

NATIONAL RECOVERY ADMINISTRATION

CODE OF FAIR COMPETITION

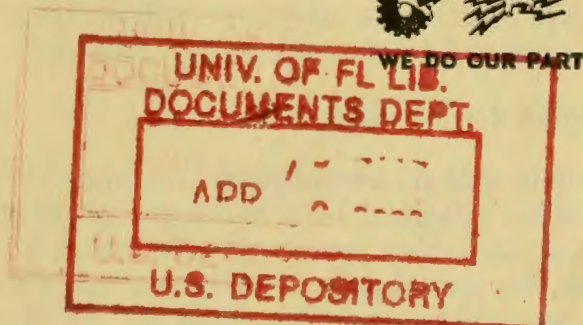
FOR THE

SASH WEIGHT INDUSTRY

AS SUBMITTED ON AUGUST 24, 1933

REGISTRY No. 1122—08

The Code for the Sash Weight 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

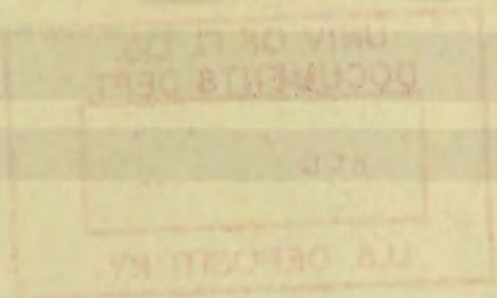


UNITED STATES
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CODE OF FAIR COMPETITION FOR THE SASH-WEIGHT INDUSTRY

ARTICLE I—PURPOSE

1. To effectuate the policy of Title I of the National Industrial Recovery Act by reducing and relieving unemployment, improving the standards of labor, eliminating competitive practices destructive of the interests of the public, employees and employers, relieving the disastrous effects of overcapacity, and otherwise rehabilitating the sash-weight industry the following provisions are established as a Code of fair competition for the sash-weight industry.

2. No provision in this Code shall be interpreted or applied in such manner as to—

- (a) Promote monopolies,
- (b) Permit or encourage unfair competition,
- (c) Eliminate or oppress small enterprise, or
- (d) Discriminate against small enterprises.

ARTICLE II—PARTICIPATION

1. Participation in this Code, and any subsequent revision of or addition to the Code, shall be extended to any person, partnership, association, or corporation now engaged in the manufacture of sash weights and related products as hereinafter enumerated, who shall pay his proper prorata share of the expense involved and receive the benefits in the development and administration of the Code.

ARTICLE III—APPLICATION

1. This Code shall apply to all manufacturers of sash weights and related products, including regulator weights, special weights, sectional sash weights, dock weights, counter weights, elevator weights, and accumulator weights and shall apply to all business done in these products excepting export business.

ARTICLE IV—LABOR CODE

A. General—1. Employees in the sash-weight industry 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. No employee and no one seeking employment in the sash-weight industry 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.

3. Employers in the sash-weight industry shall comply with the maximum hours of labor, minimum rates of pay, and other conditions of employment approved or prescribed by the President of the United States.

B. Hours and Wages.—4. The maximum hours for workers in the sash-weight industry, excepting foremen, receiving more than \$35.00 per week, and maintenance men in emergencies when they shall be compensated at the rate of time and one third, shall be 40 hours per week.

5. The minimum wage rate for workers in the sash-weight industry, excepting cleaners and watchmen, shall be as follows:

(a) \$0.37½ per hour in that section of the country west of the Mississippi River and north of the Mason and Dixon line.

(b) \$0.35 per hour in that section of the country east of the Mississippi River and south of the Mason and Dixon line.

ARTICLE V—MERCHANDISING REGULATIONS

1. *Sales Below Cost.*—No manufacturer of the products enumerated in Article III of this Code shall sell or exchange any of these products at a price or upon such terms or conditions that will result in the buyer paying for the goods received less than the cost to the seller. This cost shall be determined in accordance with a uniform and standard method of costing to be developed by a reputable cost-accounting organization and approved by the Code authority as hereinafter provided under Article VII, Section 1.

