

NATIONAL RECOVERY ADMINISTRATION

**AMENDMENTS TO
CODE OF FAIR COMPETITION**

FOR THE

**LACE MANUFACTURING
INDUSTRY**

AS APPROVED ON DECEMBER 23, 1933

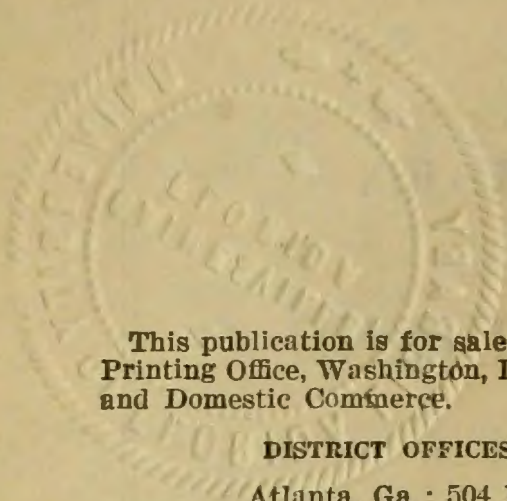
BY

PRESIDENT ROOSEVELT



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Approved Code No. 6—Amendment No. 1

AMENDMENTS TO CODE OF FAIR COMPETITION

FOR THE

LACE MANUFACTURING INDUSTRY

As Approved on December 23, 1933

BY

PRESIDENT ROOSEVELT

Executive Order

An application having been duly made by the Lace Manufacturing Industry Committee under date of September 27, 1933, pursuant to and in full compliance with the provisions of Title I of the National Industrial Recovery Act, approved June 16, 1933, and pursuant to Articles V and XI of the Code of Fair Competition for the Lace Manufacturing Industry approved by me in my Executive Order of August 14, 1933, for my approval of amendments to said Code proposed in said application, and full hearings having been held thereon and the Administrator, under date of December 9, 1933, having rendered his report containing an analysis of said amendments, together with his recommendations and findings with respect thereto, and the Administrator having found, as set forth in said report, that the said amendments comply in all respects with the pertinent provisions of Title I of said Act and that the requirements of Clause 2 of subsection (a) of Section 3 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 said amendments to the Code of Fair Competition for the Lace Manufacturing Industry be, and they hereby are, approved and made a part of said Code.

FRANKLIN D. ROOSEVELT.

Approval recommended:

HUGH S. JOHNSON,
Administrator.

THE WHITE HOUSE,
December 23, 1933.

DECEMBER 9, 1933.

The PRESIDENT,
The White House.

SIR: This is a report on a hearing of the modification of the Code of Fair Competition for the Lace Manufacturing Industry held in Washington, D.C., on October 18, 1933, submitted by the Lace Manufacturing Industry Committee in accordance with Article V of said Code approved by you in your Executive Order of August 14, 1933. Application was made to this office under date of September 27, 1933, by the Lace Manufacturing Industry Committee, the Planning and Fair Practice Agency for the administration of the Code of Fair Competition for the Lace Manufacturing Industry, for modification of Article V and the elimination of Article VII, and the addition of Articles XII, XIII, and XIV. Article V provides that the Planning and Fair Practice Agency may submit recommendations to the Administrator for changes in, or additions to, the Code from time to time if the necessity therefor becomes apparent. Operation of the Code developed that a more comprehensive regulation was needed for the stabilization of the sales practices of the Industry.

These provisions do not in any way affect the Wage and Hour provisions of the Code or the number of workers employed.

The Administrator finds that:

(a) The code as amended complies in all respects with the pertinent provisions of Title 1 of the National Industrial Recovery Act, including, without limitation, subsection (a) of Section 7, and subsection (b) of Section 10 thereof.

(b) The applicant group imposes no inequitable restrictions on admission to membership therein, and is truly representative of their Industry.

(c) The provisions of the Code as amended are not designed to promote monopolies or to eliminate or oppress small enterprises and will not operate to discriminate against them, and will tend to effectuate the policy of Clauses one and two of the National Industrial Recovery Act.

It is recommended, therefore, that the modifications to this Code be adopted immediately.

Respectfully submitted.

HUGH S. JOHNSON,
Administrator.

AMENDMENTS TO THE CODE OF FAIR COMPETITION
FOR THE
LACE MANUFACTURING INDUSTRY

The first sentence of *Article V* shall be modified to read as follows:

“To effectuate further the policies of the Act, a Lace Manufacturing Industry Committee is hereby created to cooperate with the Administrator as a Planning and Fair Practice Agency for the Lace Manufacturing Industry, which Committee shall consist of five representatives of the Lace Manufacturing Industry elected by a fair method of selection, to be approved by the Administrator, and three members without vote appointed by the Administrator.”

and *Article VII* shall therefore be eliminated.

