

NATIONAL RECOVERY ADMINISTRATION

CODE OF FAIR COMPETITION

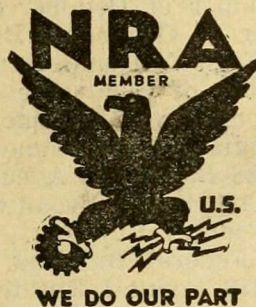
FOR THE

**BLOUSE AND SKIRT
MANUFACTURING INDUSTRIES**

AS APPROVED ON DECEMBER 30, 1933

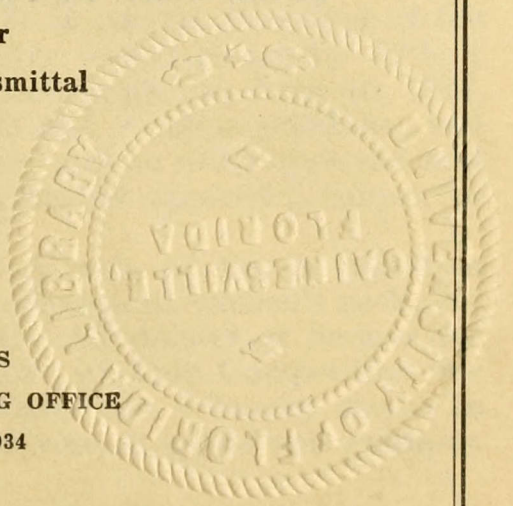
BY

PRESIDENT ROOSEVELT



1. Executive Order
2. Letter of Transmittal
3. Code

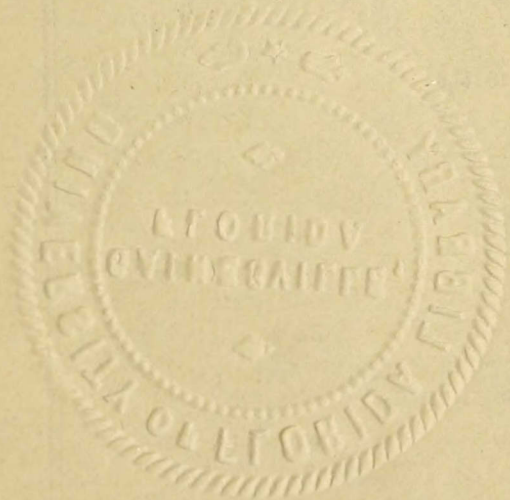
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Approved Code No. 194

CODE OF FAIR COMPETITION

FOR THE

**BLOUSE AND SKIRT MANUFACTURING
INDUSTRIES**

As Approved on December 30, 1933

BY

PRESIDENT ROOSEVELT

Executive Order

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 my approval of a Code of Fair Competition for the Blouse and Skirt Manufacturing Industries, and hearings having been held thereon, and the Administrator having rendered his report containing an analysis of the said Code of Fair Competition together with his recommendations and findings with respect thereto, and the Administrator having found that the said Code of Fair Competition complies in all respects with the pertinent provisions of Title I of said Act and that the requirements of clauses (1) and (2) of subsection (a) of Section 3 of the said Act have been met:

NOW, THEREFORE, I, Franklin D. Roosevelt, President of the United States, pursuant to the authority vested in me by Title I of the National Industrial Recovery Act, approved June 16, 1933, and otherwise, do approve the report and recommendations, and adopt the findings of the Administrator, and do order that the said code of fair competition be, and it is hereby approved, subject to the following condition that:

(1) Pending the public hearing on a code of fair competition for the industries engaged in the manufacture of women's neckwear and scarfs and the determination by the Administrator hereinafter referred to, the application of the Code of Fair Competition for the Blouse and Skirt Manufacturing Industries is hereby stayed in respect to the manufacture and sale of vestees, gilets and guimpes.

The Administrator after such public hearing shall determine whether the manufacture and sale of vestees, gilets and guimpes shall be included under the Code of Fair Competition for the Blouse and Skirt Manufacturing Industries and such determination by him shall be incorporated by him as a part of this Code.

FRANKLIN D. ROOSEVELT.

Approval recommended:

HUGH S. JOHNSON,
Administrator.

THE WHITE HOUSE,
December 30, 1933.

DECEMBER 21, 1933.

The PRESIDENT,
The White House.

