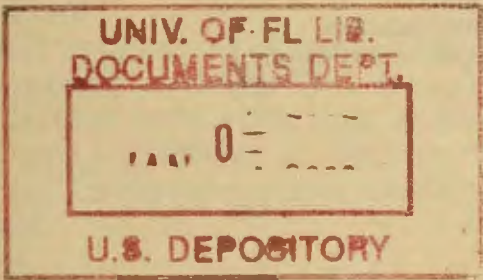
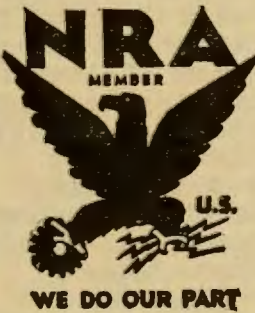


NATIONAL RECOVERY ADMINISTRATION

CODE OF FAIR COMPETITION  
FOR THE  
FLAG MANUFACTURING  
INDUSTRY

AS APPROVED ON MARCH 21, 1934

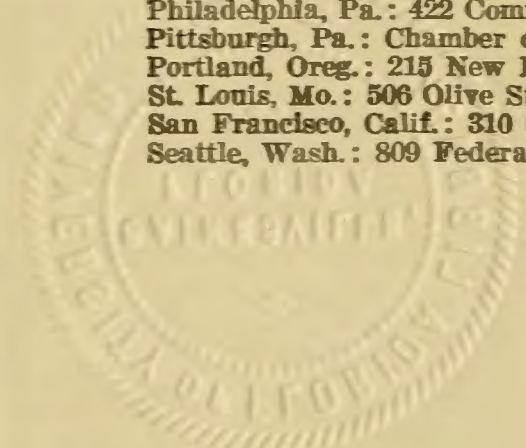


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Approved Code No. 352

**CODE OF FAIR COMPETITION**  
**FOR THE**  
**FLAG MANUFACTURING INDUSTRY**

**As Approved on March 21, 1934**

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**ORDER**

**CODE OF FAIR COMPETITION FOR THE FLAG MANUFACTURING  
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 approval of a Code of Fair Competition for the Flag Manufacturing Industry, 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, subject to the following provision:

That application of provisions of Article X of said Code be stayed for a period of thirty (30) days from the effective date of this Code and further until such time as there shall be a hearing to determine rules and regulations of the homework provisions contained in Codes of Fair Competition and the determination by the Administrator thereof.

HUGH S. JOHNSON,  
*Administrator for Industrial Recovery.*

Approval recommended:

A. D. WHITESIDE,  
*Division Administrator.*

WASHINGTON, D.C.,  
*March 21, 1934.*



## REPORT TO THE PRESIDENT

The PRESIDENT,  
*The White House.*

SIR: The Public Hearing on the Code of Fair Competition for the Flag Manufacturing Industry as proposed by the National Association of Flag Manufacturers was conducted in the Willard Hotel, Washington, D.C., November 17, 1933.

Every person who requested an appearance was fairly heard in accordance with the regulations of the National Recovery Administration. The Code has the approval of the Labor, Industrial and Consumers' Advisory Boards of the National Recovery Administration and of the Legal Division. The Chairman of the Code Committee, upon authorization of the Committee has also given his approval to the final draft of the Code on behalf of the Industry.

The Industry as defined in the Code includes the manufacture of flags, banners, patriotic decorations and bunting decorations. The Submitting Association represents 90% of the Industry by number of concerns and approximately 90% by volume of business. In 1928 the aggregate number of employees was five hundred and in 1933 three hundred. However, the aggregate annual sales volume dropped from four million dollars in 1928 to one million two hundred thousand dollars in 1933. The decrease in the employment amounted to 40% but the decrease in annual sales amounted to 70%.

### RÉSUMÉ OF THE CODE

Article I gives the purposes of the Code.

Article II sets forth certain definitions.

Article III contains the maximum hour provisions of the Code.

Article IV establishes the minimum wage for employees in the Industry.

Article V sets forth the General Labor Provisions.

Article VI provides the general organization of the Code Authority and defines its powers and duties.

Article VII sets forth Trade Practices which are unfair and which shall be eliminated.

Article VIII provides for the modification of the Code in accordance with Section 10 (b) of the National Industrial Recovery Act.

Article IX states that this Code shall not permit monopolies.

Article X provides for the elimination of home work after June 1, 1934.

Article XI is the statement of policy on price increases.

Article XII sets the effective date fifteen days after its approval.

### FINDINGS

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 practice, by promoting the fullest possible utilization of the present production 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 industry 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 an industrial association truly representative of the aforesaid industry; and that the 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 the Code has been approved.

