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OFFICE OF NATIONAL RECOVERY ADMINISTRATION

DIVISION OF REVIEW

NRA INSIGNIA

By

WALKER M. DUVALL

WORK MATERIALS NO. TWENTY-TWO



NRA ORGANIZATION STUDIES SECTION

February, 1936

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F O R E W O R D

This study of NRA Insignia was prepared by Mr. Walker M. Duvall of the NRA Organization Studies Section, Mr. Willaim W. Bardsley in charge.

The National Industrial Recovery Act made no mention of the use of insignia, such as the Blue Eagle emblem so widely distributed in the course of the administration of the Act. This emblem was designed for use by employers to signify their compliance with the President's Reemployment Agreement which was promulgated under the authority of Section 4(a) of the Act. The Blue Eagle, later extended as it was to signify compliance with provisions of codes of fair competition, both through the use of display cards and of various types of labels attached to merchandise, might be described as the NRA's advertisement. It was a constant reminder to the people of the country of the existence of the National Recovery Administration. Moreover, the Blue Eagle became administratively an important weapon for the securing of compliance with provisions of the President's Reemployment Agreement and of codes.

This study deals with the origin and development of the Blue Eagle and the ways in which it was used by the Recovery Administration. A summary of the report is to be found immediately following the table of contents. Of course, opinions and recommendations are those of the author and are not to be regarded as official utterances.

At the back of this report a brief statement of the studies undertaken by the Division of Review will be found.

L. C. Marshall
Director, Division of Review

February 28, 1936

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SUMMARY

A record of NRA administrative experience with codes and agreements which were promulgated under the provisions of the National Industrial Recovery Act would hardly be complete without recording the development and history of the Blue Eagle.

This report traces the origin and use of Insignia under the President's Reemployment Agreement which preceded administration under the codes and emphasizes the cooperative purpose of the Blue Eagle. It shows that early in 1934 the problem of code administration became acute as numerous code authorities began functioning under recently approved codes. In reviewing the creation and distribution of a new Blue Eagle to symbolize code compliance, the conflict between hastily developed NRA policy and the aims of many code authorities reveals certain dangers of industry administration as exercised by former trade associations.

The right of the government to control the Insignia and the delegation of that power, is treated immediately after describing the development of individual industry code Insignia. The protection afforded NRA by the Design Patent is also discussed.

A separate chapter on NRA labels, which also carried the Blue Eagle Insignia, follows next in order. These labels were authorized by specific provisions in certain of the codes of fair competition. Code authority administration of the label provisions, in relation to code compliance and revenue raising, is given detailed treatment in this chapter. It also summarizes the value of the label provisions with special reference to the apparel industries, in which labels were widely used.

The effectiveness of the Blue Eagle as a cooperative symbol and as an educating influence under the President's Agreement and also under the codes is taken up. It is shown that the Insignia probably could have been made a more vital force in educating the public as to what the codes required and aimed to do, if one single emblem of code compliance had been issued in place of the hundreds of different industry emblems.

The important use of the Blue Eagle as an instrument to aid compliance and enforcement of NRA codes and agreements is then given separate treatment in the study, together with the number of cases in which NRA removed the Insignia and also the number of NRA restorations.

The original public response to the Blue Eagle and the change in public attitude which later developed were symptomatic of the public attitude toward NRA in general. Reaction to the Blue Eagle and appraisal of its advertising value are therefore given in the Report.

The government's management of the Insignia through the National Recovery Administration's own organization is also described in the chapter under NRA Administration.

Succeeding chapters treat other important aspects and uses of the

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Insignia inappropriate to detail in the preceding portion of the study. The conclusions stated in the final chapter of the Report would seem to deserve a summarization in this General Review, together with page references to the entire text. They are as follows:

The main broad objective of the Administration's use of NRA Insignia was to further cooperation by industry and by the public.

The secondary broad objective was the use of the Blue Eagle as a direct aid to compliance and enforcement.

Insignia and labels were an aid to code administration. Labels were particularly effective in raising revenue under the apparel industries' codes.

Code Authorities were not sufficiently organized and free enough from criticism to have been entrusted with power over a federal government Insignia, or label bearing such Insignia, even that of distribution.

One single emblem could have avoided confusion.

Specific Insignia provisions should be incorporated in any future legislation wherein the subject matter indicates that the use of Insignia or labels may be found necessary in administration.

Adequate Insignia regulations should be prepared in advance of issuance, which was not done under NRA.

A single simple emblem, different from the Blue Eagle should be adopted and patented, if any Insignia is to be used in future administration.

Regulations should vest all control, including distribution, in the government alone, with enforcement control in the enforcement branch of the government.

Any regulations should contain a proscription against Insignia uses associated with raising revenue by industry agencies, in order to preserve the broader symbolism of government Insignia.

NRA INSIGNIA

CHAPTER IINCEPTION AND ORIGINAL THEORY

It is evident in reading the provisions of the National Industrial Recovery Act that government Insignia such as the Blue Eagle was not mentioned or referred to in the legislation. Despite this, within seven weeks after the Act became effective the Blue Eagle had become a moving force in administration to an even greater degree than the Liberty Loan Posters of the World War.

On May 17, 1933, the President in his Special Message to Congress, urged immediate passage of recovery legislation to initiate a reemployment campaign. Upon enactment of the legislation the new National Recovery Administration prepared itself for receipt of proposed codes and the holding of code hearings. It was soon apparent that delay in the code making process would prevent immediate reemployment on the broad scale desired by the President.

The decision of the President to put through a plan for the immediate relief of unemployment resulted in the President's Reemployment Program, outlined in NRA Bulletin No. 3 of July 20, 1933. Paragraphs 6 and 8 of this Bulletin indicate the purpose of the NRA Insignia. Some few days prior to the issuance of Bulletin No. 3 the Administration's idea of an employer's badge of cooperation took the form of the now familiar Blue Eagle, designed by the artist, Charles Coiner and accepted after numerous drawings had been submitted.

The pertinent paragraphs of Bulletin No. 3 read as follows:

"6. Employers' badge of cooperation.

For the public to do its part, it must know which employers have done their part to put people back to work by making these AGREEMENTS with the President and by codes. Every industry and every employer who has agreed with the President on this plan, or who has had approved a code covering the vital subject of reemployment, will be enrolled as a member of N.R.A. and given a certificate and a Government badge showing the seal of N.R.A. and the words: 'Member N.R.A. We do our part'. It will be authorized to show this badge on all its equipment, goods, communications, and premises. Lists of all employers authorized to use this badge will be on file at all post offices so that any misrepresentation by unauthorized use of N.R.A. badges can be prevented."

.....

"8. Consumers' badge of cooperation.

Every consumer in the United States who wishes to cooperate in the President's reemployment drive and be considered as a member in N.R.A. may at any time after

August 1, 1933, go to the authorized establishment in his locality (to be announced later) and sign a statement of cooperation as follows:

'I will cooperate in reemployment by supporting and patronizing employers and workers who are members of N.R.A.'

Any such signer will then be given and may thereafter use the insignia of consumer membership in N.R.A."

It may be said that the Blue Eagle was conceived in haste and developed in haste. Between July 15 and August 1 it was designed, printed and made available to employers in every local post office throughout the United States. Over two million complete employer sets, each including various impressions on posters, cards and stickers, together with twenty-two million consumer Insignia stickers and pledge cards(*) were thus made available. In the same period were printed some six million copies each of the Agreement, Certificate of Compliance and the return addressed envelope in which to mail the signed Agreement to the appropriate Commerce District Office. Local letter carriers distributed this material during the last few days of July to more than three million business establishments. The presentation of the signed Certificate of Compliance at the post office after August 1, entitled the employer to display the Blue Eagle as a badge of honor and membership in NRA.

More employer Blue Eagles were printed in August and, along with them, many million more consumer stickers carrying the same slogan, "We do our Part", with the word "Consumer" across the Blue Eagle's breast. These latter were hurriedly distributed by the newly formed local NRA committees under the direction of the Public Relations Division of NRA.

In General Johnson's book, "The Blue Eagle from Egg to Earth", considerable space is devoted to the inception of the Blue Eagle idea. He refers the system of pledges required of manufacturers, jobbers, and retailers by the War Industries Board and the display of an exhibit card by retailers during war days, and he quotes a portion of the May 20, 1933 speech to the Brookings Institution by Bernard M. Baruch, former head of the War Industries Board, as follows:

"Mobilization of public opinion becomes important. If it is commonly understood that those who are cooperating are soldiers against the enemy within and those who omit to act are on the other side, there will be little hanging

(*) History of Insignia Section, August 28, 1935, filed with NRA Record Section, for printing and distribution of information relative to Insignia material and agreement forms for employers operating under the President's Reemployment Agreement.

back. The Insignia of government approval on doorways, letterheads and invoices will become a necessity in business. This method was a success in 1918. It is a short cut to action and to public support without which no such plan can succeed. By this method a large part of the emergency job can be accomplished in short order".

When the President's Reemployment Agreement was on its way to employers the President said:

"In war, in the gloom of night attack, soldiers wear a bright badge on their shoulders to be sure that comrades do not fire on comrades. On that principle, those who cooperate in this program must know each other at a glance. That is why we have provided a badge of honor for this purpose, a simple design with the legend 'We do our part', and I ask that all who join with me shall display that badge prominently. It is essential to our purpose". (President's Radio Address July 24, 1933)

These early statements seem to indicate that the Blue Eagle as conceived had no relationship to devices, such as white lists, black lists, or labels similar to the Union Label, which have at times been used coercively. Had the boycott idea been present at the start of the program it could best have been expressed officially by imposing on the signer of the PRA the obligation to refrain from dealing with non-signers, or with those who did not live up to the spirit of the PRA. Such negative obligation was not imposed. The signer was merely asked, in paragraph 10, "to support and patronize establishments which also have signed this agreement and are listed as members of NRA".

The "Honor Roll" of employer signers of the Agreement which was maintained at each post office helped fulfil the primary purpose of the Blue Eagle, to promote cooperative action. The name "Insignia", soon used officially to describe the emblem, laid emphasis on the use of the Blue Eagle as a mark of honor.

Two other statements from General Johnson's book can well be quoted to add emphasis to the original theory of the Blue Eagle. They are:

"The greatest service NRA could do was to restore hope and confidence. Through the Blue Eagle it tried to give people something definite that they could do and hope for, and instead of leaving them helpless under the bludgeoning of a great disaster, to show them how they could act together to fight it."

"To make it possible for such a public opinion to support those who were cooperating to create employment and purchasing power and to withhold support from those who were not, there had to be a symbol easily recognizable, striking and effective. We designed the Blue Eagle for this purpose."

CHAPTER II

DEVELOPMENT UNDER THE PRESIDENT'S REEMPLOYMENT
AGREEMENT

I. GENERAL AVAILABILITY AND DISPLAY(*)

During the month of August 1933, nearly one and one-half million employers presented signed Certificates of Compliance to local post offices and received their Insignia. A variety of display pieces in each employer's set permitted him to inform the public that he had pledged himself to the President's program. The public in turn was quick to respond by signing the consumer's pledge of cooperation and by displaying the consumer sticker. To supplement the twenty-two million consumer stickers already mentioned, hurried contracts were let under which lithographers rushed additional quantities of the stickers to clamoring local NRA committees. Altogether nearly seventy-two million consumer stickers were printed, of which a large proportion found their way to private automobile windshields and the windows of private homes during the August and September, 1933, "Consumer Drive."

Adequate stocks of employer Blue Eagles were on hand at most of the 48,000 post offices and a speedy system of replenishment had been operating since August 1. In consequence, and spurred by the avalanche of press notices, radio appeals and active cooperation of local committeemen, the American public was soon experiencing an almost universal display of employers' emblems.

Some two million employers displayed the official Insignia furnished by post offices during the progress of the campaign - not far short of the 2,317,838 employers actually reported to have signed the Agreement, as of April 28, 1934. In addition, many branch stores and offices of firms, whose main offices only had signed the Agreement, were privileged to display reproductions. The Commerce District Offices had, however, been advised that an employer with national representation signing the Agreement should notify his branches to sign the Agreement and obtain the Insignia from local postmasters.

Private manufacture of Insignia had much to do with the general display. Under date of July 23, 1933, the Administrator had approved NRA Circular No. 1, entitled "Regulations Governing Use of Insignia by Employers Who Have Signed The President's Reemployment Agreement", which was widely distributed during the early display period (Exhibit A, Appendix). Insignia mats and cuts had been furnished numerous newspapers at the start of the campaign so that these, together with thousands of cuts made by job printers for their customers, soon flooded the country with Blue Eagles. They confronted the consumer on windows, merchandise and printed matter.

(*) See also History of Insignia Section, August 28, 1935, filed with NRA Record Section, for printing and distribution information relative to Insignia material and agreement forms for employers operating under the President's Reemployment Agreement.

Employers operating under approved codes were privileged to obtain the same Insignia issued under the President's Agreement by presenting the Certificate of Compliance at the post office with additional wording of code compliance added to the form. In consequence, there was nothing to prevent, and everything to further, the widest possible display by employers and by the consuming public.

The life of the NRA was twice extended by the President, once from the original expiration date to May 1, 1934 * and again indefinitely from that date. (**) The same NRA Blue Eagle continued to be available at post offices until after the Supreme Court decision of May 27, 1935. Stocks of the Insignia material previously furnished post offices proved more than ample in most cases for the extended period of the NRA. In fact, as early as February 6, 1934, the Administration by Press Release No. 3154, announced that arrangements had been made through every important post office to distribute additional sets of Insignia to employers still under the NRA who might desire replacements.

The lack of any Blue Eagle publicity campaign in January 1934, had much to do with a decreasing display on the part of employers, which became evident before the appearance of the so-called "Code Eagle." During 1933, however, the official Insignia and reproductions of it secured a wider display throughout the United States than any one symbol in the history of the country.

II. EXPLANATIONS, INTERPRETATIONS, EXEMPTIONS AND THEIR EFFECT

In addition to the newspaper and radio instructions to every employer as to how he could obtain the Insignia after signing the Agreement and presenting the signed Certificate of Compliance to his postmaster, the Administration issued instructions on August 7, (**) 1933 entitled "How Do You Obtain The Blue Eagle," covering cases of 100% compliance, or where a Code had been submitted, or through a petition for relief. On August 24 (***) these instructions were amplified and amended by a release entitled "How To Get The Blue Eagle," its main purpose being to get the Agreement signed and the Insignia displayed by every possible employer.

Substantially the same instructions, plus additional NRA interpretations, were contained in NRA Bulletin No. 4, entitled "What The Blue Eagle Means To You and How You Can Get It", which was given wide distribution at the end of August. Without reciting the various phrases required to be added by the employer to the printed Certificate of Compliance in cases where a code had been submitted, where a code had been approved, or in cases of individual hardship covered in this Bulletin, it may be noted that an employer in each instance could readily secure the Insignia by means of the Certificate of Compliance.

(*) Ex. O. 6515, December 19, 1933, Vol. XV, Codes of Fair Competition, as approved: Government Printing Office.

(**) Ex. O. No. 6678-A, April 14, 1934, Vol. IX, Codes of Fair Competition, as approved: Government Printing Office.

(***) History of Insignia Section, August 28, 1935, Exhibits L and M; filed with NRA Record Section.

The Bulletin did, however, under the section on Cases of Individual Hardship, issue the mandate that before displaying the Blue Eagle the employer "must put a white bar across its breast with the word 'provisional' on it". As there were practically no requests received at NRA headquarters for this "wound stripe", described in Press Release No. 495, it is reasonable to assume that few employers took the pains to so advertise their deviation from complete compliance with the NRA.

Other NRA interpretations and explanations included in Bulletin No. 4, such as those allowing owners of stores without employees, employers of labor outside of trades and industries, professional men, farmers and non-profit organizations to obtain the Blue Eagle after signing the Agreement, did not cause any particular complications.

Press releases were used to explain Blue Eagle procedure. Release No. 443, of August 22, quoted the Director of the Blue Eagle Division to the effect that NRA had not delegated any authority to local Recovery Boards to remove or restore the Blue Eagle. Reports of usurpation of this power by local authorities appear to have antedated any contemplated Blue Eagle removals by the Administration. Rackets to obtain money from employers and the public in connection with the Blue Eagle were numerous and several NRA press releases were used to counteract them. Commercial reproductions of the Blue Eagle frequently bordered on racketeering. To control this in some degree, Press Release No. 605 re-emphasized the requirement that reproductions were not to be made without specific authorization from the Insignia Section of the Administration.

Press Releases were not always infallible. A bombshell was thrown into the ranks of food manufacturers, packers and their trade associations by Release No. 459 which stated that packers would not be expected to label individual packages "...but in lieu thereof must stamp or brand the NRA insignia on the outside container...." The release should, of course, have used the word "may", instead of "must", since the government had no authority to demand reproduction of the Blue Eagle.

The Administration was directly quoted, in Release No. 1171, to check a wave of so-called voluntary surrenders of the Blue Eagle; in part: "There is no such thing as a voluntary surrender of the Blue Eagle. In the event of a member failing to comply with the obligations he assumed when he signed, the NRA may deprive him of the insignia. When a member accepted the President's Agreement he pledged himself until December 31, 1933, to do everything in his power to cooperate with the President in his great recovery program. The local Compliance Boards will deal with such cases." These words were effective at a time when patriotism was with the NRA. Voluntary surrenders increased again in 1934, when codes became numerous.

Another troublesome situation with the Blue Eagle was its use to further political propaganda. Many complaints of this nature reached the Administration and were handled by correspondence. The Administrator found it necessary to wire a candidate in a mayoralty campaign, that the use of NRA Insignia, or letters, on a political poster, in such manner as to tend to identify it with a particular political faction, was unauthorized and contrary to NRA regulation.

Later, the Administrator received complaint from another city, that a candidate was posing in moving pictures with the NRA Insignia in the background. He drew a rather fine distinction between this and the previous use of the NRA poster by referring to the custom of using the American flag at political gatherings, although his statement was further qualified by an openly expressed doubt that the Administration had any authority to prohibit its use. He also stated that the Blue Eagle was not in politics.

As may already have been inferred, it was not the application of the terms of the President's Agreement, but adaption and use of the Blue Eagle itself, which required so much Insignia explanation and interpretation. Without specific statutory provision for its use, and without time in which to draft regulations to cover the many situations which were to arise under the NRA, it was but natural that a multitude of Blue Eagle Insignia questions flooded Washington. Most of them were answered by interpretations of the Insignia Section, which frequently assumed the status of rulings.

The Insignia Section issued an interpretation on September 27, 1933, in which it was asserted that the Government had a property right in the Insignia in the whole and in its several component parts and that reproduction was unauthorized for purposes of copyright, or registration as a trade mark or as a trade name, for decoration, and for private barter sale (*). The government's property right in the Insignia, which had not yet been protected by a design patent, had to be invoked to discourage hundreds of people who were making private capital out of reproductions on every conceivable kind of gadget.

There was also much commercial exploitation of the letters "NRA" and the name "Blue Eagle". For some time this was discouraged as far as possible without resort to formal regulations. In September 1933, however, the Insignia Section issued what it termed an administrative interpretation to the effect that the letters "NIRA" constituted a pronounceable word relating to a function of the Federal Government which could not be appropriated for private purposes(**).

So long as the Blue Eagle stood for a united public opinion it was a very much desired symbol and there were bound to be frequent difficulties in the way of regulating its use. A particularly pertinent instance of this is recited in NRA Release No. 1244, of October 17, 1933, which warned the public that the "National Recovery Publications", a private enterprise, had no federal affiliation.

(*) Appendix, Exhibit B.

(**) NRA Liaison Circular No. 40, September 9, 1933, to District Offices; in NRA Compliance Division Files.

CHAPTER III

ORIGIN AND DEVELOPMENT OF CODE INSIGNIA

Although Bulletin No. 3, the first administration official statement concerning the Blue Eagle, described it as a government badge for those subject to approved codes as well as for those making agreements with the President, the full possibilities of its use as a symbol of code compliance were not generally realized by the public. Many employers, whose Presidential Agreements had been superseded by approved codes, also lost track of its significance. Others, still operating under the FRA, expected it to expire automatically on December 31 and as early as November of 1933 had ceased to display any Blue Eagle. There were cogent reasons why the status of the Blue Eagle and the advisability of its use after December 31 needed some study within the Administration. On November 8, 1933, at the suggestion of the Aide to the Administrator (*), the National Compliance Board recommended appointment of a committee to make this study and also to make a report not later than November 18, 1933, on "Code Eagles" and new certificates of compliance to embrace wage and hour and other provisions of approved codes. The Committee consisting of the Associate Counsel as acting chairman, the Chief of the Blue Eagle branch of the Compliance Division, the Counsel for the National Compliance Board, and the Chief of the Insignia Section, rendered its report to the National Compliance Board on November 16.

The first recommendation of the report called for a code insignia as a great aid to NRA in obtaining actual consent to Codes and securing participation in expenses of Code administration. A certificate of code adherence requiring signature before obtaining the Insignia was also recommended. The Blue Eagle in the combination previously used was urged as a future identification of FRA or approved substitution, provided a FRA adherence certificate was signed. It was further recommended, that after January 1, no member of industry subject to a code be permitted to display the old Blue Eagle unless a portion of his business was still not subject to code and that portion adhered to the extended FRA. The report called for the same Blue Eagle with the letters "NRA" and the substitution of the word "code" for the words "we do our part", the design encompassed perhaps by an outline in the shape of a United States Shield. It also suggested that the name of the particular trade or industry be included on the certificate. The code authority in each instance was to grant the right to begin display of the Code Eagle and issue the certificate upon receipt of the signed certificate of adherence. The report also outlined a number of problems of multi-code coverage which would arise from the plan and which patently needed to be covered by detailed administrative regulations.

