

NATIONAL RECOVERY ADMINISTRATION

PROPOSED CODE OF FAIR COMPETITION

FOR THE

HEEL MANUFACTURING
INDUSTRY

AS SUBMITTED ON AUGUST 31, 1933



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The Code for the Heel Manufacturing Industry
in its present form merely reflects the proposal of the above-mentioned
industry, and *none of the provisions contained therein are
to be regarded as having received the approval of
the National Recovery Administration
as applying to this industry*

UNITED STATES
GOVERNMENT PRINTING OFFICE
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NATIONAL HEEL MANUFACTURERS' ASSOCIATION

REGISTERED CODE OF TRADE MARK

THE

HEEL MANUFACTURING

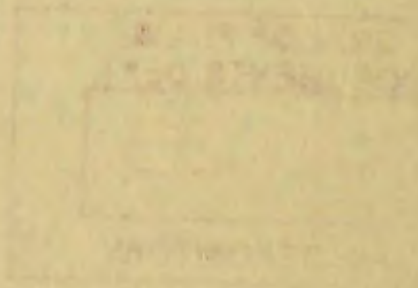
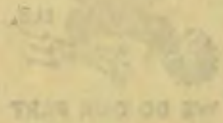
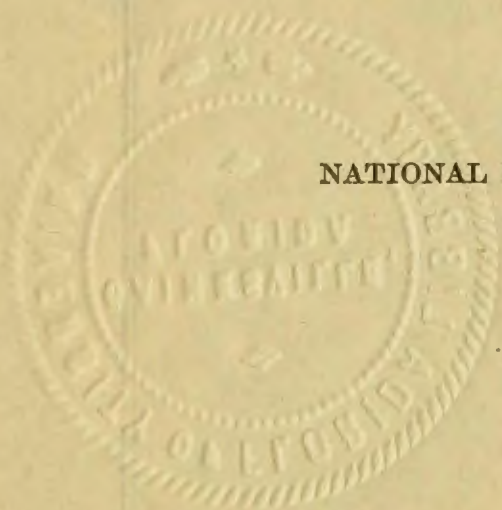
INDUSTRY

AS REGISTERED ON AUGUST 11, 1933

SUBMITTED BY

NATIONAL HEEL MANUFACTURERS' ASSOCIATION

(II)



NATIONAL HEEL MANUFACTURERS' ASSOCIATION CODE

The following code has been adopted by the members of the National Heel Manufacturers' Association as a code of fair competition for their industry.

In accordance with the provisions of the Industrial Recovery Act they request the President of the United States to approve this Code, and they herein express their cognizance of the fact that after this Code has been approved any violation of this Code shall be deemed an unfair method of competition and a misdemeanor, and upon conviction thereof an offender may be fined not more than \$500.00 for each offense, and each day such violation continues shall be deemed a separate offense.

As a matter of record this Association incorporates in its Code the following provisions of the Industrial Recovery Act:

1. SEC. 3. (1) This Association will impose no inequitable restrictions on admission to membership and is truly representative of the heel building industry, and (2) that this Code is not designed to promote a monopoly or to eliminate or oppress small enterprises and will not operate to discriminate against them.

2. SEC. 7. (a) The employees of members of this Association 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; (2) that no employee and no one seeking employment shall be required as a condition of employment to join any company union or to refrain from joining, organizing, or assisting a labor organization of his own choosing; and (3) that employers shall comply with the maximum hours of labor, minimum rates of pay, and other conditions of employment, approved or prescribed by the President.

3. *Membership*.—Any person, firm, or corporation engaged in the manufacture of built-up heels for the purpose of sale and not for its own use is eligible to membership in this Association.

4. *Maximum Hours*.—The maximum hours of labor shall be not more than 48 hours in any one week nor over 1,040 hours in any six months.

This is an average of 40 hours per week but permits 48 hours per week in the busy seasons.

The restriction of 48 hours does not apply to the following: Officials, superintendents, foremen, salesmen, firemen, watchmen, shippers, persons engaged in transportation outside the factory, repair crews, and office staff.

5. *Minimum Wage*.—The minimum rates of pay for all experienced employees shall be 25 cents per hour.

