

NATIONAL RECOVERY ADMINISTRATION

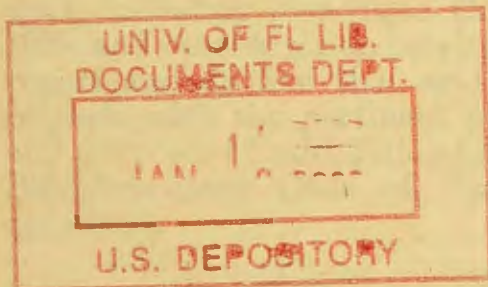
**SUPPLEMENTARY
CODE OF FAIR COMPETITION**

FOR THE

**HAND BAG FRAME
MANUFACTURING INDUSTRY**

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

AS APPROVED ON AUGUST 1, 1934



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Approved Code No. 84—Supplement No. 45

SUPPLEMENTARY CODE OF FAIR COMPETITION
FOR THE
HAND BAG FRAME MANUFACTURING INDUSTRY

As Approved on August 1, 1934

ORDER

**APPROVING SUPPLEMENTARY CODE OF FAIR COMPETITION FOR THE
HAND BAG FRAME MANUFACTURING INDUSTRY**

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

An application having been duly made pursuant to and in full compliance with the provisions of Title I of the National Industrial Recovery Act, approved June 16, 1933, and in accordance with the provisions of Section 1 of Article VI of the Basic Code for the Fabricated Metal Products Manufacturing and Metal Finishing and Metal Coating Industry, approved November 2, 1933, for approval of a Supplementary Code of Fair Competition for the Hand Bag Frame Manufacturing Industry, and hearing having been duly held thereon; and the annexed report on said Supplementary Code, containing findings with respect thereto, having been made and directed to the President:

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

HUGH S. JOHNSON,
Administrator for Industrial Recovery.

Approval recommended:

BARTON W. MURRAY,
Division Administrator.

WASHINGTON, D.C.,
August 1, 1934.

REPORT TO THE PRESIDENT

The PRESIDENT,
The White House.

SIR: This is a report on the Supplementary Code of Fair Competition for the Hand Bag Frame Manufacturing Industry, a Division of the Fabricated Metal Products Manufacturing and Metal Finishing and Metal Coating Industry, the hearing having been conducted thereon in Washington, D.C., April 27, 1934, in accordance with the provisions of Title I of the National Industrial Recovery Act.

GENERAL STATEMENT

The Hand Bag Frame 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 six (6) members, to be elected by the members of the Industry at a meeting called by the Temporary Supplementary Code Authority, and gives the Administrator the authority to appoint one additional member without vote and provides machinery for obtaining statistics and the administration of the Supplementary Code.

Article V provides for the formulation of an accounting system and methods of cost finding and/or estimating.

Article VI provides for the filing of prices with a confidential and disinterested agent of the Supplementary Code Authority or, if none, then with such agent designated by the Administrator. Mechanism is also provided for filing of price revisions.

Article VII sets forth the standards of fair competition for the Industry with reference to pricing practices and forbids wilfully destructive price-cutting.

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

Article IX provides for registration of designs.

Article X provides against monopolies or monopolistic practices.

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

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

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

FINDINGS

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

I find that:

(a) Said Supplementary Code is well designed to promote the policies and purposes of Title I of the National Industrial Recovery Act, including removal of obstructions to the free flow of interstate and foreign commerce which tend to diminish the amount thereof and will provide for the general welfare by promoting the organization of industry for the 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 association is an industrial association truly representative of the aforesaid Industry; and that said association imposes no inequitable restrictions on admission to membership therein.

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

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

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

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

Respectfully,

HUGH S. JOHNSON,
Administrator.

AUGUST 1, 1934.

SUPPLEMENTARY CODE OF FAIR COMPETITION FOR THE HAND BAG FRAME MANUFACTURING INDUSTRY

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

ARTICLE I—PURPOSES

To effectuate the policies of Title I of the National Industrial Recovery Act, this Code is established as a Supplementary Code of Fair Competition for the Hand Bag Frame Manufacturing Industry, pursuant to Article VI of the Basic Code of Fair Competition for the Fabricated Metal Products Manufacturing and Metal Finishing and Metal Coating Industry, approved by the President on the second day of November, 1933, and the provisions of this Supplementary Code shall be the standards of fair competition of such Industry and shall be binding upon every member of the Industry.