On December 6, the Compliance Board (**) approved the first four

(*) Lieut. K. Johnston

(**) Minutes of National Compliance Board, December 6, 1933, in NRA Compliance Division Files.

paragraphs of the Committee report and also approved proposed Retail Trade regulations for assessment of expenses and award of NRA Retail Code Insignia which had been prepared by the Counsel on the Retail Code. It might be well to note that at the time the report was rendered an extension of the FRA was being contemplated. The shield idea as well as that of a certificate in script outlining the meaning of the Insignia were later discarded by NRA. Other than the approval already mentioned, the National Compliance Board took no further action on the proposal of the Committee. In consequence, the calendar year closed without definite action by NRA.

During January, 1934, the Administrator looked favorably on proceeding with a simplified form of code Insignia, and upon approval of the now familiar design by the Executive Officer, the Director of Public Relations, and the Committee, represented by the Assistant General Counsel and the Chief of the Insignia Section, this Section arranged for printing the supply. Competitive bids were secured and a contract for printing one million Code Insignia cards, covering several hundred different industry titles, was awarded a New York printer. This total was raised to two million cards, under the terms of the same contract, as soon as the needs of the various code authorities were more fully determined. (*)

Meanwhile the Counsel for the National Compliance Board had drafted proposed Blue Eagle Regulations intended to cover conditions of display, distribution by code authorities, reproduction by printers and others, and withdrawal by NRA of both the Code Blue Eagle and the FRA Blue Eagle. Although these regulations represented the view of the Compliance Division and the Insignia Section of NRA and a need existed for comprehensive Insignia regulations, the Administrator postponed approval to a later date.

Press Release No. 3074, of February 1, 1934, proved to be a premature announcement of the forthcoming appearance of the code Blue Eagle because no instruction for its issuance followed from the Administrator. The release was incorrect in stating that the regulations had been approved. It did, however, describe the new emblems then in course of production as showing the letters "NRA", in blue between the outstretched wings of the Code Eagle, and under its talons the words "CODE, --(Trade or Industry) Registration number, 1934." In smaller type was the patent design number and also the words "Property of the United States Government--Not for Sale". Under date of January 16, the Assistant Administrator had suggested these words to meet a situation created by paragraph 9 of the regulations of the Retail Code Authority, which prescribed a charge for retailers' insignia. Meanwhile NRA had decided to furnish the original Insignia free.

(*) History of Insignia Section, August 28, 1935, filed with NRA Record Section.

I. RETAIL TRADE REGULATIONS AND CODE AUTHORITY ASSESSMENTS

As already mentioned, the regulations submitted by the NRA Counsel on the Retail Code had been recommended for approval by the National Compliance Board on December 6, 1933. Under date of December 9, Administrative Order No. 60-9, in the form of a letter to the National Retail Code Authority from the Administrator, approved them. The regulations made payment of the Retail Trade Code Authority assessment a condition precedent to award of any NRA Retail Code Insignia to a retail establishment. Fortunately they did not expressly state that in case of violation of the code the Insignia might be withdrawn by NRA. Otherwise many local Retail Code Authorities might have attempted withdrawals on their own responsibility.

The fact that the approved regulations prescribed that the Insignia carry a registry number for a fiscal year ending October 29, 1934 made it necessary in the interests of uniformity, that the official NRA code Insignia for each individual trade and industry when issued, carry a registration number space and the year "1934." It would probably have been preferable to have cancelled or amended the Retail Trade Regulations when the new Blue Eagle appeared. The registration numbering was a nuisance to most code authorities and the date on each Blue Eagle tended to create confusion by January, 1935.

The fact that the Retail regulations had met with approval so colored the actions of most Retail Code authorities and the members of the National Retail Code Authority on Insignia matters which arose thereafter that later NRA regulations for code authority collection of code expenses were frequently misconstrued by them. By the summer of 1934 the Retail Code authorities were clamoring for a 1935 Retail Insignia when NRA was still trying to get them to complete their distribution of the 1934 code Eagle.

II. DESIRES AND AIMS OF CODE AUTHORITIES

Between the time of approval of the Retail regulations and the policy decision regarding NRA distribution of the Code Blue Eagle in April 1934, code authority members of many other industries who had read these regulations formed the conclusion that a code Insignia would be of more importance in raising code authority revenue than for any other purpose.

In addition to the Retail Trade, nine other national code authorities had secured NRA approval of their budgets and had commenced to levy assessments before April 1, 1934. This progress in code administration revenue raising was in advance of the Executive Order making provision for a clause in codes relating to collection of expenses as well as of Administrative Order No. X-20 on that subject.

Before the distribution of code Insignia began code authorities also received printed copies of suggestions for code authority by-laws from NRA, which contained a compliance certificate form requiring agreement to payment of code assessments in applying for the code Insignia

of the Industry. Also page 8 of a suggested Outline for Use in Code Drafting, dated April 3, 1934, carried a suggested provision that only members of the industry, complying with the code and making equitable contribution to code authority maintenance, be entitled to make use of any NRA Insignia. The provision was not amended to eliminate the suggested provision until May 11.

In consequence and due to the urgent need for funds experienced by recently appointed code authorities, a strong demand arose for individual code Insignia on behalf of those agencies.

III. DESIRE OF THE ADMINISTRATION FOR IMMEDIATE AND WIDESPREAD DISPLAY

A. Limited Revival of Local NRA Committees

On March 1, 1934, a Special Assistant to the Administrator was appointed to lay the groundwork for a code educational campaign. The local NRA committees had largely ceased to function after the PRA Blue Eagle drives, and the enthusiasm of the summer of 1933 had died down. The newly appointed assistant to the Administrator (*) found it necessary to write a series of personal letters to selected community leaders in order to build up the committees again. By confining the committees' memberships to those genuinely interested in NRA success in representative communities, it was felt that more lasting results would be attained with the code educational program than was the case in the 1933 campaigns.

B. Initial Distribution by NRA

At the beginning of April the Administrator desired that the new code Eagle should publicly appear on a widespread front within a short time interval, in order to attract public attention to what had already been achieved under the codes, and to emphasize it as the symbol of code compliance. He also decided that NRA should handle the distribution. Not only were many code authorities without organization or funds to make rapid distribution, but in many cases they had no mailing lists of their memberships. It was also feared that code authorities, whose budgets were still unapproved by NRA, would withhold the Insignia from those who had not yet paid assessments.

May 1 was set as the appearance date for the new symbol. The individual trade or industry name, already on each official copy, complicated the distribution, to say the least. Several meetings of NRA officials were held, at which it was decided to distribute application blanks and instructions through post offices to every business establishment, the application to be returnable under government frank to the NRA State Director in each particular state. To

(*) Charles F. Horner, formerly Chief, NRA Bureau of Public Relations; reappointed Special Assistant to Administrator.

induce employers under code to make application, the form was worded so that it would have no effect as a certificate of compliance but would merely be an application for the Code Blue Eagle. Each applicant was to indicate his code, or the trade or industry in which he was engaged. To handle applications more quickly it was decided to allot supplies of code Eagles for six of the large industries to each State Director's office, from which point an individually registered Insignia would be mailed to the applicant. Applications for all other industries were to be routed for handling to the Insignia Section at Washington, this office having responsibility for the complete distribution.

To placate those code authorities whose budgets had been approved and assessment levied before April 1, 1934, the Administration agreed to withhold the Insignia, in the case of delinquents in such industries, if the code authority furnished NRA, before May 1, with an assessment delinquent list. In addition, NRA undertook to withhold the Insignia from those under any code who had been certified for code violation to either the Compliance Division in Washington or to Federal District Attorneys in the several states.

Presumably every business establishment in the country was furnished the application by the post offices before May 1. All Insignia material was ready to be distributed on that date. The application card returns, however, were disappointing. Only some three hundred thousand applications were made in all (*).

C. NRA Publicity

There was nothing wrong with NRA publicity efforts in announcing the availability of the new code Insignia. Press releases were plentiful. A special letter from the Administrator dated April 19, 1934, (Exhibit C, Appendix), had been enclosed with the application sent to each business establishment, urging the employer to display the Blue Eagle as evidence that he was united with the other members of his trade or industry to complete the work of recovery. The local committees cooperated in urging employers to apply. The newspapers, however, did not give the releases much prominence. Also there was evidently considerable apathy on the part of most employers toward subscribing enthusiastically to an emblem of code compliance when compliance had not been achieved in numerous industries.

IV. PRESSURE BY CODE AUTHORITIES

The distribution by NRA had hardly begun before a chorus of objection was raised by code authorities, which was replied to by the Administrator. His announcement of May 2 in Release No. 4823 emphasized that the Insignia would not be issued to those certified to the issuing agency as code violators. He stated that non-payment of code administra-

(*) History of Insignia Section, August 28, 1935: filed with NRA Record Section.

tion expense only because a code violation when the code itself, or an amendment to the code, required such payment and then only after an itemized budget and basis of contribution had been approved by NRA. He also explained that provisions of the so-called Model Code and of the suggested By-Laws for Code Authorities, requiring payment of assessments and the signing of a certificate of consent to the code as conditions precedent to the display of the Blue Eagle, were merely makeshift proposals without approval of the Administration.

These pronouncements were obviously at variance with the desires of the code authorities to control the right to use the Blue Eagle.

On May 9, 1934, a meeting of some thirty national code authorities in New York unanimously voted for code authority distribution of the Insignia. By memorandum (*) of May 10, the Administrator was advised of this action and that the code authorities wanted the Insignia to go only to those on their trade association lists who had consented to the code and had paid their assessments. The memorandum recommended turning over of distribution to some of the well organized code authorities and eventually to all of them, if the volume of applications received by NRA continued to abate. It also reported in the opinion of those at the meeting, that the display of the old PRA Blue Eagle by employers under codes caused lack of interest, and suggested action by the Administration to forbid its further display by those under codes.

Some positive action, to discourage display of the old PRA Blue Eagle seemed desirable but the Administrator evidently did not believe in issuing too many "don'ts" regarding the Insignia. He had refused to approve the Blue Eagle Regulations drawn up by the Counsel for the Compliance Board which contained restrictions of this nature. He did decide, however, to turn over the distribution responsibility to the code authorities after this was further recommended by a meeting of various NRA officials. Certain conditions under which a code authority could withhold distribution were outlined rather loosely at this meeting, and the writer was verbally instructed to prepare an announcement letter to the code authorities covering the new policy, which was released on May 19, 1934, with the approval of the Administrator. (**) It may be of interest to note that NRA policy regarding conditions necessary to justify withholding of the Insignia, which continued to cause differences of opinion with code authorities, later required more detailed restatement in the Blue Eagle Manual for Code Authorities, and was even covered in an amendment to the Manual (Exhibits E and F, Appendix).

(*) History of Insignia Section, August 28, 1935, page 8, Exhibit A1, thereof.

(**) History of Insignia Section, August 28, 1935, page 9, Exhibit C1, thereof.

V. CODE AUTHORITY DISTRIBUTION

Shipment of Insignia, mailing envelopes, and application cards against which code Insignia had already been issued by NRA, to those code authorities able and willing to assume responsibility for distribution was begun as soon as possible. Swapping horses midstream was considerable of a problem, and difficulties in the way of prompt completion of the distribution by the code authorities were soon evident. Many were still without funds to hire clerks or prepay mailing charges, and the Insignia Section had to handle distribution for them. Others had very loosely knit organizations without a clearly defined relationship between the national code authority and the regional code authority agencies. A large number of code authorities were prone to consider any one who had not complied with their requests of any nature, a code violator. Obviously, the Administration's policy of immediate and widespread display ran counter to code authority aims in many instances.

Widespread reproduction of code Insignia was as necessary to popularize the new Blue Eagle and to make it desired by employers as it had been with the PRA Blue Eagle. To simplify reproduction, NRA allowed printers, who had received authorization to reproduce, to omit all words and figures below the word "Code" under the Blue Eagle in reproductions on advertising and merchandise.

NRA had furnished reproduction information to thousands of newspapers, magazines, and job printers just before the appearance of the Code Eagle. In the letter to all code authorities of May 26 (*), over the Administrator's name, provision was made for code authorities to furnish reprints or reproductions to their members. This provision was not generally understood and a letter of June 6 (**) attempted to clarify it and obtain more cooperative action by code authorities. Their lack of funds in many instances prevented them from pushing the sale of reproductions to their members. On May 25 (**) in order to secure uniformity of reproduction, additional reproduction information and forms in correct style and lettering of the name of every codified industry were furnished all authorized reproducers. The name of each industry and the individual registration number on each employer's Blue Eagle discouraged easy and widespread reproduction.

The first anniversary of NRA, June 16, was set as a deadline and all code authorities were urged to make efforts to place the Blue Eagle in the hands of their members by that date. This appeal, together with efforts of local NRA committees and interested business organizations probably helped distribution to retail merchants, but when June 16 arrived many code authorities had not even made arrangements to begin distribution.

(*) History of Insignia Section, August 28, 1935; Exhibit D 1, H 2, F 2, thereof.

(**) See History of Insignia Section, August 28, 1935: Exhibit d 1, h 2, F 2, thereof.

The dangers of possible code authority misuse of the government frank, as well as the strict interpretation of the Postal Regulations by the Post Office Department, impelled the Administration to deny code authority issuing agencies any use of the frank in distributing Blue Eagles. It was soon necessary for NRA to take back from many code authorities the envelopes containing the registered Blue Eagles which these authorities had addressed to their industry members and to mail them under the franking privilege. If this service had not been extended, many industry members would never have received their Insignia.

During the summer of 1934, it was found desirable to stimulate the work of the local NRA Committees by supplying them a newly designed Blue Eagle poster for display by retail establishments. The posters were effective in design and undoubtedly accelerated requests for official copies of the regular code Insignia by employers.

Although every effort was made by the Administration to complete distribution through code authorities, or by NRA where there was no code authority under an approved code, the final report of the Insignia Section estimated that, of approximately three million firms entitled to display the Blue Eagle only 1,856,000 received the official code Insignia. More than three and one half million of the cards had been printed. Distribution through code authorities was therefore not a complete success.

The preceding figures included Insignia for those codes and agreements which had NRA labor provisions, regardless of whether the trade practice provisions were under some other agency, such as the Federal Alcohol Control Administration. Distribution was effected as far as possible through the code authority concerned with the NRA Labor provisions. The figures did not account for 500,000 Petroleum Code Blue Eagles, however, which NRA printed and supplied, without charge, to the Planning and Coordination Committee for the Petroleum Industry. No report on this distribution was ever requested or received by the National Recovery Administration.

VI. BLUE EAGLE MANUAL FOR CODE AUTHORITIES (EXHIBITS E AND F, APPENDIX)

The Blue Eagle Manual of August, 1934, was written to obviate difficulties with code authorities concerning the manner in which they were to distribute and withhold the Insignia. The only earlier written NRA instructions on this matter which carried the Administrator's signature were contained in letters of May 19, May 25 and May 26, 1934, addressed to all code authorities. The code authorities frequently claimed they had not received copies.

In addition, Office Memorandum No. 289, dated June 9, 1934, had stated that the policy of the Administration was to encourage display of code Blue Eagle Insignia by those complying with codes, the Insignia to be withdrawn only by NRA for violation. However, a number of codes had been approved which contained provisions limiting the right to share in or receive the benefits of code Insignia to those

assenting to the code. The Builders Supplies Code, for instance, contained a provision that those agreeing in writing to comply with the code and to pay their reasonable share of the expense should be entitled to make use of code insignia. The Women's Belt Industry Code, approved October 3, 1933, the same day as the last mentioned code imposed on the code authority the duty "to cooperate with the Administrator in regulating the use of the NRA Insignia solely by those employers who have assented to this code Office Memorandum No. 229 of June 9, 1934, stated that thereafter, Administrative approval would not be given to any code provision or code authority by-laws or regulation which sought to impose such a condition.

The Blue Eagle Manual by embodying Administration policy in one up-to-date set of instructions for code authorities proved very helpful to the Insignia Section which had prepared it for the purpose. It was amended but once, on October 1, 1934. The Amendment as drafted by the Legal Division re-defined the conditions under which a Blue Eagle could be withheld by each code authority, the same issue which had continually caused friction in distribution by code authorities. Along with the Amendment a letter of the same date over the signature of the Administrative Officer was sent code authorities attempting to secure more cooperation in completing distribution and reporting its status to the Insignia Section (*).

VII. CODE AUTHORITY USE

In the early period of NRA, trade associations, as such were able to secure and display the Blue Eagle issued under the President's Reemployment Agreement by presenting a signed P.R.A. Certificate of Compliance at the Post Office. After many of these trade association officials became involved in code authority activities, the propriety of code authority use of the Blue Eagle was raised. The Business activities of the code authority were in no sense the same as those of individual members of the industry under the code, but on the other hand, as soon as an individual industry Insignia was forthcoming, the Blue Eagle identified with P.R.A. became inappropriate.

Office Memorandum of March 3, 1934, entitled "Use of Blue Eagle by Code Authorities" followed by letter of March 5, from the National Compliance Director to all code authorities, provided for NRA authorization to a code authority to use the Blue Eagle on its letter paper upon its assurance that hours and wages of its employees were within the requirements of the code for like workers. When the Code Insignia was announced, those code authorities which had already received such authorization, were assigned Registration No. 1 with an official copy of the new emblem. Reproduction of the industry Insignia on code authority stationery was rather general thereafter.

(*) History of Insignia Section, August 28, 1935, Exhibit V 2.

CHAPTER IV

RIGHTS IN THE INSIGNIA

I. DELEGATION OF AUTHORITY

In Executive Order No. 6357 (*) of October 14, 1933, the President, by virtue of the authority vested in him by Section (10) (a) of the National Industrial Recovery Act, prescribed that "no one shall display or use any reproduction of any emblem or insignia of the National Recovery Administration contrary to any rules or regulations prescribed hereunder by the Administrator for Industrial Recovery." In the same order and by virtue of Section 2 (b) of the Act, and in supplement to Executive Orders 6173 and 6205-A, the President authorized the Administrator to prescribe rules and regulations necessary to supplement, amplify and carry out the purposes of the order.

The National Industrial Recovery Board, upon its creation by the Executive Order of September 27, 1934 (**), succeeded to the powers previously conferred upon the Administrator, including authority to control the use and reproduction of NRA Insignia.

Executive Order No. 6337 prescribed a penalty of a fine not to exceed \$500, or imprisonment not to exceed six months, or both, for violation of the Regulations, and so did several Administrative Orders issued pursuant to the Executive Order. The prescription of penalties was based on Section 10 (a) of the Act and not on any presumption of power to impose such penalties indulged in by the President or his delegates.

This same Executive Order authorized the Administrator "to appoint personnel and delegate thereto such powers as may be deemed necessary to accomplish the purposes of this order". Several Administrative Orders issued thereafter cited the authority of Executive Order No. 6337, particularly Administrative Order No. X-135 (***) in connection with NRA labels. Since all delegations of authority in respect to labels resulted from approval of codes containing mandatory label provisions and did not concern other codes and agreements not containing such provisions, the writer is treating the label delegations separately under VI NRA Labels Bearing Insignia sub VI, Administrative Orders.

(*) Vol. V I, page 646, Codes of Fair Competition, as approved: Government Printing Office.

(**) Vol. XVII, page 463, Codes of Fair Competition, as approved: Government Printing Office.

(***) Vol. XXI, page 626, Codes of Fair Competition, as approved: Government Printing Office.

The most important delegation of power over the Blue Eagle by the Administrator, however, was that to the National Compliance Board at the time of its establishment. Office Order No. 40 of October 26, 1933, created this Board and further stated: "It will be the duty of the National Compliance Board, upon reference of complaints from the National Compliance Director, to undertake further attempts at adjustment, recommend exceptions, remove the Blue Eagle, or recommend reference to the Federal Trade Commission or The Attorney General for appropriate action." Bulletin No. 7, issued January 22, 1934, over the Administrator's name also stated that upon reference of a complaint, with reports and recommendations to the National Compliance Board, that Board could decide to remove the Blue Eagle of the respondent and give publicity to this fact. Decisions other than removal of the Insignia were also open to the Board as outlined in the Bulletin.

The National Compliance Board was also delegated authority to make final decisions on the issue of the right to display the Blue Eagle. Confirmation of this authority was contained in Office Order No. 79. This order had reference to cases involving restoration of the right to display the Blue Eagle once it had been removed or the right to display it had been denied by the Board.

After the National Compliance Board was abolished and its functions transferred to the Compliance Division, the authority over the Blue Eagle, which had been conferred on the Board, was presumably lodged in the Compliance Council of the Compliance Division.

Another delegation of power by the Administrator was accomplished in Office Order No. 97, of June 28, 1934; State Compliance Directors were empowered to effect removal of NRA Insignia for violations of the labor provisions of service trade local codes, subject to appeal to the NRA Compliance Division. The same order indicated that Insignia previously removed for trade practice violations under these codes should be restored.

Under date of November 19, 1934, by direction of the National Industrial Recovery Board (Office Memorandum No. 308) the State Compliance Directors were also authorized to remove or restore NRA Insignia in cases of violation of any provisions of the Restaurant Industry Code.

Upon establishment of Regional Compliance Councils and Regional Compliance Directors, the Councils were delegated authority to recommend to the Regional Directors both the withdrawal and the restoration of the right to display the Blue Eagle. The Directors were delegated the authority to take the necessary action, through signed memorandums to and from the Director of Compliance and Enforcement, and the Chief of the Compliance Division.

