

**NATIONAL RECOVERY ADMINISTRATION**

---

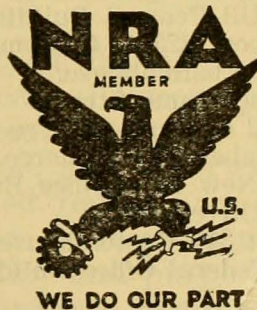
**SUPPLEMENTARY  
CODE OF FAIR COMPETITION**

**FOR THE**

**FILE MANUFACTURING  
INDUSTRY**

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

**AS APPROVED ON OCTOBER 9, 1934**



UNIV. OF FL LIB.  
DOCUMENTS DEPT.

U.S. DEPOSITORY

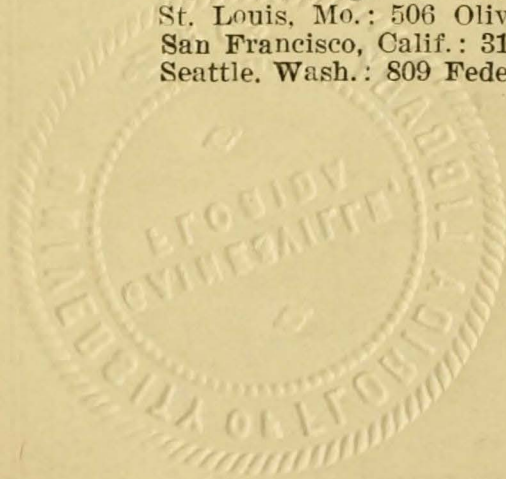
UNITED STATES  
GOVERNMENT PRINTING OFFICE  
WASHINGTON: 1934



This publication is for sale by the Superintendent of Documents, Government Printing Office, Washington, D. C., and by district offices of the Bureau of Foreign and Domestic Commerce.

**DISTRICT OFFICES OF THE DEPARTMENT OF COMMERCE**

Atlanta, Ga.: 504 Post Office Building.  
Birmingham, Ala.: 257 Federal Building.  
Boston, Mass.: 1801 Customhouse.  
Buffalo, N. Y.: Chamber of Commerce Building.  
Charleston, S. C.: Chamber of Commerce Building.  
Chicago, Ill.: Suite 1706, 201 North Wells Street.  
Cleveland, Ohio: Chamber of Commerce.  
Dallas, Tex.: Chamber of Commerce Building.  
Detroit, Mich.: 801 First National Bank Building.  
Houston, Tex.: Chamber of Commerce Building.  
Indianapolis, Ind.: Chamber of Commerce Building.  
Jacksonville, Fla.: Chamber of Commerce Building.  
Kansas City, Mo.: 1028 Baltimore Avenue.  
Los Angeles, Calif.: 1163 South Broadway.  
Louisville, Ky.: 408 Federal Building.  
Memphis, Tenn.: 229 Federal Building.  
Minneapolis, Minn.: 213 Federal Building.  
New Orleans, La.: Room 225-A, Customhouse.  
New York, N. Y.: 734 Customhouse.  
Norfolk, Va.: 406 East Plume Street.  
Philadelphia, Pa.: 422 Commercial Trust Building.  
Pittsburgh, Pa.: Chamber of Commerce Building.  
Portland, Oreg.: 215 New Post Office Building.  
St. Louis, Mo.: 506 Olive Street.  
San Francisco, Calif.: 310 Customhouse.  
Seattle, Wash.: 809 Federal Office Building.





## SUPPLEMENTARY CODE OF FAIR COMPETITION

FOR THE

## FILE MANUFACTURING INDUSTRY

As Approved on October 9, 1934

---

### ORDER

#### APPROVING SUPPLEMENTARY CODE OF FAIR COMPETITION FOR THE FILE 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 1 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 File 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, the National Industrial Recovery Board, pursuant to authority vested in it by Executive Orders of the President, including Executive Order No. 6859, and otherwise, does hereby incorporate by reference said annexed report and does 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 does hereby order that said Supplementary Code of Fair Competition be and it is hereby approved; provided, however, that the provisions of Article VI be and they are hereby stayed pending further Order of such Board; and provided further that the applicant shall amend its Articles of Association and By-laws to the satisfaction of the National Industrial Recovery Board within thirty (30) days after the effective date of this Supplementary Code.

