

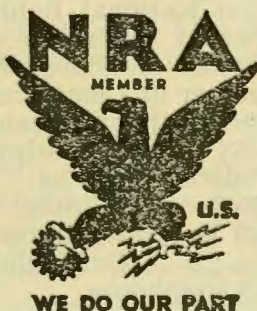
NATIONAL RECOVERY ADMINISTRATION

CODE OF FAIR COMPETITION

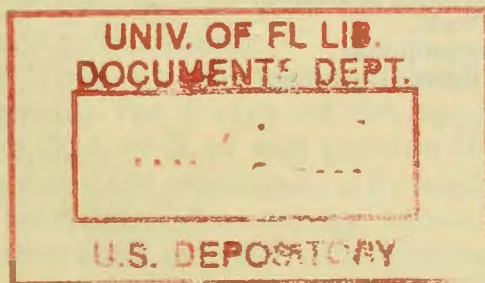
FOR THE

FUR MANUFACTURING
INDUSTRY

AS APPROVED ON MAY 19, 1934



WE DO OUR PART



UNITED STATES
GOVERNMENT PRINTING OFFICE
WASHINGTON: 1934



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Approved Code No. 436

CODE OF FAIR COMPETITION
FOR THE
FUR MANUFACTURING INDUSTRY

As Approved on May 19, 1934

ORDER

CODE OF FAIR COMPETITION FOR THE FUR 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 approval of a Code of Fair Competition for the Fur Manufacturing Industry, and hearings having been duly held thereon and the annexed report of 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, however, to the following conditions:

(1) That any member of the Industry may petition to the Administrator for a stay of the application of the provisions of Sections 2, 3, 4, or 5, or any portion thereof of Article IV of said Code, insofar as such provisions may apply to such member of the Industry, and the Administrator may, should it appear that justice so requires to relieve such member of undue or unusual hardship imposed upon such member by virtue of the said provisions, grant such a stay, pending approval of the recommendations of the Special Commission, created in Section 7 of Article IV of the Code, and upon such terms and conditions as the Administrator shall prescribe. Upon the issuance of an order approving the recommendations of the Special Commission regarding the wages to be paid by the members of the Industry in the area or locality in which the petitioning member operates, any stay that may have theretofore been granted such member, shall forthwith terminate.

(2) That the provisions of Section 13, Section 14, and Section 21 of Article VIII be and are hereby stayed pending further study and investigation of the probable effects of such provisions on the established practices and marketing needs of the Industry, and until the approval by me of recommendations of the Code Authority based upon such investigation, and subject to my further order.

HUGH S. JOHNSON,
Administrator for Industrial Recovery.

Approval recommended:

SOL A. ROSENBLATT,
Division Administrator.

WASHINGTON, D.C.,
May 19, 1934.

REPORT TO THE PRESIDENT

The PRESIDENT,
The White House.

SIR: This is a report of the hearing of the Code of Fair Competition for the Fur Manufacturing Industry conducted in Washington on December 29th, 1933. Post Hearing Conferences were also held on January 13, January 15, and March 7, 1934.

HOOR PROVISIONS OF THE CODE

The Code establishes a maximum work week of thirty-five hours, with regulative provisions for a limited amount of overtime for employees engaged in the manufacture, production, remodelling and repair of fur articles. Members of shipping crews and persons employed in clerical and office work, except managers and executives earning in excess of thirty-five (\$35.00) dollars per week, are limited to forty hours. Members of shipping crews are permitted to work six hours of over-time per week during a maximum of five weeks per year, provided that time and one-third is paid for any and all such over-time work.

The standard work week for about 90% of the Industry has been forty hours since 1926. The hour provisions of this Code will increase employment by approximately 12.5%. Shortening of the hours of work as well as the restriction of over-time will also have the effect of increasing the duration of the season of employment. It is recognized that by no means all of the unemployment in the Industry will be absorbed by the thirty-five hour week. A condition exists, however, whereby there is a great surplus of available labor in New York, the principal market of the Industry, and a real scarcity of labor in the out of town markets. To so curtail the hours as to absorb the unemployment in the New York market would place the out of town markets at a serious disadvantage. It was necessary to strike an appropriate mesne between the necessities of the New York market and all of the other markets of the country. It should be stressed, however, that the thirty-five hour week established by this Code will not sufficiently absorb the unemployment in the Industry and that as soon as possible, these hours should be further reduced.