2. *Extra Charges.*—All weights which have to be bundled, excluding boat shipments and less-carload rail shipments, shall be invoiced to the customer at an additional price to include the cost of bundling on the basis provided in Article V, Section 1.

3. *Orders to be Taken for Immediate Shipment.*—All orders from all classes of buyers if taken at firm prices shall be subject to immediate shipment, and such orders shall be complete with respect to specifications, prices, and the like. If not complete, they shall be considered as deferred for future shipment. All orders for future shipment (future shipping date specified, or incomplete in the essentials as above stated) shall be subject to prices in effect at time of shipment, and shall be taken and/or acknowledged subject to such conditions.

4. *Price Advance.*—All orders on hand for immediate shipment, including back orders and orders for immediate shipment in mail (postmarks on letters or filing time on telegrams shall be considered date of receipt) at former prices and not shipped within five days (Sundays and holidays excluded) following the date of a price advance, shall be either cancelled or invoiced at the higher prices, regardless of the reason or cause for failure to make shipment within the fifteen-day period.

5. *Price Declines.*—In event prices of sash-weight products are reduced, shipments in transit may be given the benefit of the lower prices: *Provided, however,* That buyer submits evidence, in the form of carrier's expense bill, showing that the shipment actually was in transit and not in buyer's stock when the price decline occurred. Unfilled orders on hand at time of price decline may be given the benefit of the lower prices.

6. *Order, Acknowledgment, and Invoice Forms.*—Each manufacturer should indicate on each of his order, acknowledgment, and invoice forms his established prices appropriate for the class of shipment involved and the discount granted.

(a) *Order Forms.*—For his own protection each manufacturer should use substantially the following wording between the date line and signature line on all salesmen's order forms:

"TERMS: 1% cash discount 10 days, 30 days net. Shipment of this order at prices and terms hereon shall not be obligatory on our part unless formally acknowledged."

(b) *Acknowledgment Form.*—For further protection each manufacturer should use substantially the following wording on all of his order acknowledgment forms:

"This order is accepted at the prices shown hereon for immediate shipment, and in the event of a price advance on sash-weight products, said products must be shipped within fifteen working days following date of price advance, or cancelled or adjusted to prices in effect at time of shipment, regardless of reason for our inability to ship within said fifteen days."

(c) *Invoice and Acknowledgment Forms.*—Each manufacturer should print substantially the following wording on all of his invoice and order acknowledgment forms for shipments including sash-weight products made by rail and/or water:

"If goods are actually unloaded at destination shown hereon, we will, upon receipt of paid freight bills, or a duplicate thereof, allow freight as outlined"—and then specify the allowances established herein.

7. *Back Orders.*—If a carload is ordered for shipment via rail freight and portion of it aggregating 40,000 pounds or more is so shipped, and there remains a less carload balance not shipped because of the failure of the manufacturer to include it in said carload rail shipment, said balance is termed a "back order." Back orders shipped via L.C.L. rail freight may be made on as favorable terms as though said portion of the order had been included in the C.L. rail shipment, provided said back orders are shipped within thirty days of the original C.L. shipment, except that in the event of a price advance back orders shall be shipped within fifteen working days following date of price advance, or cancelled or invoiced at prices in effect at time of shipment.

8. *Terms of Payment.*—Terms of payment shall not be more favorable than 1% cash discount ten days, 30 days net; or if preferred, 1% proximo, net 30 days proximo. The cash discount may be allowed from the net merchandise value of invoices. No discount on freight allowed.

9. *Datings.*—Manufacturers shall not grant future invoice datings on any shipments.

ARTICLE VI—UNFAIR TRADE PRACTICES

1. *Employees*—(a) *Enticing Employees from Competitors.*—Maliciously enticing away an employee or employees of competitors with the intent of unduly hampering, injuring, or embarrassing a competitor or competitors in the conduct of their business is an unfair trade practice.

