

NATIONAL RECOVERY ADMINISTRATION

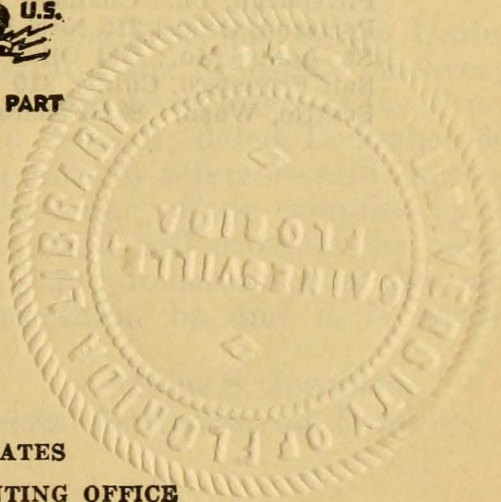
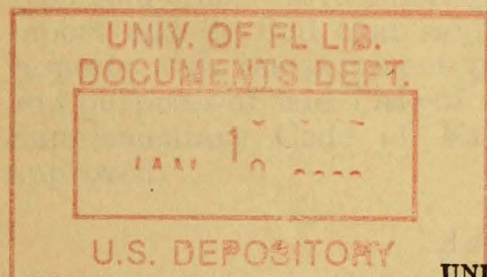
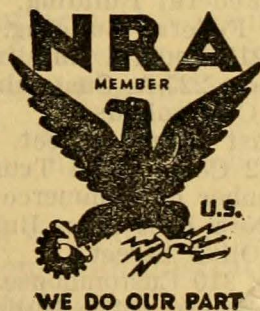
SUPPLEMENTARY  
CODE OF FAIR COMPETITION

FOR THE

BRASS FORGING  
MANUFACTURING INDUSTRY

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

AS APPROVED ON JULY 19, 1934



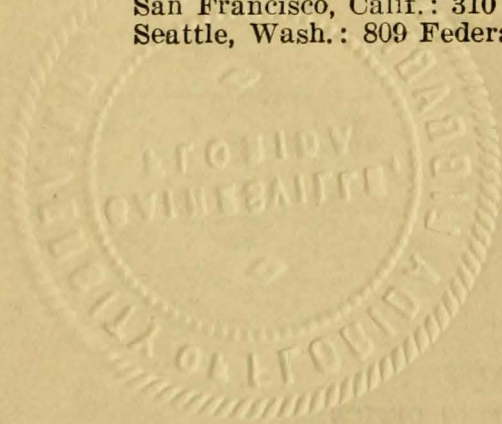
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Approved Code No. 84—Supplement No. 42

**SUPPLEMENTARY CODE OF FAIR COMPETITION**  
**FOR THE**  
**BRASS FORGING MANUFACTURING INDUSTRY**

**As Approved on July 19, 1934**

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**ORDER**

**APPROVING SUPPLEMENTARY CODE OF FAIR COMPETITION FOR THE BRASS  
FORGING 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 Brass Forging 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, 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 Supplementary 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 Supplementary Code of Fair Competition be and it is hereby approved.

**HUGH S. JOHNSON,**  
*Administrator for Industrial Recovery.*

Approval recommended:

**BARTON W. MURRAY,**  
*Division Administrator.*

WASHINGTON, D.C.,  
*July 19, 1934.*



## REPORT TO THE PRESIDENT

THE PRESIDENT,  
*The White House.*

SIR: This is a report on the Supplementary Code of Fair Competition for the Brass Forging 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 Brass Forging 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 eleven (11) members to be elected 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 cost finding and accounting.

Article VI provides for open price filing.

Article VII provides means for preventing destructive price cutting.

Article VIII sets forth the unfair trade practices of this Supplementary Code which has been especially designed to offset unfair competition in this division of the Industry.

Article IX provides for standardization of products.



Article X provides against monopolies and monopolistic practices.

