

**NATIONAL RECOVERY ADMINISTRATION**

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**CODE OF FAIR COMPETITION**

**FOR THE**

**LOCK AND BUILDERS HARDWARE  
MANUFACTURING INDUSTRY**

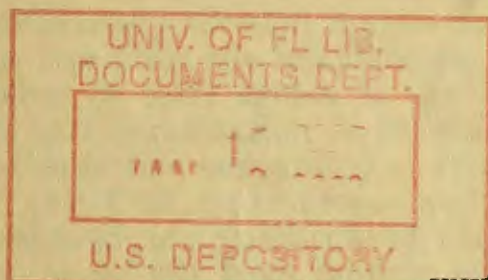
**AS SUBMITTED ON AUGUST 29, 1933**

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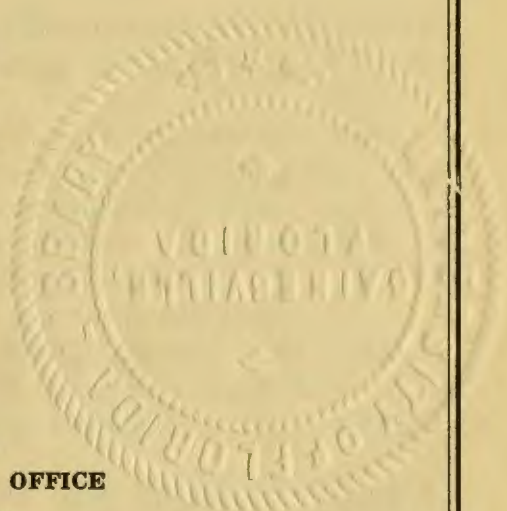
**REGISTRY No. 1114—07**

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**The Code for the Lock and Builders Hardware Manufacturing 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**



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## CODE OF FAIR COMPETITION FOR THE LOCK AND BUILDERS' HARDWARE MANUFACTURING INDUSTRY

To effectuate the policy of Title I of the NATIONAL INDUSTRIAL RECOVERY ACT, the following provisions are established as a National Industrial Recovery Code for the Lock and Builders' Hardware Manufacturing Industry.

### ARTICLE I—DEFINITIONS

The term *Lock and Builders' Hardware Manufacturing Industry* as used herein is defined to mean the manufacture for sale of all Locks and Builders' Hardware usually classified and known as Finishing Hardware, Keys and Key Blanks, Padlocks, Trunk and Suitcase Locks, Cabinet Locks, Automobile Locks, Bank Locks, Combination Locks, Night Latches, Deadlocks, Door Closers, and such other allied products as are usually affiliated thereto.

The term *person* as used herein shall include natural persons, corporations, partnerships, and associations.

The term *employer* as used herein shall include every person promoting or actively engaged in the manufacture for sale of the products of the Lock and Builders' Hardware Manufacturing Industry as herein defined.

The term *member of the code* as used herein shall mean any employer in the Lock and Builders' Hardware Manufacturing Industry who shall have subscribed to the provisions of this code.

The term "effective date" as used herein is defined to mean the fifteenth day after this code shall have been approved by the President of the United States.

### ARTICLE II—STATUTORY REQUIREMENT

Employers of the Lock and Builders' Hardware Manufacturing Industry shall comply with the requirements of the National Industrial Recovery Act as follows:

(1) That 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;

(2) That 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

(3) That employers shall comply with the maximum hours of labor, minimum rates of pay, and other conditions of employment approved or prescribed by the President.



## ARTICLE III—WAGES AND HOURS

1. On and after the effective date employers shall not employ any person under the age of sixteen years.

2. Employers shall not operate on a Schedule of hours on and after the effective date for persons engaged in the processing of products of the Lock and Builders' Hardware Manufacturing Industry and the labor operations directly incident thereto in excess of forty hours per week excepting repair and maintenance shop crews, engineers, firemen, shipping, watching and outside crews and cleaners; provided, however, that time-and-one-third shall be paid for overtime in excess of forty hours per week to such repair and maintenance shop crews, engineers, firemen, shipping, watching and outside crews and cleaners; and also provided that this limitation of hours shall not apply if an emergency demand has placed an unusual and temporary burden for production upon an employer.

At the end of each calendar month every employer shall report to the administrative agency hereinafter provided for in such detail as may be required the number of man-hours worked in that month for emergency reasons and the ratio which said emergency man-hours bears to the total man-hours of labor during the said month.