Code Authorities, under the terms of many codes, had been granted the right to issue NRA labels bearing the Insignia. This right was recognized in Administrative Order No. X-3, (*) which also required

(*) Vol. V, page 778, Codes of Fair Competition, as approved:
Government Printing Office.

any code authority refusing the issuance of labels to certify immediately to the Administration the complete grounds for the refusal. All Administrative Orders regarding labels are discussed in the succeeding chapter, entitled NRA Labels Bearing Insignia.

As to NRA Insignia generally, it was not until May 19, 1934, that code authorities were delegated any authority over the Insignia. Along with the responsibility for distribution of the Code Blue Eagle, they were granted authority to withhold its distribution in certain instances, these being more exactly defined in the October 1, 1934, Amendment to the Blue Eagle Manual for Code Authorities (Exhibit F, Appendix).

Administrative Order No. X-28 (*) named the members of the National Sheltered Workshops Committee and described the appropriate Insignia of Sheltered Workshops. Administrative Order No. X-81, (**) vested the Committee thus recognized with exclusive power to issue labels bearing this NRA Insignia as well as to suspend issuance of the labels, subject to the usual powers of the Compliance Division as provided for cases of label suspensions by code authorities.

The right to display NRA Insignia was given every employer agreeing to the President's Reemployment Agreement, by the terms of NRA Bulletin No. 3. This should be mentioned in connection with the various delegations of authority in the Insignia. The right of use and display was later defined more exactly in the Administrative Regulations of October 17, 1933, as follows: "Any person who has obtained the said emblem by signing a certificate of compliance with the President's Reemployment Agreement or with an approved code of fair competition for his trade or industry, may display or use said emblem as long as such person continues to comply therewith, unless otherwise provided by rules or regulations prescribed by the Administrator for Industrial Recovery." (***)

II. THE DESIGN PATENT

Prior to October 14, 1933, and until September 26, 1933, the date of the design patent, the Blue Eagle Insignia and its reproductions were presumably subject to the government right of ownership

(*) Vol. X, page 961, Codes of Fair Competition, as approved: Government Printing Office.

(**) Vol. XVI, page 564, Codes of Fair Competition, as approved: Government Printing Office.

(***) Vol. XXII, page 555, Codes of Fair Competition, as approved: Government Printing Office.

officially pronounced in NRA Circular No. 1 and its Interpretation of September 27, 1933 (Exhibits A and B, Appendix). In view of the widespread grant extended to industry to display and use the Blue Eagle as a symbol of compliance with codes and agreements it was imperative that the government take legal means to protect its interest. Upon contact with the United States Patent Office it was thought preferable to issue a design patent instead of a trade mark. Accordingly on September 26, 1933, Design Patent No. 90793 $\frac{1}{2}$ was issued for a term of 14 years to the Government of the United States, as represented by the National Recovery Administration.

In addition, after issuance of the patent, the Copyright Office of the Library of Congress refused copyright registration to prints containing reproductions of the Blue Eagle.

In Canada, further protection was afforded the Blue Eagle by Canadian Trademark Registration No. 2768, issued November 5, 1934, to the National Recovery Administration.

III. RIGHT TO REMOVE

As early as August 6, 1933, the Administrator, in a public letter to Trade Associations, stated that those who had obtained the Blue Eagle under misrepresentation or evasion would have the Insignia withdrawn. Later telegrams were dispatched to violators, demanding that they cease their display of the Insignia and that it be turned over to the local postmasters. Although these cases were commonly termed "Blue Eagle removals," no attempt was ever made by the government to physically remove the Insignia. Later the procedure was more properly termed a "denial of the right to use" and the telegrams to violators were worded in accordance with that idea.

The power to remove the Insignia was affirmed in the Administrative Regulations of October 17, 1933, in the paragraph which read: "When, in the judgment of the said Administrator or his duly authorized representatives, any person has failed to comply with said agreement or code, or when any person has improperly obtained said emblem, such person shall surrender said emblem on demand of the said Administrator or his duly authorized representative, and shall not thereafter display or use the same without the written permission of the said Administrator. (*)"

IV. REPRODUCTION RIGHTS

Even before securing a design patent, or the issuance of Executive Order No. 6337 of October 14, 1933, the NRA had affirmed its ownership in the emblem and had required application for authority to reproduce from manufacturers offering it for sale. The right of the government to restrict and regulate reproduction was given a much more solid foundation as soon as the design patent was issued. Throughout the life of the NRA the Administration reserved the right to regulate reproduction.

(*) Vol. XXII, page 555, Codes of Fair Competition, as approved: Government Printing Office.

CHAPTER V

RESTRICTIONS ON AND REGULATIONS REGARDING INSIGNIA

I. USE AND DISPLAY

In practice the right to use the Blue Eagle involved the right to display it, and vice versa. This right was restricted to those complying with the President's Reemployment Agreement and with codes by Administrative Order No. X-11. (*) Administrative Order No. X-19 (**) of April 12, 1934, creating the Code Blue Eagle, and Administrative Order No. X-22 (***) of April 19, 1934, which by inference redesignated the 'Code Blue Eagle' as the 'Blue Eagle,' reaffirmed the restriction.

The 'Blue Eagle Insignia of Consumer Membership in NRA' did not require much regulation or restriction on use and display. The use of Insignia, in designated Service Trades as well as on code labels for Sheltered Workshops, for the Prison Labor Compact, and as registration Insignia in the Trucking Industry and Household Goods Codes, was regulated in Administrative Orders discussed under a later chapter of this study.

II. REPRODUCTION

Restriction was needed on reproduction of the Insignia throughout its existence in order to preserve its symbolism. When originally issued under the PRA, it stood for voluntary cooperation and often sacrifice on the part of the employer, who had agreed with the President's Reemployment Program. It later represented continuing compliance by those subject to approved codes as well as by those still accepting extension of the PRA, if they had not been covered by approved code.

NRA Circular No. 1 of July 23, 1933, already mentioned, provided the first restriction on reproduction by requiring application to NRA. The authorization to reproduce was issued on the conditions that the applicant agree to conform to regulations to prevent the emblem falling into hands unauthorized to use it; that the applicant had himself signed the President's Agreement and was authorized to use it, and that he would sell at a reasonable price.

It was soon apparent, as reproduction of the Blue Eagle gained great headway, that this circular required additional rulings and interpretations. Although thousands of authorizations to reproduce were issued by NRA, many were withheld at least temporarily because samples submitted for approval by applicants indicated abuse of the design in its indication of NRA membership or an undue commercialization on articles for sale to the consuming public.

The Insignia Section, therefore, prepared proposed formal regulations to govern the reproduction of the Blue Eagle and curb abuses incident thereto, but the press of business which was on the General

(*) Vol. XXII. Page 555 'Codes of Fair Competition, as approved:
 (**) Vol. IX. Page 914 Government Printing Office)
 (***) Vol. Page 922

Counsel's office at the time prevented that office from giving the matter attention. It was therefore necessary to issue another circular dated September 27, 1933, entitled "Interpretation of NRA Circular No. 1." This was given wide distribution among printers and others engaged in reproduction (Exhibit B, Appendix).

The September 27 circular also attempted to curb misleading adoptions by outside persons of official designations such as "NRA", "NIRA", and "Blue Eagle". An administrative regulation with a penalty clause was very much needed. Many people were being misled and mulcted by so-called NRA directories, official NIRA publications, and Blue Eagle Who's Who lists, which were inaccurate and, in many cases, tended to create unjustified boycotts against firms who had signed the PRA but had not paid money to be placed on the lists. Finally, on November 4, 1933, "Rules and Regulations Concerning Use of NRA Emblems and Insignia and NRA, NIRA, and BLUE EAGLE," was issued. (*)

This Regulation, later known as Administrative Order No. X-A2, forbade use of any of these designations as a trade mark or trade name and carried the penalty clause. It was brought to the attention of each of the states by the NRA Legal Division during the latter part of December in order to secure state government cooperation in refusing these corporate name registrations.

Administrative Order No. X-A2 was in no sense a complete Regulation, but it did include a further provision forbidding anyone using NRA Insignia on merchandise where such Insignia nearly resembled a known trade mark previously used to describe the merchandise. The Counsel for the Compliance Division considered this necessary because of complaints already received by prior holders of trade marks. One of these was the well known Eagle brand on lead pencils. The National Rifle Association, however, appeared to be unduly alarmed over the Administration's own appropriation of the letters "NRA."

Comprehensive rules for reproduction of the old and the new Blue Eagle were issued, however, with administration sanction, known as "Blue Eagle Reproduction Requirements - April 23, 1934 - Insignia Section, NRA" (Exhibit D, Appendix). These superseded NRA Circular No. 1 and the September 27, 1933, Interpretation circular.

National Recovery Administration authorization to reproduce any Blue Eagle was still required, but previous issued authorizations remained effective. The rules also continued blanket authorization for printers and publishers of books and of newspapers and magazine periodicals to reproduce the Blue Eagle in any article about the NRA or in the advertisements of those entitled to display it. In August, 1934, the code authority for the Commercial Relief Printing Industry tried to have the ruling amended to restrict this type of reproduction to establishments complying with the Graphic Arts Code. NRA did not consider this advisable as it might unnecessarily raise an issue over rights of advertisers who had paid for advertising space in publications. (**)

(*) Vol. XXII, page 556, Codes of Fair Competition as approved:
Government Printing Office.

(**) NRA Insignia Section Insignia Files.

Almost a year after issuance of "Blue Eagle® Reproduction Requirements" a few cases of the printers and others, who had violated codes, and who continued to reproduce the Blue Eagle without NRA authorization, came to the attention of the Administration. Finally, as a result of continued reproduction by an adjudged violator of the Corrugated and Solid Fibre Shipping Container Industry Code, Administrative Order No. X-138 was recommended and approved on March 30, 1935. (*) This order denied anyone the right to reproduce any Blue Eagle Insignia either for his own use or for the use of another, without written authorization from NRA, although continuing in force those authorizations already issued. It also stated that any authorization might be cancelled upon finding of code or other NRA violation. Code Authorities under the Graphic Arts Code immediately began to inquire whether certain Graphic Arts Code violators had been given authorization to reproduce. Evidently there had been considerable complaint among printers on this score. The decision of the Supreme Court in the Schechter case was handed down before these cases were properly investigated.

(*) Vol. XXII, page 619, Codes of Fair Competition, as amended:
Government Printing Office.

CHAPTER VI

NRA LABELS BEARING INSIGNIA

I. THE LABEL IDEA IN THE GARMENT CODES

In the opening chapter of this study the writer stated that there appeared to be no relationship between the Blue Eagle in its inception and the use of label devices. Although as result of union label use, and the recommendations of the Battle Commission, the New York State government provided for the Pro-Sanis label to indicate higher wages and working conditions that existed in factories not using label, this regulation was discarded in 1926. The idea persisted in certain garment industry associations, however, and with the advent of the National Industrial Recovery Act the Coat and Suit Industry seized the label idea, which had been used to symbolize ethical labor conditions, to include it in the code as a compliance device as well as a revenue raiser. The first scheduled hearing on the code was July 20, 1933, after the original Blue Eagle design had been approved and Bulletin No. 3 had been drafted. It is doubtful if the Administrator at that time even knew of the proposed code label provision.

After approval of the Coat and Suit Industry Code with its label provisions, on August 4, 1933, the Corset and Brassiere Industry Code approved August 14, 1933, and the Men's Clothing Industry Code approved August 26, 1933, followed the lead with somewhat similar provisions to the end of making "an NRA label" mandatory. The words Blue Eagle, Insignia, or emblem were not used in the original provisions of these three codes.

Most of the mandatory label codes approved thereafter did not specify that the NRA label referred to was to carry the Insignia. When the early label code authorities began functioning they seemingly appropriated the Blue Eagle to their labels without inquiring into the already existing Administration policy of encouraging display of Blue Eagle reproductions by all who were complying with the President's Reemployment Agreement.

II. BLUE EAGLE LABELLING UNDER NRA

Early provision for and furtherance of Blue Eagle reproduction was entirely based on promoting the President's Reemployment Agreement and was considered to have little connection with the comparatively few codes then approved. A distinct factor in popularizing the Insignia was the widespread use of the Blue Eagle on stationery, labels, goods, products, packages and containers of NRA members. Blue Eagle labelling on goods of every description, by means of pin tickets and cloth labels, was commonly regarded by NRA as a legitimate form of Insignia reproduction open to anyone who had received authorization to reproduce.

III. CONFLICTING JURISDICTION OVER INSIGNIA ON LABELS

Until a Code Blue Eagle was created in 1934, the Blue Eagle and its reproduction was primarily associated with P.R.A. In specifically mentioning manufacturers of labels, NRA Circular No. 1 had intended that they could secure authorization to reproduce for NRA members provided they themselves had signed the President's Agreement. Many of these label manufacturers secured NRA authorization and produced a variety of labels carrying the Blue Eagle. At the same time, the code labels began to appear with the same Blue Eagle, issued by certain code authorities. Confusion naturally resulted.

The code authorities frequently complained that labels, similar to those issued under mandatory label provisions, were being sold members of their industries by outside manufacturers. In most cases these manufacturers had obtained NRA permission to reproduce, and their labels were not intended to be deceptive. The code authorities proceeded on the assumption that they had a monopoly on NRA labels although the codes did not specifically confer any such monopoly. To ease the situation, the Insignia Section, in October, 1933, wrote to all authorized reproducers, who were believed to be cloth label manufacturers, narrowing the authorization already extended them so that it did not include permission to reproduce Insignia on labels in any way indicating that the Insignia or label had been manufactured under code authority or carried a code authority registration serial number. Finally, in May 1934 Administrative order No. X-33* formally forbade such manufacture and, in effect, created a monopoly in favor of each code authority administering approved code label provisions. Much closer NRA supervision of the power given code authorities over labels was still needed, however.

Another conflict of jurisdiction over labels occurred between several of the apparel code authorities. This, in some instances, resulted from overlapping code definitions and could have been remedied only by code amendments involving new definitions and better code classifications of membership. In other cases the code authority was at fault in unreasonable seeking the label revenue which belonged to another industry. In others the employer deliberately used the label of a different industry in order to obtain easier labor or trade practice provisions than those provided by the code to which he was actually subject.

IV. NO MODEL LABEL PROVISIONS

No model mandatory label provisions were ever formulated by NRA. One of the few general policy decisions on labels was reported in the confidential policy memorandum of October 25, 1933, embodying the Policy Board's conclusion that codes might properly permit the use of an NRA label by those complying with the code and might forbid such use by those who did not comply.

(*) Vol. X, page 757, Codes of Fair Competition, as approved: Government Printing Office.

A number of approved codes contained a provision to the effect that the charge for labels should, at all times, be subject to the approval of the Administrator and should not be more than an amount necessary to cover the cost of the labels, including printing, distribution and the actual reasonable cost of administration and supervision of the use thereof. Substantially this same provision appeared in NRA Administrative Order No. X-38.* This was interpreted by some code authorities to cover all code authority administration expense because the labels in several instances provided their sole source of revenue. The NRA Legal Division supported this viewpoint. Once a code became approved with label provisions, however, the Administration's policy was adequately reflected in its Administrative Orders on labels.

V. TYPES OF CODE PROVISIONS REGARDING NRA LABELS

As late as March 12, 1935, the NRA Research and Planning Division issued a report listing all codes containing mandatory label or Insignia provisions, as well as code provisions similar in form but permissive in specific wording, and also provisions requiring cooperation of code members in maintaining the Insignia requirements of other codes. Since then but one code, that for the Nottingham Lace Curtain Industry (Amendment of May 11, 1935), contained a label provision. For convenience these provisions can be classified as mandatory, permissive and cooperative.

Of the 557 approved codes and the various supplements, containing 56 such provisions, 44 were mandatory, 4 permissive, and 8 cooperative, in accordance with the preceding classification of the Research and Planning Division.

As to the mandatory provisions, a favorite phrasing was that all articles made in the industry "shall bear an NRA label to symbolize the conditions under which they were manufactured;" that "each label should bear a registration number especially assigned to each member of the industry by the Code Authority and remain attached to such garment when sold;" and that "the Code Authority shall establish rules and regulations and appropriate machinery for the issuance of labels and the inspection, examination and supervision of the practices of members of the industry." A list of the mandatory Insignia Provision Codes is included in the Appendix; Exhibit G.

The four permissive provisions were in the Underwear, Academic Costume, Handkerchief and Commercial Aviation Industry Codes (**), the last named being a general Insignia provision rather than a label one. The first three codes followed the usual mandatory label wording as to symbolization, registration number, compliance supervision and administration by the code authority and charges for labels. Use by a member of the industry was optional, however.

The eight cooperative provisions were in the codes (**) for the

(*) Supra

(**) For code and code amendment provisions the reader is referred to Codes of Fair Competition; as approved: Government Printing Office.

Retail Trade, Retail Custom Fur, Retail Jewelry, Retail Food and Grocery, Fur Wholesaling, Fur Dealing, Fur Manufacturing, and Retail Trade for Hawaii. The Retail Trade provision was the most important in its effect. It provided that no retailer could purchase, sell or exchange any merchandise manufactured under a mandatory label code unless the merchandise bore such label. Wherever a retailer complied with his code he greatly assisted in maintaining compliance with the label requirements of the manufacturing codes.

VI. CODE AUTHORITY ADMINISTRATION OF LABEL PROVISIONS

Under this heading the conclusions stated are partly based on the report of the NRA Label Agent* and on recent written memoranda to the writer from the NRA Industry Division Deputy or representative connected with the code concerned.

The Coat and Suit Industry Code Authority derived its sole revenue from administering the label provisions in Article IV of its amended code, there being no assessment provision in the code. The charge for labels was 2¢ each in the Eastern Area and 3¢ each in the Western Area. Although the Code Authority was often accused of bias in handling label suspension cases, its method of delivering its labels direct to its designated contractors as well as to manufacturers resulted in close supervision of most activities in the industry.

The Corset and Brassiere Industry Code contained no assessment provision and the sole source of revenue was derived from labels. The charge for labels varied from 15¢ to \$4.00, per thousand, and they were issued to all members of the industry. The label provision made it possible for the code authority to secure practically complete code compliance by impartial administration. Amended label regulations of the Code Authority in form acceptable to the Administration were about to be approved during May 1935. These would have corrected the situation regarding contractors which had not been entirely satisfactory.

Section 1, Article XVIII, Legitimate Full Length Dramatic and Theatrical Industry Code, approved August 15, 1933, provided that all advertisement of all productions should display the NRA label to assure patrons of compliance with NRA standards. The entire code was rewritten and approved on October 22, 1934. This label provision was eliminated because its observance had been completely ignored by the Industry.

The Men's Clothing Industry Code contained no assessment provision, and the sale of labels at graduated charges determined by the Code Authority was the sole source of revenue. Administration of code label provisions was handled in a way that very little information reached NRA, either of complaint or praise. The Code Authority did not recognize the contractor and relied upon deliver of his labels by his jobber. If it suspended any labels of a contractor, the suspension would probably have been difficult to enforce.

(*). As to whom, see index: page 35.

The Artificial Flower and Feather Industry Code Amendment No. 2 provided for an NRA label on all invoices as a mandatory requirement with an optional provision for its use on containers. The code also contained an assessment provision, in addition to the labels, which sold at 75¢, per thousand. The label regulations did not become effective until January 1, 1935, and their administration covered too short a period to be evaluated.

The Luggage and Fancy Leather Goods Industry Code contained a mandatory Insignia provision for stamping and labelling all merchandise manufactured. When the code was approved, the code authority label regulations were undergoing revision. At the suggestion of the Legal Adviser on the code the provision was not made effective, pending approval of new regulations. These were not issued until March, 1935, and the Code Authority had not worked out its procedure by May 27, 1935.

The Umbrella Manufacturing Industry Code contained no label provision, until Section 5 of Article VII was added as an Amendment, February 2, 1934. After adoption of the Amendment, the price of \$3.00, per thousand, for cotton labels and, \$5.00 per thousand, for silk labels included the cost of the labels and the operating expense of the Code Authority. Labels were required to be sewn into the umbrella gore. The NRA Label Agency had no record of effectiveness of the code provisions, although one case of violation came to their attention. No suspension cases were brought to the Agency's attention.

The Retail Custom Millinery Trade Code in Article VI, Section 1, contained a mandatory label provision. The sale of labels was not started until April 6, 1935. Administration by the Code Authority had hardly commenced by May 27. Its effectiveness can scarcely be evaluated.

The Dress Manufacturing Industry Code Authority received its sole revenue from mandatory label sales, the price charged being \$4.00, per thousand to \$18.00, per thousand, depending on price range classification and whether used inside or outside of New York. The code authority label regulations did not recognize the contractor to the extent of directly supplying him the labels, relying on the jobber to do so. The ability to control the contractor's use of the label was questionable.

By Amendment No. 3 of October 19, 1934, the optional label provision of the Novelty Curtains, Draperies, Bedspreads and Novelty Pillows Industry Code was made mandatory. The Assistant Deputy has stated that the mandatory provision was not of much benefit because of failure of the Code Authority to employ competent investigators, decentralizing of authority in so far as labels were concerned, and continual disagreement within the Code Authority as to policies and procedure.

The Tool and Implement Manufacturing Industry Code originally empowered the Code Authority to require that any article manufactured by complying industry members bear the NRA Insignia. Amendment No. 1, of September 19, 1934, deleted the provision and it was never operative.

The Non-Ferrous Hot Water Tank Manufacturing Industry Code contained a similar provision but it was evidently interpreted by the Code Authority as only requiring use of NRA Insignia reproduced by the individual members.

