

NATIONAL RECOVERY ADMINISTRATION

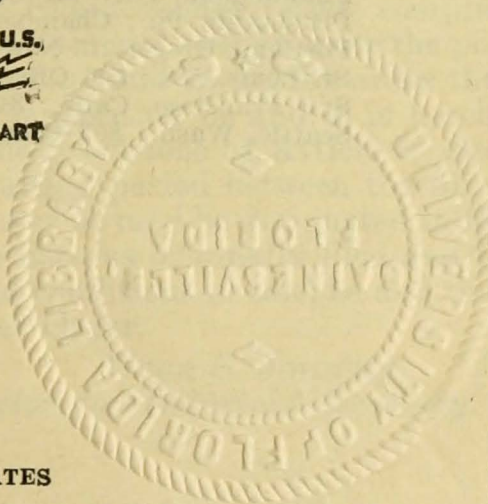
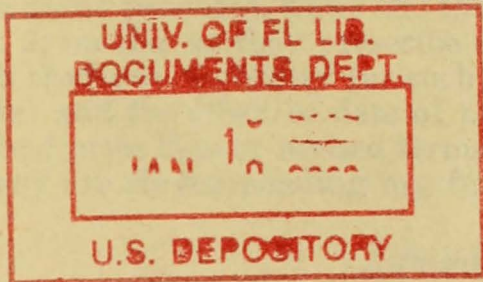
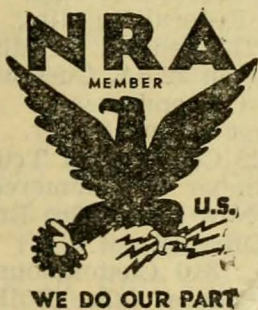
SUPPLEMENTARY
CODE OF FAIR COMPETITION

FOR THE

MACHINE SCREW
MANUFACTURING INDUSTRY

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

AS APPROVED ON MAY 10, 1934

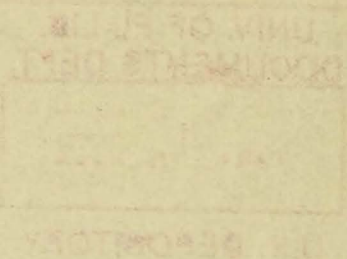
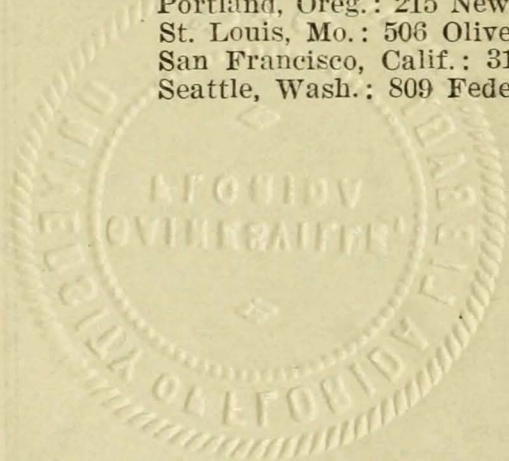


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SUPPLEMENTARY CODE OF FAIR COMPETITION

FOR THE

MACHINE SCREW MANUFACTURING INDUSTRY

As Approved on May 10, 1934

ORDER

APPROVING SUPPLEMENTARY CODE OF FAIR COMPETITION FOR THE
MACHINE SCREW MANUFACTURING INDUSTRY

A DIVISION OF THE FABRICATED METAL PRODUCTS MANUFACTURING AND
METAL FINISHING AND METAL COATING INDUSTRY

An application having been duly made pursuant to and in full compliance with the provisions of Title I of the National Industrial Recovery Act, approved June 16, 1933, and in accordance with the provisions of Section I of Article VI of the Basic Code for the Fabricated Metal Products Manufacturing and Metal Finishing and Metal Coating Industry, approved November 2, 1933, for approval of a Supplementary Code of Fair Competition for the Machine Screw Manufacturing Industry, and hearing having been duly held thereon; and the annexed report on said Supplementary Code, containing findings with respect thereto, having been made and directed to the President:

NOW, THEREFORE, on behalf of the President of the United States, I, Hugh S. Johnson, Administrator for Industrial Recovery, pursuant to authority vested in me by Executive Orders of the President, including Executive Order No. 6543-A, dated December 30, 1933, and otherwise; do hereby incorporate by reference said annexed report and do find that said Supplementary Code complies in all respects with the pertinent provisions and will promote the policy and purposes of said Title of said Act; and do hereby order that said Supplementary Code of Fair Competition be and it is hereby approved; provided, however, that the provisions of Article V, Section 2, insofar 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:

A. R. GLANCY,
Division Administrator.

WASHINGTON, D.C.,
May 10, 1934.

REPORT TO THE PRESIDENT

The PRESIDENT,
The White House.

SIR: This is a report on the Supplementary Code of Fair Competition for the Machine Screw Manufacturing Industry, a division of the Fabricated Metal Products Manufacturing and Metal Finishing and Metal Coating Industry, the hearing having been conducted thereon in Washington, D.C., February 2, 1934, in accordance with the provisions of Title I of the National Industrial Recovery Act.

GENERAL STATEMENT

The Machine Screw Manufacturing Industry, being truly representative of this division of the Fabricated Metal Products Manufacturing and Metal Finishing and Metal Coating Industry, has elected to avail itself of the option of submitting a Supplementary Code of Fair Competition, as provided for in Section 1 of Article VI of the Basic Code, for the Fabricated Metal Products Manufacturing and Metal Finishing and Metal Coating Industry approved by you on the second day of November, 1933.

RÉSUMÉ OF THE CODE

Article I states the purpose of the Supplementary Code.

Article II accurately defines specific terms employed in the Supplementary Code.

Article III: This Industry is a division of the Fabricated Metal Products Manufacturing and Metal Finishing and Metal Coating Industry and the labor provisions of its Basic Code, as approved November 2, 1933, are the labor provisions of this Supplementary Code.

Article IV establishes a Supplementary Code Authority consisting of five (5) members to be elected by the members of the Industry at a meeting called by the Temporary Supplementary Code Committee, and gives the Administrator the authority to appoint one additional member without vote and provides machinery for obtaining statistics and the administration of the Supplementary Code.

Article V provides for methods of setting up and revising price lists.

Article VI provides for determining the lowest reasonable costs of the products of this Industry.

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

Article VIII provides against monopolies and monopolistic practices.

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

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

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

FINDINGS

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

I find that:

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

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

(c) The Supplementary Code as approved complies in all respects with the pertinent provisions of said Title of said Act, including without limitation Subsection (a) of Section 3, Subsection (a) of Section 7, and Subsection (b) of Section 10 thereof; and that the applicant group is an industrial group truly representative of the aforesaid Industry; and that said association imposes no inequitable restrictions on admission to membership therein.

(d) The Supplementary Code is not designed to and will not permit monopolies or monopolistic practices.

(e) The Supplementary Code is not designed to and will not eliminate or oppress small enterprises and will not operate to discriminate against them.

(f) Those engaged in other steps of the economic process have not been deprived of the right to be heard prior to approval of said Supplementary Code.

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

Respectfully,

HUGH S. JOHNSON,
Administrator.

MAY 10, 1934.

SUPPLEMENTARY CODE OF FAIR COMPETITION FOR THE MACHINE SCREW MANUFACTURING INDUSTRY

A DIVISION OF THE FABRICATED METAL PRODUCTS MANUFACTURING AND
METAL FINISHING AND METAL COATING INDUSTRY

ARTICLE I—PURPOSES

To effectuate the policy of Title I of the National Industrial Recovery Act, the following provisions are established as a Supplementary Code of Fair Competition for the Machine Screw Manufacturing Industry, pursuant to Article VI of the Basic Code of Fair Competition for the Fabricated Metal Products Manufacturing and Metal Finishing and Metal Coating Industry, approved by the President on the 2nd day of November, 1933, the provisions of this Supplementary Code shall be the standard of fair competition for such Industry and shall be binding upon every member thereof.

