

**NATIONAL RECOVERY ADMINISTRATION**

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**CODE OF FAIR COMPETITION**

**FOR THE**

**HEAVY FORGING INDUSTRY**

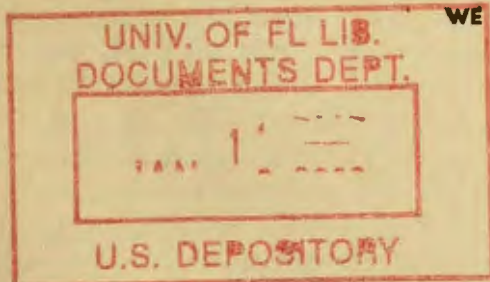
**AS SUBMITTED ON AUGUST 30, 1933**

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**REGISTRY No. 1110—01**

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**The Code for the Heavy Forging 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**



**UNITED STATES  
GOVERNMENT PRINTING OFFICE  
WASHINGTON : 1933**





# CODE OF FAIR COMPETITION OF THE HEAVY FORGING INDUSTRY

## ARTICLE I—DEFINITIONS

Wherever used in this Code or in any schedule appertaining hereto the terms hereinafter in this Article and in Schedule E annexed hereto defined shall, unless the context shall otherwise clearly indicate, have the respective meanings hereinafter in this Article and in such Schedule E set forth. The definition of any such term in the singular shall apply to the use of such term in the plural and vice versa.

SECTION 1. The term "the United States" means and includes all of the territory of the United States of America on the North American continent.

SEC. 2. The term "the President" means the President of the United States of America.

SEC. 3. The term "the Industry" means and includes the business of manufacturing and selling in the United States hammered and/or pressed forgings, except as produced and/or sold by an owning or affiliating department or company as a part of the products of another industry, as defined in Section II, Paragraph (a) hereof.

SEC. 4. The term "member of the Industry" means and includes any person, firm, association, or corporation operating a plant or plants in the United States for the production of products, or any of them.

SEC. 5. The term "the Code" means and includes this Code and all schedules annexed hereto as originally approved by the President, and all amendments hereof and thereof made as hereinafter in Article XII provided.

SEC. 6. The term "member of the Code" means any member of the Industry who shall have become a member of the Code as hereinafter in Section 3 of Article III provided.

SEC. 7. The term "the Association" means Forging Manufacturers Association, a New York membership corporation.

SEC. 8. The term "Executive Committee" means the Executive Committee (as from time to time constituted) of the Association.

SEC. 9. The term "the Secretary-Treasurer" means the Secretary and Treasurer of the Association at the time in office.

SEC. 10. The term "unfair practice" means and includes any act described as an unfair practice in Schedule G annexed hereto.

SEC. 11. Wherever used in the Code with reference to the Industry or any member of the Industry or any member of the Code, unless the context shall otherwise clearly indicate—

(a) The term "products" includes hammered and/or pressed forgings and the further processing thereof, other than forgings made exclusively on drop forging or equivalent equipment, except as produced and/or sold by an owning or affiliating department or company as a part of the products of another industry.



(b) The term "plant" means only a plant for the production of one or more products in the Industry.

(c) The term "prices" includes only prices for products produced in the Industry.

(d) The term "wages" includes only wages for labor performed in the Industry.

(e) The term "labor" means only labor performed in the Industry.

(f) The term "hours of labor" or "hours of work" includes only hours of labor or hours of work in the Industry; and

(g) The term "employee" means only an employee in the Industry.

SEC. 12. The term "National Industrial Recovery Act" means the National Industrial Recovery Act as approved by the President June 16, 1933.

SEC. 13. The term "effective date of the Code" means ten days after the date on which the Code shall have been approved by the President pursuant to the National Industrial Recovery Act.

SEC. 14. The term "the Administrator" means the Administrator appointed by the President under the National Industrial Recovery Act and at the time in office.

SEC. 15. The term "the Administration" means the agency established pursuant to the provisions of Section 2 of the National Industrial Recovery Act.

## ARTICLE II—PURPOSE OF THE CODE

SECTION 1. The Code is adopted pursuant to Title I of the National Industrial Recovery Act.

SEC. 2. The purpose of the Code is to effectuate the policy of Title I of the National Industrial Recovery Act in so far as it is applicable to the Industry.

## ARTICLE III—MEMBERSHIP IN THE CODE

SECTION 1. It is of the essence of the code that all members of the industry which shall comply with the provisions of the code shall be entitled to participate in its benefits upon the terms and conditions set forth in the code.

SEC. 2. Any member of the Industry is eligible for membership in the Code.

SEC. 3. Any member of the Industry desiring to become a member of the Code may do so by signing and delivering to the Secretary a letter substantially in the form set forth in Schedule A annexed hereto.

SEC. 4. The rules and regulations in respect of meetings of members of the Code are set forth in Schedule B annexed hereto.

## ARTICLE IV—HOURS OF LABOR, RATES OF PAY, AND OTHER CONDITIONS OF EMPLOYMENT

SEC. 1. Pursuant to subsection (a) of Section 7 of the National Industrial Recovery Act and so long as the Code shall be in effect, the Code shall be subject to the following conditions:

(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.

SEC. 2. Since the beginning of the present depression and the consequent reduction in the total number of hours of work available in the Industry, its members have made every effort to distribute, and with a remarkable degree of success have distributed, the hours of work available in their plants so as to give employment to the maximum number of employees. It is the intention of the Industry to continue that policy insofar as practicable, to the end that the policy of Title I of the National Industrial Recovery Act may be effectuated, and that work in the Industry shall insofar as practicable be distributed so as to provide employment for the employees normally attached to the Industry.

