

NATIONAL RECOVERY ADMINISTRATION

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CODE OF FAIR COMPETITION

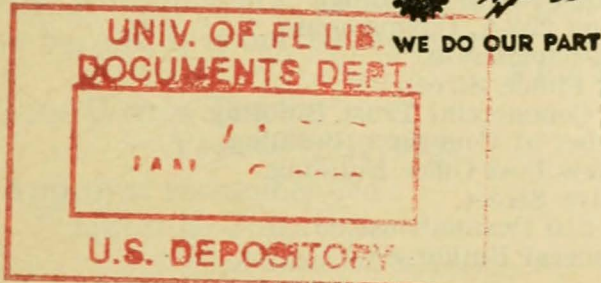
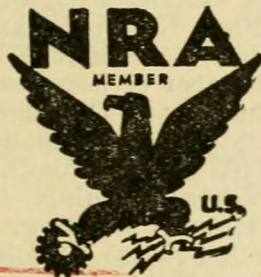
FOR THE

LEATHER AND WOOLEN  
KNIT GLOVE INDUSTRY

AS APPROVED ON NOVEMBER 4, 1933

BY

PRESIDENT ROOSEVELT



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

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## EXECUTIVE ORDER

### CODE OF FAIR COMPETITION FOR THE LEATHER AND WOOLEN KNIT GLOVE 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 Leather and Woolen Knit Glove 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 the 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, to 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.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE,  
*November 4, 1933.*

Approval recommended:

HUGH S. JOHNSON,  
*Administrator.*

(III)



NOVEMBER 3, 1933.

The PRESIDENT,  
*The White House.*

SIR: The Leather and Woolen Knit Glove Industry, as defined by its code, includes manufacturers of all leather gloves, mittens, and woolen-knit gloves. The code for this industry has been sponsored by its one representative trade association, namely, the National Association of Leather Glove Manufacturers, Inc., of Gloversville, N.Y. Members of this association manufacture upwards of ninety percent (90%) of the all-leather gloves made in the United States. A proposed code of fair competition for the industry was presented to the Administrator by the association on August 15, 1933, was revised and resubmitted, and a hearing on the revised code was held on September 6, 1933. The code was further revised in subsequent conferences, and is herewith recommended for executive approval.

The Code of Fair Competition for the Leather and Woolen Knit Glove Industry may be summarized as follows:

Article I states the general purposes of the code.

Article II sets forth certain definitions of terms used in the code, and fixes the effective date.

### ARTICLE III

1. Specifies the maximum hours of labor for employees in the industry;

2. Provides that individual cutters may not work in excess of the maximum hours in one or more factories, or by supplementing their factory work by cutting skins at home.

### ARTICLE IV

1. Designates the minimum hourly wages applicable to the industry, limits the employment of apprentices, provides that skilled labor shall be paid at rates equitably adjusted above the minimum;

2. Provides for a report to the code authority with reference to glove-cutting apprentices;

3. Specifies the maximum percentage of superannuated or partially incapacitated workers to be employed, permitting such workers to be paid their earnings at piece rates without regard to minimum wages;

4. Provides that minimum wage applies irrespective of whether an employee is engaged on piecework or timework operations;

5. States that female and male employees, performing substantially the same work, shall be equally compensated;

6. Empowers the code authority to designate for skilled employees scales above the minimum provided in article IV, paragraph I, and to make appropriate geographical differentials in this scale;



7. Requires the posting of wage schedules in workrooms;
8. Provides for periodic reports from the code authority to the Administrator in respect of the operation of the wage provisions.

