

NATIONAL RECOVERY ADMINISTRATION

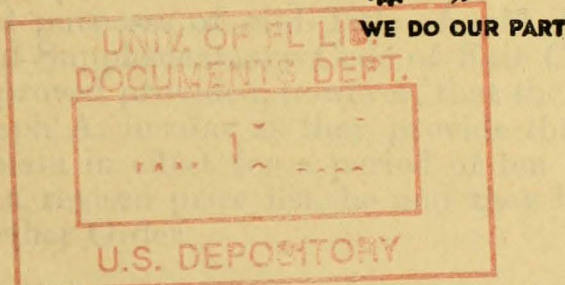
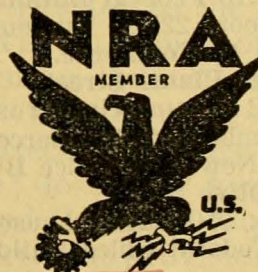
**SUPPLEMENTARY
CODE OF FAIR COMPETITION**

FOR THE


**STANDARD STEEL BARREL
AND DRUM
MANUFACTURING INDUSTRY**

(A Division of the Fabricated Metal Products
Manufacturing and Metal Finishing
and Metal Coating Industry)

AS APPROVED ON MAY 16, 1934



**UNITED STATES
GOVERNMENT PRINTING OFFICE
WASHINGTON: 1934**



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SUPPLEMENTARY CODE OF FAIR COMPETITION

FOR THE

**STANDARD STEEL BARREL AND DRUM
MANUFACTURING INDUSTRY**

As Approved on May 16, 1934

ORDER

**APPROVING SUPPLEMENTARY CODE OF FAIR COMPETITION FOR THE
STANDARD STEEL BARREL AND DRUM MANUFACTURING INDUSTRY**

**A DIVISION OF THE FABRICATED METAL PRODUCTS MANUFACTURING AND
METAL FINISHING AND METAL COATING 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, and in accordance with the provisions of Section I of Article VI of the Basic Code for the Fabricated Metal Products Manufacturing and Metal Finishing and Metal Coating Industry, approved November 2, 1933, for approval of a Supplementary Code of Fair Competition for the Standard Steel Barrel and Drum Manufacturing Industry, and hearing having been duly held thereon; and the annexed report on said Supplementary 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 Supplementary 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 Supplementaary Code of Fair Competition be and it is hereby approved provided, however, that the provisions of Article V, Paragraph A, insofar as they provide that any existing price list shall remain in effect for a period of ten (10) days following the filing of a revised price list, be and they hereby are stayed pending my further Order.

HUGH S. JOHNSON,
Administrator for Industrial Recovery.

Approval recommended:

A. R. GLANCY,
Division Administrator.

WASHINGTON, D.C.,
May 16, 1934.

REPORT TO THE PRESIDENT

The PRESIDENT,
The White House.

SIR: This is a report on the supplementary Code of Fair Competition for the Standard Steel Barrel and Drum Manufacturing Industry, a division of the Fabricated Metal Products Manufacturing and Metal Finishing and Metal Coating Industry, the hearing having been conducted thereon in Washington, D.C., December 19, 1933, in accordance with the provisions of Title I of the National Industrial Recovery Act.

GENERAL STATEMENT

The Standard Steel Barrel and Drum Manufacturing Industry, being truly representative of this division of the Fabricated Metal Products Manufacturing and Metal Finishing and Metal Coating Industry, has elected to avail itself of the option of submitting a Supplementary Code of Fair Competition, as provided for in Section 1 of Article VI of the Basic Code, for the Fabricated Metal Products Manufacturing and Metal Finishing and Metal Coating Industry approved by you on the second day of November, 1933.

RÉSUMÉ OF THE CODE

Article I states the purpose of the Supplementary Code.

Article II accurately defines specific terms employed in the Supplementary Code.

Article III. This Industry is a division of the Fabricated Metal Products Manufacturing and Metal Finishing and Metal Coating Industry and the labor provisions of its Basic Code, as approved November 2, 1933, are the labor provisions of this Supplementary Code.

