

# What the Blue Eagle means to you and how you can get it

The President's Reemployment Program is advancing to complete success. No such sweeping demonstration of the unity of a whole people against a national danger has ever been made. • In this vast surge of patriotism it is necessary to keep our common purpose always clear. When 125,000,000 people attempt to act as one man there are sure to be some misunderstandings. It is time to restate as clearly as possible the aim of the whole endeavor and the duty of each individual. • That is the purpose of this message—to state officially, briefly and clearly the simple rules for common guidance. • It is an evidence of the self-sacrificing service of the whole country that this newspaper has donated this space. In that spirit the whole country is acting. • This plan depends wholly on united action. That unity is almost complete. In the next few days let us close up every gap in the ranks and nail the flag of the Blue Eagle on the door of every man who works another man.

*Herbert Hoover*

## OFFICIAL EXPLANATION OF THE PRESIDENT'S REEMPLOYMENT AGREEMENT (Sometimes miscalled "The Blanket Code")

This Agreement binds you to put its terms into effect from the time you sign the Certificate of Compliance until December 31, 1933; but when the President has approved a Code for your trade or industry, that Code takes the place of this Agreement.

### Child Labor

(1) After August 31, 1933, not to employ any person under 16 years of age, except that persons between 14 and 16 may be employed (but not in manufacturing or mechanical industries) for not to exceed 3 hours per day and those hours between 7 A. M. and 7 P. M. in such work as will not interfere with hours of day school.

This means that after August 31, 1933, you agree not to employ any children under 14 years old in any kind of business. You may employ children between 14 and 16 years old, but only for three hours a day and those hours must be between 7 in the morning and 7 at night, and arranged so as not to interfere with school. You agree not to employ any children under 16 years old in a manufacturing or mechanical industry, at any time.

### Maximum Hours

(2) Not to work any accounting, clerical, banking, office, service, or sales employees (except outside salesmen) in any store, office, department, establishment, or public utility, or on any automobile or horse-drawn passenger, express, delivery, or freight service, or in any other place or manner, for more than 40 hours in any 1 week and not to reduce the hours of any store or service operation to below 52 hours in any 1 week, unless such hours were less than 52 hours per week before July 1, 1933, and in the latter case not to reduce such hours at all.

This means that you agree not to work any of the kinds of employees listed in this paragraph (except outside salesmen) for more than 40 hours a week. This paragraph covers all employees except factory workers, mechanical workers and artisans. However, no limit on hours and no minimum wage applies to purely agricultural labor, domestic servants, or persons working for you solely on a commission basis; but, if you have persons working for you who are guaranteed a base pay in addition to their commission, then their base pay plus commissions must equal the minimum wage.

This Agreement sets no maximum on the number of hours you may keep your business open. You agree not to keep your wholesale, retail, or service establishment open less than 52 hours a week unless it was open less than 52 hours a week before July 1, 1933. Even then you agree to keep it open as long as you used to keep it open before July 1. Of course, if you have always kept your store open shorter hours in the summer months you can continue to do so this summer, but you should pay your employees the same amount each week that they will get when you keep your store open full time.

The stores with more than two employees which remain open the longest are contributing the most to carrying out the purpose of the Agreement. The stores with two or less employees which can be open only the minimum number of hours required, are doing the most to fulfill their part.

(3) Not to employ any factory or mechanical worker or artisan more than a maximum week of 35 hours until December 31, 1933, but with the right to work a maximum week of 40 hours for any 6 weeks within this period; and not to employ any worker more than 8 hours in any one day.

This means that if you are employing factory or mechanical workers or artisans, you agree not to work them more than 35 hours a week and not more than 8 hours in any one day.

When you have more than the usual amount of work to do and can't get additional workers, you may employ this class of employee up to 40 hours a week in any 6 weeks, but even in this case you must not work them more than 8 hours a day.