#### ARTICLE V

1. Prohibits the employment in the industry of persons under sixteen (16) years of age;
2. Quotes the provisions of paragraph I of section 7 (a) of the National Industrial Recovery Act;
3. Quotes the provisions of paragraph 2 of section 7 (a) of the National Industrial Recovery Act;
4. Quotes the provisions of paragraph 3 of section 7 (a) of the National Industrial Recovery Act;
5. Provides that the code shall not supersede state laws imposing more stringent requirements;
6. Prohibits the reclassification of employees or duties of occupations to defeat the purposes of the act;
7. Provides that each employer shall post in conspicuous places in his workroom full copies of the code;
8. Provides for the reduction of home work by at least 25% within six months after the effective date of the code, and by at least another 25% within one year after the effective date of the code, and specifies that within that time the code authority shall make recommendations designed to eliminate outside work completely; the employment of additional outside operators after the date of approval of this code is also prohibited and the names of all outside employees are required to be registered with the code authority;
9. Requires the payment of minimum hourly earnings to employees who are required or permitted to remain in the shop waiting for work;
10. States that manufacturers are to provide work to contractors only if they specify that such contractors shall employ labor under the terms specified by the code.

#### ARTICLE VI

Creates a code authority for the industry, outlines its duties and responsibilities, and designates the National Association of Leather Glove Manufacturers as the agency to receive reports referred to in the code;

Creates a Fair Trade Practice Agency and provides for the submission to the Administrator of the information necessary for the purposes specified in section 3 (a) of the act.

#### ARTICLE VII

Sets forth provisions of the code governing importers.

#### ARTICLE VIII

Enumerates Fair Trade Practices.



## ARTICLE IX

1. Quotes section 10 (b) of the National Industrial Recovery Act with respect to changes in the code;
2. Provides that the code may be modified with the approval of the President as experience may dictate.

## ARTICLE X

Prohibits monopolistic practices.

## ARTICLE XI

Seeks to limit increases in prices of goods to the actual increases in the seller's costs.

## ARTICLE XII

Provides for the appropriate adjustment of the increased costs of executing contracts as a result of the operation of the National Industrial Recovery Act or of the code.

## ARTICLE XIII

States the effective date of the code.

## NATURE OF THE INDUSTRY

The Leather and Woolen Knit Glove Industry is essentially a small-scale industry in which wages represent nearly fifty percent (50%) of the total of manufacture. In 1931 its two hundred twenty-seven (227) establishments employed an average of seven thousand eight hundred eighty-four (7,884) factory wage earners, or less than an average of thirty-five (35) per plant. This is exclusive of home workers who constitute a substantial percentage of total employees. During the past three (3) decades there has been a definitely downward trend in the number of wage earners employed by the industry. In 1929 the industry employed an average of nine thousand two hundred three (9,203) factory employees as compared with fourteen thousand three hundred forty-five (14,345) in 1899. It has already been noted that further declines had occurred by 1931, and it is estimated that wage earners employed decreased even further in 1932.

Little information is available in respect of the number of home workers employed by the industry. On the basis of a study made in Fulton County, N.Y., in June 1933, by the Women's Bureau of the United States Department of Labor, it is estimated that thirty-eight and two tenths percent (38.2%) of the total number of employees in this district are home workers who receive eighteen and nine tenths percent (18.9%) of the total payroll of the industry. Outside of the Fulton County vicinity, there is little home work. For the industry as a whole, it is estimated that nearly two thirds ( $\frac{2}{3}$ ) of the total number of employees are women.



The production of leather gloves in the United States is highly localized. According to the 1931 Census of Manufactures over two thirds ( $\frac{2}{3}$ ) of the production of the industry, on the basis of value of product, was manufactured in Fulton County, N.Y. In this County, about one third ( $\frac{1}{3}$ ) of the factory workers of the industry are employed, and household production is carried on most extensively. Glove making is the most important occupation of the workers of this community.

In the leather glove and mitten industry by far the greater number of operators are paid on a piece-work basis. Wage rates for the Fulton County branch of the industry have long been fixed by mutual agreements between the employers and the International Glove Workers' Union. Schedules similar to those prevailing in Fulton County are in effect throughout most of the industry. Home workers' rates have generally been ten percent (10%) below those paid for factory work.

The productive operations of the industry are subject to pronounced seasonal variations. Leather gloves are produced largely for a late fall and winter demand. This results in the greatest activity in the cutting department during the months from August to October. The peak of total employment ordinarily comes somewhat later.

Imports of leather gloves represent a greater number of dozens than does domestic production, and many manufacturers are also importers. In the distribution of leather gloves manufacturers and importers have many common problems.

