

NATIONAL RECOVERY ADMINISTRATION

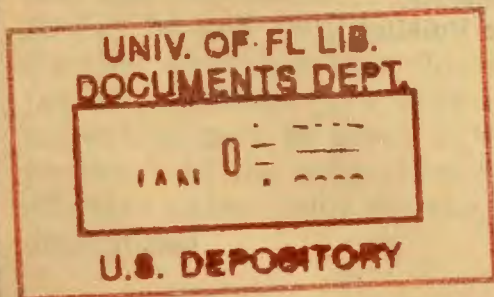
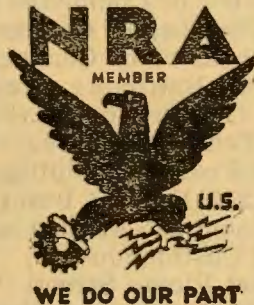
**SUPPLEMENTARY
CODE OF FAIR COMPETITION**

FOR THE


DOWEL INDUSTRY

(A Division of the Wood Turning and Shaping Industries)

AS APPROVED ON AUGUST 20, 1934



UNITED STATES
GOVERNMENT PRINTING OFFICE
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Approved Code No. 383—Supplement No. 1

SUPPLEMENTARY CODE OF FAIR COMPETITION

FOR THE

DOWEL INDUSTRY

As Approved on August 20, 1934

ORDER

APPROVING CODE OF FAIR COMPETITION FOR THE DOWEL INDUSTRY

A DIVISION OF THE WOOD TURNING AND SHAPING INDUSTRIES

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 approval of a Code of Fair Competition for the Dowel Industry, a subdivision of the Wood Turning and Shaping Industries, and hearings having been duly held thereon and the annexed report on said Code, containing findings with respect thereto, having been made and directed to the President:

NOW, THEREFORE, on behalf of the President of the United States, I, Hugh S. Johnson, Administrator for Industrial Recovery, pursuant to authority vested in me by Executive Orders of the President, including Executive Order No. 6543-A, dated December 30, 1933, and otherwise; do hereby incorporate by reference said annexed report and do find that said Code complies in all respects with the pertinent provisions and will promote the policy and purposes of said Title of said Act; and do hereby order that said Code of Fair Competition be and it is hereby approved, provided however that the provisions of Section (i), Article E, Section 1, Subsection A-(a) be and they hereby are stayed pending my further Order. Further provided that this Order shall not become effective for a period of fifteen (15) days after the date hereof in order that consideration may be given to objections thereto, if any, of interested parties. At the expiration of such period, this Order shall become effective unless prior thereto, I have, by my further Order, otherwise determined.

HUGH S. JOHNSON,
Administrator for Industrial Recovery.

Approval recommended:

C. E. ADAMS,
Division Administrator.

WASHINGTON, D.C.,
August 20, 1934.

LETTER TO THE PRESIDENT

The PRESIDENT,
The White House.

SIR: This is a report on the Code of Fair Competition for the Dowel Industry, being Divisional Unit Number 9 of Part B of the Wood Turning and Shaping Industry, approved Code No. 383, the hearing having been conducted in Washington, D.C., on January 16th, 1934, in accordance with the provisions of the National Industrial Recovery Act.

PROVISIONS ON HOURS AND WAGES

The maximum hours and minimum rates of wages for this industry are prescribed in the approved Code of Fair Competition for the Wood Turning and Shaping Industries of which this industry is a unit.

CHILD LABOR

The minimum age provided in the approved Code of Fair Competition for the Wood Turning and Shaping Industries is effective for this Divisional Unit.

ECONOMIC EFFECT OF THIS CODE

This industry employed in 1933 approximately 20 per cent more workers than were employed in 1932, though nearly 25 per cent less than during the year 1929. The work week averaged about 52 hours in 1929 but was reduced under the President's Reemployment Agreement to 40 hours in 1933. However, under the reduced hours with production remaining at present levels, little increase in employment is expected.

The minimum wage rate prescribed in this Code will greatly increase the average earnings of employees as compared with the earnings of 1929 and the years which followed during which time the minimum wage was only increased from 24.1 cents per hour in 1929 to 25 cents per hour in 1933. From these figures it is apparent that the adoption of the proposed minimum wage rates (male employees in the north 35 cents per hour, in the south 32½ cents per hour, female employees 30 cents per hour in the north and 27½ cents in the south) will cause an increase in the payrolls of this industry.