For beginners, the minimum wage shall be for the first three months not less than 20 cents per hour, for the second three months not less than 22 cents per hour; after six months, 25 cents per hour.

In all cases, piece-work rates shall be such as will permit the lowest paid employee in each class to earn the hourly rate above specified.

The industry does not guarantee any fixed average hours or average pay per week.

6. *Juveniles*.—No person under 16 years of age shall be employed in any capacity.

7. *Cost Accounting*.—Some simple but complete cost-accounting system will be adopted and in any question of cost arising under this Code the method of cost finding adopted by the Association shall be considered the standard method and the true cost.

8. *Selling Below Cost*.—The sale of any heel, or the quoting of a price on any heel, below the cost of that heel as figured by the method adopted by the Association shall be considered an unfair practice and a violation of this Code.

9. *Fair Sales Price*.—A fair selling price is one that is not less than 15% above the true cost as reckoned by the method adopted by the Association, if this is allowable under the law.

10. *Terms of Sale*.—The only terms on which heels may be sold are an allowance of a discount of 4% for payment on or before the fifteenth of the month following the date of the invoice; after that time all invoices are net. All invoices are due and payable in 60 days from date.

The allowance of more liberal terms in amount and/or time is an unfair practice and a violation of this Code.

11. *Secret Rebates*.—As one of the prime objects of this Association is to develop open and fair competition and to do away with underhanded and dishonorable practices, the granting of secret rebates in any form is an unfair practice and a violation of this Code.

Secret rebates include special services and special discounts not generally allowed to purchasers of heels, as well as credits and allowances which in effect amount to a reduction in the price of the goods.

12. *False Invoices*.—All invoices for heels should state fully and clearly the exact details of the transaction and any deviation in an invoice from the true facts is an unfair practice and a violation of this Code.

13. *Fraudulent and Deceptive Practices*.—Any act which is in the nature of bribery or which has for its object the unethical influencing of a buyer is an unfair practice and a violation of this Code. This title includes gratuities to buyers, inducing sales by payment of commissions or rewards to employees of users of heels, lavish entertainment, etc.

14. *Uniform Contracts*.—As it is not for the best interest of the industry to have any of its members enter into contracts for uncertain quantities of merchandise for indefinite periods, any contract which extends into the future over 90 days from its date is an unfair practice and a violation of this Code.

Under this section a member may enter into contracts for future delivery for a stated number of pairs of heels, or for a customer's requirements, to be shipped during the ninety-day period, at the price for each size and style as shown in the contract.

The Association believes that contracts should be binding on both parties. It expects any member who makes a contract with a customer to live up to the terms of the contract. Likewise, the Association expects that customers who have made contracts with its members will live up to the terms thereof. To accomplish this end the Association will use its best efforts.

The Association strongly recommends that if at any time a member has a contract with a purchaser which the purchaser refuses to carry out to the satisfaction of the member, that the member should not enter into any further contract with that purchaser, but should report the facts in detail to the Secretary for consideration and possible action by the Association.

15. *Freight and Cartage Allowances*.—An allowance for freight and/or cartage of an amount exceeding the actual freight and cartage is an unfair practice and a violation of this Code.

16. *Examination of Books of Account*.—It is agreed by each of the members of this Association that in case the cost of any of their heels is questioned, under the Section of this Code forbidding the sale of heels below cost, that the Board of Directors or an accountant of its choosing may examine the books of the concern in question so far as they have to do with the cost of manufacture of heels.

The cost of such accounting shall be paid from the funds of the Association.

17. *Reports to Secretary*.—The members of the Association agree to make such reports to the Secretary as the Board of Directors of this Association may from time to time vote to request from its members.

Under no circumstances shall the Secretary divulge to anyone the contents of the report of a member. He shall compile and edit such reports and pass the information on to every member, but in such form that the information furnished by any individual member cannot be identified. A member who has not sent in a report of his own business is not entitled to receive from the Secretary reports containing information based on the business of others.

It is agreed that if the Board of Directors has any doubt about the accuracy of any report or reports submitted by a member that it may employ an accountant to examine the books of the member in question; the member agrees to allow such an inspection of his books, the cost of the inspection to be paid out of the funds of the Association.