Certain processes in the Industry are of a continuous character and they cannot be changed in this respect without serious adverse effect upon production and employment.

As demand for the products of the Industry and, therefore, for labor shall increase, hours of labor for employees in the Industry must necessarily increase; but, except in the case of executives, those employed in supervisory capacities and in technical work and their respective staffs, and those employed in emergency maintenance and repair work, insofar as practicable and so long as employees qualified for the work required shall be available in the respective localities where such work shall be required, and having due regard for the varying demands of the consuming and processing industries for the respective products, none of the members of the Code shall cause or permit any employee to work at an average of more than 40 hours per week in any six months' period or to work more than 48 hours or more than six days in any one week except in the case of executives, those employed in supervisory capacities and in technical work and their respective staffs, and those employed on emergency maintenance and repair work. Two months after the effective date of this Code, as soon as the members of the Code shall be operating at 60 percent of capacity, they shall adjust the operations of their plants so that, except as to executives, those employed in supervisory capacities and in technical work and their respective staffs, and those employed on emergency maintenance and repair work, they will establish the 8-hour day for all their employees. No member of the Code is to use any subterfuge to frustrate the spirit and intent of this Code which is, among other things, to increase employment by a universal covenant, to remove obstructions to commerce, and to shorten hours, and to raise wages for the shorter week to a living basis.

SEC. 3. None of the members of the Code shall employ in or about its plants in the Industry any person under 16 years of age.

SEC. 4. For the purposes of this Article IV the wage districts described in Schedule C annexed hereto have been established.



SEC. 5. Until changed by amendment of the Code as hereinafter in Article XII provided, the minimum rates of pay per hour which shall be paid by members of the Code for common labor (not including that of apprentices and learners) in the Industry in the respective wage districts described in such Schedule C shall be the rates set forth in Schedule D annexed hereto. None of the members of the Code shall pay common laborers (not including apprentices and learners) in its employ in the Industry in any such district any rate of pay less than the rate specified for such district in such Schedule D, and any violation of this provision of the Code shall be deemed an unfair practice. Such rates of pay shall not, however, be understood to be the maximum rates of pay for their respective districts, but, until changed as aforesaid, none of the members of the Code shall be required to pay its common laborers in the Industry in any of such districts a rate of pay higher than the rate specified for such district in such Schedule D, except as such member shall have agreed to pay such higher rate in any agreement heretofore or hereafter made by such member with its employees. Until this provision shall have been changed by amendment as aforesaid, each member of the Code will pay to each of its employees in the Industry who on the date on which it became such member was receiving a rate of pay per hour in excess of the rate of pay per hour then being paid by such member for common labor a rate of pay per hour which shall be at least 15% greater than that which such employee was then receiving; provided, however, that the foregoing provision shall not be so construed as to require any member of the code to make any increase in the rate of pay per hour to be paid by such member to any of its employees in any wage district that will result in a rate of pay per hour which shall be higher than the rate of pay per hour paid to employees doing substantially the same class or kind of labor in the same wage district by any other member of the code which shall have increased its rates of pay per hour in accordance with such provision. It is agreed that this paragraph establishes a guaranteed minimum rate of pay regardless of whether the employee is compensated on the basis of a time rate or on a piecework performance.

#### ARTICLE V—NEW CAPACITY

SECTION 1. Until such time as the demand for its products cannot adequately be met by the fullest possible use of existing capacities for producing forgings, such capacities shall not be increased.

#### ARTICLE VI—ADMINISTRATION OF THE CODE

SECTION 1. The administration of the Code shall be under the direction of the Executive Committee. The Executive Committee shall have all the powers and duties conferred upon it by the Code and generally all such other powers and duties as shall be necessary or proper to enable it fully to administer the Code and to effectuate its purpose.

SEC. 2. The Secretary-Treasurer shall act as Secretary under the Code. Under the direction of the Executive Committee he shall keep all books (except books of account) and records under the Code and, except as such committee shall otherwise provide, shall collect, file, and collate all statistics and other information required by the Executive Committee for the proper administration of the Code.



SEC. 3. The Secretary-Treasurer shall act as Treasurer under the Code and, under the direction of the Executive Committee, he shall have custody of and have charge of the disposition of all funds collected under the Code; and he shall keep proper books of account showing the collection and disposition thereof.

SEC. 4. The Executive Committee shall have power from time to time (a) to appoint and remove, and to fix the compensation of all such other officers and employes and all such accountants, attorneys and experts, as said Executive Committee shall deem necessary or proper for the purpose of administering the Code and (b) to fix the compensation of the Secretary-Treasurer for his services in acting under the Code.

SEC. 5. The expenses of administering the Code shall be borne by the members thereof. The Executive Committee may from time to time make such assessments on account of such expenses against the members of the Code as it shall deem proper and such assessments shall be payable as such Committee shall specify. The part of such expenses which shall be assessed against each member of the Code shall bear the same relation to the total thereof as to the number of votes which, pursuant to the provisions of the Code, such member might cast at a meeting of the members thereof held at the time of any such assessment shall bear to the total number of votes that might be cast thereat by all the then members of the Code. Failure of any member of the Code to pay the amount of any assessment against such member for a period of thirty days after the date on which it became payable shall constitute a violation of the Code.