ARTICLE II—DEFINITIONS

SECTION 1. The terms "President", "Act" and "Administrator", as used herein, shall mean respectively, the President of the United States, the National Industrial Recovery Act, and the Administrator for Industrial Recovery, under said Act.

SECTION 2. The term "Machine Screws" means all ferrous and non-ferrous screws commonly known to the trade as machine screws manufactured by a cold or hot upsetting process having screw threads conforming to American National Screw Threads as approved by the United States Department of Commerce, Bureau of Standards, April 10, 1933 (Miscellaneous Publication No. 141) and heads conforming to American Standard Association Report No. B18C-1930 as indorsed by the United States Department of Commerce, Bureau of Standards (Miscellaneous Publication No. 141, page 116), or threaded product by any other name having screw threads of the same standard, and head dimensions and/or other characteristics the same as, or similar to, those embodied in machine screws, with slotted, not slotted, flat, round, oval, fillister, or other style or shape of head manufactured by a cold or hot upsetting process, and used with nuts or in tapped holes.

SECTION 3. The term "product" means and includes "Machine Screws" as that term is defined in Section 2, and also includes headed, threaded, punched and/or bent products fabricated with ferrous or non-ferrous metals by the producers of "Machine Screws", but not including products which are subject to other particular code or codes approved or which are hereafter approved by the President. The term "Machine Screws" also includes all stove bolts irrespective of type of screw thread.

SECTION 4. The term "Industry" means and includes the business of manufacturing Machine Screws and/or product for sale.

SECTION 5. The term "Member of the Industry" as used herein includes, but without limitation, any individual, partnership, association, corporation or other form of enterprise engaged in the Industry either as an employer or on his or its own behalf.

SECTION 6. The term "employee" as used herein includes anyone engaged in the Industry in any capacity receiving compensation for his services, irrespective of the nature or method of payment of such compensation.

SECTION 7. The term "employer" as used herein includes anyone by whom any such employee is compensated or employed.

SECTION 8. The term "Basic Code" as used herein is defined to mean the Basic Code of Fair Competition for the Fabricated Metal Products Manufacturing and Metal Finishing and Metal Coating Industry as approved by the President on the 2nd day of November, 1933.

SECTION 9. The term "member of the Code" as used herein shall mean any member of the Industry who shall have assented to the provisions of this Supplementary Code by instrument in writing duly filed with the Secretary.

SECTION 10. The term "Supplementary Code Authority" as used herein is defined to mean the agency which is to administer this Supplementary Code as hereinafter provided.

SECTION 11. The term "Bureau" as used herein is defined to mean the United States Machine Screw Service Bureau, or its successor.

SECTION 12. The term "Executive Committee" as used herein is defined to mean Executive Committee of the United States Machine Screw Service Bureau.

SECTION 13. The term "Secretary" as used herein is defined to mean Secretary of the United States Machine Screw Service Bureau, or such other impartial and confidential agency as the Supplementary Code Authority may designate.

ARTICLE III—EMPLOYMENT PROVISIONS

This Industry is a division of the Fabricated Metal Products Manufacturing and Metal Finishing and Metal Coating Industry and the wage, hour and labor provisions in Article III of its basic code as approved by the President November 2, 1933, including Section 1 of said Article III by which the provisions of Subsections (1), (2) and (3) of Section 7 (a) of Title I of the Act are made conditions of this Code, are specifically incorporated herein and made a part hereof as the wage, hour and labor provisions of this Supplementary Code.

ARTICLE IV—ORGANIZATION AND ADMINISTRATION

SECTION 1. During the period not to exceed sixty (60) days following the effective date, the Executive Committee shall constitute a Temporary Supplementary Code Authority, who shall have all the powers and duties of the Supplementary Code Authority herein set forth, until the Supplementary Code Authority is elected. There

shall be constituted within the sixty-day period a Supplementary Code Authority consisting of five (5) members to be elected by the members of the Industry, as hereinafter provided, at a meeting called by the Temporary Supplementary Code Authority, upon ten days' notice sent by registered mail to all members of the Industry whose names can be ascertained after diligent search, who may vote either in person or by proxy. The members of the Supplementary Code Authority first elected shall serve until the following annual meeting of the Bureau and/or until their successors are elected, and thereafter, members of the Supplementary Code Authority shall be elected immediately after such annual meeting of the Bureau to serve until their successors are elected, and any member shall be eligible for re-election. Notice of each election shall be sent in the manner above provided. The membership of the Supplementary Code Authority shall be made up as follows:

(a) 1. Four (4) members who shall be members of the Industry elected by a majority vote of the members of the Bureau present in person or represented by proxy, each member to have one vote;

2. At any time upon the request in writing of twenty-five per cent (25%) of the members of the Bureau, the Supplementary Code Authority shall call a meeting of the members of the Bureau upon the notice above provided, for the purpose of electing successors to such four members of the Supplementary Code Authority to be elected in the same manner as provided in Sub-Paragraph 1 of this Paragraph (a);

(b) One (1) member who is not a member of the Bureau elected by majority vote of the members of the Industry, not members of the Bureau, present in person or represented by proxy, each member to have one vote;

(c) A vacancy in the membership of the Supplementary Code Authority may be filled by majority vote of the remaining members of the Supplementary Code Authority;

(d) In addition to the above the Administrator may appoint one (1) representative without vote and without expense to the Industry unless the Supplementary Code Authority agrees to pay such expense, to serve on said Supplementary Code Authority in the administration of this Supplementary Code. Said representative shall be given reasonable notice of all meetings of the Supplementary Code Authority.

SECTION 2. Any Association/Institute and/or Bureau directly or indirectly participating in the selection or activities of the Supplementary Code Authority shall (1) impose no inequitable restrictions on membership, and (2) submit to the Administrator true copies of its Articles of Association, By-Laws, Regulations and any amendments when made thereto, together with such other information as to membership, organization, and activities as the Administrator may deem necessary to effectuate the purposes of the Act.

SECTION 3. In order that the Supplementary Code Authority shall, at all times, be truly representative of the Industry and in other respects comply with the provisions of the Act, the Administrator may prescribe such Hearings as he may deem proper; and, thereafter, if he shall find that the Supplementary Code Authority is not truly representative or does not in other respects comply with the

provisions of the Act, may require removal of any or all of the members thereof and/or may make an appropriate modification or modifications in the method of selection of the Supplementary Code Authority.

SECTION 4. The Supplementary Code Authority is hereby constituted the Agency to administer the provisions of this Supplementary Code and to collect and distribute all statistical reports of the Industry. With a view to keeping the President informed as to the observance or non-observance of this Supplementary Code, said agency shall collect, through the Secretary, such statistics as called for by the President and/or the Administrator and send them in such form as the President and/or the Administrator may require to the Fabricated Metal Products Federation, or successor organization, as the agency administering said Basic Code. All individual reports shall be treated as confidential by the Secretary and shall not be disclosed to any member of the Industry or any other party except where necessary in the enforcement of this Code and except to such governmental agencies as may be directed by the Administrator.

SECTION 5. Said Agency shall also from time to time furnish to the Basic Code Authority, designated in said Basic Code, such information as may be required to be furnished under the terms of said Basic Code.

SECTION 6. The Supplementary Code Authority shall have power from time to time to require each member of the Industry to furnish to the Secretary such information concerning the production, shipments, sales and 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 said Supplementary Code Authority shall deem necessary or proper in order to effectuate the purposes of this Supplementary Code and the policy of the Act. All individual reports shall be treated as confidential by the Secretary and shall not be disclosed to any member of the Industry or any other party except where necessary in the enforcement of this Code and except to such governmental agencies as may be directed by the Administrator.

SECTION 7. The Supplementary Code Authority 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 Industry promptly to furnish to the Secretary information required by the said Supplementary Code Authority and substantially in the form prescribed by it shall constitute a violation of the Code. The Supplementary Code Authority shall not require any information regarding trade secrets.