The Men's Garter, Suspender and Belt Manufacturing Industry Code, Amendment No. 2, Article V, required all products made in the industry to bear an NRA label or other designation, with the Code Authority having the exclusive right to issue and furnish it "and/or to authorize the reproduction thereof". This provision required that the application to the Code Authority for permission to use and reproduce the label be accompanied by a certificate of compliance with the code, including an agreement by the member to pay his reasonable share of code administration. The form of label customarily issued by apparel code authorities was evidently not manufactured for the members, but they were allowed to use reproductions. Neither the NRA Label Agency nor the Deputy Administrator's office had any particular information to furnish on the administration of the provision.

The Cotton Garment Industry Code Amendment No. 2, of March 10, 1934, made an NRA label mandatory on all garments made in the industry after March 30, 1934. The sale of labels then provided the sole source of revenue to the Code Authority, there being no other assessment provision. With exception of higher charges for work shirts, sheep lined and leather garments and house dresses, the charge for labels was \$1.50 per thousand. The provision whereby contractors, on application, could be furnished with labels direct from the Code Authority instead of through the jobber helped the Code Authority in its administration.

The Millinery Industry Code, and its Amendment No. 2, provided for a mandatory NRA label which provided the Code Authority its sole source of revenue, there being no code assessment provisions. Prices charged for labels varied from \$2.00 per thousand, to \$20.00 per thousand according to millinery price range.

The Rainwear Division of the Rubber Manufacturing Industry, Code No. 156, in its Amendment No. 1, approved April 30, 1934, adopted a mandatory label provision which took effect June 26, 1934. From that date the total revenue of the Code Authority was obtained from labels which were sold at \$10.00 per thousand. The Divisional Code Authority attempted to exercise label provision control over articles which in many cases were in no sense covered by this code, but were subject to such codes as the Cotton Garment and Men's Clothing.

The Fur Dressing and Fur Dyeing Industry Code, and its Amendment of July 18, 1934, did not require a label to be attached but made mandatory an NRA Insignia to be stamped on fur skins dressed, dyed or otherwise processed. The Amendment deprived any member of the industry from conducting these service operations on fur skins for anyone subject to any other code containing mandatory label provisions, who was not in compliance with that code. A stamping device, bearing NRA Insignia and individual registration number, was sold each industry member for \$50.00, credited against his assessment. The Code Authority operated under a budget and basis of assessment. As far as known the Code Authority adminis-

tered the Insignia provisions impartially.

The Knitted Outerwear Industry Code, Article XI, made an NRA label mandatory. Labels at prices ranging from 80¢, per thousand to \$12.50, per thousand, provided the Code Authority its sole source of revenue. Many manufacturers, actually making knitted outerwear, were not technically subject to the code. This was a handicap to equitable administration of label provisions.

Article VI, of the Blouse and Skirt Manufacturing Industry Code, called for issuance of mandatory labels which became the sole source of revenue of the Code Authority. Labels sold for \$3.50, per thousand, and \$6.00, per thousand. The Code Authority Label Regulations provided that labels be furnished contractors by their jobbers and this would leave weakened code enforcement if the Code Authority had suspended use of labels by any contractor violating the code.

The Picture Moulding and Picture Frame Industry amended Section VI of its code to make an NRA label mandatory. This Amendment, No. 2, provided for attachment of the label to each product manufactured or distributed, and in the case of products of the industry not completely fabricated in form for the ultimate consumer, the label was to be attached to the outside wrapping. Pursuant to the provisions of Administrative Order X-135, the Code Authority submitted revised label regulations on March 30, 1935, which NRA decided should be modified. The modified regulations were about to be approved by an Administrative Order at the time of the Supreme Court decision. During the period of code administration the Code Authority was unable to secure proper compliance with the provision of the amendment.

The Robe and Allied Products Industry Code, in Article VII, contained a mandatory provision for labels. They were sold at rates of \$3.50, \$4.00 and \$6.50, per thousand, to any manufacturers in the industry; in addition the members were subject to the general membership assessment on net sales. No direct delivery of labels to contractors was in effect and if a contractor violated the code, the Code Authority was obliged to direct the manufacturer jobber not to supply him his labels.

The Nottingham Lace Curtain Industry Amendment No. 2 of May 11, 1935, contained a mandatory label provision as result of the Assistant Deputy Administrator's request. It was intended to solve a problem of overlapping code definitions to the extent of requiring NRA labels on all decorative linens and was neither for compliance nor for revenue purposes. Administration by the Code Authority was interrupted on May 27, 1935.

By Amendment No. 2 of the Code for Light Sewing Industry, except Garments, mandatory labels bearing the NRA Insignia were required in three divisions of the industry. Mattress cover labels sold for \$15.00 per thousand, Comfortable Division labels at 70¢ per thousand and

Quilting Division labels were supplied free. The Mattress Cover Division was the only one dependent solely on label revenue. Compliance was not secured by the Divisions due to numerous difficulties.

Article VII, of the Merchandise Warehousing Trade Code, provided for a mandatory Certificate of Participation from the Code Authority, serially numbered, showing that the member was a subscriber to the code. In addition, every warehouse receipt issued by each member was required to bear notation reading "Subscribed to Merchandise Warehousing Trade Code. (Certificate No. ____)." Each certificate issued by the Code Authority carried the Blue Eagle. The NRA Code History of this industry states that the idea was taken from the regulation of the American Warehousemen's Association. It does not go into any discussion of the administration of the provision other than a generalization as to its effectiveness as a medium of income.

Article VI, of the Porcelain Breakfast Furniture Manufacturing Industry Code, contained a mandatory label provision intended to identify the products made by those complying with the code but not to finance code administration. Only \$850.00 worth of labels were ever printed, and due to industry dissension the Code Authority never functioned properly.

The Hat Manufacturing Industry Code in Article VII required an NRA label. The sale of labels at 4¢ and 6¢ per dozen and at lower prices for felt bodies and hats, defined as harvest hats, provided the Code Authority with its sole source of revenue. The NRA representatives apparently learned little regarding the administration of this label provision by the Code Authority.

By Amendment No. 2 to the code for the Pleating, Sticking, and Bonnaz and Hand Embroidery Industry an NRA label was made mandatory on all bundles of garments on which an operation of the industry was performed.

Amendment No. 1 had provided the standard budget clause. After the label regulations became effective on February 15, 1935, labels were sold at \$1.00 per thousand. The short period of label administration did not provide opportunity for these activities to be appraised.

The original code for the Ready-Made Furniture Slip Covers Manufacturing Industry, in Article VII, Section 6, carried a provision that the Code Authority should cooperate with the Administrator in regulating use of NRA Insignia by members assenting to the code. Amendment No. 2 made mandatory the presence of an official label of the Code Authority bearing the NRA Insignia on all products. In addition to an assessment against sales volume, members were required to pay 75¢ per thousand, for labels. No cases were submitted to the NRA Label Agency and no conclusion can be drawn as to the Code Authority administration.

The Ladies Handbag Industry Code contained a mandatory label provision in Article VII. In addition to being subject to code assessments labels were sold to the members at \$2.50, per thousand. Although a number of the apparel codes, in which labels were not the sole source of revenue and which did not recognize the contractor have been reported as

poorly administered, the Ladies Handbag Code Authority's administration was regarded as impartial and effective despite these handicaps. The Director of NRA Industry Section 3 regarded label provision compliance by this industry as most effective.

Amendment No. 2, of the Art Needlework Industry Code made it mandatory for members to stamp or stencil all producers with NRA Insignia labels. This provision was never used because Administrative Order No. 335-16 stayed it until June 16, 1935.

The Photographic and Photo Finishing Industry Code contained a provision, in Article VIII, making it unfair competition to fail to affix the NRA Insignia on products, when entitled to do so. The Code Authority was never recognized so that no administration of this provision occurred.

The Men's Neckwear Industry, Amendment No. 1, provided that all products made in the industry must bear an NRA label. Labels ranging in price from $\frac{1}{2}\phi$ per dozen to 8 ϕ per dozen in accordance with value of the product furnished the sole source of revenue for the Code Authority. Information as to the effectiveness of label administration is not available.

Article VIII, of the Infants and Children's Wear Industry Code, carried a mandatory label requirement in addition to the assessment provision in Article VII. Labels at \$2.00 per thousand provided Code Authority revenue in addition to the general code assessment of 0.25% of net sales dollar volume. Credit of \$1.60 per thousand on labels purchased was allowed against member assessments. Administration of label provisions by the Code Authority was not particularly effective largely because the contractor was not made subject to the code label regulations.

Section 10, of Article VI, of the Umbrella Frame and Hardware Manufacturing Industry Code, gave the Code Authority the exclusive right to issue a mandatory NRA Insignia to members of the industry. This Section was stayed in the Executive Order approving the code until a study of this Insignia provision was completed. Because of the nature of the industry products, the Code Authority determined that labelling would be unsatisfactory, and it was the intention to petition for an Amendment to delete the provision. On this account the Code Authority never put it into operation.

The Household Goods, Storage and Moving Trade Code made a registration insignia mandatory, but did not specify the NRA Insignia. Although the Blue Eagle was actually reproduced and used, it was so similar to the Registration Insignia used by the Trucking Industry that it is discussed later, in Chapter XVIII of this study, in connection with Administrative Orders.

As part of and in connection with the Executive Order approving the code of the Copper Industry, requirement was made that all copper sold pursuant to the marketing provisions of the code should be called "Blue Eagle Copper". Since it was also provided that all such copper either be stamped with the replica of the NRA Insignia when it passed through the smelter or be accompanied by a certification that the product was

"Blue Eagle Copper," the provision became, in effect, a mandatory one for this industry. The NRA Code History of the Copper Industry sheds little light on the effectiveness of code authority administration of this provision.

In the Undergarment and Negligee Industry Code, Article VI was the standard budget clause and Article VII provided for a mandatory NRA label. Labels sold for \$2.00 per thousand. These sales were adjusted monthly so that contributions of members of the industry would amount to 0.25% of their net proceeds. Although distribution of the labels to contractors was not controlled by the Code Authority, it apparently administered the label requirements effectively.

Article VII, of the Fur Manufacturing Industry Code, required an NRA label on all fur articles produced under the code. Manufacturing and Stock on Hand labels sold at a rate of six for 1¢; Repair and Remodel labels at three for 1¢. Under the code budget and assessment there was also revenue at the rate of one third of one percent of net sales volume. With the exception of a report on obstacles to code administration by the NRA Label Agency, there is no information available concerning the effectiveness of the Code Authority in securing compliance with the label provision.

The Cap and Cloth Hat Industry Code contained a mandatory NRA label requirement in Article VII and a budget and basis of contribution in Article VI. Labels at the rate of \$3.00 per thousand provided the Code Authority with revenue in addition to the assessment. Early code authority label regulations, as submitted to NRA, were never approved. The Code Authority failed to re-submit regulations in accordance with Administrative Order No X-135. No information is available regarding this agency's administration of label provisions.

Amendment No. 1, of the Cigar Manufacturing Industry Code, provided that "all cigars manufactured or distributed subject to the provisions of this code shall have an NRA label in the form of a stamp to be affixed to the outside of the container thereof --". Thereafter the sale of labels provided the sole source of revenue to the Code Authority. Labels sold at varying prices of 2¢, per thousand, to 40¢, per thousand. The Code Authority and the NRA Industry Division representatives regarded the use of these labels as of great assistance in obtaining code compliance. One report of the Compliance Division during the last six months of code administration shows only eight complaints of failure to purchase labels. The already existing requirements of the Internal Revenue Department, in taxing cigars with the aid of Revenue labels, undoubtedly made it easier to secure compliance with the code labelling requirement. Even if the Blue Eagle had not appeared on the code label it probably would not have affected the raising of code revenues in this industry. Another reason for this observation is that the Retail Code cooperative label provision was legally construed as not requiring retailers to insist on labels not made mandatory on the merchandise itself. As already stated, the cigar labels were required on the outside container only.

Article VIII, of the Code for the Needlework Industry in Puerto Rico, required an NRA label, or an authorized substitute therefore if the

Code Authority should so determine. The label regulations made pursuant to this provision did not take effect March 23, 1935, so their value cannot be determined.

The Merchant and Custom Tailoring Industry Code contained the standard budget clause, in Article VI, and mandatory label provision, in Article VII. Labels at prices of 5¢ and 7¢ each, according to garment value, provided the sole source of revenue for the Code Authority. Little information is available regarding code authority administration of the label provision. It may have been hampered somewhat by objections which were raised by smaller establishments to the \$5.00 minimum contribution requirement in the Code Authority label regulations.

Article VII, of the Assembled Watch Industry Code, required each member to apply to the Code Authority for "a mark, insignia, trademark or number", which, when issued, must appear on stationery, watches and watch movements, as the Code Authority might prescribe. The main purpose of the provision was to prevent smuggling, rather than to provide revenue. Little is known of the Code Authority's administration of this mandatory provision, except that internal dissension existing in the Code Authority probably hampered its effectiveness.

The Women's Neckwear and Scarf Manufacturing Industry Code, in Article VI, set up what at the time of its approval was probably regarded as a model label provision. The same Article, however, stated that it would not become effective until such time as the Code Authority should by resolution so declare an effective date. The Supreme Court decision in the Schechter case was handed down before any code administration of label provisions developed.

VII. RESTRICTIONS ON CODE AUTHORITIES

During the fevered period of code making in 1933, codes containing mandatory label provisions had been rushed to approval. Code Authorities, entrusted with the power to issue and withdraw the labels by the terms of these provisions, had refused to issue labels to numerous persons subject to the codes. The Code Authority involved had its own conception of what constituted a code violation, which may or may not have been in accordance with the Administration's viewpoint.

The danger of unjust suspension of labels was recognized by NRA in January, 1934, by issuance of Administration Order No. X-3 (*). By the terms of this order every refusal of label issuance required certification to NRA of a complete file showing the grounds for refusal. No code authority was to refuse issuance of labels bearing NRA emblems or Insignia, unless the Code Authority was then prepared to certify to NRA a prima facie case of non-compliance with the code, or with valid rules and regulations of the Code Authority. This order was only a first step toward necessary supervision over and restriction on Code Authority administration.

(*) Vol V. page 778 Code of Fair Competition, as approved, Government Printing Office.

On May 18, 1934, Administrative Order No. X-38 (*) was approved. Although this order vested the code authorities, in the mandatory label industries, with the exclusive power to issue labels bearing NRA Insignia and protected these labels from counterfeits, it restricted the Code Authorities more definitely than the X-3 order had. The power to withdraw or withhold labels was for the first time reserved to the Administrator or his designated agencies. The code authorities were empowered to issue, subject to the disapproval of the Administrator, rules, regulations and forms necessary in label administration. Label suspension action by a code authority could be taken only after careful investigation and after ample opportunity to be heard was given. After suspension the code authority was to file a record of the hearing with recommendations, to the Compliance Division, for such final action as NRA deemed proper. Other detailed restrictions and regulations were included whereby code authorities were to submit their label charge plans, budgets of estimated expenses and operating reports to the Administration.

The X-38 order was the result of some NRA study and discussion of the label problems with the code authorities of the garment industries. Within six months after its approval it became apparent that further changes in procedure were necessary. Closer NRA supervision of code authority administration was desirable. The numerous complaints from members of industry about label suspensions gave rise to some feeling of lack of confidence in code authority impartiality. To provide a check, a Label Review Officer in New York and a Label Officer for the Pacific Coast had been appointed to hear cases involving withholding of labels. These NRA officials were to review the action of the code authorities with power to stay suspension of labels pending administrative determination in Washington. The procedure set up for their action was eventually embodied in Administrative Order No. X-135 (**).

This last named order was approved February 25, 1935, after trial operation of some of its provisions had proven desirable. The Textile Division Administrator recommended approval of the order by the National Industrial Recovery Board in a letter of January 29 to the Board, in which he reviewed the general problems connected with label enforcement. His letter also contained certain findings concerning NRA labels, which are enumerated in the concluding portion of this label study.

In a letter (dated March 4, 1935), to the code authorities of codes having mandatory label provisions, the Compliance and Enforcement Director called attention to the code authorities to the NRA Label Agency set up under Administrative Order No. X-1935 and outlined certain procedure to be followed in withdrawing or restoring the right to obtain labels or to use labels which an industry member might have on hand

(*) Vol. X, page 767, Code of Fair Competition, as approved, Government Printing Office.

(**) Vol. XXI, page 626, Codes of Fair Competition, as approved, Government Printing Office.

(Exhibit H, Appendix). In the opinion of the writer, code authority label administration required even closer supervision than was set up under the order (*).

VIII. ADMINISTRATIVE ORDERS

There were numerous Administrative Orders issued in addition to X-3 (**), X-38 (**) and X-135 (**). Administrative Order 5-4, 15-6 and 64-6, prescribed label rules and regulations for the Dress Manufacturing Industry, Coat and Suit Industry and Men's Clothing Industry. Orders X-135-1 to X-135-7 inclusive concerned appointments in furtherance of X-1935.

Order No. X-60 (***) gave person in Puerto Rico and Hawaii applying for exemption from codes in accordance with the order, the right to obtain labels from the code authority concerned or from the Territorial Deputy Administrator if no code applied. Such labels issued by the Deputy in Hawaii were to bear the letter "H" and in Puerto Rico, the letters "P.R."

Order X-81, in amending the supplementing X-59 relative to Sheltered Workshop Insignia, vested the National Sheltered Workshops Committee with exclusive power to issue labels to Sheltered Workshops.

Order X-36-2 interpreted the exemption conferred in paragraph III of Administrative Order No. X-36 as not extending to the purchase of labels where the charge for such labels was or had not been subject to Orders No. X-38 or X-135. All members of the industry were therefore obligated to pay for labels at the rates approved by NRA for the industry concerned.

Incidentally, Administrative Order No. X-135 previously mentioned, in referring to mandatory labels, decreed for the first time that labels must bear the Blue Eagle.

Order No. X-143 (****) recognized the apparel Codes Label Council and defined its powers and duties. Code Authorities of several apparel codes had applied to NRA for recognition of this agency to assist them in administration of mandatory label provisions. The Order set up the

(*) NRA Files, report to the Code Administration Director June 19, 1935, from NRA Label Agent entitled "Review of NRA Label Agency Activities."

(**) Supra

(***) Vol. XXII, page 630, Codes of Fair Competition, as approved; Government Printing Office.

(****) Vol. XXIII, page 358, Codes of Fair Competition, as approved; Government Printing Office.

Council with authority to maintain a central bureau of shoppers to inspect merchandise in retail stores to see whether they carried these code labels and also to obtain consumer label cooperation by educating the consumer to insist on labels. The Supreme Court decision interrupted the operation of the order.

IX. VALUE OF LABEL PROVISIONS

On April 29, 1935, the NRA Advisory Council, in recommending recognition of the Apparel Codes Label Council as later provided for in Administrative Order No. X-143, admitted that the Council had not considered the basic problem of enforcement by means of labels. The Council analyzed label enforcement as an established part of compliance machinery, however, and not essential to the issue raised by the Administrative Order itself.

In recommending the approval of the order, the Advisory Council stated that it made no commitment toward other or more ambitious proposals for code authority propaganda, and more or less questioned the wisdom of authorizing and budgeting general propaganda activities by code authorities.

On the other hand, the Division Administrator of the Textile Division as result of committee study of labels and new regulations to supersede those in Administrative Order No. X-38 (*) on January 29, 1935, reported the following findings to the National Industrial Recovery Board:

"1. That the label is one of the most effective and practical instruments for securing compliance with codes.

"2. That the label is the most effective method of raising revenue for code administration purposes.

"3. That the label provides an accurate measure of volume of production and sales.

"4. That the label is a practical and desirable safeguard for the consumer.

"5. That; therefore, the use of the label tends to remove obstructions to the free flow of interstate commerce, to promote the organization of industry, the elimination of unfair competitive practices, the increase of purchasing power, the reduction of unemployment and the improvement of the standards of labor.

"6. That the label, if improperly administered can result in oppression to members of industry." (**)

The National Industrial Recovery Board may or may not have subscribed to all of these. For the purposes of this study these findings appear to adequately reflect the value of the NRA label.

Certain qualifications should be added to these findings, however, They should not be taken to literally in connection with the industries which we are not apparel or garment industries, because very few mandatory label provisions were administered in other industries. The wisdom of allowing code authorities to use the Blue Eagle Insignia on labels to further the activities of a particular code authority was also questionable.

(*) Vol. X. page 767, Codes of Fair Competition, as approved; Government Printing Office.

(**) See National Industrial Recovery Board Files, Miscellaneous Reports Folder.

CHAPTER VII.USE OF BLUE EAGLE AS A COOPERATIVE SYMBOL.

A well known dictionary edited ten years before the Recovery Act emphasized the meaning of the word "cooperative," as "operating together industrially." It also gave preference to the work 'emblem' as a synonym for 'symbol.' Under the President's Reemployment Agreement the Blue Eagle was primarily an emblem of industrial cooperation. No more effective aid to quick mobilization of public opinion could have been devised.

In like manner the emblem of consumer cooperation in Blue Eagle form was mainly instrumental in securing pledges of support from more than fifty million people.

Even if the President's Reemployment Agreement had not been found necessary to precede complete edification of industry and the Administration had relied entirely on the code making process, a symbol of cooperation under the codes would have been almost as essential as it was under PRA. A consumer campaign gaining momentum from display of a consumer Blue Eagle could have had for its object, support of and cooperation with those industries which had already submitted proposed codes. Employers displaying the Insignia would thereby evidence their willingness to comply with the code when approved. Employers assenting to proposed or approved codes could also have been asked to sign a consumer pledge.