(b) *Withholding information*.—The withholding of or refusing to give information concerning any previous employee by any manufacturer with intent to mislead or deceive is an unfair trade practice.

2. *Merchandise*—(a) *Weight of Merchandise*.—On all price lists, advertising matter, etc., the average weight of each product shall be given in one weight only, and not a range of weights. No manufacturer shall intentionally ship any customer merchandise which weighs substantially more or less than the average published weight.

(b) *Seconds*.—To protect the public against misleading and defective merchandise, “seconds” of sash weights shall not be sold for counterweight purposes, or in such manner or form as to be suitable for window counterweighting.

3. *Invoicing*—(a) *Fictitious Invoices*.—Fictitious invoicing of merchandise and the shipment of merchandise which weighs substantially more or substantially less than the published weight is an unfair trade practice. All goods shipped by a manufacturer to or for customers carried on his own books shall be fully invoiced in the name of the customer to whom or for whom the goods are shipped, and by whom payment will be made to the manufacturer. No manufacturer, by subterfuge or otherwise, shall give any customer the discount to which some other customer is entitled. No manufacturer shall invoice any customer for products other than those actually shipped against the invoice.

(b) *Omission of Data*.—Any items pertaining to the sale omitted from the invoice, such as allowance of overriding discount payable at some future date, shall be considered an unfair trade practice.

(c) *Unauthorized Deductions*.—Permitting a customer to make any deductions from the invoice not covered by the terms of sale in making his remittance shall be considered an unfair trade practice.

(d) *Free Goods*.—No manufacturer shall ship or in any way deliver free goods of any kind to any customer for customer's own use or for resale by that customer.

(e) *Other Products*.—No manufacturer shall subnormally price any products manufactured and/or sold by him for the purpose of influencing the sale of sash weight products.

4. *Transportation*.—(a) *Diversion of Shipments*.—No customer shall be permitted to secure any allowance either for freight equalization or for trucking by means of diverting shipments. The manufacturer shall secure paid freight bills, or duplicates thereof, before any credits are allowed the customer for freight or freight equalization on any type of shipment.

(b) *Trucking Allowance to Fictitious Destinations*.—No customer shall be permitted to profit or benefit by an allowance for trucking goods to a fictitious destination.

5. *Advertising*.—(a) Advertisements, statements, or inferences, which directly or indirectly reflect falsely upon the merchandise, policies, or financial standing of any competitor or which are detrimental to the best interests and welfare of the industry are unfair trade practices.

6. *Subsidies*.—(a) *Lavish Entertainment*.—Manufacturers shall not encourage nor permit lavish entertainment of a customer by their employees. No manufacturer shall purchase stock or invest in

any customer's company. This does not apply to stock purchased by individuals of listed stocks.

(b) *Bets, Gratuities, Loans, Etc.*—No salesman or other employees shall make bets or in any way gamble with any customer or customer's employee for the purpose or with the intent of losing, nor shall any salesman or employee give any gratuity, cash, or present of substantial value to any customer or prospective customer or customer's employees. No salesman or employee shall make loans of any kind to any customer or prospective customer, or customer's employees.

(c) *Consignments.*—There shall be no consignment of goods made to any customer.

(d) *Purchases from Customer.*—No manufacturer, in purchasing any commodity from a concern engaged in the sale and distribution of sash weights and related products, shall pay a price in excess of the prevailing open-market price for the commodity in question; nor shall any manufacturer in purchasing materials of his own manufacture from one of his customers pay more than the customer's original net delivered cost therefor.

(e) *Renting Part of Customer's Premises.*—No manufacturer shall rent any part of the premises of a customer for office space or any other purpose.

(f) *Paying Part of Customer's Expenses.*—No manufacturer shall assume any portion of the expenses incurred by a customer in running his own business, nor shall any manufacturer assume any part of the expenses or any payments whatsoever to customer's personnel, including clerks, salesmen, etc.

