

NATIONAL RECOVERY ADMINISTRATION

CODE OF FAIR COMPETITION

FOR THE

**KNITTED OUTERWEAR
INDUSTRY**

AS APPROVED ON DECEMBER 18, 1933

BY

PRESIDENT ROOSEVELT



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

**UNITED STATES
GOVERNMENT PRINTING OFFICE
WASHINGTON : 1933**

This publication is for sale by the Superintendent of Documents, Government Printing Office, Washington, D.C., and by district offices of the Bureau of Foreign and Domestic Commerce.

DISTRICT OFFICES OF THE DEPARTMENT OF COMMERCE

Atlanta, Ga.: 504 Post Office Building.
Birmingham, Ala.: 257 Federal Building.
Boston, Mass.: 1801 Customhouse.
Buffalo, N.Y.: Chamber of Commerce Building.
Charleston, S.C.: Chamber of Commerce Building.
Chicago, Ill.: Suite 1706, 201 North Wells Street.
Cleveland, Ohio: Chamber of Commerce.
Dallas, Tex.: Chamber of Commerce Building.
Detroit, Mich.: 2213 First National Bank Building.
Houston, Tex.: Chamber of Commerce Building.
Indianapolis, Ind.: Chamber of Commerce Building.
Jacksonville, Fla.: Chamber of Commerce Building.
Kansas City, Mo.: 1028 Baltimore Avenue.
Los Angeles, Calif.: 1163 South Broadway.
Louisville, Ky.: 408 Federal Building.
Memphis, Tenn.: 229 Federal Building.
Minneapolis, Minn.: 213 Federal Building.
New Orleans, La.: Room 225-A, Customhouse.
New York, N.Y.: 734 Customhouse.
Norfolk, Va.: 406 East Plume Street.
Philadelphia, Pa.: 933 Commercial Trust Building.
Pittsburgh, Pa.: Chamber of Commerce Building.
Portland, Oreg.: 215 New Post Office Building.
St. Louis, Mo.: 506 Olive Street.
San Francisco, Calif.: 310 Customhouse.
Seattle, Wash.: 809 Federal Building.

Approved Code No. 164

CODE OF FAIR COMPETITION

FOR THE

KNITTED OUTERWEAR INDUSTRY

As Approved on December 18, 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 Knitted Outerwear Industry, 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 adopt and approve the report, recommendations, and 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 all manufacturers of knitted outerwear for infants and children, sized from infancy to and including age fifteen, be granted a stay from the provisions of this code, until determination by the Administrator, after such hearing as he may deem necessary, as to whether or not they are to be included in this code.

FRANKLIN D. ROOSEVELT.

Approval recommended:

HUGH S. JOHNSON,
Administrator.

THE WHITE HOUSE,
December 18, 1933.

DECEMBER 5, 1933.

The PRESIDENT,
The White House.

SIR: I have the honor to submit and recommend for your approval the Code of Fair Competition for the Knitted Outerwear Industry. This Code was proposed by the National Knitted Outerwear Association, No. 1 Madison Ave., New York City.

The National Knitted Outerwear Association was founded in 1918 and represents 55% of the total number of plants in the United States and 72% of the total volume. This association is organized on a regional basis, with five separate local associations serving regions in all parts of the United States. The association imposes no inequitable restrictions on membership.

The hearing was conducted in the Willard Room of the Willard Hotel in Washington on October 16 and 17, 1933. Every person who filed a request for an appearance was fully heard in accordance with statutory and regulatory requirements.

EVIDENCE SUBMITTED

The Industry comprises approximately 750 plants with an invested capital of approximately \$50,000,000. The annual sales for the year 1931 were approximately \$112,000,000 as compared to the sales in 1929 of \$147,000,000.

The Industry, since August 1, 1933, has been operating under the same wage and hour provisions as contained in the Code and provided under a substitute agreement to the President's Reemployment Agreement. The application of these wages and hours increased the average weekly wage from \$13.59 in June and July 1933 to \$15.93 in August 1933, an increase of 17%.

PROVISIONS OF THE CODE

The Code provides for a minimum wage of 35¢ per hour in the Northern section of the Industry and 32½¢ per hour in the Southern section.

