

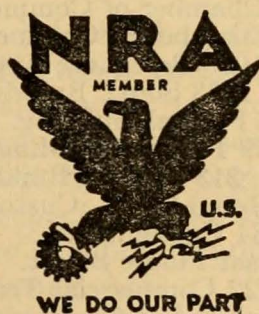
NATIONAL RECOVERY ADMINISTRATION

**AMENDMENT TO
CODE OF FAIR COMPETITION**

FOR THE

COTTON GARMENT INDUSTRY

AS APPROVED ON AUGUST 21, 1934

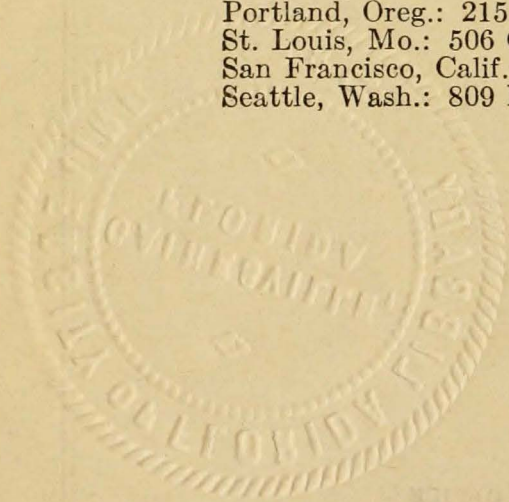


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Approved Code No. 118—Amendment No. 7

AMENDMENT TO CODE OF FAIR COMPETITION

FOR THE

COTTON GARMENT INDUSTRY

As Approved on August 21, 1934

BY

PRESIDENT ROOSEVELT

EXECUTIVE ORDER

APPROVING AMENDMENTS TO CODE OF FAIR COMPETITION FOR THE COTTON GARMENT INDUSTRY

Hearings having been duly held in full compliance with the provisions of Title I of the National Industrial Recovery Act, approved June 16, 1933, in connection with amendments of the Code of Fair Competition for the Cotton Garment Industry, and the Administrator having rendered his report thereon together with his recommendations and findings with respect thereto, and it appearing that the said amendments will promote the policy and purposes of Title I of the National Industrial Recovery Act:

NOW, THEREFORE, I, Franklin D. Roosevelt, President of the United States, pursuant to the authority vested in me by Title I of the National Industrial Recovery Act, approved June 16, 1933, and the Code of Fair Competition for the Cotton Garment Industry, and otherwise, do adopt and approve the report, recommendations, and findings of the Administrator and do hereby order that the said amendments be and they are hereby approved, and that my previous order of approval of said Code is hereby modified to include an approval of said Code in its entirety as amended, such approval to take effect fourteen (14) days from the date hereof unless good cause to the contrary is shown to the Administrator prior to that time and I do issue a subsequent order to that effect.

FRANKLIN D. ROOSEVELT.

Approval recommended:

HUGH S. JOHNSON,
Administrator.

THE WHITE HOUSE,
August 21, 1934.

LETTER OF TRANSMITTAL

The PRESIDENT,
The White House.

SIR: On June 18, 1934, a public hearing was called to consider amendments to the Code of Fair Competition for the Dress Manufacturing Industry, the Code of Fair Competition for the Men's Clothing Industry, and the Code of Fair Competition for the Cotton Garment Industry. These amendments to the Cotton Garment Code are part of the results of this hearing.

The hearing showed no material reemployment by this Industry subsequent to the effective date of the Code, which contained a provision arbitrarily fixing a work week of forty hours. The forty hour work week of the Cotton Garment Industry Code has resulted in unfair competition between members of the apparel industry under it and members under other apparel codes which have provisions for thirty-five and thirty-six hour work weeks.

To bring about more reemployment and correct the unfair competition existing because of the forty hour work week of the Cotton Garment Code, and effectuate the purposes of the Act, it is necessary to make a reduction to thirty-six hours, and, at the same time, make a proportionate increase in the pay of employees so as to maintain the same weekly wage rate as is provided in the Code as approved November 17, 1933.

