

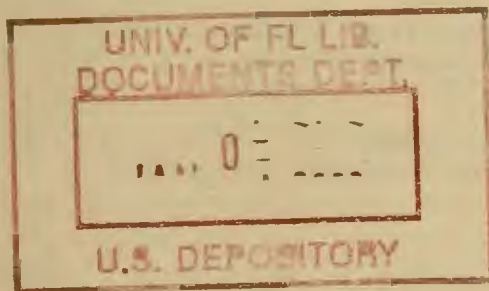
NATIONAL RECOVERY ADMINISTRATION

CODE OF FAIR COMPETITION

FOR THE

MEN'S NECKWEAR INDUSTRY

AS APPROVED ON MARCH 24, 1934



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CODE OF FAIR COMPETITION
FOR THE
MEN'S NECKWEAR INDUSTRY

As Approved on March 24, 1934

ORDER

CODE OF FAIR COMPETITION FOR THE MEN'S NECKWEAR 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 Code of Fair Competition for the Men's Neckwear Industry, and hearings having been duly held thereon and the annexed report on said Code, 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 Code complies 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 Code of Fair Competition be and it is hereby approved subject to the following condition:

The schedule of minimum piece rate wages provided in Article III shall be subject to further study both by this Administration and by the Code Authority for the purpose of showing whether it is fully in the public interest and in the interest of the industry and of labor. To this end, the Code Authority shall report to the Administrator thereon within sixty days after the effective date hereof with recommendations for the continuation, elimination, or modification of any or all of such wage rates, and the Administrator reserves the right upon the basis of such recommendations or upon the basis of hearings if he shall prescribe them, or otherwise, to provide for such modification or exception as he shall deem to be in the public interest and in the interest of the industry and of labor.

HUGH S. JOHNSON,
Administrator for Industrial Recovery.

Approval recommended:

A. D. WHITESIDE,
Division Administrator.

WASHINGTON, D.C.,
March 24, 1934.

REPORT TO THE PRESIDENT

The PRESIDENT,
The White House.

SIR: This is a report of the Hearing on the Code of Fair Competition for the Men's Neckwear Industry conducted in Washington, D.C., on August 31, 1933, and subsequent conferences held for the purpose of obtaining a code for the Men's Neckwear Industry under Title I of the National Industrial Recovery Act.

NATURE OF THE INDUSTRY

The manufacture of men's neckwear involves these principal operations: cutting the fabrics, operating or sewing, turning and pressing. The cutter has ordinarily worked on a time-rate basis while employees in the other classifications of work have been employed on a piece-work basis. In past years there has been a decided tendency away from the machine process and toward the employment of the hand operator. Most of the ties now manufactured are sewn by hand and to a large extent on a home work basis.

The years from 1929 to 1931 witnessed a decided improvement in the quality of men's neckwear. Despite the tendency toward production of handmade ties, the number produced in 1931 was only about 13 per cent below the output of 1930. The value of total production in 1931, however, was about 37 per cent below that of 1929.

Nearly 50 per cent of the production of this industry is still manufactured in New York City and most of the concerns in that city operate under a union agreement. In recent years, however, the proportion of men's neckwear produced in New York has been steadily declining. In 1929 the State of New York produced 65 per cent of the total value of production of four-in-hand ties as compared with about 53 per cent in 1931. It is probable that this decline has continued since 1931. The neckwear manufacturers outside of New York are small but are increasing in importance. Pennsylvania produced 6.5 per cent of the total value of neckwear produced in the United States in 1931 as compared with 3.5 per cent of the total value in 1929. Similar gains occurred in Massachusetts, Missouri, California, Illinois and Ohio.

The Manufacturing establishments in this industry are small and competition is keen. In 1929 the industry was composed of 331 establishments employing an average of 26 workers each. By 1931 there were 368 establishments employing an average of 22 workers each. The average number of employees in the industry in 1929 was 8,565 as compared with 8,155 in 1931. This represents a relatively slight decline. Nevertheless, the industry has a serious unemployment problem that is closely related to the decline in New York production and the rise in production in other areas mentioned. Thus,

while there were only 410 fewer workers employed in the entire industry in 1931 as compared with 1929, a decline of 1,092 employed occurred in New York State alone. Since there were 3,166 neckwear workers employed in New York State in 1929, it appears that 25 per cent of the New York neckwear workers had been displaced by 1931. Unemployment thus represents a serious problem in the industry in New York where a surplus labor supply exists and seasonal fluctuations are apparently more pronounced than in other centers. It is probable that there is relatively less unemployment in the smaller and newer centers of neckwear manufacture where wages paid are lower than in New York City.