WAGE PROVISIONS OF THE CODE

The Code establishes a basic minimum wage of forty cents per hour for all employees in the Industry. Minima are also established for the more skilled classes of employees. Classified wage schedules are eminently of necessity in this Code. The Industry has become accustomed to such schedules through a long history of collective labor agreements, and the purpose of the Act to establish conditions

of Fair Competition could not be achieved unless such classified wage rates were included in the Code. The usual opposition to classified rates has been absent in this case. The Industry unanimously agreed that such were necessary, the only disagreement arising as to the differentials to be established between the various markets. Many conferences were devoted to this latter subject and much data was submitted. It became apparent, however, that the appropriate differentials could not be worked out by means of negotiation and could only be arrived at after an exhaustive survey of the various markets. Consequently it was agreed that the Administration create arbitrary differentials between the various markets and that the Code set up a special commission to be appointed by the Administrator, for the purpose of conducting such a study and of reporting to the Administrator on or before July 1st, 1934, with its recommendations as to appropriate differentials.

If it should appear that these wage scales impose an undue and unusual hardship upon any individual or upon any market prior to the date that the recommendations made by the commission have been reported and embodied in the Code in the form of amendments, such individual or such market may petition to the Administrator for relief.

OTHER LABOR PROVISIONS

The Code provides that no person under eighteen years of age shall be employed in the actual manufacture of fur articles and that no other person under sixteen years of age shall be employed in the Industry. Inside contracting is categorically prohibited and outside contracting is placed under stringent regulations. The contracting system of production is much less developed in the Fur Industry than in most other branches of the Needle Industry. It has never gained much foothold here, partly because of the nature of the Industry, but principally because of the objection of both labor and industry. Outside contracting has been prohibited by the New York Labor Agreements for a number of years. Both industry and labor proposed to prohibit categorically the contracting system of production. It is felt, however, that such a prohibition might be unwise and that for a limited time, at least, an effort be made to eliminate the evils of the system, rather than eliminate the system itself. Should it subsequently be found that control of outside contractors is impossible further and more drastic steps may be taken.

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 practice, 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 said Title of said 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 association is an industrial association truly representative of the aforesaid Industry; and that the 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 the Code has been approved.

Respectfully,

HUGH S. JOHNSON,
Administrator.

MAY 19, 1934.

CODE OF FAIR COMPETITION FOR THE FUR MANUFACTURING INDUSTRY

ARTICLE I—PURPOSES

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

ARTICLE II—DEFINITIONS

1. The terms "Fur Manufacturing Industry" or "Industry" as used herein mean and include the manufacture, production, repair, and remodeling of fur articles, and the sale thereof by manufacturers and/or producers, or by any firm, corporation or other form of enterprise totally or partly owned and/or directly or indirectly controlled by any manufacturer or producer of said fur articles, whether such sales are made directly by said manufacturer or producer or through any sales agency, and such related branches or subdivisions as may from time to time be included under the provisions of this Code. Said terms do not include, however, the manufacture and sale by retailers of custom made fur articles manufactured to the order and specifications of the consumer and sold directly to the consumer, nor the repair or remodeling of fur articles by retailers directly for the consumer; nor do said terms include the sale of fur articles by wholesale fur distributors engaged exclusively in wholesale business in no way connected directly or indirectly with any manufacturer or producer of fur articles.

2. The term "fur articles" as used herein means and includes fur coats, fur scarfs, fur trimmings and kindred articles made from furs and skins.

3. The term "employee" as used herein means and includes any person engaged in any phase of the Industry, in any capacity, receiving compensation for his services, irrespective of the nature or method of payment of such compensation, including members of a co-partnership or a firm or an officer, director or stockholder of a corporation doing such work.

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

5. The term "member of the Industry" as used herein means and includes any person, firm, co-partnership or corporation, or other form of enterprise exclusively or in part engaged in the Industry, either as employer or on his, their or its own behalf, and including without limitation, any selling organization owned or controlled by anyone engaged in the Industry.

6. 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.

ARTICLE III—HOURS

1. Except as hereinafter provided, no employee shall be permitted to work in excess of thirty-five (35) hours in any one (1) week, nor in excess of seven (7) hours in any working day.

2. Except as hereinafter provided, no overtime whatsoever shall be permitted in the manufacture, production, remodeling, or repairing of fur articles. Any member of the Industry may apply to the Regional Industrial Relations Committee for the Region in which such member operates, or, if no Regional Industrial Relations committee exists in such Region, to the Industrial Relations Committee of the Code Authority, for certification of compliance with all rules and regulations governing the need for the employment of emergency or over time workers due to shortage of workers. Upon such certification of compliance, and upon favorable recommendation of such Industrial Relations Committee, the Code Authority may, subject to the disapproval of the Administrator, permit employment for overtime work. In no event, however, shall any employee be permitted to work in excess of ten (10) hours per week overtime, nor shall any overtime be permitted during more than eight (8) weeks in any calendar year, or in any market or locality in which there does not exist an actual shortage of available workers. Rates of pay for such overtime work as may be permitted, shall be not less than one and one-half ($1\frac{1}{2}$) times the normal rate of pay. Subject to review by the Administrator, the Code Authority may prescribe additional rules and regulations concerning overtime employment.