(4) The maximum hours fixed in the foregoing paragraphs (2) and (3) shall not apply to employees in establishments employing not more than two persons in towns of less than 2,500 population which towns are not part of a larger trade area; nor to registered pharmacists or other professional persons employed in their profession nor to employees in a managerial or executive capacity, who now receive more than \$35 per week; nor to employees on emergency maintenance and repair work; nor to very special cases where restrictions of hours of highly skilled workers on continuous processes would unavoidably reduce production but, in any such special case, at least time and one-third shall be paid for hours worked in excess of the maximum. Population for the purposes of this agreement shall be determined by reference to the 1930 Federal census.

This means that there are certain employees whom you may work longer hours than are allowed by paragraphs (2) and (3) P. R. A.

If your business is in a small town (population less than 2,500 by the 1930 census) and you do not employ more than two persons, the limit on hours does not apply to these employees. If your town is really a part of a larger business community, the limit on hours does apply to these employees.

The limit on hours does not apply to your employees who are wholly or primarily managers or executives, as long as they receive \$35 a week. Professional persons, like doctors, lawyers, registered pharmacists and nurses, may be employed without any limit on hours.

Where employees are doing emergency jobs of maintenance or repair work, they may be kept on the job for

longer hours, but you agree to pay them at least time and one-third for hours worked over the limits set in paragraphs (2) and (3) P. R. A.

There are a few very special cases where highly skilled workers must be allowed to work more than the limit of hours in order to keep up output on continuous processes, but, here again, you agree to pay them at least time and one-third for the hours they work over the limits set in paragraphs (2) and (3) P. R. A.

### Minimum Wages

(5) Not to pay any of the classes of employees mentioned in paragraph (2) less than \$15 per week in any city of over 500,000 population, or in the immediate trade area of such city; nor less than \$14.50 per week in any city of between 250,000 and 500,000 population, or in the immediate trade area of such city; nor less than \$14 per week in any city of between 2,500 and 250,000 population, or in the immediate trade area of such city and in towns of less than 2,500 population to increase all wages by not less than 20 per cent, provided that this shall not require wages in excess of \$12 per week.

This sets out the schedule of minimum wages which you agree to pay all employees, except factory or mechanical workers or artisans. The wages are set out in terms of dollars per week, but if your employees are paid by the hour, you may use the following schedule:

Place of Business: (Population by 1930 Census)	Minimum Wage:
In cities of 500,000 or over.....	37½ cents per hour
In cities of between 250,000 and 500,000 .....	36¼ cents per hour
In cities of between 2,500 and 250,000 .....	35 cents per hour

If your business is in a town of less than 2,500 population, you agree to raise all wages at least 20%. If raising all wages 20% causes you to pay over \$12 per week, then you need only pay the \$12 per week.

If there is any doubt in your mind as to whether your business is in the "immediate trade area" of a city, you should ask your local Chamber of Commerce or other similar organization for a decision on the matter. The general rule is that the "immediate trade area" is the area in which there is direct retail competition.

(6) Not to pay any employee of the classes mentioned in paragraph (3) less than 40 cents per hour unless the hourly rate for the same class of work on July 15, 1929, was less than 40 cents per hour, in which latter case not to pay less than the hourly rate on July 15, 1929, and in no event less than 30 cents per hour. It is agreed that this paragraph establishes a guaranteed minimum rate of pay regardless of whether the employee is compensated on the basis of a time rate or on a piece-work performance.

This fixes the minimum wage which you agree to pay factory and mechanical workers and artisans. The following schedule may help you to find out the proper rate:

If the rate for the same kind of work in the same community on July 15, 1929, was:	The minimum rate which you agree to pay is:
More than 40c an hour.....	40c an hour
30c to 40c an hour.....	The July 15, 1929 hourly rate
Less than 30c an hour.....	30c an hour

Instead of paying by the hour, you may pay by the week at a rate which gives the same weekly earnings for a week of 35 hours. For example, instead of 40c an hour, you may pay \$14 per week.