#### THE HOME-WORK PROBLEM

In the leather-glove industry, hand labor has been displaced by machines to but a relatively minor extent. Moreover, the hand labor necessary in the conduct of the industry is, in general, highly skilled. Practically all of the productive operations of the industry can be carried on within the homes of the workers, and one of the major problems of the industry relates to the competitive abuses arising from home-work operations.

Because of the wide-spread extent of home work, it was evident that the system could not be immediately eliminated without a serious disorganization of the industry. Article VI, paragraph 8, of the code, provides for a realistic approach to the gradual elimination of home-work operations.

Within six (6) months after the effective date of the code twenty-five percent (25%) of the total outside sewing machine work is to be discontinued, and by the end of one (1) year after the effective date a further reduction of outside work by at least another twenty-five percent (25%) is required. With full knowledge of the effect of these steps, the code authority is then to review the subject and make such recommendations as appear practical for the complete elimination of outside work. It is believed that this is a sound procedure for gradually eliminating home work from an industry which could not at once abandon it without disorganization. Commendation is due the Association for the spirit in which it approached and met this problem.



## MINIMUM WAGES

Article IV, paragraph I, of this code provides that minimum earnings shall not be less than at the rate of thirty-two and a half cents ( $32\frac{1}{2}\text{¢}$ ) per hour, except for beginners, who are guaranteed earnings of not less than twenty-two and a half cents ( $22\frac{1}{2}\text{¢}$ ) per hour and as much more as may be earned at regular piece rates. No person may be classed as a beginner for a period in excess of the first twelve (12) weeks' work in the industry. While most of the employees of this industry work at piece rates and have earnings in excess of thirty-two and a half cents ( $32\frac{1}{2}\text{¢}$ ) per hour, a significant number of workers on an hourly basis earn below this minimum. The study made by the Women's Bureau of the United States Department of Labor shows that in June 1933 over two fifths ( $\frac{2}{5}$ ) of the men on an hourly wage basis received less than thirty cents ( $30\text{¢}$ ) per hour, while approximately one half ( $\frac{1}{2}$ ) of the women paid on a time-work basis received twenty-five cents ( $25\text{¢}$ ) per hour or less. Hence the minimum rates provided by this code will result in significant increases in earnings. Approximately eight thousand (8,000) workers in the industry will undoubtedly receive an increase in their average earnings as a result of the wage provisions of the code.

In lieu of providing minimum wages for occupations above the least skilled classifications, article IV, paragraph (6), of the code, specifies that minimum scales for piecework operations shall be established for the entire industry. Such scales are to be issued by the code authority following their approval by the Administrator. In the determination of these minimum scales, the code authority is to be guided by the Fulton County scales as determined from time to time by the collective bargaining arrangements now in effect. The code specifically provides that in determining these scales, revisions or adjustments of the Fulton County schedules may be made to meet differences in regional requirements.

The inclusion in a code of piece-rate scales or the incorporation thereof by reference raises questions both of law and of policy. It is inadvisable to incorporate by reference rules or regulations over which the Administration may have no control, which may vary from time to time, and which may not be known to all members of the industry. On the other hand, when in an industry standards are highest in a market which is responsible for two thirds ( $\frac{2}{3}$ ) of the production, unfair competition would result if other markets were left completely uncontrolled in respect of the wages there paid to skilled workers. It is believed that article IV, paragraph (6), as phrased in the code, is not open to the objections stated above. Adequate control is reserved to the Administrator who will scrutinize any proposed scales, rules, or regulations before they can be proclaimed by the code authority and will, if there is objection, give a hearing to the objectors.