There shall be added at the end of said Code the following Article:

XII

“1. Every person engaged in the Industry shall furnish the Code Authority within ten (10) days after the effective date of this Article a certificate listing and registering all his productive machinery, with sufficient information and description to make possible the positive identification of such machinery at all times.

“2. Prior to the installation of additional productive machinery by persons engaged or engaging in the Industry, except for the replacement of a similar number of existing machines or parts of productive machinery to be used for replacement or maintenance of existing machinery, such persons shall make application to the Administrator and secure a certificate from the Administrator that such installation will be consistent with effectuating the policy of the National Industrial Recovery Act.”

There shall be added to said Code the following Article:

XIII

“1. No person engaged in the Industry shall sell or offer for sale any product of the Industry at a price below his cost of production. It is provided, however, that any person may sell any product of the Industry at a price as low as the price set by any competitor on products which are identical or essentially the same, to meet the price competition of a lower cost producer. Any person who reduces his price to meet a competitor's price shall not be

deemed to have violated the provisions of this Article if such person immediately notifies the Code Authority of his action and all facts pertinent thereto.

“It is further provided that the provisions of the foregoing paragraph shall not apply to the sale of discontinued patterns which the Code Authority, with the approval of the Administrator, may authorize.

“The foregoing provisions of this Article shall not become effective until the Code Authority, with the approval of the Administrator, shall have established and published a standard cost-finding system for the Industry.

“2. Persons engaged in the Industry shall sell the products of the Industry only in compliance with the following terms: either 8 percent, ten days, end of month, or 6 percent, ten days, 60 days extra, with no additional dating. It is provided, however, that where payment is made on the basis of 8 percent, ten days, end of month, it shall be permissible to grant dating as of the first of the following month on shipments made on and after the 25th of the month. Anticipation of payment may be allowed at the rate of not more than 6 percent per annum. Selling terms shall be either f.o.b New York or f.o.b. mill, deliveries to be free of charge to common carriers and to customers located in the city where the mill is located, and optionally to customers located within corporate limits of the City of Greater New York. Provided, however, that the foregoing section shall not apply to government contracts.

“3. Secret discounts, extra dating, rebates, gratuities, acceptance of payment for invoices below original amount, credit allowances for purpose of reducing the price, shipping goods on consignment, or any other arrangement the effect of which will amount to a secret discount or rebate, is prohibited. This paragraph shall not apply to sample pieces shipped on memorandum, provided such shipments do not exceed one piece of any one pattern in one color for a period of not more than two weeks.

“4. Every person engaged in the Industry shall file with the Code Authority certified lists of prices and discounts, and also all subsequent revisions of such prices and discounts, and such lists and revisions shall be forwarded immediately to all manufacturers. A new price or revision of any price shall be given to the Code Authority ten (10) days prior to the date upon which such price or revision shall become effective, provided, however, that where any person files a new price or revision of a price any of his competitors may also file a corresponding new or revised price to become effective upon the same date.

“No person engaged in the Industry shall sell or contract to sell any product of the Industry at less than his published list price less published discounts as filed with the Code Authority.

“5. Misrepresentation as to weight, quantity, size, quality, or grade of any product offered for sale shall be an unfair trade practice.

“6. It shall be an unfair trade practice for any person engaged in the Industry to make a colorable imitation of an original design of any other such person. The question of what constitutes a colorable imitation of an original design shall be determined by majority vote of a Board of seven appointed by the Code Authority and com-

posed of persons engaged in the Industry or their representatives, subject to appeal to the Administrator. Where a question of design originality arises which involves a member of the Board, the Code Authority shall relieve such member of his duties during settlement of such question, replacing him with appointment, pro tempore, of another person engaged in the Industry or his representative.

“7. The sale or offer for sale of veils or veilings which are unfinished or in the raw shall be an unfair trade practice.”

There shall be added to said Code the following Article:

XIV

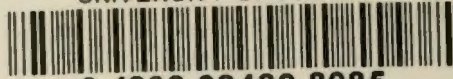
“In order to prevent the manufacture of merchandise unsatisfactory to the consumer, the Code Authority, subject to the approval of the Administrator, may from time to time establish standards of minimum qualities for laces of particular technical descriptions. After reasonable notice has been given no laces shall be made of inferior quality to these minimum standards; provided, however, that the standards so established shall be approved by the majority of the Industry.”

Approved Code No. 6—Amendment No. 1.

Registry No. 244-01.



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