

NATIONAL RECOVERY ADMINISTRATION

PROPOSED
CODE OF FAIR COMPETITION
FOR THE
WOOL TEXTILE INDUSTRY

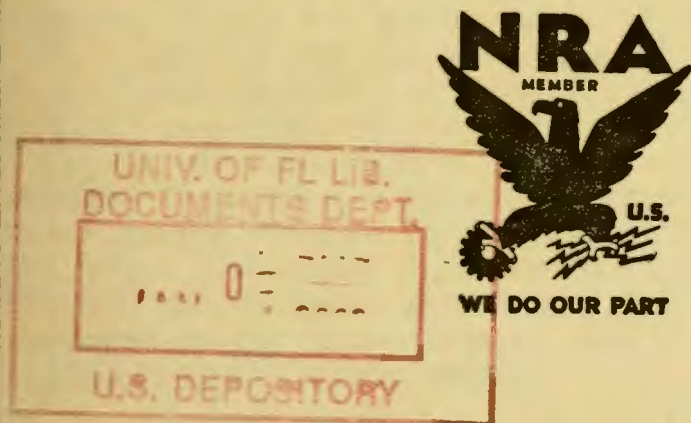
AS SUBMITTED ON JULY 15, 1933

AND

AS APPROVED ON JULY 26, 1933

BY

PRESIDENT ROOSEVELT



1. Executive Order
2. Administrator's Report to the President
3. Text of Code as Approved

UNITED STATES
GOVERNMENT PRINTING OFFICE
WASHINGTON : 1933



JULY 26, 1933.

EXECUTIVE ORDER

A Code of Fair Competition for the Wool Textile Industry, having been heretofore submitted to the National Recovery Administration, hearings having been held thereon, and an Amended Code of Fair Competition having been submitted on July 25, 1933, said original Code and said Amended Code having been submitted by duly qualified and authorized representatives of the Industry complying with the Statutory requirements as representing eighty per cent of the capacity of the Industry, and said Code being in full compliance with all pertinent provisions of the National Industrial Recovery Act, Now Therefore

Pursuant to the authority vested in me by Title I of the National Industrial Recovery Act, approved June 16, 1933, on the report and recommendation of the Administrator appointed by me under the authority of said Act, and on consideration:

It is ordered that the said Code of Fair Competition for the Wool Textile Industry, as amended and submitted on July 25, 1933, is hereby approved, subject to the following condition:

(1) To effectuate further the policies of the Act, a Wool Textile Industry Committee be created to cooperate with the Administrator as a Planning and Fair Practice agency for the Wool Textile Industry, which Committee shall consist of five representatives of the Wool Textile Industry elected by a fair method of selection, to be approved by the Administrator, and three members without vote appointed by the Administrator.

FRANKLIN D. ROOSEVELT.

Approval Recommended:
HUGH S. JOHNSON.

(III)

NATIONAL RECOVERY ADMINISTRATION

To the President:

INTRODUCTION

This is a report of the hearing on the Code of Fair Practice for the Wool Textile Industry in the United States, conducted in Washington on July 24th and 25th, 1933, in accordance with the provisions of the National Industrial Recovery Act.

The following exhibits are included and attached:

1. Final code submitted.
2. Notice of hearing.
3. Bylaws of the National Association of Wool Manufacturers.
4. Notice of hearing sent by National Association of Wool Manufacturers to its membership together with lists of membership.
5. Statement of procedure.
6. Transcript of the records.
7. List of witnesses.

In the conduct of the hearing every person who had filed a request for an appearance was freely heard in public and all statutory and regulatory requirements were complied with.

The code which is attached was presented by duly qualified and authorized representatives of the industry, and complies with the statutory requirements, as representing fully eighty percent of the wool textile machinery, including both looms and spindles.

ECONOMIC AND STATISTICAL ANALYSIS

The first significant factor to consider in connection with the wool textile industry is the fact that since 1923 the gross volume of the industry has been constantly declining, measured both by the per capita consumption of woven goods and the total machinery activity of the industry. In 1923 the per capita consumption of all worsted and woolen woven goods was 7.26 square yards. In 1929 the per capita consumption was 5.41 square yards. Per capita consumption of dress goods for women's wear declined from 3.08 square yards in 1909 to .58 in 1929, an 81 percent decline. In 1923 the average broad loom hours per week were 2,560,000; by 1932 the broad loom hours had consistently fallen to an average of 1,170,000 hours per week.