SIR: The Public Hearing on the Code of Fair Competition for the Blouse and Skirt Manufacturing Industries as proposed jointly by the National Association of Blouse Manufacturers, Inc., and the National Skirt Manufacturers Association, Inc., was conducted in Washington on September 7, 1933. Every person who requested an appearance was fairly heard in public in accordance with the usual procedure. The Code has the approval of the Labor, Industrial, and Consumer Advisory Boards of the National Recovery Administration. The Code Committee of the submitting associations, being duly authorized by their respective associations, have also indicated their approval of the final draft of the Code on behalf of the industries.

DESCRIPTION OF THE INDUSTRIES

The industries as defined in the Code include the manufacture and sale by the manufacturer, contractor, or jobber of women's, misses', and children's blouses, blousesettes, waists, vestees, tunic blouses, gilets, and guimpes; and the manufacture and sale by the manufacturer, contractor, or jobber of women's and misses' skirts and jumper skirts.

The skirt history parallels very closely with the blouse industry. These two industries have a community of interest and their sale and fashion activities are almost identical. These factors, together with a mutual desire for close cooperation impelled a joint code in the industry, resulting in possibilities of many desirable future joint activities.

More than thirty years ago blouses and skirts were beginning to be popular as an item of wearing apparel. Shirt waists with a suit or skirt were practically indispensable to a wardrobe. Many stores maintained profitable waist departments; waists were in demand and were utilized in a variety of combinations. New York City with hundreds of factories was the leading city in production, with Philadelphia second, and Boston and Chicago contributing a part of the production.

The decreasing demand for blouses and separate skirts which became evident in 1921 was due mainly to the increased demand for dresses. This brought about a decrease in the number of blouse departments in retail stores and a consequent curtailment in wholesale production. By 1924 important units had left the industry and within the last year or two very few firms were left.

During the last few years, however, ensembles have come into vogue again and there is a revival again of the manufacture of waists and blouses. The fashion for sportswear and the depression have both caused an increase in the manufacture of separate skirts.

The value of production in the blouse industry in the year 1929 was approximately ten million dollars. It had increased close to fourteen million dollars in 1931. It is reasonable to assume that the manufacture of blouses and waists has increased still more since 1931. A much greater increase in the production of separate skirts since 1929 is apparent. In value, the increase in the manufacture of blouses during the period from 1929 to 1931 amounted to 63%. It is highly probable that the upward trend in the manufacture of separate skirts has continued since 1931.

New York and Philadelphia are again the leading blouse markets. It is estimated that there are 100 firms in the industry, some of which produce seasonally other items of apparel. Additional concerns, not generally identified as blouse manufacturers, enter each season temporarily into the production of blouses.

RÉSUMÉ OF THE CODE

Article I sets forth certain definitions.

Article II contains the maximum hour provisions. The hours of employees engaged in the mechanical processes of manufacture are limited to thirty-five hours per week and to seven hours per day; all other employees are permitted to work a maximum of forty hours per week. The maximum hours provisions do not apply to salesmen or executives. Overtime is allowed all employees for a specific number of weeks per year with the provision that the Code Authority may recommend that further overtime be allowed.

Article III sets forth the minimum wage provisions. A basic minimum of fourteen dollars per week for employees employed in cities of over 250,000 population, and of twelve dollars per week for employees employed in cities of 250,000 population or less, is provided. In addition to these basic minimums, separate minimums are set up for employees engaged in the following crafts: operators, ironers, cutters, finishers, cleaners, and examiners. Provision is also made for the employment of apprentices and superannuated or physically or mentally handicapped persons at wage rates less than these minima.

Article IV eliminates child labor and contains the labor provisions mandatory under the Act.

Article V provides for the establishment of a Code Authority. This body, consisting of twelve members, is charged with the responsibility of administering the Code. This Article also provides for the establishment of a Confidential Agency to secure for and to submit to the Code Authority information necessary for the proper administration of the Code. A provision is also contained in this Article requiring the Code Authority to investigate the problem of style piracy and to make recommendations for the effective protection of original designs.

Article VI provides that all garments manufactured or distributed subject to the provisions of the Code shall bear a special N.R.A. label to symbolize to purchasers that the garments are manufactured under the conditions required by the Code. The Code Authority is given the exclusive right in the industry to issue and furnish such labels to the members of the industry.

