

NATIONAL RECOVERY ADMINISTRATION

CODE OF FAIR COMPETITION

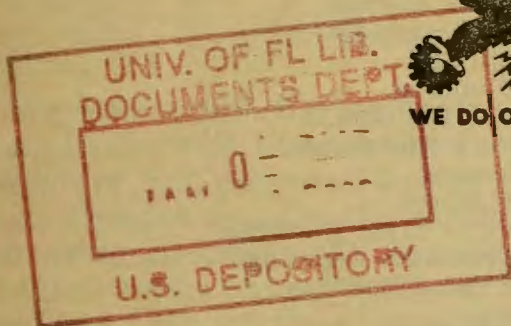
FOR THE

**MEDIUM AND LOW PRICED JEWELRY
MANUFACTURING INDUSTRY**

AS APPROVED ON DECEMBER 23, 1933

BY

PRESIDENT ROOSEVELT



1. Executive Order
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Approved Code No. 175

CODE OF FAIR COMPETITION
FOR THE
MEDIUM AND LOW PRICED JEWELRY
MANUFACTURING INDUSTRY

As Approved on December 23, 1933

BY
PRESIDENT ROOSEVELT

Executive Order

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 Medium and Low Priced Jewelry Manufacturing Industry, and hearings having been held thereon and the Administrator having rendered his report containing an analysis of the said Code of Fair Competition together with his recommendations and findings with respect thereto, and the Administrator having found that the said Code of Fair Competition complies in all respects with the pertinent provisions of Title I of said Act and that the requirements of clauses (1) and (2) of subsection (a) of Section 3 of the said Act have been met.

NOW, THEREFORE, I, Franklin D. Roosevelt, President of the United States, pursuant to the authority vested in me by Title I of the National Industrial Recovery Act, approved June 16, 1933, and otherwise, do adopt and approve the report, recommendations and findings of the Administrator and do order that the said Code of Fair Competition be and is hereby approved, subject to the following condition:

That the application of the provision of sub-section (b), Section 1, Article III, which provides for the payment of time and one third for all hours worked by any employee in excess of forty (40) per week, shall be stayed until March 1, 1934, at which time such provision shall become effective and have the same force and effect as any other provision of the Code.

FRANKLIN D. ROOSEVELT.

Approval recommended:

HUGH S. JOHNSON,
Administrator.

THE WHITE HOUSE,
December 23, 1933.

DECEMBER 13, 1933.

The PRESIDENT,
The White House.

SIR: A Public Hearing on the Code of Fair Competition for the Medium and Low Priced Jewelry Manufacturing Industry, submitted by the Council of Jewelry and Allied Industries, was conducted in Washington on the 10th and 11th of October 1933, in accordance with the provisions of the National Industrial Recovery Act. This Association claims to represent sixty percent (60%) of the Industry.

Upon petition of the Industry, and advice of the Labor Advisory Board, a provision has been included in the Executive Order staying the application of subsection (b) of Section 1 of Article III, which provides for the payment of time and one third for all hours worked by any employee in excess of 40 hours per week, for the period between the effective date of this Code and March 1, 1934, in order to allow them to take care of goods contracted for for this season.

The maximum hours permitted under this Code are forty (40) per week for factory, mechanical workers, or artisans, with a twenty percent (20%) tolerance in seasonal periods. Toolmakers, hub and die cutters may be employed a maximum of forty-eight (48) hours per week, but this type of employee shall not exceed five percent (5%) of the total number of employees. Provision for the payment of overtime is made. All other employees, exclusive of shipping and packing crews, shall not be employed for more than forty (40) hours per week. Shipping and packing crews may be worked forty-four (44) hours per week, but must be paid time and one third for all hours in excess of forty (40) per week.

The minimum wage is thirty-two and a half cents ($32\frac{1}{2}\text{¢}$) per hour. Provision is made for learners being paid eighty percent (80%) of the minimum wage, but this class shall not exceed ten percent (10%) of the total number of regular employees. Aged employees to the extent of two percent (2%) may be employed and shall be paid ten dollars (\$10.00) per week.

The Medium and Low Priced Jewelry group includes the manufacturers of jewelry of less than ten Karat (10 Kt.) fineness and a variety of inexpensive jewelry and other articles, such as cigarette cases, vanity cases, bags, and novelties made of base metals. The principal outlets for the products of this Industry are the 5-and-10-cent stores, variety stores and department stores.

The number of concerns engaged in this Industry declined from 1,100 in 1929 to 650 for 1933 or about 41%. Of the 650 concerns, 80% are located in Massachusetts and Rhode Island.

