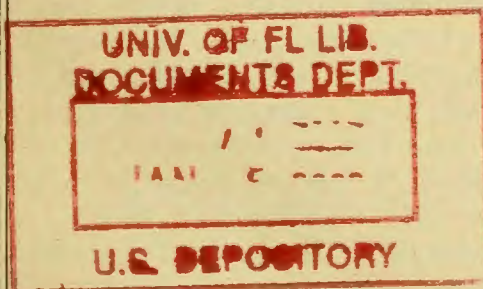
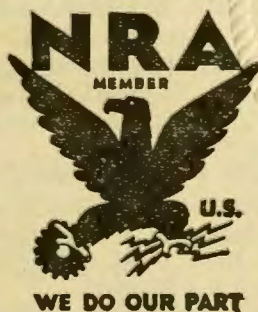


NATIONAL RECOVERY ADMINISTRATION

**SUPPLEMENTARY
CODE OF FAIR COMPETITION
FOR THE
HAND CHAIN HOIST
MANUFACTURING INDUSTRY**

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

AS APPROVED ON JANUARY 30, 1934



UNITED STATES
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Approved Code No. 84. Supplement No. 2

SUPPLEMENTARY CODE OF FAIR COMPETITION

FOR THE

**HAND CHAIN HOIST MANUFACTURING
INDUSTRY**

As Approved on January 30, 1934

ORDER

**APPROVING SUPPLEMENTARY CODE OF FAIR
COMPETITION**

FOR THE

**HAND CHAIN HOIST 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 Hand Chain Hoist Manufacturing Industry; and hearings 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 (i.e., actual receipt by the Code Authority) and the effective date of revised price lists or revised terms and conditions of sale be and they are hereby stayed for a period of sixty days or pending the completion of a study now being conducted by the National Recovery Administration, and at the end of such period said provisions shall become effective unless I, by my further Order, otherwise determine.

HUGH S. JOHNSON,
Administrator for Industrial Recovery.

Approval Recommended:

W. A. HARRIMAN,
Division Administrator.

WASHINGTON, D.C.,
January 30, 1934.

The PRESIDENT,
The White House.

SIR: This is a report on the Supplementary Code of Fair Competition for the Hand Chain Hoist 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., December 16, 1933, in accordance with the provisions of Title I of the National Industrial Recovery Act.

GENERAL STATEMENT

The Hand Chain Hoist 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 practice, as provided for in Section I 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 the five (5) members of the Board of Trustees of the Hand Chain Hoist Institute, Inc., or its successor and one member chosen from the Industry by the vote of the members thereof, and gives the Administrator the authority to appoint one additional member without vote and provides machinery for obtaining statistics and the administration of this Code.

Article V sets forth the fair trade practices of this Supplementary Code which has been especially designed to effect fair competition in this division of the Industry.

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

Article VII provides against monopolies and monopolistic practices, and recognizes that price increases be limited to actual additional increases in seller's costs.

Article VIII states the effective date 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 applicant association is an industrial association truly representative of the aforesaid Industry; and that said association imposes no inequitable restrictions on admission to membership therein.

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

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

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

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

Respectfully,

HUGH S. JOHNSON,
Administrator.

JANUARY 30, 1934.

SUPPLEMENTARY CODE OF FAIR COMPETITION

FOR THE

HAND CHAIN HOIST 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 Hand Chain Hoist 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 of the United States on the second day of November 1933, and upon approval by the President of the United States the provisions of this Supplementary Code shall be the Standard of Fair Competition for and shall be binding upon every member thereof.

ARTICLE II—DEFINITIONS

The term "The Hand Chain Hoist Manufacturing Industry", hereafter referred to as the Industry, means and includes the manufacture or purchase of component parts for assembly and for sale, of all types of hand chain hoists.

The term "Member of the Industry", 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.

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, of Title I of said Act.

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 of the United States on the second day of November 1933.

The term "Supplementary Code Authority" as used herein means the agency which shall supervise the administration of this Supplementary Code.

The term "Institute" as used herein, is defined to mean The Hand Chain Hoist Institute, Inc., or its successor.

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

ARTICLE III—EMPLOYMENT PROVISIONS

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 by the President of the United States are the labor provisions of this Supplementary Code.

