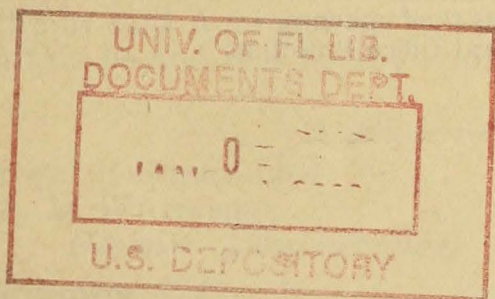
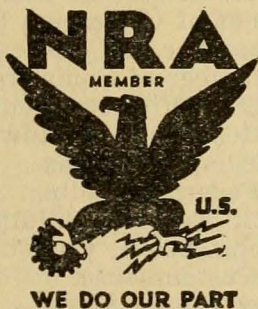


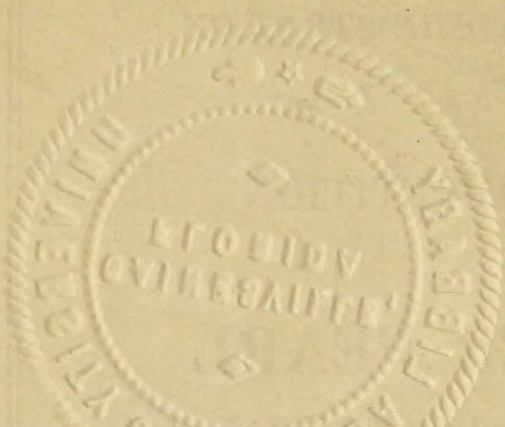
NATIONAL RECOVERY ADMINISTRATION

CODE OF FAIR COMPETITION
FOR THE
FRESH WATER PEARL
BUTTON MANUFACTURING
INDUSTRY

AS APPROVED ON FEBRUARY 26, 1934



UNITED STATES
GOVERNMENT PRINTING OFFICE
WASHINGTON: 1934



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Approved Code No. 310

CODE OF FAIR COMPETITION

FOR THE

**FRESH WATER PEARL BUTTON
MANUFACTURING INDUSTRY**

As Approved on February 26, 1934

ORDER

**APPROVING CODE OF FAIR COMPETITION FOR THE FRESH WATER PEARL
BUTTON 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 Fresh Water Pearl Button 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.

HUGH S. JOHNSON,
Administrator for Industrial Recovery.

Approval Recommended:

A. D. WHITESIDE,
Division Administrator.

WASHINGTON, D.C.,
February 26, 1934.

REPORT TO THE PRESIDENT

The PRESIDENT,
The White House.

SIR: The Public Hearing on the Code of Fair Competition for the Fresh Water Pearl Button Manufacturing Industry as proposed by the National Association of Button Manufacturers, was conducted in the Mayflower Hotel, Washington, D.C., on October 11, 1933.

Every person who requested an appearance was fairly heard in accordance with regulations of the National Recovery Administration. The Code has the approval of the 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 an approval to the final draft of the Code on behalf of the Industry.

The Industry as defined in the Code includes the manufacture of fresh water pearl button blanks and buttons, finished or unfinished. Fresh water pearl buttons are manufactured from fresh water mussel shells found largely in the Mississippi Valley. The shells are gathered by individuals who sell them to the button manufacturers. Cutting plants are scattered throughout the shell gathering territory. The shells are shipped to these plants where they are cut into blanks and the blanks are re-shipped to the finishing plants. The cutting plants furnish employment in small localities which in many cases have no other industry. A number of finishing plants are located in Muscatine, Iowa, and others in the states of Massachusetts, New York, Wisconsin, Missouri and other parts of Iowa. The product is sold largely to garment manufacturers who in turn use the product in making medium and popular priced wash garments.

According to the United States Census taken for the Industry for 1931, the fresh water pearl button branch represented 37.8% of the gross production of the entire Industry which includes the manufacture of all buttons and 30.6% of the value of the production of the entire industry for that year. It is therefore the largest single branch of the entire Industry. The number of wage earners engaged in the entire Industry throughout the Country was 8,105. It is estimated that about 4500 persons were engaged in the blank cutting and finishing operations of the Fresh Water Pearl Button Industry representing about 50% of the total number of employees in the Button Industry in the United States. Compliance with the proposed Code has increased the number of employees from 4500 to 4800 since the first of August.