If you had a contract on or before August 1, 1933, with a learner or apprentice, you do not have to pay him the minimum wage, but no one should be classed as a learner or an apprentice who has ever been employed as a regular worker in your industry.

(7) Not to reduce the compensation for employment now in excess of the minimum wages hereby agreed to (notwithstanding that the hours worked in such employment may be hereby reduced) and to increase the pay for such employment by an equitable readjustment of all pay schedules.

Two official interpretations—No. 1 and No. 20—have been issued, explaining this paragraph. You can get copies of these at your local Chamber of Commerce or from the nearest N. R. A. representative.

### Anti-Subterfuge

(8) Not to use any subterfuge to frustrate the spirit and intent of this Agreement which is, among other things, to increase employment by a universal covenant, to remove restrictions to commerce, and to shorten hours and to raise wages for the shorter week to a living basis.

This is the heart of the whole Agreement. The President's Plan is to cure this depression by increasing purchasing power. You can help him put this plan over by voluntarily signing this Agreement to shorten hours and raise wages. There is no force to compel you to sign this Agreement. It is not law. It is a personal agreement between you and the President. The President expects you to do everything in your power to carry out the spirit of the Agreement after you sign it. This means whole-hearted cooperation, by really earning the Blue Eagle—not by just getting it and then not doing your part.

It would be a "subterfuge" to frustrate the spirit and intent of this Agreement to sign it and then put all of your employees on a straight commission basis—or any other trick to avoid doing what you promise to do.



## HOW TO EARN THE BLUE EAGLE

1. Sign the President's Reemployment Agreement (P.R.A.).
2. Shorten Hours of factory workers to 35 hours per week, and of all other employees to 40 hours per week. (See paragraphs 2, 3 and 4, P.R.A.)
3. Raise Wages. (See paragraphs 5, 6, and 7, P.R.A.)
4. Don't Employ Child Labor. (See paragraph 1, P.R.A.)
5. Cooperate with the President. To do this:
  - (a) Live Up to the Agreement. (See paragraph 8, P.R.A.)
  - (b) Don't Profit. (See paragraph 9, P.R.A.)
  - (c) Deal Only with Others "Under the Blue Eagle." (See paragraphs 10 and 12.)
  - (d) Get a Code in by September 1st. (See paragraphs 11 and 13, P.R.A.)

## HOW TO GET THE BLUE EAGLE

1. Sign the President's Reemployment Agreement.
2. Mail the Signed Agreement to your District Office of the Department of Commerce.
3. Put the Agreement into Effect (as outlined above in "How to Earn the Blue Eagle").
4. Sign a Certificate of Compliance. This is a slip distributed with the Agreement. It says: "I/We certify that we have adjusted the hours of labor and the wages of our employees to accord with the President's Reemployment Agreement, which we have signed."
5. Deliver the Certificate of Compliance to Your Post Office. The Postmaster will give you your Blue Eagle.