ARTICLE IV—ORGANIZATION AND ADMINISTRATION

SECTION 1. The Supplementary Code Authority is hereby constituted the agency to administer the provisions of this Supplementary Code, and shall consist of the five (5) members of the Board of Trustees of the Institute and one member chosen from the Industry by the vote of the members thereof. The Administrator may appoint one representative to serve without vote and without expense to the Industry unless the Supplementary Code Authority shall agree to pay such expenses as a member of the Supplementary Code Authority. The President of the Institute is hereby constituted the agent to collect and distribute all statistical reports of the Industry as required by the Supplementary Code Authority. With a view to keeping the President of the United States informed as to the observance or nonobservance of this Supplementary Code, said agent shall collect 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 Federation as the agency administering said Basic Code.

SEC. 2. The President of the Institute, as such agent, 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.

SEC. 3. All data filed in accordance with the provisions of this Supplementary Code shall be confidential and shall not be revealed, except in composite form, to anyone other than an authorized governmental agency.

SEC. 4. Any or all information furnished to the President of the Institute by any member of the Industry shall be subject to checking for purpose of verifying by an examination of the pertinent books and accounts and records of such member by any disinterested person or persons, mutually agreed upon by the Supplementary Code Authority and the member of the Industry whose books and accounts and records are to be examined, or by a person or persons nominated by the Supplementary Code Authority and approved by the Administrator. The cost of 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 costs shall be paid by the member of the Industry which furnished such information.

SEC. 5. To further effectuate the policies of the Act and for the administration of this Supplementary Code, the constituted authorities and methods of governing the Industry shall be as follows:

a. The Supplementary Code Authority shall have general power and supervision over the enforcement of the provisions of this Sup-

plementary Code and it is hereby designated as the agency for administering, supervising, and promoting the observance of the provisions of this Supplementary Code, and shall have power to obtain from all members of the Industry such reasonable and pertinent data as may be necessary for the administration of the provisions of this Supplementary Code. The request for reports from members of the Industry shall not be made in any manner which will impose unequal obligations upon members of the Industry.

b. The Supplementary Code Authority shall have power to investigate on its own initiative or on complaint, the operation of the Supplementary Code and any alleged violation of the Supplementary Code by any member of the Industry; to make findings of fact and to state its conclusions as to whether or not there has been any violation of any provision of the Supplementary Code, and except as hereinafter provided, to take such steps as it may deem necessary or advisable, within the provisions of the Supplementary Code, subject to rules and regulations by the Administrator.

c. No member of the Supplementary Code Authority shall participate, as a member of such Supplementary Code Authority, in any proceedings in which he is interested as the complainant or respondent, or in which he is in any other manner directly interested, and in the event of any such disqualification, the remaining members of such Supplementary Code Authority shall certify such disqualification, together with the reasons therefor and shall promptly designate a person to sit as a special member of such Supplementary Code Authority for the purpose of such proceedings.

d. The Supplementary Code Authority may delegate any of its duties to such person or persons, committee, or committees, as it may select; provided, that it shall not delegate any of its duties to any person who is subject to disqualification, as in paragraph "c" above provided; and provided further, that such delegation shall not relieve the Supplementary Code Authority from any of its responsibilities under this Supplementary Code.

e. The Supplementary Code Authority may, subject to the approval of the Administrator, upon finding, by a three-fifths vote, that the respondent assenting member of the Industry has violated this Supplementary Code, assess all costs in connection with such investigation and disposition of such complaint against said respondent assenting member of the Industry. If any assenting member of the Industry makes a formal complaint to the Supplementary Code Authority which proves, after investigation by the Supplementary Code Authority and approval by the Administrator, to be without foundation in fact, then the Supplementary Code Authority may assess against the assenting member of the Industry bringing such formal complaint, all costs in connection with the investigation and disposition of such complaint. All assessments to be paid into the treasury of the Institute as the agency of the Supplementary Code Authority.

f. Each member of the Industry subject to the jurisdiction of this Supplementary Code shall pay to the Institute as the agency of the Supplementary Code Authority his or its proportionate share of the amount necessary to pay the cost of assembling, analyzing, and publication of such reports and data and of the maintenance of the