Article IV establishes a Supplementary Code Authority consisting of five (5) members to be elected by the members of the Industry at a meeting called by the Temporary Supplementary Code Authority, and gives the Administrator the authority to appoint one additional member without vote and provides machinery for obtaining statistics and the administration of the Supplementary Code.

Article V sets forth the unfair trade practices of this Supplementary Code which has been especially designed to offset unfair competition in this division of the Industry.

Article VI contains the mandatory provisions contained in Section 10 (b) and also provides for the submission of proposed amendments to the Supplementary Code.

Article VII provides against monopolies and monopolistic practices, and recognizes that price increases be limited to actual additional increase in the seller's costs.

Article VIII states the effective date and duration of this Supplementary Code.

FINDINGS

The Deputy Administrator in his final report to me on said Supplementary Code having found as herein set forth and on the basis of all the proceedings in this manner:

I find that:

(a) Said Supplementary 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 practices, 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 Supplementary 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 group is an industrial group truly representative of the aforesaid Industry; and that said association imposes no inequitable restrictions on admission to membership therein.

(d) The Supplementary Code is not designed to and will not permit monopolies or monopolistic practices.

(e) The Supplementary 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 Supplementary Code.

For these reasons, therefore, I have approved this Supplementary Code.

Respectfully,

HUGH S. JOHNSON,
Administrator.

MAY 16, 1934.

SUPPLEMENTARY CODE OF FAIR COMPETITION FOR THE STANDARD STEEL BARREL AND DRUM MANU- FACTURING INDUSTRY

A DIVISION OF THE FABRICATED METAL PRODUCTS MANUFACTURING AND
METAL FINISHING AND METAL COATING INDUSTRY

ARTICLE I—PURPOSES

To effectuate the policy of Title I of the National Industrial Recovery Act, the following provisions are established as a Supplementary Code of Fair Competition for the Standard Steel Barrel and Drum Manufacturing Industry, pursuant to Article VI of the Basic Code of Fair Competition for the Fabricated Metal Products Manufacturing and Metal Finishing and Metal Coating Industry approved by the President of the United States on the second day of November 1933, and the provisions of this Supplementary Code shall be the standards of Fair Competition for such Industry and shall be binding upon every member thereof.

ARTICLE II—DEFINITIONS

The term "Standard Steel Barrel and Drum Manufacturing Industry", hereinafter referred to as the Industry, is defined to mean the manufacture for use or for sale of Standard Steel Barrels and Drums of 13 gallons to 110 gallons capacity, inclusive, to be used in the storage, shipment and dispensing of such products as alcohol, petroleum products, chemicals, asphalt, sweeping compound, clay products, beverages, food products, etc., but not including beer.

The term "member of the Industry", as used herein, includes, but without limitation, any individual, partnership, association, corporation or other form of enterprise engaged in the Industry either as an employer or on his or its own behalf.

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 under Title I of said Act.

The term "Basic Code", as used herein, is defined to mean the Basic Code of Fair Competition for the Fabricated Metal Products Manufacturing and Metal Finishing and Metal Coating Industry, as approved by the President on the second day of November 1933.

The term "Basic Code Authority", as used herein, is defined to mean the Executive Committee of the Fabricated Metal Products Federation.

The term "Council", as used herein, is defined to mean the Steel Barrel Manufacturers Council or its successor.

The term "Supplementary Code Authority", as used herein, is defined to mean a special committee of five members who shall be elected from the membership of the Industry and the Council by a fair method of election.

The term "duly authorized agent" or "agent" of the Supplementary Code Authority, as used herein, is defined to mean the Commissioner of the Steel Barrel Manufacturers Council, or his successor in office. Said Commissioner, in order to qualify as such, shall be entirely free from any interest in or connection with any company engaged in the manufacture or sale of the products of the Industry.

The term "Federation", as used herein, is defined to mean the Fabricated Metal Products Federation or its successor.