The following reports to the Secretary are required under this Code:

(a) Monthly reports of the number of pairs of heels invoiced during the preceding month, the report to state separately the pairs of all-leather heels and combination heels.

(b) Name and address of any customer who has not paid any invoice within sixty days from its date.

18. *Dues*.—The members of this Association agree that they will pay monthly dues sufficient to support the Association.

The amount of the dues shall be determined by the Board of Directors and shall be on a pro rata basis to each member, either as a percentage of dollar sales or per pair of heels.

The neglect to pay dues shall be considered a violation of this Code.

19. *Discounts to Dealers.*—It is agreed that a commission of 5% is a sufficient recompense to a dealer who buys heels for resale or who sells heels on commission.

The allowance to a dealer of a larger recompense than 5% of the sale price of the heels is an unfair practice and a violation of this Code.

No user of heels may be considered as an agent or dealer.

20. *Adjustment Committee.*—Any member of this Association who feels himself aggrieved at any action, or supposed action of a fellow member, which he deems to be a violation of any Section of this Code, may make complaint in writing to the Board of Directors, stating in his complaint the name of the supposed offender, the name of the customer involved, and all the facts pertaining to the case of which he is aware.

Upon receipt of any grievance in writing from a member, the Board of Directors shall within ten (10) days appoint an Adjustment Committee of three (3) members to investigate the complaint.

The Adjustment Committee shall promptly use all diligence to discover the true facts in the case, and render a decision with or without penalties, which decision shall be final.

21. *Attempt to Break Contract.*—The inducing, or attempt to induce, a user of heels to break a contract in effect between him and a competitor is an unfair practice and a violation of this Code.

22. *Defamation of Competitor.*—Defamatory remarks about a competitor, as regards his character, business methods, or integrity are an unfair practice and a violation of this Code.

23. *Purchases of Raw Materials.*—The paying of more than the market prices for raw materials (leather) to a user of heels is a form of rebate and is an unfair practice and a violation of this Code.

24. This Code shall become effective 10 days after its approval by the President of the United States.

25. This Code shall be in effect during the effective life of the Industrial Recovery Act, or until the Act is rendered void by the President of the United States or by an Act of Congress, but while this Code is in effect it may be amended or altered at any time in the following manners:

(a) By an affirmative vote of members who sold at least 65% of the heels sold during the preceding calendar year, provided these members are not less than 65% of the total membership.

(b) By order of the President of the United States after consultation with this Association.

NATIONAL HEEL MANUFACTURERS' ASSOCIATION BYLAWS

ARTICLE I—NAME

SECTION 1. The name of the Association shall be National Heel Manufacturers' Association.

ARTICLE II—OBJECT

SECTION 1. The object of this Association shall be to foster the interests of its members and those in any way related by common business interests to the business of manufacturing built-up heels, and maintaining uniformity and equity in the customs and usages of the heel-manufacturing trade; to acquire, preserve, and disseminate valuable business information; to promote a more enlarged and friendly intercourse among those engaged in the manufacturing of heels; to do anything necessary, suitable, and proper for the accomplishment of any purposes herein set forth or which may be recognized as proper and lawful objectives of trade associations; all of which shall be consistent with the public interest as well as in the interest of this industry and trade.

ARTICLE III—MEMBERSHIP

SECTION 1. *Active*.—Any person, firm, or corporation engaged in the manufacture of built-up heels is eligible to become an active member of this association.

SEC. 2. *Voting*.—Each member firm and corporation shall appoint and certify to the secretary of the association a member or an officer to be its representative in the association and he shall represent, vote, and act for the member in all affairs of the association, including the holding of office therein.

SEC. 3. *Election of Members*.—Any person, firm, or corporation eligible to membership under these bylaws on making written application therefor shall be elected to membership.

SEC. 4. *Duration of membership and resignation*.—Membership in this association may terminate by death, voluntary withdrawal as herein provided, or otherwise in pursuance of these bylaws. The right of a member to vote and all other rights, title, and interest of a member in or to the association, its rights, privileges, and property shall cease on the termination of membership. Any member may by giving written notice of such intention withdraw from membership. Such notice shall be presented to the Board of Directors at the next succeeding meeting of the Board of Directors. Withdrawals shall be effective upon fulfillment of all obligations to the date of withdrawal.