SEC. 6. The Executive Committee may from time to time appoint such Committees as it shall deem necessary or proper in order to effectuate the purpose of the Code, and it may delegate to any such committee generally or in particular instances such of the powers and duties of the Executive Committee under the Code as such Committee shall deem necessary or proper in order to effectuate such purpose. Any member of any such committee may be a member of the Executive Committee or an officer or a director or a member of the Code or a person not having any official connection with any member of the Code or with the Association, as the Executive Committee shall deem proper.

SEC. 7. The members of the Code recognize that questions of public interest are or may be involved in its administration. Accordingly, representatives of the Administration consisting of the Administrator and one or two other persons appointed by him (who shall be persons not having or representing interests antagonistic to the interests of members of the Industry) shall be given full opportunity at such times as shall be reasonably convenient to discuss with the Executive Committee or any committees thereof any matters relating to the administration of the Code and to attend meetings of the Executive Committee at which action on any such matters shall be undertaken and to make recommendations as to methods or measures of administering the Code. Due notice of all such meetings of the Committee shall be given to such representatives of the Administration. The records of the Executive Committee relating in any way to the administration of the Code shall be open to such representatives at all reasonable times. They shall be afforded by the Executive Committee complete access at all times to all records, statistical material or other



information furnished or readily available to the Executive Committee in connection with or for the purposes of the administration of the Code. The Executive Committee, acting directly or through one or more committees appointed by it, shall give due consideration to all requests, suggestions or recommendations made by such representatives of the Administration and render every possible assistance to such representatives in obtaining full information concerning the operation and administration of the Code, to the end that the President may be fully advised regarding such operation and administration through reports that may be made to him from time to time by such representatives, and to the end that the President may be assured that the Code and the administration thereof do not promote or permit monopolies or monopolistic practices, or eliminate or oppress small enterprises, or operate to discriminate against them and do provide adequate protection of consumers, competitors, employees, and others concerned and that they are in furtherance of the public interest and operate to effectuate the purposes of Title I of the National Industrial Recovery Act.

#### ARTICLE VII—PRICES AND TERMS OF PAYMENT

None of the members of the Code shall make any sale of any product at a price or on terms and conditions more favorable to the purchaser thereof than the price, terms or conditions established by such member in accordance with the provisions of Schedule E annexed hereto and in effect at the time of such sale; nor, except as otherwise provided in such Schedule E, shall any member of the Code make any contract of sale of any product at a price or on terms and conditions more favorable to the purchaser thereof than the price, terms, and conditions established as aforesaid and in effect at the time of the making of such contract of sale.

#### ARTICLE VIII—UNFAIR PRACTICES

For all purposes of the Code the acts described in Schedule G annexed hereto shall constitute unfair practices. Such unfair practices and all other practices which shall be declared to be unfair practices by the Executive Committee as provided in paragraph P of such Schedule G or by any amendment to the Code adopted as hereinafter in Article XII 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 Industry 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.

#### ARTICLE IX—REPORTS AND STATISTICS

SECTION 1. The Executive Committee shall have power from time to time to require each member of the Code to furnish to the Secretary for the use of the Executive Committee such information concerning the production, shipments, sales, and unfilled orders of such member and the hours of labor, rates of pay, and other conditions of employment at the plant or plants of such member and such other



information as the Executive Committee shall deem necessary or proper in order to effectuate the purpose of the Code and the policy of Title I of the National Industrial Recovery Act. The Executive Committee may require that any such information be furnished periodically at such times as it shall specify and may require that any or all information furnished be sworn to or otherwise certified or authenticated as it shall prescribe. Failure of any member of the Code promptly to furnish to the Secretary information required by the Executive Committee and substantially in the form prescribed by it shall constitute a violation of the Code. The Executive Committee shall not require any information regarding trade secrets or the means of the customers of any member of the Code.

SEC. 2. Any or all information furnished to the Secretary by any member of the Code shall be subject to checking for the purpose of verification by an examination of the books and accounts and records of such member by any accountant or accountants or other person or persons designated by the Executive Committee and shall be so checked for such purpose, if the Executive Committee shall require it. The cost of each such examination shall be treated as an expense of administering the Code; provided, however, that, if upon such examination any such information shall be shown to have been incorrect in any material respect, such cost shall be paid by the member of the Code which furnished such information.

SEC. 3. The Executive Committee shall require the members of the Code from time to time to furnish such information as shall be necessary for the proper administration of the Code.

SEC. 4. To the extent that the Executive Committee may deem that any information furnished to the Secretary in accordance with the provisions of the Code is of a confidential character in the interest of the member of the Code which shall have furnished it and that the publication thereof is not essential in order to effectuate the policy of Title I of the National Industrial Recovery Act, such information shall be treated by the Executive Committee and by the other members of the Code, if any knowledge of it shall have come to them, as strictly confidential; and no publication thereof to anyone or in any manner shall be made other than in combination with similar information furnished by other members of the Code, in which case the publication shall be made only in such manner as will avoid the disclosing separately of such confidential information.

SEC. 5. Summaries or compilations in reasonable detail of all information which shall be furnished to the Secretary pursuant to the provisions of this Article IX shall be made periodically and sent to the Administrator.

## ARTICLE X—PENALTIES AND DAMAGES

SECTION 1. Any violation of any provision of the Code by any member of the Industry shall constitute a violation of the Code by such member.

