

NATIONAL RECOVERY ADMINISTRATION

CODE OF FAIR COMPETITION

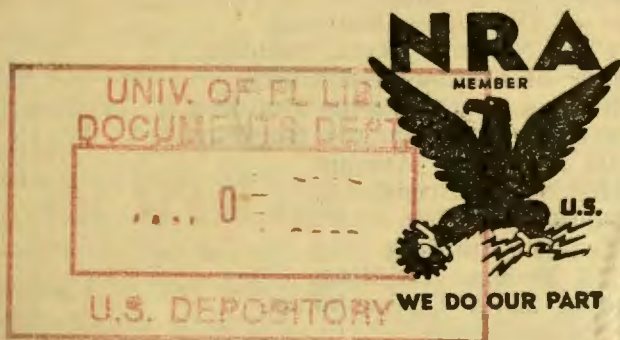
FOR THE

HAIR AND JUTE FELT  
INDUSTRY

AS APPROVED ON OCTOBER 31, 1933

BY

PRESIDENT ROOSEVELT



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

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## EXECUTIVE ORDER

### CODE OF FAIR COMPETITION FOR THE HAIR AND JUTE FELT 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 Hair and Jute Felt 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 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 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.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE,  
*October 31, 1933.*

Approval recommended:

HUGH S. JOHNSON,  
*Administrator.*

(III)



## NATIONAL RECOVERY ADMINISTRATION

To the PRESIDENT.

### I. INTRODUCTION

This is the report on the application for, and public hearing on, a Code of Fair Competition for the Hair and Jute Felt Industry as proposed by the Hair and Jute Felt Manufacturers' Association.

The hearing was conducted in Washington, D.C., on September 29, 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 industry complying with the statutory requirements as representing 90 percent of the volume of business and 83.33 percent of the number of establishments.

The following exhibits are included and attached:

1. Code as finally proposed.
2. Notice of hearing.
3. Statement of procedure.
4. Statistical analysis by Research and Planning Division.
5. Transcript of record.
6. Report of Deputy.
7. List of witnesses.
8. Constitution and bylaws of the Hair and Jute Felt Manufacturers' Association.

### II. DESCRIPTION OF INDUSTRY

The Hair and Jute Felt Industry is one of the small but distinct divisions of the textile field.

At the present time this industry is composed of 17 members with a production of about \$4,500,000, although the normal production would more likely approximate \$9,000,000 annually. These 17 firms now employ in the neighborhood of 1,621 persons.

Although the products are fabricated from the same raw materials used by the textile industry generally, the productive machinery, as well as the competition, are different. Certain items are made by the punching process while others are made by hardening machines, or, again, by a combination of both. The chief competition is with cork, paper, wood fibers, straw, and sea weed as insulation materials, with cork and paper in the gun-wad field, with rubber and celotex for automotive use, and with paper in the field of carpet lining. Only to a very limited extent is there any competition with cotton, wool, silk, rayon, or other textile fabrics.



Seasonal trends and the production schedules of other industries exert considerable influence. For example, gun wadding reaches its peak during the early fall, while products for the automobile industry naturally follow the trend of output in that industry.

At first glance it would seem that because hair and jute products are of a nonperishable nature a more even annual production could be obtained by manufacturing in anticipation of demand. There are several factors that make this course impractical. The raw materials, as well as the finished products, are of an extremely bulky nature and would necessitate large storage facilities, which the industry does not possess and would not be justified in building. Also, the raw materials are subject to price fluctuations that would entail the danger of severe losses if sufficient inventories of finished or unfinished goods were stocked.

Because of this, firms representing 95 percent of the productive capacity of the industry were opposed to any limitation of machinery hours and claimed that any restriction would work a severe hardship, either through loss of business or by the necessity for further plant investment.

A group in the industry, small in both number and volume, wished to have productive machinery limited to two shifts of forty hours per week, which was not granted because it was felt that such a restriction would react to the detriment of the industry and the public alike.

It is proper to point out that in normal times an important part of the Hair and Jute Felt Industry's products are used by the building trades for soundproofing and insulation purposes, as well as by the builders of railroad passenger and freight cars. Both of these industries have been at low ebb for the last few years, but when the expected upturn in building construction and railroad replacement occurs, hair and jute felt manufacturers would be seriously handicapped in supplying the requirements of these trades if their machinery was hedged about with restrictions.

Because of the entire lack of any competition with other branches of the textile industry, it is entirely appropriate that the Hair and Jute Felt Industry should be allowed to operate machinery on an unrestricted basis.

### III. LABOR PROVISIONS

The industry proposes to pay a minimum wage of 35¢ per hour, with a maximum of 40 hours per week for labor. A tolerance of 10 percent above this figure will be allowed for certain employees such as hair washers, dryers, and extractors, who will receive time and one third overtime for work in excess of 40 hours.

This leeway was to avoid any possible spoilage of raw material, particularly hair, during preparatory processes. After the hair is received from the tannery, it is washed, and, once in the wet state, must be carried through other processes until dried and baled, because if left wet, deterioration and spoilage would result.