The Code of Fair Competition for the Men's Neckwear Industry as revised and approved may be summarized as follows:

Article I defines certain important terms used in the Code.

Article II prescribes the maximum hours of work for employees in the industry.

Article III specifies minimum weekly and piece-rate wages and conditions under which said wages are payable in the industry.

Article IV contains the general labor provisions.

Article V constitutes the Code Authority for the industry and defines its duties and powers.

Article VI prohibits certain unfair trade practices.

Article VII provides for the modification of the Code.

Article VIII states the purpose to prohibit use of the Code or any provisions thereof to permit monopolies or monopolistic practices or to eliminate, oppress or discriminate against small enterprises.

Article IX states the general policy that price increases shall be limited as far as possible to actual increases in the seller's cost.

Article X designates the effective date of the Code.

WAGES

The proposed Code of this industry, as originally submitted, provided for occupational classifications of work and specified certain minimum hourly rates applicable in each occupation. At the Public Hearing, however, a large group of manufacturers withdrew their assent to the proposed Code, and proposed considerably higher minimum hourly rates which, they insisted, would make the Code more equitable. At that time no serious objection was raised to the principal of occupational classifications and the application of minimum hourly wage rates to the different classes of work.

Members of the industry in New York City having themselves collective agreements with labor insisted that the minimum hourly rates demanded by manufacturers of men's neckwear located outside of New York City were not high enough. Manufacturers outside of New York maintained that the productivity of their employees was below the average for the industry and therefore opposed the higher rates demanded by the New York group. Definite data showing relative productivity of employees in various producing areas was not however presented. This difficult difference between manufacturers in the high wage and low wage areas delayed the development of the Code for several months. Finally, through numerous and prolonged conferences, substantial agreement between both groups

of manufacturers and a fairly unanimous assent to the Code was obtained as the result of the adoption of the piece-work basis of employment and the minimum rates specified in Article III of this Code. The final working out of the minimum piece rate wages in a manner which would be the most satisfactory to all members of the industry and in a way to admit to some degree of flexibility, represented the major objective of the final series of conferences.

Provision is made in Article III for changes in rates of pay by the Code Authority subject to approval of the Administrator, and for establishing rates of pay for work not provided for in the Code, consistent nevertheless, with Code standards and subject to the Administrator's approval. Provision is further made in Article III giving effect to terms of collective agreements between employers and employees entered into prior to the date of approval of the Code unless changed by mutual agreement, in which event such change may not result in wages lower than those prescribed in Article III or in hours longer than those prescribed in Article II. With certain exceptions, a minimum wage of thirteen dollars (\$13.00) per week is fixed for northern areas and twelve dollars (\$12.00) per week for southern areas. Cutters shall be paid at not less than the minimum weekly rate of thirty-five dollars (\$35.00).

HOURS

The unemployment problem in the men's neckwear industry involves the absorption of displaced workers, a large number of whom are in New York City. A need of equal importance is that of more regular employment in the industry as a whole but this need is most acute in New York City. Seasonal unemployment, however, is an industry-wide problem. The thirty-six (36) hour work week provided for in the Code will have the effect of spreading and regularizing employment in the industry. It is important, however, to assure "outside" production areas a sufficient work force to meet seasonal demands.

Accordingly, the Code provides that not over four (4) hours overtime above the thirty-six (36) hour week may be worked for not more than eight (8) weeks in a six months' period in instances where a manufacturer cannot supply his needs through hiring of unemployed neckwear workers in his community. Such overtime is to be paid for at regular piece-rates. The wage provisions in the Code are a necessary corollary of the hours of work established.

Certain exceptions to the maximum thirty-six (36) hour work week are made for outside sales forces, engineers, repair shop crews, electricians, and other specified nonproductive employees.

HOME WORK.

Considerable home work has existed in this industry. Members of the industry were desirous of eliminating home work after a certain specified adjustment period, believing the elimination of home work to be the first step in the effective enforcement of the labor provisions of the Code. It is accordingly provided in Article IV that no member of the industry shall give out work to be done in

homes on and after June 15, 1934. Adequate provision is made for the control of homework prior to that date with a view to making certain that immediate progress is made looking toward the eventual prohibition of homework.