Respectfully,

HUGH S. JOHNSON,  
*Administrator.*

MARCH 21, 1934.



# CODE OF FAIR COMPETITION FOR THE FLAG MANUFACTURING INDUSTRY

## 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 Flag Manufacturing Industry, and shall be the standard of fair competition for this industry, and shall be binding on every member thereof.

## ARTICLE II—DEFINITIONS

1. The term "industry" as used herein includes the manufacture of flags, banners, patriotic decorations, and bunting decorations, and such other products as may from time to time be included under the provisions of this Code.

2. The term "employee" as used herein includes anyone engaged in any phase of the Industry in any capacity, irrespective of the method of compensation, or his interest otherwise in said Industry.

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

4. 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.

5. 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.

## ARTICLE III—HOURS

1. Except as hereinafter provided, no employee shall be permitted to work in excess of forty (40) hours in any one week, however, employees may be permitted to work overtime not to exceed eighty (80) hours in any one calendar year. In no case, however, shall an employee be permitted to work more than forty-eight (48) hours in any one week. All overtime shall be compensated for at a rate of not less than time and a third ( $1\frac{1}{3}$ ) the normal wage rate.

2. (a) Electricians, engineers, Firemen, watchmen, and shipping crews shall be permitted to work not more than forty-four (44) hours in any one week.

(b) Executives, supervisors and artists who receive thirty-five (\$35.00) dollars or more per week, repair shop crews on emergency work, and outside salesmen shall be exempt from Section 1 of this Article.

3. No employee shall be permitted to work for a total number of hours in excess of the number of hours prescribed for such week and day, whether employed by one or more employers.



## ARTICLE IV—WAGES

1. No employee shall be paid at less than the rate of thirteen dollars (\$13.00) per week of forty (40) hours except as follows:

(a) Learners may be paid at not less than the rate of eighty percent (80%) of the minimum wage provided for herein for a period not to exceed eight (8) weeks, provided that in no case shall the total number of learners employed exceed eight percent (8%) of the total number of employees, however, any employer shall be entitled to employ at least one learner.

(b) A person whose earning capacity is limited because of age, or physical or mental handicap, may be employed on light work at a wage below the minimum established by this Code if the employer obtains from the State Authority designated by the United States Department of Labor, a certificate authorizing his employment at such wages and for such hours as shall be stated in the certificate. Such authority shall be guided by the instructions of the United States Department of Labor in issuing certificates to such persons. Each employer shall file monthly with the Code Authority a list of all such persons employed by him, showing the wages paid to, and the maximum hours of work for such employee.

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. This provision shall not be construed to mean that employees employed on a part-time basis shall receive the same weekly compensation as full-time employees. No employer shall reduce the weekly compensation of any employee receiving more than the minimum herein provided for below that in effect as of July 1, 1933, for any given class of work, whether such work was paid for on a monthly, weekly, daily, hourly, or piece rate basis, notwithstanding that the hours of such employment may have been reduced by the provisions of this Code; the Code Authority, following an investigation, may recommend such adjustments of rates as may be necessary to eliminate inequitable differentials.

## ARTICLE V—GENERAL LABOR PROVISIONS

1. No person under sixteen (16) years of age shall be employed in the Industry, nor anyone under eighteen (18) years of age at operations, or occupations hazardous in nature or detrimental to health. The Code Authority shall submit to the Administrator before May 1, 1934, a list of such occupations. 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.

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 or engage in any other subterfuge so as to defeat the purposes of the Act.

7. Each member of the industry shall be furnished, by the Code Authority, with official copies of the provisions of this Code relating to hours of labor, rates of pay, and other conditions of employment. Such official copies of such provisions shall contain directions for filing complaints of violations of such provisions, and shall be kept conspicuously posted at all times by such members of the industry in each shop, establishment, or separate unit, to the extent necessary to make them freely accessible to all members including home workers. Whenever any modifications of, or exemption or exception from this Code permits any person to pay lower wages, or work his employees longer hours, or establish traditions of employment less favorable to his employees than those prescribed by the provisions contained in such official copy of the provisions of this Code, the Code Authority, on the request of such person, shall furnish him with certified copies of such modifications, exemption or exception in sufficient number for posting along side of such official copies of Code Provisions. No member of the industry shall display or furnish any incorrect copies of such provisions, directions, modifications, exemptions or exceptions.

8. No provisions in this Article shall modify established practices for privileges as to vacation period, leaves of absence, or temporary absence from work heretofore guaranteed to office employees.

## ARTICLE VI—ORGANIZATION, POWERS, AND DUTIES OF THE CODE AUTHORITY

### ORGANIZATION AND CONSTITUTION

1. There shall forthwith be constituted a Code Authority consisting of:

(a) Five (5) representatives of the Industry, or such other number as may be approved from time to time by the Administrator, to be selected as hereinafter provided.