The Industry has given its assent to all of those amendments with the exception of the ones relating to hours, (Section A of Article III, reducing the maximum hours to 36), and wages, (Sections A and B of Article IV, making the proportionate increase in the basic wage). By refusing to assent to the hour and wage provisions, the Industry has made it necessary for the amendments to be submitted to you for approval.

These amendments are in five parts as follows:

Part 1 eliminates a provision of Article II, Section (a) which gives the Administrator the right to hold such hearings as he may deem necessary in order to determine whether the definition of products of the Industry may be modified or eliminated. This deleted provision has served its purpose and is therefore being eliminated.

Part 2 amends Article III of the Code. Three sections (a), (b) and (d) having served their purpose in the Code are deleted and a new section (a) is added so as to provide for a 36 hour work week for manufacturing employees instead of a 40 hour work week in the Code as heretofore approved.

Part 3 amends Article IV of the Code. Several sections having served their purposes in the Code are deleted and four new sections are added. New section (a) provides for a minimum wage of Twelve (\$12.00) Dollars per week for the Southern Area and a

minimum wage of Thirteen (\$13.00) Dollars per week for the Northern Area. It further provides that employees shall be paid at least the same wage per week of 36 hours as was paid for the week of 40 hours, and further, that piece rates shall be increased by not less than ten (10%) percent above the piece work rate prevailing as of May 1, 1934.

New section (b) provides that in the Sheep-Lined and Leather Garment Industry manufacturing employees are to be paid at a minimum wage of Fourteen (\$14.00) Dollars per week, and further provides a specified minima to be paid skilled workers, and that piece rates shall be increased by not less than ten (10%) percent over and above the piece work rates prevailing as of May 1, 1934.

New section (c) provides a minimum wage to be paid learners employed in the Industry.

New section (e) provides that handicapped employees may be employed on light work at a wage below the minimum established by the Code.

Part 4 contains new provisions to be added to the Code which are pursuant to recent policy rulings of the Administration relative to destructive price cutting and cost finding.

Part 5 is a new provision of the Code providing for an Industrial Committee to study all applications for exemption from provisions of the Code, by individual manufacturers, and to grant such exemptions subject to the disapproval by the Administrator.

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 proceedings in this matter:

"I find that:

"(a) The amendments to said Code and the Code as amended are well designed 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 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 purchasing power, by reducing and relieving unemployment, by improving 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 (b) of Section 10 thereof.

"(c) The amendments and the Code as amended are not designed to and will not permit monopolies or monopolistic practices.

"(d) The amendments 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.

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

For these reasons these amendments are recommended for your approval.

Respectfully,

HUGH S. JOHNSON,
Administrator.

AUGUST 21, 1934.

AMENDMENT TO CODE OF FAIR COMPETITION FOR THE COTTON GARMENT INDUSTRY

I

Article II is hereby amended to delete therefrom the second paragraph of Section A, which begins with the words "The Products" and ends with the words "in this Code".

II

Article III is hereby amended by deleting therefrom Sections A, B and D, by substituting therefor the following Section A and by redesignating Sections C and E as Sections B and C respectively.

"A. On and after October 1, 1934, no manufacturing employee shall be permitted to work in excess of thirty-six (36) hours in any one week nor in excess of eight (8) hours in any one day, except as herein otherwise provided. The Industrial Committee, to the extent provided in Article XV hereof, may make such determinations of applications for exceptions and/or exemptions from the provisions of this Section as it may deem proper and necessary, subject to the disapproval of the Administrator as provided therein. No non-manufacturing employee shall be permitted to work in excess of forty (40) hours in any one week."