Instead of this, because of the reliance placed on the PRA to speed the recovery program the Blue Eagle was primarily symbolic of cooperation with voluntary agreements. It never lost its cooperative significance even when recreated as a Code Blue Eagle.

As a code emblem its use by employers continued to be voluntary, not mandatory. The Administration's support of code authorities' use of the Blue Eagle on mandatory NRA labels was an important exception to its policy of voluntary use of the Insignia by employers complying with NRA standards.

CHAPTER VIII.USE AS AN EDUCATIVE FORCE.

The Blue Eagle was undoubtedly an educational influence in connection with the RRAF. Its universal display was convincing evidence to many employers who were inclined to be dubious of their own ability to maintain the Agreement requirements that the great majority of their competitors must be able and willing to do so.

The consumer drives and other work of the local NRA committees continually emphasized the meaning of the Blue Eagle. It is doubtful that these volunteer organizations would have had the necessary enthusiasm if they had not been enlisted under a patriotic symbol of this nature.

The influence of the committees in educating employers as well as consumers to their responsibilities under the Blue Eagle can not be overlooked. The biggest Blue Eagle drive which started August 28, 1933, was participated in by a million and one half volunteer workers, each identified by a Blue Eagle badge supplied by NRA. Tons of educational literature went with this army in its efforts to put a Blue Eagle in every shop and a consumer's card in every home (*).

A less spectacular campaign, which was destined to be terminated before its scheduled closing date, got under way in October, 1933, under direction of the Director of Public Relations. It had for its slogan "Now Is The Time To Buy". In the letter sent NRA Committees the government's effort in the campaign was described as largely directional and educational, with a view of correlating American Industry's merchandising capacity in a mass movement to stimulate trade.

NRA undertook to create a national psychology to aid the local communities' own responsibilities in stimulating trade in each area. The Blue Eagle was used as a companion piece on numerous posters supplied the local committees as approved samples from which merchants might make reproductions at their own expense. "Now Is The Time To Buy" appeared on various red, white and blue posters, showing such scenes as the dome of the capitol, Paul Revere on his steed with the title "Wake up Americans," or Uncle Sam in various striking poses.

A typical suggestion, in one of the letters NRA broadcast to manufacturers, called attention to the idea of a national cigar manufacturer in distributing a display card to his retailers bearing the Blue Eagle and the caption: "When you buy cigars you help provide living incomes for farmers, labor, salesmen, dealers, and yourself. Buy now."

Although this drive tapered off before January, 1934, the use of propaganda showing real facts and figures, based on current conditions

(*) See NRA Bureau of Public Relations Files: also History of Insignia Section, page 4, August 28, 1935, filed with NRA Record Section.

under code operation, was very graphic. Similar information could be used most effectively along with the code Insignia, if NRA codes were functioning today.

As brought out earlier in this study, code authority distribution of the Code Blue Eagle was slow and ineffective. A code Insignia, which did not carry the individual name of each particular industry, could have been put out quickly by the Administration, and public educational work as to what code compliance really signified would have been made much easier. In getting an individual industry Insignia to some one and three quarter million establishments, however, a vast number of employers became aware for the first time, of the code under which they were to operate. NRA Insignia Section files bear evidence of this in the hundreds of letters answering employers concerning their code classification perplexities.

CHAPTER IXUSE AS AN ENFORCEMENT WEAPON

The first phase of the President's Reemployment Program was largely concerned with inducing all eligible people to sign the President's Agreement or the consumer's pledge card. This campaign continued without abatement until Labor Day of 1933.

Letters of the Blue Eagle Division of NRA to District and State Recovery Boards, and to local NRA Committees, next stressed the second phase of the program, that of obtaining compliance with the Agreement. Education, mediation and conciliation work were the main assignments of the local volunteer Compliance Boards set up in September, 1933. These Boards and their predecessors, the NRA Committees, were instructed that they had no powers of enforcement, such as authority to remove the Blue Eagle, which had been suggested by many of them.

Meanwhile, reports of violation were being forwarded to Washington by Compliance Boards. Many of these reports recommended that the Blue Eagle be removed. This procedure had been outlined in the Administrator's letter of September 11, 1933, to Local NRA Committee Chairmen, in connection with creation of the Compliance Boards.

It was not until October 10, however, that the Administrator first made use of the Blue Eagle as a weapon of enforcement. The case was that of a Gary, Indiana, restaurant employer. The telegram dispatched to him was similar in substance to many others which were used in later cases and read as follows:

"Gary Compliance Board reports that you are violating the minimum wage and maximum hours provisions of the President's Agreement as to your employees and that you refuse to make any explanation of statement of your case to the Compliance Board. If complaint is true you have grossly violated the President's Agreement. Even if it is not true your refusal to come forward with some explanation when respectfully asked to do so by your local board indicates that you are not willing to cooperate with the President in his recovery program. Therefore you will immediately cease displaying the Blue Eagle and will surrender any NRA insignia in your possession to the Postmaster Gary, Indiana. You will refrain from using the Blue Eagle in advertising or otherwise. (*)

Numerous Blue Eagle removals or withdrawals of the right to display the Insignia followed in rapid succession. The removals for non-compliance with the terms of the President's Reemployment Agreement never reached the volume of those for code violations. The records of the NRA Field Division indicate that removals occurred in 184 PRA cases with 32 restorations, as compared with a total of 2914 removals and 156 restorations for all classes of cases.

(*) NRA Release No. 1134, October 10, 1933.

In the opinion of the writer, there was no idea in the early days of NRA to regularly make use of the Blue Eagle as an enforcement device. No one could have accurately predicted the degree of future compliance with PRA or with codes.

The effectiveness of Blue Eagle removal was dependent upon support of the Blue Eagle by employers, labor and the consuming public. The mainspring of the Blue Eagle support was the public, and due to a variety of causes, the public became apathetic in its attitude as the codes superceded the PRA. In consequence, the removal of the Blue Eagle, in the majority of such cases, did not of itself secure compliance and adjustment from the offender. If it had, the records would show a far larger percentage of Blue Eagle restorations.

Even with the Blue Eagle no longer an essential requisite with the buying public, its removal continued to be looked on as a dangerous thing to the large corporations and national advertisers, who depended on public good will over a wide geographic area. Although the small merchant in many cases knew that customers locally had become indifferent to NRA, the business with many units in different localities seldom could risk public disapproval which might attend loss of its Insignia.

The firm that was dependent on government business, Federal and, in some states, state business, was also more inclined to respect the privilege of using the Blue Eagle.

The Blue Eagle removal case, which involved more interesting angles to the use of the Insignia as an enforcement weapon than any other, was that of the Harriman Hosiery Mills, Harriman, Tennessee. In the first place, the National Labor Board, in the latter part of 1933, had made vigorous efforts, without success, to settle a strike of hosiery workers in the mills. When the company remained adamant in refusing to guarantee the time and conditions of reinstatement of the strikers, which they insisted on as necessary to agreement, the Labor Board recommended withdrawal of the company's Blue Eagle by NRA.

This was in March, 1934, by which time Blue Eagle removals of themselves were becoming more and more ineffective. The National Labor Board, however, was forced to continue to rely on recommending Insignia removals where it was unable to secure redress from employers against whom it had issued finding of 7(a) violation. No other avenue of quick enforcement appeared as feasible. Judicial procedure in such cases probably appeared as cumbersome to the Board as it frequently did to NRA. The National Labor Board could not, of course, deny the right to use the Blue Eagle. Since the Blue Eagle was created by NRA as the NRA Insignia, and the Administrator had not delegated authority over it to any other agency, the power to control it remained in NRA. Incidentally, after the National Labor Relations Board succeeded the National Labor Board, the procedure of removal and restoration of the Blue Eagle by NRA, in cases submitted by the National Labor Relations Board, was set out in Office Memorandums 312 and 312-A. The last named memorandum was issued April 29, 1935, which showed that the removal of the Blue Eagle was still an expedient in use within one month of the Schechter Case decision.

To go back to the Harriman Mills case, the Administrator on April 20, 1934, ordered the removal of the company's Blue Eagle, after the NRA National Compliance Director had concurred in the final recommendation of the National Labor Board. The Harriman Company had formally protested to NRA, against removal of the Insignia before the Administrator took this action.

Blue Eagle removal really meant something in this case. Executive Order, No. 6646, had become effective to require certification of code compliance in contracts involving government funds, with severe penalty for false certification. In the Harriman Mill's case, a finding of 7(a) violation involved a violation of the Hosiery Code, to which they were subject. The company was very dependent on hosiery contracts involving government funds. The merchants and citizens of the town of Harriman were considerably dependent on operation of the mills for their livelihood. Protests from those vitally interested in restoration of the Blue Eagle arose on every hand and much newspaper publicity was given them.

Throughout this long drawn out controversy the newspapers made great capital of the refusal of the Attorney General to prosecute the Harriman Company on the ground that available evidence was insufficient to warrant criminal prosecution for code violation. This aggravated the feeling, which already existed in some quarters, that NRA should not remove a Blue Eagle without concurrence in such action by the Department of Justice. The criticism appeared justifiable.

On June 28, 1934, the Administrator asked the Attorney General whether, in view of his attitude on not prosecuting, the Blue Eagle should be restored. The Department of Justice reply, of June 30, stated that it saw no reason for changing its view, but that this conclusion need not have necessary relationship to any administrative action the NRA Administrator might take. The Attorney General also advised that no provision with respect to the National Industrial Recovery Act, so far as he was aware. In consequence NRA continued to withhold the Insignia, because of the Harriman Company's persistent refusal to accept two administration points in a proposed agreement.

Finally, on July 17, the Assistant Administrator for Enforcement negotiated an agreement with the Harriman Company and ordered restoration of its Blue Eagle. The last article of the agreement stipulated that, upon signature by an authorized officer of the Harriman Hosiery Mills, "the Blue Eagle and all its uses are restored to the company and the Code Eagle will be issued therefor". Although considerable criticism of this action occurred, the Administrator allowed the agreement to stand. The Code Insignia of the Hosiery Industry was presumably supplied the company by the Code Authority.

From this case, and others, we can summarize the use of the Blue Eagle in enforcement. The power to control the Insignia, to the extent of denying and restoring the right to its use, was reserved at all times by NRA.

After Blue Eagle removals were undertaken as a regular enforcement measure in October, 1933, those deprived of the use, in many cases, did

not make a strong appeal to secure restoration. The growing lack of regard for the Blue Eagle by the consuming public had much to do with this.

Available records, already referred to in this chapter, indicate that the Blue Eagle was removed in approximately twenty-nine hundred cases and was restored in only one hundred and fifty-six cases. The great majority of these cases involved code violations as distinguished from violations of the President's Reemployment Agreement.

Where government contracts and government funds were involved, or where large corporations dependent on widespread public support were concerned, the Blue Eagle continued to be a powerful weapon of enforcement.

CHAPTER XREACTION TO THE BLUE EAGLE

The public response to the original appearance of the Blue Eagle was spontaneous and patriotic. The first Blue Eagle consumer drives, during the time of the signing of the President's Agreement by two million employers, made the work of local NRA Committees, in securing consumer pledges of cooperation, comparatively easy. The urge to display the consumer Insignia by those signing the pledge required printing of some seventy million of these stickers. Probably fifty million consumer Blue Eagles were displayed by the public.

There is little to discuss concerning reaction by labor to the Blue Eagle as such. Throughout the life of NRA as an active administration, labor organizations had no ground for objection to the purposes to which the Insignia was dedicated. The laboring man was of course, a large part of the consuming public. His attitude toward the Blue Eagle merged itself into the larger public attitude, influencing the general consumer greatly in some localities and but slightly in others.

Until the end of 1933, the vast majority of employers, remained sympathetic to the purposes of NRA, and despite some prominent instances of indifference to the display of the Insignia, they could hardly have been said to have lost respect for it. Those who had signed the P.R.A., but who were not living up to their agreements, probably were about equally divided in this regard for the symbol. Many employers who paid but lip service to the agreement requirements, feared to advertise that they were enlisted under the Blue Eagle banner. Others were confident of the absence of P.R.A. enforcement and in many instances flaunted their mark of NRA membership in a more aggressive manner than many employers who were complying in both letter and spirit.

Adjudged violators in most cases had their Blue Eagles removed. The small number of Insignia restorations already mentioned in the enforcement portion of this study, as compared with the removals, was in part the result of a growing lack of regard for and need of display of Insignia. Approximately one-sixth of the Blue Eagle removals were in the local and service trades. These cases were outstandingly hard to adjust and service trade lack of compliance was a matter of common knowledge.

In industry there was also the commercializer of the Blue Eagle, one who used it, or attempted to do so, to an extent beyond its legitimate purpose of indicating cooperation and compliance with NRA. The files of the NRA Insignia Section are replete with correspondence with persons who seemingly had signed the P.R.A. and were endeavoring to secure reproduction approval on many weird schemes, which depended on prominent use of the Blue Eagle.

The reaction to the Blue Eagle by most of the trade associations and local chambers of commerce was most favorable.

No better mirror of the change in attitude generally to the Blue Eagle is available than in the collated reports from the NRA Field Offices in the January to July period of 1934 (*).

In January, 1934, the Albany, New York, office reported a tendency on the part of consumers to disregard the Blue Eagle in their buying. This report referred to it as a natural reaction from the whole-hearted support of earlier campaign days. The Vermont office at the same time reported indifference and disregard of obligations by employers as being possible because of employees' complaisance. It felt that employees did not appreciate the benefits to which they were entitled. Massachusetts reported almost universal compliance with the request to employers to continue to display the Insignia if under code or if willing to accept extension of PRA.

Cleveland, Ohio, reported that almost the only criticism of NRA came from the "chiselers" themselves. When the Insignia was removed from firms which had violated the PRA., the reaction of the press and of the public was very satisfactory.

In February western New York again reported a change in public attitude toward the use of the Blue Eagle. The report claimed the consumer was more prone to disregard it because of decrease of publicity respecting its significance. Early distribution of special insignia for retail and service trades was urged to revive interest. Local code authorities were becoming impatient at the delay in distributing insignia. The delay of national code authorities in organizing for field work was creating an unfavorable impression. Indianapolis, Indiana, reported that a dyeing and cleaning establishment, which had been a persistent code violator, had had its Blue Eagle removed, and despite local press publicity, gained more business because of lowered prices. On the other hand a large chain restaurant manager in Los Angeles, who had returned his Blue Eagle because of delay in approval of the Restaurant Code, was now petitioning to get it back because of the business drop caused by its absence. Vermont reported almost universal desertion of the Blue Eagle by restaurants, barber shops and others not under approved codes. General public sympathy seemed to be behind those who gave competition as an excuse for not displaying the Blue Eagle and who had discontinued whatever compliance effort they had previously made.

In March, the NRA Field Inspector reported Blue Eagles little in evidence in Vermont; only two were seen in Rutland and one in Burlington. Wilmington, Delaware, newspapers had carried notices that firms entitled to the Blue Eagle could obtain new Insignia by applying to NRA State Director's office. The response was negligible. St. Louis, Missouri, reported the public attitude toward Blue Eagle still favorable, however. North Carolina stated that compliance was indifferently observed, with the Blue Eagle not as prominent as before. The Field Office observed that the consumer seemed to have forgotten the pledge to trade under the Blue Eagle.

(*) NRA Files "Public Attitude toward the N. R. A. Program" as reported weekly by State Directors of the National Emergency Council -- mimeographed copies.

Tennessee reported an excellent attitude toward P. R. A., except in Nashville where drastic action was needed. The cleaners and dvers there had ceased to display their Blue Eagles and were openly violating the code. Other service trades were violating. Philadelphia reported increasing public apathy toward the Blue Eagle and the NRA program, apparently due in part to growing feeling that enforcement was slow and inadequate. Maine suggested that the Blue Eagle needed re-selling. Texas reported increasing indifference toward the Blue Eagle as a buying guide; in fact, to further discrimination against those not displaying it was observed. Los Angeles stated that the belief that Insignia meant nothing was spreading.

In April some state offices were evidently anxious to see the code Insignia appear and suggested it. The Topeka, Kansas, office stated that the public did not give preference to Blue Eagle business, but was in favor of a Code Blue Eagle with real talons. Buffalo, New York, reported along the same line. Publicizing of significance of a code Insignia was desired.

An April summary made by NRA in Washington from state office reports, stated that the Blue Eagle was fading out of the picture nationally as far as the consumer was concerned; that in the central states the emblem was no longer used extensively in advertising and that many establishments had ceased to display it.

In May the summary stated that all sections of the country manifested a keen interest in the Code Blue Eagle, although there was a widespread misunderstanding of purposes and procedure. The reports stressed the vital need for a vigorous consumers' campaign. The buying public had almost forgotten the Blue Eagle, which had resulted in multiplying the difficulties experienced by compliance offices.

Later, during the same month, the summary reported a cool reception to the new Blue Eagle, with many of the emblems withheld for non-payment of assessment, and the general public somewhat confused as to its significance. Applications for Code Insignia were reported as unsatisfactory.

In June the summary doubted the efficacy of the Blue Eagle as a stimulator of code observance. This statement was in addition to other comment in the summaries for that month, which had to do with the attitude of a hostile press, an increase in labor troubles, continuing problems in the service trades, and even the drought.

CHAPTER XIADVERTISING VALUE

The usual advertising in the business world follows one, or both, of two schools of thought. One is that of novel appeal, in the use of words and illustrations, to create in the mind of the reader the urge to buy. The novel appeal may be used to stir up latent dissatisfaction with what has been made use of by the reader previously, or to create a pleasant urge alone. There may be other artifices employed in furthering the idea of novel appeal.

The other school of advertising is that of constant hammering into the consumer mind the gilt-edged safety of the name of the firm, or of the product or service offered. This is the oldest and probably the most effective advertising in the end. If it fails to create a consumer urge to buy without using the novel method of appeal, it usually can, at least, be depended upon to maintain consumer acceptance of the product or service.

From the time the Blue Eagle appeared with the PRA and the President asked for united action in "a nation-wide plan to raise wages, increase purchasing power and restore business", to the day of the decision on the Schechter case, there continued to be value to the Insignia in advertising. The gradual decrease in the public's urge to buy solely under the Blue Eagle because of its novel appeal did not eradicate general consumer acceptance of services and products which carried the emblem. In fact, it is doubtful if any trade mark or business symbol other than the Blue Eagle has ever had even comparative advertising value.

The display of the official Blue Eagle poster card at the point of sale lost its prominence at the end of the original PRA period. It never regained its prominent position, even with the distribution of the new code Insignia. Advertising reproductions did not suffer quite the same loss in prestige. Although newspaper and magazine space advertising carrying Blue Eagle reproduction, suffered a tremendous curtailment an enormous volume of merchandise continued to carry the emblem which had been stamped upon it. In January, 1935, many manufacturers still were using wrappers and labels which included their mark of NRA membership.

The use of mandatory code labels on merchandise, particularly on garments, was on the increase at the time of the Supreme Court decision. This was due to the increased number of codes containing label provisions and to the cooperative label requirement in the Retail Code rather than to any increasing demand for NRA labelled goods.

CHAPTER XIINRA ADMINISTRATION RE INSIGNIA

I. INSIGNIA SECTION

This administrative Section was the outgrowth of an organization set up to print and distribute the President's Agreement forms and the Blue Eagle posters and cards for employers and consumers (*).

The Insignia Section continued to be responsible for the printing and distribution of all forms of Blue Eagle Insignia. Although The Government Printing Office did a great deal of the Insignia printing for the Section, considerable printing was handled by outside firms. All matters in connection with Insignia reproduction rules and regulations were handled by the Section. It also issued all Insignia approvals and reproduction authorizations.

In the early days of PRA the Insignia Section was given a more or less formal status as part of the Public Relations Division, although originally part of the Blue Eagle Division. It actually operated under general supervision of the Executive Office and later the Administrative Office until it finally became part of the Communications Division in July, 1934.

During the various stages of NRA organization the Insignia Section undertook most of the printing and distribution of Insignia posters and all the PRA consumer emblems for the Public Relations Division. The chief of the Section assisted the heads of the Public Relations Bureaus in numerous matters involving Blue Eagle publicity.

The Compliance Division as successor to the old Blue Eagle Division was vitally interested in the Insignia from the enforcement standpoint. The Insignia Section endeavored to cooperate fully with this Division in all matters of mutual interest. The Compliance Division was most cooperative in this regard. The Counsel for the Compliance Division acted as legal adviser on Insignia matters.

II. POLICY DEVELOPMENT AND DECISIONS

The early policy regarding the Blue Eagle emanated from the Administrator or was interpreted through his Executive Officer. The less important policy problems within the purview of Insignia rulings, reproduction, distribution and printing were settled by the Insignia Section with the approval of the Executive Officer. This held true to a considerable degree after the Administrative Officer was appointed. With appointment of an Assistant Administrator for Policy he was naturally consulted on matters involving any material change in policy.

The committee appointed by the National Compliance Board at the suggestion of the Aide to the Administrator mentioned earlier in this study submitted recommendations for a new 1934 Code Insignia policy. The decision was finally made by the Administrator.

(*) History of Insignia Section, August 28, 1935, filed with NRA Record Section.
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All policy decisions, covered by Administrative Orders as Insignia Regulations, received the actual approval of the Administrator or the National Industrial Recovery Board. The Blue Eagle Manual for Code Authorities, already referred to, was approved by the Assistant Administrator for Field Administration. All Insignia decisions involving compliance were settled by the titular head of the Compliance and Enforcement Division, when not submitted to the Administrator or the National Industrial Recovery Board.

