

**NATIONAL RECOVERY ADMINISTRATION**

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**CODE OF FAIR COMPETITION**

**FOR THE**

**DRESS MANUFACTURING  
INDUSTRY**

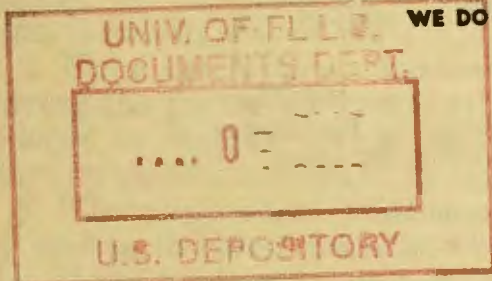
**AS APPROVED ON OCTOBER 31, 1933**

**BY**

**PRESIDENT ROOSEVELT**



**WE DO OUR PART**



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

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(II)





## EXECUTIVE ORDER

### CODE OF FAIR COMPETITION FOR THE DRESS MANUFACTURING 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 my approval of a Code of Fair Competition for the Dress Manufacturing 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 hereby 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 conditions:

1. Pending the prompt holding of such further hearing on such notice as the Administrator in his discretion may fix, further orders in this regard, and the final determination of the issues raised concerning the application of the wage scale provided in this code for the western area (as defined in the code), the application of the wage scale provided in section 6, article IV of said code for said western area, except as to the metropolitan areas, as defined in the 1930 census, of the cities of Chicago and Cleveland, shall be and the same is hereby stayed until said determination, and

2. Upon the further conditions that, and it is hereby ordered that during the period of such stay, section 7, of article IV shall be considered to include within its terms all employees included in this stay, irrespective of craft, in said western area, and

3. The application of this code is stayed as to the manufacture of dresses in chief content of cotton which in the custom and practice of the trade are merchandised in what is known in the trade as the house dress or wash dress departments of recognized department stores and other retailers of women's garments, and which cotton dresses, under the established custom and practice of the trade, are customarily bought from the manufacturer by or sold by the manufacturer to the buyer of house or wash dresses, pending the holding of such hearing on such notice as the Administrator in his discretion may fix, further orders in this regard and a final determination of the issues raised concerning the application of this code to such manufacturer.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE,  
*October 31, 1933.*

Approval recommended:

HUGH S. JOHNSON.



The PRESIDENT,  
*The White House.*

SIR: This Code is a conspicuous example of the effectiveness of the National Industrial Recovery Act in rehabilitating a disorganized and demoralized industry. So pressing was the need for some such helpful influence that the Act and the forces released by the Act met with no great opposition. The Code herewith presented, while embodying some compromise, represents a remarkable reconciliation of interests widely divergent and hitherto in bitter opposition.

The outstanding features of this Code are:

1. Establishment of a thirty-five-hour week.
2. Establishment of minimum wage scales which increase the purchasing power not only of the unskilled but also the skilled labor throughout the industry. They are satisfactory to organized labor and will make impossible the operations of exploiters of labor and "sweat shops."
3. Fixing responsibility for standards of industrial relations upon the outside manufacturer or "jobber", which hitherto has been most inadequately and unjustly loaded upon the feeble and incompetent shoulders of the contractor.
4. Elimination of the ancient abuses of child labor and home work.
5. Establishment of a Code Authority on which are represented all important interests of the industry. Equipped with administrative power, reinforced by authority to issue or withhold an N.R.A. label, it may be expected to develop into a powerful agency of self-government in the industry, the lack of which has kept the dress industry in turmoil and confusion for decades. All its actions, however, are subject to the approval of the Administrator.

#### SUMMARY OF THE CODE

The Code may be summarized as follows:

Article I sets forth the purposes of the Code.

Article II establishes certain necessary definitions.

Article III provides that no manufacturing employee shall work in excess of thirty-five hours per week and that no nonmanufacturing employee shall work in excess of forty hours per week. Overtime may be permitted at the discretion of the Administrator, but for not more than six weeks in any one season.