SEC. 5. *Suspension and Expulsion*.—For cause, any membership may be suspended or terminated. Sufficient cause for such suspen-

sion or termination of membership shall be violation of bylaws, code, or any agreement, rule, or practice properly adopted by the association, or any other conduct prejudicial to the interests of the association. Such suspension or expulsion shall be by two thirds vote of the entire membership of the Board of Directors: *Provided*, That a statement of the charges shall have been mailed by registered post to the last recorded address of the member at least fifteen (15) days before final action is taken thereon. This statement shall be accompanied by a notice of the time and place of the meeting of the Board of Directors at which the charges shall be considered and the member shall have the opportunity to appear and present any defense to such charges before action is taken thereon.

SEC. 6. *Division of Members*.—The active members of the association may be divided into geographical divisions as may be designated by the Board of Directors. Each division may form such auxiliary organizations for the purpose of coordinating and aiding in the general objects of the association as may not be inconsistent with these bylaws or interfere in any way with the activities or affairs of the association.

ARTICLE IV—DUES

SECTION 1. The annual dues for each member of the association shall be determined by the Board of Directors but shall be proportionate to the dollar amount of or volume of business done by each member during the preceding year.

SEC. 2. Members who fail to pay their dues or assessments within thirty days from the time the same become due shall be notified by the secretary, and if payment is not made within the next succeeding thirty days, shall be reported to the Board of Directors as in arrears and, if so ordered, shall be dropped from the rolls and thereupon forfeit all rights and privileges of membership.

SEC. 3. The fiscal year shall be from June 1 to May 30.

ARTICLE V—MEETINGS

SECTION 1. *Annual*.—There shall be an annual meeting of the association during the month of July, unless otherwise ordered by the Board of Directors, for election of members of the Board of Directors for receiving the annual reports and the transaction of other business. Notice of such meeting, signed by the secretary, shall be mailed to the last recorded address of each member at least fourteen (14) days before the time appointed for the meeting.

SEC. 2. *Regular*.—Regular meetings of the association shall be held on written notice of time and place and subjects to be considered. notice being given ten (10) days in advance of each meeting.

SEC. 3. *Special*.—Special meetings of the association may be called by the Board of Directors. Upon the written request of five (5) members of the association, the Board of Directors shall call a special meeting. Notice of any special meeting shall be given five (5) days in advance with the statement of time and place and the information as to the subject or subjects to be considered.

SEC. 4. *Quorum*.—Seven members present at any meeting of the association shall constitute a quorum, and in case there be less than

this number the presiding officer may adjourn the meeting from time to time until a quorum is present.

ARTICLE VI—ANNUAL ELECTION

SECTION 1. At the annual meeting next held after the adoption of these bylaws, there shall be elected by ballot five (5) directors of the association, two (2) of whom shall be elected for a term of one year, two (2) for two years, and one (1) for three years. At each annual meeting thereafter a number of directors equal to that of those whose terms have expired shall be elected for a term of three years. Any director shall be eligible for reelection.

SEC. 2. The Board of Directors shall elect a president, vice president, and a secretary-treasurer of the association who shall serve to the end of the next annual meeting, or such time as their respective successors are duly elected and take office.

ARTICLE VII—BOARD OF DIRECTORS

SECTION 1. *Government of association.*—The property, affairs, business, and concerns of the association shall be vested in a Board of Directors, consisting of five (5) directors. The members of the said board shall, upon election, immediately enter upon the performance of their duties and shall continue in office until their successors shall be duly elected and qualified.

SEC. 2. *Duties.*—The Board of Directors shall have control and management of the affairs of the association, with authority to engage assistants, fix salaries, admit, suspend, or expel members, and to do everything necessary and desirable in the conduct of the business of the association, and in accordance with the bylaws.

SEC. 3. *Meetings.*—A regular meeting of the Board of Directors for the election of officers shall be held immediately following the annual meeting. The president may, when he deems necessary, or the secretary shall, at the request in writing of three (3) members of the board, issue a call for a special meeting of the board, and only five (5) days' notice shall be required for such special meetings.

SEC. 4. *Quorum.*—A majority of the board shall constitute a quorum for the election of officers and all other purposes not otherwise provided for herein. In the absence of the president, the vice president may preside, otherwise the members present may choose a chairman for the meeting.