NATIONAL INDUSTRIAL RECOVERY BOARD,  
By G. A. LYNCH, *Administrative Officer.*

Approval recommended:

KILBOURNE JOHNSTON,  
*Acting Division Administrator.*

WASHINGTON, D. C.,  
October 9, 1934



## REPORT TO THE PRESIDENT

The PRESIDENT,  
*The White House.*

SIR: This is a report on the Supplementary Code of Fair Competition for the File 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., April 5, 1934, in accordance with the provisions of Title I of the National Industrial Recovery Act.

### GENERAL STATEMENT

The File 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 provides for formulation of cost finding and accounting methods capable of use by all members of the Industry. When approved by the Administrator, such methods shall be utilized by the Industry to the extent found practicable.

Article VI prohibits selling below cost as determined in accordance with Article V, except to meet a competitor's price whose costs are lower under Article V; and except that dropped lines and seconds may be sold without restriction; and except that after notice



to the Supplementary Code Authority, products of the Industry may be sold below cost to meet competition on products of equivalent design, character, quality or specification manufactured outside the United States.

Article VII provides for the filing of prices with a confidential and disinterested agent of the Supplementary Code Authority and also provides for the filing of revised prices.

Article VIII sets forth the unfair trade practices of this Supplementary Code, observance of which is designed to mitigate unfair competition in this Division of the Industry.

Article IX defines the term "export" to include shipments to countries other than continental United States, and states that provisions of this Supplementary Code concerning pricing and marketing do not apply to export sales.

Article X provides for modifications in accordance with subsection (b) of Section 10 of the Act, and also for modifications on the basis of experience.

Article XI provides against monopolistic practices and the oppression of, or discrimination against, small enterprises.

Article XII recognizes that price increases be limited to actual additional increases in the seller's costs.

Article XIII gives the effective date and duration of this Supplementary Code.

#### FINDINGS

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

We 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 sanction 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 association is an industrial association 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, The National Industrial Recovery Board approves this Supplementary Code.

Respectfully,

NATIONAL INDUSTRIAL RECOVERY BOARD,  
G. A. LYNCH, *Administrative Officer*.

OCTOBER 9, 1934.



# SUPPLEMENTARY CODE OF FAIR COMPETITION FOR THE FILE MANUFACTURING INDUSTRY

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

### ARTICLE I—PURPOSES

To effectuate the policies of Title I of the National Industrial Recovery Act, the following provisions are established as a Supplementary Code of Fair Competition for the File 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 2nd 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 "File Manufacturing Industry", hereafter referred to as the Industry, is defined to mean the manufacture for sale of all types and shapes of files, including Swiss Pattern files, rasps, rifflers, scrapers, file brushes and handles, excepting manicure files, rotary files and burs.

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

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

The term "member of the Industry" 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", "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.

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 2nd day of November, 1933.

The term "Supplementary Code Authority" as used herein, is defined to mean the agency to administer the Supplementary Code.

The term "Supplementary Code Committee," as used herein is defined to mean the Executive Committee of the Association.



The term "Association" as used herein is defined to mean the File Manufacturers Association of the United States, or its successor.

The term "Secretary" as used herein, is defined to mean the Secretary of the Supplementary Code Authority.

### 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 November 2nd, 1933, including Section I of said Article III, by which the provisions of subsection 1, 2 and 3 of Section 7 (a) of Title I of the Act are made conditions of this Code, are specifically incorporated herein and made 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 of this Supplementary Code, the Supplementary Code Committee of the Industry shall constitute a Temporary Supplementary Code Authority until the Supplementary Code Authority is elected. There shall be constituted within the sixty-day period a Supplementary Code Authority consisting of 5 members to be elected by the members of the Industry, at a meeting called by the Temporary Supplementary Code Authority, upon ten days' notice sent by registered mail to all members of this Industry whose names may be ascertained after diligent search, who may vote either in person or by proxy. The members of the Supplementary Code Authority first elected shall serve until the following Annual Meeting of the Association, and thereafter, members of the Supplementary Code Authority shall be elected by the members of the Industry at a meeting of the Industry to be held at the time and place of each Annual Meeting of the Association to serve until the following Annual Meeting.

The members of the Supplementary Code Authority shall be elected in the following manner:

(a) One (1) member of the Industry who is not a member of the Association elected by majority vote of the non-members of the Association, present in person or represented by proxy, each member to have one vote;

(b) Two (2) members who shall be members of the Industry elected by a majority vote of the members of the Association present in person or represented by proxy, each member to have one vote;

(c) Two (2) members by a 51% vote of members of the Association present in person or by proxy weighted on the basis of one (1) vote for \$25.00 of Annual dues; provided, however, that no one membership may cast more than (25%) of the total number of votes authorized.