FINDINGS

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

I find that:

(a) Said Code is well designed to promote the policies and purposes of Title I of the National Industrial Recovery Act, including removal of obstructions to the free flow of interstate and foreign commerce which tend to diminish the amount thereof and will provide for the general welfare by promoting the organization of industry for the purpose of cooperative action among the trade groups, by inducing and maintaining united action of labor and management under adequate governmental sanctions and supervision, by eliminating unfair competitive practices, by promoting the fullest possible utilization of the present productive capacity of industries, by avoiding undue restriction of production (except as may be temporarily required), by increasing the consumption of industrial and agricultural products through increasing purchasing power, by reducing and relieving unemployment, by improving standards of labor, and by otherwise rehabilitating industry.

(b) Said industry normally employs not more than 50,000 employees; and is not classified by me as a major industry:

(c) The Code as approved complies in all respects with the pertinent provisions of said Title of said Act, including without limitation Subsection (a) of Section 3, Subsection (a) of Section 7 and Subsection (b) of Section 10 thereof; and that the applicant 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 Code is not designed to and will not permit monopolies or monopolistic practices.

(e) The 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 the approval of said Code.

For these reasons, therefore, this Code has been approved.

Respectfully,

HUGH S. JOHNSON,
Administrator.

AUGUST 20, 1934.

SUPPLEMENTARY CODE OF FAIR COMPETITION FOR THE DOWEL INDUSTRY

A DIVISION OF THE WOOD TURNING AND SHAPING INDUSTRIES

PART B—DOWEL DIVISION, UNIT NO. 9

ARTICLE A—DEFINITIONS

SECTION 1. The Dowel Division shall consist of all members of the Industry engaged in the manufacture of Dowels.

SECTION 2. The term "Dowel" as used in this Divisional Unit shall mean hard wood rods, cylindrical in shape of any length not exceeding one and one-half inches in diameter, excepting, however, dowel pins in all stages of manufacture; farm tool handles as defined by Department of Commerce Simplified Practice Recommendation Number 76; and Candy Sticks and Skewers as defined in Divisional Units Numbers 4 and 7, respectively, of this Code.

SECTION 3. The term "broker" for the purpose of this Division shall mean one who sells for a manufacturer, in the manufacturer's name, for the manufacturer's account, at prices and on terms and conditions named by the manufacturer, and who carries no stock and whose compensation is in the form of a brokerage for such services.

ARTICLE B—ADMINISTRATION OF DIVISIONAL AGENCY

SECTION 1. Within fifteen (15) days after the effective date of this Divisional Code the Secretary of the Dowel Manufacturer's Association shall call a meeting of all members of this Division for the purpose of electing the Administrative Agency of this Division. Due notice of this meeting shall be sent to every member of the Division in writing or by such other methods as will reasonably insure that all members are informed of such meeting and its purpose.

SECTION 2. The Administrative Agency of this Division shall consist of a Board of six (6) members who shall serve for one year or until their successors are elected, and shall be elected by the following method:

(a) At least one member of the Administrative Agency shall be a member of the Industry who is not a member of the Association, if there be any such, and shall be elected by a majority vote of all nonmembers of the Association present in person, by letter or by proxy.

(b) The remaining members shall be elected by a majority vote of all the members of the Association present in person, by letter or by proxy, each member to have one vote. Three members shall repre-

sent the members of the Association located in the Northern Group; (the northern group shall consist of the states of Maine, New Hampshire, Vermont, Massachusetts, Connecticut, Rhode Island, New York, Pennsylvania, New Jersey, Delaware and Maryland) one member shall represent the members of the Association located in the Southern Group. (The Southern Group shall consist of the states as specified in Part A, Article II, Section 8 of the Code for the Wood Turning and Shaping Industries) and one member shall represent the Western Group. (The Western Group shall include all States that are not included in the Northern or in the Southern Group.)

(c) A vacancy in the membership of the Administrative Agency may be filled from the appropriate group by a majority vote of the remaining members of the Administrative Agency, provided, however, that there shall always be a member of the Administrative Agency who is not a member of the said Association, if there be any such.

(d) In addition to the members elected by the Industry, the Administrator, in his discretion, may appoint one to three non-voting members to represent the Administrator.

ARTICLE C—TERMS OF PAYMENT

The terms of payment for this Division shall not be more favorable than a cash discount of 3% for payment in advance of shipment, 2% for payment within ten days after shipment; 1% for payment on or before the 10th of any month for shipments of the previous month; net 30 days, E.O.M.; all cash discounts shall be figured on the net amount after deducting sales and/or excise taxes and all claims and allowances for defective or rejected goods.

ARTICLE D—TRADE PRACTICES

The following shall be Trade Practice Rules for this Division in addition to those set forth in Article X of Part A of the Code for the Wood Turning and Shaping Industries:

RULE 1. No member of this Division shall pay or allow a commission on a Federal or State Sales Tax.