CHILD LABOR

By Article IV of the Code, no person under sixteen (16) years of age may be employed in the industry and no person under eighteen (18) years of age may be employed in dangerous or hazardous occupations.

FINDINGS

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

I find that:

(a) Said Code is well designed to promote the policies and purposes of Title I of the National Industrial Recovery Act, including 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 the trade groups, by inducing and maintaining united action of labor and management under adequate governmental sanctions 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 standards of labor, and by otherwise rehabilitating industry.

(b) Said Industry normally employs not more than 50,000 employees, and is not classified by me as a major industry.

(c) The Code as approved complies in all respects with the pertinent provisions of Title I of the Act, including without limitation Subsection (a) of Section 3, Subsection (a) of Section 7, and Subsection (b) of Section 10 thereof; and that the applicant group is an industrial group truly representative of the aforesaid Industry; and that said association imposes no inequitable restrictions on admission to membership therein.

(d) The Code is not designed to and will not permit monopolies or monopolistic practices.

(e) The Code is 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 Code.

For these reasons this Code has been approved.

Respectfully,

HUGH S. JOHNSON,
Administrator.

MARCH 24, 1934.

CODE OF FAIR COMPETITION FOR THE MEN'S NECKWEAR INDUSTRY

Purposes.—To effect the policies of Title I of the National Industrial Recovery Act, the following provisions are established as a Code of Fair Competition for the Men's Neckwear Industry, and shall be the standard of fair competition for such industry and shall be binding upon every member thereof.

ARTICLE I—DEFINITIONS

1. The term "industry" as used herein includes the manufacture and sale by the manufacturer, contractor or jobber of men's and boys' neckwear (excluding knitted and leather ties).

2. The term "member of the industry" includes, but without limitation, any individual, partnership, association, corporation, or other person engaged in this industry, either as an employer or on his own behalf.

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

4. The term "employer" as used herein includes anyone by whom any such employee is compensated or employed.

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

6. The term "Southern Section of the United States" as used herein shall include the States of Alabama, Arkansas, Florida, Georgia, Louisiana, Mississippi, New Mexico, North Carolina, Oklahoma, South Carolina, Tennessee, Texas and Virginia.

7. The term "manufacturer" as used herein includes, without limitation thereto, all those who manufacture products 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 products 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 products.

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

ARTICLE II—HOURS

1. Except as hereinafter provided, no employee shall be permitted to work in excess of thirty-six (36) hours in any one week, except

that employees may be permitted to work four (4) hours overtime per week for a period not in excess of eight (8) weeks during each six months period of each calendar year, wherever, a manufacturer cannot supply his needs by employment of unemployed neckwear workers in his community. Such six-months periods shall commence on January 1 and July 1 of each calendar year.

All members of the industry who permit employees to work overtime in accordance with the provisions of this Section shall immediately report to the Code Authority the number of workers so employed and the factors that have made overtime employment necessary.

2. The maximum hours fixed in the foregoing Section shall not apply to outside sales forces, engineers, repair shop crews, electricians, firemen, watchmen, shipping help, janitors, charwomen, scrub-women and others similarly employed, and outside crew other than those engaged in manufacturing operations, provided, that any employee as enumerated above who works in excess of forty (40) hours in any one week shall be paid for such excess hours at a rate equal to the normal hourly wage rate, based upon a forty (40) hour week. The Code Authority shall within ninety (90) days of the effective date, report to the Administrator with recommendations concerning the maximum hours which should be worked by any of the foregoing classes of employees, so that the Code Authority may determine whether this provision shall be changed, subject to the approval of the Administrator.

3. No office employee shall be permitted to work in excess of forty (40) hours in any one week, except that such employees may be permitted to work a maximum of five (5) hours overtime per week for a period of not to exceed eight weeks during each six-months period of each calendar year, and provided further that all such overtime be paid for at the regular hourly rate. Such six-months periods shall commence on January 1 and July 1 of each calendar year.

4. The maximum hours fixed in the foregoing Section shall not apply to employees engaged in an executive or supervisory capacity, nor to foremen not engaged in any productive operations when such employees are earning \$35.00 per week or more.

5. No employer shall knowingly permit any employee to work for any time which when totaled with that already performed with another employer, or employers, in this industry exceeds the maximum permitted herein.

6. Any employer who does the work of an employee shall be subject to the provisions of this Code as to hours of labor.

ARTICLE III¹—WAGES

1. Except as hereinafter provided, no employee shall be paid at less than the rate of \$13.00 per week of thirty-six (36) hours. No employee employed in the Southern Section of the United States shall be paid at less than the rate of \$12.00 per week for thirty-six (36) hours.