ARTICLE III—EMPLOYMENT PROVISIONS

This Industry is a division of the Fabricated Metal Products Manufacturing and Metal Finishing and Metal Coating Industry and without limitation the wage, hour and labor provisions in Article III of its Basic Code as approved by the President on November 2, 1933, including Section 1 of said Article III by which the provisions of Subsections (1), (2) and (3) of Section 7 (a) of Title I of the Act are made conditions of the Code, are specifically incorporated herein and made a part hereof as the wage, hour and labor provisions of this Supplementary Code.

ARTICLE IV—ORGANIZATION AND ADMINISTRATION

SECTION 1. During the period not to exceed sixty (60) days following the effective date, the duly authorized agent shall constitute a temporary Supplementary Code Authority until the Supplementary Code Authority, consisting of five (5) members, is elected by the members of the Industry assenting to this Supplementary Code, as hereinafter provided, at a meeting called by the Temporary Supplementary Code Authority, upon ten (10) days' notice sent by registered mail to all known members of the Industry, who may vote either in person or by proxy. The members of the Supplementary Code Authority shall serve for a period of one year from the date of their election and subsequent elections shall be on the same basis as above provided. Immediately after the annual election of said Supplementary Code Authority, the members thereof shall appoint a duly authorized Agent to administer the provisions of this Supplementary Code.

The members of the Supplementary Code Authority shall be elected in the following manner: One member, who shall be a member of the Industry, not a member of the Council, (provided there are such members of the Industry who are not members of the Council), to be elected by a majority vote of the qualified members of the Industry present in person or by proxy, each member to have one vote. Such one member to be nominated by the members of the Industry who are not members of the Council.

Four members, who are members of the Industry and members of the Council, to be elected by a majority vote of the qualified mem-

bers of the Industry present in person or by proxy, each member to have one vote. Such four members to be nominated by the members of the Council.

A vacancy in the membership of the Supplementary Code Authority may be filled by a majority vote of the remaining members of the Supplementary Code Authority.

In addition thereto, the Administrator may appoint a member of the Supplementary Code Authority who, without vote, shall serve without expense to the Industry unless the Supplementary Code Authority agrees to pay such expense. The representative who may be appointed by the Administrator shall be given reasonable notice of and may sit at all meetings of the Supplementary Code Authority.

SECTION 2. The Trade Associations directly or indirectly participating in the selection or activities of the Supplementary Code Authority shall (1) impose no inequitable restrictions on admission to membership and (2) submit to the Administrator true copies of their 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.

SECTION 3. In order that the Supplementary 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 thereafter if he shall find that the Supplementary Code Authority or its Agent is not truly representative or does not in other respects comply with the provisions of the Act, may require an appropriate modification of selection of the Supplementary Code Authority.

SECTION 4. (1) It being found necessary to support the administration of this Supplementary Code, in order to effectuate the policy of the Act and to maintain the standards of fair competition established hereunder, the Supplementary Code Authority is authorized:

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

(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 all members of the Industry entitled to the benefits accruing from the maintenance of such standards, and the administration thereof;

(c) After such budget and basis of contribution have been approved by the Administrator, to determine and collect equitable contributions as above set forth, 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 Supplementary Code Authority as hereinabove provided. Only members of the Industry complying with the Supplementary Code and making such contribution shall be entitled to participate in the

selection of the members of the Supplementary Code Authority or to receive the benefits of its voluntary activities or to make use of any N.R.A. insignia.

SECTION 5. The Supplementary Code Authority, through its duly authorized Agent, is hereby constituted the agency to administer the provisions of this Supplementary Code and shall have all of the powers which shall be necessary and proper to enable it to fully administer this Supplementary Code and to effectuate its purpose.

The Supplementary Code Authority, through its duly authorized Agent, shall have the following further powers and duties:

(a) To insure the execution of the provisions of the Supplementary Code.

(b) To adopt by-laws and rules and regulations for its procedure and for the administration of the Supplementary Code.