3. No employee engaged in the manufacture, production, repairing and/or remodeling of fur articles shall be permitted to work on any Saturday or Sunday, nor shall any employee be permitted to perform any such work before eight thirty (8:30) A.M., nor after four thirty (4:30) P.M., which is hereby termed a working day. In the event, however, that permission is granted a member of the Industry for overtime employment, in accordance with the provisions of Section 2 of this Article, employees may be permitted to work after four thirty (4:30) P.M.

4. The Code Authority with the approval of the Administrator may establish such shorter maximum work week than the foregoing as may be required to further effectuate the purposes of the Act.

5. No person employed in clerical or office work, unless he is employed in a managerial or executive capacity and earns not less than thirty-five dollars (\$35.00) per week shall be permitted to work in excess of forty (40) hours in any one (1) week, or in excess of eight (8) hours in any twenty-four (24) hour period.

6. Members of shipping crews shall not be permitted to work in excess of forty (40) hours in any one (1) week nor in excess of eight (8) hours in any twenty-four (24) hour period, except that such employees may be permitted to work forty-six (46) hours per week during a maximum of five (5) weeks in any calendar year,

provided that for any and all such work in excess of the forty (40) hour week, such employee shall be paid at not less than one and one-third ($1\frac{1}{3}$) times the hourly rate payable for the basic forty (40) hour week.

7. No member of the Industry shall knowingly permit any employee to work for any time which when added to the time spent at work for another member or members of the Industry exceeds the maximum permitted herein.

8. The provisions of this Article shall also apply to all employers insofar as they themselves perform the work of craftsmen.

9. The provisions of this Article shall not apply to outside salesmen.

10. Each member of the Industry shall administer work in his charge so as to provide the maximum continuity of employment practicable for his personnel. The Code Authority shall submit to the Administrator, as hereinafter provided, a plan for the regulation and stabilization of employment in this Industry.

ARTICLE IV ¹—WAGES

1. Except as hereinafter provided, no employee shall be paid at less than the rate of forty cents (40¢) per hour.

2. No employee engaged in the crafts enumerated below and employed in areas "A" or "B", as hereinafter defined, shall be paid at less than the following minimum rates:

Minimum rate per week of thirty-five (35) hours

Cutters:		Nailers:	
First Class -----	\$50.60	First Class -----	\$39.60
Second Class -----	44.00	Second Class -----	33.00
Operators:		Finishers:	
First Class -----	41.00	First Class -----	38.50
Second Class -----	35.00	Second Class -----	30.80

3. No employee engaged in the crafts enumerated below and employed in area "C", as hereinafter defined, shall be paid at less than the following minimum rates:

Minimum rate per week of thirty-five (35) hours

Cutters:		Nailers:	
First Class -----	\$45.50	First Class -----	\$35.65
Second Class -----	39.60	Second Class -----	30.00
Operators:		Finishers:	
First Class -----	37.60	First Class -----	34.65
Second Class -----	31.70	Second Class -----	27.70

4. No employee engaged in the crafts enumerated below and employed in area "D", as hereinafter defined, shall be paid at less than the following minimum rates:

Minimum rate per week of thirty-five (35) hours

Cutters:		Nailers:	
First Class -----	\$43.00	First Class -----	\$33.70
Second Class -----	37.40	Second Class -----	26.40
Operators:		Finishers:	
First Class -----	35.50	First Class -----	32.70
Second Class -----	30.00	Second Class -----	26.20

¹ See paragraph 2 (1) of order approving this Code.

5. No employee engaged in the crafts enumerated below and employed in area "E", as hereinafter defined, shall be paid at less than the following minimum rates:

Minimum rate per week of thirty-five (35) hours

Cutters:		Nailers:	
First Class	\$40.50	First Class	\$31.60
Second Class	35.20	Second Class	26.70
Operators:		Finishers:	
First Class	33.45	First Class	30.80
Second Class	28.20	Second Class	24.60

6. For the purposes of this Code the United States shall be divided into five (5) areas, as follows:

(a) Area "A" shall include the States of New York, Connecticut, Massachusetts, Rhode Island, Maine, New Hampshire, Vermont, New Jersey, Pennsylvania, Delaware, Maryland, and the District of Columbia.

(b) Area "B" shall include the State of Illinois and the City of St. Louis, Missouri.

(c) Area "C" shall include the States of Wisconsin, Indiana, Ohio, and that portion of the State of Missouri outside the City of St. Louis.

(d) Area "D" shall include the States of Michigan, Minnesota, Iowa and California.

(e) Area "E" shall include all other places in which this Code is operative.

7. The differentials in the basic rates for the respective areas as established in Sections 2, 3, 4, and 5 of this Article, as well as the definition of the various areas as established in Section 6 of this Article are subject to modification and revision by the Administrator on the recommendation of the Special Commission hereinafter constituted.