¹ See paragraph 3 of order approving this Code.

2. This Article establishes minimum rates of pay which shall apply, irrespective of whether an employee is actually compensated on a time rate, piece work or other basis.

3. 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 such person's 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.

4. Apprentices shall receive at least the regular piece work rates provided for herein, provided, however, that all employees employed as apprentices are paid at not less than the rate of Ten Dollars (\$10.00) per week of thirty-six (36) hours; and provided, further, that at no time shall the total number of apprentices in the employ of any one employer exceed 10% of such employer's total number of employees. The period of apprenticeship shall be strictly limited to eight (8) weeks.

5. The following schedule of minimum piece rate wages shall be standard for the industry and, except as hereinotherwise provided, no member of the industry shall pay less than the following rates:

| Hand-made ties, hemmed: | Per dozen | Machine-made margin 2-piece shape—Continued | Per dozen |
|------------------------------------|-----------|---|-----------|
| Hemming----- | \$0. 13 | Turning and pressing pockets----- | \$0. 075 |
| Piecing----- | . 03 | Turning----- | . 085 |
| Slip stitching----- | . 45 | Pressing----- | . 085 |
| Piecing pressing----- | . 03 | Neck stitching----- | . 0325 |
| Pressing----- | . 10 | Machine-made unlined 2-piece shape: | |
| Hand-made ties, lined: | | Hemming----- | . 0975 |
| Sewing margin lining--- | . 20 | Piecing----- | . 0325 |
| Piecing----- | . 03 | Running up----- | . 075 |
| Turning pockets----- | . 04 | Piecing pressing----- | . 0275 |
| Pressing pockets----- | . 04 | Turning----- | . 08 |
| Slip stitching----- | . 45 | Pressing----- | . 08 |
| Piece pressing----- | . 03 | Neck stitching----- | . 0325 |
| Pressing----- | . 10 | French tie: | |
| Machine-made pocket, lined: | | Sewing points and piecing----- | . 10 |
| Operating: | | Running up with stay--- | . 05 |
| Lining----- | . 0975 | Turning----- | . 05 |
| Piecing----- | . 0325 | Pressing----- | . 05 |
| Running up----- | . 0775 | Press joints and joinings--- | . 02 |
| Pocket turning----- | . 0275 | General: | |
| Pocket pressing----- | . 0275 | Wide hemming, one side--- | . 0325 |
| Piecing pressing----- | . 0275 | Wide hemming, both sides----- | . 055 |
| Pressing----- | . 08 | Tackers----- | . 0325 |
| Turning----- | . 08 | Label sewers----- | . 0425 |
| Machine-made margin 2-piece shape: | | | |
| Piecing pressing----- | . 0275 | | |
| Sewing lining----- | . 1825 | | |
| Piecing----- | . 0325 | | |
| Running up----- | . 085 | | |

Where rates for operations or for styles not covered by the above classifications, become necessary, the Code Authority, subject to the

approval of the Administrator, shall establish proper minimum rates consistent with the above. Pending the adoption of piece rates for styles not covered by this Code, members of the industry shall adopt piece rates for the manufacture of such styles consistent with the rates contained in this Code.

If the total direct labor cost to any member of the Industry for the manufacture of each item under the provisions of this Code is equal to, or greater than, the total direct labor cost, calculated in accordance with the piece-work rates above indicated, for the operations actually performed by such member of the Industry on such item, then such member shall be deemed to have complied with the provisions of this Section.

6. No cutter shall be paid at less than the rate of thirty-five dollars (\$35.00) per week.

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

8. (a) Where an employer is bound by the terms of a collective agreement, concluded prior to the date of approval of this Code, to pay other minimum or piece-rate wages higher than those set forth in Article III, Section 1 to 6 inclusive, or to observe other hours lower than those provided in Article II of this Code, nothing contained in this Code shall be deemed to replace the terms of such collective agreement, unless said agreement is changed by mutual consent. In no case shall such changes result in wages lower than those prescribed in Article III, Sections 1 to 6 inclusive, or in hours longer than those prescribed in Article II.

(b) Any agreement between employers and employees made in accordance with the National Industrial Recovery Act may fix other wages and hours than those set forth in this Code, provided that no such agreement may fix maximum hours in excess of those provided in this Code or minimum piece-rates and wages lower than those provided in this Code.