III

Article IV is hereby amended by deleting therefrom Section D, by redesignating Sections E, G, H, I, J, K, L and M as Sections D, F, G, H, I, J, K and L, respectively; and by redesignating Section F as Section E and amending Sections A, B, C and E as follows:

"A. On and after October 1, 1934, except as hereinafter provided, no employee shall be paid at less than the rate of Twelve Dollars (\$12.00) per thirty-six (36) hour week in the Southern area, nor at less than the rate of Thirteen Dollars (\$13.00) per thirty-six (36) hour week in the Northern area. Week workers and/or time workers receiving above the minimum wage prior to this amendment shall be paid at not less than the same wage per thirty-six (36) hour week that they were paid per forty (40) hour week. Piece rates shall be increased by not less than 10% over and above the piece rates prevailing as of May 1, 1934, but in no event shall piece workers receive less than the minimum weekly wage herein provided."

"B. On and after October 1, 1934, in the Sheep-Lined and Leather Garment Industry, no manufacturing employee shall be paid at less than the rate of Fourteen Dollars (\$14.00) per week. No operator shall be paid at less than the rate of 45¢ per hour; and no short

knife cutter shall be paid at less than the rate of 75¢ per hour. Manufacturing employees shall receive not less for thirty-six (36) hours than they received for forty (40) hours. Piece rates shall be increased by not less than 10% over and above the piece rates prevailing May 1, 1934."

"C. The number of learners employed at any time in the Cotton Garment Industry or in a manufacturer's plant or factory shall not exceed ten (10%) percent of the total number of manufacturing employees in said plant. A learner shall be classified as a person who has worked in this industry for a period of not more than twelve (12) weeks in whatsoever capacity. Learners shall be paid not less than the following:

First four weeks-----	50% of the minimum wage
Second four weeks-----	66 $\frac{2}{3}$ % of the minimum wage
Third four weeks-----	80% of the minimum wage."

"E. A person whose earning capacity is limited because of age, physical or mental handicap, or other infirmity, may be employed on light work at a wage below the minimum established by this Code, if the employer obtains from the State Authority, designated by the United States Department of Labor, a certificate authorizing his employment at such wages and for such hours as shall be stated in the certificate. Such authority shall be guided by the instructions of the United States Department of Labor in issuing certificates to such persons. Each employer shall file monthly with the Code Authority a list of all such persons employed by him, showing the wages paid to and the maximum hours of work for such employee."

IV

Article XI is hereby amended to include Section D which shall read as follows:

"D. The Standards of Fair Competition for the Industry with reference to pricing practices are declared to be as follows:"

"1. (a) Wilfully destructive price cutting is an unfair method of competition and is forbidden. Any member of the Industry or of any other industry or the customers of either may at any time complain to the Code Authority that any quoted price constitutes unfair competition as destructive price cutting, imperiling small enterprise or tending toward monopoly or the impairment of code wages and working conditions.

"The Code Authority shall within five (5) days afford an opportunity to the member quoting the price to answer such complaint and shall within fourteen (14) days make a ruling or adjustment thereon. If such ruling is not concurred in by either party to the complaint, all papers shall be referred to the Research and Planning Division of NRA which shall render a report and recommendation thereon to the Administrator.

"(b) When no declared emergency exists as to any given product, there is to be no fixed minimum basis for prices. It is intended that sound cost estimating methods should be used and that consideration should be given to costs in the determination of pricing policies.

"(c) When an emergency exists as to any given product, sale below the stated minimum price of such product, in violation of Section 2 hereof is forbidden."

"2. *Emergency Provisions.*—(a) If the Administrator, after investigation, shall at any time find both (1) that an emergency has arisen within the Industry adversely affecting small enterprises or wages or labor conditions, or tending toward monopoly or other acute conditions which tend to defeat the purposes of the Act; and (2) that the determination of a stated minimum price for a specified product within the Industry for a limited period is necessary to mitigate the conditions constituting such emergency and to effectuate the purposes of the Act, the Code Authority may cause an impartial agency to investigate costs and to recommend to the Administrator a determination of a stated minimum price of the product affected by the emergency and thereupon the Administrator may proceed to determine such stated minimum price.