## HOURS OF LABOR

Because of the nature of the product, a pronounced seasonality prevails in the production activity of the industry. The production peak for cutting occurs from August to October when production is



considerably in excess of other months in the year. Because it was anticipated that this code would become effective at the time of major activity, it is provided that, prior to December 1, 1933, employees may work not to exceed forty-four (44) hours per week. After the current seasonal requirements are met, the industry plans to take steps to level out its production schedule. In anticipation of this objective, the code provides that after December 1, 1933, employees in this industry are to work no more than eight (8) hours a day, and not to exceed forty (40) hours in any one (1) week. Discretion is given the code authority, however, subject to approval by the Administrator, to fix periods during the time of seasonal demands when a work week of forty-four (44) hours may be utilized for a period not to exceed four (4) months in any one (1) year. This is for emergency demands only. In all cases the industry is to operate on a single-shift basis.

The maximum hours specified by article III, paragraph (1), of the code, should result in a significant increase in the numbers employed by the industry. In July, 1933, the Women's Bureau of the United States Department of Labor investigated the hours of work prevailing in Fulton County. This study revealed that over seventy-five percent (75%) of the women employees worked from forty-nine (49) to forty-nine and a half (49½) hours. Over ninety percent (90%) of the men were on a schedule of fifty-five (55) hours per week and ten (10) hours per day. The reduction of hours in the factories in conjunction with the control provided over home-work operations will undoubtedly result in a substantial increase of employment.

#### THE FAIR TRADE PRACTICE AGENCY

During recent years, the demand for leather gloves has been fairly steady as regards members of pairs purchased. This has been true despite the fact that to a limited degree fabric gloves of various types compete with leather gloves. Nevertheless, for many years the domestic manufacture of leather gloves has been subject to a declining trend. Despite a relatively high tariff, imports of women's leather gloves now represent a greater number than those produced domestically. Many of the manufacturers of leather gloves supplement their lines with imported products. Because of the class relationship of the two types of product, and because of common sales problems, representatives of both manufacturers and importers of leather gloves desired to be governed by the fair trade practice provisions of this code. It was evident, however, that the importers had no direct concern with the provisions of the code relating directly to manufacturing operations. Because of the identity of the merchandising problems faced by both manufacturers and importers, article VI, paragraph (3), of the code, provides that importers of gloves shall be bound by article VIII of the code. For the administration of this article, a Fair Trade Practice Agency for this industry has been constituted, as follows:

Three (3) members designated by the National Association of Glove Manufacturers,



Three (3) members designated by the Glove Importers Association of the United States, and

One (1) member appointed by the Administrator.

For the administration of other parts of this code, a code authority has been created on which the importers have no representation. This administrative body is composed of five (5) members appointed by the National Association of Glove Manufacturers, two (2) members appointed by the Administrator on nomination of the Labor Advisory Board, and one (1) or more members may be appointed by the Administrator.

#### OTHER FEATURES OF THE CODE

Other portions of this code as recommended cover the following matters:

1. The number of beginners in occupations other than glove cutting shall at no time exceed ten percent (10%) of the number of manufacturing employees in a factory, except that every factory may have at least one (1) beginner. Because of peculiar conditions existing in the industry respecting the conditions of work of glove cutting apprentices, the code provides for the creating of an investigating committee of employers and employees. This committee is to recommend a policy for the governing of the wages of apprentices for this occupation, and limiting the number who can be so employed. Such recommendations are to be made to the code authority.

2. Because of the fact that the minimum wages provided by this code might result in a hardship to superannuated or partially physically incapacitated workers, it has been determined that such workers may be retained although their earnings at prevailing piece rates may be less than the minimum earnings provided by the code. The number of workers in this classification, however, shall not exceed ten percent (10%) of the employees in any factory.

3. It appears that in this industry contractors have occasionally employed labor without assuming full responsibility for the payment of the prevailing wages. Article V, paragraph (10) of the code, provides that an employer shall make no contract with a contractor unless it provides that the contractor shall employ labor under the terms specified in the code.

4. In order to insure that the terms of this Code may become fully applicable throughout the industry, article V, paragraph (7), specifies that employers shall post in their workrooms such copies of wage schedules and conditions of labor as shall be distributed by the code authority.