Due to this constant decline, resulting from the inroads of competing textile fabrics and changes in living habits and styles, the wool textile industry has had extreme difficulty in readjusting its affairs in an orderly manner. Therefore, this code is predicated upon the assumption that the average activity of this constant period of decline 1923-32 is a reasonable and adequate level of activity to be attained and maintained. The average activity of the 1923-32

period corresponds very closely with the activity of the industry in the year 1929.

A characteristic of the wool textile industry requiring special consideration is the rather wide diversification in the various branches of the industry.

This has been recognized by the National Association of Wool Manufacturers in the groupings provided for in its by laws. Because of the limited availability of complete and reliable statistics in reference to these individual branches of the industry, it is necessary for the purposes of formulating this code to use figures which had application to the industry as a whole. It is inevitable, therefore, that particular branches of the industry may be affected differently by the application of a code built upon total figures of the industry, but under the circumstances it is felt that the code as formulated should be immediately adopted, and actual facts obtained through the analysis of the statistics and reports provided for in the code should become the basis in the future for any revisions required to provide properly for the specific needs of subdivisions of the industry.

MINIMUM WAGES AND HOURS OF LABOR

The Wool Textile Industry Code provides a minimum wage of \$14 in the North and \$13 in the South for a 40-hour week. *It is significant that in this code no exceptions from the minimum wage are made for learners or any other class of workers.*

According to a survey made by the sponsors of this code, covering a very substantial cross-section of the entire industry, it is estimated that 43% of the total workers employed in the industry are now receiving less than \$14 per week, the minimum proposed by this code. The average weekly wage of this entire group now receiving less than \$14 per week is \$12.40 per week. Raising this group to the minimum of \$14 a week will provide an additional *weekly* total payroll for the industry of approximately \$100,000.

By reason of shortening hours, as provided by this Code, approximately 27,000 workers will be added to wool textile mills pay rolls to operate the industry on the basis of the 1929 level of activity. The addition of these 27,000 workers even at a minimum of \$14 per week would add an additional \$378,000 weekly pay roll. Adding this figure of \$378,000 and the \$100,000 accounted for above will mean the addition of approximately \$478,000 per week to the pay roll of the industry, or \$23,900,000 annually on a basis of full-time earnings, in addition to the amount added by reason of raising the wages of the 57% of the wage earners in the industry now earning \$14 or more per week on a full-time week basis.

While no similar cross-section study of wages for the industry is available for 1929, the United States Bureau of Labor Statistics in its study of wages and hours in the woolen and worsted textile industry published June 1929, indicated that female doffers, one of the lowest paid classifications of the industry, were paid on an average of 28.4 cents per hour in the year 1928, which rate may be considered comparable to the 35-cent-an-hour minimum provided in this code.

In 1929 there were approximately 147,000 wage earners employed in the wool textile industry. The application of the 40-hour week

proposed by this code would require the total employment of approximately 173,000 workers to produce the 1929 volume, or approximately 18% more than the number employed on the average in the year 1929.

The sponsors of the code have made the following recommendations:

"The amendment to Section III prohibits the improper speeding up of work (stretch-outs) beyond the present prevailing practices. In adopting this provision, we wish emphatically to record our belief that improvements in industrial methods, if applied scientifically, have always resulted in benefits both to labor and the public. These benefits must be preserved. On the other hand, the unscientific application of this principle—the so-called stretch-out system—may have been detrimental to labor. In order to prevent abuses, without hampering progress, we hereby request the Administrator to appoint a committee to study this problem in order to insure a practical definition of improper speeding up of work, and to avoid its harmful results."

When the labor representatives clearly understood that the minimum wage proposed in the code applied without qualification or exception, to learners, apprentices and casual labor alike, they at once concurred in the provisions of the code.

MACHINERY-HOUR LIMITATION

The Code provides for limitation of the hours of machinery operation as a measure designed to stabilize employment and production. In arriving at a basis for machinery-hour limitation the sponsors of the code first gave consideration to the number of looms and spindles available for economical and effective use. The average demand for the 10-year period from 1923 to 1932 was computed in terms of machine-hours required. After making allowances for plant efficiency, balance of preparatory machinery, and especially for normal seasonal variations, it was estimated that if every mill in the industry operated two shifts constantly approximately 69 plant-hours would be required per week to produce at the average 10-year (1923-32) rate of consumption.