Employment in 1932 was approximately 60% of the 1929 level. Data for September 1933 indicates more persons employed than the average for any year since 1929. This increase is due both to

the recovery program and to the stimulation of the seasonal peak period. Reports from 62 representative firms indicate a 36.8 percent increase in employment over early 1933 levels.

In contrast to the rate of decline in employment, the rate of decline in pay rolls was greater from 1930 to 1931 than from 1929 to 1930. This comparison indicates that from 1929 through 1931 wages were being reduced more rapidly than employment. From 1931 to 1932 the wage reduction approximated the decline in employment. The 62 representative firms, which reported the 36.8 percent increase in employment, estimate a twenty-five percent (25%) increase in pay rolls for the same period, that is in the latter part of 1933 over the early part. It is evident from figures submitted that an increasing share of the value of product was allotted to labor during the years of depressed business, so that reduction in wage rates were necessary.

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 Council of Jewelry and Allied Industries, the applicant group herein, imposes no inequitable restrictions on admission to membership and is truly representative of the Medium and Low Priced Jewelry Manufacturing Industry.

(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.

This Industry has cooperated in a most satisfactory manner with the Administration in the preparation of this Code. From evidence adduced during this hearing and from recommendations and reports of the various Advisory Boards it is believed that this Code as now proposed and revised represents an effective, practical, equitable solution for this Industry and its approval as herewith submitted is recommended.

Respectfully,

HUGH S. JOHNSON,
Administrator.

CODE OF FAIR COMPETITION
FOR THE
MEDIUM AND LOW PRICED JEWELRY MANUFACTURING
INDUSTRY

ARTICLE I—PURPOSES

To effectuate the policies of Title I of the National Industrial Recovery Act, the following provisions are submitted as a Code of Fair Competition for the Medium and Low Priced Jewelry Manufacturing Industry, and upon approval by the President shall be the standard of fair competition for such industry and shall be binding upon every member thereof.

ARTICLE II—DEFINITIONS

1. The term "Jewelry" as used herein, means jewelry commonly or commercially so known and articles of adornment, designed to be worn on apparel or carried or worn on or about the person.

2. The term "Medium and Low Priced Jewelry Manufacturing Industry", as used herein, means the manufacture and sale or distribution by the manufacturer of jewelry made from base metals, rolled plated precious metals, solid silver, plastic, and casein materials, and of gold of a fineness less than ten karat (10 Kt.), and subject to such limitation and description includes—

(a) The manufacture of the following products:

(1) Insignia jewelry and medals for schools, colleges, fraternities, and other educational institutions or divisions thereof.

(2) Fraternal and emblematic jewelry.

(3) Buckles and ornaments for millinery, dresses, bags, and shoes.

(4) Watch bracelets and attachments.

(5) Religious articles of a jewelry nature.

(6) Collar buttons.

(7) Men's jewelry.

(8) Mesh bags and mesh products.

(9) Cigarette cases, vanity cases, and compacts (except those for nationally advertised cosmetic brands).

(10) Medium and low-priced jewelry of all types not specifically mentioned in the foregoing.

(b) Manufacturers, wholesale dealers, and/or assemblers of:

(1) Chatons, marcasites, imitation pearls, imitation pearl beads, imitation precious and semiprecious stones.

(2) Jewelry, beads, bead necklaces, and bead jewelry.

(c) Processors (commonly known as job shops) serving the manufacturers of Medium and Low-Priced Jewelry, including bobbars, buffers, polishers, platers, engine turners, engravers, stonsetters, tool-

makers, hub and die cutters, lacquerers, enamellers, refiners of scrap, and all other employers, the major part of whose work is for this Industry.

3. The Medium and Low Priced Jewelry Manufacturing Industry includes the following subdivisions: (a) Flat stock, sheet, wire, and tubing; (b) Raw chain; and (c) Metal findings.

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

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

6. The term "factory or mechanical worker or artisan" as used herein includes all workers and assemblers engaged in the process of manufacture.

7. The term "shipping and packing crew" as used herein includes those employees who perform no productive or mechanical operations of any kind; who wrap, package, card, or box the products of this industry and apply the same to customers' orders and ship the same.

8. The term "wholesale dealer" as used herein means any person who manufactures and sells, imports, assembles, or contracts for the manufacture of medium and low priced costume jewelry, and such other products of this industry as come within the definition of this Code, and sells such products to the wholesale and/or retail dealer.