Productive machinery may be operated for two 40-hour shifts per week with the provision that any employer may elect to operate one shift per week and have the privilege of operating 48 hours per week for two periods of 4 consecutive weeks each per year.

Employees may work not more than 40 hours per week nor more than 8 hours per day, except that when an employer elects to operate one shift only, the employees may work not more than 48 hours per week nor more than 9 hours per day.

Office employees may work an average of 40 hours per week over a period of any 12 weeks, but may not work more than 48 hours in any one week.

Overtime above 40 hours per week is to be paid for at the rate of time and one third. Provision is made for the maintenance of differentials between wages above the minimum. Provisions are made for guaranteeing sufficient pay to contractors to cover their wages plus a reasonable allowance for the contractor's overhead.

HOME WORK

Home work is a major problem in this Industry, due to the wide variety of work done and the wide geographical distribution of the workers. Workers are located in both the Metropolitan centers and in country districts in all sections of the United States.

It is necessary to consider also the conflicting aspects of the problem, as represented by the possibility of low wages, long hours, child labor, and unsanitary working conditions on the one hand, and the crippled, needy, widowed mothers and difficulty of obtaining trained workers on the other hand.

From the evidence submitted and from independent investigations it was evident that more time should be allowed for study of the problem. Accordingly a home-work committee has been provided for in the Code to set equitable piece rates and to study the practicability of elimination of home work, insofar as possible.

INFANT'S AND CHILDREN'S WEAR

The Infant's and Children's Wear Industry have submitted a Code of Fair Competition in which they seek to include Infant's and Children's knitted outerwear. As the Knitted Outerwear Code also includes Infant's and Children's Knitted Outerwear, a stay is recommended for all manufacturers of Infant's and Children's Knitted Outerwear until a final determination can be made.

FINDINGS

I find that—

(a) This Code complies in all respects with the pertinent provisions of Title I of the National Industrial Recovery Act, including without limitation subsection (a) of Section 7 and subsection (b) of Section 10 thereof.

(b) The National Knitted Outerwear Association is truly representative of the Knitted Outerwear Industry and the Bylaws of this Association provide no inequitable restrictions to membership.

(c) The Code 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.

I recommend that the Code be approved.

Respectfully,

HUGH S. JOHNSON,
Administrator.

CODE OF FAIR COMPETITION
FOR THE
KNITTED OUTERWEAR INDUSTRY

ARTICLE I—PURPOSES

To effectuate the policies of title I of the National Industrial Recovery Act, the following provisions are submitted as a Code of Fair Competition for the Knitted Outerwear Industry, and upon approval by the President shall be the standard of fair competition for such Industry and shall be binding upon every member thereof.

ARTICLE II—DEFINITIONS

(a) The term "Knitted Outerwear Industry" as used herein is defined to mean the manufacture of knitted outerwear apparel for men, women, and children, including infants, and/or the manufacture of knitted fabrics for outerwear purposes, but shall not include the products of the hosiery and/or underwear industries and/or the manufacture of knitted woolen goods in self-contained woolen mills of the wool textile industry as defined in the respective codes of these industries and shall not include the manufacture of garments made of purchased knitted fabrics.

(b) The term "employee" as used herein includes any person engaged in any phase of the Knitted Outerwear Industry in any capacity in the nature of employee irrespective of the method of payment of compensation.

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

(d) The term "productive machinery" as used herein is defined to mean all knitting, winding, pressing (not including the pressing of dresses, suits, and coats) and fabric finishing machinery used in the Knitted Outerwear Industry.

(e) The term "contractor" as used herein shall include anyone who manufactures any of the products of the industry as above defined, in whole or in part, for others who provide the necessary raw materials.

(f) The term "Act" as used herein refers to the National Industrial Recovery Act.

(g) The term "Code Authority" as used herein shall refer to the Knitted Outerwear Industry Code Authority set up in Article IX of this Code.

(h) The term "Administrator" means the Administrator duly appointed under the National Industrial Recovery Act.