### IV. ADMINISTRATION

The provisions for administration of this code are capable of providing the NRA and the Hair and Jute Felt Industry with suffi-



cient data to make recommendations for the elimination of certain provisions of the code as herewith presented and/or the addition of further provisions to this code which would be beneficial to the industry as a whole.

## V. CONCLUSION

I find that the code complies in all respects with the pertinent provisions of title I of the National Industrial Recovery Act, including, without limitation, subsection (a) of Section 7, and subsection (b) of Section 10 thereof.

The Hair and Jute Felt Manufacturers' Association is truly representative of the Hair and Jute Felt Industry and the bylaws of this association provide no inequitable restrictions to membership.

Accordingly, I hereby recommend the approval of the Code of Fair Competition for the Hair and Jute Felt Industry.

Respectfully submitted.

HUGH S. JOHNSON,  
*Administrator.*

# CODE OF FAIR COMPETITION FOR THE HAIR AND JUTE FELT INDUSTRY

## ARTICLE I—PREAMBLE

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 Hair and Jute Felt Industry and shall be the standard of fair competition for such industry and shall be binding upon every member thereof.

## ARTICLE II—DEFINITIONS

(a) The term "industry", as used herein, includes the manufacture of felt principally from hair and/or jute by the hardening and/or punching processes.

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

(c) The term "employer", as used herein, includes anyone by whom any such employee is compensated or employed.

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

(e) The term "signatory of the code", as used herein, means any member of the industry who shall voluntarily agree in writing as prescribed in Article VI, Section (c) hereof.

(f) The term "division", as used herein, refers to the several parts of the hair and jute felt industry which are (or may be) established.

(g) 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 said Act.

## ARTICLE III—WAGES

(a) No employee shall be paid at less than the rate of thirty-five (35) cents per hour.

(b) Hourly wage rates for those receiving more than the minimums herein prescribed shall be adjusted to preserve differentials existing on March 1, 1933.

(c) This Article establishes a guaranteed minimum rate of pay, regardless of whether the employee is compensated on a time or piece work basis.

## ARTICLE IV—HOURS OF LABOR

(a) No employee, except those in a managerial or executive capacity, who receives more than \$35.00 per week shall be permitted to



work in excess of 40 hours in any one week, provided that a ten percent additional allowance in hours may be permitted in the case of repair-shop crews, firemen, engineers, electricians, outside crews, watchmen, cleaners, hair washers, dryers, extractors, and balers.

(b) The maximum hours fixed in the foregoing section shall not apply to any employee on emergency maintenance or emergency repair work involving breakdowns or protection of life or property.

(c) Any emergency time shall be reported monthly to the National Control Committee hereinafter provided.

(d) The rate of pay for time in excess of forty (40) hours shall be one and one third ( $1\frac{1}{3}$ ) times the regular rate of pay.

#### ARTICLE V—CHILD LABOR

Employers in the hair and jute felt industry shall not employ any person under the age of sixteen years.

#### ARTICLE VI—ADMINISTRATION

(a) to effectuate further the policies of the Act, a National Control Committee is hereby designated to cooperate with the Administrator as a Planning and Fair Practice Agency for the Industry. This Committee shall consist of five (5) representatives of the industry elected by a fair method of selection, to be approved by the Administrator and up to three (3) members without vote may be appointed by the Administrator. Such agency may present to the Administrator recommendations for the modification of the provisions of this Code, which will tend to effectuate the operation thereof and the policies of the Act. Such recommendations, when approved by the Administrator, after such notice and hearing as he shall deem proper, shall have the same force and effect as if originally incorporated in and made a part of this Code.

(b) Such agency is also set up to 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 to report the same to the Administrator.

(c) Members of the industry who are complying with the requirements of the Code and who agree in writing either individually, or through trade associations of which they are members, to abide by the requirements of the Code, and to pay their reasonable share of the expense of administration thereof shall be entitled to the benefits of the activities of the National Control Committee and to participate in the selection of the members thereof.

(d) The reasonable share of the expense of administration of the Code to be borne by the signatories of the Code shall be determined by the National Control Committee, subject to review by the Administrator on the basis of volume of business, and/or such other factors as may be deemed equitable to be taken into consideration.

(e) With a view of keeping the President informed as to the observance or nonobservance of this Code of Fair Competition, and as to whether the industry is taking appropriate steps to effectuate the declared policy of the Act, members of the industry shall



furnish to the National Control Committee through its authorized accountant, in such form, and at such intervals as it may prescribe, subject to the approval of the Administrator, duly certified reports containing such information, reasonably pertinent to the effectuation of the purposes of this Code, as may be required by the Administrator or by the National Control Committee subject to the approval of the Administrator.

Such information or copies thereof shall be furnished to the Administrator upon his request.

Totals and subtotals only shall be published, and shall be furnished to all members of the industry alike.

(f) In addition to the information required to be submitted to the National Control Committee, 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.

(g) The National Control Committee shall require that all members of the industry file lists of prices and terms with the Secretary of the Hair and Jute Felt Manufacturers Association. Changes in price lists shall be with the Secretary at least forty-eight (48) hours before becoming effective.