The 2 shifts of 40 machine-hours are required to maintain a 69-hour machine-hour schedule, as only 80% of the looms in either a Woolen or a Worsted Mill are available for operation at any one time.

The provision in the Code regulating machinery hours was the only point at issue upon which a minority of the industry took exception. This minority withdrew its objection in favor of the majority. *It was a fine exhibition of sportsmanship and unselfishness.* A thorough analysis of this particular problem will be undertaken immediately to obtain the actual facts by accurate statistical study and research.

In this connection it is recommended that the Administrator appoint a committee of five, consisting of one of recognized experience with technical knowledge from a textile educational institution, one to represent the Administrator, one to represent the Bureau

of Census, one of recognized ability in the field of economic and statistical research, and one of recognized ability in the wool textile industry, but who has no direct personal interest in the industry.

* * * * *

This hearing which has brought together one of the oldest and most highly competitive industries in the United States, might well serve as a fitting example of the broad, liberal give-and-take attitude which the National Industrial Recovery Act and the clarifying statements which have been broadcast from Washington have created in the minds of American Industrialists.

Respectfully submitted.

HUGH S. JOHNSON, *Administrator.*

APPLICATION FOR APPROVAL OF CODE

NATIONAL ASSOCIATION OF WOOL MANUFACTURERS,
229 FOURTH AVENUE, ROOM 302,
New York City, July 14, 1933.

Telephone Algonquin 4-6434.

General HUGH S. JOHNSON,
Administrator under the National Industrial Recovery Act,
Washington, D.C.

DEAR SIR: By this application for approval of a preliminary code submitted herewith dealing chiefly with matters of employment as you have suggested, the wool textile industry, through this Association, offers its whole-hearted support toward the accomplishment of the objectives of the National Industrial Recovery Act.

The code provides for a shorter work week for employees, which will increase the total number of employees; for higher minimum wages for the shorter week than those now generally prevailing for a longer week; for a limitation of the hours of operation of productive machinery, with a view to the adjustment of output to demand and to the stabilization of employment; and for the elimination of any employment of minors below the age of sixteen. We understand that these objectives are the first and immediate concern of the administration and we desire to cooperate in their attainment in our industry.

The cost of the products of the industry will be materially increased by the larger wage cost per unit of product resulting from the establishment of this code. We realize, however, that our action in becoming subject to the code is part of the large program of the administration looking toward the prompt increase of purchasing power and the general improvement of economic conditions. We stand ready to go forward in this industry with the initial step toward the success of this vital effort.

We have endeavored to gather together all available data bearing upon the subjects which we have dealt with in the code. Existing data concerning present and past operations and such additional facts as could be secured without unduly delaying the submission of this code are not sufficient to allow intelligent dealing with long range economic planning for this industry. To this end we have provided in the code for a broad program of factual information as the future basis for suggesting modifications of or supplements to this code.

We must direct attention to the fact that the economic welfare of the employees in this field has been dependent in considerable measure upon the tariff on foreign importations. If the facts show that the increased cost of manufacture resulting from this code requires proceedings under the section of the Act providing for protection from

undue importations of competing foreign products, we expect that the necessary official action will be taken in order to preserve security of employment and to maintain the industry.

Believing that our employees and customers on their part will loyally cooperate, we submit this code confident that the President, with the recommendation of yourself and your associates under the Act, will hereafter approve such modifications thereof covering wages, hours of labor, or of machinery, and such supplements to this code covering fair trade practices or other subjects as will be necessary to enable this industry successfully to adjust production to changing demands, to stabilize employment, and to serve its customers and the public.

Respectfully submitted.

THE NATIONAL ASSOCIATION OF WOOL MANUFACTURERS.

By following directors:

Harold S. Edwards, Walter Humphreys, Lewis A. Hird, William H. Folwell, Abbot Stevens, Frederic W. Tipper, H. M. Ashby, A. E. Bonin, Marland C. Hobbs, Frank D. Levering, Albert C. Bowman, Rowe B. Metcalf, Percy Ainsworth, Louis Bachmann, F. C. Dumaïne, Jr., Curt E. Forstmann, Norman J. Fox, Franklin W. Hobbs, Richard Lennihan, Allen R. Mitchell, Jr., Addison L. Green, Millard D. Brown, Arthur S. Harding, Fred Wolstenholme, J. L. Hutcheson, Jr., Charles F. H. Johnson, R. A. Julia, Austin T. Levy, William B. MacColl, J. L. Meader, Lionel J. Noah, W. S. Nutter, Moses Pendleton.

