

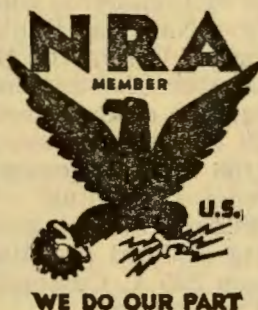
NATIONAL RECOVERY ADMINISTRATION

CODE OF FAIR COMPETITION

FOR THE

METAL ETCHING INDUSTRY

AS APPROVED ON JUNE 4, 1934



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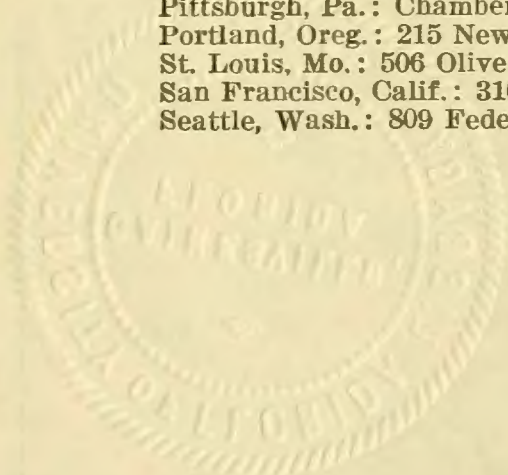
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Approved Code No. 455

CODE OF FAIR COMPETITION
FOR THE
METAL ETCHING INDUSTRY

As Approved on June 4, 1934

ORDER

**APPROVING CODE OF FAIR COMPETITION FOR THE METAL ETCHING
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, for approval of a Code of Fair Competition for the Metal Etching Industry, 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 Article VII, Section 2, in so far as they prescribe a waiting period between the filing with the Code Authority (or such agency as may be designated in the Code) and the effective date of price lists, as originally filed and/or revised price lists or revised terms and conditions of sale, be and they hereby are stayed pending my further Order.

HUGH S. JOHNSON,
Administrator for Industrial Recovery.

Approval recommended:

BARTON W. MURRAY,
Acting Division Administrator.

WASHINGTON, D.C.,
June 4, 1934.

REPORT TO THE PRESIDENT

The PRESIDENT,
The White House.

SIR: This is a report on the Code of Fair Competition for the Metal Etching Industry as revised after the Public Hearing conducted thereon in Washington, D.C., on January 25, 1934, in accordance with the provisions of the National Industrial Recovery Act.

RESUME OF THE CODE

Article I states the purpose of the Code.

Article II defines specific terms used in the Code.

Article III provides for hours of labor and rates of pay. This Article provides for normal working day which shall not exceed eight (8) hours and a normal working week which shall not exceed forty (40) hours, nor shall any employee work more than six (6) days in any one (1) week, except as provided in the following exemptions:

Those engaged in executive, supervisory, or professional capacities, provided all receive not less than thirty-five (\$35.00) dollars per week; outside salesmen, and watchmen, provided the last group shall not be permitted to work more than fifty-six (56) hours in any one (1) week, and not more than six (6) days in any one (1) week.

Exemptions are made which allow for conditions of unusual or peak demand, provided that no employee may work more than forty-eight (48) hours per week for twelve (12) weeks in any one (1) year.

Exemptions are also made for employees engaged in emergency maintenance or emergency repair work involving breakdowns or protection of life.

At least one and one-third ($1\frac{1}{3}$) times the normal rate shall be paid for hours worked in excess of eight (8) per day, or forty (40) per week.

The total time that an employee may be engaged by more than one employer must not exceed the maximum number of hours permitted by the Code.

The minimum wage for employees shall be forty (40¢) cents per hour unless the rate per hour of the same class of labor on July 15, 1929 was less than forty (40¢) cents per hour, but in any case the rate per hour shall not be less than thirty-four (34¢) cents per hour. Female employees performing substantially the same work as male employees shall receive the same rate of pay as male employees. Accounting, clerical, office or sales employees shall be paid no less than fifteen (\$15.00) dollars per week.