Article VII provides for the elimination of certain unfair trade practices.

Articles VIII and IX contain the mandatory provisions referring to monopolies and discrimination against small enterprises.

Article X is designed to clarify the jurisdiction of the Code.

LABOR PROVISIONS OF THE CODE—POSSIBLE REEMPLOYMENT

Because of the close connection between the Blouse industry and the Dress industry and between the Skirt industry and the Suit industry and because of the increased production and employment in the Blouse and Skirt industries, it is not possible to tell whether or not there is any unemployment in these industries and if there is, to what extent. Records show that there were 1,631 workers in blouse factories in 1929, and 2,235 in 1931, with a possible increase in the number employed after that. In the skirt factories the average number of workers employed in 1929 was 539; in 1931, 729.

HOURS

Based upon the estimated average 48-hour work week in the Blouse Manufacturing Industry prior to the Recovery Program, the 35-hour maximum work week will result in a 37% increase in the total number of workers employed in the industry.

WAGES

The average annual wage of the Blouse Industry in 1929 was \$1,144 while in 1931 it had declined to \$980. In the Skirt Industry the average annual wage of 1929 was \$1,461 and in 1931, \$1,166. There is of course no way to determine to what extent the scales contained in the Code as recommended will bring about an increase in pay roll.

FINDINGS

The Administrator finds that:

(a) The Code as recommended complies in all respects with the pertinent provisions of Title I of the Act, including, without limitation, subsection (a) of Section VII and subsection (b) of Section X thereof; and that

(b) The applicant groups impose no inequitable restrictions on admission to membership therein and are truly representative of the Blouse and Skirt Manufacturing Industries; and that

(c) The Code as recommended is not designed to promote monopolies or to eliminate or oppress small enterprises, and will not operate to discriminate against them, and will tend to effectuate the policy of Title I of the National Industrial Recovery Act. It is recommended, therefore, that this Code be approved.

Respectfully,

HUGH S. JOHNSON,
Administrator.

CODE OF FAIR COMPETITION

FOR THE

BLOUSE AND SKIRT MANUFACTURING INDUSTRIES

PURPOSE

To effectuate the policies of Title I of the National Industrial Recovery Act, the following provisions are established as a Code of Fair Competition for the Blouse and Skirt Manufacturing Industries, and shall be the standard of fair competition for such industries and shall be binding upon every member thereof.

ARTICLE I—DEFINITIONS

1. The term "Blouse Industry" as used herein includes the manufacture and sale by the manufacturer, contractor, or jobber as such terms are defined in Section 7, 8, and 9 of this Article, of women's, misses', and children's blouses, blousesettes, waists, vestees, gilets, tunic blouses, and guimpes, when not sold as part of an ensemble or suit, irrespective of the manner of distribution thereof, and such other related branches of the industry as the President, after such notice and hearing as he may prescribe, may include under the provisions of this Code.

2. The term "Skirt Industry" as used herein includes the manufacture and sale by the manufacturer, contractor, or jobber as such terms are defined in Sections 7, 8, and 9 of this Article, of women's and misses' skirts and jumper skirts, when not sold as part of an ensemble or suit, irrespective of the manner of distribution thereof, and such other related branches of the industry as the President, after such notice and hearing as he may prescribe, may include under the provisions of this Code.

3. The Administrator, after such notice and hearing as he shall prescribe, may make exemption from or modify the definitions of the industries in order to coordinate the administration of this Code with the administration of the code of any other industry engaged in the manufacture and sale of women's, misses', or children's apparel.

4. The term "employee" as used herein includes any one engaged in the industries in any capacity receiving compensation for his services, irrespective of the nature or method of payment of such compensation.

5. The term "employer" as used herein includes all those by whom any such employee is compensated or employed.

6. The term "member of the industry" includes anyone engaged in the industries as above defined, either as an employer or on his own behalf.

7. The term "manufacturer" as used herein includes, without limitation thereto, all those who manufacture garments in the industries from their own material, in a factory or establishment maintained and operated by them.

8. The term "jobber" as used herein includes without limitation thereto all those for whom and/or under whose direction or orders garments in the industries are manufactured, in whole or in part, by contractors and/or other manufacturers, and who also act as wholesale distributors of such garments.

9. The term "contractor" includes without limitation thereto, all those who manufacture garments in the industries from material provided for them by manufacturers, jobbers, or others.