SEC. 2. Recognizing that the violation by any member of the Code of any provision of Article VII or of Schedule E of the Code will disrupt the normal course of fair competition in the Industry and cause serious damage to other members of the Code and that it will be impossible fairly to assess the amount of such damage to any member of the Code, it is hereby agreed by and among all members of the



Code that each member of the Code which shall violate any such provision shall pay to the Secretary-Treasurer as an individual and not as treasurer of the Association, in trust, as and for liquidated damages the sum or 25% of the price as filed by such member for any products sold by such member in violation of any such provision.

SEC. 3. Except in cases for which liquidated damages are fixed in the Code and in cases which shall give rise to actions in tort in favor of one or more members of the Code for damages suffered by it or them, the Executive Committee shall have power from time to time to establish the amount of liquidated damages payable by any member of the Code upon the commission by such member of any act constituting an unfair practice under the Code and a list of the amounts so fixed shall from time to time be filed with the Secretary. Upon the commission by any member of the Code of any act constituting an unfair practice under the Code and for which liquidated damages are not fixed in the Code or which does not give rise to an action in tort in favor of one or more members of the Code for damages suffered by it or them, such member shall become liable to pay to the Secretary-Treasurer as an individual and not as treasurer of the Association, in trust, liquidated damages in the amount at the time established by the Executive Committee for such unfair practice and specified in the list then on file with the Secretary, as aforesaid.

SEC. 4. All amounts so paid to or collected by the Treasurer under this Article X or under Section 4 of Schedule E of the Code shall be held and disposed of by him as part of the funds collected under the Code and each member of the Code not 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 assessments (other than damages for violation of any provision of the Code) due or to become due from such member under the Code, or, in the case of any excess, as shall be determined by the Executive Committee, such pro rata share to be computed on the same basis as the last previous assessment made against such member on account of the expenses of administering the Code as hereinbefore in Section 5 of Article VI provided. All rights of any person who shall at any time be the Treasurer in respect of any amounts which shall be payable to him because of the commission by any member of the Code of any act constituting an unfair practice under the Code, whether payable under the provisions of this Article X or under any other provision of the Code, shall pass to and become vested in his successor in office upon the appointment of such successor.

SEC. 5. Each member of the Code by becoming such member agrees with every other member thereof that the Code constitutes a valid and binding contract by and among all members of the Code, subject, however, to the provisions of Section 6 of Article XI, and that, in addition to all penalties and liabilities imposed by statute, any violation of any provision of the Code by any member thereof shall constitute a breach of such contract and shall subject the member guilty of such violation to liability for liquidated damages pursuant to the provisions of the Code. Each member of the Code by becoming such member thereby assigns, transfers, and delivers to the Secretary-Treasurer as an individual and not as treasurer of the Association, in trust, all rights and causes of action whatsoever which shall thereafter accrue to such member under the Code for such liquidated damages by reason of any violation of the Code by any other member



thereof, and thereby designates and appoints the Secretary-Treasurer as such individual the true and lawful attorney-in-fact of such member to demand, sue for, collect, and receipt for any and all amounts which shall be owing to such member in respect of any such right or cause of action, and to compromise, settle, satisfy, and discharge any such right or cause of action, all in the name of such member or in the name of the Secretary-Treasurer individually, as he shall elect.

SEC. 6. Anything in the Code to the contrary notwithstanding, the Executive Committee by the affirmative vote of two thirds of the whole Committee may waive any liability for liquidated damages imposed by or pursuant to any provision of the Code for any violation of any provision thereof, if in its discretion it shall decide that such violation has been innocently made and that the collection of such damages will not to any material extent tend to effectuate the policy of Title I of the National Industrial Recovery Act.

## ARTICLE XI—GENERAL PROVISIONS

SECTION 1. Any notice, demand, or request required or permitted to be given to or made upon any member of the Code shall be sufficiently given if mailed postage prepaid addressed to such member at the address of such member on file with the Secretary. A waiver in writing signed by any member of the Code of any such notice, demand, or request and delivered to the Secretary shall be deemed to be the equivalent of a notice, demand, or request duly given or made whether or not such waiver was signed and delivered before the time when such notice, demand, or request was required or permitted to be given or made.

SEC. 2. Nothing contained in the Code shall be deemed to constitute the members of the Code partners for any purpose. None of the members of the Code shall be liable in any manner to anyone for any act of any other member of the Code or for any act of the Executive Committee, the Secretary-Treasurer, or any committee, officer, or employee appointed under the Code. None of the members of the Executive Committee or of any committee appointed under the Code nor the Secretary-Treasurer nor any officer or employee appointed under the Code shall be liable to anyone for any action or omission to act under the Code, except for his wilful misfeasance or nonfeasance. Nothing contained in the Code shall be deemed to confer upon anyone other than a member of the Code any right, claim, or demand whatsoever not expressly provided by statute against any member of the Code or against any member of the Executive Committee or of any committee appointed under the Code or against the Secretary-Treasurer or any officer or employee appointed under the Code.

SEC. 3. To the extent required or made possible by or under the provisions of Title I of the National Industrial Recovery Act the provisions of the Code shall apply to and be binding upon every member of the Industry, whether or not such member shall be a member of the Code. No member of the Industry which shall not also be a member of the Code shall be entitled to vote at any meeting of members of the Code or to any other right, power, or privilege provided in the Code for the members thereof.