None of the provisions of this Article shall be construed or applied in such manner that the minimum wages provided herein become maximum wages, and the duties delegated to the Code Authority shall include a report with respect to the question of whether the minimum wages provided herein are in fact tending to become maximum wages.

(c) In no case shall piece-rates and/or hour rates that were being paid on October 6, 1933, in excess of the minimum provided by this Code be reduced, except upon mutual consent between the employer and his employees, and the approval of the Administrator.

(d) In every neckwear plant in the industry the employer shall post copies of Article III, Section 8 (c), together with the piece-rates above the minimum piece-rates in the Code, prevailing in such plant on October 6, 1933, and each employer shall also file with the Code Authority an identical list of such piece-rates prevailing in such employer's plant on October 6, 1933.

9. (a) Changes in the piece-rates or week work rates set forth in Article III, Sections 1 to 6 inclusive, may be made upon the recommendation of the Code Authority and approval of the Administrator after such notice and hearing as he may prescribe.

(b) The Administrator, upon recommendation of the Code Authority may, after such public notice and hearing as he may deem necessary, approve other piece work rates, week work rates and/or methods of compensation than contained in this Code for members of the industry who can justify such action and establish that they will not obtain an unfair competitive advantage thereby.

ARTICLE IV—GENERAL LABOR PROVISIONS

1. On and after June 15, 1934 no home work shall be permitted by members of the Industry. Prior to that date no member of the Industry shall: (1) Increase the number of home workers employed by him or make any replacements of home workers. (2) Fail to list with the Code Authority within ten (10) days after the effective date, the names and addresses of all home workers employed by him. (3) Employ any home worker on a piece rate basis less than that provided for in the Code for same or similar operations. (4) Issue home work except directly to the individual who performs the productive operations thereon.

2. No person under sixteen (16) years of age shall be employed in the industry. No person under eighteen (18) years of age shall be employed at operations or occupations which are hazardous in nature or detrimental to health. The Code Authority shall submit to the Administrator before June 1, 1934, a list of such occupations. In any State an employer 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.

3. (a) 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 collectively bargaining or other mutual aid or protection.

(b) 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.

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

4. Every employer shall provide for the safety and health of his employees at the place and during the hours of their employment. Standards for safety and health shall be submitted by the Code Authority to the Administrator within six (6) months after the effective date of this Code.

5. No provisions in this Code shall supersede any law within any State which imposes more stringent requirements on employers as to age of employees, wages, hours of work, or as to safety, health, or sanitary conditions, or insurance, or fire protection, or general working conditions, than are imposed by this Code.

6. Each member of the industry shall be furnished, by the Code Authority, with official copies of the provisions of this Code relating to hours of labor, rates of pay, and other conditions of employment. Such official copies of such provisions shall contain directions for filing complaints of violations of such provisions, and shall be kept conspicuously posted at all times by such members of the industry in each shop, establishment or separate unit, to the extent necessary to make them freely accessible to all employees. Whenever any modifications of, or exemption or exception from the Code permits any person to pay lower wages, or work his employees longer hours, or establish conditions of employment less favorable to his employees than those prescribed by the provisions contained in such official copy of the provisions of this Code, the Code Authority, on the request of such person, shall furnish him with certified copies of such modifications, exemption or exception in sufficient number for posting along side of such official copies of Code Provisions. No member of the Industry shall display or furnish any incorrect copies of such provisions, directions, modifications, exemptions or exceptions. Nothing in this section shall be construed to relieve any member of the industry from compliance with the requirements of Article III, Section 8 (d) hereof.

ARTICLE V—ORGANIZATION, POWERS AND DUTIES OF THE CODE AUTHORITY

1. There shall forthwith be constituted a Code Authority consisting of:

A. Nine (9) representatives of the industry or such other number as may be approved from time to time by the Administrator to be selected as hereinafter provided.

B. One representative without vote to represent Labor to be appointed by the Administrator upon the nomination of the Labor Advisory Board.

C. Such additional members without vote not to exceed three, as the Administrator may appoint to represent such groups or such interests or such governmental agencies for such periods, as he may designate.

2. The industry members of the Code Authority shall be selected as follows:

Four (4) of the members representing the Industry shall be selected by the Men's Neckwear Manufacturers of New York City, from among members of the Industry located in New York City; and five (5) members shall be selected by members of the Industry located outside of the city of New York. The nine (9) members of the Industry so selected, and the method of their selection shall be certified to the Administrator by the Men's Neckwear Institute of America, Inc., as members of the Code Authority.