A vacancy in the membership of the Supplementary Code Authority shall be filled by majority vote of the remaining members of the Supplementary Code Authority. Provided, however, that the mem-



ber of this Supplementary Code Authority who is chosen to fill such vacancy shall be selected from the same class of membership in which the vacancy occurred.

In addition thereto the Administrator may appoint a member of the Supplementary Code Authority who shall be without vote and shall serve without expense to the Industry. 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. Each Trade Association 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) shall use due diligence in submitting to the Administrator true copies of its 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 is not truly representative or does not in other respects comply with the provisions of the Act, may require an appropriate modification of the Supplementary Code Authority.

SECTION 4. It being found necessary in order to support the Administration of this Supplementary Code and to maintain the standards of Fair Competition established hereunder and to effectuate the policy of the Act 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 may be raised as hereinafter provided and which shall be held in trust for the purposes of the Supplementary Code;

(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 members of the Industry.

(c) After such budget and basis of contribution have been approved by the Administrator, to determine and obtain equitable contribution as above set forth by all members of the Industry, and to that end, if necessary, to institute legal proceedings therefor in its own name.

Each member of the Industry shall pay his or its equitable contribution to the expenses of the maintenance of the Supplementary Code Authority, determined as hereinabove provided, and subject to rules and regulations pertaining thereto issued by the Administrator. Only members of the Industry complying with the Supplementary Code and contributing to the expenses of its Administration as hereinabove provided, unless duly exempted from making such contributions, shall be entitled to participate in the selection



of members of the Supplementary Code Authority or to receive the benefits of any of its voluntary activities or to make use of any emblem or insignia of the National Recovery Administration.

The Code Authority shall neither incur nor pay any obligation substantially in excess of the amount thereof as estimated in its approved budget, and shall in no event exceed the total amount contained in the approved budget except upon approval of the Administrator; and no subsequent budget shall contain any deficiency item for expenditures in excess of prior budget estimates except those which the Administrator shall have so approved.

SECTION 5. Nothing contained in this Supplementary Code shall constitute the members of the Supplementary Code Authority partners for any purpose. Nor shall any member of the Supplementary Code Authority 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 any member of the Supplementary Code Authority, exercising reasonable diligence in the conduct of his duties hereunder, be liable to anyone for any action or omission to act under this Supplementary Code, except for his own wilful malfeasance or nonfeasance.

SECTION 6. The Supplementary Code Authority shall also from time to time furnish to the Basic Code Authority, designated in said Basic Code, such information as may be required to be furnished under the terms of said Basic Code.

SECTION 7. If the administrator believes that any action of the Supplementary Code Authority, or any agency thereof, is unfair or unjust or contrary to public interest, the Administrator may require that such action be suspended to afford an opportunity for investigation of the merits of such action. Further action by such Supplementary Code Authority or agency regarding the matter complained of, may be taken if approved by the Administrator but shall not be taken if disapproved by the Administrator within 30 days' notice to him of intention to proceed with such action.

#### POWERS AND DUTIES

SECTION 8. Subject to such rules and regulations as may be issued by the Administrator, the Supplementary Code Authority shall have the following powers and duties, in addition to those authorized by other provisions of this Supplementary Code.

(a) To insure the execution of the provisions of this Supplementary Code and to provide for the compliance of the Industry with the provisions of the Act.

(b) To adopt By-Laws and Rules and Regulations for its procedure in the administration of this Supplementary Code.

(c) To obtain from members of the Industry such information and reports as are required for the administration of the Supplementary Code. In addition to information required to be submitted to the Supplementary Code Authority, members of the Industry subject to this Supplementary Code shall furnish such statistical information as the Administrator may deem necessary for the purposes recited in Section 3 (a) of the Act to such Federal and State Agencies as he may designate; provided that nothing in this



Supplementary Code shall relieve any member of the Industry of any existing obligation to furnish reports to any government agency. No individual report shall be disclosed, without consent in writing of the member making the report, to any other member of the Industry or to any one other than the Administrator or his duly authorized representative.

(d) To use such trade associations and other 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 and responsibilities under this Supplementary Code and that such trade associations and agencies shall at all times be subject to and comply with the 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 recommend to the Administrator further fair trade practice provisions to govern members of this Industry in their relations with each other or with other industries and to recommend to the Administrator measures for industrial planning, including stabilization of employment.

(g) To appoint a Trade Practice Committee which shall meet with the Trade Practice Committees appointed under such other Codes as may be related to the Industry for the purpose of formulating fair practices to govern the relationships between production and distribution employers under this Code and under such others to the end that such fair trade practices may be proposed to the Administrator as amendments to this Code and such other codes.