On or before the effective date of this Code, the Administrator shall appoint a Special Commission which shall undertake a study and investigation of the various markets and areas of the Industry and shall, if necessary, conduct hearings in such various markets and areas for the purpose of determining the extent to which the provisions of this Article, and, in particular, the extent to which the differentials herein established, tend to promote conditions of fair competition between the various markets and areas of the Industry. Said Special Commission on the basis of such study and investigation shall have power to recommend to the Administrator any modification of the provisions of this Article which it may deem necessary to promote conditions of fair competition, including recommendations for the modification of the definitions of the respective areas, recommendations for the creation of new areas, and recommendations for a modification, change, increase or decrease of the differentials between the respective areas. Said Special Commission shall report to the Administrator with its recommendations, as hereinabove set forth, on or before July 1, 1934, and any and all of such recommendations upon approval of the Administrator shall become effective as part of this Code.

Said Special Commission shall also have such other and further duties and be vested with such other and further powers as the Ad-

ministrator may from time to time delegate to it, and any such further recommendations, upon the approval of the Administrator, shall also become effective as part of this Code.

8. The Code Authority, with the approval of the Administrator, shall determine and designate which type of work in the respective crafts shall be designated as "first-class" or "second-class." The basis of such designation shall be primarily the skill required and the type of skins and work of the respective craftsmen.

9. In the event that any of the provisions of this Article impose an undue and unusual hardship on any employer or on any market, such employer or such market may petition the Administrator for relief. The Administrator upon receipt of such petition shall conduct such hearings thereon as he may deem proper before granting relief.

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

11. 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 a 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.

12. This Article establishes minimum rates of pay which shall apply irrespective of whether or not an employee is compensated on a time rate or other basis, and the Code Authority shall, at times specified by the Administrator, investigate and report on the effect of such rates of pay on fair competition in the Industry, and the continuance of such rates of pay, as minimum rates of pay only.

13. No employee shall be compensated on a piece work basis, and employees working less than the basic thirty-five (35) hour week shall be paid proportionately no less than the minimum rates provided herein for the basic thirty-five (35) hour week.

14. No employer shall make any reduction in the full time weekly earnings of any employee whose normal full time weekly hours are reduced by twenty percent (20%), or less, below those existing for the four weeks ending July —, 1933. When the normal full time weekly hours of an employee are reduced by more than said percent, the full time weekly wage of such employee shall not be reduced by more than one half of the percentage of hour reductions above said percent. In no event shall hourly rates of pay be reduced, irrespective of whether compensation is actually paid on an hourly, weekly, or other basis, nor shall any wages be at less than the minimum rates herein provided.

Within thirty (30) days of the effective date hereof, (unless such adjustment has been made theretofore) each employer shall adjust the schedule of wages of his employees in such an equitable manner as will conform to the provisions hereinabove set forth, and still

preserve wage differentials reasonably proportionate to those in effect prior to the effective date of this Code.

ARTICLE V—GENERAL LABOR PROVISIONS

1. No person under sixteen (16) years of age shall be employed in the Industry and no person under eighteen (18) years of age shall be employed in any manufacturing operations on fur articles. In the event of a claim of alleged violation of this section, an employer shall be deemed to have complied with the provisions of this section if he shall have on file and shall submit a certificate of age issued by the duly authorized department of the State in which the employer operates, showing the age of the employee to be no less than the age required by this section.

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 representative or in self-organization or in other concerted activities for the purpose of collective bargaining or other mutual aid or protection.

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

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

5. No employer shall reclassify employees or duties of occupations performed or engage in any other subterfuge so as to defeat the purposes or provisions of the Act or of this Code.

6. Every employer shall provide for the safety and health of his employees during the hours and at the places 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, which standards, upon his approval, shall become effective as part of this Code.

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

8. All employers shall post and keep posted complete copies of Articles III, IV, and V of this Code in conspicuous places accessible to employees, and otherwise comply with all posting rules and regulations which the Administrator may issue from time to time.

9. No member of the Industry shall manufacture or produce or cause to be manufactured or produced any fur articles under conditions commonly known as "inside contracting."

10. The Code Authority subject to the approval of the Administrator shall, within thirty (30) days of the effective date of this Code, and, if necessary, from time to time thereafter, issue rules and regulations concerning the manufacture and production of fur articles and/or any part thereof that may be necessary or required to finish

or complete any fur articles under conditions commonly known as "outside contracting", and after such approval by the Administrator no member of the Industry shall manufacture and/or produce or cause to be manufactured and/or produced any fur articles and/or any part thereof that may be necessary or required to finish or complete any fur articles under such conditions as "outside contracting", except by full compliance with such rules and regulations, nor shall any member of the Industry manufacture or produce or cause to be manufactured or produced any fur articles and/or any part thereof that may be necessary or required to finish or complete any fur articles under such conditions of "outside contracting" unless the "outside contractor" shall comply in all respects with all such rules and regulations.