(b) When the Administrator shall have determined such stated minimum price for a specified product for a stated period, which price shall be reasonably calculated to mitigate the conditions of such emergency and to effectuate the purposes of the National Industrial Recovery Act, he shall publish such price. Thereafter, during such stated period, no member of the Industry shall sell such specified products at a net realized price below said stated minimum price and any such sale shall be deemed destructive price cutting. From time to time, the Code Authority may recommend review or reconsideration or the Administrator may cause any determination hereunder to be reviewed or reconsidered and appropriate action taken."

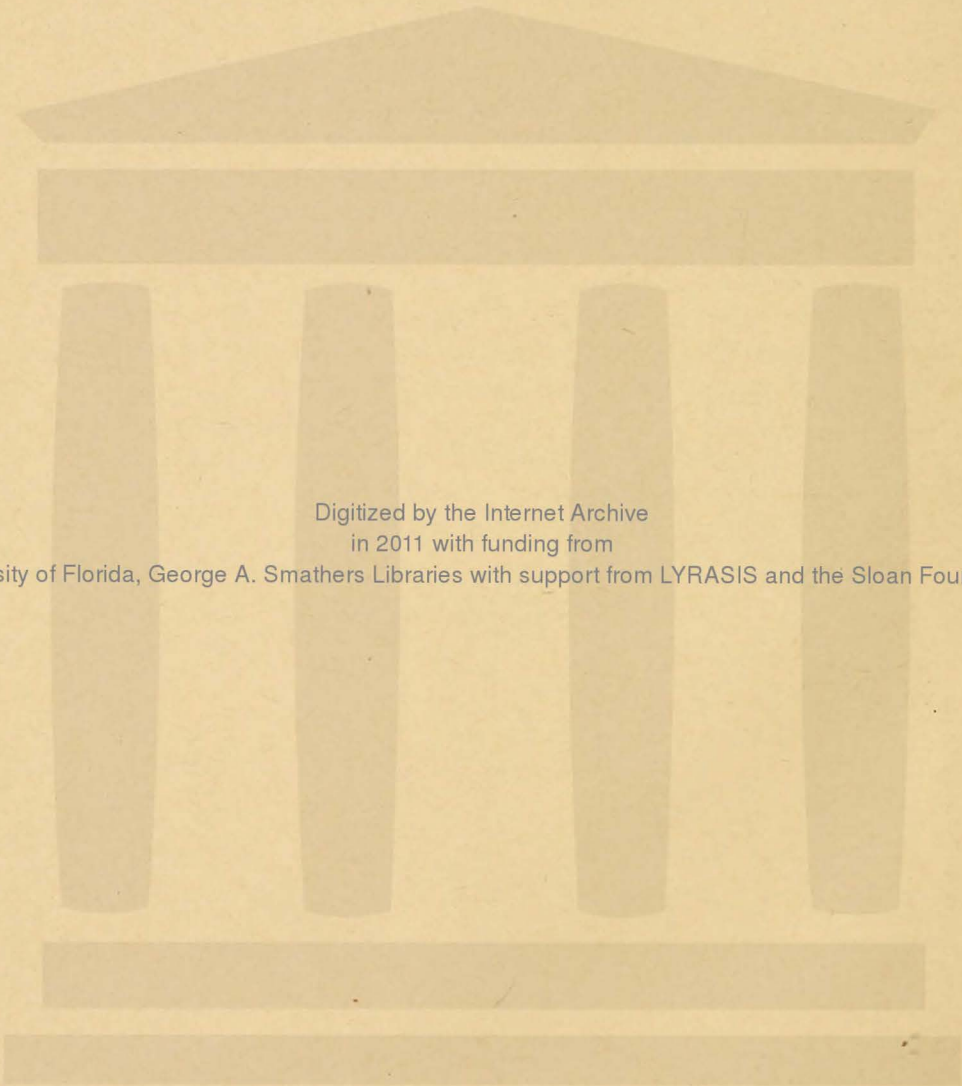
"3. *Cost Finding.*—The Code Authority shall cause to be formulated methods of cost finding and accounting capable of use by all members of the Industry, and shall submit such methods to the Administrator for review. If approved by the Administrator, full information concerning such methods shall be made available to all members of the Industry. Thereafter, each member of the Industry shall utilize such methods to the extent found practicable. Nothing herein contained shall be construed to permit the Code Authority, any agent thereof, or any member of the Industry to suggest uniform additions, percentages of differentials or other uniform items of cost which are designed to bring about arbitrary uniformity of costs or prices."

