

NATIONAL RECOVERY ADMINISTRATION

CODE OF FAIR COMPETITION

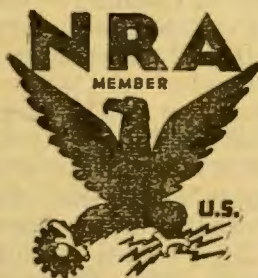
FOR THE

KNITTING, BRAIDING
AND WIRE COVERING MACHINE
INDUSTRY

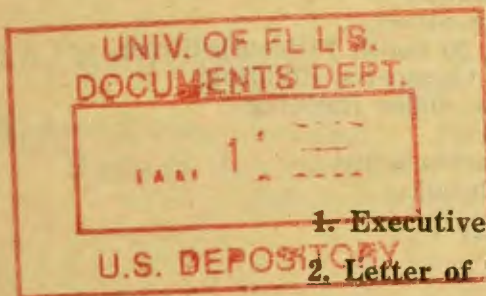
AS APPROVED ON OCTOBER 3, 1933

BY

PRESIDENT ROOSEVELT



WE DO OUR PART



- 1. Executive Order
- 2. Letter of Transmittal
- 3. Code

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EXECUTIVE ORDER

CODE OF FAIR COMPETITION FOR THE KNITTING, BRAIDING, AND WIRE COVERING MACHINE INDUSTRIES

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 Knitting, Braiding, and Wire Covering Machine Industries, 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 respects 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 approve the report and recommendations and adopt the findings of the Administrator and do order that the said Code of Fair Competition be and it is hereby approved.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE,
September 1933.

Approval recommended:

HUGH S. JOHNSON,
Administrator.

(III)

SEPTEMBER 20, 1933.

The PRESIDENT, THE WHITE HOUSE.

MY DEAR MR. PRESIDENT: I have the honor to submit and recommend for your approval, the Code of Fair Competition for the Knitting, Braiding, and Wire Covering Machine Industries.

The following exhibits are included or attached:

- (1) Final Code Submitted
- (2) Notice of Hearing
- (3) Statement of Procedure
- (4) Transcript of the Records
- (5) Statistical Analysis of the Division of Economic Research and Planning
- (6) Report of Deputy Administrator

An analysis of the provisions of the Code has been made by the Administration. I find that the Code complies with the requirements of Clauses 1 and 2, Subsection (a) of Section 3 of the National Industrial Recovery Act.

I am, my dear Mr. President,
Very sincerely yours,

HUGH S. JOHNSON,
Administrator.

JOINT CODE OF FAIR COMPETITION FOR THE KNITTING, BRAIDING, AND WIRE COVERING MACHINE INDUSTRY

AS SUBMITTED BY KNITTING MACHINE MANUFACTURERS' ASSO-
CIATION AND THE BRAIDING AND WIRE COVERING MACHINE
ASSOCIATION

ARTICLE I—PURPOSE

To effectuate the policy of Title I of the National Industrial Recovery Act, during the period of the emergency, by reducing and relieving unemployment, improving the standards of labor, eliminating competitive practices destructive of the interests of the public, employees and employers and otherwise rehabilitating the Knitting, Braiding, and Wire Covering Machine Industries, the following provisions are established as a Code of Fair Competition for these Industries:

ARTICLE II—DEFINITION

The term "Knitting Machine Industry", as used herein, is defined to mean manufacturers of knitting machines and parts used in these machines.

The term "Braiding and Wire Covering Machine Industry", as used herein, is defined to mean manufacturers of braiding machines, wire covering machines, and parts used in these machines.

The term "Industries", as used herein, means both the "Knitting Machine Industry" and "Braiding and Wire Covering Machine Industry", as defined above.

The term "employee", as used herein, includes any person engaged in any phase of the Industry, in any capacity, in the nature of employee irrespective of the method of payment of his compensation.

The term "employer", as used herein, includes anyone for whose benefit such employee is so engaged.

The term "effective date", as used herein, is defined as ten days after this Code shall have been approved by the President of the United States.

The term "administrator", as used in this Code, means the Administrator appointed by the President to Administer Title I of the National Industrial Recovery Act.

ARTICLE III—PARTICIPATION

Any employer may participate in the endeavors of the Knitting Machine Manufacturers' Association and/or the Braiding and Wire Covering Machine Association relative to the revisions of or additions to this Code by accepting the proper pro rata share of the

cost and responsibility of creating and administering it, either by becoming a member of one of the said associations or by paying to it an amount equal to the pro rata share of such member of the costs incident thereto. There shall be no inequitable restrictions placed upon admission to membership of either of the Associations referred to in this Code.