(c) To obtain from members of the Industry such information and reports as the Supplementary Code Authority may require for the administration of the Supplementary Code and to provide for submission to the Administrator by members of the Industry of such information and reports as may be necessary for the purposes recited in Section 3 (a) of the Act; provided that nothing in this Supplementary Code shall relieve any member of the Industry of any existing obligations to furnish reports to any Government agency. No individual reports shall be disclosed to any member of the Industry or to anyone other than the Administrator or his duly authorized representative and as hereinafter provided.

(d) To use such agencies as it deems proper for the carrying out of any of its activities provided for herein, provided that nothing herein shall relieve the Supplementary Code Authority of its duties or responsibilities under this Supplementary Code and that such agencies shall at all times be subject to and comply with provisions hereof.

(e) To make recommendations to the Administrator for the coordination of the administration of this Supplementary Code with such other codes, if any, as may be related to the Industry.

(f) To secure from members of the Industry an equitable and proportionate payment of the reasonable expense of the Supplementary Code Authority and its activities as set forth in Section 4 of this Article.

(g) To cooperate with the Administrator in regulating the use of any N.R.A. insignia solely by those members of the Industry who have assented to and are complying with this Supplementary Code.

(h) To furnish from time to time to the Basic Code Authority, designated in said Basic Code, such information as may be required to be furnished under the terms of the Basic Code.

SECTION 6. To the extent permitted by the Act and pursuant to such rules and regulations as the Administrator may prescribe, any and all information furnished to the Supplementary Code Authority by any members of this Industry pursuant to the provisions of this Supplementary Code shall be subject to verification by an impartial agent appointed by the Supplementary Code Authority, and each member of the Industry shall furnish to such impartial agent so much of his pertinent books, accounts and records as may be required to verify the accuracy of the information submitted.

SECTION 7. Every employer shall provide for the safety and health of employees during the hours and at the places of their employment. Standards for safety and health shall be submitted by the Supplementary Code Authority to the Administrator within six months after the effective date of the Code.

SECTION 8. Complaints made by members of the Industry to the Agent of the Supplementary Code Authority, of alleged violations of any of the provisions of this Supplementary Code, shall be made in writing.

In the event of a complaint being registered against any corporate member of the Industry alleging a violation of this Supplementary Code, the Supplementary Code Authority may cause an investigation to be made by a person mutually agreed upon by the Supplementary Code Authority and the member of the Industry against whom the complaint is filed; or if they are unable to agree within a reasonable time by a disinterested person appointed by the Administrator upon request by the Supplementary Code Authority. The Supplementary Code Authority may require the member complained against to file with such investigator, within such reasonable time after receipt of a copy of the complaint as the Supplementary Code Authority shall determine, an answer to such complaint accompanied by supporting data. Both answer and data shall be verified by affidavit. The investigator may examine so much of the pertinent books and records of such member as may be required to verify the statements contained in said answer and/or the accuracy of the data supporting such statements. If the matter cannot thereafter be satisfactorily adjusted within the Industry, the facts may be placed before the Basic Code Authority to be presented to the Administrator for such procedure as he may deem advisable under the Act.

Any representative appointed by the agent of the Supplementary Code Authority to make any investigation, shall be a disinterested person or persons, who shall be entirely free from any interest in or connection with any company engaged in the manufacture or sale of the product of the Industry.

SECTION 9. All individual and private information received by the Agent of the Supplementary Code Authority or his representative from reports, or as a result of investigation shall be held in strict confidence and not disclosed to any competitor or other persons outside the Agent's office, without the permission of the members of the Industry involved. Provided, however, that such information may be disclosed to any authorized governmental agency, and provided further, that information pertaining to the reporting of prices, terms and conditions may be disclosed to effectuate the purpose of this Supplementary Code.