Article XI contains the mandatory provisions contained in Section 10 (b) of the Act and also provides for the submission of proposed amendments to the Supplementary Code.

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

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

#### FINDINGS

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

I 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 purposes 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 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 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 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, I have approved this Supplementary Code.

Respectfully,

HUGH S. JOHNSON,  
*Administrator.*

JULY 19, 1934.



# SUPPLEMENTARY CODE OF FAIR COMPETITION FOR THE BRASS FORGING 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, this Code is established as a Supplementary Code of Fair Competition for the Brass Forging 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 on the second day of November, 1933, and the provisions of this Supplementary Code shall be the standards of fair competition of such Industry and shall be binding upon every member of the Industry.

## ARTICLE II—DEFINITIONS

SECTION 1. The term "Brass Forging Manufacturing Industry" is defined to mean the manufacture for sale of forgings of copper, brass, bronze and/or related alloys which are the basic, and/or cleaned, and/or trimmed, and/or pierced and/or sized metal article initially formed under pressure by placing solid, plastic, or semi-plastic metal between reciprocating die impressions, forms or cavities.

SECTION 2. The terms "President", "Act" and "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.

SECTION 3. 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.

SECTION 4. 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 second day of November, 1933.

SECTION 5. The term "employee" as used herein includes any and all persons engaged in the Industry, however compensated, except a member of the Industry.

SECTION 6. The term "employer" as used herein includes anyone by whom any such employee is compensated or employed.

SECTION 7. The term "Supplementary Code Authority" as used herein means the agency which is to administer this Supplementary Code as hereinafter provided.



SECTION 8. The term "Association" as used herein is defined to mean the Brass Forging Industries Association, or its successor.

SECTION 9. The term "Supplementary Code Committee" as used herein is defined to mean the Committee selected by the Brass Forging Industries Association to present, make such changes as necessary, and assent to and sign this Supplementary Code on behalf of the Association.

SECTION 10. The term "Federation" as used herein is defined to mean the Fabricated Metal Products Federation, or its successor.

SECTION 11. The term "Confidential Agent" as used herein is defined to mean the impartial agency designated by 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 2, 1933, including Section 1 of said Article III, by which the provisions of sub-sections (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 a 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 eleven (11) members to be elected by the members of the Industry, at a meeting called by the Temporary Supplementary Code Authority, upon ten (10) days' notice sent by registered mail to all members of the 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, as hereinafter provided, at a meeting of the members 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) Two (2) members who are members of the Industry, but not members of the Association to be nominated and elected by the non-members of the Association, present in person, by proxy or by letter ballot, each member to have one vote.

In case the non-members of the Association fail to elect the two (2) members as hereinabove provided, the Administrator shall appoint such members from a list of four (4) non-members of the Association to be furnished by the Supplementary Code Authority.



(b) Nine (9) members who are members of the Industry and members of the Association by fifty-one percent vote of members of the Association, present in person or by proxy, weighted on the basis of one (1) vote for each member and ten (10) additional votes for each member whose production is in excess of \$100,000 in the previous calendar year reported to the Supplementary Code Authority, provided, however, that any member of the Association whose production is less than \$100,000 per year shall have one (1) additional vote for each annual production unit of \$10,000; provided, further that no one member may cast more than thirty-three and one-third percent ( $33\frac{1}{3}\%$ ) of the total number of votes cast.

A vacancy in the membership of the Supplementary Code Authority may be filled by a majority vote of the remaining members of the Supplementary Code Authority. If the vacancy be that of a non-member of the Association it must be filled by the election of a non-member.

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 this Industry, unless the Supplementary Code Authority agrees to pay such expense. 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 membership, and (2) shall submit 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 the removal of any or all of the members and may make appropriate modification or modifications of method of selection of the Supplementary Code Authority.

SECTION 4. 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 the Supplementary Code.

SECTION 5. 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 has 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 Supplementary Code Authority shall neither incur nor pay any obligations in excess of the amount thereof as estimated in its approved budget, except upon approval of the Administrator; and no subsequent budget shall contain any deficiency items for expenditures in excess of prior budget estimates except those which the Administrator shall have so approved.