Supplementary Code Authority in connection with its activities relative to the administration of this Supplementary Code; said proportionate share to be based upon the volume of business and/or such other factors as the Supplementary Code Authority may prescribe.

g. A meeting of the Members of the Industry may be called and held at any time by order of the Supplementary Code Authority or members of the Industry having the right to cast at least 51% of all votes which might be cast at such a meeting. At least five days' notice to each member of the Industry shall be given.

h. Each member of the Industry who assents to and complies with the provisions of this Supplementary Code, and who is not delinquent in the payment of any assessments made under the provisions of this Supplementary Code, shall be entitled to cast one vote, either in person or by proxy, in writing, duly executed by such member of the Industry, and filed with the Supplementary Code Authority within a reasonable time prior to the time set for the meeting, at all meetings of the members of the Industry.

SEC. 6. The Supplementary Code Authority shall have the following further powers and duties:

a. To adopt bylaws and rules and regulations for its procedure and for the administration and enforcement of the Supplementary Code.

b. To make recommendations to the Administrator for the coordination of the administration of this Supplementary Code with such other Codes as may be related to the Industry.

c. 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.

d. 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.

e. To recommend from time to time standards of shipment terms.

f. To recommend from time to time standards for guaranty on products.

SEC. 7. 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 willful misfeasance or nonfeasance.

SEC. 8. If the Administrator shall determine 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 for a period of not to exceed thirty (30) days to afford an opportunity for investigation of such

action and further consideration by such Supplementary Code Authority or agency, pending final action, which shall be taken only upon approval by the Administrator.

ARTICLE V—UNFAIR TRADE PRACTICES

For all purposes of the Supplementary Code, any member of the Industry who shall, directly or indirectly, through any officer, employee, agent, or representative, violate the following provisions of this Article, shall be deemed guilty of unfair trade practice and a violation of this Supplementary Code.

SECTION 1. Each member of the Industry shall use an adequate cost accounting system which shall conform to the cost accounting system recommended by the Supplementary Code Authority and approved by the Administrator as hereinafter provided. The Supplementary Code Authority shall recommend for use in the Industry a uniform and adequate cost accounting system which shall be adaptable to the cost accounting procedure and to the business of the Industry. Such plan shall specify the factors which shall be included in determining the costs of each member of the Industry. Upon approval by the Administrator of such a system of cost accounting for the Industry, complete advice concerning it shall be distributed by the Supplementary Code Authority to all members of the Industry. Thereafter each member of the Industry shall file with the agent designated under Article IV, Section 1, of this supplementary Code his costs for typical items of the products of the Industry offered for sale by him. Thereafter no member of the Industry shall initiate a selling price below his own cost, or sell the product of the Industry at such price or upon such terms or conditions of sale as will result in the purchaser's paying for such product less than the cost of that member of the Industry who has filed the lowest cost; provided, however, that any member of the Industry may sell below his own costs to meet existing competition, when such prices have been filed in accordance with Section 2 of this Article; and provided, further, that the Supplementary Code Authority may approve, subject to disapproval by the Administrator, the sale of surplus stocks below such costs where necessary to relieve financial emergencies. A detailed record of such surplus stocks shall be filed with and checked by such impartial agency as the Supplementary Code Authority may designate at the time of application for such approval.

SEC. 2. Each member of the Industry shall publish and file with the Supplementary Code Authority within ten days after the effective date of the Supplementary Code, price lists individually prepared by him of all products offered for sale or sold by him and all terms and conditions of sale relating thereto. Such price lists shall state for each grade and kind of each product sold or offered for sale, one price with appropriate discounts therefrom, if any allowed, for sales to classified types of purchasers. Such price lists and terms and conditions of sale so filed with the Supplementary Code Authority shall be open to inspection at all reasonable times by any interested party. Revised price lists or revised terms and conditions of sale, if made, shall be filed from time to time thereafter with the Supplementary Code Authority by any Member of the Industry;

provided, however, that such revisions shall be filed with the Supplementary Code Authority ten days in advance of the effective date thereof; and, provided further, that any other member of the Industry may file revisions of his price lists or terms and conditions of sale to meet the revisions first filed which may become effective on the date when the revised price lists or revised terms and conditions of sale first filed shall become effective. At the time of filing price lists or discount sheets, in accordance with this paragraph, each Member of the Industry shall furnish the Supplementary Code Authority, for distribution, such number of copies of his price lists and/or discount sheets and any revisions thereof, as the Supplementary Code Authority may prescribe.¹