Article IV enumerates the wage scales which shall be paid to workers in the various crafts. These wage scales vary from fourteen dollars per week to forty-five dollars per week. Because of variations in working condition and the efficiency of workers, separate wage classifications are made as between lower-priced and higher-priced garments, between piece rates and week rates, and between the city of New York, the Eastern metropolitan area, the Eastern area, and



the Western area. This article also contains the substance of paragraph seven of the President's Reemployment Agreement. In addition, provision is made for the employment of handicapped persons at rates below the basic minimum established in this article. This provision is inserted for humanitarian reasons, but it is so hedged about with restrictions that abuse will be difficult, and it is hoped impossible.

Article V abolishes child labor (minors under sixteen) as well as home work, and provides that manufacturing shall be carried on under sanitary conditions. In this article are included the mandatory labor provisions.

Article VI establishes a Code Authority representative of all the organized interests in the industry including organized labor. This Authority is clothed with ample powers to administer and enforce the Code, subject always to the approval of the Administrator.

Article VII regulates the relationships between outside manufacturers and contractors in respect to (1) the responsibility of manufacturers for the payment to contractors of amounts sufficient to cover the wages provided for by this Code and in addition a reasonable amount for overhead expense; and, (2), the selection and retention of contractors by the manufacturers to protect the contractor and his employees against unjust discrimination in the distribution of work.

Article VIII provides that an N.R.A. label be attached to every garment manufactured under this Code. This label will bear a registration number specifically assigned to each employer in the industry and will remain attached to each garment when placed on sale by the retail distributor. The Dress Code Authority is given sole authority, with the approval of the Administrator, to administer the issuance of these labels. This provision will facilitate the administration of the code, and in particular will provide sufficient revenue to finance the activities of the Code Authority.

Article IX deals with trade practices, providing uniformity in the relations between buyers and sellers, in such matters as: (1) return of merchandise, (2) uniform order blanks containing the terms of the contract, (3) protection of original styles, (4) discounts, (5) selling on consignment or at retail, and (6) secret rebates, etc.

Article X contains the mandatory clause protecting small enterprises against monopolistic practices.

Articles XI and XII provide for modifications and amendments to this Code.

Article XIII names the effective date of this Code.

#### PROBLEMS OF THE INDUSTRY

The Dress Industry of the United States as it is now constituted is one of the youngest industries of the country. It is only about thirty years old; but from very small beginnings it was able to reach a wholesale turnover of about eight hundred million dollars in 1929. The present volume, however, has decreased to about five hundred million dollars. The industry is concerned with the manufacture and distribution of women's and children's dresses, ensembles, etc. It does not include, however, what is commonly known as



house dresses or cotton wash dresses, which types of apparel fall under the jurisdiction of the Cotton Garment Code. Particular care has been taken that there be as little overlapping as possible between these two codes.

New York City is the dress manufacturing center of the country. In 1931, 66.4 percent of the total number of manufacturing establishments were located there, and the annual sales volume of these establishments represented 78.6 percent of the total business transacted. Chicago, Philadelphia, Boston, and Los Angeles are next in importance. Other localities are St. Louis, San Francisco, Cleveland, and Baltimore. The geographical distribution of the industry may be summarized by the following table, prepared from data supplied by the National Credit Office.

City	Number of con- cerns	Sales	Per cent of total sales
New York City.....	1,383	\$633,183,000.00	78.6
Chicago.....	180	44,399,000.00	5.5
Philadelphia.....	109	30,466,000.00	3.8
Los Angeles.....	95	22,184,000.00	2.8
Boston.....	79	20,251,000.00	2.5
Cleveland.....	22	9,136,000.00	1.1
St. Louis.....	40	8,963,000.00	1.1
Baltimore.....	10	2,875,000.00	.4
San Francisco.....	18	2,529,000.00	.3
All others.....	114	31,197,000.00	3.9
Total.....	2,080	805,183,000.00	100.0

78.6% of the total sales of dresses throughout the country were manufactured and sold in New York City, leaving 21.4% for distribution by the rest of the country. The reasons given for the predominance of New York City over the rest of the country were as follows: New York City is recognized as the leading style center; there is an adequate supply of skilled labor; transportation facilities are of the best; adequate financing is available; the fabric market is immediately adjacent.

Obviously, this code has given due recognition to the conditions prevailing in the city of New York and its environs, particularly with reference to the jobber-contractor system of production,

In New York, the dress industry is composed of four principal elements: Jobbers or wholesalers, inside manufacturers, contractors, and submanufacturers. Inside manufacturers create their own styles, manufacture on their own premises, use their own material, and sell, largely, directly to retailers. Many of these inside manufacturers likewise make use of contractors, particularly at the height of the season.