ARTICLE II—DEFINITIONS

SECTION 1. The term "Hand Bag Frame Manufacturing Industry", hereinafter referred to as the "Industry", is defined to mean the manufacture and assembly for sale of frames made of metal to be used for ladies', misses' and children's hand bags, men's, women's and children's pocketbooks and purses.

SECTION 2. The terms "President", "Act" and "Administrator" as used herein shall mean respectively the President of the United States, Title I of the National Industrial Recovery Act, and the Administrator for Industrial Recovery.

SECTION 3. The term "member of the Industry" as used herein includes but without limitation, any individual, partnership, association, corporation or other form of enterprise engaged in the Industry, either as an employer or on his or its own behalf.

SECTION 4. The term "Basic Code" as used herein is defined to mean the Basic Code of Fair Competition for the Fabricated Metal Products Manufacturing and Metal Finishing and Metal Coating Industry as approved by the President on the second day of November, 1933.

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

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

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

SECTION 8. The term "Association" as used herein is defined to mean the Hand Bag Frame Manufacturers Association, Inc., or its successor.

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

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

SECTION 11. The term "Confidential Agent" as used herein is defined to mean the impartial agency designated by the Supplementary Code Authority.

ARTICLE III—EMPLOYMENT PROVISIONS

This Industry is a division of the Fabricated Metal Products Manufacturing and Metal Finishing and Metal Coating Industry and without limitation the wage, hour and labor provisions in Article III of its Basic Code as approved by the President, November 2, 1933, including Section 1 of said Article III, by which the provisions of sub-sections (1), (2) and (3) of Section 7 (a) of Title I of the Act are made conditions of this Code, are specifically incorporated herein and made a part hereof as the wage, hour and labor provisions of this Supplementary Code.

ARTICLE IV—ORGANIZATION, ADMINISTRATION AND DUTIES

SECTION 1. During the period not to exceed sixty (60) days following the effective date of this Supplementary Code, the Supplementary Code Committee shall constitute a Temporary Supplementary Code Authority until the Supplementary Code Authority is elected.

There shall be constituted within the sixty (60) days period a Supplementary Code Authority consisting of six (6) members, to be elected by the members of the Industry, at a meeting called by the Temporary Supplementary Code Authority, upon ten (10) days' notice sent by registered mail to all members of the Industry whose names may be ascertained after diligent search, who may vote either in person or by proxy or by mail. The members of the Supplementary Code Authority first elected shall serve until the following annual meeting of the Association in January, and thereafter members of the Supplementary Code Authority shall be elected by the members of the Industry at a meeting of the Industry to be held at the time and place of each annual meeting of the Association to serve until the following annual meeting.

The members of the Supplementary Code Authority shall be elected in the following manner:

(a) Two (2) members who shall be members of the Association and who are also members of the Industry by a majority of all votes cast by the members of the Association voting in person or by proxy, or by mail, each member to have one vote.

(b) Three (3) members, who shall be members of the Association and who are also members of the Industry, by a fifty-one percent (51%) of all votes cast by the members of the Association who are also members of the Industry, voting in person or by proxy, or by mail, each member to have one vote and one additional vote for each

\$10,000 annual sales of the previous calendar year reported to the Supplementary Code Authority. Provided, however, that no one member may cast more than twenty-five percent (25%) of the total number of votes cast.

(c) One (1) member who is not a member of the Association, who is a member of the Industry may be elected by a majority of all votes cast by those members of the Industry who are not members of the Association, voting in person or by proxy or by mail, each member to have one vote.

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

In addition thereto the Administrator may appoint a member of the Supplementary Code Authority who shall be without vote and shall serve for such term as he shall specify without expense to this Industry, unless the Supplementary Code Authority agrees to pay such expense. The representative who may be appointed by the Administrator shall be given reasonable notice of and may sit at all meetings of the Supplementary Code Authority.

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

SECTION 3. In order that the Supplementary Code Authority shall, at all times, be truly representative of the Industry and in other respects comply with the provisions of the Act, the Administrator may prescribe such hearings as he may deem proper; and, thereafter, if he shall find that the Supplementary Code Authority is not truly representative or does not in other respects comply with the provisions of the Act, may require the removal of any or all of the members and may make appropriate modification or modifications of method of selection of the Supplementary Code Authority.

SECTION 4. Every employer shall provide for the safety and health of employees during the hours and at the places of their employment. Standards for safety and health shall be submitted by the Supplementary Code Authority to the Administrator within six months after the effective date of the Supplementary Code.

