

NATIONAL RECOVERY ADMINISTRATION

**AMENDMENTS TO
CODE OF FAIR COMPETITION**

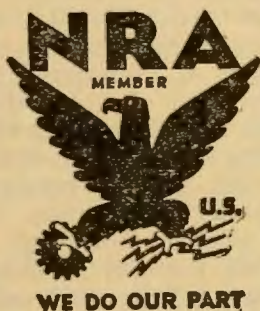
FOR THE

COTTON TEXTILE INDUSTRY

AS APPROVED ON NOVEMBER 8, 1933

BY

PRESIDENT ROOSEVELT



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EXECUTIVE ORDER

MODIFICATIONS OF THE CODE OF FAIR COMPETITION FOR THE COTTON TEXTILE INDUSTRY

An application having been duly made by the Cotton Textile Industry Committee under date of August 23, 1933, pursuant to and in full compliance with the provisions of title I of the National Industrial Recovery Act, approved June 16, 1933, and pursuant to sections 9 and 10 of the Code of Fair Competition for the Cotton Textile Industry, approved July 9, 1933, for my approval of modifications of said Code of Fair Competition for the Cotton Textile Industry proposed in said application, and full hearings having been held thereon and the Administrator, under date of November 3, 1933, having rendered his report containing an analysis of said modifications together with his recommendations and findings with respect thereto, and the Administrator having found as set forth in said report, that the said modifications comply 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 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 said modifications of the Code of Fair Competition for the Cotton Textile Industry be, and they hereby are approved and made a part of said code.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE,
November 8, 1933.

Approval recommended:
HUGH S. JOHNSON.

(III)

NOVEMBER 3, 1933.

The PRESIDENT,
The White House.

INTRODUCTION

SIR: This is a report on the Hearing of the modification of the Code of Fair Competition for the Cotton Textile Industry to include under the provisions of that Code the Cotton Thread Industry, the Yarn Merchandizing Industry, and the Cotton and Rayon Finishing Industry as proposed by the following groups and approved by the Cotton Textile Industry Committee:

1. The Thread Institute.
2. The National Association of Finishers of Textile Fabrics.
3. The Mercerizers Association of America.

This Hearing was held in the auditorium of the Department of Commerce Building, in Washington, D.C., on October 9th, in accordance with the provisions of the National Industrial Recovery Act. Every person who filed an appearance was freely heard in public and all statutory and regulatory requirements were complied with.

Attached herewith is a copy of the modification which was presented by duly qualified and authorized representatives of the above-mentioned groups, complying with the statutory requirements, as representing 78%, 75%, and 75% of their industries, respectively.

EVIDENCE SUBMITTED

It was brought out at the Hearing that almost immediately after the adoption of the Cotton Textile Code consideration was given by the Cotton and Rayon Finishers to the formulation of a separate code applicable to the finishing operations. An Executive Order was obtained applying, to the Finishing division of the industry, the basic provisions of the cotton code with a slight modification as to minimum wage.

Consideration of the problems, however, led to the conclusion that the same line of reasoning which had resulted in the consolidation of cotton and rayon weaving indicated that the cotton and rayon finishing operations should not be segregated from the fundamental cotton and rayon weaving part of the industry.

Mills weaving cotton and rayon, or cotton alone, and finishing their own products are so numerous, and their finishing operations so closely interwoven with the other operations of these plants, that to attempt to disentangle and cut off those various operations in the same plan to place them under the authority of separate and divergent codes would be impracticable.

The finishing operations in these mills were already being conducted under the Cotton Textile Code and the logical course seemed

to all to be to then extend the operations of the consolidated cotton and rayon code to the cotton and rayon finishing operations of the job and corporation finishers as well as the mill finishers.

It was further brought out that the operation of the manufacture of thread begins with the spinning of yarn, which is already under the Cotton Textile Code, and there is neither logic nor practicability in arbitrarily attempting to cut in two what in integrated plants is a naturally connected operation and, therefore, a part of an operation under the Cotton Textile Code.

Confusion has been avoided by the fact that the representatives of the Thread Industry applied for and secured an Executive Order making applicable the basic provisions of the Cotton Textile Code to thread operations.

The next branch of the industry to which these amendments relate is the manufacturing of mercerized cotton yarn. This branch of the industry is already under the Cotton Textile Code and has complied with it from the start.