Jobbers and wholesalers concern themselves chiefly with the problems of style and distribution, and the purchase of piece-goods, materials, trimmings, etc. Submanufacturers and contractors manufacture the garments in accordance with the styles decided upon by the jobber. In the low-end price range most jobbers employ cutters on their own premises to cut the work. Such partially finished garments are then let out to contractors, who complete the operations.

The term "contractors" is generally used to include submanufacturers; generally speaking, however, the contractor merely com-



pletes the manufacture of garments which have already been cut on the premises of a jobber or a manufacturer. The submanufacturer produces directly for a jobber or a manufacturer from materials and trimmings furnished by the latter.

It has been estimated that contractors and submanufacturers produce about eighty percent of the dresses manufactured in New York City. There are approximately 1,800 contractors and submanufacturers located in the New York metropolitan area.

Not many years ago virtually all dress contractors were located within the confines of the City of Greater New York; in recent years, however, in an effort to find a cheaper labor market, factories have been established in adjoining districts, particularly in New Jersey, Connecticut, and Pennsylvania. Workers in these areas have been unduly exploited. Fifty-four hours per week or even more have been by no means uncommon, and wages have been pitifully low. These out-of-town contractors are engaged largely in the production of the cheaper lines of dresses, that is, dresses which wholesale at \$3.75 and less.

The development of the contracting system in the dress industry is easily explained. For one thing, dresses are created in a great variety of styles. A comparatively small number of each style is produced and sold. Experience has proven that efficient production can be obtained only when these dresses are produced in comparatively small units of shop production. Each operator produces virtually a complete dress. Unlike other industries, there is no possibility of splitting up machine or hand operations and introducing standardization. The perfection and efficiency of the workers depend not so much on the management of the plant as it does on the individual skill and ability of the particular worker.

The personal element is extremely important. The Contractor, having a smaller group to supervise, knows the particular abilities and skill of each of his workers. He is a specialist in the manufacture of ladies' garments; the jobber likewise is a specialist in the distribution and sale of the manufactured garments. Each serves more efficiently in his specialized field.

Another reason for the development of the contracting system in the dress industry is the insurance it gives against sudden stoppage or curtailment of the production because of strikes or other labor troubles. Under the jobber-contractor system, if a labor dispute develops among the workers in any particular contractor's factory, it usually does not affect the output of the other contractor who supplies the particular jobber.

During the past few years, competition among the various factors has been so keen and the prices paid to the contractors have been so low, that in many instances prices paid by the jobber were hardly sufficient to pay the actual labor costs, not to mention the overhead expenses of the contractor, or payment to the contractor for his services. The result has been that the contractor's savings have been wiped out. His plants are heavily mortgaged, and he has incurred debts in all available sources. Factory removals have become almost institutional.

The problem of jobber-contractor relations has received special consideration in the formation of this Code. Indeed, without the



help of the National Recovery Administration, it is difficult to imagine how these relationships, so unjust and unsatisfactory, could be placed on a decent basis.

This result was not accomplished, however, without numerous and prolonged conferences both in Washington and New York. The provisions of Article VII represent a compromise in which both parties made concessions from their extreme positions.

The contractors had convinced themselves that the Code would not give them the advantages they desired unless the competition between themselves were eliminated or mitigated. To attain this end they insisted that the manufacturers be strictly limited as to the number of contractors they might employ.

While admitting the evils of unrestrained competition among the contractors, the manufacturers believed that the remedy suggested, i.e., limitation of contractors, would create new evils. If the manufacturer were not free to allocate his work to the contractor best fitted to perform it, as to quality, price, and delivery, he would be intolerably handicapped in meeting market requirements.

It seemed obvious that in this matter, fraught with dangers to the success of the Code, great caution was advisable. Provisions were suggested by which substantial steps in the direction of controlled competition could be taken and further steps provided for as experience demonstrated their practicability. For many weeks, these proposals were refused but finally the extreme demands were abandoned and the matter settled by the clauses in Article VII, now a part of the Code.

#### LABOR

Prior to the restriction of immigration, additional workers were recruited into the industry from Russia and Italy. Most, if not all, of these workers had plied their respective crafts in their own countries, and had already a fairly high degree of skill and experience.