RULE 2. No member of this Division shall guarantee prices against decline or advance.

RULE 3. No member of the Industry shall ship goods on consignment except under circumstances to be defined by the Administrative Agency, and approved by the Administrator, where peculiar circumstances of the Industry require the practice.

RULE 4. No member of this Division shall permit his brokers or commission salesmen to split or divide commissions with customers.

ARTICLE E—EXCEPTIONS AND ADDITIONS TO PART A OF THE CODE FOR THE WOOD TURNING AND SHAPING INDUSTRIES

SECTION 1. The following section shall be added to the provisions of Article VIII of Part A of the Code for the Wood Turning and Shaping Industries:

A. DESTRUCTIVE PRICE CUTTING

(a) *The Principle*.—(i) Destructive price cutting is an unfair method of competition and is forbidden at all times, irrespective of the existence of an emergency;¹

(ii) When no declared emergency exists as to any given product, there is to be no fixed minimum basis for prices but it is intended that sound cost estimating methods should be used;

(iii) When an emergency exists as to any given product, sale below the lowest reasonable cost of such product, in violation of subsection (c) hereof, is forbidden.

(b) *Uniform Cost Accounting*.—The Code Authority shall cause to be formulated an accounting system and methods of cost finding and/or estimating capable of use by all members of the Industry and shall submit such system and methods to the Administrator for review and approval. After such system and methods have been formulated and approved by the Administrator, full details concerning them shall be made available to all members. Thereafter it is intended that all members should utilize the principles of such system or methods.

(c) *Emergency (Lowest Reasonable Cost)*.—When an emergency exists, the Code Authority may cause an impartial agency to investigate costs and to determine the lowest reasonable cost of the product affected by the emergency. Such determination shall exclude all cost elements set forth in and shall be in all respects subject to such rules and regulations as may be issued by the Administrator and subject to his approval or modification after such notice and opportunity to be heard as he may prescribe. The Code Authority or the Administrator may, from time to time, cause such determinations to be reviewed or reconsidered and appropriate action taken.

(d) *Definitions*.—An "Emergency" exists whenever the Administrator determines that destructive price cutting is rendering ineffective or seriously endangering the maintenance of the provisions of this Code.

(i) When no emergency exists, the term shall have the meaning declared in rules and regulations promulgated by the Administrator on recommendation of the Code Authority or on his own motion;

(ii) When an emergency exists, the term shall mean any sale in violation of subsection (c) hereof;

(iii) It shall be an absolute defense to any charge of destructive price cutting, if an impartial agency designated or approved by the Administrator, shall find:

(aa) That the price complained of is justified by existing competition, evidence of which has been reported to the Code Authority;

(bb) That the price complained of is justified as a method of disposal of dropped lines or seconds, or

(cc) When no declared emergency exists, that the member charged with destructive price cutting has in good faith endeavored to make proper use of the announced cost estimating methods.

SECTION 2. Article IX, Section 1, of the Code of Fair Competition of the Wood Turning and Shaping Industries in its application to this Division shall be amended to read as follows:

¹ See paragraph 2 of order approving this Code.

Each member of the Industry shall file with the Administrative Agency on the date specified by the Administrative Agency after reasonable notice, net price sheets or price lists and discount sheets individually prepared by him and all terms and conditions of sale relating thereto. Such net price sheets or price lists and discount sheets and/or terms and conditions of sale and any revisions thereof shall become effective immediately upon receipt by the Administrative Agency; shall be distributed by the Administrative Agency to the members of the Industry and published to the trade immediately upon receipt thereof; and shall be made available to all interested parties. Revised net price sheets or price lists and discount sheets and/or terms and conditions of sale may be filed from time to time thereafter with the Administrative Agency by any member of this division provided however that such revisions shall be filed with the Administrative Agency by registered mail and shall become effective immediately upon telegraphic acknowledgment to be made by the Administrative Agency the same day such revision is received. No member of the Industry shall sell or offer for sale any product of the Industry at prices other than those noted in his or its net price sheets or price lists and discount sheets and/or on terms and conditions of sale other than the terms and conditions of sale last filed by such member with the Administrative Agency in accordance with the foregoing provisions and in effect at the time of such sale or offer to sell.

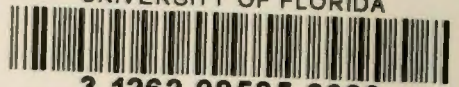
ARTICLE F—EFFECTIVE DATE

This Code for Divisional Unit No. 9 of the Wood Turning and Shaping Industries shall become effective on the second Monday after its approval by the President.

Approved Code No. 383—Supplement No. 1.
Registry No. 330-06.



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