Registry No. 243-1-02

NATIONAL RECOVERY ADMINISTRATION

# AMENDMENT TO CODE OF FAIR COMPETITION

FOR THE

# KNITTED OUTERWEAR INDUSTRY

AS APPROVED ON JUNE 2, 1934



WE DO OUR PART

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#### Approved Code No. 164-Amendment No. 1

#### AMENDMENT TO CODE OF FAIR COMPETITION

#### FOR THE

## KNITTED OUTERWEAR INDUSTRY

#### As Approved on June 2, 1934

#### ORDER

### MODIFICATION OF CODE OF FAIR COMPETITION FOR THE KNITTED OUTERWEAR INDUSTRY

An application having been duly made pursuant to and in full compliance with the provisions of Title I of the National Industrial Recovery Act, approved June 16, 1933, for approval of a modification of a Code of Fair Competition for the Knitted Outerwear Industry, and hearings having been duly held thereon and the annexed report on said modification, containing findings with respect thereto; having been made and directed to the President:

NOW, THEREFORE, on behalf of the President of the United States, I, Hugh S. Johnson, Administrator for Industrial Recovery, pursuant to authority vested in me by Executive Orders of the President, including Executive Order No. 6543–A, dated December 30, 1933, and otherwise; do hereby incorporate, by reference, said annexed report and do find that said modification and the Code as constituted after being modified comply in all respects with the pertinent provisions and will promote the policy and purposes of said Title of said Act, and do hereby order that said modification be and it is hereby approved, and that the previous approval of said Code is hereby modified to include an approval of said Code in its entirety as modified.

(1)

HUGH S. JOHNSON, Administrator for Industrial Recovery.

Approval recommended: H. O. KING, Division Administrator. WASHINGTON, D.C. June 2, 1934

64642°-657-9-34

#### REPORT TO THE PRESIDENT

The PRESIDENT,

The White House.

SIR: This is a report on the Hearing covering the Amendment to the Code of Fair Competition for the Knitted Outerwear Industry, held in Room 2062, Department of Commerce Building, Washington, D.C., Saturday, May 12, 1934. The Amendment, which is attached, was presented by duly qualified and authorized representatives of the Code Authority of the Knitted Outerwear Industry, complying with statutory requirements and being the agency that is administering the Code.

In accordance with customary procedure every person who had filed a request for appearance was freely heard in public, and all statutory and regulatory requirements were complied with.

#### PROVISIONS OF THE AMENDMENTS

There is one amendment giving the Code Authority power, in case of emergency, to establish a "lowest reasonable cost" below which it would be an unfair trade practice for any member of the Industry to sell his products.

#### FINDINGS

The Deputy Administrator in his final report to me on said amendments to said Code having found as herein set forth and on the basis of all the proceedings in this matter:

I find that:

(a) The amendments to said Code and the Code as amended are well designated to promote the policies and purposes of Title I of the National Industrial Recovery Act including the removal of obstructions to the free flow of interstate and foreign commerce which tend to diminish the amount thereof, and will provide for the general welfare by promoting the organization of industry for the purpose of cooperative action among trade groups, by inducing and maintaining united action of labor and management under adequate governmental sanction and supervision, by eliminating unfair competitive practices, by promoting the fullest possible utilization of the present productive capacity of industries, by avoiding undue restriction of production (except as may be temporarily required), by increasing the consumption of industrial and agricultural products through increasing purchasing power, by reducing and relieving unemployment, by improving the standards of labor, and by otherwise rehabilitating industry.

(b) The Code as amended complies in all respects with the pertinent provisions of said Title of said Act, including without limitation Subsection (a) of Section 3, Subsection (a) of Section 7, and Subsection (b) of Section 10 thereof.

(c) The Code empowers the Code Authority to present the aforesaid amendments on behalf of the Industry as a whole.

(d) The amendment and the Code as amended are not designed to and will not permit monopolies or monopolistic practices.

(e) The amendment and the Code as amended are not designed to and will not eliminate or oppress small enterprises and will not operate to discriminate against them.

(f) Those engaged in other steps of the economic process have not been deprived of the right to be heard prior to approval of said amendment.

For these reasons this amendment has been approved.

Respectfully,

HUGH S. JOHNSON, Administrator.

JUNE 2, 1934.

# AMENDMENT TO CODE OF FAIR COMPETITION FOR THE KNITTED OUTERWEAR INDUSTRY

Amend ARTICLE IX—ADMINISTRATION, by the addition of a new section to read as follows:

(h) (1) When the Code Authority determines that an emergency exists in any division of the Industry, and that the cause thereof is destructive cutting of prices and/or the cutting of the rates paid to contractors for their work and services in manufacturing products of such division, and that such cutting of prices and/or rates renders ineffective or seriously endangers the maintenance of the provisions of the Code, the Code Authority may cause to be determined the lowest reasonable cost of the product involved and/or of the work and services rendered by the contractors involved as the case may be, such determination to be subject to such notice and hearing as the Administrator may require. The Administrator may approve, disapprove or modify the determination.

(2) Thereafter, during the period of the emergency.

(A) No member of the Industry shall sell or offer to sell any such products of such division of the Industry for which the lowest reasonable cost has been determined at such prices and upon such terms and conditions of sale that the buyer of such product will pay less therefor than the lowest reasonable cost of such products so determined, and

(B) No member of the Industry shall offer to give or to take, or, give or take any work on the contract-method of production for the manufacture of any of the products of such division of the Industry, for which the lowest reasonable cost has been determined, at such rates or upon such terms and/or conditions that the contract-employer will pay less for such work and services so determined.

(3) When it appears that conditions are changed, the Code Authority, upon its own initiative or upon the request of any interested party, shall cause the determination to be reviewed.
(4) The term "Contract-System of Production" as used herein

(4) The term "Contract-System of Production" as used herein means the system of having any of the products of the Industry manufactured in whole or in part by contractors.

(5) The term "Contract-Employer" as used herein shall include every person, firm or corporation who uses or employs contractors.

Approved Code No. 164—Amendment No. 1. Registry No. 243-1-02.

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