The amendment which affects it relates to a definition of the productive machinery characteristic of this branch of the industry, so as to bring the operation of this machinery under the same 80-hour limitation which generally prevails in the industry.

It was then shown that these amendments are directed toward rounding out the scope of the operations of what has now become a cotton and rayon textile code to cover the interdependent businesses of the manufacture of yarn and thread, and the weaving and finishing of cotton and rayon fabrics.

It was also shown at the Hearing that the part of the modification as originally submitted defining the Finishing subdivision of the Cotton Textile Industry was inequitable insofar as it was defined to include plants finishing all rayon materials exclusively which in actuality belonged to the Silk and Rayon Finishing Industry. Subsequent to the Hearing, this controversial point was cleared up by representatives of the cotton and rayon, and silk and rayon groups.

RÉSUMÉ OF PROVISIONS OF THE MODIFICATION

The maximum hours and minimum wages of the three industries applying for admission under the provisions of the Cotton Textile Code are the same as those in the Code itself, with the following exceptions: The Cotton and Rayon Finishers provide for a dollar a week higher minimum wage in the North and in the South than the other industries falling under the provisions of the Code.

Machine hours for productive machinery are restricted to two shifts of forty hours each in all three branches of industry coming under the provisions of the Code, with the exception of the so-called Mill Finishers. For this group it is provided that the operating of finishing machinery, except printing machinery, for a sufficient number of hours to finish the fabrics woven on their own looms only, or cotton thread made on their own machinery only, shall not be deemed a violation of the Code until any such finishing operation exceeds two shifts of forty hours each be determined to be an unfair competitive practice.

FINDINGS

The Administration finds that:

(a) The Code as amended 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.

(b) The applicant groups impose no inequitable restrictions on admission to membership therein, and are truly representative of their respective industries.

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

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

Respectfully submitted.

HUGH S. JOHNSON,
Administrator.

AMENDMENTS TO CODE OF FAIR COMPETITION OF THE COTTON TEXTILE INDUSTRY

(a) There shall be added to the definition of the term "Cotton Textile Industry" in Section I of said Code, the following:

and/or (3) the finishing of any of the foregoing fabrics, whether woven of cotton or rayon or other synthetic fibre or of a mixture of any of these fibres with any other fibres, provided that such finishing operations are carried on by (a) concerns engaged in the weaving of cotton and/or rayon or other synthetic fibre, (b) concerns engaged solely in finishing cotton woven fabrics, (c) concerns primarily equipped for and primarily engaged in finishing cotton woven fabrics who may also be engaged in finishing rayon and/or other synthetic fibre fabrics and/or (4) the manufacture of sewing, crochet, embroidery, and/or darning cotton thread.

so that the completed sentence shall read as follows:

The term "Cotton Textile Industry" as used herein is defined to mean (1) the manufacture of cotton yarns and/or cotton woven fabrics, whether as a final process or as a part of a larger or further process, and/or (2) the manufacture of woven rayon fabrics, 18" or more in width, the warp of which is primarily rayon or other synthetic fibre yarn, whether finished or unfinished, and/or (3) the finishing of any of the foregoing fabrics, whether woven of cotton or rayon or other synthetic fibre or of a mixture of any of these fibres with any other fibres, provided that such finishing operations are carried on by (a) concerns engaged in the weaving of cotton and/or rayon or other synthetic fibre, (b) concerns engaged solely in finishing cotton woven fabrics, (c) concerns primarily equipped for and primarily engaged in finishing cotton woven fabrics who may also be engaged in finishing rayon and/or other synthetic fibre fabrics and/or (4) the manufacture of sewing, crochet, embroidery, and/or darning cotton thread.

(b) There shall be added to the definition of "Productive machinery" in Section I of said Code, the following:

(3) printing machines; (4) piece dyeing machines; (5) starching and/or drying machines, operating on fabrics and not on raw stock or yarn or cotton thread where the same are used for the major operation in the production of plain bleached or unbleached fabrics which are not dyed or printed; (6) all machinery used for spooling, winding, reeling, or skeining as a final process to produce cotton thread ready for sale as a finished article; (7) cone winding machines, reels, through tube cop

machines and parallel tube winding machines used in the production of mercerized yarn only.

so that the completed sentence shall read as follows:

The term "productive machinery" as used herein is defined to mean (1) spinning spindles; (2) looms; (3) printing machines; (4) piece dyeing machines; (5) starching and/or drying machines, operating on fabrics and not on raw stock or yarn or cotton thread where the same are used for the major operation in the production of plain bleached or unbleached fabrics which are not dyed or printed; (6) all machinery used for spooling, winding, reeling, or skeining as a final process to produce cotton thread ready for sale as a finished article; (7) cone winding machines, reels, through tube cop machines and parallel tube winding machines used in the production of mercerized yarn only.