(h) The National Control Committee shall secure current information concerning the competition in domestic markets of imported hair and/or jute felt products, and if it shall find that such products are being imported into the United States in substantial quantities or increasing ratio to domestic production and on such terms or under such conditions as to render ineffective or seriously to endanger the maintenance of this Code, it shall complain to the President pursuant to the provisions of Section 3 (e) of the Act and petition for suitable restrictions on the importation of such hair and/or jute felt products.

(i) Each trade or industrial association directly or indirectly participating in the selection or activities of the National Control Committee 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.

(j) In order that the National Control Committee 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 National Control Committee 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 National Control Committee.

#### ARTICLE VII—TRADE PRACTICES

The following practices shall constitute unfair methods of competition for the industry, and are prohibited:

(a) *Sales below Cost.*—The selling or offering for sale of hair and/or jute felt products at prices below cost of production, except: (1) to meet competition, not instigated directly or indirectly by the party desiring to meet such competition, and (2) to meet competi-



tion in violation of this rule concerning which he has made complaint to the National Control Committee or any authorized agency thereof, but only pending action thereon. This provision shall not be effective until the Administrator shall approve a method of cost accounting to be recommended by the National Control Committee.

(b) *Sales below Published Prices.*—Selling at prices below or on terms more favorable than those filed with the National Control Committee.

(c) *Sales of Nonstandard Grades or Classifications.*—The selling or offering for sale of nonstandard grades or classifications of hair and/or jute felt for the purpose of evasion of the above Section (b). Standards shall be established by the National Control Committee, subject to approval by the Administrator. This shall not be interpreted so as to prohibit the introduction or sale of any new types of hair and/or jute felt.

(d) *False Marking or Branding.*—The false marking or branding of any product of the industry which has the tendency to mislead or deceive customers or prospective customers, whether as to the grade, quality, quantity, substance, character, nature, origin, size, finish, or preparation of any product of the industry, or otherwise.

(e) *Secret Rebates.*—The secret payment or allowance of rebates, refunds, commissions, credits, or unearned discounts whether in the form of money, or otherwise, or the secret extension to certain purchasers of special services or privileges not extended to all purchasers on like terms and conditions.

(f) *Advertising.*—The granting to a customer of any advertising allowance of any nature or in any form.

(g) *Subsidies.*—The splitting or otherwise sharing by salesmen or other employees of their commissions or compensation with any present or prospective customer or customers' employees.

(h) *Merchandising Standards*—

(1) *Weight of Merchandise.*—To intentionally ship any customer merchandise which weighs substantially more or less than the average published weight. A tolerance of  $7\frac{1}{2}\%$  over or under the specified weight will be allowed, but this must not be by design. On all price lists, advertising matter, etc., the average weight of each product shall be given in one weight only, and not a range of weights.

(2) *Seconds.*—To protect the public against misleading and defective merchandise, "seconds" of carpet and rug lining shall not be offered for sale. Seconds, as used herein, connotes merchandise of the same specification as regularly listed, which are sold at a concession because of defect.

(3) *Discontinued Lines.*—Any member of the industry may offer up to 10,000 square yards per calendar year of discontinued merchandise below cost or published price list; provided he advises the Executive Secretary, who shall notify all signatories of the Code, the nature, quantity, and price of the merchandise thus offered.

(i) *Invoicings.*—Fictitious invoicing of merchandise and the shipment of merchandise, which weighs substantially more or substantially less than the published weight.

The omission from an invoice of any material item pertaining to the sale, such as allowance of overriding discount payable at some future date.



All goods shipped by a manufacturer to or for customers carried on his own books shall be fully invoiced in the name of the customer to whom or for whom the goods are shipped and by whom payment will be made to the manufacturer. No manufacturer shall invoice any customer for products other than those actually shipped against the invoice.

#### ARTICLE VIII—GENERAL PROVISIONS

(a) No provisions of this Code shall be so applied as to promote monopolies or monopolistic practices or to eliminate, oppress, or discriminate against small enterprises.

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

(c) 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

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

(e) This Code and all 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.

(f) 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 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.

(g) 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.

(h) Each employer shall post in conspicuous places full copies of this Code.

#### ARTICLE IX—EFFECTIVE DATE

This Code shall become effective on the second Monday after its approval by the President.



All goods shipped by a person subject to the provisions of this act shall be deemed to be shipped in the name of the person to whom they are shipped and the person to whom they are shipped shall be deemed to be the person to whom they are shipped.

### Section 11 - General Provisions

(a) The provisions of this act shall be applied to persons who are subject to the provisions of this act in the same manner as they are applied to persons who are not subject to the provisions of this act.

(b) The provisions of this act shall be applied to persons who are subject to the provisions of this act in the same manner as they are applied to persons who are not subject to the provisions of this act.

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### Section 12 - General Provisions

(a) The provisions of this act shall be applied to persons who are subject to the provisions of this act in the same manner as they are applied to persons who are not subject to the provisions of this act.