(h) To provide appropriate facilities for arbitration of differences between members of the Industry and, subject to the approval of the Administrator, to prescribe rules of procedure and rules to effect compliance with awards and determination.

(i) 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 three months after the effective date of this Code.

SECTION 9. To the extent permitted by the Act and subject to such rules and regulations as the Administrator may prescribe, any and all information furnished to the Supplementary Code Authority by any member of this Industry pursuant to the provisions of this Supplementary Code shall be subject to verification by an impartial agency agreed upon by the Supplementary Code Authority and the member of the Industry in question, and, failing such agreement, such impartial agency shall be selected by the Administrator, which impartial agency may check so much of the pertinent books, accounts, and records of such member of the Industry as may be required to verify the accuracy of the information so furnished.

SECTION 10. To the extent permitted by the Act and subject to such rules and regulations as the Administrator may prescribe, the Supplementary Code Authority shall have the power to investigate all complaints of alleged violations of this Supplementary Code filed with it by one member of this Industry against another member of the Industry.



## ARTICLE V—ACCOUNTING AND COSTING

The Supplementary Code Authority shall cause to be formulated methods of cost finding and accounting capable of use by all members of the Industry and shall submit such methods to the Administrator for review. If approved by the Administrator, full information concerning such methods shall be made available to all members of this Industry. Thereafter, each member of this Industry shall utilize such methods to the extent found practicable. Nothing herein contained shall be construed to permit the Supplementary Code Authority, any agent thereof, or any member of this Industry to suggest uniform additions, percentages, or differentials or other uniform items of cost which are designed to bring about arbitrary uniformity of costs or prices.

ARTICLE VI—SELLING BELOW COST <sup>1</sup>

No member of the Industry shall sell or exchange or offer to sell or exchange any product of the Industry at a price, or upon terms and conditions, which will result in the purchaser paying for the goods received less than the cost to the seller as determined on the basis of the principles outlined in the standard method of accounting referred to in Article V, above; provided that any member may meet the price competition of any other member whose costs under Article V are lower; provided further that over-stocks of discontinued lines and accumulations of seconds, of shapes and sizes not readily marketable, may be sold without restriction as to discount provided they are bona fide goods of these classes only; and further provided, that any member of the Industry may, upon giving prior notice to the Supplementary Code Authority, sell below his costs in order that he may meet competition from products of equivalent design, character, quality, or specifications, manufactured outside the United States.

## ARTICLE VII—OPEN PRICE FILING

SECTION 1. Each member of the Industry shall file with a confidential and disinterested agent of the Supplementary Code Authority an identified net price list or price lists and discount sheet including all other terms and conditions of sale for such products as the Supplementary Code Authority may prescribe. Said price terms shall in the first instance be filed within fifteen (15) days after the date of approval of this provision. Price terms and revised price terms shall become effective immediately upon receipt thereof by said agent. Immediately upon receipt thereof, said agent shall by telegraph or other equally prompt means notify said member of the time of such receipt. Such lists and revisions, together with the effective time thereof, shall upon receipt be immediately and simultaneously distributed to all members of the Industry and to all of their customers who have applied therefor and have offered to defray the cost actually incurred by the Supplementary Code Authority

<sup>1</sup> See paragraph 2 of order approving this Code.



in the preparation and distribution thereof and be available for inspection by any of their customers at the office of such agent. Said lists or revisions or any part thereof shall not be made available to any person until released to all members of the Industry and their customers, as aforesaid; provided, that prices filed in the first instance shall not be released until the expiration of the aforesaid fifteen (15) days' period after the approval of this Supplementary Code. The Supplementary Code Authority shall maintain a permanent file of all price terms filed as herein provided, and shall not destroy any part of such records except upon written consent of the Administrator. Upon request the Supplementary Code Authority shall furnish to the Administrator or any duly designated agent of the Administrator copies of any such lists or revisions of price terms.

SECTION 2. When any member of the Industry has filed any revision, such member shall not file a higher price within forty-eight (48) hours.

SECTION 3. No member of the Industry shall sell or offer to sell any products of the Industry for which price terms have been filed pursuant to the provisions of this Article, except in accordance with such price terms.

SECTION 4. No member of the Industry shall enter into any agreement, understanding, combination or conspiracy to fix or maintain price terms, nor cause or attempt to cause any member of the Industry to change his price terms by the use of intimidation, coercion, or any other influence inconsistent with the maintenance of the free and open market which it is the purpose of this Article to create.