(i) The term "member of the Industry" as used herein is defined to mean every employer, as defined herein, and all firms who use contractors or submanufacturers referred to in Article VII hereof, and firms in any other related groups as may from time to time be included in the Industry by the Administrator upon application of the Code Authority.

(j) The term "cleaner" as used herein means and includes anyone who does janitor service or one who cleans floors, buildings, or machinery and does nothing else but clean.

(k) The term "learner" as used herein means and includes anyone who has worked less than eight (8) weeks in the industry.

ARTICLE III—HOURS

(a) No employee in the Knitted Outerwear Industry, except repair-shop crews, engineers, electricians, firemen, supervisors, shipping, watching and outside crews, cleaners, and office employees receiving less than \$35.00 per week shall be permitted to work in excess of forty (40) hours per week, and the hours in each week during which any employee shall have worked in other plants and/or in other industries shall be included in such forty (40) hours.

(b) Office employees receiving less than thirty-five dollars (\$35) per week shall not be permitted to work more than four hundred and eighty (480) hours in any twelve-week period, an average of forty (40) hours per week, and not more than forty-eight (48) hours in any one week.

(c) On or before February 1, 1934, the Code Authority shall prepare and submit to the Administrator suggestions for a schedule of maximum hours to apply to those employees excepted under section (a) of this Article.

(d) Employers in the Knitted Outerwear Industry shall not operate productive machinery in the Knitted Outerwear Industry for more than two (2) shifts of forty (40) hours each in any week, and no other machinery used in the Knitted Outerwear Industry shall be operated for more than one (1) shift of forty (40) hours during any week; except that any employer may elect by notifying the Code Authority to operate all machinery for one (1) shift only, and such employer may operate all machinery on a schedule of hours of labor for his employees of not more than forty (40) hours per week except that for two (2) periods of four (4) consecutive weeks each, per year, such employer may operate not more than forty-eight (48) hours in any one week.

(e) No employee shall work more than eight (8) hours in any one day when on a forty (40) hour weekly shift nor more than nine (9) hours in any one day when on a forty-eight (48) hour weekly shift.

(f) All overtime above forty (40) hours per week shall be paid for at the rate of time and one third.

ARTICLE IV—WAGES

(a) The minimum wages that shall be paid by employers in the Knitted Outerwear Industry to any of their employees, except learners, shall be at the rate of thirty-five cents (35¢) per hour

when employed in the Northern section of the industry and thirty-two and one half cents (32½) per hour when employed in the Southern section.

(b) The States of Virginia, Tennessee, Kentucky, North Carolina, South Carolina, Georgia, Florida, Alabama, Mississippi, Arkansas, Texas, Louisiana, and Oklahoma shall constitute the Southern section of the Industry. Other states and the District of Columbia shall constitute the Northern section.

(c) The rate of pay for learners shall not be less than seventy-five (75%) percent of the minimum rate and no employer shall include within the category of learners more than one such employee for every twenty (20) employees or fraction thereof.

(d) The weekly compensation for employment now in excess of the minimum wages herein provided shall not be reduced, notwithstanding that the hours of work in any such employment may be hereby reduced, and piece rates shall be so adjusted that earnings at the shorter hours provided in this Code shall be at least equivalent to those obtaining under the longer hours heretofore prevailing.

(e) The provisions for a minimum wage in this Code shall establish a guaranteed minimum rate of pay per hour of employment, regardless of whether the employees' compensation is based on a time rate or piecework rate or any other basis.

(f) Employers shall not reclassify employees or duties of occupations performed by employees so as to defeat the purposes of the Act and of this Code.

(g) A person whose earning capacity is limited because of age or physical or mental handicap may be employed on light work at a rate of pay not less than 75% of the minimum rate, provided that not more than one (1) employee for every twenty (20) employees or a fraction thereof may be placed within this classification, and the names and addresses of all such handicapped employees shall be reported to the Code Authority.

ARTICLE V—CHILD LABOR

No person under sixteen (16) years of age shall be employed in the Knitted Outerwear Industry, nor anyone under eighteen (18) years of age at operations or occupations hazardous in nature or detrimental to health.