V.

Article XV shall be amended as follows:

The section presently known as Section B shall be known as Section C and a new section shall be inserted in said Article to be known as Section B as follows:

"B. A Committee is hereby established to be known as the Industrial Committee, to be appointed by the Administrator on the nomination of the following: Three members by the Code Authority to represent the Industry and three members by the Labor Advisory Board of which one shall be without Union affiliation. The six so selected shall select a Chairman to be approved by the Administrator. The powers and duties of this committee shall be as follows:



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Approved Code #118

Registry No. 217-1-06

ERRATA SHEET

CODE OF FAIR COMPETITION

FOR THE

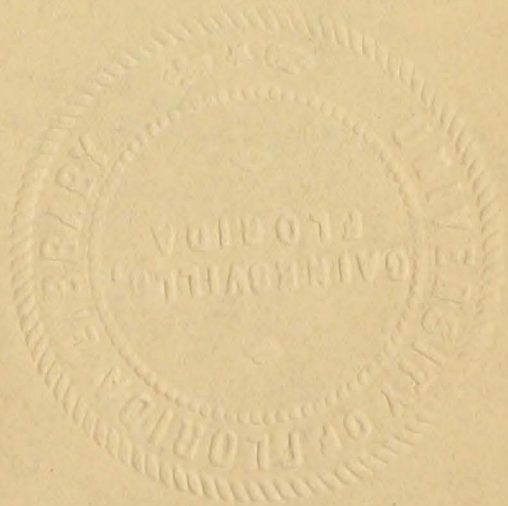
COTTON GARMENT INDUSTRY AMENDMENT NO. 6

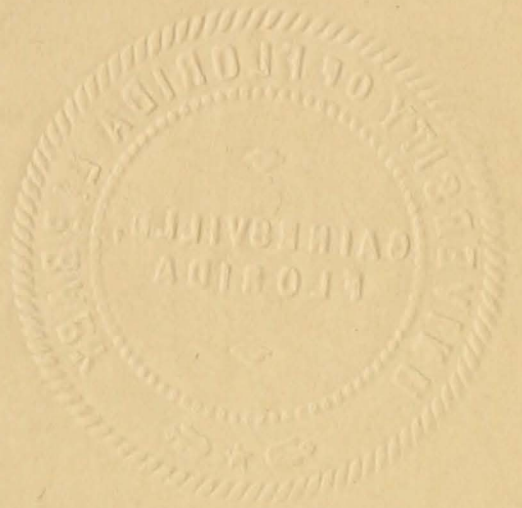
As Approved on August 21, 1934

On page 4 of Amendment #6, paragraph 1, which reads "Article IX is amended by adding the following to be known as *Section N*", shall be changed to read "Article IX is amended by adding the following to be known as *Section M*."

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(1)





1933.—1934.—1935

(1)

known to be known as "Section A."
shall be amended to read "Article IX is amended by adding the fol-
lowing to be known as "Section A."
On page 4 of Amendment No. 1, which reads "Article

as amended on August 31, 1933.

COLLON GOVERNMENT INDUSTRIES AMENDMENT NO. 2

FOR THE

CODE OF MINOR COMPETITION

BREVETED SHEET

Amended Code No. 1118

Revised No. 1118-1-08