ARTICLE III—HOURS

1. No employer shall employ any factory or mechanical worker or artisan in excess of forty (40) hours in any one week, except in seasonal periods, a twenty percent (20%) tolerance shall be allowed on the basic working schedule.

(a) Toolmakers, hub and die cutters may be employed a maximum of forty-eight (48) hours per week, but they shall not exceed five percent (5%) of the total number of employees employed in any one calendar month; and provided, that any employer may employ at least one toolmaker or hub and die cutter on this basis. In the event that the factory of any person is operated in more than one shift, no employee of this classification shall work more than forty (40) hours in any one week.

(b) Time and one third shall be paid for all hours worked by any employee in excess of forty (40) hours per week.

2. Employees (other than factory, mechanical workers, or artisans) may not be employed in any manner for more than forty (40) hours in any one week; provided, however, that in the case of shipping and packing crews, a tolerance of ten percent (10%) is permitted; provided further, that such shipping and packing crews shall be paid time and one third for all hours worked in excess of forty (40) in any one week.

3. In the event of unusual emergencies requiring an extension of hours, members of the industry through the Code Authority may request permission from the Administrator for an extension of hours beyond those provided for in Sections 1 and 2 of this Article, with such provisions for overtime as the Administrator may prescribe.

4. Employers, including individuals, partners, officers, or stockholders of corporations, or individual manufacturers, whenever engaged in productive work, shall conform to the working hours above prescribed.

5. The above provisions for maximum hours do not apply to employees engaged in a managerial, executive, or supervisory capacity who receive thirty-five dollars (\$35.00) per week or more, nor to outside salesmen, when not engaged in productive labor.

6. The maximum hours fixed in Section 1 shall not apply to any employee on emergency repair work involving break-downs or protection of life or property, but in any such special case at least one and one third times the normal rate of pay shall be paid for all hours worked in excess of the maximum of forty (40) hours herein provided.

7. Watchmen may be employed in pairs and shall work thirty-six (36) and forty-eight (48) hours on alternate weeks, or not more than forty-two (42) hours per week averaged over any period of two weeks.

8. No employee shall be permitted to work, for a total number of hours in excess of the number of hours herein prescribed, whether he be employed by one or more employers.

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.

2. Learners, who are persons having had no previous experience or employment in this industry, shall be paid not less than eighty per cent (80%) of the minimum hourly rate of thirty-two and one half cents ($32\frac{1}{2}\text{¢}$) per hour; such period of learning not to exceed six (6) weeks; and the number of learners employed by any one employer in any one month shall not exceed ten percent (10%) of the total number of employees of such employer; provided that every employer shall be entitled to employ at least one learner.

(b) Where, because of infirmities due to age or other causes, it is not possible for an employee working on a piecework basis to earn the hourly rates herein provided, the Code Authority may, upon petition of an employer, and with the approval of the Administrator, permit such employee to continue in employment, provided, that the wages paid to such employee shall be not less than ten dollars (\$10.00) per week; and provided further, that they shall be paid at the same rate per piece as other workers; such employees shall not in any case exceed two percent (2%) of the total number of employees regularly employed. This provision shall apply only to those in the employ of the member of the industry, so desiring their retention, who were so employed prior to the passage of the National Industrial Recovery Act.

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

3. It is the policy of the members of this industry to refrain from reducing the compensation for employment which compensation was

prior to June 16, 1933, in excess of the minimum wage herein set forth, notwithstanding that the hours of work in such employment may be reduced; and all members of this industry shall endeavor to increase the pay of all employees in excess of the minimum wage, as herein set forth, by an equitable adjustment of all pay schedules.

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

ARTICLE V—GENERAL LABOR PROVISIONS

1. No person under sixteen (16) years of age shall be employed in the industry; nor anyone under eighteen (18) years of age at operations or occupations hazardous in nature or detrimental to health. The Code Authority shall submit to the Administrator a list of such occupations. In any State an employer shall be deemed to have complied with this provision if he shall have on file a certificate or permit duly issued by the authority in such State empowered to issue employment or age certificates or permits, showing that the employee is of the required age.

2. Employees shall have the right to organize and bargain collectively through representatives of their own choosing, and shall be free from the interference, restraint, or coercion of employers of labor or their agents, in the designation of such representatives or in self-organization or in other concerted activities for the purpose of collective bargaining or other mutual aid or protection.

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

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

5. Within each State this Code shall not supersede any laws of such State imposing more stringent requirements on employers regulating the age of employees, wages, hours of work, 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 and keep posted in conspicuous places copies of the wage and hour provisions of the Code.