SECTION 10. Nothing contained in this Supplementary Code shall constitute the members of the Supplementary Code Authority partners for any purpose, either as among themselves, or in connection with the Agent of the Supplementary Code Authority. No member of the Supplementary Code Authority shall be liable in any manner to anyone for any act of any other member, officer, agent or employee of the Supplementary Code Authority, nor shall the Agent of the Supplementary Code Authority be liable in any manner to anyone for any act of any member of the Supplementary Code

Authority or any other officer, agent or employee thereof. No member of the Supplementary Code Authority, nor the Agent of the Supplementary Code Authority, exercising reasonable diligence in the conduct of their duties hereunder, shall be liable to anyone for any action or omission to act under this Supplementary Code except for his own willful misfeasance or non-feasance.

SECTION 11. If the Administrator shall determine that any action of a Code Authority or 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 such 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 the original or modified form.

SECTION 12. After a six (6) months' trial period, in case any provision of the Supplementary Code shall impose an unusual or undue hardship on any member of the Industry, such provision may be suspended, for review, for a period of sixty (60) days by the Supplementary Code Authority, with approval of the Administrator. After the review, hearings may be held by the Administrator to modify the provision in question.

ARTICLE V—RULE OF FAIR COMPETITION IN MANUFACTURING AND MARKETING

(Superseding all Trade Practices set forth in Article V of the Basic Code)

Any member of the Industry who shall directly or indirectly through any officer, employee, agent, or representative, fail to comply with any of the following rules of Fair Competition in Manufacturing and Marketing shall be deemed to have violated this Supplementary Code:

A. No products of the Industry, in whole or in part, shall be sold or exchanged at prices less than the seller's cost of such products; such cost to be based on a formula which shall be at least as detailed and complete as the formula to be prepared by the Agent of the Supplementary Code Authority and approved by the Administrator; provided, however, that upon five (5) days' notice to the Agent of the Supplementary Code Authority, any member of the Industry may sell below his costs, in order that he may meet competitive prices on articles of similar style, grade and/or specification filed in accordance with the provisions of this Section.

When the Agent of the Supplementary Code Authority determines that an emergency exists in this Industry and that the cause thereof is destructive price-cutting such as to render ineffective or seriously endanger the maintenance of the provisions of this Supplementary Code, the Agent of the Supplementary Code Authority may cause to be determined the lowest reasonable cost of the products of this Industry, such determination to be subject to such notice and hearing as the Administrator may require. The Administrator may approve, disapprove, or modify the determination. Thereafter, during the period of the emergency, it shall be an unfair trade practice

for any member of the Industry to sell or offer to sell any products of the Industry for which the lowest reasonable cost has been determined at such prices or upon such terms or conditions of sale that the buyer will pay less therefor than the lowest reasonable cost of such products.

When it appears that conditions have changed, the Agent of the Supplementary Code Authority, upon his own initiative or upon the request of any interested party, shall cause the determination to be reviewed.

All members of the Industry shall, within ten (10) days after the effective date of this Supplementary Code, publish for the benefit of all interested parties and file with the Agent of the Supplementary Code Authority price lists setting forth the prices, terms, quantity differentials and bases of delivery at which they will sell the products of the Industry; such prices shall be subject to a list of minimum prices for extras which shall be the lowest reasonable cost for such extras and which shall be prepared by the Agent of the Supplementary Code Authority and submitted to the Administrator for approval. Said price lists and all revisions thereof shall be made available to all interested parties.

In the event that members of the Industry accept orders for carload quantities from customers located in the trade areas of the cities in which such members' plants are located and such orders call for, or are based on, truck delivery, they shall be considered as less-than-carload quantity sales unless complete delivery is continuous insofar as conditions permit.

Each manufacturer's existing price list shall remain in effect for a period of ten (10) days following the filing of a revised price list and upon the filing of such revised list by any member of the Industry the Agent of the Supplementary Code Authority shall immediately furnish copies of such revised list to all other members of the Industry. Any other member, or members, of the Industry desiring to file revised lists, to become effective on the same date, may do so provided that the prices set out in such revised lists are not lower than those in the first revised list filed and that they are filed prior to said effective date.