[SEAL]

By HAROLD S. EDWARDS, *President*.

SUBMISSION OF AMENDMENTS TO CODE

NATIONAL ASSOCIATION OF WOOL MANUFACTURERS

229 FOURTH AVENUE, NEW YORK CITY

WASHINGTON, D.C., *July 25, 1933.*

GENERAL HUGH S. JOHNSON,
Administrator under National Industrial Recovery Act,
Washington, D.C.

DEAR SIR: We submit herewith a copy of three resolutions adopted by the Board of Directors of the National Association of Wool Manufacturers at a meeting held in this city on July 24, 1933. These resolutions make amendments to the Code as presented to the Administrator on July 15, 1933, pursuant to authority granted to the Board of Directors by the Association in a resolution adopted by the Association on July 14, 1933.

These amendments are made pursuant to suggestions made by you, and we desire to make some comments thereon.

The amendment to Section II guarantees, in the higher brackets, at least the same weekly wages for the shorter week as were previously paid for the longer week. It omits any provision regarding the preservation of existing differentials between employees in the higher brackets. The National Association of Wool Manufacturers plans a careful investigation of the wage problem, with a view to obtaining greater uniformity in wage rates throughout the industry. We believe that a rigid limitation on the changing of existing differentials, if written into the code, would unduly hamper such a program without adding to the practical effect of the code.

The amendment to Section III prohibits the improper speeding up of work (stretch-outs) beyond present prevailing practices. In adopting this provision, we wish emphatically to record our belief that improvements in industrial methods, if applied scientifically, have always resulted in benefits both to labor and to the public. These benefits must be preserved. On the other hand, the unscientific application of this principle—the so-called stretch-out system—may have been detrimental to labor. In order to prevent abuses, without hampering progress, we hereby request the Administrator to appoint a committee to study this problem in order to insure a practical definition of improper speeding up of work, and to avoid its harmful results.

Respectfully submitted.

NATIONAL ASSOCIATION OF WOOL MANUFACTURERS,
By HAROLD S. EDWARDS, *President.*

CODE OF FAIR COMPETITION FOR THE WOOL TEXTILE INDUSTRY

SUBMITTED BY NATIONAL ASSOCIATION OF WOOL MANUFACTURERS ON JULY 15, 1933, AS AMENDED BY RESOLUTIONS OF THE BOARD OF DIRECTORS OF THE ASSOCIATION ON JULY 24, 1933

To effectuate the policy of Title I of the National Industry Recovery Act, during the period of the emergency, by reducing unemployment, improving the standards of labor, eliminating practices inimical to the interests of the public, employees, and employers, and otherwise to improve the condition of the wool manufacturing industry, to increase the consumption of industrial and agricultural products by increasing purchasing power, and in other respects, the following provisions are established as a code of fair competition for the wool textile industry:

I—DEFINITIONS

As used herein the term "wool textile industry" shall include the following branches: Manufacture of worsted men's wear, worsted women's wear, carded men's wear, carded women's wear, blankets, cotton warp fabrics, reworked wool, knitted woolen goods, worsted sales yarn (Bradford System), worsted sales yarn (French System), carded sales yarn, and combing, wool scouring and carbonizing, and such other related branches as may from time to time be included under the provisions of this code.

The term "employers" shall mean all persons who employ labor in the conduct of any branch of the wool textile industry, as defined above.

The term "employees" shall mean all persons employed in the conduct of any branch of the wool textile industry, as defined above.

The term "effective date" shall mean August 14, 1933, or, if this code shall not have been approved by the President at least two weeks prior to that date, then the second Monday after such approval.

The term "person" shall mean any individual, partnership, association, trust, or corporation.

II—MINIMUM WAGE

On and after the effective date, the wages that shall be paid by any employer to any employee, employed North of the Mason and Dixon Line, shall be at not less than the rate of 35¢ an hour, or of \$14 per week for forty hours of labor.

On and after the effective date, the wages that shall be paid by any employer to any employee, employed South of the Mason and Dixon Line, shall be at not less than the rate of 32½¢ an hour, or of \$13 per week for forty hours of labor.

As to wages of employees now receiving not less than the minimum wage established by this code, no employer shall, on or after the effective date, pay any such employee a wage rate which will yield a less wage for a work week of forty hours than such employee was receiving for the same class of work for the established longer week of forty-eight hours or more prevailing prior to the effective date.