ARTICLE VI—HOME WORK

1. Employers in this industry shall not directly or indirectly permit work of any kind to be done in the home or homes.

ARTICLE VII—ADMINISTRATION

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

1. Organization and constitution of Code Authority.

(a) The Code Authority shall consist of the Council of Jewelry and Allied Industries and one member of the Precious Jewelry Producing Industry.

(b) In addition to membership as above provided there may be not more than three (3) members, without vote and without compensation from the Industry, to be appointed by the Administrator, to serve for such time as he may designate.

(c) Each trade or industrial association directly or indirectly participating in the selection or activities of the Code Authority shall 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, 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, he may take such action as may be necessary under the circumstances.

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 any action taken by the Code Authority.

(a) Such agency may from time to time present to the Administrator for his approval recommendations, based on conditions in the industry as they may develop, which tend to effectuate the policy of the National Industrial Recovery Act, and it shall be the duty of the Code Authority, when experience under the code may require, to make such specific recommendations with reference to statistical reports; keeping of uniform accounts; as to methods and conditions of trading; regulations for disposal of distress merchandise; and such further recommendations for dealing with any other inequalities that may arise to endanger the stability of the industry and/or production or employment, and as may appear necessary or expedient to effectuate the purposes of Title I of the National Industrial Recovery Act.

3. The Code Authority shall cooperate with the Administrator in making investigations as to the functioning and observance or non-observance of any of the provisions of this code, at its own instance or on complaint by any person affected, and to report the same to the Administrator.

4. To obtain from members of the industry such information and reports as are required for the administration of the Code and to provide for submission by members of such information and reports as the Administrator may deem necessary for the purposes recited in Section 3 (a) of the Act, which information and reports shall be submitted by members to such administrative and/or government agencies as the Administrator may designate; provided that nothing in this Code shall relieve any member of the industry of any existing obligations to furnish reports to any government agency. No individual reports shall be disclosed to any other member of the industry or any other party except to such governmental agencies as may be directed by the Administrator.

5. No inequitable restrictions on admission to membership in the Council of Jewelry and Allied Industries, or any other trade asso-

ciation or organized group, participating in the activities of the Code Authority, shall be imposed, and any member of the industry shall be eligible for membership in any such trade association or organized group upon compliance with the provisions of the bylaws relating to membership, provided that any person applying for such membership shall, in addition to the payment of such dues as are imposed and paid by all other members, accept a reasonable and equitable share of the cost of code development and administration. Such members of the industry who do not choose to become members of any trade association or organized group may participate in the activities of the Code Authority as herein provided by paying to the Code Authority such proportionate part of the cost of code development and administration as the Code Authority, subject to the Administrator's approval, shall prescribe as fair and equitable.

ARTICLE VIII—TRADE PRACTICES

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

(a) 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. Commercial bribery provisions shall not be construed to prohibit free and general distribution of articles commonly used for advertising except so far as such articles are actually used for commercial bribery as hereinbefore defined.

(b) Securing confidential information, other than information pertaining to a violation of any provision of this Code, concerning the business of a competitor by a false or misleading statement or representation, by a false impersonation of one in authority, by bribery, or by any other unfair method.

(c) To use or to substitute any material differing in quality, design, weight, or construction from that specified by the purchaser or representations made by the manufacturer prior to securing the order without the consent of the purchaser to such substitutions.

(d) 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.

(e) 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.

(f) To aid or abet any person, firm, association, or corporation in any unfair practice established in this Code.

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

1. For an employer to contribute all or part of the cost of customers' advertising, unless the employer's name, trade name or trademark, clearly and distinctly appears in such advertising at some conspicuous place.

(h) To grant quantity prices or quantity discounts for orders less in quantity than those for which the said prices or discounts are specified.

1. To delay shipments of orders for which quantity prices or quantity discounts are granted beyond the time necessary to make delivery except in cases where a single future shipment of an entire order is agreed upon.

(i) To withhold from or to insert in any invoice, statements which make the invoice a false record, wholly or in part, of the transaction reported on the face thereof.

(j) To make repairs or to refinish any products of the industry without a fair charge therefor, unless defective in material or manufacture.

(k) To stamp, brand, mark, or invoice with any word, symbol, mark, or quality mark any article of merchandise in violation of Federal or State Stamping laws (or any commercial standards covering such articles issued by the United States Department of Commerce) governing the stamping and marking of gold, gold filled, rolled gold plate, gold plate, gold electro-plate, and other gold-covered articles, or articles of other precious metals.