SEC. 3. No member of the Industry shall sell or offer for sale any product of the Industry at prices other than the prices noted in its price lists, or terms and conditions of sale other than the terms and conditions of sale previously filed by such member with the Supplementary Code Authority in accordance with the provisions of Section 2 of this Article and in effect at the time of such sale.

SEC. 4. The following paragraphs describe and shall constitute unfair methods of competition:

a. (1) To publish advertising (whether printed, radio, display, or of any 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.

(2) To make disparaging statements respecting the business methods, practices, or products of another member of the Industry.

b. To knowingly withhold from or insert in any quotation or invoice any statement that makes it inaccurate in any material particular.

c. To brand 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.

d. To publish or circulate unjustified or unwarranted threats of legal proceedings which tend to or have the effect of harrassing competitors or intimidating their customers. Failure to prosecute in due course shall be evidence that any such threat is unwarranted or unjustified.

e. To allow or make payment or allowance of a rebate, refund, commission, credit, unearned discount, excess allowance, or allowance for customer advertising, catalogues, or illegitimate premiums, 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.

f. To ship goods on consignment except under circumstances to be defined by the Supplementary Code Authority, subject to the ap-

¹ See paragraph 2 of order approving this Code.

proval of the Administrator, where peculiar circumstances of the Industry require the practice.

g. No member of the Industry shall attempt to induce a breach of an existing contract between a competitor and his employee, (other than employment contracts), or customer or source of supply; nor shall any member interfere with or obstruct the performance of such contractual duties or services.

h. To offer or extend a guarantee against decline or advance in the selling price of products.

i. To agree to liquidate, purchase, or accept shipment of a competitor's product from a customer, in order to sell member's own product.

j. To authorize the return of product for a credit, where known to be obsolete, or where sales record of preceding year indicates lack of marketability.

k. To post-date an invoice.

l. To extend protection against price advance or decline of products through the signing of requirement contracts.

m. To make an allowance for all or any portion of transportation costs, except where transportation charges are figured as a part of the original costs and are included in the selling price.

n. To enter into any agreement to assume responsibility for consequential damages and other items of expense which normally cannot be anticipated in original costs or selling prices.

SEC. 5. *Export Trade*.—No provision of this supplementary Code relating to prices or terms of selling, shipping, or marketing, shall apply to export trade or sales or shipments for export trade. Unless and to the extent that the Supplementary Code Authority shall otherwise determine, the sale of any product by any member of the Industry for direct shipment to Alaska, the Philippines, Hawaii, or Puerto Rico or other insular possessions of the United States of America shall not be deemed export trade.

ARTICLE VI—MODIFICATION

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

SEC. 2. By presenting this Supplementary Code the members of the Industry do not thereby consent to any modification thereof, and they reserve the right to object to any such modifications without being given an opportunity to be heard.

SEC. 3. This Supplementary Code, except as to provisions required by the Act, may be modified on the basis of experience or changes in circumstances, such modification to be based upon application to the Administrator and such notice and hearing as he shall specify; and to become effective on approval by the Administrator.

ARTICLE VII—GENERAL PROVISIONS

SECTION 1. No provision of this Supplementary Code shall be applied so as to permit monopolies or monopolistic practices, or to eliminate, oppress, or discriminate against small enterprises.

SEC. 2. 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 cost should be delayed, but when made such increases should, so far as possible, be limited to actual additional increases in the seller's costs.

SEC. 3. This Supplementary Code shall not affect patent rights.

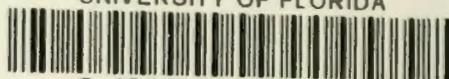
ARTICLE VIII—DURATION OF SUPPLEMENTARY CODE

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

Approved Code No. 84—Supplement No. 2.
Registry No. 1107-02.



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