3. 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, By-Laws, 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.

4. 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, or any sub-Code Authority.

5. If the Administrator shall determine that any action of a code authority or any agency thereof may be unfair or unjust or contrary to the public interest, the Administrator may require that such action be suspended to afford an opportunity for investigation of the merits of such action and further consideration by such code authority or agency pending final action which shall not be effective unless the Administrator approves or unless he shall fail to disapprove after thirty days' notice to him of intention to proceed with such action in its original or modified form.

6. Members of the industry shall be entitled to participate in and share the benefits of the activities of the Code Authority and to participate in the selection of the members thereof by assenting to and complying with the requirements of this Code and sustaining their reasonable share of the expenses of its administration. Such reasonable share of the expense of administration shall be determined by the Code Authority, subject to review by the Administrator, on the basis of volume of business and/or such other factors as may be deemed equitable.

7. Nothing contained in this Code shall constitute the members of the Code Authority partners for any purpose. Nor shall any member of the Code Authority be liable in any manner to anyone for any acts of any other member, officer, agent, or employee of the Code Authority. Nor shall any member of the Code Authority be liable to anyone for any action or omission to act under the Code, except for his own wilful misfeasance or non-feasance.

8. The Code Authority shall have the following powers and duties to the extent permitted by the Act.

(a) To adopt by-laws and rules and regulations for its procedure and for the administration and enforcement of the Code, in accordance with the powers herein granted, and to submit the same to the Administrator for his approval, together with true copies of any amendments or additions when made thereto, minutes of meetings when held, and such other information as to its activities as the Administrator may deem necessary to effectuate the purposes of the Act.

(b) To obtain from members of the industry as soon as the necessary readjustments within the industry can be made, reports based on periods of one, two or four weeks, or multiples thereof, for use of the Code Authority and the Administrator in the administration and enforcement of the Code, and for the information of the President, and to give assistance to members of the industry in improving methods, or in adopting a uniform system of accounting

and reporting. All individual reports shall be kept confidential and only general summaries thereof may be published.

(c) To receive complaints of violations of this Code, make investigations thereof, provide hearings thereon and adjust such complaints, and bring to the attention of the Administrator for prosecution, recommendations, and information relative to unadjusted violations. The application of this section shall at all times be subject to rules and regulations which may be issued by the Administrator.

(d) To use such trade associations and other agencies as it deems proper for the carrying out of any of its activities provided for therein and to pay such trade associations and agencies the cost thereof, provided that nothing herein shall relieve the Code Authority of its duties or responsibilities under this Code and that such trade associations and agencies shall at all times be subject to and comply with the provisions hereof.

(e) To coordinate the Administration of this Code with such other Codes, if any, as may be related to the industry, or any subdivision thereof, and to delegate to any other administrative authority such power as will promote joint and harmonious action upon matters of common interest.

(f) To secure an equitable and proportionate payment of the expense of maintaining the Code Authority and its activities from those members of the industry who accept the benefits of the activities of the Code Authority or otherwise assent to this Code.

(g) To cooperate with the Administrator in regulating the use of the N.R.A. Code Insignia solely by those employers who have agreed to, and are complying with, this Code.

(h) To establish or designate an agency on planning and fair practices which shall cooperate with the Code Authority in developing fair inter- and intra-trade practices and industrial planning, including the regulation of employment and stabilization of employees for the industry.

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

(j) To designate three representatives, who, together with one designated by the Labor Advisory Board to represent Labor, shall constitute a rate committee, which committee shall report to the Code Authority with respect to the provisions of Article III, Section 5. Recommendations of such Rate Committee shall become effective as a part of this Code upon the recommendation of the Code Authority and the approval of the Administrator after such notice and hearing as he may prescribe.

(k) To cause to be formulated an accounting system and methods of cost finding and/or estimating capable of use by all members of the industry. After such system and methods have been formulated and approved by the Administrator, full details concerning them shall be made available to all members. Thereafter all members shall determine and/or estimate costs in accordance with the principles of such methods.

9. In addition to the information required to be submitted to the Code Authority as set forth in this Article, there shall be furnished

to government agencies such statistical information as the Administrator may deem necessary for the purpose recited in Section 3 (a) of the National Industrial Recovery Act. Nothing in this Code shall relieve anyone of any existing obligation to furnish reports to government agencies.