(l) To grant trade discounts in any form except as provided in this Code.

(m) To deliver (except to buyers and district offices of chain stores with a retail selling limit of \$1.00 or less and except samples of findings for catalogue use, which shall remain the property of the producer, and except fraternal emblem pins and buttons) sample lines of complete or partially complete articles to distributors, unless charged for at the regular prices and on regular terms of sale and discount.

(n) To imitate or simulate the mark or brand of a member of the industry, without permission of the owner.

(o) To imitate or simulate any original design without the permission of the originator. "Design" is defined as follows:

"A design is a pattern applied to, or a shape or form of a manufactured product which is not of itself a work of art, and shall include dies, molds, or devices by which such a pattern, shape, or form may be produced, original in its application to or embodiment in such manufactured product by reason of an artistic or intellectual effort, and which produces an artistic or ornamental effect or decoration, but shall not include patterns or shapes or forms which have merely a functional or mechanical purpose. Regulations for the administration of the above provisions shall be set up in accordance with Article VII of this Code."

(p) No persons governed by this Code shall either directly or indirectly loan, consign, place on memo, or otherwise deliver any merchandise into the control or custody of any person for the purpose of placing same in any distributor's stock without transferring title to the same.

(q) Bills shall not be dated more than five (5) days after actual shipment of merchandise.

(r) A note settlement or trade acceptance even if effected on or prior to the discount date shall not be considered as a cash payment.

(s) No merchandise, except samples of findings, shall be delivered as samples, except upon condition that same shall be returned or charged within fifteen (15) days following receipt. This provision shall not apply to merchandise delivered to catalogue houses or to buyers and district offices of chain stores having a retail selling limit of \$1.00 or less; provided, however, that all such merchandise shall be returned or charged within sixty (60) days following delivery.

(t) No article of jewelry or findings, finished or unfinished, when filled in accordance with customers' orders and sold by any person shall be accepted for credit, exchanged, or in any other way returned by a purchaser unless such article is defective in material or manufacture, and then within five (5) days of receipt of goods, provided this shall not apply to settlements made with any insolvent or embarrassed debtor.

(u) Synthetic, reconstructed, doublet, or imitation stones, cultured and imitation pearls, sold either loose or mounted, shall be designated as such on invoices, tags, or other descriptive medium.

(v) 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 provision of the Act or this Code.

ARTICLE IX—SALES PROVISIONS

1. No member of the Industry shall sell, exchange, or offer for sale any product of this Industry at a price below his own individual cost as determined by an adequate cost-finding system, capable of uniform application to the Industry and approved by the Administrator, provided, however, that any member of the Industry may meet competition in any specific instance by selling his product at a price not less than the lowest price of a comparable article on file with the Code Authority and provided further that:

(a) "Discontinued" merchandise, which is not deliberately manufactured or acquired in such a manner as to frustrate the spirit and intent of this section, may be sold at less than cost; provided, that all such sales shall be reported to the Code Authority not later than thirty (30) days thereafter.

ARTICLE X—DISCOUNTS

1. Effective as of January 1, 1934, the maximum cash discount shall be three percent (3%) for payment on or before the tenth (10th) day of the month following the date of invoice.

2. The maximum credit period shall not exceed ninety (90) days.

3. A tolerance of thirty (30) days may be allowed to wholesalers,

ARTICLE XI—PRICE LISTS

1. Each member of the industry shall, on request of the Code Authority, ten days prior to the effective date of his price list, file his net current price lists and/or price lists with discount sheets, as the case may be, with the Code Authority.

2. Revised price lists, except in case of increases of each and every item, with discounts thereon, shall be filed with the Code Authority ten (10) days prior to the effective date.

ARTICLE XII—CHANGES AND ADDITIONS

1. In order to enable the industry to conduct its operations subject to the provisions of this Code, to establish their trade within the industry and with those dealing with the industry, and otherwise to effectuate the purposes of Title I of the National Industrial Recovery Act, supplementary provisions or amendments of the Code, or additional Codes, may be submitted from time to time for the approval of the President by the Code Authority, or by any of the divisional groups, through the Code Authority. Such supplementary provisions or amendments, when approved, shall have the same force and effect as the major code upon the group or groups from which they originate.

ARTICLE XIII—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 Title I 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 or amended on the basis of experience or changes in circumstances, such modifications or amendments to be based upon application to the Administrator and such notice and hearing as he shall specify, and to become effective upon approval of the President, unless otherwise provided.