(b) Such additional members, without vote, not to exceed three (3), as the Administrator may appoint to represent such groups or interests or governmental agencies as he may deem proper and for such periods as he may designate.

2. The representatives of the Industry shall be selected by the National Association of Flag Manufacturers in a manner to be approved by the Administrator.

3. 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, by-laws,



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.

4. In order that the Code Authority shall at all times be truly representative of the Industry and in other respects comply with the provisions of the Act, the Administrator may prescribe such hearings as he may deem proper; and thereafter if he shall find that the Code Authority 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 Code Authority.

5. Members of the Industry shall be entitled to participate in and share the benefits of the activities of the Code Authority by assenting to and complying with the requirements of this Code and sustaining their reasonable share of the expenses of its administration. Such reasonable share of the expenses of administration shall be determined by the Code Authority, subject to review by the Administrator, on the basis of volume of business and/or such other factors as may be deemed equitable.

6. Nothing contained in this Code shall constitute the members of the Code Authority partners for any purpose. Nor shall any member of the Code Authority be liable in any manner to anyone for any act of any other member, officer, agent or employee of the Code Authority. Nor shall any member of the Code Authority, exercising reasonable diligence in the conduct of his duties hereunder, be liable to anyone for any action or omission to act under this Code, except for his own wilful misfeasance or nonfeasance.

7. If the Administrator shall determine that any action of a Code Authority or any agency thereof may be unfair or unjust or contrary to the public interest, the Administrator may require that such action be suspended to afford an opportunity for investigation of the merits of such action and further consideration by such Code Authority or agency pending final action which shall not be effective unless the Administrator approves or unless he shall fail to disapprove after thirty days' notice to him of intention to proceed with such action in its original or modified form.

8. The Code Authority shall have the following further powers and duties:

(a) To insure the execution of the provisions of this Code and to provide, subject to rules and regulations established by the Administrator, for the compliance of the Industry with the provisions of the Act; provided, however, that this shall not be construed to deprive duly authorized governmental agencies of their power to enforce the provisions of this Code or of the Act.

(b) To adopt by-laws and rules and regulations for its procedure and for the administration and enforcement of the Code.

(c) To obtain from members of the Industry such information and reports as are required for the administration of the Code, and in addition to information required to be submitted to any Code Authority all or any of the persons subject to this Code shall furnish such statistical information as the Administrator may deem necessary for the purposes recited in Section 3 (a) of the Act, to such Federal and State agencies as the Administrator may designate; nor shall anything in any code relieve any person of existing obligations to



furnish reports to government agencies. No individual reports shall be disclosed to any other member of the Industry or any other party except to such governmental agencies as may be directed by the President.

(d) To use such trade associations and other agencies as it deems proper for the carrying out of any of its activities provided for herein, provided that nothing herein shall relieve the Code Authority of its duties or responsibilities under this Code and that such trade associations and agencies shall at all times be subject to and comply with the provisions hereof.

(e) To make recommendations to the Administrator for the coordination of the administration of this Code with such other codes, if any, as may be related to the Industry.

(f) To provide ways and means for financing the operation of said Code Authority and to determine an equitable method of apportioning in the Industry the cost of administering this Code. Money raised in any manner shall not exceed in amount such reasonable cost.

(g) To cooperate with the Administrator in regulating the use of any N.R.A. insignia solely by those members of the Industry who have assented to, and are complying with, this Code.

(h) To recommend to the Administrator any action or measures deemed advisable, including further fair trade practice provisions to govern members of the Industry in their relations with each other or with other industries, measures for industrial planning, and stabilization of employment; and including modifications of this Code which shall become effective as part hereof upon approval by the Administrator after such notice and hearing as he may specify.

(i) To cause to be formulated a standard method of finding and/or estimating cost capable of use by all members of the Industry. After such method has been formulated, full details concerning it shall be made available to all members. Thereafter all members shall determine and/or estimate costs in accordance with the principles of such method.

#### ARTICLE VII—TRADE PRACTICES

1. No member of the Industry shall brand or mark any commodity in any manner which tends to mislead or deceive the purchasers with respect to the grade, quality, origin, size, material, content or preparation or such commodity in conformity with the standards as established by the Code Authority when approved by the Administrator.

2. No member of the Industry shall make, cause, or knowingly permit to be made or published any false, materially inaccurate, or deceptive statements by way of advertisement or otherwise, whether concerning the grade, quality, quantity, substance, character, nature, origin, size, finish, or preparation of any product of the Industry, or the credit terms, values, policies, or services of any member of the Industry, or otherwise, having the tendency or capacity to mislead, or deceive customers or prospective customers.