#### FINDINGS

The Administrator finds that:

- (a) The code as recommended complies in all respects with the pertinent provisions of title I of the act, including without limitation, subsection (a) of section 7, and subsection (b) of section 10 thereof; and that

- (b) The National Association of Leather Glove Manufacturers, Inc., imposes no inequitable restrictions on admission to membership



therein and is truly representative of the Leather and Woolen Knit Glove Industry; and that

(c) The code as recommended is not designed to promote monopolies or to eliminate or oppress small enterprises and will not operate to discriminate against them, and will tend to effectuate the policy of title I of the National Industrial Recovery Act.

Respectfully,

HUGH S. JOHNSON,  
*Administrator.*







# CODE OF FAIR COMPETITION FOR THE LEATHER AND WOOLEN KNIT GLOVE 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 Leather and Woolen Knit Glove Industry, and shall be binding upon every member thereof.

## ARTICLE II—DEFINITIONS

The terms "Leather and Woolen Knit Glove Industry" and "Industry" as used herein include the manufacture of all leather gloves and mittens and/or woolen knit gloves, and such branches or subdivisions thereof as may from time to time be included under the provisions of this Code.

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

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

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

The term "Association" means the National Association of Leather Glove Manufacturers, Inc.

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 said Act.

The term "effective date" means the second Monday after the approval of this Code by the President.

## ARTICLE III—HOURS

1. No employees excepting repair shop crews, firemen, cleaners, watchmen, drivers, shipping, and supervisory staff, shall be permitted to work in excess of forty-four (44) hours per week up to December 1, 1933, or thereafter more than forty (40) hours per week, nor more than eight hours in any one day. The Code Authority may, with the approval of the Administrator, fix periods during the seasons of peak production during which the work week shall not exceed forty-four (44) hours, for a total period not to exceed four (4) months in any one (1) year.

2. No glove cutter shall be given employment outside of a factory or in more than one (1) factory with the effect of affording



employment for more than the maximum number of hours prescribed, and no skins shall be issued for cutting outside the factory or after regular working hours except by express permission of the Code Authority.

#### ARTICLE IV—WAGES

1. No employee shall be paid at less than the rate of thirty-two and one half cents ( $32\frac{1}{2}\text{¢}$ ) per hour (except beginners and apprentices) and the rates for skilled labor shall be equitably adjusted above this minimum. Beginners on productive operations in the industry shall be paid not less than at the rate of twenty-two and one-half cents ( $22\frac{1}{2}\text{¢}$ ) per hour and as much more as the beginner may earn on the regular piecework basis prevailing in the occupation; provided, that no one shall be classed as a beginner longer than for the first twelve (12) weeks' work in the industry; and provided further, that the total number of beginners in any one establishment shall at no time exceed ten percent (10%) of the total number of manufacturing employees; but provided also, that each factory may have at least one (1) beginner.

2. The subject of glove-cutting apprentices shall be considered by a committee composed of an equal number of employers and employees which shall work out policies and submit recommendations to the Code Authority and to the Administrator.

3. Superannuated or partially incapacitated workers now employed in the industry on piecework may be retained and paid their earnings at the piece rates without regard to the minimum wages provided herein. The number thus retained shall not, in any event, exceed ten percent (10%) of the employees in the factory.

4. This Article establishes a minimum rate of pay, regardless of whether an employee is compensated on a time-rate, piecework, or other basis.

5. Female employees performing substantially the same work as male employees shall receive the same rates of pay as male employees.

6. The minimum rates of wages of skilled workers provided for in paragraph 1 of this Article shall be proclaimed from time to time by the Code Authority, after approval by the Administrator. The aforesaid minimum scales of wages shall be based upon the Fulton County wage scale, with any revisions, additions, amendments, or adjustments approved by the Administrator, to meet regional conditions and to maintain fair competition in the industry.

7. Employers shall post in their workrooms such copies of wage schedules in effect from time to time as may be distributed by the Code Authority.

8. The Code Authority shall report to the Administrator from time to time as to the effect of the operation of his provision, both generally and in cases of individual hardship, so that the Administrator may determine whether or not the provisions of this section shall be changed or exceptions granted hereunder.



## ARTICLE V—GENERAL LABOR PROVISIONS

1. No person under sixteen (16) years of age shall be employed in the 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.