(g) *Splitting Commissions.*—Salesmen or other employees shall not split nor otherwise share their commissions or compensation with any present or prospective customer or customers' employees.

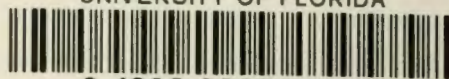
(h) *Excessive Sales Assistance.*—No manufacturer shall extend more sales assistance to any customer than can be rendered in a normal manner through the activities of the salesmen regularly maintained in the territory by the manufacturer, nor shall any manufacturer offer, promise, or supply any definite portion of the time of one or more salesmen, or any definite volume of sales to be turned in as an inducement towards obtaining the account of any customer.

(i) *Excessive Allowance and Adjustments.*—No manufacturer shall make allowance to a customer for alleged defective merchandise, alleged shortages, or for adjusting complaints of any kind.

(j) *Granting Excessive Credit.*—Manufacturers shall not offer or extend to customers unusual volume of credit as an inducement to place business with manufacturers. Manufacturers shall charge and collect not less than the prevailing interest rate on all customers' notes covering past-due accounts.

(k) *Customers' Accounts.*—No manufacturers shall assume any credit responsibility whatsoever, nor guarantee any such accounts, nor assume the customer's loss, if the account should prove uncollectible.

7. *Cut-Throat Competition.*—Selling goods below manufacturer's own cost, to be determined in accordance with Article V, Section 1, of this Code, is an unfair trade practice.



8. *Sundries*.—(a) *Misclassification of Customers*.—No manufacturer shall deliberately misclassify a customer so as to enable said customer to obtain a better price or terms of sale than that to which he is properly entitled.

(b) *Transference of Orders*.—Orders booked with customers and not actually taken by the same customer shall not be transferred in whole or in part to another customer or customers, but must be immediately canceled.

(c) *Resales*.—The manufacturer will encourage his own customers to maintain a fair margin of profit in resales and to make possible a profitable handling of his products by other similar customers.

(d) *Breaking Contracts*.—No manufacturer shall induce or assist a customer to break a contract with a competing manufacturer.

ARTICLE VII—ADMINISTRATION OF CODE

1. To further effectuate the policies of the National Industrial Recovery Act, the Board of Directors of the Sash Weight Association, Inc., the applicant herein, or such successor committees as may hereafter be constituted by the above association, is set up to cooperate with the Administration of the National Industrial Recovery Act as the authority to administer the provisions of this Code.

2. The association shall serve as an agency for collecting statistical data as to costs, production, sales, and all other matters affecting the industry as to which the Government may require information, and the manufacturers engaged in the industry will furnish such information and make such reports to the association as may be necessary in order to enable the association to collect and furnish to the Government the information required under the terms of the National Industrial Recovery Act. The manufacturers shall keep their accounts in such form as may be necessary to enable them to furnish information desired by the Government.

3. The President of the United States may from time to time cancel or modify any order, approval, license, rule, or regulation issued under Title 1 of the National Industrial Recovery Act.

4. Any violations of the provisions of this Code shall be investigated by an authorized agent or agents of the Code authority as provided for in Article VII, Section 1; and members of the industry shall facilitate such investigations by opening their correspondence, books, and accounts for examination and by furnishing relevant information. In the disclosal of any willful violation of this provision, the Code authority may present evidence thereof to the proper department, agency, or judicial branch of the Government.

5. Any complaint regarding infractions of this code shall be made in writing to the Code authority and accompanied with supporting evidence and a check for \$50.00 to partially cover the cost of an investigation. If the investigation discloses a violation of the Code the \$50.00 fee shall be returned to the complainant, but if no violation of the code is indicated, the fee shall revert to the treasury of the association, to be used in the general administration of the Code.

6. This Code shall be in effect beginning ten days after its approval by the President of the United States.