SEC. 4. The Executive Committee shall have power from time to time to interpret and construe the provisions of the Code, including, but without any limitation upon the foregoing, the power to determine



what products are products within the meaning of that term as it is used in the Code. Any interpretation or construction placed upon the Code by the Executive Committee shall be final and conclusive upon all members of the Code.

SEC. 5. Nothing contained in this Code of Fair Competition shall be construed as prohibiting any member of the industry from exercising all its and/or their lawful patent rights or as requiring any member of the industry to do any act in conflict with the terms of a patent licensing agreement legally binding upon such member.

SEC. 6. The members of the Code recognize that pursuant to subsection (b) of Section 10 of the National Industrial Recovery Act, the President may from time to time cancel or modify any order, approval, license, rule, or regulation issued under Title I of said Act.

## ARTICLE XII—AMENDMENTS, TERMINATION

SECTION 1. The Code may be amended at any time in the manner in this Section 1 provided. The changing of any schedule hereto or the addition hereto of any new schedule shall constitute an amendment of the Code. All amendments shall be proposed by the Executive Committee by vote of the majority of the members thereof at the time in office. Each amendment so proposed shall be submitted to a meeting of the members of the Code which shall be called for such purpose upon notice given in accordance with the provisions of Section 1 of Schedule B and Section 1 of Article XI of the Code. If at such meeting members of the Code having the right to cast at least 75% of all the votes that might be cast at such meeting, if all the members of the Code were present thereat, shall vote in favor of the adoption of such amendment, such amendment shall be submitted by the Executive Committee to the President for approval, if approval thereof by him shall then be required by law. Every such amendment shall take effect as a part of the Code upon the adoption thereof by the members of the Code as above provided and the approval thereof by the President, if approval thereof by him shall be required as aforesaid.

SEC. 2. The Code shall continue in effect for a period of ninety (90) days after the effective date thereof, in order to afford to the President an opportunity to determine upon the recommendations of the representatives of the Administration, for which provision has heretofore been made in Article VI, whether its provisions will effectuate the purposes of Title I of the National Industrial Recovery Act, as further defined in said Article VI, subject, however, to amendment at any time as hereinbefore provided, and also subject to the reserved power of the President to cancel or modify his approval thereof. The Code shall continue in effect after the expiration of said period of ninety (90) days in the absence of the exercise of such reserved power on the part of the President, or in the absence of the exercise by the members of the Code of the power which they hereby reserve to terminate the Code at any time after the expiration of said period of ninety (90) days by the same action by them as is above provided for the amendment thereof. When so terminated all obligations and liabilities under the Code shall cease, except those for unpaid assessments theretofore made in accordance with the provisions of the Code and those for liquidated damages theretofore accrued under any provision of the Code.



## SCHEDULE A

### FORM OF LETTER GIVING ASSENT TO CODE

-----, 1933.

To the SECRETARY OF THE FORGING MANUFACTURERS ASSOCIATION,  
7 East 44th Street, New York, N.Y.

DEAR SIR: The undersigned, desiring to participate under the Code of Fair Competition of the Heavy Forging Industry, hereby assents to all of the provisions of said Code, and to such changes in the same as may be made by the Executive Committee of the Association in order to meet the requirements of the National Recovery Administration. Effective on the date on which the Code is approved by the President of the United States of America, as therein provided, or as of the date on which this letter is delivered if delivery is made after such date of approval by the President, the undersigned, by the signing and delivery of this letter, becomes a participant under said Code, as provided in Article III of the Code, and hereby agrees with every person, firm, and corporation who shall then be or thereafter become a participant under said Code, that this Code shall constitute a valid and binding contract between the undersigned and all such other participants.

Very truly yours,

-----  
(Name of Company)

By -----  
(Signature of Authorized Officer)

-----  
(Title of Authorized Officer)

-----  
Address



## SCHEDULE B

### THE RULES AND REGULATIONS IN RESPECT OF MEETINGS OF MEMBERS OF THE CODE

SECTION 1. A meeting of members of the Code may be called and held at any time by order of the Executive Committee, or by members of the Code having the right to cast at least 50% of all the votes that might be cast at such meeting, if all the members of the Code were present thereat, on not less than three days' notice to each of such members stating the time and place of such meeting and the purposes thereof.

SEC. 2. At each meeting of the members of the Code each member thereof shall have as many votes as shall equal the quotient obtained by dividing by 50,000 the aggregate amount in dollars of the invoiced value of the products delivered by such member for consumption within the United States during the preceding calendar year. Fractions in such quotient shall be disregarded; provided, however, that each member of the Code shall have at least one vote. All questions as to the number of votes which each member of the Code shall be entitled to cast at any meeting of the members thereof shall be determined by the Executive Committee. Any person or firm who shall be a member of the Code may, and any association or corporation which shall be a member of the Code shall, vote at meetings of the members of the Code by proxy in writing duly executed by such member and filed with the Secretary. Any such proxy may be for a specified meeting or be a general proxy for any or all meetings that may be held until such proxy shall have been revoked by an instrument in writing duly executed by the member of the Code which gave such proxy and filed with the Secretary.

SEC. 3. At each meeting of the members of the Code, members thereof having the right to cast at least 75% of all the votes that might be cast at such meeting, if all the members of the Code were present thereat, shall constitute a quorum for the transaction of business at such meeting.



## SCHEDULE C

### DESCRIPTION OF WAGE DISTRICTS

1. *Eastern District*.—Comprises that part of the United States which is north of the State of Virginia and east of a line drawn north and south through the most easterly point of Altoona, Pennsylvania; that part of the State of Maryland which is west of such line; and the Counties of Monongalia, Marion, and Harrison in the State of West Virginia.