ARTICLE VI—HOME WORK

(a) No Knitted Outerwear products shall be manufactured at home for sale or other commercial purpose, except that for the period of one year after the effective date of this Code hand knitting (which shall include hand crocheting, hand embroidering, and hand sewing together of machine-made parts of garments), will be permitted when performed in accordance with regulations and/or piece rates which may be established as herein provided.

(b) Anything contained in Article IV of this Code to the contrary notwithstanding, the Administrator may fix, on or before January 15, 1934, after notice to the Code Authority, and may

change from time to time after like notice, minimum piecework rates for any of the operations described in paragraph (a) of this Article.

(c) The Administrator shall appoint a Hand-Knitted Division Committee of seven, three of whom shall be fairly representative of the hand-knit manufacturers, three fairly representative of the machine manufacturers and recommended by the Code Authority, and one representing the Administrator. This Committee shall report to the Administrator within thirty (30) days after the effective date of this Code or within such further time as may subsequently be allowed by the Administrator or his Deputy, with respect to proper minimum piecework rates and shall make a study of and report within six months from the effective date of this Code, upon the practicability of discontinuing home work in the Industry or setting up a system of control for home workers.

ARTICLE VII—CONTRACTING

All members of the Knitted Outerwear Industry who use contractors or submanufacturers for knitting or fabricating garments, or any part thereof, shall pay such rates to the contractor or submanufacturer as will enable the contractor or submanufacturer to pay his employees at least the wages provided for in this Code, together with a reasonable allowance for the contractor's overhead. The Code Authority shall formulate additional regulations, with the approval of the Administrator, to carry into effect the purpose and intent of this provision.

ARTICLE VIII—GENERAL LABOR PROVISIONS

(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 collective 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, maximum machine-load of employees, and other conditions of employment approved or prescribed by the President.

(d) 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, or health, fire, or general working conditions than under this Code.

(e) Each employer shall post in conspicuous places on his premises full copies of this Code, in the form prescribed by the Code Authority.

ARTICLE IX—ADMINISTRATION

(a) To effectuate further the policies of the Act, a Knitted Outerwear Industry Code Authority is hereby designated to act as the

representative body from the Industry in the administration and enforcement of this Code and shall have, in addition to the specific powers herein conferred, all general powers necessary to assist the Administrator in such administration and enforcement.

(b) This Code Authority shall consist of eight (8) representatives of the Knitted Outerwear Industry elected by a fair method of selection, to be approved by the Administrator, and not more than three (3) members without vote and without cost to the Industry, appointed by the Administrator. Such agency may from time to time present to the Administrator recommendations based on conditions in this industry as they may develop which will tend to effectuate the operation of the provisions of this Code and the policy of the Act. Such recommendations, when approved by the Administrator, shall have the same force and effect as any other provisions of this Code.

(c) Such agency is also set up to cooperate with the Administrator in making investigations as to the functioning and observance of any provision of this Code, at its own instance or on complaint of any person affected, and to report same to the Administrator.

(d) 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 purpose stated in section 3 (a) of the Act.

(e) Members of the Industry who manufacture Infants' and Children's wear up to and including sizes for 15-year-old children may elect to form a separate group within the industry and shall have full rights to autonomy in regard to trade practices. This group may either approve the trade practices applying to other members of the Industry or separate and distinct trade practices may be promulgated and adopted as provided in this Code.

(f) 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 expense of its administration. The reasonable share of the expenses 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 to be taken into consideration.

(g) The Code Authority will cooperate with the Administrator in the establishment of an Advisory Council for all or any group of textile industries, for the purpose of considering and advising with the Administrator on matters concerning two or more of such industries operating under separate Codes of Fair Competition, and upon request and with the approval of the Administrator, appoint to such Advisory Council one or more representatives of the Knitted Outerwear Industry.

ARTICLE X—TRADE PRACTICES

To accomplish the purposes contemplated by the Act the following practices are hereby declared to be unfair methods of competition and in violation of this Code.

(a) *Selling Below Cost*.—No member of the Industry shall sell any product or service below cost based upon principles of costing formulated by the Code Authority and approved by the Administrator, except when necessary to meet competition, to dispose of distress merchandise or under other circumstances to be defined by the Code Authority.

