation with the trade, shall submit to the Ad-

ministrator recommendations for the adoption of fair trade practices, and such recommendations shall, upon the approval by the Administrator, become effective as part of this Code.

ARTICLE XI—EFFECTIVE DATE

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

Approved Code No. 213.

Registry No. 282-01.