The Code establishes a guaranteed minimum hourly wage for labor regardless of whether the employee is compensated on a time rate, piece work, or other basis.

It is stipulated that the wage rates in effect on June 16, 1933, which were in excess of the minimum provided in the Code, shall not be reduced and that there shall be an upward adjustment of such wages if such adjustment has not already been made.

Article IV sets out the general labor provisions. It is provided that no person under sixteen (16) years of age shall be employed, and no person under eighteen (18) years of age at a hazardous occupation. The procedure to be followed in complying with this provision in regard to minors is stated.

The mandatory provisions from Section 7 (a) of the Act are included.

It is stated that no member of the Industry shall reclassify employees with the purpose of defeating the purposes of the Act.

It is stated that where more stringent provisions in state laws regarding labor are enforced, they shall be complied with. The manner in which wages are to be paid is set forth.

Regulations concerning standards for safety and health and the posting of the labor provisions of the Code are included.

It is also provided that no employee shall be dismissed for giving evidence concerning an alleged violation of this Code.

Article V deals with administration. This specifies how the Code Authority shall be established and how the Code shall be administered.

Article VI provides for a uniform system of cost accounting, and an emergency clause concerning lowest reasonable cost.

Article VII describes the selling schedules.

Article VIII contains the unfair trade practices.

Article IX states that no employer shall use any subterfuge to frustrate the spirit and intent of this Code.

Article X provides against monopolies or monopolistic practices.

Article XI contains the mandatory provisions of Subsection B of Section 10 of the Act, relating to modifications.

Article XII states the effective date.

GENERAL STATEMENT

The principal products of this industry are etched metal nameplates, such as are commonly used on refrigerators, desks and other articles of furniture, and also the nameplates and escutcheons that are placed on the radiators of automobiles. Other products include the dials used in the instrument panels on automobiles, and many of the articles undergo other operations such as enameling and painting in addition to the etching process. Many of the articles manufactured by the industry are purely decorative and could be classed as luxuries. For this reason, the industry has suffered severely from the effects of the depression, as shown by the fact that the value of their sales declined eighty (80%) per cent in the period from 1929 to 1933.

Inasmuch as the average hours worked per employee in 1933 were thirty eight (38) per week, it is not anticipated that the Code's provisions for labor will increase employment at the production level of the industry for 1933; however, with the prospects of increased production in the automobile industry, one of the principal markets, it seems probable that substantial gains in employment will be made.

Relatively, employment has been well sustained in this industry as the number of workers in December, 1933, was about twenty-one (21%) per cent less than in 1929. The number of workers employed in the last six (6) months of 1933 was one thousand seven hundred (1,700).

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 inter-state 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 industry, by avoiding undue restrictions 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 fifty thousand (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 group 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 approval of said Code.

For these reasons, therefore, I have approved this Code.

Respectfully,

HUGH S. JOHNSON,
Administrator.

JUNE 4, 1934.

CODE OF FAIR COMPETITION FOR THE METAL ETCHING INDUSTRY

ARTICLE I—PURPOSE

To effectuate the policies of Title I of the National Industrial Recovery Act, the following is hereby established as a Code of Fair Competition for the above named Industry, and shall be binding upon every member thereof.

ARTICLE II—DEFINITIONS

The following terms and words are used in this Code to mean and include:

1. *Industry*.—Means and includes the business of manufacture and sale by the manufacturer of completely fabricated metal products when etched, embossed, printed, lithographed, enameled (air dried, baked or fired) by processing necessary to the completion of the products of this Industry, such as name plates, dials, escutcheons, automobile plates.—excluding embossed metal vehicle tax and automobile license plates.

2. *Employee*.—Any person engaged in any phase of the Industry in any capacity, receiving compensation for his services, irrespective of the method of payment of his compensation.