ARTICLE XIV—MONOPOLIES, ETC.

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

ARTICLE XV—PRICE INCREASES

1. 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 XVI—EFFECTIVE DATE

1. This Code, together with the schedules attached hereto and made a part hereof, shall become effective on the day following the date of its approval by the President.

ARTICLE XVII—SUPPLEMENTARY PROVISIONS

1. The following divisions (A, B, C, D, E, F, G, H, and I, inclusive) are supplementary to, and constitute part of, the Code of Fair Competition for the Medium and Low Priced Jewelry Manufacturing Industry. Such schedules apply only in those particular divisions of the Jewelry Industry indicated by the specific headings, and where such provisions conflict with the provisions of the basic code the provisions of the schedule, as to the particular division covered thereby, shall control.

Approved Code No. 175.
Registry No. 1215-1-01.

SCHEDULE A

DIVISION FOR THE MANUFACTURERS AND DISTRIBUTORS OF JEWELRY FOR SCHOOLS, COLLEGES, FRATERNITIES, AND OTHER EDUCATIONAL INSTITUTIONS

1. CONTRACTS

(a) In order to meet the increased cost of gold following the Executive Order of the President of August 28, 1933, it is recognized that prices in contracts for purchase of gold products, which were made prior to said Executive Order and are in full force and effect between members of this Division and their customers, should be increased to such an extent as is necessary to allow for the actual increased cost of gold in such products.

(b) No member of this Division shall induce or attempt to induce the breach of a bona fide existing contract between a competitor and the customer of such competitor during the term covered by such contract, or interfere with or obstruct the performance of any duty or service provided by the terms thereof.

(c) Where a fraternity controls the manufacture and distribution of its insignia under contract, it is an unfair trade practice for unauthorized persons to manufacture, solicit, or accept orders for such insignia.

2. DISCOUNTS

(a) Discounts on all orders sold direct from any manufacturer of this Division to retail stores, where no salesman works on such order, shall be uniform as to purchasers of the same class, grade, quality, and/or quantity and at such amount off of the list price filed with the Code Authority, as may, with the approval of the Administrator, be determined by such Code Authority.

(b) Discounts on all orders placed through local dealers by salesmen shall be uniform as to purchasers of the same class, grade, quality, and/or quantity and at such amount off of the list price filed with the Code Authority, as may, with the approval of the Administrator, be determined by such Code Authority.

(c) Cash and trade discounts, other than provided for in sections (a) and (b) of this Article, are hereby prohibited.

3. DEPOSITS

(a) Deposits on the purchase price of class emblems and fraternity jewelry shall be required with the order, as follows:

(1) On each class emblem order, not less than one dollar (\$1.00) deposit where the retail selling price exceeds three dollars (\$3.00) but is less than ten dollars (\$10.00).

(2) On each class emblem order, not less than three dollars (\$3.00) deposit where the retail selling price exceeds ten dollars (\$10.00).

Provided, however, that no deposit shall be forfeited except for arbitrary cancellation or rejection of the order, or any part thereof.

(3) Not less than ten percent (10%), and in no case less than one dollar (\$1.00) deposit on all regular orders for fraternity jewelry at least fifty percent (50%) of the purchase price thereof.

4. SPECIAL CHARGES AND COMMISSIONS

(a) On all orders for high-school rings and pins the actual cost of the necessary dies shall be charged in accordance with a schedule submitted by the Code Authority and approved by the Administrator.

(b) Commissions in any form allowed or paid to any salesman representing a member of this Division shall be filed with the Code Authority in the same manner as provided for the filing of net current price lists and discount sheets, and no salesman shall give to a purchaser any deduction from his commission as shown by the schedule thereof filed with the Code Authority.

5. SALES PROVISIONS

(a) No member of this Division shall sell, exchange, or offer for sale, any product of this Division at a price below his own individual cost, as determined by an adequate cost-finding system, capable of uniform application to the industry, to be developed and set up by the Code Authority, subsequent to the effective date of this Code, and when approved by the Administrator, shall be used by all members of this Division as the basis for determining their individual cost.

6. PRICE LISTS

(a) Each member of this Division shall, within five (5) days after the effective date of this Code, file with the Code Authority a schedule of his net current price lists and discount sheets on forms prescribed by the Code Authority and approved by the Administrator.

(b) Revised schedules of price lists and discount sheets may be filed from time to time thereafter with the Code Authority by any member of this Division, to become effective upon the date specified by such member, which date shall be not less than ten (10) days after the filing of such revised schedules with the Code Authority.