SECTION 6. 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 willful malfeasance or non-feasance.

SECTION 7. 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 8. The Supplementary Code Authority shall have all the powers and duties which shall be necessary or proper to enable it to fully administer this Supplementary Code and to effectuate its purpose. Without limitation to the foregoing, or any other powers or duties provided for in this Supplementary Code the Supplementary Code Authority shall have the following further powers and duties:

(a) To adopt By-Laws and Rules and Regulations for, and keep records of, its procedure and the administration of this Supplementary Code.

(b) To obtain from the members of the Industry, through its Confidential Agent, such information and reports as required for the



administration of this Supplementary Code. In addition to information required to be submitted to the Supplementary Code Authority, the 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 obligations to furnish reports to any Government agency. No individual report shall be disclosed to any other members of the Industry or any other party except to such other Governmental agencies as may be directed by the Administrator.

(c) 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 or 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.

(d) 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 or affect the members of the Industry.

(e) To recommend to the Administrator further fair trade practice provisions to govern members of the 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.

(f) 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 Supplementary Code, and under such others to the end that such fair trade practices may be proposed to the Administrator as amendments to this Supplementary Code and such other codes.

(g) To consider the subjects of contracts in existence on the effective date of this Supplementary Code, and make recommendations to members of this Industry and the Administrator as to the disposition of such contracts.

SECTION 9. 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 power to investigate all complaints filed with it by one member of the Industry against another member of the Industry.

SECTION 10. If the Administrator believes that any action of the Supplementary Code Authority or any agency thereof is unfair or unjust or contrary to the 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 thirty (30) days of notice to him of intention to proceed with such action.



SECTION 11. To the extent permitted by the Act and subject to such rules and regulations as the Administrator may prescribe, any or 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 members of the Industry as may be required to verify the accuracy of the information so furnished.

#### ARTICLE V—COST FINDING AND ACCOUNTING

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 the Industry. Thereafter, each member of the 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 the 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—OPEN PRICE FILING

SECTION 1. Each member of the Industry shall file with a confidential and disinterested agent of the Supplementary Code Authority or, if none, then with such an agent designated by the Administrator, identified lists of all his prices, discounts, rebates, allowances, and all other terms or conditions of sale, hereinafter in this Article referred to as "price terms", which lists shall completely and accurately conform to and represent the individual pricing practices of said member. Such lists shall contain the price terms for all such standard products of the Industry as are sold or offered for sale by said member of the Industry and for such non-standard products of said member of the Industry as shall be designated by the Supplementary Code Authority. Said price terms shall in the first instance be filed within ten (10) days after the date of approval of this Supplementary Code. 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 Industry 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 in the preparation and distribution thereof and be available for inspection by any of their customers at the office of said 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 ten (10) 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 of the Industry 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/services 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. Each member of this Industry shall furnish the said Agent for distribution with such number of copies of his price list as the Supplementary Code Authority may prescribe.

SECTION 5. 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 VII—COSTS AND PRICE CUTTING

SECTION 1. The standards of fair competition for the Industry with reference to pricing practices are declared to be as follows:

(a) Wilfully destructive price cutting is an unfair method of competition and is forbidden. Any member of the Industry or of any other Industry or the customers of either may at any time complain to the Supplementary Code Authority that any filed price constitutes unfair competition as destructive price cutting, imperiling small enterprises or tending toward monopoly or the impairment of code wages and working conditions. The Supplementary Code Authority shall within five (5) days afford an opportunity to the member filing the price to answer such complaint and shall within fourteen (14) days make a ruling or adjustment thereon. If such ruling is not concurred in by either party to the complaint, all papers shall be referred to the Research and Planning Division of N.R.A. which shall render a report and recommendation thereon to the Administrator.

(b) When no declared emergency exists as to any given product, there is to be no fixed minimum basis for prices. It is intended that sound cost estimating methods should be used and that consideration should be given to costs in the determination of pricing policies.