It was attempted first by the Deputy Administrator to combine the various button codes into one code for the entire Industry, but this was found to be impracticable inasmuch as no unanimity could be reached by the representatives of the different branches of the Industry. However, a provision has been incorporated in this Code

which, if agreed upon by all the branches of the Industry, may open the way for a cooperative administration of the various codes.

The submitting Association represents 100% of the fresh water pearl button manufacturers in the United States and therefore 100% of the volume of business and number of employees.

RÉSUMÉ OF THE CODE

Article I gives the purpose 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 all employees employed in the Industry.

Article V sets forth the general labor provisions.

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

Article VII defines trade practices which are unfair and shall be eliminated.

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

Article IX states that this Code shall not permit monopolies.

Article X deals with price increases.

Article XI specifies the effective date.

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 productive 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.

FEBRUARY 26, 1934.

CODE OF FAIR COMPETITION FOR THE FRESH WATER PEARL BUTTON 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 Fresh Water Pearl Button 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 Fresh Water Pearl Button blanks and buttons, finished or unfinished, and such related branches or subdivisions as may from time to time be included under the provisions of this Code by the Administrator after such notice and hearing as he may prescribe.

2. The term "employee" as used herein includes any person 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 any one for whose benefit such employee is so engaged.

4. The term "member of the Industry" as used herein includes any individual, partnership, association, corporation, or other person engaged in the Industry, either as an employer or on his or its own behalf.

5. The term "President", "Act", and "Administrator", as used herein shall mean respectively, 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, nor more than eight (8) hours in any twenty-four (24) hour period.

2. Members of shop repair crews, engineers, electricians, firemen, watchmen, plant managers, stock and shipping clerks shall not be permitted to work in excess of forty-four (44) hours in any one week.

3. The provisions of this Article shall not apply to persons employed in supervisory capacities, provided such persons earn not less than thirty dollars (\$30.00) per week.

4. No member of the Industry shall knowingly engage any employee for any time which, when totaled with that already performed

with another member or members of the Industry, exceeds the maximum permitted herein.

5. The provisions of this Article shall not apply to outside salesmen or to employees engaged in emergency maintenance or emergency repair work.

ARTICLE IV—WAGES

1. Except as hereinafter provided, no employee shall be paid at less than the rate of thirteen (\$13.00) dollars per forty (40) hour week.

(a) No employee as defined in Article III, Sec. 2 shall be paid at less than the rate of thirteen (\$13.00) dollars per forty four (44) hour week.

(b) The Code Authority with the approval of the Administrator shall fix the minimum piece work rate which shall be paid persons for the carding of buttons in homes.

2. No apprentice shall be paid at less than the rate of 70% of minimum wage per week of 40 hours for the first six months of employment and thereafter not less than the minimum wages in section one of this article. The period of apprenticeship shall be strictly limited to six months and the number employed at any time shall not exceed 10% of the total number of employees. Any time worked by an apprentice shall be deemed a part of such apprenticeship period, whether such time is worked continuously, or in more than one shop, or for more than one employer. An affidavit sworn to and furnished by an employee as to the total number of hours he has worked as an apprentice in the industry shall be deemed sufficient evidence of the status of such employee. The number of apprentices to be employed as mentioned in this article is subject to review by the code authority with the right to increase the number if good cause be shown.

3. Persons whose earning capacities are limited because of age or physical or mental handicap may be employed at a wage below the minimum established by this Code under the following conditions:

(a) That they shall be paid proportionately no less than the other employees in the same factory receive for similar work, but in no case shall their compensation amount to less than seventy percent (70%) of the amount required by the minimum wage provisions of this Code.

(b) That the employer shall at once prepare and transmit to the Code Authority a list of such excepted persons stating name, class of occupation, wage rate, length of service, and reason for exception. This list shall be revised up to date once each month and transmitted to the Code Authority.