Without limitation, such rules and regulations shall include rules and regulations concerning (a) registration of contractors and those employing contractors; (b) uniform written contracts which shall be used in all relationships between contractors and those employing contractors; (c) the filing of all such written contracts with the Code Authority; (d) reports by contractors and those employing contractors; and (e) responsibilities of contractors and those employing contractors for full compliance with the provisions of this Code and all amendments when made thereto.

It is expressly recognized that "outside contractors" are members of the Industry and that they shall comply in all respects with all the provisions of this Code and all amendments when made thereto.

For the purposes of this Code, the term "outside contractor" shall mean and include any person employing manufacturing labor and operating in a regular place of business who manufactures or produces in whole or in part for the account of another any fur articles and/or any part thereof that may be necessary to finish or complete any fur articles.

No member of the Industry shall employ any "outside contractors" unless such contractor be an employer of manufacturing labor and operating in a regular place of business.

The provisions of this Section shall remain in full force and effect for six (6) months from the effective date of this Code. The Special Commission established in Section 7 of Article IV of this Code shall, in addition to its other duties, also study the contracting problems of the Industry, and, should it find that the interests of the Industry will best be served by modification, amendment, or continuation of the provisions of this section, it shall make to the Administrator such recommendations thereon as it may deem necessary and such recommendations, upon the approval of the Administrator, after notice to all parties interested and such hearings as the Administrator may deem necessary, shall become effective as a part of this Code.

11. No manufacturing or production work shall be contracted for performance in the home of an employee.

12. Any employer who at any time shall manufacture any fur article or articles shall be bound by all the provisions of this Code as to all employees engaged, in whole or in part, in such manufacture. In case any employee shall be engaged partly in such manufacture and partly in manufacture of goods of another character,

this Code shall apply to such portion of such employee's time as is applied to the manufacture of articles subject to this Code.

ARTICLE VI—ADMINISTRATION

1. A Code Authority is hereby constituted to cooperate with the Administrator in the administration of this Code. The Industry members of said Code Authority shall be selected as hereinafter set forth:

(a) Two (2) members to represent the Associated Fur Coat and Trimming Manufacturers, Inc. designated by the Board of Directors of said association.

(b) Two (2) members to represent the New York Fur Trimming Manufacturers Association, designated by the Board of Directors of said Association.

(c) Two (2) members to represent the United Fur Manufacturers Association, Inc. designated by the Board of Directors of said Association.

(d) One (1) member to represent the Chicago Fur Trimming Manufacturers Association designated by the Board of Directors of said Association.

(e) One (1) member shall be elected by the members of the Industry unaffiliated with any of the Associations hereinabove enumerated, and located in Area "A" as defined in Section 6 (a) of Article IV of this Code. Said election shall be conducted under the supervision of the Administrator or his authorized representative.

(f) One (1) member shall be elected by members of the industry unaffiliated with any of the Associations hereinabove enumerated, and located in any other part of the United States outside of Area "A" as defined in Section 6 (a) of Article IV of this Code. Said election shall be conducted under the supervision of the Administrator or his authorized representative.

(g) Three (3) Administration members without vote shall be appointed by the Administrator, two of which may be appointed upon the nomination of the Labor Advisory Board of the National Recovery Administration.

2. 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.

3. 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 prescribe such hearings as he may deem proper, and may require an appropriate modification in the method of selection of the Code Authority.

4. 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 any one for any act of any other member, officer, agent or employee of the Code

Authority. Nor shall any member of the Code Authority exercising reasonable diligence in the conduct of his duties hereunder be liable to any one for any action or omission to act under this Code, except for his own willful malfeasance or nonfeasance.

5. If the Administrator shall at any time determine that any action of the 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 the 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. Subject to such rules and regulations as may be issued by the Administrator, the Code Authority shall have the following powers and duties, in addition to those authorized by other provisions of the Code.

(a) To insure the execution of the provisions of this Code and to provide for the compliance of the Industry with the provisions of the Act.

(b) To adopt by-laws, and rules and regulations for its procedure and for the administration and enforcement of this Code, 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 effect the purposes of the Act.

(c) To obtain from the members of the industry such information and reports as are required for the administration of this Code. In addition to information required to be submitted to the Code Authority, members of the Industry shall furnish such statistical information as the Administrator may deem necessary for the purposes recited in Section 3 (a) of the Act to such Federal and State agencies as he may designate; provided that nothing in this Code shall relieve any member of the industry of any existing obligations to furnish reports to any government agency. No individual report shall be disclosed to any other member of the industry or any other party except to such governmental agencies as may be directed 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 herein, 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 make recommendations to the Administrator for the coordination of the administration of this Code with such other codes, if any, as may be related to or affect members of this Industry, or any subdivision thereof.