2. *Johnstown District*.—Comprises Cambria County and the City of Altoona in the State of Pennsylvania.

3. *Pittsburgh District*.—Comprises the Counties of Westmoreland, Fayette, Greene, Washington, Allegheny, Beaver, Butler, Armstrong, and Jefferson and that part of the County of Clearfield which is west of a line drawn north and south through the most easterly point of Altoona, all in the State of Pennsylvania.

4. *Youngstown Valley District*.—Comprises the Counties of Lawrence, Mercer, and Venango in the State of Pennsylvania and the Counties of Trumbull, Mahoning, and Columbiana in the State of Ohio.

5. *North Ohio River District*.—Comprises the cities along the Ohio River north of the City of Parkersburg, West Virginia, and the Counties of Belmont and Jefferson in the State of Ohio and the Counties of Marshall, Ohio, Brook, and Hancock in the State of West Virginia.

6. *Canton, Massillon, and Mansfield District*.—Comprises the Counties of Stark, Tuscarawas, Summit, and Richland in the State of Ohio.

7. *Cleveland District*.—Comprises the Counties of Ashtabula, Lake, Cuyahoga, and Lorain in the State of Ohio.

8. *Buffalo District*.—Comprises that part of the State of New York west of a line drawn north and south through the most easterly point of Altoona, Pennsylvania, and Erie County in that State.

9. *Detroit-Toledo District*.—Comprises the Counties of Seneca and Lucas in the State of Ohio and the Counties of Monroe, Lenawee, Jackson, Wayne, Oakland, Macomb, and Washtenaw in the State of Michigan.

10. *South Ohio River District*.—Comprises the State of Kentucky, the City of Parkersburg, West Virginia, the cities along the Ohio River south of said City, the Counties of Guernsey, Muskingum, Jackson, and Butler in the State of Ohio and the County of Wood in the State of West Virginia.

11. *Indiana-Illinois-St. Louis District*.—Comprises all the State of Indiana, except the County of Lake; all the State of Illinois, except the Counties of Lake and Du Page and the Chicago Switching District; the City of St. Louis and the County of St. Louis in the State of Missouri; and the County of Rock in the State of Wisconsin.

12. *Chicago District*.—Comprises the Chicago Switching District; the Counties of Lake and Du Page in the State of Illinois; the County of Lake in the State of Indiana; and the Counties of Kenosha, Racine, and Milwaukee in the State of Wisconsin.

13. *Southern District*.—Comprises all that part of the United States south of the States of Maryland, West Virginia, Kentucky, and Missouri, and the States of Texas and Oklahoma, but does not include the County of Jefferson in the State of Alabama.

14. *Birmingham District*.—Comprises the County of Jefferson in the State of Alabama.

15. *Kansas City District*.—Comprises the County of Jackson in the State of Missouri.

16. *Duluth District*.—Comprises the County of St. Louis in the State of Minnesota.

17. *Colorado District*.—Comprises the State of Colorado.

18. *Utah District*.—Comprises the State of Utah.

19. *Seattle district*.—Comprises the County of King in the State of Washington and the County of Multnomah in the State of Oregon.

20. *San Francisco district*.—Comprises the Counties of San Mateo, Alameda, Sacramento, and Contra Costa in the State of California.

21. *Los Angeles district*.—Comprises the County of Los Angeles in the State of California.



## SCHEDULE D

### MINIMUM RATES OF PAY FOR COMMON LABOR

Districts	<i>Cents per Hour</i>
1. Eastern District.....	35
2. Johnstown District.....	37
3. Pittsburgh District.....	40
4. Youngstown Valley District.....	40
5. North Ohio River District.....	40
6. Canton, Massillon, and Mansfield District.....	37
7. Cleveland District.....	40
8. Buffalo District.....	38
9. Detroit-Toledo District.....	40
10. South Ohio River District.....	37
11. Indiana-Illinois-St. Louis District.....	37
12. Chicago District.....	40
13. Southern District.....	25
14. Birmingham District.....	27
15. Kansas City District.....	35
16. Duluth District.....	37
17. Colorado District.....	40
18. Utah District.....	39
19. Seattle District.....	38
20. San Francisco District.....	37
21. Los Angeles District.....	35



## SCHEDULE E

### CONCERNING PRICES AND TERMS OF PAYMENT

SECTION 1. Wherever used in the Code the terms hereinafter in this Section 1 defined shall, unless the context shall otherwise clearly indicate, have the respective meanings hereinafter in this Section 1 set forth. The definition of any such term in the singular shall apply to the use of such term in the plural and vice versa.

(a) The term "base price" of any product means the price for such product f.o.b. manufacturer's plant with actual freight allowed to destination.

(b) The term "period of free credit" means the period of time between the date of shipment of a product to the purchaser of such product and the date from and after which such purchaser shall be required to pay interest on the purchase price of such product or any part thereof which shall not have been paid prior to the expiration of such period.

(c) The term "date of invoice" means the date of the invoice of any product.

(d) The term "discount for early payment" means the amount of the deduction allowed for the payment of invoice of products before the expiration of the period of free credit in respect thereof.