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

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

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

7. Each employer shall post in conspicuous places in his work rooms full copies of this Code.

8. For the purpose of eliminating home work in the industry as rapidly as possible, within six (6) months after the effective date hereof, employers shall reduce their outside work by at least twenty-five percent (25%) of sewing-machine operators, taking as a basis for reduction the number of outside workers as of the effective date hereof. Within one (1) year after the effective date hereof, employers shall effect a further reduction of outside work by at least another twenty-five percent (25%), taking as a basis for reduction the number of outside workers as of the effective date hereof.

Within one (1) year after the effective date hereof, the Code Authority shall conduct investigations and make recommendations to the Administrator designed to eliminate outside work completely, which recommendations when approved by the Administrator shall have full force and effect as provisions of this Code.

From the date of approval of this Code, no additional outside operators shall be employed and no employer shall increase outside work for the purpose of evading the provisions of this Code. Employers shall register with the Code Authority the names of all outside workers.

9. When an employer cannot supply work to a piece worker, the latter shall be permitted to go home for the remainder of the day. If a worker is required or permitted to remain in the shop, such employee shall be remunerated for all such time at not less than the minimum hourly rate provided in this Code.

10. Employers shall not make contracts with contractors for any operation in the industry unless the contract provides that the contractor shall employ labor under the terms specified in this Code.



## ARTICLE VI—ADMINISTRATION

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

(1) The Code Authority shall be constituted as follows:

(a) It shall consist of seven (7) members or such other number as may be approved from time to time by the Administrator, to be selected as hereinafter set forth.

(b) Five (5) members shall be appointed by the Association, fairly representative of the industry; one (1) member may be appointed by the Administrator on the nomination of the Labor Advisory Board; one (1) or more members may be appointed by the Administrator.

(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.

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

(a) For the purpose of keeping the Administrator informed as to the observance of this Code of Fair Competition, and better to enable the industry to carry out the policy of the National Industrial Recovery Act, the Code Authority may require from each employer, in such form and at such intervals as it may prescribe, certified reports which shall include the following:

1. Employment, hours, wages, and wage rates.

2. Production, orders, billings, and stocks (in process and finished) of products manufactured.

3. Consumption and stocks of raw materials.

(b) The National Association of Leather Glove Manufacturers, Inc., Gloversville, N.Y., is hereby constituted the agency to collect and receive the reports referred to above and to gather such other information as may be required by the Code Authority, for the carrying out of the purposes of the National Industrial Recovery Act, and shall make reports of the same to the Administrator and Code Authority.

(c) The Code Authority shall make reports to the Administrator of the conditions in the industry and may from time to time make recommendations to him with regard to additions to, or changes in,



the provisions of this Code, including any that may be desirable to meet conditions in any special branch of the industry.

(d) The Code Authority may conduct investigations and hearings insofar as may be necessary to determine whether employers are complying with the provisions of this Code.

(e) For the purpose of enabling the Association to secure accurate information, as provided in Article VI, Section 2 (a) of this Code, and thus aiding in the carrying out of the purposes of the National Industrial Recovery Act and of this Code, it shall be the duty of the Association to endeavor to secure, as speedily as possible, the adoption of such uniform cost and accounting systems as may be recommended by the Code Authority and approved by the Administrator, after such notice and hearings as he may prescribe.

(f) Members of the Industry shall be entitled to participate in and share the benefits of the activities of the Code Authority and to participate in the selection of the members thereof by assenting to and complying with the requirements of this Code and sustaining their reasonable share of the expenses of this administration. The reasonable share of the expenses of administration shall be determined by the Code Authority, subject to review by the Administrator, on the basis of volume of business and/or such other factors as may be deemed equitable to be taken into consideration.

3. A Fair Trade Practice Agency is hereby created which shall cooperate with the Administrator in the administration and enforcement of the Fair Trade Practice provisions of this Code. The Fair Trade Practice Agency shall be constituted as follows:

Three (3) members shall be designated by the National Association of Glove Manufacturers.

Three (3) members shall be designated by the Glove Importers' Association of the United States.