3. *Employer*.—Anyone by whom any such employee is compensated, or employed.

4. *Member of the Industry*.—Any natural person, partnership, corporation, trust, association, trustee, trustee in bankruptcy, receiver or other form of enterprise engaged in said Industry, either as an employer or on his or its own account.

5. *Association*.—The Metal Etchers Association, a voluntary, unincorporated association.

6. *President, Act, and Administrator*.—Mean respectively the President of the United States, Title I of the National Industrial Recovery Act, and the Administrator for Industrial Recovery.

ARTICLE III—HOURS OF LABOR AND RATES OF PAY

SECTION 1. *Hours of Labor*.—

(a) No employee shall be permitted to work more than forty (40) hours in any one week; Provided that, when necessary to meet unusual or peak demand, any employee may be permitted to work not in excess of forty-eight (48) hours in any one week for twelve (12) weeks in any one (1) year. The provisions of this section shall not apply to the following employees:

(1) Executives, professional employees or supervisors who receive not less than thirty-five dollars (\$35.00) per week; and outside salesmen;

(2) Watchmen, who may be permitted to work fifty-six (56) hours in any one (1) week, but not more than six (6) days in any one (1) week;

(b) Provided that, any employee other than those specified in paragraphs (1) and (2) above working beyond eight (8) hours in any one (1) day or forty (40) hours in any one (1) week shall be paid not less than at the rate of one and one-third ($1\frac{1}{3}$) times the normal rate. A normal day shall not be in excess of eight (8) hours.

(c) The maximum hours fixed in the foregoing sub-paragraphs of this Section 1 shall not apply to any employee on emergency maintenance or emergency repair work involving breakdowns or protection of life and property, but in any such special case, at least one and one-third ($1\frac{1}{3}$) the normal rate shall be paid for all hours worked in excess of eight (8) hours in any one (1) day or forty (40) hours in any one (1) week.

(d) No employer shall knowingly permit any employee to work for any time, which, when totaled with that already performed for another employer, or employers, in this Industry, exceeds the maximum number of working hours permitted in this Code.

(e) No employee shall be permitted to work more than six (6) days in any seven (7) day period; provided that this provision shall not apply to those employees specified in paragraph (1) of sub-section (a) of this Section 1, and those employees engaged in emergency repair or maintenance work as referred to in sub-section (c) of this Section 1.

SECTION 2. *Minimum Wages.*—

(a) The minimum rate which shall be paid by employers in the Industry to any of the employees shall be at the rate of forty (40) cents per hour, unless the rate per hour of the same class of labor on July 15, 1929, was less than forty (40) cents per hour, in which case the rate per hour shall not be less than thirty-four (34) cents per hour.

(b) Provided, no accounting clerical, office or sales employees shall be paid less than at the rate of fifteen dollars (\$15.00) per week.

(c) This Article establishes a guaranteed minimum hourly rate of pay, which shall apply, irrespective of whether an employee is actually compensated on a time rate, piece-work or other basis.

(d) Members of this Industry shall not reduce hourly or weekly rates of compensation for employment, according to the basis of compensation, which compensation was, prior to June 16, 1933, in excess of the minimum wage herein set forth, notwithstanding that the hours of work in such employment may be reduced; and all members of this Industry shall increase the pay of all employees in excess of the minimum wage, by an equitable adjustment of all pay schedules, if such adjustments have not been made prior to the effective date of this Code. All such adjustments made after June 16, 1933 shall be reported to the Code Authority and to the Administrator.

(e) Female employees performing substantially the same work as male employees shall receive the same rate of pay as male employees.

ARTICLE IV—GENERAL LABOR PROVISIONS

SECTION 1. *Minors.*—

No person under sixteen (16) years of age shall be employed in the Industry. No person under eighteen (18) years of age shall be employed at operations or occupations which are hazardous in nature

or dangerous to health. In any State, an employer shall be deemed to have complied with this provision as to age if he shall have on file a valid certificate, or permit, duly issued by the Authority in such State empowered to issue employment or age certificates, or permits, showing that the employee is of the required age.