After establishment of a Communications Division, by an Office Memorandum which charged it with distribution of Insignia among other responsibilities, the chief of this division became the responsible official through whom any material problems of Insignia policy were submitted for consideration by the National Industrial Recovery Board, or by the Advisory Council.

In October, 1934, the Chief of the Communications Division submitted to the Board the question as to the 1935 policy regarding the Blue Eagle. Early in October a committee of those interested in the Insignia problem informally representing the Legal and Litigation Divisions, Compliance Division, Public Relations Division, Code Administration Division, Labor and Industrial Advisory Boards and Insignia Section as part of the Communications Division, had gone on record as recommending continuance of the Blue Eagle in 1935. By memorandum of October 13, 1934, the Chief of the Communications Division reported the committee findings in detail. In advocating readoption of an official Blue Eagle it stated that it was still of great value, not only in promoting public consciousness of NRA, but also as an effective compliance device. The reasons for code authority failure to distribute the 1934 code Insignia were enumerated, and complete distribution through the post offices of a new emblem not carrying any date was urged.

Advisory Council Decision No. 77, of November 5, 1934, treated the problem by recommending that the National Industrial Recovery Board hold its future Blue Eagle policy in abeyance on the ground that Insignia distribution, or a Blue Eagle drive, was connected with only a small part of NRA future policy problems. The Council emphasized the danger of such a campaign without effective compliance machinery.

On November 22, 1934, the Advisory Council recommended, in Decision No. 119, that no attempt be made to resell the Blue Eagle at that time as a symbol of compliance with only the labor provisions of codes. The idea was to be postponed for consideration until general policy had crystallized and effective enforcement machinery was in operation.

In consequence no decision was forthcoming from the National Industrial Recovery Board. In order to print additional Insignia for code authorities and to continue the Code Insignia, the Board was quoted in a Press Release, on January 4, 1935, to the effect that "Blue Eagles for particular trades and industries marked "1934" as well as those originally issued under the President's Reemployment Agreement, may be used in 1935".

The only other Insignia policy determination by the Board was its more or less routine approval of Administrative Order No. X-136. This order has already been discussed under Reproduction of Insignia.

The final determination as to Insignia policy occurred on September 4, 1935, long after the Supreme Court decision. Administrative Order No. X-144, approved by the Acting Administrator, stated that further reproduction of any Blue Eagle Insignia would be contrary to the policy of the National Recovery Administration. All reproduction authorizations were thereby cancelled and all reproduction was forbidden (Exhibit I, Appendix).

III. PUBLIC RELATIONS DIVISION

The routine functions of this Division did not deal with the Insignia. During the period of the various drives or campaigns the Director of Public Relations depended on the Insignia Section to function along with the campaign organization of his Division.

IV. COMPLIANCE AND ENFORCEMENT

The old Blue Eagle Division had little to do with compliance and enforcement, as it was succeeded by the Compliance Division in September, 1933, before NRA made a single Blue Eagle removal.

The Compliance Division's Compliance Council, which succeeded the National Compliance Board, acted, by designation of the Chief of the Compliance Division, under authority given him and confirmed in Special Memorandum of November 16, 1934, from the Administrative Officer (*). The Council heard and considered evidence, in cases in which the Compliance Division or an Industry Division recommended removal of Insignia or the withholding of labels, and made recommendations to the Chief of the Compliance Division. Upon finding of cause by him, he was authorized to notify the respondent that he had been deprived of the right to display any Blue Eagle or other NRA Insignia or to obtain or use NRA labels. He could also notify the appropriate Code Authority to withhold the issuance of labels to such persons. Thereafter the Chief of the Compliance Division could give notice of the restoration of any such right to such person and could give notice to the appropriate Code Authority to resume the issuance of labels, whenever he decided such action was in the interest of sound administration.

The previous authority of the National Compliance Board, and of the State Directors and Regional Compliance Directors regarding Blue Eagle removals, has already been covered in Delegation of Authority over Insignia. In connection with compliance and enforcement, however, it should be mentioned that the Chief of the Compliance Division was also authorized to remove the Blue Eagle after finding of the Contributions Section that any person was in default of his obligation, as defined in Executive Order No. 6678 and Administrative Order No. X-36.

The Assistant Administrator for Field Administration, and the Compliance and Enforcement Director who succeeded him, had general authority and supervision of compliance and Blue Eagle enforcement.

(*) NRA Administrative Office Files; W. A. Harriman, Administrative Officer to L. J. Martin, Chief of Compliance Division, November 16, 1934.

Blue Eagle enforcement power respecting labels was largely vested in the NRA Label Agency as confirmed by Administrative Order No. X-135, already referred to. The Chief of the Compliance Division and the NRA Regional Compliance Directors retained power to withdraw or restore labels in certain cases, however. For a detailed statement of the distribution of powers to withdraw and restore the right to labels, the reader is referred to the letter of March 4, 1935, from the Compliance and Enforcement Director to Code Authorities of codes having Mandatory Label Provisions (Exhibit H).

CHAPTER XIIIGOVERNMENT CONTRACTS AND THE BLUE EAGLE

The display of the Blue Eagle was never made a prerequisite for bidding on government contracts or on contracts involving use of government funds. Instead, Executive Order No. 6646(*) required a certificate from the bidder stating that he was complying, and would continue to comply with any code to which he was subject. If no applicable code had been approved, he had to certify that he had, and would continue to comply with the President's Re-employment Agreement.

It is true that the Home Owners Loan Corporation field offices for some time demanded certificates of compliance, showing the registration number of the Construction Industry Code Insignia of bidders. This was not required by Executive Orders, however, and was discontinued on request of NRA.

The significance of the Blue Eagle in connection with code compliance had become so well established among government bidders, under Executive Order No. 6646, (*) that its possession was commonly recognized by them as necessary evidence of their compliance, however.

(*) Vol. 1, Page 729, Codes of Fair Competition, as approved:
Government Printing Office

CHAPTER XIV

THE BLUE EAGLE IN THE TERRITORIES

The National Industrial Recovery Act in connection with violation of code provisions referred to transactions in interstate commerce and enumerated trade or commerce within any insular possession or other place under the jurisdiction of the United States as part of its definition of interstate and foreign commerce. Section I of the Act declared it the policy of Congress to remove obstructions to the free flow of interstate and foreign commerce.

In 1933 the Philippine Islands appeared to be headed toward independence rather than to assume status as a United States territory. Furthermore, Title 48, Section 1003 of the U. S. Code had provided that the statutory laws of the United States thereafter enacted should not apply to the Philippine Islands, except when they specifically so provided, or it was so provided in the Act of 1916. Consequently the Blue Eagle was not distributed in the Philippines.

When the PRA was formulated, the Blue Eagle was supplied to postmasters in Alaska and Hawaii, along with the President's Agreement forms and certificates of compliance. No other territories or insular possessions were provided with this Blue Eagle material.

The lack of any Compliance Division machinery in Alaska, at least up until the time of assignment of a resident Deputy Administrator for the territory just prior to January, 1934, apparently raised few if any complications concerning Blue Eagle display and P.R.A. observance. A fair proportion of Alaskan merchants signed the Agreement and received the Blue Eagle. Their certificates of compliance were forwarded to the Seattle district office of the Department of Commerce.

The PRA Blue Eagle was widely displayed in Hawaii. From reports of Hawaiian officials as well as from the reports of Deputy Administrator appointed in December, 1933, it is apparent that non-observance of PRA was also widespread in the territory, due to lack of any effective compliance machinery. In consequence, the PRA Blue Eagle had fallen into considerable disrepute before machinery was developed to approve territorial codes and make them effective.

The Blue Eagle was never distributed in the Panama Canal Zone. NRA Legal Research memorandums have stated the opinion that the Act applied to Alaska, Hawaii and Puerto Rico, and to no other United States possessions. The Blue Eagle was not recognized officially in the Philippine Islands at any time. Release No. 2340 of December 18, 1933, gives the text of the Attorney General's ruling that the Philippines were not within the scope of the Act, in so far as it prescribed the formulation of codes.

After NRA determination that territorial codes from Puerto Rico could be submitted and approved a resident Deputy Administrator was appointed in December, 1933. The Blue Eagle, symbolizing approved code compliance, was available to a limited extent in Puerto Rico thereafter.

After offices of resident Deputy Administrators were set up in Alaska, Hawaii and Puerto Rico, these officials were furnished various Code Blue Eagles for approved codes applicable to their jurisdictions. Administrative Order No. X-60, previously mentioned in this study, and Office Order No. 103 had reference to issuance of NRA labels in the territories of Hawaii and Puerto Rico.

CHAPTER XVFOREIGN USE OF THE BLUE EAGLE

I. IMPORTS

The only known complications respecting foreigners' use of Blue Eagle arose in connection with imports of merchandise carrying reproductions of the emblem. The first case of the kind brought to the Administration's attention covered a shipment of Japanese canned tuna fish in cartons bearing the NRA Insignia, unloaded from a Japanese ship at Terminal Island, San Pedro, California, and described in NRA Release No. 2716 of January 12, 1934. The Chicago firm which was the consignee wired the Administrator disclaiming intention of purchasing Japanese fish, stating that their contract called for California packed tuna fish. They refused to accept the consignment.

Press Release No. 2691 covering the same case is also of interest because it reported the Administrator's request to the Treasury Department to instruct customs officials to refuse entry to any foreign importations bearing NRA Insignia, until NRA could make necessary investigation. The Administrator was also quoted as writing the Secretary of State to the effect that the situation "raises the question of the use by aliens of NRA Insignia" and that "the use of NRA Insignia by citizens and residents of foreign countries is not contemplated by the National Recovery Administration".

Probably half a dozen cases involving importations bearing the Blue Eagle arose thereafter. The Bureau of Customs had meanwhile issued a circular letter of January 12, 1934, to all customs collectors to refuse entry to all imported merchandise bearing the NRA Insignia pending investigations. These cases were reported to the Insignia Section and in most instances the Administrator approved instructions to release the shipments after inquiries. In a memorandum of July 12, 1934, to the Insignia Section, the Deputy Assistant Administrator for Policy stated that he did not consider it advisable to issue any administrative order prohibiting reproduction of Insignia on imported merchandise. The only limitation by NRA was therefore based on its "Rules and Regulations Concerning Display of NRA Emblem" issued October 17, 1933. (*)

II. EXPORTS AND AMERICAN FIRMS ABROAD

No information is available as to complications arising from use of the Blue Eagle on export merchandise.

As a result of a Bureau of Customs inquiry concerning an American periodical printed in Canada which carried the Blue Eagle, the publishing company was requested to discontinue Canadian reproduction. Obviously, the company's Canadian employees were not subject to hour and wage requirements of any code.

(*) Vol. XXII, page 555, Codes of Fair Competition, as approved: Government Printing Office.

CHAPTER XVI

SERVICE TRADES AND INSIGNIA

The exemption of employers in towns of less than 2,500 population from the provisions of the PRA and from approved codes, by the Executive Order of October 23, 1933, is covered in the next succeeding chapter. It is mentioned here, however, because it appears to have been the first official recognition of a different status given local service trades. For a considerable time thereafter, however, employers in service trades everywhere continued to fly the Blue Eagle as evidence that they had signed the PRA or that they were operating under an approved code, such as the national code for the cleaning and dyeing industry.

Controversies over minimum price differentials for cleaners reached such an acute stage in December, 1933, that the Administrator, in announcing new low-price schedules for so-called quality cleaning, stated that cleaners desiring to maintain the highest standards and prices higher than the new schedule could agree with the President to continue the minimum prices previously approved. The Administrator announced that NRA would issue to each person entering into this Presidential Agreement, "a Blue Eagle with a service quality insignia of appropriate design to indicate to the public that those who display this insignia have agreed to maintain and are maintaining higher quality and higher prices". Without reciting the various complications which arose thereafter in this industry, it should be recorded that these Presidential Agreements were not immediately forthcoming and no special NRA Insignia was provided.

The reader is referred to NRA Press Release No. 3265 of February 13, 1934, for the next step in policy development concerning local trade and service enterprises. The Administrator in this Release announced that purely local enterprises, such as barber shops, laundries, building management, restaurants and local transportation agencies would be encouraged to organize themselves for regional self-government and to adopt regional codes or agreements with the President. When approved by the President, those signing and complying would be entitled to the Blue Eagle. To those not complying, the Blue Eagle would be denied. Service trades employers in towns of less than 2,500 population were further exempted from PRA and from definite provisions of approved codes by the Executive Order of May 15, 1934. This Order amended Executive Order No. 6345 of October 23, 1933.

The members of the so-called service trades codes had meanwhile received the Code Insignia application form along with all other employers and in numerous cases had received their individual Code Blue Eagle. A large proportion of service trade employers had not applied, however, and it was apparent that there was but limited desire for it.

On May 26, 1934, by Executive Order No. 6723 (*), the Administrator suspended fair trade practice sections of service trade codes. By Administrative Order of May 28 No. X37 (**), the Administrator named the

(*) Vol. X, Page 954 : Codes of Fair Competition, as amended:
 (**) Vol. XI, Page 197 : Government Printing Office.

Motor Vehicle Storage and Parking Trade, Bowling and Billiard Trade, Barber Shop Trade, Cleaning and Dyeing Trade, Shoe Rebuilding Trade, Advertising Display Installation Trade and Advertising Distributing Trade as suspended codes. On June 13, by Administrative Order No. X50 (*) the Laundry Industry Code and, on June 28, the Hotel Industry code were added to the list to make nine so affected. Under the Executive Order, the members of these service trades were to continue to be bound by the provisions of their codes as to maximum hours, minimum wages, collective bargaining rights, and child labor. Thus indicated that members complying with these provisions would be entitled to display the appropriate NRA Insignia.

By Executive Order of June 28, 1934, No. 6756-A (**) the President offered to enter into an agreement with the members of service trades not previously codified, to be thereafter designated by the Administrator, the display by any such member of the appropriate NRA insignia to be construed as acceptance of the agreement to comply with approved standards of labor. The further condition was added, that, after approval of a local code, no member of such industry in the locality would be entitled to display this NRA Insignia, unless in addition to complying with the approved standards of labor, he comply with all terms of the local code. The Beauty Shop Trade, Linen Supply Trade, Automobile Laundry Trade, Retail Automotive Maintenance Garage Trade, Apartment House Industry, Tourist Lodge and Motor Court Trade, Rug Cleaning Trade, Tourist and Travel Agency Trade and Drive-It-Yourself Industry were affected by this order.

Administrative Order No. X-53, of June 28, 1934, had reference to the already codified service trades. It prescribed that every member of any service trade as designated by the Administrator by displaying the appropriate code Insignia, would be deemed to agree with the President to comply with the hours of labor, rates of pay and other conditions of employment under that code. After approval of a local code, fair practices would be included in his agreement. Code Insignia was to be issued to those members certifying labor provision compliance through any authorized local code committees, otherwise through NRA.

The lack of compliance in most of these service trades, and the confusion and misunderstandings occasioned by issuance of so many Executive and Administrative Orders concerning them, impelled NRA to make a new service trade Code Blue Eagle application available to them. Since all national code authorities in these trades had been abolished, there was no possibility of the members of these trades receiving code Insignia promptly otherwise.

The Insignia Section undertook to handle distribution of the applications for individual service trades Insignia together with applications for official copies of labor provisions, the posting of which was required by the Executive Order No. 6540-B1, of February 8, 1934.

(*) Vol. XII, page 631: Codes of Fair Competition, as amended:
: Government Printing Office.

(**) Vol. XII, page 615:

Order No. 6590-B1. of February 8, 1934. On August 15, 1934, letters of explanation signed by the Administrator, along with the applications, were delivered through the post offices to some 400,000 establishments. Each Code Insignia furnished these applicants was over-printed with additional wording to the effect that labor provisions of the code were being observed by the displayer. Less than 30,000 Blue Eagle applications were received by NRA. This was striking evidence of the breakdown of interest in and observance of these codes. The general lack of enforcement of labor provisions in Service Trade codes thereafter meant that continued display of the Blue Eagle by such establishments tended to decrease public respect for the Insignia generally.

No reliable estimate is obtainable as to the number of service trade employers, in addition to these 30,000 Code Eagle applicants, who were still displaying the Insignia originally issued under the President's Re-employment Agreement.

CHAPTER XVIIEMPLOYERS IN TOWNS OF LESS THAN 2500 POPULATION

The Executive Orders exempting employers in towns under 2500 population were accompanied by various Administrative Orders and interpretations of NRA. No distinction as to the size of the employer's town had been made in making the original Blue Eagle available to every employer signing the PRA and a certificate of compliance. Under the exemptions allowed by the orders, it is probable that a large proportion of the Blue Eagles which had been received in these towns were taken down.

In formal language Administrative Order No. X-72 (*) of August 6, 1934, prescribed among other things that "employers subject to codes, who comply therewith to the extent to which they are not exempted therefrom under such Order shall be entitled to display an appropriate NRA insignia."

Undoubtedly the majority of the employers in these small towns fell within the classes exempted by the orders. Even if they had not been exempted, it is doubtful if there would have been an extensive continuing display of the Insignia. The influence of NRA and code administration was not strongly felt in the average small town, unless that particular town boasted the presence of a factory or enterprise employing several hundred people.

(*) Vol. XVI, page 631, Codes of Fair Competition, as approved:
Government Printing Office.

CHAPTER XVIII

INSIGNIA PROVISIONS IN OTHER EXECUTIVE
AND ADMINISTRATIVE ORDERS

This chapter is merely intended to touch upon those other orders not previously discussed which carried Insignia provisions along with other provisions. The label orders, service trade orders and orders affecting small towns of less than 2500 population have been discussed.

I. P.R.A. EXTENSION

The NRA Insignia provisions in extensions of the President's Reemployment Agreement were vital provisions. Executive Order No. 6515 of December 19, 1933, (*) ordered to enter into the P.R.A. with every employer, to the extent to which he was not covered by an approved code, for the period from January 1, 1934, to April 30, 1934, provided a code to which he would become subject was not earlier approved. Employers who had signed the PRA prior to January 1, 1934, could "accept this offer of extension by display of the Blue Eagle on or after January 1, 1934". Those who had not signed the Agreement were privileged to accept the offer by signing the PRA. The contract was therefore extended by the act of displaying the Blue Eagle itself.

On April 14, 1934, Executive Order No. 6678-A (**) offered extension of the PRA for a further period, beginning May 1, 1934, and ending when that part of an employer's business not then subject to a code became subject to Code. Again the acceptance of the offer was to be inferred from display of the Blue Eagle on or after the effective date.

II. COLLECTION OF EXPENSES OF CODE ADMINISTRATION

Orders affecting collection of expenses of code administration also carried Insignia provisions. The (much debated) point with code authorities as to their right to withhold the Insignia in certain instances has been discussed. Executive Order No. 6678 (***), of April 14, 1934, provided a brief for the code authority viewpoint, when it suggested the following part of a clause to be included in codes:

"Only members of the Industry complying with the Code and contributing to the expenses of its administration as provided in Section 1 hereof shall be entitled to participate in the selection of the members of the code authority or to receive the benefit of its voluntary activities or to make use of any emblem or insignia of the National Recovery Administration."

(*) Vol. IX, page 881. Codes of Fair Competition, approved: Government Printing Office.

(**) Vol. XV, page 263, Codes of Fair Competition, approved: Government Printing Office.

(***) Vol. IX, page 879. Codes of Fair Competition, approved: Government Printing Office.

Administrative Order No. X-20, which was issued under this Executive Order, carried no mention of Blue Eagle Insignia. Administrative Order No. X-36 (*) which superseded No. X-20 on May 26, 1934, showed that NRA had some difficulty with code authorities regarding the Blue Eagle. This order included a provision to the effect that no member of an industry would be deprived of the right to display a Blue Eagle because of non-payment of his equitable contribution to code administration expense, unless other requirements of the order had been met, and unless NRA had determined that the procedure under the order had been sufficiently complied with.

Administrative Order No. X-36-2 was an interpretation, in reply to an inquiry of the NRA Code Authorities Accounts Section, as to whether the exemption from obligation to contribute to code administration expense beyond the principal line code also extended to labels. Since Administrative Order No. X-135 had previously decreed that all labels should bear the Blue Eagle, the writer feels that Order X-36-2 should at least be included in this chapter. The interpretation of this order was that the exemption did not apply to labels and all members of industries under mandatory label codes were obligated to pay for such labels.

III. SHELTERED WORKSHOP INSIGNIA

Sheltered Workshop Administrative Orders X-9, (**); X-28, (**); X-59, (****); X-81, (*****); X-111, (*****) and X-111-1 were all issued pursuant to authority conferred specifically by Executive Order No. 6543-A (*****) and generally by other Executive Orders.

Order No. X-9 in granting sheltered workshops conditional exemption from approved, codes on condition that the pledge described in the order was signed and complied with, stated that the workshop so doing would be entitled to use any appropriate Insignia of NRA. In case of pledge violation the National Committee could certify the full record in the case to NRA for revocation of the right to use the Insignia.

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- (*) Vol. X, page 987. Codes of Fair Competition, as approved: Government Printing Office.
 - (**) Vol. VII, page 727. Codes of Fair Competition, as approved: Government Printing Office.
 - (***) Vol. X, page 961. Codes of Fair Competition, as approved: Government Printing Office.
 - (****) Vol. XII, page 690. Codes of Fair Competition, as approved: Government Printing Office.
 - (*****) Vol. XVI, page 548. Codes of Fair Competition, as approved: Government Printing Office.
 - (*****) Vol. XIX, page 557. Codes of Fair Competition, as approved: Government Printing Office.
 - (*****) Vol. IV, page 689. Codes of Fair Competition, as approved: Government Printing Office.