(f) (1) It being found necessary, in order to support the administration of this Code and to maintain the standards of fair competition established by this Code and to effectuate the policy of the Act, the Code Authority is authorized, subject to the approval of the Administrator:

(a) To incur such reasonable obligations as are necessary and proper for the foregoing purposes and to meet such obligations out of funds which may be raised as hereinafter provided and which shall be held in trust for the purposes of the Code;

(b) To submit to the Administrator for his approval, subject to such notice and opportunity to be heard as he may deem necessary, (1) an itemized budget of its estimated expenses for the foregoing purposes, and (2) an equitable basis upon which the funds necessary to support such budget shall be contributed by members of the Industry;

(c) After such budget and basis of contribution have been approved by the Administrator, to determine and secure equitable contribution as above set forth by all such members of the Industry, and to that end, if necessary, to institute legal proceedings therefor in its own name.

(2) Each member of the Industry shall be liable for his or its equitable contribution to the expenses of the maintenance of the Code Authority as hereinabove provided. Only members of the Industry complying with the Code and contributing to the expenses of its administration as provided in Section 1 hereof shall be entitled to participate in the selection of the members of the Code Authority or to receive the benefit of its voluntary activities or to make use of any emblem or insignia of the National Recovery Administration.

(g) To cooperate with the Administrator in regulating the use of any emblem or insignia of the National Recovery Administration solely by those members of the Industry who have assented to, and are complying with, this Code.

(h) To establish or designate, subject to the approval of the Administrator, such agencies on planning and fair practice as may be necessary, which agencies shall cooperate with the Code Authority in developing fair trade practices and industrial planning, including the regularization and stabilization of employment for the industry.

(i) To issue such further rules and regulations necessary to establish further fair trade practices, as may be recommended by the agency defined above, and as may be approved by the Administrator.

(j) To initiate, consider, and make recommendations for the modification or amendment of this Code, which modifications or amendments shall become effective as part hereof upon approval by the Administrator after such notice as he may specify.

(k) To formulate, subject to the approval of the Administrator 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 of the Industry. Thereafter all members shall determine and/or estimate costs in accordance with the principles of such methods.

(l) To undertake, in conjunction with the Code Authorities of related industries, an investigation of style piracy and to recommend to the Administrator, within a reasonable period of time, appropriate means for the regulation and control of style piracy, which recommendations, upon the approval of the Administrator and after such notice and hearing as he may prescribe, shall become effective provisions of this Code.

(m) To recommend to the Administrator provisions for Unemployment Insurance Fund and regulations to govern the administration of said Fund.

(n) To create, subject to the approval of the Administrator, Regional Fur Manufacturing Code Authorities to assist in the administering of this Code.

(o) To provide appropriate facilities for arbitration, and, subject to the approval of the Administrator, to prescribe rules of procedure and rules to effect compliance with awards and determinations.

(p) To appoint a Trade Practice Committee which shall meet with the Trade Practice Committees appointed under such other codes as may be related to the industry for the purpose of formulating fair trade practices to govern the relationships between employees under this Code and employers under such other codes to the end that such fair trade practices may be proposed to the Administrator as amendments to this Code and such other codes.

7. There shall be established an Industrial Relations Committee for the industry, which shall consist of an equal number of representatives of employers and employees and an impartial chairman. The Administrator shall appoint such impartial chairman upon the failure of the committee to select one by agreement. If no truly representative labor organization exists, the employee members of such board may be nominated by the Labor Advisory Board of the N.R.A. and appointed by the Administrator. The employer representatives shall be chosen by the Code Authority. Such committee shall deal with complaints and disputes relating to labor in accordance with rules and regulations issued by the Administrator. The Industrial Relations Committee may establish such divisional, regional, and local industrial adjustment agencies as it may deem desirable, each of which shall be constituted in like manner as the Industrial Relations Committee.

ARTICLE VII—N.R.A.

1. All fur articles produced, manufactured, repaired, or remodeled, subject to the provisions of this Code shall bear an N.R.A. label, or an authorized substitute therefor, to symbolize to purchasers of said fur articles the conditions under which they have been manufactured, produced, repaired or remodeled. The labels to be borne by fur articles which have been repaired or remodeled shall be designed in such a manner as to serve both as a receipt to the customer and as an order ticket for the member of the Industry.

2. Under the powers vested in the Administrator by Executive Order of October 14, 1933, and under grant of the necessary authority by him, the Code Authority shall have the exclusive right in this industry to issue and furnish said labels to the members thereof.

3. Each label shall bear a registration number especially assigned to each member of the industry by the Code Authority, and shall remain attached to all such fur articles when sold.

4. Any and all members of the industry may apply to the Code Authority for a permit to purchase and use such N.R.A. labels, which permit shall be granted to them, but only, if, and so long as, they comply with this Code. The Code Authority shall not refuse the

issuance of labels to any member of the industry on the ground of noncompliance by such member with this Code or with valid rules and regulations of the Code Authority, unless said Code Authority is, at the time of such refusal, prepared to certify to the Administrator that noncompliance by such member with this Code, and/or with such valid rules and regulations has been established to the satisfaction of the Code Authority after a hearing or notice, and due opportunity has been given to the alleged violator to be heard. In the event the Code Authority so refuses the issuance of such labels, a complete file showing the alleged noncompliance by such member of the industry shall be certified not later than the day following said refusal, to the Administrator, which refusal of the Code Authority shall be subject to the approval of or modification of the Administrator. The Administrator shall, if necessary, certify said alleged violation for action, to the National Compliance Director or such other Governmental or Administrative Agency as the Administrator may direct.