SECTION 2. *Statutory Provisions.*—

In compliance with Section 7 (a) of the Act, it is provided:

(a) 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;

(b) 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

(c) 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.

SECTION 3. *Reclassification of Employees.*—

No employer shall reclassify employees or duties of occupations performed, or engage in any subterfuge, for the purpose of defeating the purposes of the Act or the provisions of this Code.

SECTION 4. *Application of State Laws.*—

No provision in this Code shall supersede any State or Federal law which imposes on employers more stringent requirements as to age of employees, wages, hours of work, or as to safety, health, sanitary or general working conditions, or insurance, or fire protection, than are imposed by this Code.

SECTION 5. No employee shall be dismissed by reason of making a complaint or giving evidence with respect to an alleged violation of this Code.

SECTION 6. *Method of Wage Payment.*—

(a) Each employer shall make payment of all wages due in lawful currency or by negotiable check therefor, payable on demand. These wages shall be exempt from any payments for pensions, insurance, or sick benefits other than those voluntarily paid by the wage earners or required by State laws. Wages shall be paid by employers to employees at the end of every two (2) weeks' period, or oftener if required by State or Federal law, and salaries shall be paid by employers to those so compensated at the end of every month, or oftener if required by State or Federal law. No employer shall withhold payment of wages or salaries lawfully due to employees unless the payment of such wages or salaries be subject to any restriction imposed by State or Federal laws.

(b) The employer or his agents shall accept no rebates, directly or indirectly, on such wages, nor give anything of value, or extend favors to any person for the purpose of influencing rates of wages or the working conditions of his employees.

SECTION 7. *Standards for Safety and Health.*—

(a) Every employer shall make reasonable provision for the safety and health of his employees at the place and during the hours of their employment.

(b) Standards for safety and health shall be submitted by the Code Authority to the Administrator for approval within six (6) months after the effective date of this Code.

SECTION 8. *Posting*.—Each employer shall post, and maintain, in conspicuous places accessible to all employees, the provisions of the Code relating to hours, wages, and conditions of employment, and such other notices and bulletins as the Administrator may from time to time require.

ARTICLE V—ADMINISTRATION

SECTION 1. A Code Authority is hereby established to administer this Code, and shall consist of not less than five (5) members elected by the members of the Industry. The Administrator, in his discretion, may appoint not more than three (3) additional members thereof to serve without vote and without compensation from the Industry. Members of the Code Authority elected by the members of the Industry shall be elected to serve for one (1) year and until their successors shall have been elected and qualified. No two members of the Code Authority shall be affiliated with any single member of the Industry. Vacancies occurring in the Code Authority shall be filled in the same manner as that provided for their election. Each elected member of the Code Authority shall be entitled to one vote.

SECTION 2.

(a) A meeting of the members of the Industry shall be called as soon as possible after the effective date of this Code by the Executive Manager of the Association, who shall give reasonable notice thereof by registered mail, but not less than ten (10) days in advance, to all ascertainable members of the Industry, stating therein the time, place, and purpose of the meeting. Such meeting shall be for the purpose of electing members of the Code Authority who shall represent the Industry, and for the transaction of such other business pertaining to the provisions of this Code as may be specifically referred to in such notice.

(b) Immediately after said meeting, the elected members of the Code Authority shall hold a meeting and elect a Chairman thereof.

(c) The Chairman of the Code Authority, upon his own initiative, may call meetings of the Code Authority, and shall be required to do so upon the request of two (2) members of the Code Authority. The Code Authority, upon its own initiative, may call a meeting of all of the members of the Industry, and the Chairman of the Code Authority, upon the request of five (5) members of the Industry, shall call a meeting of all of the members of the Industry.