3. Employers shall not operate on a schedule of hours for all other employees, except executive, administrative and supervisory employees, and travelling and commission sales people, in excess of forty hours per week.

4. On and after the effective date the minimum wage that shall be paid by any employer to any employee engaged in the processing of the products of the Lock and Builders' Hardware Manufacturing Industry and any labor operations directly incident thereto shall be thirty-five cents per hour for male employees and thirty cents per hour for female employees unless the rate per hour for the same class of labor on July 15, 1929, was less than thirty-five cents and thirty cents, respectively; in which case the rate per hour shall be not less than the rate per hour paid on July 15, 1929; and provided also that in no event shall the rate per hour be less than thirty cents per hour; and provided further that casual and incidental labor and learners and employees disabled by old age or other causes may be paid not less than 80% of such minimum wages; but the total amount paid to such casual and incidental labor and learners and disabled employees shall not exceed in any calendar month 10% of the total wages paid to all process labor by such employer.

5. On and after the effective date the minimum wage that shall be paid by any employer to all other employees except commission sales people shall be at the rate of \$14.00 per week; provided, however, that office boys or girls, learners, and casual employees may be paid not less than 80% of such minimum wage; but the total amount paid to such office boys or girls, learners, and casual employees shall not exceed in any calendar month 10% of the total amount paid by such employer to all employees covered by the provisions of this paragraph (5).

6. Not later than ninety days after the effective date the Lock and Builders' Hardware Manufacturing Industry shall report to the administrator of the National Industrial Recovery Act through the Board of Directors of the Lock and Builders' Hardware Manufac-



turing Association the action taken by all employers in adjusting the hourly wage rates for all employees receiving more than the minimum rates provided in Paragraph 4 of this article.

#### ARTICLE IV—ADMINISTRATIVE AGENCY

1. The Lock and Builders' Hardware Manufacturers Association is hereby designated the agency for administering, supervising, and promoting the performance of the provisions of this code.

2. Aggregations of employers having a common interest and common problems will be grouped by the said Association for administrative purposes in various sections. In each section there will be a supervising agency appointed or approved by the Directors of the Association.

3. If complaint is made to the Lock and Builders' Hardware Manufacturers Association that provisions of this code have been violated by any employer, the proper supervisory agency shall investigate the facts, and to that end may cause such examination or audit to be made as may be deemed necessary.

4. This code is intended to be a basic code, and supplemental codes applicable to any section of the Lock and Builders' Hardware Manufacturing Industry may be submitted; such supplemental codes, however, shall conform to and be consistent with the provisions of this basic code as now constituted or hereafter changed.

#### ARTICLE V—PRICE LISTS AND DISCOUNT SHEETS

Every employer engaged in the manufacture of locks or builders' hardware shall within fifteen (15) days after the effective date of this code file with the Supervisory Agency herein created a net price list and/or a price list and discount sheet individually prepared by him showing his current prices and/or prices and discounts (including all special discounts for wholesalers or for quantity, or to other manufacturers in the industry, or any other special discount), terms of payment, and freight allowances.

The Supervisory Agency shall immediately send copies thereof to all other members of the section to which such prices apply. Such prices and terms may be revised from time to time thereafter, and notification of such revision shall be filed with the Supervisory Agency, and copies of such revisions shall be immediately sent to all other members of the section, who thereupon may file, if they so desire, revisions of their price lists, discounts, and terms, which may become effective upon the date when the revised price list first filed shall go into effect.

No employer shall sell directly or indirectly by any means whatever any of the products of the industry covered in the provisions of this Article at a price lower or at discounts greater or on more favorable terms of payment than those provided in his current net price list and/or his price lists and discount sheets; provided, however, that at any time an employer may in good faith to meet competition meet the lower published price of any competitor of product of an equal grade or quality without being required to file a revision of his price list.



## ARTICLE VI

1. No provision of this code shall be interpreted or applied in such a manner as to promote monopolies, permit or encourage unfair competition, eliminate or oppress small enterprises, or discriminate against small enterprises.

2. The President of the United States may from time to time cancel or modify any order, approval, license, rule, or regulation issued under this code.

3. Amendments to this code may be proposed by the Lock and Builders' Hardware Manufacturers Association, or by any group in the industry representing 25% both in numbers and volume of production in the industry, and when approved by 75% both in numbers and volume of production in the industry and by the President of the United States shall be effective as part of this code.