When filing price lists, as set forth in this Section A, a sufficient number of lists shall be furnished to the Agent of the Supplementary Code Authority to enable him to supply a copy to each member of the Industry, and in addition thereto six (6) copies for the use of the Agent of the Supplementary Code Authority.

Nothing in this Section A contained, however, shall be so construed as to prevent the performance by any member of the Industry of any valid bona fide contract made and entered into before the effective date of this Supplementary Code; provided, however, that such contract has not been made and entered into before the effective date hereof in contemplation thereof and with intent to defeat the purpose hereof.¹

B. Withholding from, or inserting in any invoice a false record, wholly or in part, of the transaction represented on the face thereof, and the payment or allowance of secret rebates, secret refunds, secret

¹ See paragraph 2 of order approving this Code.

credits, unearned discounts (whether in the form of money or otherwise), or the extension to certain purchasers of prices, services, or privileges not extended to all purchasers under like conditions, are unfair trade practices.

C. To defame or disparage a competitor directly or indirectly, by words or acts which untruthfully impugn his business integrity, his ability to keep his contracts, his credit standing, or the quality of his products, is an unfair trade practice.

D. To imitate or simulate the trade mark, trade name, package, wrapper, or label of a competitor's product to such a degree as to deceive or have a tendency to deceive customers, is an unfair trade practice.

E. To 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, is an unfair trade practice. Provided, however, that nothing in this Section contained shall be so construed as 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.

F. The false marking or branding of any product of the Industry which has the tendency to mislead or deceive customers or prospective customers, whether as to the grade, quality, quantity, substance, character, nature, origin, size, finish, or preparation of any product of the Industry, or otherwise, is an unfair trade practice.

All members of the Industry shall comply with the Interstate Commerce Commission specifications, and the requirements of Rule 40 of the Consolidated Classification, particularly as to the gauge of steel to be used in the various types and sizes of steel barrels and drums, subject to the standard rolling tolerances of the National Association of Flat Rolled Steel Manufacturers.

Further, all members of the Industry shall make their steel barrels and drums of rated capacity with standard allowance for outage.

G. 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, is an unfair trade practice.

H. Any orders for the products of the Industry, other than contract orders, shall be on a basis of delivery being completed within the calendar quarter in which such orders are taken.

All members of the Industry, when making sales which call for delivery over a period of more than one calendar quarter, shall use a standard form of sales contract which shall include maximum and minimum quantities (with the maximum quantity being no greater than 50% above the minimum quantity), or a definite percentage of the customer's entire requirements with a maximum quantity for which the seller shall be obligated, definite terms of time coverage,

adequate description of the product and all other items necessary to form a complete, unambiguous agreement between seller and buyer, said standard form of sales contract to be submitted to the Administrator for his approval.

The period of coverage under any contract of sale shall not exceed a six (6) months' period from the end of the month during which the contract is entered into. All such contracts shall expire at the end of a calendar quarter, and the expiration dates of such contracts shall not be extended for any reason; provided, however, that the Agent of the Supplementary Code Authority, upon request by a majority of the members of the Industry, and with the approval of the Administrator shall be empowered to authorize a change in such period of coverage.

For the purposes of this Section, a calendar quarter shall be defined as follows: The first calendar quarter shall be the months of January, February and March; the second calendar quarter shall be the months of April, May and June; the third calendar quarter shall be the months of July, August and September; the fourth calendar quarter shall be the months of October, November and December.

I. All members of the Industry shall confirm all verbal contractual quotations in writing within five (5) days so that definite evidence of such quotations may be on record, and such confirmations must embody all terms and considerations of the proposal. No additional verbal understandings shall be entered into.

Prices in written quotations shall be either on the basis of a complete price, embodying the price of the standard barrel and all extras, with the extras listed separately, or a price on a standard barrel with the extras called for being listed and priced.

In order not to oppress or eliminate small enterprises, no member of the Industry shall offer reciprocal business as a means of influencing the purchase of steel barrels and drums.

J. Inducing, or attempting to induce, the breach of any contract between a competitor and his customer, or the repudiation of contracts or the acceptance of repudiations of contracts, are unfair trade practices.