In late years, however, the racial distribution of workers has changed quite markedly. There have come into the industry Cubans, Portuguese, Spanish, and Greek girls and women. This new type of worker is slow to learn and requires a longer period of time to attain a reasonable degree of efficiency. Their earnings today at piece rate and week rate range from six to sixteen dollars per week outside of New York City, and from ten to twenty dollars per week in New York City.

The economic depression has also influenced the type of worker engaged in the industry. During the last three years there has been a great influx of temporary workers, particularly in the areas outside of the City of New York. In New York sixty percent of the workers are female, whereas outside New York ninety-five percent are female. Many of these are married women. Many have gravitated to the industry as a result of the economic depression; they have been compelled to become the main supports of their families. A good proportion of such workers will return to their homes as soon as their husbands or children are able to earn a fair livelihood.

One more feature peculiar to the labor supply of this industry must be realized. As noted above, a substantial majority of the work-



ers are women. The labor turnover, consequently, is high because of the tendency of women to discontinue industrial pursuits upon marriage when economic conditions permit.

For all of these reasons, it is desirable that some provision be made whereby the industry may, without unduly burdening itself, maintain an adequate supply of trained workers.

At the same time, because of the large volume of unemployment in the industry, the unrestricted employment of apprentices would be highly undesirable. The Code Authority has been charged with the responsibility of studying the problem and of recommending to the Administrator appropriate regulations for the control of apprenticeship employment.

### THE DRESS STRIKE AND ITS SETTLEMENT

About a week prior to the date of hearing, a strike occurred in New York which became general throughout the industry in that city. Mr. Grover Whalen, representative of the National Labor Board, took charge and was able to effect a settlement by collective agreements among all parties before the hearing date. In view of the difficulties of the situation this was a remarkable achievement. The lasting service of Mr. Whalen was acclaimed by all the leaders in the industry.

Strikes in the Chicago, Cleveland, St. Louis, and other markets were settled in a similar manner and collective agreements with the union entered into. Mr. Max Meyer, of New York, Industrial Adviser at the hearing, rendered important service in these events.

The principal organizations participating in the public hearing and in subsequent conferences, representing all the markets of any size, were:

A. The National Dress Manufacturers Association, whose membership consists of about six hundred firms. This Association comprises:

1. Jobbers whose entire product is made by contractors to whom the jobber furnishes the materials for the making of his garments from samples furnished by the contractor.

2. Jobbers who style their own merchandise and for whom the contractor makes up the dresses.

3. Jobbers who make their samples and also maintain cutting departments, furnishing cut bundles to contractors for completion.

4. Employers who maintain inside factories for part of their product and use contractors for another part of their output.

B. The Affiliated Dress Manufacturers, Inc., whose membership of one hundred twenty-five firms comprise the manufacturers of the finest garments. Their work is carried on largely on the premises, although part of their production is made in contractor's shops.

C. The United Association of Dress Manufacturers, Inc., which comprises a majority of the dress contractors working for the above-mentioned jobbers and manufacturers. This organization has a large membership, largely recruited since the settlement of the strike.

D. The out-of-town associations consist of the Western Group, taking in the cities of Chicago, Cleveland, Indianapolis, San Fran-



cisco, and Los Angeles. Another association represents the Boston market, and still another Philadelphia.

Labor was represented by the International Ladies Garment Workers Union and also by a representative of the Needle Trades Industrial Workers Union of New York City, claiming a membership of fifteen thousand workers.

The hearing developed substantial agreement on most questions, particularly on the question of hours. Exceptions were voiced by representatives of the Western Group regarding differentials agreed upon by the New York manufacturers and unions for the production of dresses selling at \$3.75 and under. The Western Group dissented from the differential of ten percent proposed in their favor for all operations, demanding for their group a differential varying from fifteen to twenty-five percent. Within the Eastern Area requests were made for differentials greater than ten percent but could not be granted because of competitive conditions.

#### LABELS

The advisability for an N.I.R.A. label has already been recognized in the code adopted for the coat and suit industry. The arguments advanced at the hearings on the Coat and Suit Code apply with even greater force to the Dress Code.