5. Subject to the approval of the Administrator, the Code Authority shall establish rules and regulations and appropriate machinery for the issuance and sale of labels and the inspection, examination and supervision of the practices of members of the industry using such labels for the purposes of ascertaining the right of such members of the industry to the continued use of said labels; or protecting purchasers in relying on said labels; and of insuring to each individual member of the industry that the symbolism of said label will be maintained by virtue of compliance with the provisions of this Code by all other members of the industry using said label.

6. The charge for such labels by the Code Authority shall at all times be subject to supervision and orders of the Administrator.

7. The application of the provisions of this Article shall at all times be subject to rules and regulations issued by the Administrator in respect thereto.

8. No member of the industry shall purchase, sell or exchange any article manufactured under another Code of Fair Competition which requires such article to bear N.R.A. label unless such label has been attached to such Article.

ARTICLE VIII ²—TRADE PRACTICE RULES

1. For all purposes of this Code the acts described in this article shall constitute unfair practices. Any member of the industry who shall, directly or indirectly, through any officer, employee, agent, or representative, knowingly engage in, use, employ, or permit to be employed, any of such unfair practices shall be guilty of a violation of the Code.

2. 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, their use, trademark, 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

² See paragraph 2 (2) of order approving this Code.

conducted. The nature or form or character of the business conducted shall be conspicuously posted on his premises by each member of the industry.

3. No member of the industry shall use selling methods or credit terms which tend to deceive or mislead the customer or prospective customer.

4. No member of the industry shall knowingly withhold from or insert in any quotation or invoice any statement that makes it inaccurate in any material particular. The Trade name, where it is not descriptive and not qualified by the true name of the skin shall be deemed inaccurate in a material particular. When the Trade name is not descriptive, the true name shall be printed on the ticket attached to the garment at the time of its sale.

5. No member of the industry shall brand or mark or pack any goods in any manner which is intended to or does deceive or mislead purchasers with respect to the brand, grade, quality, quantity, origin, size, substance, character, nature, finish, material content or preparation of such goods.

6. No member of the industry shall publish advertising which refers inaccurately in any material particular to any competitors or their merchandise, prices, values, credit terms, policies or services.

7. No member of the industry shall defame a competitor by falsely imputing to him dishonorable conduct, inability to perform contracts, questionable credit standing, or by other false representation, or by falsely disparaging the grade or quality of his goods.

8. No member of the industry shall publish or circulate unjustified or unwarranted threats of legal proceedings which tend to harrass or have the effect of harrassing competitors or intimidating their customers.

9. No member of the Industry shall give, or permit to be given, or receive any secret payment or allowance of rebate, refund, commission, credit or unearned discount, either in the form of money or otherwise, nor shall he secretly extend to any purchaser any special services or privileges not extended to all purchasers of the same class on like terms and conditions, nor shall he give or receive any unwarranted or excessive allowance for any damages or allegedly damaged goods bought or sold by him.

10. No member of the Industry shall pay directly or indirectly any part of the advertising expenses of any purchaser, prospective purchaser, or their agents.

11. No member of the Industry shall give, permit to be given, or directly offer to give anything of value for the purpose of influencing or rewarding the action of any employee, agent, or representative of another in relation to the business of the employer of such employee, the principal of such agent, or the represented party without the knowledge of such employer, principal or party. 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.

12. No member of the industry shall wilfully induce or attempt to induce the breach of existing contracts between competitors and their customers or sources of supply by any false or deceptive means; nor shall any member of the industry interfere with or obstruct the

performance of such contractual duties or services by any such means, with the purpose and effect of hampering, injuring, or embarrassing competitors in their business.

13. The maximum terms of sale for fur coats and fur scarfs at wholesale shall be as follows: 2%, ten days, end of month (E.O.M.), plus Manufacturer's Federal Excise Tax on the sale price of each article sold. No credit terms shall be granted for a period longer than four (4) months from date of shipment. All credits for a period in excess of ten days end of month shall be covered by the purchaser giving his trade acceptance for the purchase price bearing legal rate of interest from date of shipment. The Manufacturer's Federal Excise Tax on the sale price of each article shall be payable no later than the twenty-fifth day of the month following the date of shipment.

14. The maximum terms of sale for fur trimmings at wholesale shall be as follows: net 10 days E.O.M. plus Manufacturer's Federal Excise Tax on the sale price of each article sold. The Manufacturer's Federal Excise Tax on the price of each article shall be payable no later than the twenty-fifth (25th) day of the month following the date of shipment.