10. The term "effective date" as used herein shall mean and this Code shall become effective on the first Monday after this Code shall have been approved by the President of the United States.

11. Population for the purposes of this Code shall be determined by reference to the latest Federal Census.

12. The terms "Act" and "Administrator" as used herein shall mean, respectively, Title I of the National Industrial Recovery Act and the Administrator for Industrial Recovery.

ARTICLE II—HOURS OF LABOR

1. No employee shall be permitted to work in the manual or mechanical processes of manufacture in excess of thirty-five (35) hours in any one (1) week or more than seven (7) hours in any twenty-four (24) hour period, except as hereinafter provided.

2. No employee shall be permitted to work in the manual or mechanical processes of manufacture for more than five (5) days in any seven (7) day period, unless permitted by the Code Authority under special circumstances.

3. All other employees shall not be permitted to work in excess of forty (40) hours in any one (1) week.

4. The Code Authority, subject to review by the Administrator, may designate the hour before which work shall not begin, and the hour after which work shall cease, and may determine in which localities these regulations shall apply.

5. There shall be no more than one (1) shift of employees in any one (1) day. The Administrator, upon showing and after such notice and hearing as he shall prescribe, may grant such exceptions to this provision as he may deem necessary to effect the purposes of the Act.

6. The Code Authority may allow employees to work overtime for sixteen (16) weeks in any one (1) year, provided that in no case shall the number of hours of overtime worked by any one (1) employee exceed five (5) hours in any one (1) week or one (1) hour in any one (1) day; and provided further that all overtime shall be paid for at the rate of time and one half.

7. The Code Authority, with the approval of the Administrator, may authorize additional weeks of overtime beyond that specifically provided for by Section 6 of this Article, provided that in no case shall employees engaged in the manual or mechanical processes of manufacture be permitted to work in excess of forty (40) hours in any one (1) week.

8. The provisions of this Article shall not apply to executives and/or heads of departments receiving more than thirty-five dollars (\$35.00) per week; nor to outside salesmen.

9. No member of the industry shall knowingly engage any employee for any time which when totaled with that already performed with another member, or members, of the industry, exceeds the maximum permitted herein.

10. Any member of the industry who is himself engaged in the manual or mechanical processes of manufacture shall be subject to the provisions of this Code as to hours of labor.

ARTICLE III—WAGES

1. Except as hereinafter provided, this Article establishes minimum rates of pay which shall apply, irrespective of whether an employee is actually compensated on a time rate, piecework, or other basis.

2. No employee shall be paid at less than the rate of fourteen dollars (\$14) per week in cities over 250,000 population nor less than at the rate of twelve dollars (\$12.00) per week in cities or places of 250,000 population or less, except as hereinafter provided.

3. Employees performing duties of the occupations enumerated in the following schedules shall be paid at not less than the rate set forth for each occupation for each hour or each full week's work of thirty-five (35) hours:

A. BLOUSE INDUSTRY SCALES

(1) *In New York City:*

Operators-----	\$0. 60 per hour
Ironers-----	. 50 per hour
Machine Cutters-----	36. 00 per week
Finishers-----	16. 00 per week
Cleaners and examiners-----	15. 00 per week

(2) *In cities over 250,000 population, excepting New York City:*

Operators-----	\$0. 54 per hour.
Ironers-----	. 45 per hour.
Machine Cutters-----	32. 40 per week.
Finishers-----	14. 40 per week.
Cleaners and examiners-----	14. 00 per week.

(3) *In cities or places of 250,000 population or less:*

Operators-----	\$0. 45 per hour.
Ironers-----	. 40 per hour.
Machine Cutters-----	31. 00 per week.
Finishers-----	12. 00 per week.
Cleaners and examiners-----	12. 00 per week.

B. SKIRT INDUSTRY SCALES

(1) *In New York City:*

Operators-----	\$0. 70 per hour.
Pressers-----	. 80 per hour.
Machine Cutters-----	33. 00 per week.
Finishers-----	16. 00 per week.

(2) *Outside of New York City:*

Operators-----	\$0.60 per hour.
Pressers-----	.68 per hour.
Machine Cutters-----	28.00 per week.
Finishers-----	13.60 per week.