The use of the N.I.R.A. label will serve to identify the concerns who have complied with the Code. It will be a most effective means of certifying both the factory or plants as well as its output. Under proper safeguards for the issuance of the label, the identity and location of each factory can be readily ascertained. Effective supervision of the physical surroundings of the factory and the compliance with the provisions of the code can thus be more readily instituted by the Code Authority, or any other agency delegated for the task.

#### REEMPLOYMENT

Between 1929 and 1931, the average number of workers employed in the industry decreased from 88,223 to 79,724. The estimated total number of workers employed in 1932 was 66,344. From these figures, it appears that in 1932 in excess of 21,000 workers were unemployed. Taking into account the seasonality of the industry, however, the excess labor supply in that year was somewhat less than 20,000.

The full-time week in this industry consisted, so far as may be determined from the meagre statistical information available, of about forty-eight hours. By the introduction of the thirty-five hour week, therefore, employment during busy seasons should increase about thirty-seven percent. It is hoped also that the restricted week will materially reduce the seasonal fluctuations in employment.

The average annual wage declined from \$1,344.00 in 1929 to \$880.00 in 1932. Unfortunately it is impossible to estimate the probable increase which the wage scales provided in the Code will bring about. It is conceded by all concerned, however, that the increase will be considerable. It is possible, on the other hand, to estimate the increase in pay roll which the thirty-five hour week will necessitate. The reemployment of thirty-seven percent more workers will add to the annual pay roll about twenty-one million dollars.



With respect to the wage and hour provisions of the Code, therefore, it may be expected that the purposes of the National Industrial Recovery Act will be effectuated.

The Deputy Administrator finds that:

(a) The Code complies in all respects with the pertinent provisions of Title I of the Act, including, without limitation, subsection (a) of Section 7 and subsection (b) of Section 10 thereof; and that

(b) The trade association submitting said Code imposes no inequitable restrictions on admission to membership therein and is truly representative of the Dress Manufacturing Industry; and that

(c) The Code is not designed to promote monopolies or to limit 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 DRESS MANUFACTURING 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 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

1. The term "Dress Manufacturing Industry" as used herein includes the manufacture and sale by the manufacturer (as defined in paragraphs 6 and 7 of this Article) in whole or in part, in the United States on the North American Continent, of women's, misses', and juniors' dresses, dressmakers' ensembles, and waists when used with ensembles, whether such manufacture and distribution shall be by inside or outside manufacturers, contractors, or otherwise; provided that nothing in this definition shall include the manufacture of inexpensive dresses made of material of which cotton is the chief content and generally known in the trade as a house dress or house dresses.

Making of garments in what is known as the "custom trade", to individual measure on individual order of the wearer if (1) such garments are sold on the premises of the maker, or (2) the garments are made by employers employing less than 10 employees is not a part of this Industry.

2. The term "lower-priced garments" includes those garments regularly sold in wholesale quantities for \$3.75 each or less.

3. The term "higher-priced garments" includes all garments manufactured in this Industry except those included in the definition of lower-priced garments.

The term "employee" or "worker" 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.

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

6. The term "outside manufacturer" or "jobber", which are synonymously used in this Code, include all those for whom and/or under whose direction or orders garments in the Dress Manufacturing Industry are manufactured in whole or in part by contractors and/or other manufacturers, and who act as wholesale distributors of such garments.



7. The term "inside manufacturer" includes all those who manufacture garments in the Dress Manufacturing Industry out of their own material in a factory maintained and operated by them.

8. The term "contractor" includes all those who manufacture garments in the Dress Manufacturing Industry from materials provided for them by a manufacturer, jobber, or others.

9. For the purposes of this Code, four (4) areas are hereby established:

(a) "City of New York" as used herein means and includes the five boroughs of New York City.

(b) "Eastern Metropolitan Area" as used herein, means and includes the metropolitan areas as defined by the 1930 Census of Philadelphia, Boston, and Baltimore.

(c) "Eastern Area" as used herein means and includes the New England States, New York, Pennsylvania, New Jersey, Delaware, and Maryland, exclusively of the City of New York and Eastern Metropolitan Area as defined above.

(d) "Western Area" as used herein means and includes all portions of the United States on the North American Continent not included in the above three areas.

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

### ARTICLE III—HOURS

1. No employee, employer, or individual operating on his own account shall work or be permitted to work in the mechanical processes of manufacture in excess of 35 hours, nor more than 5 days, in any one week.