(d) Each member of the Industry shall be entitled to one (1) vote at any industry meeting, at which the member may be represented in person or by proxy, except that at elections any member of the Industry not present in person or by proxy may cast his vote by letter ballot and shall be deemed to be represented thereby; and a majority vote in numbers of members and also in dollar value of sales of the products of the Industry for the last preceding calendar year of those members who are so represented at any such meeting shall be necessary for the determination of any question.

(e) Each trade or industrial association directly or indirectly participating in the selection or activities of the Code Authority shall (1) impose no inequitable restrictions on membership, and (2) submit to the Administrator true copies of its constitution, 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. The Code Authority may adopt its own rules of procedure and may appoint such agents or agencies as it may deem necessary properly to supervise and administer the provisions of this Code. Provided, that nothing herein shall relieve the Code Authority of its responsibilities under this Code and that such agents or agencies shall at all times be subject to, and comply with, the provisions hereof.

SECTION 4. In order that the 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 the Code Authority is not truly representative of the Industry, or does not in other respects comply with the provisions of the Act, he may require an appropriate modification of the method of selection of the Code Authority.

SECTION 5. The Code Authority may make recommendations to the Administrator for the co-ordination of the administration of this Code with such other Codes, if any, as may be related to this Industry.

SECTION 6. The Code Authority may make recommendations to the Administrator pertaining to the provisions of this Code and additional fair trade practice provisions to govern members of the Industry in their relations with each other, and, also, measures for industrial planning, including stabilization of employment.

SECTION 7. The Code Authority shall require each member of the Industry to furnish to such impartial agency as the Code Authority may designate, reports, statistical data and information relating to wages, hours of labor, conditions of employment, volume of production, volume of sales, in units and/or dollars, and other matters, useful to the members of the Industry and pertinent to the supervision and administration of this Code. Such reports, data and information shall be compiled and made available to the members of the Industry and the Administrator for such periods, in such form, and at such time, or times, as determined by the Code Authority or as the Administrator may require. In addition thereto, members of the Industry shall furnish to such Federal and State agencies as the Administrator may designate, such information as the Administrator may deem necessary for the purposes recited in Section 3 (a) of the Act, and nothing contained in this Code shall relieve any member of the Industry from any existing obligations to furnish reports to any Government agency.

SECTION 8. All reports, data and information required by this Code to be furnished by the members of the Industry to the Code Authority shall be sworn to by the members, if requested by the Code Authority, and each member's report shall be confidential and not

disclosed to any other member of the Industry except in summary; Provided, that where summary information in effect designates the identity of any member's reports, it shall not be revealed to any member of the Industry, but shall be made available to the Administrator upon his request, and may be used to facilitate the administration of this Code.

SECTION 9. Upon complaint that a member of the Industry has violated a provision of this Code, the Code Authority may require, and such member shall furnish forthwith, a complete and accurate report of the facts and figures concerning such alleged violation. If the Code Authority shall determine that substantial doubt exists as to the accuracy of such report, or of any other report filed pursuant to the provisions of this Code, so much of the pertinent books, records and papers of such member as may be required for the determination of the accuracy of such report may be examined by an impartial agency, agreed upon between the Code Authority and such member, or failing agreement, appointed by the Administrator. Such examination shall be made pursuant to rules and regulations pertaining thereto which shall be adopted by the Code Authority and which shall be subject to the disapproval of the Administrator. Such impartial agency shall report the result of all such examinations forthwith upon the completion thereof to the Administrator or to such agency as he may designate. The provisions of this section are required for the proper and efficient administration of this Code and the effectuation of the purposes of the Act.

SECTION 10.