4. No employee whose normal full time weekly hours for the four (4) weeks ending on the effective date of this Code are reduced by less than twenty percent (20%) shall have his full-time weekly earnings reduced. Employees whose full-time weekly hours are reduced by more than said twenty percent (20%) shall have his or her said earnings equitably adjusted. Nothing herein contained shall relieve any member of the industry from paying the minimum wage rates established in this Code.

5. The Code Authority, upon the adoption of this Code, shall make a thorough study for the purpose of introducing an apprentice system into the industries, taking into consideration the school and other requirements of the respective States. On the basis of this study the Code Authority shall, within sixty (60) days of the effective date of this Code, make recommendations to the Administrator for provisions for apprentice systems which, upon approval by the President, after such notice and hearing as he shall prescribe, shall become a part of this Code. Pending the incorporation of such provisions in this Code, no member of the industry shall employ as learners more than ten percent (10%) of the total number of employees employed by him in the manual or mechanical processes of manufacture in any factory or establishment and such learners shall be paid at not less than at the rate of eleven dollars (\$11.00) per week.

6. Employees whose earning capacity is limited because of age, physical or mental handicap, may be employed on light work at a wage below the minimum established by this Code; provided that such employees shall be paid not less than other employees in the same factory or establishment in proportion to the amount or character of the work done; that none of such employees be paid less than at the rate of fourteen dollars (\$14.00) per week in cities of over 250,000 population, nor less than at the rate of twelve dollars (\$12.00) per week in cities or places of 250,000 population or less; and that the total number of such employees shall not exceed ten percent (10%) of the total number of employees engaged in the manual or mechanical processes of manufacture in a factory or establishment of any member of the industry. Members of the industry shall report monthly to the Code Authority the names of those employees included in this class, and the reason justifying such employment. The Code Authority shall report to the Administrator within three (3) months and from time to time as to the operation of this provision, both generally and in cases of individual hardship, and the Administrator on due showing, after such notice and hearing as he may prescribe, may grant exceptions thereto in order to effect the purposes of the Act.

7. Female employees performing substantially the same work as male employees shall receive the same rate of pay as male employees.

8. All manufacturers and/or jobbers who cause their garments to be made by contractors shall adhere to the payment of rates for

such production in an amount sufficient to enable the contractor to pay the employees the wages and earnings provided in this Code and in addition a reasonable payment to the contractors to cover overhead.

ARTICLE IV—GENERAL LABOR PROVISIONS

1. No person under sixteen (16) years of age shall be employed in the industries, nor anyone under eighteen (18) years of age at operations or occupations hazardous in nature or detrimental to health. The Code Authority shall submit to the Administrator before February 1, 1934, a list of such occupations. In any state a member of the industry shall be deemed to have complied with this provision if he shall have on file a certificate or permit duly issued by the Authority in such State empowered to issue employment or age certificates or permits, showing that the employee is of the required age.

2. Employees shall have the right to organize and bargain collectively, through representatives of their own choosing, and shall be free from the interference, restraint, or coercion of employers of labor, or their agents, in the designation of such representatives or in self-organization or in other concerted activities for the purpose of collective bargaining or other mutual aid or protection.

3. No employee and no one seeking employment shall be required as a condition of employment to join any company union or to refrain from joining, organizing, or assisting a labor organization of his own choosing.

4. Employers shall comply with the maximum hours of labor, minimum rates of pay, and other conditions of employment approved or prescribed by the President.

5. Within each State this Code shall not supersede any laws of such State imposing more stringent requirements on employers, regulating the age of employees, wages, hours of work, health, fire protection, or general working conditions than under this Code.

6. Employers shall not reclassify employees or duties of occupations performed by employees so as to defeat the purposes of the Act.

7. Each employer shall post in conspicuous places accessible to employees Articles II, III, and IV of this Code.

8. No home work shall be permitted by members of the industries.

ARTICLE V—ADMINISTRATION

A Code Authority is hereby constituted to cooperate with the Administrator in the administration of this Code.