(c) The proportion of excepted persons to total employees at any time shall not exceed the proportion of such employees on the payroll during the week of July 15, 1933.

(d) The Code Authority shall have the right to investigate and disallow any such claims for exception subject to review by the Administrator upon appeal by an employer or employee.

(e) The Code Authority shall report to the Administrator within three (3) months and from time to time thereafter as to the effect

of the operation of this provision, both generally and in cases of individual hardship.

4. This article establishes a minimum rate of pay, which shall apply regardless of whether an employee is compensated on a time rate, piece work, or other basis. No employer shall reduce the full-time 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. No person under eighteen (18) years of age shall be employed at operations or occupations, if any, which are hazardous in nature or detrimental to health. The Code Authority shall submit to the Administrator within ninety (90) days of the effective date of this Code a list of such operations or occupations.

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. No provision of this Code shall supersede any law within any state which imposes more stringent requirements on employers as to age of employees, wages, hours of work, or as to safety, health, or sanitary regulations, or insurance, or fire protection, or general working conditions, than are imposed by this Code.

6. All employers shall post complete copies of Article III, IV, and V of this Code in conspicuous places accessible to employees.

7. The Code Authority shall study the problem of home work in this Industry and propose to the Administrator, not longer than five (5) months after the effective date of this Code, appropriate provisions for the regulation and control of such home work, and when approved by the Administrator, shall become binding upon all members of this Industry.

ARTICLE VI—ADMINISTRATION

To further effectuate the purpose of the Act, a Code Authority is set up to cooperate with the Administrator in the administration of this Code.

1. Organization and Constitution of the Code Authority.

(a) The Code Authority shall consist of not more than nine (9) members. Six (6) members shall be appointed by the National Association of Button Manufacturers. In addition thereto, the Administrator may appoint not more than three (3) members who shall be without vote and who shall serve without expense to the Industry and together with the Administrator shall be given notice of and may sit at all meetings of the Code Authority.

(b) 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.

(c) 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 provide such hearings as he may deem proper, and may require an appropriate modification in the method of selection of the Code Authority, or any sub-Code Authority.

(d) Members of the Industry shall be entitled to participate in and share the benefits of the activities of the Code Authority and to participate in the selection of the members thereof 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.

(e) 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 any one for any act of any other member, officer, agent or employee of the Code Authority exercising reasonable diligence in the conduct of his duties hereunder be liable to any one for any action or omission to act under the Code, except for his own wilful misfeasance or non-feasance.

2. The Code Authority shall have the following powers and duties in addition to those elsewhere provided in this Code, subject to the right of the Administrator on review, to disapprove any action taken by the Code Authority.

(a) To adopt by-laws and rules and regulations for its procedure and for the administration and enforcement of the Code, in accordance with the powers herein granted, and to submit same to the Administrator for his approval together with true copies of any amendments or additions when made thereto, minutes of meetings when held, and such other information as to its activities as the Administrator may deem necessary to effect the purposes of the Act.

(b) To obtain from members of the Industry for use of the Code Authority and of the Administrator in the administration and enforcement of the Code, and for the information of the President,

reports based on periods of two or four weeks, or multiples thereof, as soon as the necessary readjustment within the Industry can be made, and to give assistance to members of the Industry in improving methods, and otherwise. All individual reports shall be kept confidential as to members of the Industry and only general summaries thereof may be published.

(c) To receive complaints of violation of this Code, make investigations thereof and provide hearings thereof and adjust such complaints, and bring to the attention of the Administrator for prosecution, recommendations, and information relative to unadjusted violations.

(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 and to pay such trade associations and agencies the cost thereof, 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 coordinate the administration of this Code with such other Codes if any, as may be related to the Industry, or any sub-division thereof, and to delegate to any other administrative authority, with the approval of the Administrator, such powers as will promote joint and harmonious action upon matters of common interest.

(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 initiate, consider and make recommendations for the modifications or amendment of this Code which shall become effective as a part of this Code when approved by the Administrator after such notice and hearing as he may specify.

(h) To cause to be formulated an accounting system and methods of cost finding and/or estimating capable of use by all members of the industry. After such system and methods have been formulated, full details concerning them shall be made available to all members. Thereafter all members shall determine and/or estimate costs in accordance with the principles of such methods.