(A) It being found necessary, in order to support the administration of this Code and to maintain the standards of fair competition established by this Code and to effectuate the policy of the Act, the Code Authority is authorized, subject to the approval of the Administrator:

(1) 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 Code;

(2) To submit to the Administrator for his approval, subject to such notice and opportunity to be heard as he may deem necessary, (a) an itemized budget of its estimated expenses for the foregoing purposes, and (b) an equitable basis upon which the funds necessary to support such budget shall be contributed by members of the industry;

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

(B) Only members of the industry complying with the Code and contributing to the expenses of its administration as provided in Section (A) hereof shall be entitled to participate in the selection of the members of the Code Authority or to receive the benefit of its voluntary activities or to make use of any emblem or insignia of the National Recovery Administration.

SECTION 11. Nothing contained in this Code shall constitute the members of the Code Authority partners for any purpose. Nor shall any member of the Code Authority be liable in any manner to anyone for any act of any other member, officer, agent or employee of the Code Authority. Nor shall any member of the 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 Code, except for his own wilful malfeasance or non-feasance.

SECTION 12. If the Administrator shall determine that any action of the Code Authority, or any agency thereof, may be unfair, 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 and further consideration by such Code Authority, or agency thereof, pending final action, which shall not be effective unless the Administrator approves, or unless he shall fail to disapprove after thirty (30) days' notice to him of intention to proceed with such action in its original or modified form.

ARTICLE VI—ACCOUNTING AND COSTING

SECTION 1. The Code Authority shall cause to be formulated methods of accounting and cost finding and/or estimating capable of use by all members of the Industry and shall submit such methods to the Administrator for review and possible disapproval. Full details and instructions concerning such methods shall be made available to all members of the Industry and to the Administrator and thereafter all members shall utilize the principles of such methods.

SECTION 2. When the Code Authority determines that an emergency exists in this Industry and that the cause thereof is destructive price-cutting such as to render ineffective or seriously endanger the maintenance of the provisions of this Code, the Code Authority may cause to be determined the lowest reasonable cost of the products of this Industry, such determination to be subject to such notice and hearing as the Administrator may require. The Administrator may approve, disapprove, or modify the determination. Thereafter, during the period of the emergency, it shall be an unfair trade practice for any member of the Industry to sell, or offer to sell, any products of the Industry for which the lowest reasonable cost has been determined at such prices or upon such terms or conditions of sale that the buyer will pay less therefor than the lowest reasonable cost.

When it appears that conditions have changed, the Code Authority, upon its own initiative, or upon the request of any interested party, shall cause the determination to be reviewed.

ARTICLE VII—SELLING SCHEDULES

SECTION 1. As soon as possible after the effective date of this Code, the Code Authority shall determine a date on or before which each member of the Industry shall file with such agent or agency, not affiliated with any member of the Industry, as designated by the Code Authority, and in accordance therewith all members shall

file with such agency, price schedules, price lists, and/or discount sheets covering all products of the Industry manufactured and sold by them respectively, including therein prices, terms, discounts, and all conditions relating to, or in anywise affecting, any sale of the same.

SECTION 2. Each member of the Industry shall file revised schedules, lists, and/or discount sheets, or changes therein, when and if made, with the same agency mentioned in the next preceding Section 1, three (3) business days, exclusive of the date of the receipt of the same by said agency, in advance of the effective date of such revisions or changes, except that when filed to meet a competitor's previously filed revisions or changes, the same may become effective concurrently with the effective date of such competitor's filed revisions thereof or changes therein.¹

SECTION 3. The agent, or agency, designated by the Code Authority to receive such price schedules, price lists and/or discount sheets, and revisions thereof, shall promptly publish and distribute copies of the same to all members of the Industry making similar products and make such lists available to all other interested parties.

SECTION 4. No member of the Industry shall sell any of the products of the Industry at a price, or prices, or upon terms and/or other conditions of sale at variance from those stated in his price schedules, price lists, and/or discount sheets, or revisions thereof, as published and filed as hereinabove provided.

ARTICLE VIII—UNFAIR TRADE PRACTICES

The following acts shall constitute Unfair Trade Practices and none shall be used by any member of the Industry.