2. All other employees shall not work or be permitted to work in excess of 40 hours in any one week, except foremen and executives receiving \$35 or more per week, and except salesmen, designers, and watchmen. Watchmen shall not work or be permitted to work more than six days in any one week.

3. Exceptions from the two last preceding paragraphs may be allowed by the Code Authority for a period of not more than six weeks in any one season; provided that the employer shall be required to pay one and one half times the normal wage for such overtime work.

4. Employers shall not operate or be permitted to operate more than one shift in any one day.

### ARTICLE IV—WAGES

1. Employees engaged in the mechanical processes of manufacture of higher-priced garments in the City of New York shall be paid not less than the following minimum wages:

Cutters.....	\$45 per week of 35 hours.
Sample makers.....	30 per week of 35 hours.
Drapers.....	27 per week of 35 hours.
Examiners.....	21 per week of 35 hours.
Cleaners & Pinkers.....	15 per week of 35 hours.



Operators.....	90¢ per hour.
Pressers.....	\$1 per hour.
Finishers.....	65¢ per hour.

2. Employees engaged in the mechanical processes of manufacture of lower-priced garments in the City of New York shall be paid not less than the following minimum wages:

Cutters.....	\$46 per week of 35 hours.
Machine Cutters.....	37 per week of 35 hours.
Stretchers.....	27 per week of 35 hours.
Sample Makers.....	30 per week of 35 hours.
Examiners.....	20 per week of 35 hours.
Cleaners & Pinkers.....	15 per week of 35 hours.
Operators.....	75¢ per hour.
Pressers.....	85¢ per hour.
Finishers.....	57¢ per hour.

3. *Eastern Metropolitan Area.*—Workers or employees in the Eastern Metropolitan Area engaged in the mechanical processes of manufacture of higher-priced garments and/or lower-priced garments, respectively, shall be paid at least 90% of the minimum wages herein set forth for the City of New York for the various crafts in the two classifications of garments, respectively; provided, however, that cleaners and pinkers shall not receive less than \$15 per week.

4. *Eastern Area.*—Employees engaged in the mechanical processes of manufacture of higher-priced garments in the Eastern Area shall be paid not less than 90% of the wages herein provided for said garments in the City of New York for the various crafts; provided, however, that cleaners and pinkers shall not receive less than \$15 per week.

5. Employees engaged in the mechanical processes of manufacture of lower-priced garments in the Eastern Area shall be paid not less than the following minimum wages:

Cutters.....	\$45 per week of 35 hours.
Machine cutters.....	37 per week of 35 hours.
Stretchers.....	27 per week of 35 hours.
Sample makers.....	30 per week of 35 hours.
Examiners.....	17 per week of 35 hours.
Cleaners and pinkers.....	15 per week of 35 hours.
Operators.....	63¢ per hour.
Pressers.....	70¢ per hour.
Finishers.....	50¢ per hour.

6. *Western Area.*—Employees in the Western Area engaged in the mechanical processes of manufacture of higher-priced garments and/or lower-priced garments, respectively, shall be paid not less than 85% of the minimum wages established herein for the City of New York for the various crafts in the two classifications of garments, respectively; provided, however, that cleaners and pinkers shall receive not less than \$14 per week.

The Pacific Coast or other markets in the Western Area may petition the Administrator for a change in the wage differentials allowed herein. The Administrator, after such hearings as he may deem proper, after taking into consideration the competitive advantages and/or disadvantages of such markets, may modify the aforesaid differentials provided in this Section.

7. All other employees in any and all of such areas shall be paid not less than the rate of \$14 per week for the maximum hourly work week as herein established.



8. The above wage scales provide a guaranteed minimum regardless of whether the employee is compensated on a time rate, piece rate, or other basis. Cutters, sample makers, drapers, examiners, cleaners and pinkers, machine cutters, and stretchers shall be employed and paid on a week-work basis.

9. No employee shall receive a lesser rate than is required to provide the same earnings for the hourly work week herein established as was received for that class of work for the longer work week prevailing immediately prior to the date of approval of this Code; provided, however, that this clause shall not be interpreted to require an increase in rate to any employee in excess of 20%. Nothing herein contained shall relieve any employer from paying the other minimum wage rates established in this code.

10. Exceptions from the above minimum-wage rates are granted for apprentices until the Code Authority shall make further report in those cases now existing in which apprentice rates have been established after legitimate collective bargaining.