1. *Organization and Constitution of the Code Authority.*—(a) The Code Authority shall consist of twelve (12) members. Four (4) of these members shall be selected by the National Association of Blouse Manufacturers, Inc. Four (4) of these shall be selected by the National Skirt Manufacturers' Association, Inc. Two (2) of these members shall be appointed by the Administrator on the nomination of the Labor Advisory Board of the National Recovery Administration, and shall serve without expense to the industry. The Administrator, upon due showing and after such notice and hearing as he may prescribe, may appoint two (2) additional voting members to

represent members of the industries who are not members of the aforesaid associations, but who are entitled to participate in the selection of the Code Authority. In addition thereto, the Administrator may also appoint two (2) members without vote for terms of from six (6) months to one (1) year to represent the National Recovery Administration. Such members appointed by the Administrator shall be given notice of and, together with the Administrator, may sit at all meetings of the Code Authority.

(b) Each trade or industrial association directly or indirectly participating in the selection or activities of the Code Authority shall: (1) impose no inequitable restrictions on membership, and (2) submit to the Administrator true copies of its articles of association, bylaws, regulations, and any amendments, when made thereto, together with such other information as to membership, organization, and activities as the Administrator may deem necessary to effectuate the purposes of the Act.

(c) In order that the Code Authority shall at all times be truly representative of the industry and in other respects comply with the provisions of the Act, the Administrator may provide such hearings as he may deem proper; and thereafter if he shall find that the Code Authority is not truly representative or does not in other respects comply with the provisions of the Act, may require an appropriate modification in the method of selection of the Code Authority.

(d) The Code Authority shall adopt bylaws and shall furnish to the Administrator true and correct copies of the bylaws and all amendments thereto immediately upon their adoption, together with true and correct copies of all rules and regulations which may be adopted by the Code Authority and true and correct minutes of all of its meetings, all certified by the Secretary of the Code Authority.

(e) Members of the industry who assent to this Code through membership in the National Association of Blouse Manufacturers, Inc., or the National Skirt Manufacturers Association, Inc., or otherwise, shall be entitled to participate in the selection of the Code Authority and the benefits of its activities, as herein set forth, by complying with this Code and paying their reasonable share of the expense of maintaining the Code Authority and its activities on the basis of volume of business and/or such factors as may be deemed equitable.

2. The Code Authority shall have the following further powers and duties, subject to the right of the Administrator on review to disapprove any action taken by the Code Authority, if he shall find that such action is unfair to any private interest or contrary to the public interest or the purposes of the Act:

(a) To elect officers and to assign to them such duties as it may consider advisable, and to provide rules for its procedure and its continuance as the administrative agency of this Code, in accordance with the terms of the Act and the principles herein.

(b) To receive, investigate, and to cooperate with the Administrator in the adjustment of complaints of violations of this Code and to make recommendations in respect thereto to the proper authorities for the prosecution of such violations.

(c) To use the National Skirt Manufacturers Association, Inc., and the National Association of Blouse Manufacturers, Inc., and/or

other agencies as it deems proper for the carrying out of any of its activities provided for herein, and to pay such associations and/or other agencies the cost thereof, provided that such associations and/or agencies shall at all times be subject to and comply with the provisions of this Code, and provided further, that nothing herein shall relieve the Code Authority of any of its duties and responsibilities hereunder.

(d) To obtain through a confidential agency from members of the industry periodical reports in such form and at such times with respect to wages, hours of labor, conditions of employment, number of employees, and such other matters pertinent to the purposes of this Code as the Code Authority, with the approval of the Administrator, may require for the administration and enforcement of this Code, and to submit reports to the Administrator in such form and at such times as he may require in order that the President may be informed as to the observance or nonobservance of this Code and to further effectuate the policies of the Act.

The Confidential Agency shall be in no way engaged in the industry nor connected with any member thereof, and all reports received by it shall be held as secret and confidential, except that they shall be made available to the Administrator. Such agency shall analyze, digest, and consolidate such reports and shall disclose only general findings based thereon.

Such general findings shall be made available to the Code Authority, to the members of the National Association of Blouse Manufacturers, Inc., and the National Skirt Manufacturers Association, Inc., and to any other members of the industry who are entitled to participate in the activities of the Code Authority.

(e) To provide for the establishment and distribution of an N.R.A. label to those members of the industry who are entitled to participate in the selection of the Code Authority.

(f) To coordinate the administration of this Code with such other Codes, if any, as may be related to the industries herein, or any subdivision thereof, with a view to promoting joint and harmonious action upon such matters of common interest.

(g) To provide ways and means for financing the operation of said Code Authority and to determine an equitable method of apportioning in the industry the cost of administering this Code. Money raised in any manner shall not exceed in amount such reasonable cost.