(c) When an emergency exists as to any given products, sale below the stated minimum price of such product, in violation of Section 2 hereof, is forbidden.



## SECTION 2. *Emergency Provisions.*—

(a) If the Administrator, after investigation shall at any time find both (1) that an emergency has arisen within the Industry adversely affecting small enterprises or wages or labor conditions, or tending toward monopoly or other acute conditions which tend to defeat the purposes of the Act; and (2) that the determination of the stated minimum price for a specified product within the Industry for a limited period is necessary to mitigate the conditions constituting such emergency and to effectuate the purposes of the Act, the Supplementary Code Authority may cause an impartial agency to investigate costs and to recommend to the Administrator a determination of the stated minimum price of the product affected by the emergency and thereupon the Administrator may proceed to determine such stated minimum price.

(b) When the Administrator shall have determined such stated minimum price for a specified product for a stated period, which price shall be reasonably calculated to mitigate the conditions of such emergency and to effectuate the purposes of the National Industrial Recovery Act, he shall publish such price. Thereafter, during such stated period, no member of the Industry shall sell such specified products at a net realized price below said stated minimum price and any such sale shall be deemed destructive price cutting. From time to time, the Supplementary Code Authority may recommend review or reconsideration or the Administrator may cause any determinations hereunder to be reviewed or reconsidered and appropriate action taken.

## ARTICLE VIII—UNFAIR TRADE PRACTICES

### SUPERSEDING ALL THE PROVISIONS OF ARTICLE V OF THE BASIC CODE

The following described acts shall constitute unfair practices. Any member of the Industry who shall directly or indirectly through any officer, employee, agent or representative use or employ any of the following unfair practices shall be guilty of a violation of this Supplementary Code.

**RULE 1. *False Advertising.***—No member of the Industry shall publish advertising (whether printed, radio, display or of any other nature), which is misleading or false 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, origin, 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 2. *False Billing.***—No member of the Industry shall knowingly withhold from or insert in any quotation or invoice any statement that makes it false in any material particular.

**RULE 3. *Defamation.***—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 4. *Threats of Law Suits.***—No member of the Industry shall publish or circulate unjustified or unwarranted threats of legal pro-



ceedings which tend to or have the effect of harassing competitors or intimidating their customers. Failure to prosecute in due course shall be evidence that any such threat is unwarranted or unjustified.

**RULE 5. *Secret Rebates.***—No member of the Industry shall secretly offer or make any payment or allowance of a rebate, refund, commission, credit, unearned discount or excess allowance, whether in the form of money or otherwise, nor shall a member of the Industry secretly offer or extend to any customer any special service or privilege not extended to all customers of the same class, for the purpose of influencing a sale.

**RULE 6. *Selling on Consignment.***—No member of the Industry shall ship goods on consignment except under circumstances to be defined by the Supplementary Code Authority and approved by the Administrator where peculiar circumstances of this Industry require the practice.

**RULE 7. *Commercial Bribery.***—No member of the Industry shall 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. This provision shall not be construed to prohibit free and general distribution of articles commonly used for advertising except as far as such articles are actually used for commercial bribery as hereinabove defined.

**RULE 8. *Interference with Another's Contracts.***—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. *Coercion.***—No member of the Industry shall require that the purchase or lease of any goods be a pre-requisite to the purchase or lease of any other goods.

**RULE 10. *Design Piracy.***—No member of the Industry shall imitate, simulate, appropriate or use any trade marks, trade names, slogans or other marks of identification having the tendency and capacity to mislead or deceive purchasers.

**RULE 11. *Lump Sum Bidding.***—No member of the Industry shall fail to base all bids on the price schedules showing each item separately and items shall not be lumped for bidding in any manner other than provided in such price schedules.