SEC. 5. *Absence.*—Any member of the Board of Directors absent from a meeting should send a communication to the president or secretary stating his reason for his absence, and the membership of the board in attendance shall decide in each instance whether or not such absence is excusable. In the event there are three consecutive unexcused absences on the part of any member of the Board of Directors, his membership on the board may be declared vacant.

SEC. 6. *Vacancies.*—Any vacancies that may occur on the board by reason of death, resignation, or otherwise may be filled by the Board of Directors for the unexpired term.

ARTICLE VIII—OFFICERS

SECTION 1. *President*.—The president shall be the executive officer of the organization, and shall preside at meetings of the association and of the Board of Directors and shall perform such other duties as are necessarily incident to the office of president of the association or as may be prescribed by the Board of Directors.

SEC. 2. *Vice President*.—In case of death or absence of the president or of his inability from any cause to act, the vice president shall be designated by the Board of Directors to perform for the time being the duties of the president's office.

SEC. 3. *Secretary-Treasurer*.—The secretary-treasurer shall keep an account of all monies received and expended for the use of the association and shall make disbursements authorized by the board. All sums received he shall deposit in the bank, or banks, or trust company approved by the Board of Directors and shall make a report at the annual meeting or when called upon by the president. It shall also be his duty to give notice of and attend all meetings of the association and of the Board of Directors and keep a record of their proceedings; to conduct all correspondence and to carry into execution all orders, votes, and resolutions not otherwise committed; to keep a list of the members of the association; to collect annual dues and subscriptions; to prepare under the direction of the Board of Directors an annual report of the transactions and conditions of the association and generally to devote his best efforts to forwarding the business and advancing the interest of the association.

SEC. 4. The secretary-treasurer shall at the discretion of the Board of Directors furnish at the expense of the association a fidelity bond approved by the Board, in such a sum as the Board shall prescribe.

ARTICLE IX—COMMITTEES

SECTION 1. *Adjustment Committee*.—Whenever a grievance in writing is received from any member of the association, the Board of Directors shall within ten days from its receipt, appoint an Adjustment Committee of three members who shall investigate the grievance and make a decision which shall be final.

SEC. 2. *Committee on nominations*.—At least sixty (60) days before the annual meeting, the Board of Directors shall appoint a nominating committee of five members, none of whom shall be a member of the board, whose duty it shall be to nominate candidates for directors to be elected at the next annual election. They shall notify the secretary, in writing, at least thirty (30) days before the date of the annual meeting, of the names of such candidates, and the secretary shall mail at least twenty (20) days before the annual meeting a copy thereof to the last recorded address of each member.

SEC. 3. *Independent nominations*.—Nominations for directors may also be made, indorsed with the names of not less than seven (7) members of the association, if received by the secretary at least five days prior to the annual meeting of the association for immediate transmittal by him to the members.

ARTICLE X—MAIL VOTE

SECTION 1. Whenever, in the judgment of the Board of Directors, any question shall arise which it considers should be put to a vote of the active membership and when it deems it inexpedient to call a special meeting for such purpose, the directors may, unless otherwise required by these bylaws, submit such matter to the membership in writing by mail for vote and decision, and the question thus presented shall be determined according to 65% of the votes received by mail within two (2) weeks after such submission to the membership. Any and all action taken or omitted to be taken in pursuance of a majority mail vote in each such case shall be binding upon the association and as against each member thereof.

ARTICLE XI—INDUSTRIAL RECOVERY ACT CODE

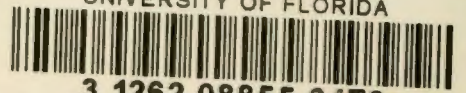
If any provision of these Bylaws is at variance with the provisions of the Code adopted by the association under the Industrial Recovery Act, the provisions of the Code shall prevail.

ARTICLE XII—AMENDMENTS

SECTION 1. These bylaws may be amended, repealed, or altered, in whole or in part, by a two-thirds vote at any duly organized meeting of the association, provided the proposed change is submitted by mail to the last-recorded address of each member at least thirty (30) days before the time of the meeting which is to consider the change.



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