11. To insure employment to employees who are physically or mentally handicapped or who are otherwise subnormal in their production, such employees may be exempted by the Code Authority on such terms as the Code Authority may specify from the wage provisions of this Code, subject to review by the Administrator; provided that such employees shall not exceed in number 10% of the total number of workers employed by any one employer.

#### ARTICLE V—GENERAL LABOR PROVISIONS

1. No person under the age of 16 shall be employed in the Dress Manufacturing Industry.

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, and

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 regulating the age of employees, wages, hours of work, or health, fire, or general working conditions than under this Code.

6. Employers shall not reclassify employees so as to defeat the purposes of the Act.

7. Each employer shall post in conspicuous places full copies of the applicable labor provisions of this Code.

8. No work shall be carried on in homes or tenement houses, basements, or in unsanitary buildings, or in buildings unsafe on account of fire or dangerous to health.



## ARTICLE VI—CODE AUTHORITY

1. To further effectuate the policies of the Act, a Code Authority is hereby set up to cooperate with the Administrator in the administration of this Code.

(a) The Code Authority shall consist of sixteen individuals, or such other number as may be approved from time to time by the Administrator, to be selected as hereinafter set-forth. The Administrator, in his discretion, may appoint not more than 3 additional members to represent the Administrator as he may desire.

(b) The above members of the Code Authority shall be selected by a fair method of election to be approved by the Administrator, by each association, group, or geographic subdivision of the Industry hereinafter designated, and each such association, group, or geographic subdivision of the Industry shall elect the following number of individuals to said Code Authority, respectively:

National Wholesale Dress Manufacturers Association	3 members.
Affiliated Dress Manufacturers Association	3 members.
United Association of Dress Manufacturers, Incorporated	3 members.
Eastern Metropolitan Area and Eastern Area	1 member to represent dress manufacturers, 1 member to represent contractors.
Western Area	2 members.
International Ladies' Garment Workers' Union	3 members.

(c) 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.

(d) 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.

(e) Should a vacancy occur on the Code Authority, it shall be filled in accordance herewith by the organization, group, or geographic subdivision formerly represented by the place on the Code Authority in which the vacancy occurs.

2. The Code Authority shall have the following duties and powers to the extent permitted by the Act. The Administrator on review shall have the right to veto or modify any action taken by the Code Authority:

(a) 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.



(b) To elect officers and to appoint agents and employees and to assign to them such duties as it may consider advisable, and to provide rules for the selection of members of the Code Authority by the Industry. The Code Authority shall keep the Administrator advised of the personnel of its administrative employees.

(c) To administer and enforce the provisions of this Code.

(d) To obtain from time to time from employers in the Industry who shall furnish reports in respect to wages, hours of labor, conditions of employment, number of employees, and other matters pertinent to the purposes of this Code as the Code Authority may prescribe and to submit periodical reports to the Administrator in such form and at such times as he may require, in order that the President may be kept informed with respect to the observance thereof, to furnish governmental agencies with such statistical and other information as the Administrator may deem necessary for the purpose recited in Section 3 (a) of the Act.

Except where alleged violations are being heard, all individual reports furnished pursuant hereto shall be treated as confidential information by the administrative staff of the Code Authority, and shall not otherwise be revealed to competitors of those furnishing the information except as part of summarized reports.

(e) To use such trade associations and other agencies as it deems proper for the carrying out of any of its activities provided for herein 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.

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

(g) To initiate, consider, and submit to the Administrator proposals for amendments to or modifications of this Code.

(h) 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.

(i) The Code Authority shall provide rules and regulations by which the distinction between "higher-priced garments" as herein defined, and "lower-priced garments" shall be determined. In so doing, the Code Authority shall be guided by the wholesale prices prevailing on August 15, 1933, or thereabouts, as representing the intention of the framers of this Code.

(j) The Code Authority upon the adoption of this Code shall immediately make a thorough study for the purpose of introducing apprentice systems into the Industry, taking into consideration the school and other requirements of the respective states. On the basis of this study, the Code Authority shall make recommendations before January 1, 1934, to the Administrator for a provision for apprentice systems suggested as an amendment to this Code.



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

## ARTICLE VII—RELATIONS BETWEEN MANUFACTURERS AND CONTRACTORS

1. (a) 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.