(i) To investigate and recommend a uniform system, or standard method of classifying blanks and grading finished buttons by the members of the Industry, which upon approval by the Administrator and after such notice of hearing, as he shall prescribe, shall become a part of this Code.

(j) To recommend to the Administrator appropriate provisions for the regulation of the disposal of distress merchandise.

(k) To recommend to the Administrator and upon his approval, subject to his review, to enforce such regulations affecting the procuring, conservation, and propagation of mussel shells as may be deemed necessary to assure a continuous supply of raw materials.

(l) To investigate competitive articles imported into the United States on such terms and under such conditions as to render ineffective or seriously endanger the maintenance of this Code and to act

as the agency for making complaints to the proper governmental agency on behalf of this Industry.

(m) To recommend to the Administrator further fair trade practice provisions to govern members of the industry in their relations with each other or with other industries and to recommend to the Administrator measures for industrial planning, including stabilization of employment.

(n) to coordinate the administration of this Code with such other codes as may be related to the Industry, the Code Authority may designate representatives for the purpose of meeting with like representatives designated by the Code Authorities of the related Codes referred to above. Such representatives shall be duly authorized to constitute a committee, which committee shall, as soon as practicable, submit to the Administrator reports and recommendations with respect to:

(1) The establishment and method of selection of a General Button Manufacturers Coordinating Council.

(2) The jurisdiction, as well as the administrative powers and authority to be delegated to such Coordinating Council.

Upon approval by the Administrator, after such hearings and notice as he shall prescribe, of such recommendations of the Council, selected in the manner above provided for, the Code Authority shall be subject to the jurisdiction, rules, regulations, and by-laws of the General Button Manufacturers Coordinating Council in the form and manner approved by the Administrator, any express or implied delegation of power or duty in this Code to the Code Authority notwithstanding.

3. In addition to the information required to be submitted to the Code Authority as set forth in this Article 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 National Industrial Recovery Act. Nothing in this Code shall relieve any member of the Industry of any existing obligations to furnish reports to any government agency.

4. 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.

ARTICLE VII—TRADE PRACTICES

1. No member of the Industry shall use selling methods or credit terms which tend to deceive or mislead the customers or prospective customer.

2. No member of the Industry shall brand or mark any commodity in any manner which tends to mislead or deceive purchasers with respect to the grade, quality, origin, size, material, content or preparation of such commodity in conformity with the standards as

established by the Code Authority when approved by the Administrator.

8. 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.

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

5. No member of the Industry shall secretly offer or make any payment 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 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 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 or 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 herein above defined.

7. No member of the Industry shall secretly give anything of value to the employee or agent of a customer for the purpose of influencing a sale, or in furtherance of a sale render a bill or statement of account to such employee, agent or customer which is inaccurate in any material particular.

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

9. No member of the Industry shall require that the purchase of any goods be prerequisite to the purchase of any other goods.

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

11. No member of the Industry shall ship goods on consignment except under circumstances authorized by the Code Authority and approved by the Administrator.

12. No member of the Industry shall grant any term of cash discount in excess of one percent (1%) ten days, net thirty, E.O.M. Goods shipped on or after the twenty-fifth of a month may be billed as of the first of the following month.

13. All sample requirements in excess of one half gross in bulk in any one number and all sample cards furnished for the use of customers' salesmen shall be charged and paid for by the customer at the sales price of the finished button, plus all carding and other costs entailed.

14. No member of the Industry shall sell any articles 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 is lower. Cost for the purpose of this provision shall be determined in accordance with the uniform cost system provided for in Section 2 (h) of Article VI of this Code when such system is approved by 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 and hearing as he shall specify, and to become effective on approval of the President.

ARTICLE IX—MONOPOLIES

No provision 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—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 should be delayed. But when made such increases should, so far as possible, be limited to actual increases in the seller's costs.

ARTICLE XI—EFFECTIVE DATE

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

Approved Code No. 310.
Registry No. 1009-1-02.

UNIVERSITY OF FLORIDA



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