(c) There shall be added to the definition of the term "effective date" in Section I of said Code, the following:

provided that the "effective date" of the provisions of this code which relate to the finishing and cotton thread manufacturing subdivisions of the industry shall be the next Monday after the approval of such provisions, except as heretofore approved and effective."

so that the completed sentence shall read as follows:

The term, "effective date" as used herein is defined to be July 17, 1933, or if this code shall not have been approved by the President two weeks prior thereto, then the second Monday after such approval; Provided that the "effective date" of the provisions of this code which relate to the finishing and cotton thread manufacturing subdivisions of the industry shall be the next Monday after the approval of such provisions, except as heretofore approved and effective.

(d) There shall be added to the definitions in Section I of said Code the following definitions:

The term "job finishers" as used herein is defined to mean those finishers who do not purchase or own either the grey or the finished fabrics, but merely perform processing and finishing services under a contract with the owner of the goods, who usually is a "converter."

The term "corporation finishers" as used herein is defined to mean those finishers who own or have a direct or indirect interest in grey and finished fabrics and who process and finish the goods for their own account and requirements, and/or for other accounts.

The term "mill finishers" as used herein is defined to mean those mills which are engaged in the weaving of fabrics or production of cotton thread and engaged in auxiliary finishing operations solely on the fabrics or cotton thread so produced by them.

The term "manufacturers of cotton thread" as used herein is defined to mean all producers of sewing, crochet, embroidery,

or darning cotton thread, and the term "producers of cotton thread" as used herein is defined to mean all who operate machinery in the production of the said cotton threads or any of them, and all who purchase unfinished cotton thread and cause the further processing of such cotton thread for the purpose of selling the same as a finished article.

(e) There shall be inserted at the end of Section II of said Code the following:

but the employees in the operation of bleaching, dyeing, and printing equipment in finishing fabrics shall be paid at the rate of not less than \$13 per week in the southern section of the industry and at the rate of not less than \$14 per week in the northern section of the industry for 40 hours of labor.

so that the completed Section II shall read as follows:

II. On and after the effective date, the minimum wage that shall be paid by employers in the Cotton Textile Industry to any of their employees—except learners during a six weeks' apprenticeship, cleaners and outside employees—shall be at the rate of \$12 per week when employed in the southern section of the industry and at the rate of \$13 per week when employed in the northern section for 40 hours of labor, but the employees in the operation of bleaching, dyeing, and printing equipment in finishing fabrics shall be paid at the rate of not less than \$13 per week in the southern section of the industry and at the rate of not less than \$14 per week in the northern section of the industry for 40 hours of labor.

(f) There shall be added to Section III of said Code, after the words "40 hours per week," the following:

Provided employees engaged in the operation of such machines as dyeing, bleaching, drying, and mercerizing machines, when used only as a part of continuous chemical processes where the goods would be jeopardized by interruption, may, in such emergency, work more than 40 hours per week, but not in excess of 48 hours per week.

and the remainder of the Section following the words "40 hours per week" shall be revised and amended so as to read as follows:

employers in the Cotton Textile Industry shall not operate productive machinery for more than two shifts of 40 hours each per week; provided, however, that the operating of finishing machinery, except printing machinery, owned by mill finishers for a sufficient number of hours to finish the fabrics woven on their own looms only, or cotton thread made on their own machinery only shall not be deemed a violation of this section, until any such finishing operation exceeding two shifts of 40 hours each be determined to be an unfair competitive practice.

so that the amended Section III shall read as follows:

III. On and after the effective date, employers in the Cotton Textile Industry shall not operate on a schedule of hours of labor for their employees—except repair shop crews, engineers,

electricians, firemen, office and supervisory staff, shipping, watching and outside crews, and cleaners—in excess of 40 hours per week; Provided, employees engaged in the operation of such machines as dyeing, bleaching, drying, and mercerizing machines, when used only as a part of continuous chemical processes where the goods would be jeopardized by interruption, may, in such emergency, work more than 40 hours per week, but not in excess of 48 hours per week. Employers in the Cotton Textile Industry shall not operate productive machinery for more than two shifts of 40 hours each per week; provided, however, that the operating of finishing machinery, except printing machinery, owned by mill finishers for a sufficient number of hours to finish the fabrics woven on their own looms only or cotton thread made on their own machinery only shall not be deemed a violation of this section, until any such finishing operation exceeding two shifts of 40 hours each be determined to be an unfair competitive practice.