ARTICLE VI—TRADE PRACTICE RULES

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

1. (a) To induce a breach of contract or agreement between any member of the industry and his customers or between any member of the industry and any other person with respect to materials, purchases or sales.

(b) To secure or attempt to secure, directly or indirectly, from employees of a competitor information concerning exclusive methods of operation, style, designs or patterns.

2. (a) To allow purchasers or offer or make any allowance to any purchaser of any secret commission, bonus, rebate, refund, credit, unearned discount, or subsidy of any kind, whether in the form of money, services, advertising allowances or any other thing of value; or the giving of premiums, except such articles as are commonly used for advertising purposes.

(b) To give, permit to be given or offer to give, anything of value for the purpose of influencing or rewarding the action of an 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. This provision 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.

3. (a) To sell irregulars or seconds as firsts with the intent or effect of deceiving the purchaser or the ultimate consumer.

(b) To fail to place on neckwear not of first quality such markings as may be directed by the Code Authority indicating such neckwear as either "irregular" or "seconds" on some portion of the neckwear where it can be seen by a purchaser.

(c) To ship or deliver neckwear which does not substantially conform in quality and value with the sample submitted, or representation made prior to the securing of the order without the knowledge or consent of the purchaser to such substitutions.

(d) To sell neckwear marked or branded falsely with the effect of misleading or deceiving purchasers or the ultimate consumer with respect to price, quality, quantity, grade, substance, origin or value of merchandise.

(e) To designate material or content on any neckwear unless it represents a substantial portion of the fabric of such neckwear.

4. To loan or send on memorandum any display strips.

5. (a) To imitate trade-marks, trade-names, slogans, or other marks of identification of competitors, having a tendency to mislead or deceive the ultimate consumer.

(b) To misrepresent facts with respect to a competitor or his product in any material respect.

6. To guarantee purchasers against loss resulting from price declines.

7. To accept the return of neckwear from any purchaser on the ground of faded color or for any other reason as to quality, design, or style except in instances of factory imperfection or defects or non-compliance with the terms of the order.

8. To grant cash discounts in excess of 7/10 e.o.m. or 6/10/60 to any customer.

9. To withhold from or insert in any quotation or invoice any statement that makes it inaccurate in any material particular.

10. To give to any customer any product as a premium for the purchase of products of this Industry, except as provided in Sections 2 (a) and 2 (b) of this Article.

11. (a) To accept orders which do not contain a final delivery date which shall be within nine (9) months of the date of the order.

(b) The Code Authority shall initiate investigations and conferences with a view to making recommendations to the Administrator respecting a uniform sales contract.

12. To sell goods on other terms than f.o.b. city of origin. Delivery charges prepaid by the manufacturer shall be added to the cost of the goods to the buyer in the invoice. Nothing in this provision shall prevent free local deliveries.

13. To ship goods on consignment, memorandum or guaranteed sale, except under circumstances to be defined by the Code Authority where peculiar circumstances of Trade require the practice.

14. To sell any merchandise below his own individual cost. However, any member may meet the price competition of anyone whose costs under the provisions of this Code are lower. For the purposes of this provision, cost shall be determined in accordance with the principles enumerated in such cost accounting system as is adopted by the Code Authority pursuant to Article V, Section 8 (k) hereof.

(b) Defective goods known in the trade as "irregulars", "imperfects" or "seconds" may be sold at less than cost, provided, however, that such merchandise when sold shall be plainly and visibly marked on each necktie and invoice.

(c) Goods discontinued from the line of the respective member of the industry, and therefore no longer manufactured by such member, may be sold at less than cost, provided that such goods are clearly designated as "closeouts" in the sale and invoicing thereof.

(d) The Code Authority shall submit to the Administrator within six (6) months after the effective date of this Code, a plan for regulating the disposal of distress merchandise in a way to secure the protection of members of the industry and to promote sound and stable conditions in the industry. Such recommendations, upon the approval of the Administrator after such notice and hearing as he may prescribe, shall become a part of this Code and be binding on all the members thereof.

ARTICLE VII—MODIFICATION

1. This Code and all the provisions thereof are expressly made subject to the right of the President, in accordance with the provisions of sub-section (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 the 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 upon approval of the President.

ARTICLE VIII—MONOPOLIES, ETC.

No provision of this Code shall be so applied as to permit monopolies or monopolistic practices, or to eliminate, oppress, or discriminate against small enterprises.