15. No member of the industry or his agent shall ship or deliver any fur articles on what is known as "consignment" or "memorandum" arrangement, except that a member of the industry may ship fur articles for selection or approval, upon condition that such fur articles be returned, or shipped for return, within not more than three (3) days from its receipt by the consignee.

16. Except upon approval first obtained from the Code Authority, and in accordance with such rules and regulations as the Code Authority shall issue and the Administrator shall approve, and after such approval no member of the industry or his agent shall directly or indirectly:

(a) Accept for credit the return of the whole or any part of merchandise, where the same has been selected and purchased by the customer or his agent from stock and shipped pursuant to written order.

(b) Leave with any buying offices, samples of fur articles.

(c) Accept and execute any orders placed by resident buyers, unless such resident buyers are registered with the Code Authority, and comply with the above rules and regulations.

(d) Give exhibitions or promote any "sales" or "style shows" with his own fur articles, on the premises of a retailer or customer.

(e) Give, furnish, lend, or ship any fur articles to any customer for the purpose of using the same as "show pieces" for window or other display, with the privilege to the customer of returning same.

(f) Accept the return of any fur coats and fur scarfs shipped to customers nor allow credit therefor, nor exchange the same where such articles have been shipped in accordance with specifications and in full compliance with a written order, and where such articles have been in the possession of the purchaser for more than five (5) days, unless such articles are returned because of latent defects not discoverable by reasonable inspection.

(g) Accept the return of any fur trimmings shipped to customers nor allow credit therefor, nor exchange the same where such articles have been shipped in accordance with specifications and in full

compliance with a written order, and where such articles have been in the possession of the purchaser for more than two (2) days, unless such articles are returned because of latent defects not discoverable by reasonable inspection.

(h) Deliver or permit to be delivered any fur articles to anyone unless a written receipt therefor is received from the customer or his agent.

17. No member of the Industry shall sell or service any fur articles at a price less than his own individual cost as computed by the uniform cost system provided in Article VI, Section 6 (k) of this Code, except that a member of the Industry may meet the price competition of another member of the Industry whose costs as computed by said uniform cost system may be lower, and except that this provision shall not apply to seasonal clearance sales and sales of actually shopworn, defective or damaged goods. Such shopworn, defective or damaged goods shall be plainly marked as such.

18. No member of the Industry shall maintain for sale any stock of fur articles, with any resident commission salesman or employ any resident commission salesman, unless such salesman be registered by the member of the Industry with the Code Authority and said salesman shall have agreed to comply with the regulations pertaining to resident commission salesmen issued and established by the Code Authority and approved by the Administrator. Such regulations shall include among other things: (a) A standard or uniform contract of employment which shall specify in detail the terms and conditions under which such resident commission salesmen may be employed; (b) The number of members of the Industry who may employ the same resident commission salesman at the same time; (c) That such resident salesmen shall sell or obtain orders only on non-conflicting and non-competing sample lines of fur articles, and shall not ship or deliver any fur articles on what is known as "memorandum" or "consignment" arrangements, and that such salesmen shall comply with all other provisions of this Code, relating to the sale of fur articles by members of the Industry.

The provisions of this section shall remain in full force and effect for one (1) year from the effective date of the Code.

The Special Commission established in Section 7 of Article IV of this Code shall, in addition to its other duties, also study the marketing problems of the industry and should it find that the interests of the industry will best be served by modification, amendment or continuation of the provisions of this section, it shall make to the Administrator such recommendations thereon as it may deem necessary, and such recommendations, upon the approval of the Administrator, shall become effective as a part of this Code.

19. No member of the industry shall employ, execute orders for, or deal with any type of salesmen commonly known as "free lance" salesmen or "roving commission salesmen" unless such salesmen be registered with the Code Authority and have agreed in writing to comply with such rules and regulations as the Code Authority, with the approval of the Administrator, may establish concerning the terms and conditions under which such class of salesmen may be employed, dealt with and compensated by the members of the industry.

20. Except as otherwise provided in this Article, no member of the industry shall sell fur articles through any salesmen except such salesmen as are in the exclusive employ of such member of the industry, unless such salesmen be registered with the Code Authority in accordance with regulations established by the Code Authority and approved by the Administrator.

21. No member of the industry shall give any reward or pay any commission to resident buyers for placing any orders to be executed by the seller.

ARTICLE IX—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 subsection (b) of Section 10 of the Act, from time to time to cancel or modify any order, approval, license, rule or regulation issued under Title I of said Act, and specifically, but without limitation, to the right of the President to cancel or modify his approval of this Code or any conditions imposed by him upon his approval thereof.

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

ARTICLE X—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 XI—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 should be delayed. But when made such increases should, so far as possible, be limited to actual increases in the seller's costs.

ARTICLE XII—EFFECTIVE DATE

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

Approved Code No. 436.

Registry No. 912-03.