Any violation of the provisions of this Article shall constitute an unfair method of competition within the meaning of the Federal Trade Commission Act and of the National Industrial Recovery Act.

## ARTICLE VII

If any employer of labor in the Lock and Builders' Hardware Manufacturing Industry, as defined herein, is also an employer of labor in any other industry, the provisions of this code shall apply to and effect only that part of his business which is included in the Lock and Builders' Hardware Manufacturing Industry.

## ARTICLE VIII—UNFAIR PRACTICES

For all purposes of the code the following described acts shall constitute unfair practices. Such unfair practices and all other practices which shall be declared to be unfair practices by any amendment to the code adopted as herein provided and at the time in effect shall be deemed to be unfair methods of competition in commerce within the meaning of the Federal Trade Commission Act as amended, and the using or employing of any of them shall be deemed to be a violation of the code, and any member of the code which shall directly or indirectly through any officer, employee, agent, or representative knowingly use or employ any of such unfair practices shall be guilty of a violation of the code.

## LIST OF UNFAIR PRACTICES

A. Making or promising to any purchaser or prospective purchaser of any product, or to any officer, employee, agent, or representative of any purchaser or prospective purchaser, any bribe, gratuity, gift, or other payment or remuneration, directly or indirectly.

B. Using or substituting any material superior in quality to that specified by the purchaser of any product, or using or substituting any material, or any method of manufacture not in accord with any applicable law, rule, or regulation of any governmental authority.

C. Making or giving 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.



D. Making any sale or contract of sale of any product under any description which does not fully describe such product in terms customarily used in the industry.

## ARTICLE IX—PENALTIES AND DAMAGES

1. Any violation of any provision of this code by any employer shall constitute a violation of the code by such employer and shall subject him to all of the penalties provided for such violation in the National Industrial Recovery Act and in the Federal Trade Commission Act, and the Lock and Builders' Hardware Manufacturers' Association is authorized to prosecute such violations before the Federal Trade Commission or the courts.

2. The violation by any employer of any provision of Article V of the code will disrupt the normal course of fair competition in the industry and cause serious damage to other employers which it will be impossible to assess in an action for damages by any such other employer, and which will not be adequately compensated by the enforcement of the penalties in Section 1 of this Article. It is, therefore, hereby provided as an express provision of this code that any employer who shall violate any provision in Article V hereof shall, in addition to the penalties provided in Section 1 of this Article, be liable for an additional penalty of 25% of the net-invoice price of any products sold by said employer in violation of said article. The Secretary of the Lock and Builders' Hardware Manufacturers' Association, as an individual and not as Secretary of the Association, is authorized to maintain a suit in any court of competent jurisdiction for the enforcement of this penalty, and may obtain a judgment against said employer for the penalty hereby provided. All amounts paid to or collected by the Secretary under this section shall be held and disposed of by him as part of the funds collected by the Association; and each member of that section of the Association as to which said violation shall have occurred, and who shall not have been guilty of the unfair practice in respect of which any such amount shall have been paid or collected, shall be credited with its pro rata share of such amount on account of any and all dues or assessments (other than damages for violation of any provision of the code) due or to become due from such member, such pro rata share to be computed on the same basis as dues are payable by such member toward the expenses of administering the Association. Any rights of any person who shall at any time be the Secretary of the Association in respect of any amounts which shall be payable to him because of the violation by any employer of Article V of the code shall pass to and become vested in his successor in office upon the appointment of such successor.

The Board of Directors of the Lock and Builders' Hardware Manufacturers Association may by the affirmative vote of two thirds of their number waive the liability for additional penalties imposed by this section of Article IX of the code if they shall determine that such violation has been innocently made, and that the collection of such additional penalties will not to any material extent tend to effectuate the policy of Title I of the National Industrial Recovery Act.



**ARTICLE X—RELATIONS BETWEEN EMPLOYER AND EMPLOYEE**

It is clearly understood that Article II hereof does not impair in any particular the constitutional rights of employee and employer to bargain individually or collectively as may be mutually satisfactory to them, without interference, restraint, or coercion of any sort.

Nothing in this code is to prevent the selection, retention, and advancement of employees on the basis of their individual merit, without regard to their affiliation or nonaffiliation with any labor organization.

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