1. *Interference with Existing Contracts.*—Knowingly to interfere with an existing contract for the sale and purchase of products of this Industry; or to induce, attempt to induce, or assist a party to break an existing contract for the sale of any products of this Industry, or to solicit or accept an order for any such goods, after the contract therefor has been placed with another selling member of this Industry, or to offer lower prices or better terms to induce or attempt to induce a revision of any such existing contract.

2. *Commercial Bribery.*—To give, permit to be given, or directly or indirectly offer to give anything of value for the purpose of influencing or rewarding the action of an employee, agent or representative or 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.

3. *Defamation of Competitors.*—To make, cause, or permit to be made, or published, any false statements or misrepresentations of, or concerning, the business, policies, methods, values, credit terms, services or products of a competitor.

¹ See paragraph 2 of order approving this Code.

4. *Enticing Employees.*—To employ or entice employees of a competitor with the purpose and effect of unduly hampering, injuring or embarrassing said competitor. This paragraph is not intended to apply to a case where an employee of his own initiative may seek another position or different employment.

5. *False Advertising.*—To make, cause, or permit to be made, or published, any false, untrue or deceptive statement by way of advertising or otherwise, concerning any grade, quality, substance, character, origin or preparation of any product of this Industry.

6. *Misbranding.*—To falsely mark or brand packages or products of this Industry, for the purpose, or with the effect, of misleading or deceiving purchasers or others with respect to quality, quantity, character, grade or substance thereof.

7. *False Invoicing.*—To withhold from, or insert in, invoice facts which would make the invoice a false record, wholly or in part, of the transaction in question, or make any arrangement which would contemplate payment or settlement contrary to the face of the invoice.

8. *Post-dating or Pre-dating Contract or Invoice.*—To post-date or pre-date contracts or invoices covering products of this Industry.

9. *Guaranteeing Against Price Decline.*—To guarantee against price decline, except as the same may be limited to the price decline of products of the particular member of the Industry concerned, in which latter event such guarantee shall apply only to goods which are not delivered.

10. *Secret Rebates.*—To secretly directly or indirectly 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, or for the purpose of influencing a sale, secretly offer or extend to any customer any special service or privilege not extended to all customers of the same class.

11. *Terms.*—To grant or allow terms, or to fail to charge interest on overdue accounts in connection with the sale of any products of this Industry, other than as follows:

Net Cash 30 days, or one per cent (1%) discount for Cash for payment as follows:

(a) Bills dated the first (1st) to the fifteenth (15th) of the month inclusive, if paid on or before the twenty-fifth (25th) of the month;

(b) Bills dated the sixteenth (16th) to and including the last day of the month, if paid on or before the tenth (10th) of the following month.

The date of payment of an invoice is the date on which the check is mailed as indicated by post mark, unless the check carries a later date, in which case the date on the check is the date of payment.

On accounts not paid within thirty (30) days from the end of the month, on which bills are rendered, interest shall be charged at not less than the rate of six per cent (6%) per annum or the legal maximum, whichever is lower, beginning on the first (1st) day of the month following the date on which payment was due, but no interest amounting to less than one dollar (\$1.00) need be charged. Bills for such interest shall be rendered at least monthly.

ARTICLE IX

No employer shall use any subterfuge to frustrate the spirit and intent of this Code.

ARTICLE X—MONOPOLIES

No provision of this Code and/or its amendments shall be applied so as to promote monopolies, or monopolistic practices, or to eliminate, oppress, or discriminate against small enterprises.

ARTICLE XI—MODIFICATION

SECTION 1. This 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 said Act.

SECTION 2. This Code, except as to provisions required by the Act, may be modified on the basis of experience or changes in circumstances, such modifications to be based upon application to the Administrator and such notice and hearing as he shall specify, and to become effective on approval of the Administrator.

ARTICLE XII—EFFECTIVE DATE

The effective date of this Code shall be the second Monday after this Code shall have been approved by the President.

Approved Code No. 455.
Registry No. 1620-01.

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