(g) In the first sentence of Section VI of said Code the word “and” shall be omitted before the words “the National Rayon Weavers Association”, and there shall be inserted after those words the following:

the National Association of Finishers of Textile Fabrics, the Thread Institute, and the Mercerizers Association of America, so that the completed sentence shall read as follows:

To further effectuate the policies of the Act, the Cotton Textile Industry Committee, the applicant herein, or such successor committee or committees as may hereafter be constituted by the action of the Cotton-Textile Institute, the American Cotton Manufacturers Association, the National Association of Cotton Manufacturers, the National Rayon Weavers Association, the National Association of Finishers of Textile Fabrics, the Thread Institute, and the Mercerizers Association of America, is set up to cooperate with the Administrator as a Planning and Fair Practice Agency for the Cotton Textile Industry.

(h) In subdivision (2) of subsection 3 of Section VI of said Code, there shall be inserted after the word “spindles” the following:

or printing, dyeing, starching and/or drying machines operating on fabrics as the same are used for the major operation in the production and finishing of plain bleached and unbleached fabrics, or machinery used for spooling, winding, reeling, or skeining as a final process to produce cotton thread ready for sale as a finished article or cone winding machines, reels through tube cop machines and parallel tube winding machines used in the production of mercerized yarn only.

so that the completed subsection 3 of Section VI shall read as follows:

3. Recommendations (1) for the requirement by the Administrator of registration by persons engaged in the Cotton Textile Industry of their productive machinery, (2) for the requirement by the Administrator that prior to the installation of additional

productive machinery by persons engaged or engaging in the Cotton Textile Industry, except for the replacement of a similar number of existing looms or spindles or printing, dyeing, starching, and/or drying machines operating on fabrics as the same are used for the major operation in the production and finishing of plain bleached and unbleached fabrics, or machinery used for spooling, winding, reeling, or skeining as a final process to produce cotton thread ready for sale as a finished article or cone winding machines, reels, through tube cop machines and parallel tube winding machines used in the production of mercerized yarn only, or to bring the operation of existing productive machinery into balance such persons shall secure certificates that such installation will be consistent with effectuating the policy of the National Industrial Recovery Act during the period of the emergency, and (3) for the granting or withholding by the Administrator of such certificates if so required by him.

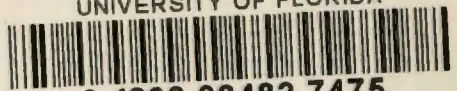
(i) There shall be added to Section VI of said Code a new paragraph which shall read as follows:

It shall be the duty of such Agency acting as the Code Authority for this Industry to designate representatives to act on a joint committee with representatives of any other code authority of a related industry, having reciprocal provisions in its Code, to consider questions regarded by either code authority as of common concern with reference to the effectuation of the policies of the Act (including questions as to whether the operations of a given concern come within the jurisdiction of one or the other of the respective Codes), and to take such action as they may jointly agree to be appropriate subject to the veto of the Administrator.

(j) There shall be added to Section XIII of said Code, immediately after the phrase "between the wage rates paid various classes of employees", the phrase "classified according to occupations" and the words "Paragraph 6" shall be changed to "Section VI", so that the completed Section XIII shall read as follows:

XIII. The amount of differences existing prior to July 17, 1933, between the wage rates paid various classes of employees classified according to occupations (receiving more than the established minimum wage) shall not be decreased—in no event, however, shall any employer pay any employee a wage rate which will yield a less wage for a workweek of 40 hours than such employee was receiving for the same class of work for the longer week of 48 hours or more prevailing prior to July 17, 1933. It shall be a function of the Planning and Fair Practice Agency provided for in Section VI of the Code to observe the operation of these provisions and recommend such further provisions as experience may indicate to be appropriate to effectuate their purposes.

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