#### ARTICLE VIII—UNFAIR TRADE PRACTICES

Superseding all unfair trade practices set forth in Article V of the Basic Code, the following described acts shall constitute unfair practices. Any member of this Industry who shall directly, or indirectly, through any official, agent, or representative, fail to comply with any of the following rules of competition shall be deemed to have violated the Supplementary Code.

RULE 1. No member of the Industry shall withhold from or insert in any invoice a false record, wholly or in part, of the transaction represented on the face thereof, or make payment or allowance of secret rebates, secret refunds, secret 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 condition.

RULE 2. No member of the Industry shall defame a competitor by falsely imputing to him dishonorable conduct, inability to perform contracts, questionable credit standing, or by other false representation, or by falsely disparaging the grade or quality of his goods.

RULE 3. No member of the Industry shall 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.

RULE 4. No member of the Industry shall give, permit to be given, or 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. This provision 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 hereinabove defined.

**RULE 5.** No member of the Industry shall brand or mark or pack any goods in any manner which is intended to or does deceive or mislead purchasers with respect to the brand, grade, quality, quantity, size, substance, character, nature, finish, material, content or preparation of such goods.

**RULE 6.** No member of the Industry shall publish advertising (whether printed, radio, display or of any other nature), which is misleading or inaccurate in any material particular, nor shall any member in any way misrepresent any goods (including but without limitation its use, trade mark, grade, quality, quantity, size, substance, character, nature, finish, material, content or preparation) or credit terms, values, policies, services, or the nature or form of the business conducted.

**RULE 7.** No member of the Industry shall cancel in whole or in part, or permit the cancellation in whole or in part of any contract of sale of any product, except for justifiable cause or a fair consideration, or unless approved by the Supplementary Code Authority.

**RULE 8.** No member of the Industry shall wilfully induce or attempt to induce the breach of existing contracts between competitors and their customers by any false or deceptive means, or interfere with or obstruct the performance of any such contractual duties or services by any such means, with the purpose and effect of hampering, injuring or embarrassing competitors in their business.

**RULE 9.** No member of the Industry shall offer to give to any purchaser of any product any guaranty or protection in any form against decline after the date of shipment in the market price of such product.

**RULE 10.** No member of the Industry shall make contracts for periods in excess of six months (all contracts to expire not later than the last days of June, or December); or quote on or make any contract more than thirty (30) days prior to the first day of the calendar period covered by the contract; or ship pursuant to any contract more than fifteen (15) days after the expiration thereof; or as soon thereafter as the member of the Industry can manufacture and ship the products of the Industry covered by the contract; or make contracts containing an option of extension or renewal on the part of either buyer or seller.

**RULE 11.** No member of the Industry shall sell or offer to sell commodities other than products of this Industry, for the purpose of influencing a sale, at prices below the invoice price plus all incidental costs of such products. If and when the products of this Industry are sold in combination with products of other Industries, the invoice must clearly show the unit price for all articles listed.

**RULE 12.** No member of the Industry shall offer or give terms of payment more favorable than thirty (30) days net or two (2) percent discount for payment on or before the tenth of the month following



month of invoice date, which shall in all cases be the same as shipping date.

RULE 13. No member of the Industry shall accept orders for broken packages unless an additional charge for special handling is made therefor.

RULE 14. No member of the Industry shall to the best of his knowledge make any allowance for unjust claims, alleged shortages, breakage, damage, or on account of any other condition not actually existing.

RULE 15. No member of the Industry shall, from and after the effective date of this Supplementary Code, deliver any products of the Industry on consignment except under circumstances to be defined by the Supplementary Code Authority and approved by the Administrator where peculiar circumstances of the Industry require the practice.

#### ARTICLE IX—EXPORT

The provisions of this Supplementary Code concerning pricing and marketing are not to apply to direct export sales of any product, or to sales of any product destined ultimately for export. The term "export" shall include shipments to countries other than continental United States.

#### ARTICLE X—MODIFICATION

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 subsection (b) of Section 10 of the Act, from time to time to cancel or modify any order, approval, license, rule, or regulation issued under Title I of 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 changes in circumstances; such modifications and/or amendments to be based on application to the Administrator by the Supplementary Code Authority or other representative group within the Industry, and such notice and hearing as he shall specify; and to become effective as part of this Code on approval by the President.

#### ARTICLE XI—MONOPOLIES

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 XII—PRICE INCREASES

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 XIII—EFFECTIVE DATE

This Supplementary Code shall become effective 12:01 o'clock A. M. Eastern Standard Time on the tenth day after it is approved, 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 1 of the Act has ended.

Approved Code No. 84—Supplement No. 54.  
Registry No. 1149-1-06.

○