**RULE 12. *Terms and Conditions of Sale.***—No member of the Industry shall give or offer to give better terms than net cash thirty (30) days, or one percent (1%) discount for cash for payment as follows: bills dated the 1st to the 15th of the month inclusive, if paid on or before the 25th of the month; bills dated the 16th of the month to and including the last day of the month, if paid on or before the 10th of the following month. Bills will be dated the day of shipment.

On accounts not paid within thirty (30) days from the end of the month in which bills are rendered, interest will be charged at the



rate of six percent (6%), or the legal maximum whichever is lower, per annum beginning on the first of the month following the date on which payment is due. Bills for such interest will be rendered monthly.

Terms on tools, fixtures and fitting-up charges—Net Cash.

**RULE 13. *Enforcement of Contracts.***—No member of the Industry shall neglect to enforce a contract as a means of evading price schedules or securing the customer's favor.

**RULE 14. *Protection against Price Declines and Advances.***—No member of the Industry shall give to customers protection against advance in price and guaranty against decline in price.

**RULE 15. *Tools and Dies.***—No member of the Industry shall contract to rebate, prorate or absorb fitting-up charges for tools and dies.

Any fitting-up charges named are to cover part cost of the necessary tools and fixtures required for the particular work, such tools and fixtures to be and remain the sole property of the member of the Industry and to remain in the possession of the member of the Industry for use exclusively in filling orders of the customer.

There will be no additional charge for the upkeep or replacement of tools and fixtures, but if, at any time, a period of three years has elapsed since the receipt of any order from the customer requiring the use of such tools and fixtures, the member of the Industry may thereafter make any such use or disposition of such tools and fixtures as the member of the Industry desires without any accounting to the customer for such use or disposition of the proceeds thereof, unless otherwise mutually agreed upon, provided, however, the member of the Industry gives thirty (30) days' written notice to the customer.

#### ARTICLE IX—STANDARDIZATION OF PRODUCTS

The Supplementary Code Authority may devise adequate standards for the manufacture of the products of the Industry, upon approval of such standards by fifty-one percent (51%) vote of the members of the Industry, present in person or by proxy, weighted on the basis of one (1) vote for each member and ten (10) additional votes for each member whose production is in excess of \$100,000 in the previous calendar year reported to the Supplementary Code Authority, provided, however, that any member of the Industry whose production is less than \$100,000 per year shall have one (1) additional vote for each annual production unit of \$10,000; provided, further, that no one member may cast more than thirty-three and one-third percent ( $33\frac{1}{3}\%$ ) of the total number of votes cast, and thereafter all members of the Industry shall within ninety (90) days after such determination and approval by the Administrator follow such standards. Substitution of standards inferior to those set up by the Supplementary Code Authority, so approved by the members of the Industry and the Administrator, will be an unfair method of competition and a violation of this Supplementary Code.

Provided, however, that where substantial changes in the products of the Industry occur, the member or members of the Industry having such changes may apply to the Supplementary Code Authority for a revision of such standards and upon failure of the Supple-





mentary Code Authority within a reasonable time to make an equitable revision of such standards, subject to approval of the Administrator, then the member or members of the Industry seeking such revision may appeal to the Administrator whose decision in the matter will be final.

#### ARTICLE X—MONOPOLIES

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

#### ARTICLE XI—MODIFICATIONS

SECTION 1. This Supplementary Code and all the provisions thereof are expressly made subject to the right of the President, in accordance with 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 or amended on the basis of experience or changes in circumstances, such modifications or amendments to be based upon application by the Supplementary Code Authority or other representative group within this Industry to the Administrator and such notice and hearing as he shall specify and to become effective and to be a part of this Supplementary Code on approval by the Administrator.

#### 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 costs should be delayed, and when made, such increases should, so far as possible, be limited to actual additional increases in the seller's costs.

#### ARTICLE XIII—EFFECTIVE DATE AND DURATION

This Supplementary Code shall become effective at 12:01 o'clock A.M. on the tenth day after it is approved by the President 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 Title I of the National Industrial Recovery Act, has ended.

Approved Code No. 84—Supplement No. 42.  
Registry No. 1110-03.