One (1) or more members may be appointed by the Administrator.

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

## ARTICLE VII

Importers of gloves shall be bound by Article VI, Section 3 and Article VIII, but by no other provisions of this Code. They shall also be subject to such modifications of or additions to Article VIII of this Code as may hereafter be mutually agreed upon and approved by the Administrator.

## ARTICLE VIII—TRADE PRACTICES

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

1. Directly or indirectly to give or permit to be given, or offer to give, money or anything of value to agents, employees or representatives of customers or prospective customers, or to agents, employees or representatives of competitors' customers or prospective customers, without the knowledge of their employers or principals,



as an inducement to influence their employers or principals to purchase or contract to purchase from the makers of such gift or offer, or to influence with employers or principals to refrain from dealing or contracting to deal with competitors.

2. False invoicing of any kind.

3. Piracy of exclusive designs, copyrights, trade names, or trade marks of a competitor.

4. Consignment of merchandise, except pursuant to a bona fide written order or contract, or guaranteeing of retail turn-over.

5. Selling below cost, as determined by such uniform accounting practice as may be established by the Code Authority with the approval of the Administrator. This provision shall not apply to sales in good faith to dispose of distress merchandise or merchandise accumulated through error, which shall be branded as designated by the Fair Trade Practice Agency established in Article VI, Section 1 (e). The sale of such merchandise shall be reported to the Fair Trade Practice Agency.

6. The exchange or credit of any returns unless for manufacturing imperfections, and in no event unless the returns are free from wear or soil.

7. The acceptance of the return of merchandise other than an entire shipment except for manufacturing imperfections, and in no case later than five (5) days after the same has been received by the consignee.

8. The making or causing or knowingly permitting to be made or published any false, materially inaccurate, or deceptive statement by way of advertisement or otherwise, whether concerning the grade, quality, quantity, substance, character, nature, origin, size, finish, or preparation of any product of the industry, or the credit terms, values, policies, or services of any member of the industry, or otherwise, having the tendency or capacity to mislead or deceive customers or prospective customers.

9. The acceptance of orders of less than the usual wholesale quantity at the usual wholesale price; the granting of free repair privileges. The term "usual wholesale quantity" means at least three pairs of a style and color.

10. Marking with the words "table cut" any gloves which are not cut and fabricated according to the standards fixed by the Association; or to use the Glover's Guild Mark except on goods cut and fabricated in accordance with the Association rules, and no other designation of cutting shall be used except as approved by the Association.

11. Maliciously inducing or attempting to induce the breach of an existing oral or written contract between a competitor and his customer or source of supply, or interfering with or obstructing the performance of any such contractual duties or services.

12. The payment or allowance of rebates, refunds, commissions, credits, or unearned discounts, whether in the form of money or otherwise, or the extension to certain purchasers of special services or privileges not extended to all purchasers on like terms and conditions.

13. The defamation of competitors by falsely imputing to them dishonorable conduct, inability to perform contracts, questionable



credit standing, or by other false representations or by the false disparagement of the grade or quality of their goods.

14. Nothing in this Code shall limit the effect of any adjudication by the Courts or holding by the Federal Trade Commission on complaint, finding, and order, that any practice or method is unfair, providing that such adjudication or holding is not inconsistent with any provisions of the Act or of this Code.

#### 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 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 and hearing as he shall specify, and to become effective on approval of the President.

#### ARTICLE X—MONOPOLIES, ETC.

No provisions 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 and that, when made, the same should, so far as reasonably possible, be limited to actual increases in the seller's costs.

#### ARTICLE XII—CONTRACTS

Where the cost of executing contracts for goods entered into, prior to the effective date of this Code, is increased as a result of the operation of the National Industrial Recovery Act or of this Code, appropriate adjustment of such contracts should be made to reflect such increased cost; and further, where the performance of orders for goods accepted prior to the effective date of this Code is delayed or prolonged as a result of the operation of the provisions of this Code, appropriate additional time should be allowed for the completion of such orders.

#### ARTICLE XIII—EFFECTIVE DATE

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





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