## EXCEPTIONAL CASES

1. Where a Code Has Been Submitted. (See paragraph 13, President's Reemployment Agreement.) If your whole Trade or Industry is unable to live up to the President's Agreement, you should get together at once, with other employers in your Trade or Industry and, in a group, submit a Code of Fair Competition to N. R. A. in Washington. Since it takes some time after a Code has been submitted for it to be finally approved, your group may petition N. R. A. to substitute the wages and hours provisions of your Code for the wages and hours provisions of the President's Reemployment Agreement. If N. R. A. finds that the Code provisions are within the spirit of the President's Reemployment Agreement, it will consent to such substitutions. If N. R. A. does consent there will be an official notice in all the papers. You may then put the substituted provisions into effect in place of the indicated paragraphs of the President's Reemployment Agreement. In this case you should add to your Certificate of Compliance the following clause: "To the extent of N. R. A. consent as announced, we have complied with the President's Agreement by complying with the substituted provisions of the Code submitted by the — Trade/Industry." If the substitution is consented to after you have already put the President's Reemployment Agreement into full effect, and after you have already gotten your Blue Eagle, you may still put the substituted provisions into effect without signing another Certificate of Compliance.
2. Where a Code Has Been Approved. If a Code of Fair Competition for your Trade or Industry has already been finally approved by the President, you need not sign the President's Reemployment Agreement in order to get the Blue Eagle. The same is true if you are subject to a Code which has been put into effect temporarily by agreement between the President and representatives of your Trade or Industry; but in either of these cases, you must sign a Certificate of Compliance, adding to it the following statement: "We have complied with the operative provisions of the Code for the — Trade/Industry."
3. Cases of Individual Hardship. (Paragraph 14, President's Reemployment Agreement.) If there are some peculiar reasons why a particular provision of the President's Agreement will cause you, individually, a great and unavoidable hardship, you may still get the Blue Eagle by taking the following steps:
  - (a) Sign the Agreement and mail it to your District Office of the Department of Commerce.
  - (b) Prepare a petition to N. R. A. setting out the reasons why you cannot comply with certain provisions, and requesting that an exception be made in your case.
  - (c) Have this petition approved by your Trade Association. If there is no Trade Association for your business, have your petition approved by your local Chamber of Commerce or other representative organization designated by N. R. A.
  - (d) If the Trade Association, or other organization, approves your petition, send it to N. R. A. in Washington with this approval.
  - (e) Comply with all the provisions of the Agreement except the one you are petitioning to have excepted.
  - (f) Sign the Certificate of Compliance, adding to it the following clause: "Except for those interim provisions regarding wages and hours which have been approved by the — Trade Association." Deliver this Certificate of Compliance to your Post Office. You will receive a Blue Eagle, but before displaying it, you must put a white bar across its breast with the word "Provisional" on it. If your petition is finally approved by N. R. A. you may take the bar down. If your petition is not approved by N. R. A. you must comply with the Agreement in full.
4. Union Contracts. If you have a contract with a labor organization calling for longer hours than the President's Agreement allows, and this contract was made in good faith by collective bargaining and cannot be changed by you alone, try to get the labor organization to agree to a reduction to the maximum hours allowed by the President's Agreement. If the labor organization will not agree, you may apply to N. R. A. for permission to work your employees as many hours a week as the contract calls for. Send to N. R. A. a request for this permission, with a certified copy of the labor contract and any statement of fact you desire. This application will be handled by N. R. A. in the same manner as an application for relief in cases of individual hardship, filed under paragraph (14) P. R. A., but it will not be necessary to obtain the approval of a trade association or other organization. If N. R. A. approves your application or is able to bring about any modification of the contract, you will then be granted permission to work employees in accordance with the contract as originally written or modified, and can then sign the Certificate of Compliance adding to it the following: "Except as required to comply with the terms of the Agreement in effect between the undersigned and the (Name of Labor Organization)."

## Anti-Profiteering

(9) Not to increase the price of any merchandise sold after the date hereof over the price on July 1, 1933, by more than is made necessary by actual increases in production, replacement, or invoice costs of merchandise, or by taxes or other costs resulting from action taken pursuant to the Agricultural Adjustment Act, since July 1, 1933, and, in setting such price increases, to give full weight to probable increases in sales volume and to refrain from taking profiteering advantage of the consuming public.

The object of this paragraph is to prevent profiteering or speculation, so that prices will not rise faster than purchasing power, and destroy the President's plan. The danger to be avoided was pointed out by the President on June 16, 1933, in the statement which he made on signing the Recovery Act. He said, then:

"If we now inflate prices as fast and as far as we increase wages, the whole project will be set at naught. We cannot hope for the full effect of this plan unless, in these first critical months, and, even at the expense of full initial profits, we defer price increases as long as possible. If we can thus start a strong, sound upward spiral of business activity our industries will have little doubt of black-ink operations in the last quarter of this year. The pent-up demand of this people is very great, and if we can release it on so broad a front, we need not fear a lagging recovery. There is greater danger of too much feverish speed."