K. Shipping goods on consignment is an unfair trade practice.

The term "consignment", as used in this Section, means the supplying of goods to a consignee for use and/or sale by the consignee under any contract, agreement, or understanding whereby title to the goods remains in the consignor until such time as they are withdrawn from the consigned stock and used and/or sold by the consignee, and under which no liability for the purchase price of said goods arises on the part of the consignee until such withdrawal and use or sale by him.

L. The sale of steel barrels or drums, which are classed as "seconds", shall be on a basis approved by the Agent of the Supplementary Code Authority and the Administrator and all such sales shall be reported to the Agent of the Supplementary Code Authority at the end of each calendar month.

M. The standard terms of payment of the Industry shall not be in excess of one (1) per cent for cash in ten (10) days, net thirty (30) days, from date of invoice and date of invoice shall not be subsequent to date of shipment.

Provided, however, that in cases where numerous invoices are rendered to a customer during any one month any member of the Industry may allow such discount of one (1) per cent for payment on the basis of settlements twice each month as follows:

1. On invoices dated from the 1st to the 15th inclusive in any month, such discount may be allowed on payment of such invoices on or before the 25th of each month.

2. On invoices dated from the 16th to the end of any month, such discount may be allowed on payment of such invoices on or before the 10th of the next following month.

N. The giving of any guarantee against decline in price except as against the seller's own decline up to date of shipment, is an unfair trade practice. Further, the quoting of any guaranteed price to a user of steel barrels and drums or to a secondhand dealer in steel barrels and drums or to any other party, which would establish or tend to establish, a resale value on "used" or "secondhand" steel barrels and drums, is an unfair trade practice.

O. All members of the Industry, assenting to this Supplementary Code, shall send to the Agent of the Supplementary Code Authority, within ten (10) days after they are entered into, signed copies of all contracts of sale. In the event that an extra signed copy is not available then the original copy shall be sent to the Agent of the Supplementary Code Authority, who shall record the same and return it to the sender.

P. All shipments made against any contracts shall be completed within fifteen (15) days after the expiration dates thereof.

In the event of price adjustments, necessary at the beginning of any calendar quarter in order to comply with the terms of a contract, shipments of all releases against such contract, placed during the preceding calendar quarter, shall be completed within fifteen (15) days from the end of such calendar quarter.

ARTICLE VI—MODIFICATIONS

SECTION 1. This Supplementary Code and all the provisions thereof are expressly made subject to the right of the President, in accordance with the provisions of sub-section (b) of Section 10 of the Act, from time to time to cancel or modify any order, approval, license, rule, or regulation issued under said Act.

SECTION 2. This Supplementary Code, except as to provisions required by the Act, may be modified and/or amended on the basis of experience or change in circumstances, such modifications and/or amendments to be based upon application by the Agent of the Supplementary Code Authority or other representative group within the Industry to the Administrator and such notice and hearing as he shall specify and to become effective as part of this Supplementary Code on approval by the President and/or the Administrator.

ARTICLE VII—MONOPOLIES

SECTION 1. No provision of this Supplementary Code shall be so applied as to permit monopolies or monopolistic practices, or to eliminate, oppress, or discriminate against small enterprises.



SECTION 2. Whereas the policy of the Act to increase real purchasing power will be made more difficult of consummation if prices of goods and services increase as rapidly as wages, it is recognized that price increases except such as may be required to meet individual cost should be delayed, but when made such increases should, so far as possible, be limited to actual additional increases in the seller's costs.

ARTICLE VIII—EFFECTIVE DATE AND DURATION

This Supplementary Code shall become effective at 12:01 o'clock A.M. on the tenth day after it is approved by the President and shall continue in effect until June 16, 1935 or the earliest date prior thereto on which the President shall, by proclamation, or the Congress shall, by joint resolution, declare that the emergency recognized by Section I of the National Industrial Recovery Act, has ended.

Approved Code No. 84—Supplement No. 26.

Registry No. 1136-07.