(e) The term "an affiliated group" means one or more corporations connected through stock ownership with a common parent corporation, if (1) at least 75% of the stock of each of such corporations (except such common parent corporation) is owned directly by one or more of the other corporations, and (2) such common parent corporation owns directly at least 75% of the stock of at least one of the other corporations. The term "an affiliated company of a member of the Code" means (1) a corporation which is one of an affiliated group that also includes such member of the Code, or (2), in case the member of the Code is a person, firm or association, a corporation at least 75% of the stock of which is owned by such member. For the purposes of this paragraph (e) the term "stock" does not include nonvoting stock which is limited and preferred as to dividends.

SEC. 2. Each member of the Code shall, within thirty days after the effective date of the Code, file with the Secretary a list showing the base prices for such of its products as may have been classified by and in a manner approved by the Executive Committee, and from and after the expiration of such thirty days such member shall at all times maintain on file with the Secretary a list showing the base prices for such classified products and shall not make any change in such base prices except as provided in this Schedule E. Each such list shall state the date upon which it shall become effective, which date shall be not less than ten days after the date of filing such list with the Secretary; provided, however, that the first list of base prices filed by any member of the Code as above provided shall take effect on the date of filing thereof. None of the base prices shown in any list filed by any member of the Code as herein provided shall be changed except by the filing by such member with the Secretary of a new list of its base prices, which shall become effective on the effective date therein specified which shall not be less than ten days after the date on which such new price list shall have been so filed. Any member of the Code may have any of its products classified upon request in writing to the Executive Committee.

SEC. 3. The Executive Committee shall have power on its own initiative, or on the complaint of any member of the Code, to investigate any base price for any product shown in any list filed with the Secretary by any member of the Code, and for the purpose of the investigation thereof to require such member to furnish such information concerning the cost of manufacturing such product as the Executive Committee shall deem necessary or proper for such purpose. If the Executive Committee after such investigation shall determine that such base price is an unfair base price for such product, having regard to the cost of manufacturing such product, and that the maintenance of such unfair base price may result in unfair competition in the Industry, the Executive Committee may require the member of the Code that filed the list in which such unfair base price is shown to file a new list showing a fair base price for such product, which fair base price shall become effective immediately upon the filing of such list. If



such member of the Code shall not within ten days after notice to it of such determination by the Executive Committee file a new list showing such fair base price for such product, the Executive Committee shall have power to fix a fair base price for such product, which fair base price, however, shall not be more than the base price of any other member of the Code at that time effective for such product and in respect of which the Executive Committee shall not theretofore have begun an investigation or a complaint shall not have been made by any member of the Code. When the decision of such Committee fixing such fair base price shall have been filed with the Secretary and the Secretary shall have given notice thereof to such member, such fair base price shall be the base price of such member for such product, until it shall have been changed as in the Code provided. A notice of all decisions of the Executive Committee under this Section 5, together with the reasons therefor, shall be filed with the President.

SEC. 4. Except as in this Schedule E of the Code otherwise provided, the maximum rates of discount for early payment and the maximum periods of free credit which may be allowed by any member of the Code shall be the rates and periods specified in Schedule F of the Code, unless and until such rates or such periods shall be changed by the Executive Committee by the affirmative vote of two thirds of the whole Committee and embodied in a new Schedule F filed with the Secretary. Except as aforesaid, all invoices for products sold by any member of the Code after the effective date of the Code shall bear interest from and after the expiration of the period of free credit at a rate which shall be not less than the then current rate established by the Executive Committee and filed with the Secretary. Nothing in the Code contained shall prevent any member of the Code from allowing credit to any purchaser or allowing any purchaser to delay payment in respect of any invoice for a longer period than the maximum period of free credit specified in such Schedule F, but, if any member of the Code shall allow credit to any purchaser or allow any purchaser to delay payment in respect of any invoice for a period longer than such maximum period of free credit, then such member shall charge and collect interest on the amount in respect of which credit shall be so allowed or the payment of which shall have been so delayed at a rate not less than the current rate established and filed as aforesaid.

SEC. 5. Except as in this Schedule E of the Code otherwise provided, any extras added to, and any deductions made from, the base price for any product sold by any member of the Code in determining its quoted or billed price for such product shall be uniform for all members of the Code. The rates of such extras and of such deductions shall be those approved from time to time by the Executive Committee as being in accordance with the trade practice customary in the Industry at the effective date of the Code and as meeting the requirements of the Code. Lists showing such rates shall be filed with the Secretary and shall be open to inspection at all reasonable times by anyone. In case any member of the Code shall sell any product to which any such rate of extra or deduction shall apply, except as aforesaid such member shall add an extra at a rate which shall not be less than the rate of extra applicable to such product theretofore approved by the Executive Committee as aforesaid and at the time in effect and none of the members of the Code shall make any deduction at a rate that shall be more favorable to the purchaser of such product than the rate of deduction applicable to such product theretofore approved by the Executive Committee as aforesaid and at the time in effect; provided, however, that nothing in the Code contained shall be so construed as to prevent any member of the Code from selling or contracting to sell any product for use by the purchaser thereof in the manufacture of articles for shipment in export trade within the meaning of the term "export trade" as it is used in the Export Trade Act under an agreement by such member of the Code with such purchaser that, when such articles shall have been shipped in such export trade, such member of the Code shall make an allowance at a rate approved by the Executive Committee and a statement of the approval of which shall theretofore have been filed with the Secretary, which rate in the opinion of such Committee shall be sufficient to enable such member of the Code or such purchaser to meet foreign competition in the sale and delivery of such product or such articles, as the case may be.