(h) To investigate complaints of unfair competition which arise out of the wage differentials provided in this Code, and to make recommendations to the Administrator for such modification of these differentials as it deems necessary in order to eliminate unfair competition in the industry. Such recommendations, upon approval by the Administrator after such hearing and notice as he may prescribe, shall become a part of this Code.

(i) To initiate, consider, and make recommendations for the modification or amendment of this Code.

3. In addition to the information required to be submitted to the Code Authority, there shall be furnished to government agencies such statistical information as the Administrator may deem necessary for the purposes recited in Section 3 (a) of the Act.

4. The Code Authority shall make investigation into the problem of style piracy, and make recommendations in connection therewith to the Administrator within sixty (60) days after the effective date of this Code.

ARTICLE VI—LABELS

All garments manufactured or distributed subject to the provisions of this Code shall bear an NRA label to symbolize to purchasers of said garments the conditions under which they were manufactured. Under the powers vested in him by Executive Order of October 14, 1933, and under grant of the necessary authority by the Administrator, the Code Authority shall have the exclusive right in this industry to issue and furnish said labels to the members thereof. Each label shall bear a registration number especially assigned to each employer by the Code Authority and remain attached to such garment when sold to the retail distributor. Any and all employers may apply to the Code Authority for a permit to use such NRA label, which permit to use the label shall be granted to them, but only if and so long as they comply with this Code. The Code Authority subject to approval by the Administrator, shall establish rules and regulations and appropriate machinery for the issuance of labels, and the inspection, examination, and supervision of the practices of employers using such labels in observing the provisions of this Code for the purpose of ascertaining the right of said employer to the continued use of said labels; of protecting purchasers in relying on said labels; of insuring to each individual employer that the symbolism of said label will be maintained by virtue of compliance with the practices herein contained by all other employers using said label.

The charge made for such labels by the Code Authority shall at all times be subject to supervision and orders of the Administrator and shall be not more than an amount necessary to cover the actual reasonable cost thereof, including actual printing, distribution, and administration and supervision of the use thereof as hereinabove set forth.

ARTICLE VII—TRADE PRACTICES

The following practices constitute unfair methods of competition for members of the industry and are prohibited:

(a) *False Marking or Branding*.—The false marking or branding of any product of the industry which has the tendency to mislead or deceive customers or prospective customers, whether as to the grade, quality, quantity, substance, character, nature, origin, size, finish, or preparation of any product of the industries, or otherwise.

(b) *Misrepresentation or False or Misleading Advertising*.—The making or causing or knowingly permitting to be made or published any false, materially inaccurate, or deceptive statement by way of advertisement or otherwise, whether concerning the grade, quality, quantity, substance, character, nature, origin, size, finish, or preparation of any product of the industries, or otherwise having the tendency or capacity to mislead or deceive customers or prospective customers.

(c) *Commercial Bribery*.—No member of the industry shall give, permit to be given, or directly offer to give anything of value for the purpose of influencing or rewarding the action of any employee, agent, or representative, of another in relation to the business of the employer of such employee, the principal of such agent, or the represented party without the knowledge of such employer, principal, or party. Commercial bribery provisions shall not be construed to prohibit free and general distribution of articles commonly used for advertising except so far as such articles are actually used for commercial bribery as hereinabove defined.

(d) *Interference with Contractual Relations*.—Maliciously inducing or attempting to induce the breach of an existing oral or written contract between a competitor and his customer or source of supply or interfering with or obstructing the performance of any such contractual duties or services.

(e) *Secret Rebates*.—The secret payment or allowance of rebates, refunds, extra dating, commissions, credits, or unearned discounts, whether in the form of money or otherwise, or the secret extension to certain purchasers of special services or privileges not openly extended to all purchasers on like terms and conditions.

(f) *Defamation*.—The defaming of competitors by falsely imputing to them dishonorable conduct, inability to perform contracts, questionable credit standing, or by the false disparagement of the grade or quality of their goods.

(g) *Threats of Litigation*.—The publishing or circularizing of threats of suits for infringement of patents or trade marks or any other legal proceedings not in good faith with the tendency or effect of harassing competitors or intimidating their customers.

(h) *Espionage of Competitors*.—Securing confidential information concerning the business of a competitor by a false or misleading statement or representation, by a false impersonation of one in authority, bribery, or by any other unfair method.