Where a contractor establishes that there has been an underpayment made by any manufacturer and/or jobber under the provisions of this Article, such manufacturer and/or jobber shall be liable for such underpayment, provided that claim for such underpayment shall have been made within two weeks of the next following customary accounting settlement period. When any such claim for underpayment has been made by a contractor, such contractor shall open his books of account bearing on such claim for inspection. This clause shall not be construed as diminishing the rights of any employee to any claim for underpayment against the parties who caused such underpayment.

(b) Manufacturers and jobbers who cause their garments to be made by contractors shall immediately designate the number of contractors to meet their business requirements. Within one week of the effective date of this Code the manufacturers and jobbers shall register the contractors so designated with the Code Authority, and thereafter register any and all subsequent changes.

(c) This does not abridge the right of the manufacturer or jobbers to add to, subtract from, or change their contractors, provided that such additions, subtractions, or changes conform to the business requirements of the manufacturers or jobbers, and is not intended to discriminate against the contractors or workers; and provided further, that such changes, or additions, are not made for the purpose of evading the established wage scale provided for in this Code plus the contractor's overhead.

(d) The Code Authority, subject to veto by the Administrator, shall have the power to prevent a practice on the part of a jobber or manufacturer of unjustly or unreasonably discriminating in the distribution of work as between contractors which might unfairly deprive groups of workers of an opportunity to work.

(e) In the distribution of work, manufacturers and jobbers shall have the right to employ contractors on the basis of type and the quality of the work performed; on a competitive price basis, provided the price is sufficient to pay the minimum wages provided for in this Code and a reasonable overhead to the contractor; and according to experience in obtaining deliveries on schedule; but this shall not be exercised as a device to evade the purpose of this Article.



(f) After further study the Code Authority, with the approval of the Administrator, shall make rules and regulations to further effectuate the purpose of this Article as stated herein.

2. It shall be unfair competition for any manufacturer and/or jobber to employ a contractor, or for any contractor to accept employment from a manufacturer and/or jobber except by use of the uniform order blank to be promulgated by the Code Authority after being approved by the Administrator.

#### ARTICLE VIII—LABELS

All garments manufactured or distributed subject to the provisions of this Code shall bear an N.R.A. 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 N.R.A. 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 IX—TRADE PRACTICES

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

1. No returned merchandise may be accepted for credit except for defects in manufacture, delay in delivery, or errors in shipment. Further recommendations on this subject may be made by the Code Authority.

2. The Code Authority shall immediately formulate a uniform order blank to be used in the sale of products. After such notice and such hearing as the Administrator may provide, he may approve said uniform order blank after which it will be unfair trade practice for anyone engaged in the Industry to sell to any purchaser except by the use of said uniform order blank.



3. It shall be unfair trade practice to sell merchandise at a cash discount in excess of 8% ten days E.O.M. (end of month) except that merchandise shipped after the 25th day of any month may be dated as of the first day of the following month. Anticipation shall not be allowed at a rate in excess of 6% per annum.

4. The Code Authority shall immediately formulate regulations defining the practice of selling on memorandum, consignment, or at retail. After such regulations are approved by the Administrator, it shall be unfair trade practice for anyone engaged in this Industry to sell merchandise on memorandum, consignment, or at retail in violation thereof.

5. It shall be unfair trade practice to make secret payment of allowances or refunds, rebates, commissions, credits, or unearned discounts, whether in the form of money or otherwise, or the secret extension to certain purchasers, or to others also engaged in this Industry of special services or privileges, not openly extended to all on like terms and conditions.

6. It shall be unfair trade practice to sell merchandise except upon terms as expressly stated upon the invoices pertinent to such sale.

7. It shall be unfair trade practice to resort to subterfuge to evade this Code.

#### ARTICLE X—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 XI—MODIFICATIONS

1. 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 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 modification to be based upon application to the Administrator and such notice of hearing as he shall specify, and to become effective on approval by the President.

#### ARTICLE XII

The Administrator may after such notice and hearing and after making such appropriate amendments as may in his discretion be necessary extend the operation of this Code to such other geographical divisions as may be subject to the Act.

#### ARTICLE XIII—EFFECTIVE DATE

The effective date of this Code shall be the second Monday after it is approved by the President of the United States.