(b) *Consignment*.—No member of the industry shall ship goods on consignment except under circumstances to be defined by the Code Authority, where peculiar circumstances of the Knitted Outerwear Industry require the practice.

(c) *Misbranding*.—No member of the Industry shall falsely mark and/or brand knitted outerwear products for the purpose or with the effect of misleading or deceiving purchasers with respect to the origin, trade marking, quality, yarn content, or construction of such products.

(d) *Misrepresentation*.—No member of the industry shall publish advertising (whether printed, radio, display, or of any other nature) which is misleading or inaccurate in any material particular, nor shall any member in any way misrepresent any goods (including but without limitation its use, trade mark, grade, quality, quantity, origin, size, substance, character, nature, finish, material, content, or preparation) or credit terms, values, policies, services, or the nature or form of the business conducted.

(e) *Terms of Sale*.—(1) No member of the Industry shall sell or offer to sell knitted outerwear products upon terms other than a maximum discount of three (3) percent to the wholesale trade for payment on the 10th day of the month following the designated shipping date, or equivalent discount for longer periods. (2) No member of the Industry shall sell or offer to sell knitted outerwear products to the retail trade upon terms other than a maximum discount of eight (8) percent for payment on the 10th day of the month following that of shipment. For the purpose of these provisions, the 25th calendar day shall be considered the end of the month.

(f) *Returns*.—No member of the Industry shall accept the return of garments that have been worn, or merchandise not worn but which has been accepted by a customer, except under circumstances to be defined by the Code Authority.

(g) *Rebates*.—No member of the Industry shall secretly directly offer or make any payment or allowance of a rebate, refund, commission, credit, unearned discount or excess allowance, whether in the form of money or otherwise, nor shall a member of the industry secretly offer or extend to any customer any special service or privilege not extended to all customers of the same class, for the purpose of influencing a sale.

(h) *Delivery Charges*.—All knitted outerwear products shall be sold F.O.B. shipping point, except for deliveries within metropolitan areas local to the shipper, subject to exceptions approved by the Code Authority.

ARTICLE XI—STANDARDS

(a) All standards already formulated in cooperation with the Bureau of Standards of the United States Department of Commerce

and approved by the industry, or standards which shall be so formulated and approved, shall become the standards of the industry. The Knitted Outerwear Code Authority shall notify all members of the industry and all known interested persons in the industry of each new standard adopted, and the effective date thereof. All merchandise manufactured after the effective date shall be plainly and visibly marked by a firmly sewed label, "Substandard", where such merchandise comes below the minimum standards. Every manufacturer shall plainly mark with a stamp or a firmly sewed label the size or measurement of his product thereon.

(b) All garments manufactured or distributed shall bear an N.R.A. label, which shall remain attached to such garments. Such label shall be in such form as may be prescribed by the Code Authority. The Code Authority shall have the exclusive right in this industry to issue and furnish said labels to the members thereof. The privilege of using such label shall be granted and such label shall be issued to any employer from time to time engaged in the industry, upon application therefor to the Code Authority accompanied by a statement of compliance with the standards of operation prescribed by and the provisions of this Code. The privilege of using such labels and the issuance thereof may be withdrawn and cease or may be suspended in respect to any such manufacturer whose operations, after appropriate hearing by the Code Authority and review by the Administrator, shall be found to be in substantial violation of such standards and provisions. Employers shall be entitled to obtain and use such labels if they comply with the provisions of this Code. The Code Authority may establish appropriate machinery and regulations for the issuance of such labels, inspection, examination, and supervision of employers engaged in the industry, in accordance with the foregoing provisions.

ARTICLE XII—MODIFICATION

(a) This Code and all the 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 approval thereof.

(b) This Code, except as to provisions required by the Act, may be modified on the basis of experience or changes in circumstances, such modification 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 XIII—MONOPOLIES

The provisions of this Code shall not be interpreted or applied to promote monopolies or monopolistic practices or to eliminate or oppress small enterprises or to discriminate against them.

ARTICLE XIV—EFFECTIVE DATE

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

Approved Code No. 164.

Registry No. 243-1-02.



UNIVERSITY OF FLORIDA



3 1262 08486 8024