SECTION 8. Any or all information furnished to the Secretary by any corporate member of the Industry specifically assenting hereto pursuant to the provisions of this Code shall be subject to verification by an examination of the pertinent or necessary books, accounts and records of such member by the Secretary or by any accountant or accountants or other person or persons designated by the Supplementary Code Authority (none of whom shall be connected with any member of the Industry) and shall be so checked for such purpose,

if the Supplementary Code Authority shall require it. The cost of each such examination shall be treated as an expense of administering the Code.

SECTION 9. All members of the Industry are subject to the jurisdiction of the Supplementary Code Authority; shall be entitled to participate in and share the benefits of the Supplementary Code Authority; shall be entitled to vote in the selection of the Supplementary Code Authority as provided in Section 1 of this Article; and shall pay to the Secretary as the agent of the Supplementary Code Authority their reasonable share of the expenses of the Administration of this Supplementary Code, such reasonable share to be determined by the Supplementary Code Authority, subject to review by the Administrator, on the basis of volume of business and/or such other factors as may be deemed equitable by the Supplementary Code Authority.

SECTION 10. Nothing contained in this Supplementary Code shall be deemed to constitute the members of the Supplementary Code Authority partners for any purpose whatsoever. Nor shall any member of the Supplementary Code Authority be liable in any manner to anyone for any act of any other member, officer, agent, or employee of the Supplementary Code Authority. Nor shall any member of the Supplementary Code Authority, exercising reasonable diligence in the conduct of his duties hereunder, be liable to anyone for any action or omission to act under this Code, except for his own willful misfeasance or non-feasance.

SECTION 11. The Supplementary Code Authority may adopt, subject to the approval of the Administrator, and thereafter all members of the Industry shall maintain, uniform credit terms. Such credit terms shall clearly appear on all quotations, invoices and acceptances of orders.

SECTION 12. If any member of the Industry as defined herein is also a member of any other Industry, the provisions of this Code shall apply to and affect only that part of his business which is included in the Industry.

SECTION 13. The Supplementary Code Authority shall without any limitation on the foregoing have the following further general powers and duties subject to such rules and regulations as the Administrator may prescribe:

(a) To insure the execution of the provisions of this Supplementary Code and provide for the compliance of the Industry with the provisions of the Act;

(b) To adopt by-laws and rules and regulations for its procedure and for the administration of the Supplementary Code;

(c) To obtain from members of the Industry such information and reports as are required for the administration of the Supplementary Code. In addition to information required to be submitted to the Supplementary Code Authority, all or any of the persons subject to this Supplementary Code shall furnish such statistical information as the Administrator may deem necessary for the purposes recited in section 3 (a) of the Act to such Federal and State agencies as the Administrator may designate. Provided that nothing in this Supplementary Code shall relieve any member of the Indus-

try of any existing obligations to furnish reports to any government agency.

(d) To use such trade associations and other agencies as it deems proper for the carrying out of any of its activities provided for herein, provided that nothing herein shall relieve the Supplementary Code Authority of its duties or responsibilities under this Supplementary Code and that such trade associations and agencies shall at all times be subject to and comply with the provisions hereof;

(e) To make recommendations to the Administrator for the coordination of the administration of this Supplementary Code with such other codes, if any, as may be related to the Industry;

(f) To secure from members of the Industry an equitable and proportionate payment of the reasonable expenses of maintaining the Supplementary Code Authority and its activities;

(g) To cooperate with the Administrator in regulating the use of any N.R.A. insignia solely by those members of the Industry who have assented to, and are complying with, this Supplementary Code;

(h) To recommend to the Administrator further fair trade practice provisions to govern members of the Industry in their relations with each other or with other industries and to recommend to the Administrator measures for industrial planning including stabilization of employment.

SECTION 14. If the Administrator believes that any action of the Supplementary Code Authority or any agency thereof is unfair or unjust or contrary to the public interest, the Administrator may require that such action be suspended to afford an opportunity for investigation of the merits of such action. Further action by such Supplementary Code Authority or agency regarding the matter complained of may be taken if approved by the Administrator but shall not be taken if disapproved by the Administrator within thirty days of notice to him of intention to proceed with such action.