SECTION 5. It being found necessary in order to support the administration of this Supplementary Code and to maintain the standards of fair competition established hereunder and to effectuate the policy of the Act, the Supplementary Code Authority is authorized:

(a) To incur such reasonable obligations as are necessary and proper for the foregoing purposes, and to meet such obligations out of funds which may be raised as hereinafter provided and which shall be held in trust for the purposes of the Supplementary Code.

(b) To submit to the Administrator for his approval, subject to such notice and opportunity to be heard as he may deem necessary:

(1) an itemized budget of its estimated expenses for the foregoing purposes, and (2) an equitable basis upon which the funds necessary to support such budget shall be contributed by members of the Industry.

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

Each member of the Industry shall pay his or its equitable contribution to the expenses of the maintenance of the Supplementary Code Authority, determined as hereinabove provided, and subject to rules and regulations pertaining thereto issued by the Administrator. Only members of the Industry complying with the Supplementary Code and contributing to the expenses of its administration as hereinabove provided, unless duly exempted from making such contributions, shall be entitled to participate in the selection of members of the Supplementary Code Authority or to receive the benefits of any of its voluntary activities or to make use of any emblem or insignia of the National Recovery Administration.

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

SECTION 6. Nothing contained in this Supplementary Code shall constitute the members of the Supplementary Code Authority partners for any purpose. Nor shall any member of the Supplementary Code Authority be liable in any manner to anyone for any act of any other member, officer, agent or employee of the Supplementary Code Authority, nor shall any member of the Supplementary Code Authority, exercising reasonable diligence in the conduct of his duties hereunder, be liable to anyone for any action or omission to act under this Supplementary Code, except for his own willful malfeasance or non-feasance.

SECTION 7. The Supplementary Code Authority shall also from time to time furnish to the Basic Code Authority, designated in said Basic Code, such information as may be required to be furnished under the terms of said Basic Code.

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

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

(b) To obtain from members of the Industry such information and reports as are required for the administration of the Supplementary Code, which information and reports shall be submitted by members to such administrative and/or government agencies as the

Administrator may designate; provided that nothing in this Supplementary Code shall relieve any member of the Industry of any existing obligations to furnish reports to any government agency. No individual reports shall be disclosed to any other member of the Industry or any other party except to such governmental agencies as may be directed by the Administrator.

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

(d) To make recommendations to the Administrator for the coordination of the administration of this Supplementary Code with such other codes, if any, as may be related to or affect the members of the Industry.

(e) To recommend to the Administrator any action or measures deemed advisable, including further fair trade practice provisions to govern members of the Industry in their relations with each other or with other Industries; measures for industrial planning, and stabilization of employment; and including modifications of this Supplementary Code which shall become effective as part hereof upon approval by the Administrator after such notice and hearing as he may specify.

(f) To appoint a trade practice committee which shall meet with the trade practice committees appointed under such other codes as may be related to the Industry for the purpose of formulating fair practices to govern the relationships between production and distribution employers under this Supplementary Code, and under such others to the end that such fair trade practices may be proposed to the Administrator as amendments to this Supplementary Code and such other codes.

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

SECTION 9. If the Administrator believes that any action of the Supplementary Code Authority or any agency thereof is unfair or unjust or contrary to the public interest, the Administrator may require that such action be suspended to afford an opportunity for investigation of the merits of such action. Further action by such Supplementary Code Authority or agency regarding the matter complained of may be taken if approved by the Administrator, but shall not be taken if disapproved by the Administrator within thirty (30) days of notice to him of intention to proceed with such action.

SECTION 10. To the extent permitted by the Act and subject to such rules and regulations as the Administrator may prescribe, any or all information furnished to the Supplementary Code Authority by any member of this Industry pursuant to the provisions of this Supplementary Code shall be subject to verification by an impartial agency agreed upon by the Supplementary Code Authority and the member of the Industry in question, and, failing such agreement such impartial agency shall be selected by the Administrator, which im-

partial agency may check so much of the pertinent books, accounts and records of such members of the Industry as may be required to verify the accuracy of the information so furnished.

ARTICLE V—COST FINDING AND ACCOUNTING

The Supplementary Code Authority shall cause to be formulated methods of cost finding and accounting capable of use by all members of the Industry, and shall submit such methods to the Administrator for review. If approved by the Administrator, full information concerning such methods shall be made available to all members of the Industry. Thereafter, each member of the Industry shall utilize such methods to the extent found practicable. Nothing herein contained shall be construed to permit the Supplementary Code Authority, any agent thereof, or any member of the Industry to suggest uniform additions, percentages or differentials or other uniform items of cost which are designed to bring about arbitrary uniformity of costs or prices.