ARTICLE IX—PRICE INCREASES

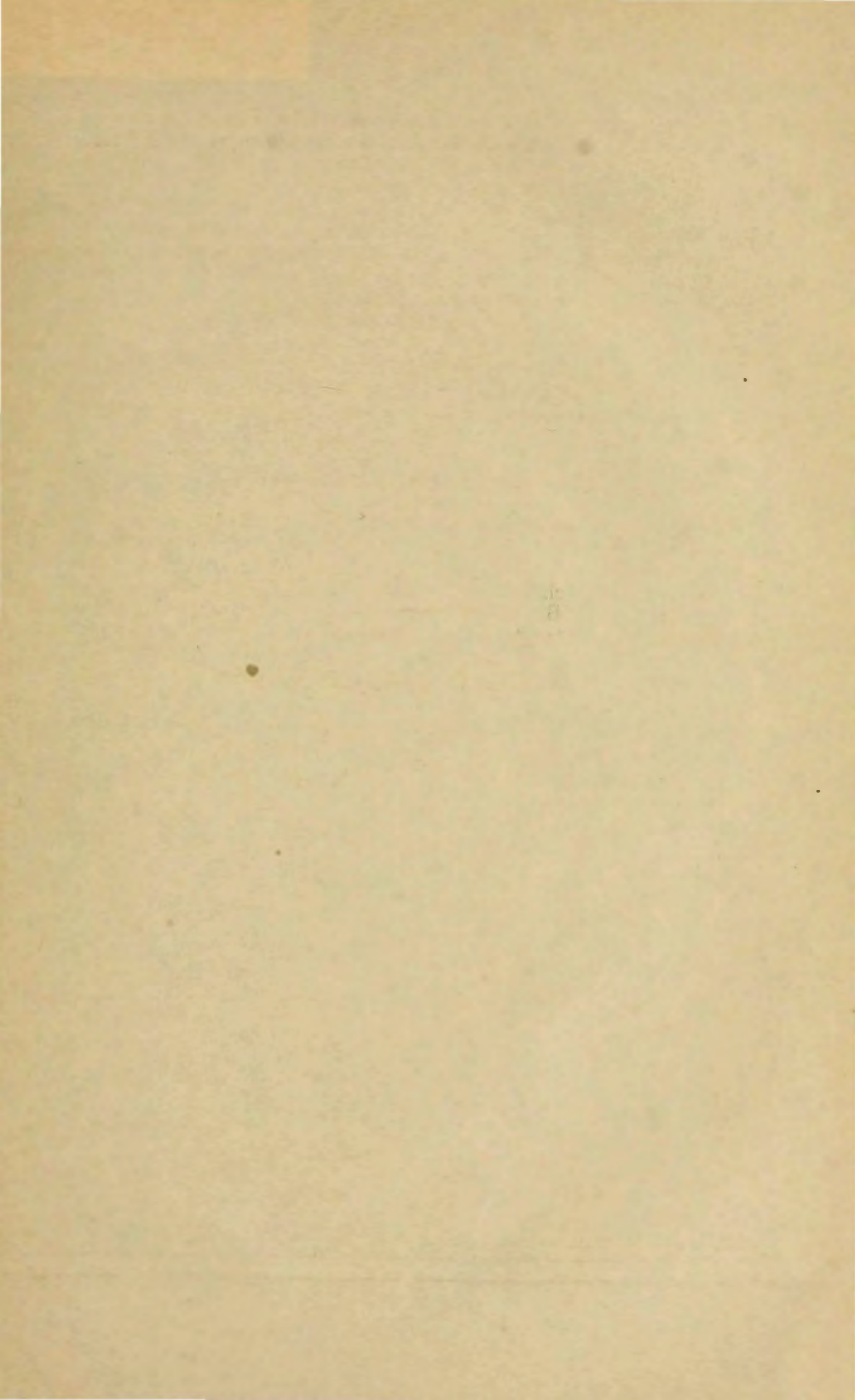
Whereas the policy of the Act to increase real purchasing power will be made impossible of consummation if prices of goods and services increase as rapidly as wages, it is recognized that price increases except such as may be required to meet individual cost shall be delayed. But when made, such increases should, so far as possible, be limited to actual additional increases in the seller's costs.

ARTICLE X—EFFECTIVE DATE

This Code shall become effective upon the second Monday after its approval by the President.

Approved Code No. 363.
Registry No. 248-1-02.





UNIVERSITY OF FLORIDA



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