(c) No member of this Division shall sell, exchange, or offer for sale any product of this Division at a price less than set forth in the schedule of such member on file with the Code Authority.

(d) Members of this Division shall keep accurate records of their individual costs, which records shall upon request, with the approval of the Administrator, be available to the Code Authority.

(e) No member of this Division shall submit a price list in which the price of any particular article is less than the individual cost of such member, as determined by the uniform cost accounting system provided for in Section 5 (a) of this schedule, and such submitted price list representing the price of any particular article below the individual cost of the member submitting the same, as shown by his certified cost sheets, shall be held in abeyance by the Code Authority pending submission of a revised price list based on the individual cost of each article to such member.

7. TRADE PRACTICES

In addition to the Trade Practices set forth in the Basic Code, the following constitute unfair methods of competition for members of this Division and are prohibited:

(a) The giving of gratuities of every description, such as keys, plaques, cups, and any article of merchandise or anything of value, as well as all gratis rings or pins, bribes, special discounts, or rebates.

(b) To guarantee a cash payment or installment payments as an inducement to secure a contract.

(c) Advertising allowances, which have the effect of a concession in price, provided that this provision shall not be so interpreted as to prohibit legitimate advertising, or the purchase of a reasonable space in a school or college publication, based on approximately three percent (3%) of the business secured by the member of the Division, as advertising, from such school or college.

(d) Where no standard or special design has been adopted by any school or institution, and suggested designs are requested by such school or institution, that will require a special shank die, no member of this Division shall submit a special sample of the design without first receiving a bona fide and definite signed order.

(e) Making repairs or refinishing any products of the Industry without a fair charge unless defective in material or manufacture.

8. CONSIGNMENT

(a) Nothing contained in the basic Code relative to the prohibition of delivery of goods on consignment or memorandum shall apply to members of this Division.

SCHEDULE B

DIVISION FOR MANUFACTURERS OF FRATERNAL AND EMBLEMATIC JEWELRY

TRADE PRACTICES

In addition to the Trade Practices set forth in the basic Code, the following constitute unfair methods of competition for the members of this Division and are prohibited:

- (a) To prepay any shipping charges on merchandise.
- (b) To accept a note or notes in payment which do not bear interest at the prevailing contract rate as provided by the law of the State in which said note may be executed.

SCHEDULE C

DIVISION FOR IMPORTERS AND DEALERS OF CHATONS, MARCASITES, AND IMITATION PRECIOUS AND SEMIPRECIOUS STONES

1. No marcasites, chatons, or imitation precious or semiprecious stones of any kind or description, suitable for the manufacture of jewelry or ornamentation of other material of any kind shall be sold on any terms more advantageous than the following:

(A) DISCOUNTS

(1) A discount not exceeding three percent (3%) shall be allowed for payment within fifteen (15) days from the end of the month in which the merchandise is delivered, with a tolerance of ten (10) days, and no discount of any amount shall be allowed after the expiration of the discount period.

(2) No discount or rebate or any other direct or indirect consideration or gratuity of any sort shall be allowed other than the discount stated in subsection (1) of this article.

(B) DATINGS

(1) No datings shall be allowed, except that merchandise sold after the 25th of any month may be dated as of the first of the month immediately following.

(C) MEMORANDUM MERCHANDISE

(1) Merchandise on memorandum shall be submitted for a period no longer than five (5) days from the day of delivery of such merchandise. Upon the expiration of five (5) days, such merchandise shall be returned or invoiced.

(D) PAYMENT OF ACCOUNTS

(1) Interest at the rate of six percent (6%) per annum, unless otherwise provided by state law, shall be charged on all accounts not paid for within sixty (60) days from the end of the month in which delivery of merchandise was made.

(2) A note settlement, even if effected on or prior to the discount date, shall not be considered as payment within the meaning of this subdivision, and no account shall be considered paid until the proceeds of any note given in settlement shall have actually been collected.

SCHEDULE D

DIVISION FOR THE MANUFACTURERS OF AMERICAN-MADE IMITATION PEARLS AND IMITATIONS OF PRECIOUS AND SEMI-PRECIOUS STONES AND BEADS, ASSEMBLED INTO NECKLACES, CLASPS, BRACELETS, EARRINGS, CLIPS, RINGS, BROOCH PINS, HAIRPINS AND HAT PINS

1. LABELS

(a) All jewelry of this class, manufactured in the United States under the provisions of this Code shall be entitled to bear an NRA label, which shall be

attached to such jewelry by the manufacturer, upon application approved by the Administrator, to be accompanied by a statement of compliance with the provisions of this Code; provided that the privilege of using such labels may be suspended by the Administrator in respect to any such manufacturer whose operations shall be found to be in violation of this Code. The Imitation Pearl and Imitation Stone division may establish appropriate plans for the issuance of such labels in accordance with the foregoing provisions.