Order No. X-28 appointed the members of the Sheltered workshop Committee and decided upon an appropriate Insignia. This was to consist of the existing Blue Eagle without the word "member", but with the phrase "S. W. Permit No. " following the words "We do our part." The presence of the insignia on all products made by sheltered workshops was required where similar goods privately manufactured were required by the applicable code to display the Blue Eagle. If the goods were sold by a sheltered workshop, they were not required to bear this Insignia. Presumably, such selling referred to direct sales to consumers.

Order No. X-59, and Order No. X-81 amending and supplementing it, provided machinery for issuance of labels bearing the Sheltered Workshop Insignia and made use of labels mandatory on sheltered workshop products, where, if it were not for the code exemption granted by Administrative Order No. X-9, such products would have been subject to certain mandatory code label provisions.

Order No. X-111 appointing members of the National Sheltered Workshops Committee was followed three months later by Order No. X-III-1 amending the procedure in withdrawing the right to use labels and to exhibit the Insignia.

IV. REGULATIONS RE REMOVAL OF CODE AUTHORITY MEMBERS

Administrative Order No. X-132, (*) cited the deprivation of NRA Insignia, or the right thereto, and denial, or withdrawal of the right to use labels bearing the NRA Insignia by (code authority members, or agents, attorneys or employees of a code authority) as being among the causes for summary suspension of these officers from office.

V. PRISON LABOR COMPACT INSIGNIA

Administrative Orders Nos. V-2 and V-3 of May 3, 1934, covered regulations for issuance of NRA identification symbols on merchandise made in penal or correctional institutions. The symbol was declared to be the NRA Insignia previously issued to employers under the President's Reemployment Agreement, except that the word "member" was to be omitted and the printed letters "Ident. No. " placed below the words "We do our part." Issuance of the symbol with separate registration number by the Prison Labor Authority after the filing of application therefor, Certificate of Compliance with the compact by the institution or the state, was made mandatory whenever similar goods in other industries were required to bear an NRA label. The procedure set up by V-3 was somewhat similar to that for code authorities administering codes with mandatory label provisions.

(*) Vol. XX, page 456. Codes of Fair Competition, as approved: Government Printing Office.

VI. REGISTRATION INSIGNIA FOR THE TRUCKING INDUSTRY AND HOUSEHOLD GOODS MOVING AND STORAGE GOODS CODES

In both of these industries the codes provided for registration plates or markers for use on such vehicles after payment of registration fees. The NRA Insignia was used on these workers along with wording to indicate registration under the particular code. In the Trucking Industry a number of Administrative Orders in the series subordinate to No. 278 were issued and in the Household Goods Storage and Moving Trade several orders subordinate to No. 399 were issued. The Code Histories for these industries refer to them and to the registration process, which does not seem of great interest in this NRA Insignia study.

CHAPTER XIX

Attitude of the Courts

So far as the writer is aware, the validity of Presidential Agreements authorized by the National Industrial Recovery Act was never questioned by any court. In consequence, there was little P. R. A. litigation concerning the Blue Eagle which reached courts of record.

In its "Resume of N.R.A. Cases" NRA Legal Research Bulletin No. 27 digested several municipal court cases in which employers were held to have received ample consideration in the right to display the Blue Eagle, which was accompanied by the enjoyment of the public's good will, government support and the cooperation of competitive employers who had also signed the President's Agreement.

The earliest known court dictum respecting the NRA Insignia was occasioned by the denial of an application to use the name "Blue Eagle" as part of the corporate name of a mutual benefit society. New York Supreme Court Justice Dunne on September 15, 1933, held that these words had been adopted by the National Recovery Administration as its badge of honor for those cooperating with the President's program, and its use should be restricted for that purpose (*).

In Irma Hat Co. v. Local Retail Code Authority for Chicago, Inc., 7 Fed. Supp. 687, the court issued a preliminary injunction against the code authority from making public announcement of withdrawal of the plaintiff's Blue Eagle among other things. Judge Barnes upheld the contention of the millinery firm to the effect that the provisions of the Millinery and Retail Codes and the NRA rules and regulations relating to NRA labels including NRA provisions relating to the "public" withdrawal of the NRA Insignia were intended to operate as a threat of a boycott, and if enforced, would operate as a boycott. He further held that certain of these provisions in the Retail Code were not limited in their operation to those matters to which the federal government may regulate. For this reason he ruled that they were unconstitutional and void, to the extent that they exceeded the power of the federal government in that regard.

In L. Grief & Bros., Inc. v. Cummings, Attorney General of the United States et al., D. C. Md., July 18, 1934 (reported in Commerce Clearing House 7191 Court Decision Supp.) a temporary restraining order from attempting to force the complainant to pay the wages prescribed by the Men's Clothing Code, was issued. Defendants were also restrained from issuing an order depriving the company of its Blue Eagle. The real attitude of the Court was not fully determined here, however, because the court action was later withdrawn by Grief Brothers.

On the other hand in William F. Chinicy Co. v. Budwig et al., D. C. S. D. N. Y. April, 1934, (unreported) Judge Caffey held that a millinery manufacturer was not entitled to an injunction restraining the

(*) See Work Materials Folder, NRA Insignia, Division of Review -- letter of September 21, 1933, from James A. Dunne, Justice.

Millinery Industry Code Authority from issuing labels to manufacturers under the conditions prescribed by the Code. He based his decision on the constitutionality of the Act and of the Code.

In Laux v. Smith et al., Mun. Ct., Marion Co., Ind., No. 51647, June 6, 1934, (unreported) Judge Bradshaw held that a filling station operator who refused to sign the Petroleum Code, but who displayed the Blue Eagle and accepted whatever benefits that brought, was bound by the terms of the code and estopped to deny liability from it. This holding made him liable in a civil action for back wages.

In People v. Capitol Cleaners and Dyers, Sup. Ct., Los Angeles, Co., Cal., Feb. 27, 1934, (reported in Commerce Clearing House 7133 Court Decisions Supp.) the California Recovery Act was held invalid in so far as it purported to adopt as State laws those NRA codes which were adopted after the passage of the State Act. A bill to restrain unfair advertising under a state statute where the alleged offense was the wrongful use of the Blue Eagle was dismissed for indefiniteness because the allegations did not set forth the specific violations of the national code.

In William A. Stevens, Attorney General of the State of New Jersey v. Busch Cleaners and Dyers Service, Inc., 171 Atlantic 821, part of the court's dictum was to effect that the defendants had received trade benefit from display of the NRA Insignia. It stated that they were advertising to the general public that they were obeying the NRA. By posting the Blue Eagle the public was held to have the right to assume that they were obeying the code provisions. They were therefore regarded as not having the right to modify any of those provisions on their own responsibility.

None of these cases have been cited by the writer to the end of attempting to prove any legal theories respecting the NRA Insignia. Such theories as may have existed with respect to codes were certainly exploded by the effect of the Schechter case decision.

During the life of NRA there was very little legal theory respecting the Blue Eagle Insignia which was reduced to writing within the Administration. Although several memorandums were written by the NRA Legal Research Division touching on Insignia and labels their contents do not deal explicitly with the legal concept of NRA Insignia. Without having representative material sources available, it is felt that further discussion of such legal aspects would not be relevant to this study.

CHAPTER XX

CANCELLATION OF BLUE EAGLE REPRODUCTIONAUTHORIZATIONS

The only NRA administrative action concerning Insignia since the decision was the issuance of Administrative Order No. X-144 on September 4, 1935, forbidding further reproduction. (Exhibit I, Appendix).

CHAPTER XXICONCLUSIONSI. BROAD OBJECTIVES IN ADMINISTRATION USE OF INSIGNIA

Furtherance of public and industry cooperation with NRA standards is submitted as the primary purpose of the Administration's use of Insignia. The inception and original theory of the Blue Eagle, and its development under the President's Reemployment Agreement as brought out in this study, confirm this viewpoint. The Administration's desire for immediate and widespread display of the code Insignia when it appeared in 1934 ran hand in hand with a code educational campaign. This educational campaign should have started in January, 1934, at the latest, and would thus have had better opportunity to combat the public indifference to the symbolism of the Blue Eagle which was then beginning.

The second use of the Blue Eagle was as a direct aid to compliance and enforcement. With an exception as to code labels, the apathy of the public was also a distinct handicap to its effectiveness in this respect. The lack of efficient compliance and enforcement organization and procedure was an equal handicap. The use of Insignia as an enforcement weapon should proceed on the theory that it can, at best, be only an aid to enforcement.

II. INSIGNIA AND LABELS AS AIDS TO CODE ADMINISTRATION

The original Blue Eagle issued under the President's Reemployment Agreement was followed by an individual Code Blue Eagle to symbolize compliance with approved codes. Many code authorities were aided by the Code Blue Eagle in their efforts to secure compliance and collection of expenses of code administration. At the same time, withholding the code Insignia by code authorities to induce payment of code assessments was open to abuse and contrary to NRA policy as involved.

In a different manner mandatory NRA labels bearing the Blue Eagle were very effective in securing compliance and raising revenue for code administration expenses, especially in the apparel industries. However, closer supervision than was exercised by NRA over code authority administration of these mandatory label and Insignia provisions would seem to have been desirable.

III. CODE AUTHORITY CONTROL OF DISTRIBUTION
VERSUS FULL CONTROL BY ADMINISTRATION.

In the author's opinion, many of the code authorities were not well enough organized to have been entrusted with any power over a Federal Government Insignia or label bearing such Insignia. Even in the matter of distribution, a simplified Code Blue Eagle could have been distributed through the post offices to better effect than through code authorities.

IV. DESIRABILITY OF ONE SINGLE EMBLEM

The symbolism of one single emblem could have been broadened by government educational efforts to promote and maintain all the standards of fair competition, whether those of special agreements or of codes. Confusion would have been avoided in the interest of simplicity.

V. RECOMMENDATIONS

A. New Legislation

If any type of insignia is to be used in connection with the administration of any New Act specific insignia provisions should be incorporated into that legislation.

The provisions included in S. 2445 - 74th Congress, 1st Session, page 17(b), appear satisfactory to the writer, if codes as well as agreements are to be covered, except that the addition of the word "reproduction" would seem desirable. With this addition, and disregarding the reference to government contracts in the text, the following wording could be used:

"The President is further authorized to make reasonable provision for the promotion and maintenance of codes and agreements under this title by means of distinctive insignia or labels. The President may regulate the distribution, use, reproduction and display of such insignia or labels, in order that purchasers and consumers of goods and services may be assisted in supporting the standards of fair competition provided for in this title."

A strong ground for criticism of the use of the Blue Eagle was the lack of definite statutory provisions relative to its uses.

B. Administration Under New Legislation

If determination is made that insignia will assist in the administration of any new act, adequate and comprehensive regulations should be prepared in advance of its issuance which would cover distribution, use, reproduction and display. This was not done under NRA.

To emphasize the purposes of a new act as well as a new administration of it, any insignia should be sufficiently distinctive to avoid confusion with the previous Blue Eagle. It should be one single emblem, simple and striking in design, without the complication of trade and industry titles such as were used on the code Insignia cards. The design should be further protected by United States Patent.

Regulations should be framed in such manner as to vest all powers over insignia in the government administration. It can be efficiently distributed and controlled by the government alone. Enforcement control should be vested in the enforcement branch of the executive government.

Code authorities appropriated the Insignia without express consent of NRA in the case of NRA labels provided for in the early approved apparel codes. After use of the Blue Eagle had become universal on mandatory code labels, NRA made the Blue Eagle mandatory on all labels provided for by codes. Even if code label administration provided the best method of securing compliance in the apparel industries, the labels did not necessarily have to carry the NRA Insignia. If codes and code authorities were ever to again function it is suggested that a government insignia be not dedicated to similar restrictive label use. There can be a broader symbolism of an emblem than that primarily associated with payment of revenue to a single code authority.

NATIONAL RECOVERY ADMINISTRATION

N.R.A. Circular No. 1.

July 23, 1933.

REGULATION GOVERNING USE OF INSIGNIA BY EMPLOYERS
WHO HAVE SIGNED THE PRESIDENT'S EMPLOYMENT AGREEMENT

The N.R.A. official emblem is the property of the United States Government. It may not be used or reproduced without authority of the N.R.A.

Regulations permit the use of this emblem by all employers who sign the President's Reemployment Agreement, and (in the form authorized for consumers, but only in such form) by consumers who sign a statement of cooperation.

By application to the N.R.A. any responsible manufacturer will be authorized to make and offer for sale hangers, cards, and stickers provided (a) he agrees to conform to regulations to prevent the emblem coming into hands of employers not authorized to use it; (b) he himself has signed the President's agreement and is authorized to use the emblem; and (c) he will sell at a reasonable price. Information regarding manufacturers authorized to supply the emblem will be issued by the N.R.A. from time to time. For purposes of reproduction, the N.R.A. will be glad to furnish original drawings to such manufacturers to the extent they are available but cannot undertake to do so if the demand should prove large.

Every such manufacturer shall require of every employer ordering such emblems that he affix to his order one of the $1\frac{1}{2}$ inch stickers.

Any newspaper, magazine, or other publication is authorized to reproduce the emblem in the advertisement of any employer, provided such employer files with the newspaper, magazine, or other publication a written statement that he has signed the President's Agreement and affixes the sticker thereto.

Any manufacturer of stationery or advertising literature, including labels, is authorized to reproduce the emblem on behalf of any employer who files with such manufacturers a written statement that he has signed the President's Reemployment Agreement and affixes the sticker thereto.

Employers desiring to make other uses of the emblem may consult the N.R.A.

NATIONAL RECOVERY ADMINISTRATION

September 27, 1933

INTERPRETATION OF NRA CIRCULAR NO. 1
(ISSUED BY INSIGNIA SECTION NRA)

The words "Blue Eagle" have been adopted by the National Recovery Administration as an official designation of both the NRA member Insignia and the NRA consumer Insignia. The letters "NRA", meaning National Recovery Administration, are in themselves an official Government designation of the Administration itself. Similarly, the letters, "NIRA", are an official designation of the National Industrial Recovery Act. The words, "We Do Our Part", are an integral portion of the official Insignia.

The Insignia is the property of the United States Government, and cannot be appropriated, in whole or in part, for private purposes. This office does not authorize the use by private persons or firms of any of the above designations, except insofar as the words "NRA" and "We Do Our Part" are properly used in the Blue Eagle Insignia.

Reproduction of the Insignia is not authorized for purposes of copyright or registration as a trade mark or trade name, for decoration, or for private barter and sale.

Any change or alteration of the wording or its position, form, proportion, or color combination, of the official Insignia is unauthorized, excepting that it may be reproduced in any solid color employed in the printing of a container or package. For rubber stamps, any solid color may be used. The lettering and Eagle must be plain without feathering or other bas-relief identification. Nothing may be superimposed over the Insignia or delineated on the blank background.

Reproduction of the official Blue Eagle Insignia for NRA members is authorized by this office to denote NRA membership only, or an association with membership. The Insignia, bearing the word "Member", may be placed upon such member's equipment, communications, premises, and goods. Member Insignia reproductions on stationery, labels, goods, products, packages, or containers must be placed close enough to the imprint of the member's trade name or brand name to clearly indicate to the general public that the person or firm using the Insignia is a member of NRA.

All NRA members are entitled to use the NRA Insignia on their letterheads, bills, invoices, products, etc., to denote their membership in NRA. Where firms have printing facilities, they may reproduce the NRA Insignia upon receipt of specific authorization from this office. If, however, they do not have printing facilities, any printer or engraver authorized by us may print the Insignia for members or sell members the Insignia in sticker form.

An agent of an NRA employer member, who has been authorized by this office to reproduce the official Insignia needs no direct authorization

to sell the Insignia. If he desires to buy and sell the NRA Insignia on his own account for resale to NRA members, he must also be a member.

All forms of the NRA Insignia may be purchased by employer members of NRA. Indiscriminate sale of consumer Insignia to consumers is unauthorized. NRA employer members and their agents may distribute free to consumers and employees, articles bearing the Insignia and carrying the words "consumer" or "employee".

All Insignia reproducers are requested to submit immediately samples or drawings (color drawings where colors are used) of Insignia reproductions, directing these to the Insignia Section, NRA, for examination, with a letter describing such reproductions.

NATIONAL RECOVERY ADMINISTRATION

Washington

To the Head of every Business Establishment:

If you are engaged in a trade or industry for which a Code of Fair Competition has been approved, a special Blue Eagle has been prepared for your particular business. Its display by you will inform the public that you are cooperating with the vast majority in stamping out unfair practices and methods of competition and that you are giving your employees a square deal by paying code wages and adhering to code hours.

Last year you were asked to display the Blue Eagle as evidence of your promise to do your part and as a symbol of your faith in the ability of American trade and industry to defeat depression by united effort. This year you are asked to display this distinctive Blue Eagle as a symbol that you, together with the other members of your particular trade or industry, have united to complete the work of recovery.

Hugh S. Johnson
Administrator

April 19, 1934

9823

NATIONAL RECOVERY ADMINISTRATION

BLUE EAGLE REPRODUCTION REQUIREMENTS

April 23, 1934 - Insignia Section, NRA.

1. The new Blue Eagle for members of trade and industry operating under codes as well as the Blue Eagle for those operating under the President's Reemployment Agreement are Insignia of NRA protected by U.S. Design Patent No. 90793¹/₂, and may not be reproduced without prior written authorization from the National Recovery Administration.

2. Reproduction authorizations previously issued by the Insignia Section of NRA are extended to apply to Blue Eagles for trades and industries.

3. The following requirements apply to all reproductions of Blue Eagles:

4. No delivery of any Blue Eagle reproduction may be made for use of another person without a prior written statement to the authorized reproducer from such other person that he is complying with the code for the trade or industry to which the reproduction relates or (in the case of the President's Reemployment Agreement Blue Eagle) that such other person is complying with the President's Reemployment Agreement as extended by Executive Order dated April 14, 1934.

5. Each reproduction in an advertisement or on stationery, goods, containers, wrappers, labels and the like (other than NRA labels specifically provided for in any Code) must be accompanied by the name of the person displaying the reproduction or by a brand name or trade mark owned by him and must be so placed by the reproducer as to indicate clearly that the display is by the person named or by the owner of the brand name or trade mark.

6. For the purpose of reproducing the Blue Eagle for any trade or industry, all the words and figures below the word "CODE" may be deleted but in no case may this deletion occur except in advertisements or on stationery, goods, containers, wrappers, and labels, including NRA labels specifically provided for in any Code.

7. No Blue Eagle reproduction shall bear the words "Property of the United States Government - Not for Sale." With this exception and the specific deletion authorized in paragraph 6 of these Requirements, no Blue Eagle reproduction may vary from the patented design, date, registration number, wording or color combination of the official Blue Eagle excepting that it may be reproduced in any one solid color employed in the other printing or material used therein.

8. No Blue Eagle shall be reproduced merely as a decoration.

9. The printer and publisher of any book or of any newspaper, magazine or other periodical published at regular intervals is authorized

to reproduce the Blue Eagle in any article about NRA or in the advertisement of any person who has filed with such publication a written statement indicating compliance with NRA as described in paragraph 4 of these Requirements.

10. Any reproduction authorization issued may be withdrawn for cause.

11. Written authorization to reproduce the Blue Eagle will be issued by the Insignia Section, NRA, Washington, D. C., to any person certifying as follows:

(a) His compliance with the Code for his trade or industry and the registration number of his Blue Eagle for his trade or industry.

(b) His compliance with the President's Reemployment Agreement as extended by Executive Order of April 14, 1934 (if there is no approved Code applicable to him in making the reproduction).

(c) His agreement to abide by Regulations of the NRA and these Requirements. The application must be accompanied by a specimen of the intended reproduction.

12. These Requirements supersede "NRA Circular No. 1" issued July 23, 1933, and the "Interpretation of NRA Circular No. 1" dated September 27, 1933.

BLUE EAGLE MANUAL

for

CODE AUTHORITIES,

August 1, 1934.

Effective immediately, all Code Authorities are to govern their distribution and handling of the Blue Eagle for members of trade and industry in the following manner:

1. Responsibility for prompt distribution of one Blue Eagle to each known member of trade or industry operating under an approved code rests with the National Code Authority or similarly constituted central authority set up under each code.

2. Each National Code Authority will expedite distribution, coordinate instructions, and keep currently informed of the progress of distribution in all cases where divisional, subdivisonal, or local code authorities are delegated as issuing agencies for the Blue Eagle.

3. Each trade or industry member operating under an approved code is entitled to a Blue Eagle from each Code Authority having jurisdiction, unless he has been reported to the Compliance Division in Washington for non-payment of contribution in accordance with paragraph 4 of this Manual, or to the Compliance Division in Washington by a National Code Authority for any other code violation, or to a Federal District Attorney by a State NRA Compliance Director.

4. The Blue Eagle may be withheld for non-payment of contribution provided:

a. The requirements outlined in Administrative Order No. X-36 have been met.

b. A report of non-payment of contribution has been made to the Compliance Division in Washington.

5. Pursuant to Executive Orders which have vested the Administrator with power to control the use of the Blue Eagle, Office Memorandum No. 229, dated June 9, 1934, was issued to Code Authorities which stated in part that "No limitation such as assent to the code should be imposed upon the right of employers operating in conformity with the provisions of approved codes to receive and display Blue Eagle Insignia". Where codes contain provisions limiting the right to display the Blue Eagle Insignia to members of the industry who have signed an assent to the code, the cooperation of such Code Authorities is requested in distributing the Blue Eagle in accordance with the Administrator's policy.