III—HOURS OF LABOR

On and after the effective date no employer shall employ any employee in excess of forty hours per week, this, however, not to apply to hours of labor for repairshop crews, engineers, electricians, firemen, office, sales, and supervisory staff, shipping, watching, and outside crews.

Until adoption of further provisions of this code that may prove necessary to prevent any improper speeding up of work (stretch-outs), no employee of any mill in the wool textile industry shall be required to do any work in excess of the practices as to the class of work of such employee prevailing on July 1, 1933, unless such increase is submitted to and approved by the Administrator.

IV—HOURS OF OPERATION OF MACHINERY

On and after the effective date, no employer shall operate any comb or any spinning spindle or any loom or any knitting machine for more than two shifts of forty hours each per week.

V—EMPLOYMENT OF MINORS

On and after the effective date, employers shall not employ any minor under the age of sixteen years.

VI—REPORTS

For the purpose of supplying the President and the Administrator with requisite data as to the observance and effectiveness of this code, and as to whether the wool textile industry is taking appropriate steps to enable it intelligently to adjust its hours of labor, wages, and productive capacity to changing demands of consumers, industrial trends, and other conditions in accordance with the declared policy of the National Industrial Recovery Act, each employer shall furnish regular reports as hereinafter provided. The National Association of Wool Manufacturers, 229 Fourth Avenue, New York City, is hereby constituted the agency to provide for the collection and receipt of such reports and for the forwarding of the substance of such reports to the President, the Association to provide for receiving and holding such reports themselves in confidence. Such reports shall be in such form, and shall be furnished at such intervals, as shall be prescribed by the Association, and shall contain such information relevant to the purposes of this code, as shall be prescribed by the Association from time to time, including information with respect to the following or related subjects:

1. Employment, hours, wages, and wage rates.

2. Production, orders, billings, and stocks (in process and finished) of products manufactured.
3. Financial and cost data.
4. Activity, purchases, sales, and scrapping of machinery.
5. Consumption and stocks of raw materials.

VII—PRIOR CONTRACTS

It is hereby declared to be the policy of this code that where the costs of executing contracts for wool or worsted yarns or textiles, entered into prior to the effective date of this code, are increased as a result of the operation of provisions of this code, appropriate adjustments of such contracts should be made so as to reflect such increased costs, and, further, that where the performance of orders for wool or worsted yarns or textiles, accepted prior to the effective date of this code, is delayed or prolonged as a result of the operation of provisions of this code, appropriate additional time should be allowed for the completion of such orders. The National Association of Wool Manufacturers is hereby constituted an agency to assist in effecting such adjustments, where such adjustments are not agreed upon by the parties.

VIII—PROVISIONS FROM RECOVERY ACT

Employers shall comply with the requirements of the National Industrial Recovery Act as follows:

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

2. That no employee and no one seeking employment shall be required as a condition of employment to join any company union or to refrain from joining, organizing, or assisting a labor organization of his own choosing; and

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

IX—CANCELLATION OR MODIFICATION

This code and all the provisions thereof are expressly made subject to the right of the President, in accordance with Sec. 10 (b) of Title I 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.

X—CHANGES AND ADDITIONS

Such of the provisions of this code as are not required to be included therein by the National Industrial Recovery Act may, with the approval of the President, 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 National Industrial Recovery Act.

In order to enable the industry to conduct its operations subject to the provisions of this code, to establish fair trade practices within the industry and with those dealing with the industry, and otherwise to effectuate the purposes of Title I of the National Industrial Recovery Act, supplementary provisions of this code or additional codes may be submitted from time to time for the approval of the President.

XI—PARTIAL INVALIDITY

If any provision of this code is declared invalid or unenforceable, the remaining provisions thereof shall nevertheless continue in full force and effect in the same manner as if they had been separately presented for approval and approved by the President.

I, WALTER HUMPHREYS, Secretary of the National Association of Wool Manufacturers, do hereby certify that the foregoing is a true copy of the Code of Fair Competition for the wool textile industry submitted to the Administrator under the National Industrial Recovery Act on July 15, 1933, as amended by vote of the Board of Directors of the said Association at a meeting held at the Hotel Washington, Washington, D.C., on July 24, 1933.

Dated July 25, 1933.

[SEAL]

WALTER HUMPHREYS,
Secretary.

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