ARTICLE V—PRICE LISTS

SECTION 1. The Supplementary Code Authority may require that each member of the Industry who manufactures and sells any product of the Industry not used by himself in the manufacture of another product, shall file with the Secretary and publish a net price list and/or a price list and discount sheet individually prepared by him showing his current prices and/or prices and discounts, and other conditions of sale, including discounts for various classes of customers or for quantity. Said price list and any revised price list shall be made available to all interested parties.

SECTION 2. The Secretary shall immediately send copies thereof to all other members of the Code. Such price lists, discounts, and conditions may be revised from time to time thereafter, and notification of such revision shall be filed with the Secretary and published. Such revision shall be deemed filed and effective within the meaning of this provision when telegraphic acknowledgement of receipt of such revision shall have been received by the person making such revision, and copies of such revision shall be immediately sent by the Secretary to all other members of the Code, who there-

upon may file, if they so desire, revisions of their price lists, discounts, and conditions which may become effective upon the date when the revised price data first filed shall go into effect.¹

SECTION 3. No member of the Industry shall sell directly or indirectly through an affiliated company, or otherwise, by any means whatever any product of the Industry at a price lower, or at discounts greater, or on conditions more favorable to the buyer than those provided in his current price data filed with the Secretary as above provided; provided, however, that at any time a member of the Industry may meet the lawful price, and/or conditions of any competitor for products of an equal grade or quality, or for products competing with products of the Industry. Any such meeting of a lawful price by a member of the Industry must be reported at once by such member to the Secretary. An "affiliated company" for the purpose of this section means a company the majority of whose voting stock is owned or controlled by a member of the Industry. For all purposes of this Article a delivery of any product made pursuant to a contract of sale shall be regarded as a sale thereof made at the time of the making of such contract. Lawful price for the purposes of this Section is defined to mean any price which a member of the Industry may make pursuant to this Code, or any price which a competitor of any member of the Industry may make without violating any provision of any Code or Codes to which such competitor is subject or without violating any Federal Law, State Law, or the Law of any political subdivision thereof.

SECTION 4. No provision of this Code relating to prices or terms of selling, shipping or marketing shall apply to export trade or sales or shipments for export trade within the meaning of the term "export trade" as it is used in the Export Trade Act.

ARTICLE VI—SALES BELOW REASONABLE COST

Notwithstanding any other provisions of this Supplementary Code, when the Supplementary 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 Supplementary Code, the Supplementary 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 such lowest reasonable cost of such products.

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

¹ See paragraph 2 of order approving this Code.

ARTICLE VII—UNFAIR PRACTICES

SECTION 1. For all purposes of this Supplementary Code the following described acts shall constitute unfair practices. Such unfair practices shall be deemed to be unfair methods of competition in commerce within the meaning of the Federal Trade Commission Act as amended, and any member of the Industry who shall directly or indirectly through any officer, employee, agent or representative use or employ any of such unfair practices shall be guilty of a violation of this Code.

A. The provisions of Article V paragraphs B to G, inclusive, of the Basic Code are a part of this Supplementary Code to the same extent as though here repeated and set forth at length.

B. The sale or exchange of any product in whole or in part below the cost of such product to the particular member of the Industry, such cost to be computed according to a cost formula to be prescribed or approved by the Supplementary Code Authority and approved by the Administrator;

Provided, however, that dropped lines, or seconds, or inventories which must be converted into cash to meet emergency needs may be disposed of by any member of the Industry, at any price and on any terms and conditions, but only if such member of the Industry has filed with Supplementary Code Authority, not less than two weeks before such disposal, a statement in writing, setting forth the fact of and reasons for, such proposed disposal.

Provided, further, that selling below cost (as defined in Paragraph 1 of this subsection B) to meet existing competition on products of equivalent design, character, quality or specifications shall not be deemed a violation of this Article.

C. Using or substituting any material superior in quality to that specified by the purchaser of any product, for the purpose of influencing purchase or future purchase.

D. Cancelling in whole or in part, or permitting the cancellation in whole or in part, of any contract of sale of any product, except for justifiable cause or a fair consideration.

E. Inducing or attempting to induce the breach of any provision of a contract to which a member of the Code is a party. This clause shall not be construed to apply to contracts of employment.