3. No member of the Industry shall give, permit to be given, or directly offer to give, anything of value for the purpose of influencing or rewarding the action of any employee, agent, or representative of another in relation to the business of the employer of such employee, the principal of such agent or the represented party, without the



knowledge of such employer, principal or party. Commercial bribery provisions are not to be construed to prohibit free and general distribution of articles commonly used for advertising, except so far as such articles are actually used for commercial bribery as hereinabove defined.

4. No member of the Industry shall attempt to induce the breach of an existing contract between a competitor and his customer, or source of supplies; nor shall any such member interfere with or object to the performance of such contractual duties or services.

5. No member of the Industry shall secretly make or offer to make any payments or allowance of a rebate, refund, commission credit, unearned discount or excess allowance, whether in the form of money or otherwise, for the purpose of influencing a sale nor shall a member secretly offer or extend to any customer any special service or privilege not extended to all customers of the same class.

6. No member of the Industry shall offer or give prizes, premiums, or gifts in connection with the sale of products, or as an inducement thereto, by any scheme which involves lottery, misrepresentation, or fraud.

7. No member of the Industry shall use advertising or other representation which refers inaccurately in any material particular to any competitors or their commodities, prices, values, credit terms, policies, or services.

8. No member of the Industry shall publish or circularize unjustified or unwarranted threats of legal proceedings which have or tend to have the effect of harassing competitors or intimidating any of their customers.

9. No member of the Industry shall use any unfair means to secure information regarding the manner in which a competitor conducts his business.

10. (a) No member of the Industry shall sell any article subject to the provisions of this Code below his individual cost; however, any member of the Industry may meet the price of any competing member of the Industry whose cost under this provision is lower. Cost for the purpose of this provision shall be determined in accordance with Section 8 (i) of Article VI of this Code. (b) Any member of the Industry may sell dropped lines or distress merchandise below such cost provided the facts of such contemplated sale are reported to the Code Authority at least twenty-four (24) hours prior to such sale.

(c) When the Code Authority determines that an emergency exists in this Industry and that the cause thereof is destructive price-cutting such as to render ineffective or seriously endanger the maintenance of the provisions of this Code, it may cause to be determined the lowest reasonable cost of the products of this Industry, such determination to be subject to such notice and hearing as the Administrator may require. The Administrator may approve, disapprove, or modify the determination. Thereafter, during the period of the emergency, it shall be an unfair trade practice for any member of the Industry to sell or offer to sell any products of the Industry for which the lowest reasonable cost has been determined at such prices or upon such terms or conditions of sale that the buyer will pay less therefor than the lowest reasonable cost of such products. When it appears that conditions have changed, the Code Authority, upon its own



initiative or upon the request of any interested party, shall cause the determination to be reviewed.

11. No member of the Industry shall ship goods on consignment except under circumstances to be authorized by the Code Authority, subject to the approval of the Administrator.

#### 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 sub-section (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.

2. This Code, except as to provisions required by the Act, may be modified on the basis of experience or changes in circumstances, such modification to be based upon application to the Administrator and such notice of hearing as he shall specify, and to become effective upon approval by the President.

#### ARTICLE IX—MONOPOLIES

No provisions 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<sup>1</sup>—HOME WORK

1. No home work shall be permitted by employers after June 1, 1934. After April 1, 1934, no employer shall employ more than sixty percent (60%) of the number of home workers employed by him as of September 1, 1933.

2. Until June 1, 1934, no work shall be permitted in any home by employers unless and until evidence has been presented to the Code Authority, as agent for the Administrator, that all State, municipal, and other laws and regulations relating to home work have been complied with and unless the names and addresses of such home workers and their employers shall have been filed with the Code Authority.

3. The Code Authority shall file with the Administrator a list of the names and addresses of all home workers employed in the Industry and shall indicate by whom all such home workers are employed.

4. No home worker shall be engaged at the same time by more than one employer.

5. All home workers shall be paid on the same piece-rate basis as factory employees engaged in similar work.

<sup>1</sup> See paragraph 3 of order approving this Code.



## ARTICLE XI—PRICE INCREASES

Whereas the policy of the Act to increase real purchasing power will be made impossible of consummation if prices of goods and services increase as rapidly as wages, it is recognized that price increases will be delayed. But when made such increases should, so far as possible, be limited to actual increases in the seller's costs.

## ARTICLE XII—EFFECTIVE DATE

This Code shall become effective on and after the fifteenth (15th) day after its approval.

Approved Code No. 352.

Registry No. 234-1-01.













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