(i) *Consignment Merchandise*.—Selling on consignment or memorandum except under such regulations as may be adopted by the Code Authority with the approval of the Administrator after such notice and hearing as he shall prescribe.

(j) *Terms*.—It shall be unfair trade practice to sell merchandise at a cash discount in excess of eight per cent (8%) ten (10) days E.O.M. (end of month) except that merchandise shipped after the twenty-fifth (25th) day of any month may be dated as of the first (1st) day of the following month. Anticipation shall not be allowed at a rate in excess of six percent (6%) per annum.

(k) *Labels*.—Shipping any orders with labels imprinted with the customer's name or mark unless customer supplies same or pays the cost thereof.

(l) *Unjust Returns*.—No member of the industries shall accept for credit returned merchandise except for defects in manufacture, delay in delivery, errors in shipment, or failure to conform to specifications. No returned merchandise shall be accepted for credit if returned after five (5) days from date of receipt by customer except on account of failure to conform with specifications or on account of defects in manufacture not discoverable by reasonable inspection. No member of the industry shall accept for credit any return mer-

chandise which is not accompanied by a written statement containing the reasons for such return. Further recommendations on this subject may be made by the Code Authority to the Administrator and upon his approval after such notice and hearing as he shall prescribe shall become a part of this Code.

(m) 1. *Selling Below Cost*.—No member of the industries shall sell any article at a price below cost calculated as hereinafter provided. Any member of the industry may meet the price of any other member of the industry whose cost under this provision is lower and may sell dropped lines or distress merchandise below such cost, provided that the facts regarding such sales shall be reported immediately to the Code Authority. The Code Authority may make recommendations to the Administrator for the adoption of a standard cost system which upon the approval of the Administrator after such notice and hearing as he shall prescribe shall become a part of this Code. Thereafter cost under this Article shall be determined in accordance with formulae enumerated in such cost system.

2. Upon the recommendation of the Code Authority, and with the approval of the Administrator after such notice and hearing as he may prescribe, a uniform order blank shall be used by members of the industry and it shall be an unfair trade practice for anyone engaged in the industry to sell to a purchaser without using such uniform order blank.

3. No member of the industry shall knowingly withhold from or insert in any quotation or invoice any statement that makes it incorrect in any material particular.

4. No member of the industry shall use any subterfuge to evade the provisions of this Code.

5. *Other Unfair Practices*.—Nothing in this Code shall limit the effect of any adjudication by the courts or holding by the Federal Trade Commission on complaint, finding, and order that any practice or method is unfair, providing that such adjudication or holding is not inconsistent with any provision of the Act or of this Code.

6. Further recommendations to the Code Authority on unfair trade practices may be presented for its consideration by the National Association of Blouse Manufacturers, Inc., and the National Skirt Manufacturers Association, Inc., and the Code Authority may make proposals in connection therewith or additional recommendations for trade-practice provisions to the Administrator, which proposals, after such notice and hearing as the Administrator may prescribe shall, upon his approval, become part of this Code.

ARTICLE VIII—MONOPOLIES

This Code shall not be construed or applied to promote or permit monopolies or monopolistic practices or to eliminate or oppress small enterprises or to discriminate against them.

ARTICLE IX—MODIFICATIONS

1. This Code and all provisions thereof are expressly made subject to the right of the President, in accordance with the provisions of subsection (b) of Section 10 of the National Industrial Recovery

Act, from time to time to cancel or modify any order, approval, license, rule, or regulation issued under Title I of said Act and specifically, but without limitation, to the right of the President to cancel or modify his approval of this Code or any conditions imposed by him upon his approval thereof.

2. This Code, except as to provisions required by the Act, may be modified on the basis of experience or changes in circumstances, such modifications to be based upon application to the Administrator, and such notice and hearing as he shall specify, and to become effective on approval of the President.

ARTICLE X—GENERAL

1. Any employer who at any time or times shall manufacture any article or articles within the provisions of this Code shall be bound by all the provisions of this Code as to all employees engaged in whole or in part in such manufacture. In case any employee shall be engaged partly in such manufacture and partly in the manufacture of goods of another character, this Code shall apply to such portions of such employee's time as is applied to the manufacture of such articles covered by this Code.

Approved Code No. 194.

Registry No. 210-01.





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