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

G. Offering or giving to any purchaser of any product any guaranty or protection in any form against decline in the market price of such product after the date of shipment.

H. Selling or offering to sell special Machine Screws below the lawful price of the corresponding or the next larger or longer standard or listed size Machine Screw determined in accordance with the provisions of Article V hereof, plus the cost of the special feature or features.

I. Soliciting by any member of the Industry the pooling of orders from several buyers in a manner to give the buyers advantage of more favorable price or terms than those to which the buyers would be entitled individually.

J. Consigning merchandise for any reason whatsoever, except to a wholly owned or controlled subsidiary, or except under circumstances to be defined by the Supplementary Code Authority where peculiar circumstances in the Industry require the practice.

K. Making contracts of sale that permit the buyer to cancel and/or provide for a reduced price in event of a market decline, but which do not permit the seller to cancel and/or do not provide for an enhanced price, in the event of a market rise.

L. Making contracts requiring delivery of specified quantity or quantities in specified time, if demanded by buyer, but not requiring the buyer to accept such quantity or quantities within the specified time.

M. Making contracts at a specified price for an unspecified quantity for delivery as demanded by the buyer during the period unless the contract is for a fixed percentage of the total consumption requirements of the purchaser of the particular product and unless it is agreed in such contract that specifications placed during the last third thereof shall not exceed the total pieces specified for shipment during the first two-thirds thereof; or making any such unspecified quantity contract above described except on a standard form or forms approved by the Supplementary Code Authority and the Administrator; or failing to file with the Secretary a copy of each and every different form of contract entered into by a member of the Industry within five days after entering into a contract in such form.

N. Making contracts for periods in excess of three months (all contracts to expire not later than the last days of March, June, September or December) or quoting on or making any quarterly contract more than thirty (30) days prior to the first day of the calendar quarter covered by the contract, or shipping pursuant to any contract more than fifteen (15) days after the expiration thereof, or as soon thereafter as seller can manufacture and ship the same, or making contracts containing an option of extension or renewal on the part of either buyer or seller.

O. Accepting orders for deliveries extending beyond four (4) months from date of order.

P. Appointing, continuing to employ or paying a commission, salary or any other form of compensation to a jobber or dealer or syndicate buyer of any character as an agent, except under circumstances where such jobber, dealer or syndicate buyer acts clearly as an agent and does not simultaneously perform the functions of a jobber, dealer or syndicate buyer in a specific transaction or transactions, or entering into any kind of an exclusive territory arrangement with a jobber, dealer or syndicate buyer.

Q. Continuing to employ any salesman, agent or employee who shall give any or all of his commission to any purchaser.

ARTICLE VIII—MONOPOLIES

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

ARTICLE IX—MODIFICATIONS

SECTION 1. This Supplementary Code and all the provisions thereof are expressly made subject to the right of the President, in accordance with provisions of subsection (b) of Section 10 of the Act, from time to time, to cancel or modify any order, approval, license, rule or regulation issued under said Act.

SECTION 2. This Supplementary Code, except as to provisions required by the Act, may be modified or amended on the basis of experience or changes in circumstances, such modifications or amendments to be based upon application by the Supplementary Code Authority or other representative group within the Industry to the Administrator and such Notice and Hearing as he shall specify and to become effective and be a part of this Supplementary Code on approval by the Administrator.

ARTICLE X—PRICE INCREASES

Whereas the policy of the Act to increase real purchasing power will be made more difficult of consummation if prices of goods and services increase as rapidly as wages, it is recognized that price increases except such as may be required to meet individual costs should be delayed, but when made, such increases should, so far as possible, be limited to actual additional increases in the seller's costs.

ARTICLE XI—EFFECTIVE DATE

This Supplementary Code shall become effective at 12:01 o'clock A.M. Eastern Standard Time of the tenth day after it is approved by the President, and shall continue in effect until June 16, 1935, or the earliest date prior thereto on which the President shall, by proclamation, or the Congress shall, by joint resolution, declare that the emergency recognized by Section 1 of the Act, has ended.

Approved Code No. 84—Supplement No. 23.
Registry No. 1104-06.