SCHEDULE E

DIVISION FOR THE MANUFACTURERS OF BUCKLES AND ORNAMENTS FOR MILLINERY, DRESS, BAGS, AND SHOES

1. All shipments made by any member of this Division shall be f.o.b. point of shipment excepting to the five (5) boroughs of Manhattan.

SCHEDULE F

DIVISION FOR MANUFACTURERS SELLING TO CHAIN STORES WITH A RETAIL SELLING LIMIT OF ONE DOLLAR (\$1.00) OR LESS

1. TERMS

(a) No product of this Division shall be sold on terms more favorable than net ten (10) days delivered.

SCHEDULE G

DIVISION FOR MANUFACTURERS OF MACHINE CHAIN

1. DEFINITIONS

(a) An "Unfinished Chain Manufacturer" is a person, firm, or corporation producing soldered and unsoldered chain by the use of machines, or automatic tools, operated by skilled mechanics.

(b) The term "soldered chain" means chain made of any metal, precious or nonprecious, in any form, shape, or design, each link formed or linked by machine or automatic tools and soldered or welded.

(c) The term "unsoldered chain" means chain made of any metal, precious or nonprecious, in any form, shape, or design, formed, shaped, or linked or hooked by machine or automatic tools.

2. MACHINE HOURS

(a) Chain machinery, including automatic tools to produce chain, shall not be operated more than forty (40) hours in any one week; provided, however, that upon application to the Code Authority the period of time during which chain machinery may be operated, for good cause shown, may be extended for such period as the Code Authority, subject to the approval and final decision of the Administrator, may deem necessary.

3. TERMS

(a) All unfinished chain shall be sold net thirty (30) days, f.o.b. factory.

(b) No discounts of any kind shall be allowed.

(c) No express or parcel post or insurance charges shall be allowed or deducted from invoices.

(d) No cash allowances shall be made.

(e) No rebates shall be allowed or gratuities given.

4. SALES PROVISIONS

(a) No distress, so-called job lot unfinished chain shall be sold at less than cost, except upon application to the Code Authority and its approval of such sale.

(b) No more unfinished chain, whether partially manufactured or not, shall be given than is charged on invoice.

(c) No unfinished chain, soldered, welded, or unsoldered, shall be sold below actual cost of production.

SCHEDULE H
DIVISION FOR MANUFACTURERS OF FINDINGS**1. DISCOUNTS**

(a) No discount shall be allowed for cash in excess of two percent (2%) and for a period of payment not later than the fifteenth (15th) of the month following date of invoice, or with not due terms for a period beyond the end of the month following date of invoice.

TRADE PRACTICES

(a) No member of this Division shall make free delivery of merchandise except within the city where the producing manufacturer is located, or from any branch shipping point of said manufacturer.

(b) No member of this Division shall date any bills in advance.

(c) No member of this Division shall allow anticipation.

(d) No member of this Division shall furnish, without charge, findings samples in excess of twenty-five cents (25¢) in value in any one shipment; provided, however, that the provisions of this section shall not apply to samples in catalogue form or for catalogue use.

SCHEDULE I
DIVISION FOR THE MANUFACTURERS OF COLLAR BUTTONS

1. This division shall include those manufacturers of collar buttons whose products are made of gold of a grade less than ten karat (10 Kt.) fineness and shall not include manufacturers of solid pearl buttons, but shall include only manufacturers who sell to the jobbing trade.

2. In addition to the unfair trade practices of the basic Code, the following practices shall constitute unfair competition for the members of this Division and are prohibited:

(a) To manufacture or sell a metal collar button without the manufacturers' trademark plainly stamped thereon.

(b) To stamp metal collar buttons with other than the trademark of the manufacturer producing the same.

(c) To furnish, without extra charge, any packaging or display material other than regular cards.

(d) To make price allowance for collar buttons sold and shipped in bulk.

(e) To manufacture or sell any Inlaid Pearl Collar Buttons other than 22/back, or other than White Pearl Domed.

(f) To manufacture or sell any Swaged Pearl Collar buttons other than 22/back or other than all white quality.

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