ARTICLE VI—OPEN PRICE FILING

SECTION 1. Each member of the Industry shall file with a confidential and disinterested agent of the Supplementary Code Authority or, if none, then with such an agent designated by the Administrator, identified lists of all his prices, discounts, rebates, allowances, and all other terms or conditions of sale, hereinafter in this Article referred to as "price terms", which lists shall completely and accurately conform to and represent the individual pricing practices of said member. Such lists shall contain the price terms for all such standard products of the Industry as are sold or offered for sale by said member of the Industry and for such non-standard products of said member of the Industry as shall be designated by the Supplementary Code Authority. Said price terms shall in the first instance be filed within ten (10) days after the date of approval of this Supplementary Code. Price terms and revised price terms shall become effective immediately upon receipt thereof by said agent. Immediately upon receipt thereof, said agent shall by telegraph or other equally prompt means notify said member of the Industry of the time of such receipt. Such lists and revisions, together with the effective time thereof, shall upon receipt be immediately and simultaneously distributed to all members of the Industry and to all of their customers who have applied therefor and have offered to defray the cost actually incurred by the Supplementary Code Authority in the preparation and distribution thereof and be available for inspection by any of their customers at the office of said agent. Said lists or revisions or any part thereof shall not be made available to any person until released to all members of the Industry and their customers, as aforesaid; provided, that price filed in the first instance shall not be released until the expiration of the aforesaid ten (10) days period after the approval of this Supplementary Code. The Supplementary Code Authority shall maintain a permanent file of all price terms filed as herein provided, and shall not destroy any part of such records except upon written consent of the Adminis-

trator. Upon request the Supplementary Code Authority shall furnish to the Administrator or any duly designated agent of the Administrator copies of any such lists or revisions of price terms.

SECTION 2. When any member of the Industry has filed any revision such member of the Industry shall not file a higher price within forty-eight (48) hours.

SECTION 3. No member of the Industry shall sell or offer to sell any products/services of the Industry, for which price terms have been filed pursuant to the provisions of this Article, except in accordance with such price terms.

SECTION 4. Each member of this Industry shall furnish the said Agent for distribution with such number of copies of his price list as the Supplementary Code Authority may prescribe.

SECTION 5. No member of the Industry shall enter into any agreement, understanding, combination or conspiracy to fix or maintain price terms, nor cause or attempt to cause any member of the Industry to change his price terms by the use of intimidation, coercion, or any other influence inconsistent with the maintenance of the free and open market which it is the purpose of this Article to create.

ARTICLE VII—COSTS AND PRICE CUTTING

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

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

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

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

SECTION 2. *Emergency Provisions.*—(a) If the Administrator, after investigation shall at any time find both (1) that an emergency has arisen within the Industry adversely affecting small enterprises or wages or labor conditions, or tending toward monopoly or other acute conditions which tend to defeat the purposes of the Act; and (2) that the determination of the stated minimum price for a specified product within the Industry for a limited period is necessary to

mitigate the conditions constituting such emergency and to effectuate the purposes of the Act, the Supplementary Code Authority may cause an impartial agency to investigate costs and to recommend to the Administrator a determination of the stated minimum price of the product affected by the emergency and thereupon the Administrator may proceed to determine such stated minimum price.

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

ARTICLE VIII—UNFAIR TRADE PRACTICES

In addition to the Unfair Trade Practices covered by Article V of the Basic Code, except Sections A, B, E, F and G thereof, as though herein repeated and set forth at length and for all purposes of this Supplementary Code the following described acts shall constitute unfair practices. Any member of the Industry who shall directly or indirectly through any officer, employee, agent or representative use or employ any of such unfair trade practices shall be guilty of a violation of this Supplementary Code.

RULE 1. No member of the Industry shall publish advertising (whether printed, radio, display or of any other nature) which is misleading or inaccurate in any material particular, nor shall any member in any way misrepresent any goods (including but without limitation its use, trademark, grade quality, quantity, origin, size, substance, character, nature, finish, material, content or preparation) or credit terms, values, policies, services, or the nature or form of the business conducted.

RULE 2. No member of the Industry shall use advertising or selling methods or credit terms which tend to deceive or mislead the customers or prospective customers.

RULE 3. No member of the Industry shall knowingly withhold from or insert in any quotation or invoice any statement that makes it inaccurate in any material particular.