If you were selling your merchandise on July 1, 1933, below cost, you may take your cost price on that date as the basis for determining the allowable increase under this paragraph.

## Cooperation

(10) To support and patronize establishments which also have signed this Agreement and are listed as members of N. R. A. (National Recovery Administration).

The success of the President's Reemployment Agreement Program depends upon public support going to those who raise wages and shorten hours in accordance with this Agreement, in order to repay them for the extra expense which they have incurred in doing their part.

## Codes

(11) To cooperate to the fullest extent in having a Code of Fair Competition submitted by his industry at the earliest possible date, and in any event before September 1, 1933.

This Agreement is a temporary measure to tide over the time from now until all employers and employees can cooperate under Codes of Fair Competition under the National Industrial Recovery Act. You agree, in this paragraph, to do all you can to have a Code submitted for your trade or industry before September 1, 1933.

## Appropriate Adjustments

(12) Where, before June 16, 1933, the undersigned had contracted to purchase goods at a fixed price for delivery during the period of this Agreement, the undersigned will make an appropriate adjustment of said fixed price to meet any increase in cost caused by the seller having signed this President's Reemployment Agreement or having become bound by any Code of Fair Competition approved by the President.

This Agreement will, usually, increase the costs of those who sign it. The purpose of this paragraph is to pass any such increased costs along from one signer to another, and so on to the consumer.

If you have a contract made before June 16, 1933, to buy goods at a fixed price, you agree to make an arrangement with your seller so that you pay him for the extra cost to him caused by his having signed this Agreement, or having come under a Code approved by the President.

In some cases the final buyer is the Government, which, under existing law, is generally not allowed to pay more than the contract price. The President has announced that he will recommend to Congress that appropriations be made to allow the Government to play its part by paying Government contractors who have signed the Agreement for their increased costs. The President has also appealed to the States and cities to take action permitting them to do likewise.

You should have no fear that, because your buyer has not signed, you will be left with the increased cost to you alone. The President expects every employer to sign this Agreement.

## Substitutions

(13) This Agreement shall cease upon approval by the President of a Code to which the undersigned is subject; or, if the N. R. A. so elects, upon submission of a Code to which the undersigned is subject and substitution of any of its provisions for any of the terms of this Agreement.

As pointed out in the explanation of paragraph (11) P. R. A. above, the President plans to have all business govern itself under Codes, and therefore Codes should be promptly submitted. If N. R. A. finds that the wages and hours provisions of a Code which has been submitted are within the spirit of this Agreement, N. R. A. will authorize your industry to operate under those provisions rather than under the wages and hours provisions of this Agreement.

## Exceptions

(14) It is agreed that any person who wishes to do his part in the President's Reemployment Drive by signing this Agreement, but who asserts that some particular provision hereof, because of peculiar circumstances, will create great and unavoidable hardship, may obtain the benefits hereof by signing this Agreement and putting it into effect and then, in a petition approved by a trade association of his industry, or other representative organization designated by N. R. A., may apply for a stay of this Agreement pending a summary investigation by N. R. A., if he agrees in such application to abide by the decision of such investigation. This Agreement is entered into pursuant to section 4 (a) of the National Industrial Recovery Act and subject to all the terms and conditions required by sections 7 (a) and 10 (b) of that act.

If you really want to do your part in the President's Reemployment Program, sign this Agreement. If some particular part of this Agreement causes you, as an individual employer, great and unavoidable hardship, you may obtain relief by taking the steps outlined under the heading "Cases of Individual Hardship."

Save this sheet as your official source of information. If there are any problems in your mind which are not cleared up by this explanation, get in touch with the official N. R. A. representative in your community.

Official Statement of the Blue Eagle Division, N. R. A., Washington, D. C.

# NATIONAL RECOVERY ADMINISTRATION