6. Multiple unit firms are entitled to one Blue Eagle for each branch unit with a separate registration number for each unit, if the National Code Authority involved considers that the interests of its membership under the code are best served by such distribution.

7. Previous distribution of the Blue Eagle by NRA was made to applicants who indicated on the government postcard application their approved code or their principal line of business. Branch stores or plants were entitled to apply. Where the National Code Authority now considers any of these branch units as not properly being within the scope of membership of the industry, the Code Authority shall proceed as follows;

Return the completed application card (or cards) to the Insignia Section of NRA with a letter of transmittal suggesting that NRA request such firm to return the Blue Eagle for the reasons stated in the letter of transmittal. Under no circumstances shall any Code Authority request the return of the Blue Eagle from establishments in cases of this nature or request them to refrain from use or display of the Blue Eagle.

8. Reproductions or duplicate copies of the registered Official Insignia are to be made available to your members in accordance with the Administrator's letter to all Code Authorities, dated May 26, 1934, and Insignia Section letter of June 6, 1934 to all Code Authorities.

9. Additional printing orders for Blue Eagles will be placed promptly upon receipt of letters from Code Authorities addressed to the Insignia Section. Each such letter must report the number of Blue Eagles already distributed, the number on hand with the Code Authority, and the necessity existing for the additional quantity requested.

10. In order to complete distribution of the Blue Eagle promptly, Code Authorities may take advantage of the following arrangement until August 20:

Blue Eagles upon which individual registration numbers have been inscribed by the Code Authority may be delivered by the Code Authority to the Insignia Section of NRA at Washington in the case of Code Authorities whose offices are in Washington or to the State NRA Compliance Director for the State in which the Code Authority's office is located.

Accompanying the Blue Eagles in correct sequence must be a list of names, correct post office addresses, and registration numbers which have been assigned members of the industry by the Code Authority. The NRA office indicated will thereupon mail out each Blue Eagle so delivered in a National Recovery Administration envelope under government frank. A letter of transmittal from the Code Authority must accompany each list with a definite request for NRA to do this mailing. Duplicate copies of these lists should be retained by the Code Authority in order to obviate any necessity of returning the original list to the Code Authority. No enclosed material bearing the letterhead or the signature of the Code Authority can be franked.

11. Government application postcards which may continue to reach the Insignia Section of NRA from applicants will be routed currently to the National Code Authority involved for checking and handling in accordance with this Manual.

12. The Insignia Section and State Directors will make distribution to members of trade and industry only where National or Local Code Authorities are non-existent or unable to function, except as provided in paragraph 10.

13. A report of progress as of August 10 is expected from every National Code Authority. Where necessary, immediate steps should be taken by the National Code Authority to secure the information promptly from local or divisional code authorities concerned. This report should be mailed to the Insignia Section on August 10 and include the following information:

a. Total number of Blue Eagles already distributed by Code Authority and NRA combined.

b. Number of Blue Eagles undistributed in hands of Code Authority.

c. Number of members of the industry to whom Blue Eagles have not been distributed.

d. Estimate of total membership.

e. When will distribution be completed?

f. What has been accomplished regarding availability of duplicate copies of the Blue Eagle in accordance with paragraph 8 of this Manual?

g. Code Authorities not now organized will supply the information contained in Paragraph 13 as soon as possible after organization.

By direction of the Administrator:

G. A. LYNCH,
Administrative Officer.

Approval Recommended:

A. R. Glancy,
Assistant Administrator,
for Field Administration.

AMENDMENT OF BLUE EAGLE MANUAL
FOR
CODE AUTHORITIES*

October 1, 1934.

Paragraph III of the Blue Eagle Manual for Code Authorities is hereby amended to read as follows:

"3. Each trade or industry member operating under an approved Code is entitled to a Blue Eagle from each Code Authority having jurisdiction unless:

a. The Compliance Division has found that such member has not paid a contribution required to be paid by a code or has violated any provision of Title I of the National Industrial Recovery Act, or of the Code approved for said trade or industry pursuant thereto, and such member has not been revested with the right to display the Blue Eagle.

b. Such member has been convicted of a violation of any provision of Title I of said Act, or of the Code approved for said trade or industry pursuant thereto, by any Federal or State Court or by a Governmental Agency charged with the enforcement of Title I of the Act and such member has not been revested with the right to display the Blue Eagle.

c. There is pending before any Federal or State Court, or before any Governmental Agency charged with the enforcement of the provisions of Title I of the Act, any action, suit or proceeding whereby such member is charged with a violation of any provision of the Act or of the Code approved for said trade or industry pursuant thereto."

Paragraph IV of the Blue Eagle Manual for Code Authorities is hereby rescinded.

By direction of the National Industrial Recovery Board:

G. A. Lynch,
Administrative Officer.

*Note--The substance of the Blue Eagle Manual will be incorporated in the NRA Office Manual under "Code Administration -- Enforcement -- Insignia -- Part III-4300" when released in Office Manual form.

EXHIBIT G

CODES CONTAINING MANDATORY INSIGNIA PROVISIONS INCLUDING NRA LABELS

5. Coat and Suit, Amd. 1	226. Light Sewing Except Garments, Amd. 6 (Division)
7. Corset & Brassiere	232. Merchandise Warehousing
8. Legitimate Theatre	239. Porcelain Breakfast Furniture Mfg.
15. Men's Clothing	259. Hat Mfg.
29. Artificial Flower, Amd. 2	276. Pleating, Stitching and Bonnaz and Hand Embroidery.
42. Luggage & Fancy Leather, Amd. 1	283. Ready-Made Furniture Slip Covers, Amd. 2
51. Umbrella Mfg., Amd. 1	332. Ladies Handbag
60-C. Retail Custom Millinery	335. Art Needlework, Amd. 2
64. Dress Mfg.	362. Photographic & Photo Finishing
78. Nottingham Lace Curtain Industry	363. Men's Neckwear, Amd. 1
79. Novelty Curtain, Amd. 3	373. Infants' and Children's Wear
84-G. Tool & Implement	386. Umbrella Frame and Hardware
84-N. Non-Ferrous Hot Water Tank	399. Household Goods Storage
94. Men's Garter, Amd. 2	401. Copper
118. Cotton Garment, Amd. 2, 3	408. Undergarment and Negligee
151. Millinery, Amd. 2	436. Fur Mfg.
156. Rubber Mfg, Amd. 1 (Rainwear Division)	457. Cap and Cloth Hat.
161. Fur Dressing	467. Cigar Mfg., Amd. 1
164. Knitted Outerwear	474. Needlework in Puerto Rico
194. Blouse and Skirt	494. Merchant & Custom Tailoring
208. Picture Moulding & Frame	510. Assembled Watch
211. Robe and Allied Products	538. Women's Neckwear & Scarf

March 4, 1935

TO: Code Authorities of Codes Having Mandatory Label Provisions
FROM: Sol A. Rosenblatt, Compliance and Enforcement Director
SUBJECT: Administrative Order X-135

For your information and guidance, the following administrative action has been taken pursuant to Administrative Order X-135 in regard to the procedure to be followed in withdrawing or restoring the right to obtain labels or to use labels which a respondent has on hand:

1. Dean G. Edwards, 45 Broadway, New York City, has been designated by the Compliance and Enforcement Director as an NRA Label Agency. Mr. Edwards is the only Agency so designated and he is the NRA Label Agency for all Code Authorities wherever located. In any case in which the establishment alleged to be in violation is located in Arizona, California, Colorado, Idaho, Montana, Nevada, Oregon, Utah, Washington, or Wyoming, Mr. Edwards cannot authorize a denial of the initial issue of labels or a suspension of the issue of labels or take any other final action within his power until he has first received the recommendation of the NRA Label Officer for the West Coast approving or recommending the action Mr. Edwards intends to take. Mr. Edward L. Fries, Humboldt Bank Building, 785 Market Street, San Francisco, California, has been designated NRA Label Officer for the West Coast. Mr. Fries is authorized to make recommendations to the NRA Label Agency in New York in regard to action involving labels, but he cannot take final action.

2. The Compliance and Enforcement Director has, pursuant to the authority granted by Paragraph 21 of the Order and otherwise, authorized the continuance of the present procedure whereby NRA Regional Compliance Directors have final power to withdraw or restore the right to obtain labels or to use labels which a respondent has on hand. This procedure was described in the letter of February 9, 1935 of the Compliance and Enforcement Director. Hence, in cases in which the issue of labels has been suspended, Code Authorities will mail the record to the appropriate NRA Regional Compliance Office, rather than to the Compliance and Enforcement Director as stated in Paragraph 14 of the Order.

The Code Authority shall simultaneously notify the respondent and the NRA Label Agency that it has so mailed the record, stating the location of the Regional Office to which it has been sent. The "appropriate NRA Regional Compliance Office", as the term is used herein, is the Regional Office for the Region in which is located the respondent's establishment where the alleged violation occurred. The record should be sent to such Regional Office even though the respondent operates other establishments outside of the Region or its head office is located outside of the Region.

3. The Compliance and Enforcement Director has delegated to Regional Directors the power to hear appeals by respondents, such appeals being authorized by Paragraph 14 of the Order.

4. If a Code Authority, pursuant to Paragraph 13 of the Order desires to appeal in a case where the NRA Label Agency has disapproved its recommendation or has failed to act within five days, it should address its appeal to the Chief of the Compliance Division in Washington.

5. Paragraph 14 of Administrative Order X-135 states that a respondent may at all times prior to final determination of his case apply to the Compliance and Enforcement Director for an order directing the Code Authority to issue labels in such quantities as may be proper pending such final determination. The Compliance and Enforcement Director has not delegated any power under this provision to Regional Directors. An application by the respondent for such an order should be addressed to the Chief of the Compliance Division in Washington.

SOL A. ROSENBLATT
Compliance and Enforcement Director

March 2, 1935.

ADMINISTRATIVE ORDER

NO. X-144.

CANCELLATION OF BLUE EAGLE REPRODUCTION AUTHORIZATIONS

Determination has been made by the National Recovery Administration that further reproduction of any Blue Eagle Insignia or emblem would be contrary to the policy of the National Recovery Administration.

Accordingly, all reproduction authorizations heretofore issued by the National Recovery Administration are hereby cancelled. Hereafter, no one shall reproduce either for his own use or for the use of another any Blue Eagle Insignia or emblem issued, adopted, or approved by the National Recovery Administration or any label bearing any such Blue Eagle Insignia or emblem. All such Insignia or emblems are the property of the Government of the United States and are protected by United States Design Patent Number 907935.

L. J. Martin,
Acting Administrator.
National Recovery Administration.

September 4th, 1935

OFFICE OF THE NATIONAL RECOVERY ADMINISTRATION
THE DIVISION OF REVIEW

THE WORK OF THE DIVISION OF REVIEW

Executive Order No. 7075, dated June 15, 1935, established the Division of Review of the National Recovery Administration. The pertinent part of the Executive Order reads thus:

The Division of Review shall assemble, analyze, and report upon the statistical information and records of experience of the operations of the various trades and industries heretofore subject to codes of fair competition, shall study the effects of such codes upon trade, industrial and labor conditions in general, and other related matters, shall make available for the protection and promotion of the public interest an adequate review of the effects of the Administration of Title I of the National Industrial Recovery Act, and the principles and policies put into effect thereunder, and shall otherwise aid the President in carrying out his functions under the said Title. I hereby appoint Leon C. Marshall, Director of the Division of Review.

The study sections set up in the Division of Review covered these areas: industry studies, foreign trade studies, labor studies, trade practice studies, statistical studies, legal studies, administration studies, miscellaneous studies, and the writing of code histories. The materials which were produced by these sections are indicated below.

Except for the Code Histories, all items mentioned below are scheduled to be in mimeographed form by April 1, 1936.

THE CODE HISTORIES

The Code Histories are documented accounts of the formation and administration of the codes. They contain the definition of the industry and the principal products thereof; the classes of members in the industry; the history of code formation including an account of the sponsoring organizations, the conferences, negotiations and hearings which were held, and the activities in connection with obtaining approval of the code; the history of the administration of the code, covering the organization and operation of the code authority, the difficulties encountered in administration, the extent of compliance or non-compliance, and the general success or lack of success of the code; and an analysis of the operation of code provisions dealing with wages, hours, trade practices, and other provisions. These and other matters are canvassed not only in terms of the materials to be found in the files, but also in terms of the experiences of the deputies and others concerned with code formation and administration.

The Code Histories, (including histories of certain NRA units or agencies) are not mimeographed. They are to be turned over to the Department of Commerce in typewritten form. All told, approximately eight hundred and fifty (850) histories will be completed. This number includes all of the approved codes and some of the unapproved codes. (In Work Materials No. 18, Contents of Code Histories, will be found the outline which governed the preparation of Code Histories.)

(In the case of all approved codes and also in the case of some codes not carried to final approval, there are in NRA files further materials on industries. Particularly worthy of mention are the Volumes I, II and III which constitute the material officially submitted to the President in support of the recommendation for approval of each code. These volumes 9768--1.

set forth the origination of the code, the sponsoring group, the evidence advanced to support the proposal, the report of the Division of Research and Planning on the industry, the recommendations of the various Advisory Boards, certain types of official correspondence, the transcript of the formal hearing, and other pertinent matter. There is also much official information relating to amendments, interpretations, exemptions, and other rulings. The materials mentioned in this paragraph were of course not a part of the work of the Division of Review.)

THE WORK MATERIALS SERIES

In the work of the Division of Review a considerable number of studies and compilations of data (other than those noted below in the Evidence Studies Series and the Statistical Material Series) have been made. These are listed below, grouped according to the character of the material. (In Work Materials No. 17, Tentative Outlines and Summaries of Studies in Process, these materials are fully described).

Industry Studies

Automobile Industry, An Economic Survey of
Bituminous Coal Industry under Free Competition and Code Regulation, Economic Survey of
Electrical Manufacturing Industry, The
Fertilizer Industry, The
Fishery Industry and the Fishery Codes
Fishermen and Fishing Craft, Earnings of
Foreign Trade under the National Industrial Recovery Act
Part A - Competitive Position of the United States in International Trade 1927-29 through 1934.
Part B - Section 3 (e) of NIRA and its administration.
Part C - Imports and Importing under NRA Codes.
Part D - Exports and Exporting under NRA Codes.
Forest Products Industries, Foreign Trade Study of the
Iron and Steel Industry, The
Knitting Industries, The
Leather and Shoe Industries, The
Lumber and Timber Products Industry, Economic Problems of the
Men's Clothing Industry, The
Millinery Industry, The
Motion Picture Industry, The
Migration of Industry, The: The Shift of Twenty-Five Needle Trades From New York State, 1926 to 1934
National Labor Income by Months, 1929-35
Paper Industry, The
Production, Prices, Employment and Payrolls in Industry, Agriculture and Railway Transportation, January 1923, to date
Retail Trades Study, The
Rubber Industry Study, The
Textile Industry in the United Kingdom, France, Germany, Italy, and Japan
Textile Yarns and Fabrics
Tobacco Industry, The
Wholesale Trades Study, The
Women's Neckwear and Scarf Industry, Financial and Labor Data on

Women's Apparel Industry, Some Aspects of the

Trade Practice Studies

Commodities, Information Concerning: A Study of NRA and Related Experiences in Control
Distribution, Manufacturers' Control of: Trade Practice Provisions in Selected NRA Codes
Distributive Relations in the Asbestos Industry
Design Piracy: The Problem and Its Treatment Under NRA Codes
Electrical Mfg. Industry: Price Filing Study
Fertilizer Industry: Price Filing Study
Geographical Price Relations Under Codes of Fair Competition, Control of
Minimum Price Regulation Under Codes of Fair Competition
Multiple Basing Point System in the Lime Industry: Operation of the
Price Control in the Coffee Industry
Price Filing Under NRA Codes
Production Control in the Ice Industry
Production Control, Case Studies in
Resale Price Maintenance Legislation in the United States
Retail Price Cutting, Restriction of, with special Emphasis on The Drug Industry.
Trade Practice Rules of The Federal Trade Commission (1914-1936): A classification for
comparison with Trade Practice Provisions of NRA Codes.

Labor Studies

Cap and Cloth Hat Industry, Commission Report on Wage Differentials in
Earnings in Selected Manufacturing Industries, by States, 1933-35
Employment, Payrolls, Hours, and Wages in 115 Selected Code Industries 1933-35
Fur Manufacturing, Commission Report on Wages and Hours in
Hours and Wages in American Industry
Labor Program Under the National Industrial Recovery Act, The
Part A. Introduction
Part B. Control of Hours and Reemployment
Part C. Control of Wages
Part D. Control of Other Conditions of Employment
Part E. Section 7(a) of the Recovery Act
Materials in the Field of Industrial Relations
PRA Census of Employment, June, October, 1933
Puerto Rico Needlework, Homeworkers Survey

Administrative Studies

Administrative and Legal Aspects of Stays, Exemptions and Exceptions, Code Amendments, Con-
ditional Orders of Approval
Administrative Interpretations of NRA Codes
Administrative Law and Procedure under the NIRA
Agreements Under Sections 4(a) and 7(b) of the NIRA
Approve Codes in Industry Groups, Classification of
Basic Code, the -- (Administrative Order X-61)
Code Authorities and Their Part in the Administration of the NIRA
Part A. Introduction
Part B. Nature, Composition and Organization of Code Authorities

THE EVIDENCE STUDIES SERIES

The Evidence Studies were originally undertaken to gather material for pending court cases. After the Schechter decision the project was continued in order to assemble data for use in connection with the studies of the Division of Review. The data are particularly concerned with the nature, size and operations of the industry; and with the relation of the industry to interstate commerce. The industries covered by the Evidence Studies account for more than one-half of the total number of workers under codes. The list of those studies follows:

Automobile Manufacturing Industry	Leather Industry
Automotive Parts and Equipment Industry	Lumber and Timber Products Industry
Baking Industry	Mason Contractors Industry
Boot and Shoe Manufacturing Industry	Men's Clothing Industry
Bottled Soft Drink Industry	Motion Picture Industry
Builders' Supplies Industry	Motor Vehicle Retailing Trade
Canning Industry	Needlework Industry of Puerto Rico
Chemical Manufacturing Industry	Painting and Paperhanging Industry
Cigar Manufacturing Industry	Photo Engraving Industry
Coat and Suit Industry	Plumbing Contracting Industry
Construction Industry	Retail Lumber Industry
Cotton Garment Industry	Retail Trade Industry
Dress Manufacturing Industry	Retail Tire and Battery Trade Industry
Electrical Contracting Industry	Rubber Manufacturing Industry
Electrical Manufacturing Industry	Rubber Tire Manufacturing Industry
Fabricated Metal Products Mfg. and Metal Fin- ishing and Metal Coating Industry	Shipbuilding Industry
Fishery Industry	Silk Textile Industry
Furniture Manufacturing Industry	Structural Clay Products Industry
General Contractors Industry	Throwing Industry
Graphic Arts Industry	Trucking Industry
Gray Iron Foundry Industry	Waste Materials Industry
Hosiery Industry	Wholesale and Retail Food Industry
Infant's and Children's Wear Industry	Wholesale Fresh Fruit and Vegetable Indus- try
Iron and Steel Industry	Wool Textile Industry

THE STATISTICAL MATERIALS SERIES

This series is supplementary to the Evidence Studies Series. The reports include data on establishments, firms, employment, Payrolls, wages, hours, production capacities, shipments, sales, consumption, stocks, prices, material costs, failures, exports and imports. They also include notes on the principal qualifications that should be observed in using the data, the technical methods employed, and the applicability of the material to the study of the industries concerned. The following numbers appear in the series:

9768--5.

MEMORANDUM

TO : [Illegible]

FROM : [Illegible]

SUBJECT : [Illegible]

[Illegible text block]

[Illegible text block]

RECOMMENDATION

[Illegible text block]

Asphalt Shingle and Roofing Industry
Business Furniture
Candy Manufacturing Industry
Carpet and Rug Industry
Cement Industry
Cleaning and Dyeing Trade
Coffee Industry
Copper and Brass Mill Products Industry
Cotton Textile Industry
Electrical Manufacturing Industry

Fertilizer Industry
Funeral Supply Industry
Glass Container Industry
Ice Manufacturing Industry
Knitted Outerwear Industry
Paint, Varnish, and Lacquer, Mfg. Industry
Plumbing Fixtures Industry
Rayon and Synthetic Yarn Producing Industry
Salt Producing Industry

THE COVERAGE

The original, and approved, plan of the Division of Review contemplated resources sufficient (a) to prepare some 1200 histories of codes and NRA units or agencies, (b) to consolidate and index the NRA files containing some 40,000,000 pieces, (c) to engage in extensive field work, (d) to secure much aid from established statistical agencies of government, (e) to assemble a considerable number of experts in various fields, (f) to conduct approximately 25% more studies than are listed above, and (g) to prepare a comprehensive summary report.

Because of reductions made in personnel and in use of outside experts, limitation of access to field work and research agencies, and lack of jurisdiction over files, the projected plan was necessarily curtailed. The most serious curtailments were the omission of the comprehensive summary report; the dropping of certain studies and the reduction in the coverage of other studies; and the abandonment of the consolidation and indexing of the files. Fortunately, there is reason to hope that the files may yet be cared for under other auspices.

Notwithstanding these limitations, if the files are ultimately consolidated and indexed the exploration of the NRA materials will have been sufficient to make them accessible and highly useful. They constitute the largest and richest single body of information concerning the problems and operations of industry ever assembled in any nation.

L. C. Marshall,
Director, Division of Review.