ARTICLE IV—ADMINISTRATION

To effectuate the policies of this Act a Committee is hereby designated to cooperate with the Administrator as a Planning and Fair Practice Agency for the Industries. This Committee shall consist of three members from each of the Associations referred to in this Code, selected by a fair method of selection and the seventh member of the Committee is to be designated by each of the two Associations in joint agreement. The President may also appoint three members of this Agency to serve without the power of voting. Such Agency shall collect necessary and pertinent information relative to the operation of this Code and shall from time to time present to the Administrator recommendations based on conditions in the Industry as they may develop which will tend to effectuate the operation of the provisions of this Code and the policy of the National Industrial Recovery Act. All action taken by this Agency shall be subject to the approval of the President and/or the Administrator.

ARTICLE V—LABOR REGULATIONS

(a) Employers in these Industries shall comply with the following requirements of Section 7 (a) of Title I of the National Industrial Recovery Act:

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.

(b) On and after the effective date the minimum wage that shall be paid by employers in the Industry to accounting, clerical, and office employees shall be at the rate of not less than \$14.00 per week, and to all other employees (except learners during their initial 90 days, and apprentices, not to total more than 5 percent of the average yearly number of employees) shall be at the rate of not less than 40 cents per hour regardless of whether the employee's compensation is otherwise based on a time rate or upon a piecework performance; provided, however, that where a State law provides a higher minimum wage, no person employed within that State shall be paid a

wage below that required by such State law, and, provided further, that in no case shall the compensation of any employees expressly excepted in this Section (b) be less than 80 percent of the minimum rates of pay herein established.

(c) On and after the effective date, employers in the Industry shall not operate on a schedule of hours of labor for their employees (except executives, supervisory staff, and outside salesmen) in excess of 40 hours per week; provided, however, that during an emergency or any period in which a concentrated demand upon any division of the Industry shall place an unusual and temporary burden for production upon its facilities, an employee of such division may be permitted to work not more than 48 hours per week in not more than 8 weeks of any six months' period; provided, further, that the total hours of work shall not average more than 40 hours per week in any six months' period. Where in any case an employee is worked in excess of 8 hours per day, time and one half shall be paid for the excess hours so worked.

(d) There shall be an equitable adjustment of wages above the minimums herein prescribed, to the end that so far as may be equitable the differentials which now exist between the wage rates paid to skilled workers and those paid for unskilled labor shall be preserved.

ARTICLE VI—CHILD LABOR

On and after the effective date of this Code, employers in either or both of these Industries shall not employ any minor under 16 years of age; provided, however, that where a State law specifies a higher minimum age, no person below the age so specified by such law shall be employed within the State, and, provided further, that no minor under 18 years of age shall be employed on hazardous metal-working machinery.

ARTICLE VII—UNFAIR METHODS OF COMPETITION

For all purposes of this Code, the acts described below shall constitute unfair methods of competition.

(a) To sell any product(s) or service(s) below the manufacturer's reasonable cost of such product(s) or service(s).

1. For this purpose cost is defined as the cost of direct labor plus the cost of materials, plus an adequate amount of overhead including an amount for the use of any plant facilities employed as determined by cost accounting methods recognized in their respective industries and approved by the committee constituted for the enforcement of this Code as provided in Article IV, and the Administrator.

(b) To discriminate between purchasers of the same class.

(c) To engage in acts of commercial bribery.

(d) To give secret rebates.

(e) To accept old machines as part payment for new machines or parts.

(f) To sell machines other than f.o.b. factory.

(g) To copy or duplicate the machines of an established builder of Knitting, Braiding, and Wire Covering Machinery or parts for



recognized machines and sell them at prices under the reasonable cost of the original manufacturers as approved by the Planning and Fair Practice Agency and subject to review by the Administrator.

ARTICLE VIII—TERMS OF SALE

Cash terms shall be 30 days on machines and parts—no discount for cash shall be more than 2 percent and payment must be made within ten days. No agreement of sale shall be for a longer period than twelve months. Reasonable financing and interest charges are to be paid by the purchaser. Stocks or bonds of the purchasing company shall not be accepted in lieu of cash. All extended term sales to be covered by Conditional Sales Contract or legal lien. Initial cash payment shall not be less than 25 percent payable with order, or when machines are delivered. No machines shall be put out on a rental basis.

ARTICLE IX

It is expressly understood that no provision of this Code shall be interpreted in such a way as to condone or permit conduct or operations:

- (a) Tending to permit monopolies.
- (b) Permitting or encouraging unfair competition.
- (c) Tending to eliminate or oppress small enterprises or to discriminate against small enterprises.

ARTICLE X

This Code and all the provisions thereof are expressly made subject to the right of the President, in accordance with the provision of Clause 10 (b) of the National Industrial Recovery Act, from time to time cancel or modify any order, approval, license, rule, or regulation issued under Title I of said Act, and specifically 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.

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 as changes in the circumstances or experience may indicate. It is contemplated that from time to time supplementary provisions to this Code or additional codes will be submitted for the approval of the President to prevent unfair competition in price and other unfair and destructive competitive practices and to effectuate the other purposes and policies of Title I of the National Industrial Recovery Act consistent with the provisions hereof.