SEC. 6. The practice of shipping products on consignment may result in unfair competition and it is the intention of the Industry to eliminate such practice as soon as possible after the effective date of the Code. Accordingly, except to the extent necessary to carry out arrangements existing on the effective date of the Code and which shall have been reported to the Executive Committee from and after such date, none of the members of the Code shall deliver products on consignment except to an affiliated company of such member. All arrangements



for the delivery by any member of the Code of products on consignment (other than consignments to an affiliated company of such member) existing on the effective date of the Code shall be terminated on or before June 30, 1934, and all stock held on consignment on that date shall either be sold to the consignee or possession thereof shall be taken by the consignor.

SEC. 7. All contracts for forgings are to be limited to a three months' period.

SEC. 8. A sale made by any member of the Code indirectly through any affiliated company of such member shall be deemed to be a sale made by such member.

SEC. 9. Nothing in the Code contained shall be deemed to apply to or affect the sale of any product for direct shipment in export trade by any member of the Code within the meaning of the term "export trade" as it is used in the Export Trade Act or unless and to the extent that the Executive Committee shall otherwise determine, the sale of any product by any such member for direct shipment to the Philippines, Hawaii, or Puerto Rico or other insular possessions of the United States of America.

SEC. 10. If and to the extent requested by the Administrator, all decisions of, permissions and approvals given by, and rules and regulations made by the Executive Committee pursuant to any provision of this Schedule E shall be reported to him.



## SCHEDULE F

### MAXIMUM RATES OF DISCOUNT FOR EARLY PAYMENT AND MAXIMUM PERIODS OF FREE CREDIT

#### MAXIMUM RATES OF DISCOUNT FOR EARLY PAYMENT

In the case of products shipped from plants located east of the Mississippi River to Pacific Coast ports and which shall be invoiced from such plants,  $\frac{1}{2}$  of 1 percent if the invoice of such products shall be paid within 25 days from the date of such invoice; in all other cases,— $\frac{1}{2}$  of 1 percent if the invoice of such products shall be paid within ten days from the date of such invoice; provided, however, in the latter cases, that any member of the Code may allow such discount of  $\frac{1}{2}$  of 1 percent for payment within ten days on the basis of settlements three times in each month, as follows:

(1) On invoices for products dated from the first to the tenth, inclusive, in any month, such discount may be allowed on payment of such invoices on or before the twentieth of such month;

(2) On invoices for products dated from the eleventh to the twentieth, inclusive, in any month, such discount may be allowed on payment of such invoices on or before the thirtieth of such month; and

(3) On invoices for products dated from the twenty-first to the end of any month, such discount may be allowed on payment of such invoices on or before the tenth of the next following month.

Any discount allowed in accordance with the provisions of this Schedule F shall apply only to the invoiced value of the products specified therein and not to any part of the transportation charges on such products.

#### MAXIMUM PERIODS OF FREE CREDIT

In the case of products shipped from plants located east of the Mississippi River to Pacific Coast ports and which shall be invoiced from such plants, forty-five days; in all other cases, thirty days.



## SCHEDULE G

### LIST OF UNFAIR PRACTICES

For all purposes of the Code the following described acts shall constitute 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 such purchaser or prospective purchaser, any bribe, gratuity, gift, or other payment or remuneration, directly or indirectly.

B. Procuring, otherwise than with the consent of any member of the Code, any information concerning the business of such member which is properly regarded by it as a trade secret or confidential within its organization, other than information relating to a violation of any provision of the Code.

C. Imitating or simulating any design, style, mark, or brand used by any other member of the Code.

D. 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.

E. Canceling in whole or in part, or permitting the cancellation in whole or in part of, any contract of sale of any product, except for a fair consideration, or paying or allowing to any purchaser in connection with the sale of any product any rebate, commission, credit, discount, adjustment, or similar concession other than as is permitted by the Code and specified in the contract of sale.

F. Disseminating, publishing, or circulating any false or misleading information relative to any product or price for any product of any member of the Code, or the credit standing or ability of any member thereof to perform any work or manufacture or produce any product, or to the conditions of employment among the employees of any member thereof.

G. Inducing or attempting to induce by any means any party to a contract with a member of the Code to violate such contract.

H. Aiding or abetting any person, firm, association, or corporation in any unfair practice.

I. Making or giving to any purchaser of any product any guaranty or protection in any form against decline in the market price of such product.

J. Stating in the invoice of any product as the date thereof a date later than the date of the shipment of such product, or including in any invoice any product shipped on a date earlier than the date of such invoice.

K. 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.

L. Rendering to any purchaser of any product in or in connection with the sale of such product any service, unless fair compensation for such service shall be paid by such purchaser.

M. Selling any product or service below the cost, and for this purpose cost is defined as cost of direct labor plus cost of material plus adequate amount of overhead including the amount for the use of plant facilities employed as determined by cost-accounting methods recognized in the industry and approved by the Executive Committee.

N. The selling of any product on a lump sum basis or a guaranteed weight.

O. Payment by a manufacturer of any inspection fees or expenses incurred by reason of an inspection required by the purchasers.

P. Any violation of any other provision of the Code, whether or not therein expressed to be such, or using or employing any practice not hereinabove in this Schedule G described which the Executive Committee by the affirmative vote of three-fourths of the whole Committee shall have declared to be a practice that would tend to defeat the policy of Title I of the National Industrial Recovery Act and, therefore, an unfair practice, and of which determination by such Committee the Secretary shall have given notice to the members of the Code and to the President.











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