RULE 4. No member of the Industry shall brand or mark or pack any goods in any manner which is intended to or does deceive or mislead purchasers with respect to the brand, grade, quality, quantity, origin, size, substance, character, nature, finish, material, content or preparation of such goods.

RULE 5. No member of the Industry shall publish or circulate unjustified or unwarranted threats of legal proceedings which tend to or have the effect of harassing competitors or intimidating their customers.

RULE 6. No member of the Industry shall secretly offer or make any payment or allowance of a rebate, refund, commission, credit, unearned discount or excess allowance, whether in the form of money or otherwise, nor shall a member of the Industry secretly offer or extend to any customer any special service or privilege not extended to all customers of the same class, for the purpose of influencing a sale.

RULE 7. No member of the Industry shall ship goods on consignment except under methods to be defined by the Supplementary Code Authority, such methods to be approved by the Administrator where peculiar circumstances of the Industry require the practice.

RULE 8. No member of the Industry shall wilfully induce or attempt to induce the breach of existing contracts between competitors and their customers by any false or deceptive means, or interfere with or obstruct the performance of any such contractual duties or services by any such means, with the purpose and effect of hampering, injuring or embarrassing competitors in their business.

RULE 9. The maximum credit terms of sale for this Industry shall be two percent (2%) fifteen (15) E.O.M. Shipments made on or after the twenty-fifth (25th) of the month may be charged as of the following month. A discount of three percent (3%) may be allowed for payments made on a C.O.D. or R.O.G. basis. Anticipation may be allowed at the rate of six percent (6%) per annum.

RULE 10. No member of the Industry shall accept for credit the cancellation or return of merchandise shipped in full conformity to the terms and conditions of the contract pursuant to which it was sold, except for defects in material or workmanship.

RULE 11. No member of the Industry shall give, permit to be given, or directly offer to give, anything of value for the purpose of influencing or rewarding the action of any employee, agent or representative of another in relation to the business of the employer of such employee, the principal of such agent or the represented party without the knowledge of such employer, principal or party. This provision shall not be construed to prohibit free and general distribution of articles commonly used for advertising except so far as such articles are actually used for commercial bribery as hereinabove defined.

ARTICLE IX—REGISTRATION OF DESIGNS

SECTION 1. Design piracy is hereby declared to be an unfair method of competition. The term "design" as used herein, signifies designs artistic or ornamental and not functional or mechanical. No member of the Industry shall imitate or copy, or cause to be imitated or copied, any design original in its application to any product of the Industry, without the consent of the owner thereof, if:

(a) A drawing, photograph or model of said design has been registered with a disinterested and impartial agency to be designated by the Supplementary Code Authority with the approval of the Administrator. In registering such design, the registrant shall indicate clearly the particular or particulars in which such design is original in its application to any product of the Industry, shall, in addition, submit a sworn statement in which he certifies that, to the best of his knowledge and belief, such design is in fact original as aforesaid, and

shall specify the date of conception of such design. Such disinterested and impartial agency shall accept any design submitted for registration as aforesaid, and shall issue a certificate of registration to the registrant.

(b) Said design or said article to which said design is applied or in which said design is embodied bears the mark "Registered design" or "Reg. Code Number", and the date of registration.

Provided, that the prohibition herein against piracy of any design shall expire six (6) months from the date of registration thereof.

SECTION 2. A committee consisting of three (3) members agreed upon by the Supplementary Code Authority and the parties in interest shall be set up to conciliate differences occasioned by conflicts in design on priority of rights under registered designs. Failing such agreement, the controversy may be submitted to arbitration in accordance with the Rules of the American Arbitration Association at the option of the parties to the controversy or either of them, or by direction of the committee. After all possible effort has been exerted to amicably settle such differences, the committee shall submit to the Administration in writing a statement setting forth the facts pertaining thereto, with recommendations as to the desired action to settle such differences.

SECTION 3. Nothing contained in this Article IX shall be construed to limit the protection afforded to designers or manufacturers in respect of designs under existing law.

ARTICLE X—MONOPOLIES

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

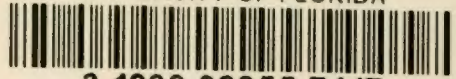
ARTICLE XI—MODIFICATIONS

SECTION 1. As provided by Section 10(b) of the Act, the President may from time to time cancel or modify any order, approval, license, rule, or regulation issued under Title I of the 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 XII—PRICE INCREASES

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



ARTICLE XIII—EFFECTIVE DATE AND DURATION

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

Approved Code No. 84—Supplement No. 45.

Registry No. 1122-1-04

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