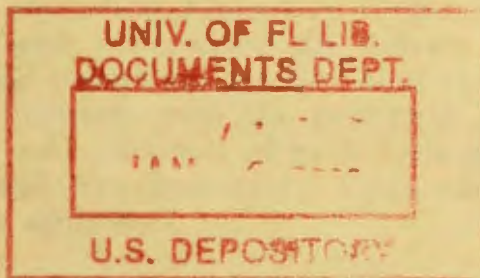


NATIONAL RECOVERY ADMINISTRATION

**SUPPLEMENTARY
CODE OF FAIR COMPETITION
FOR THE
SHOE SHANK
MANUFACTURING INDUSTRY**

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

AS APPROVED ON FEBRUARY 21, 1934

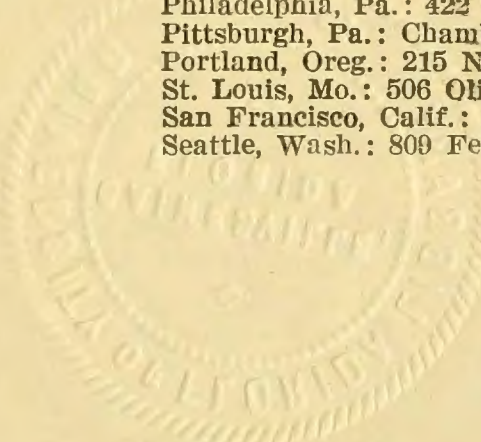


UNITED STATES
GOVERNMENT PRINTING OFFICE
WASHINGTON : 1934

This publication is for sale by the Superintendent of Documents, Government Printing Office, Washington, D.C., and by district offices of the Bureau of Foreign and Domestic Commerce.

DISTRICT OFFICES OF THE DEPARTMENT OF COMMERCE

Atlanta, Ga.: 504 Post Office Building.
Birmingham, Ala.: 257 Federal Building.
Boston, Mass.: 1801 Customhouse.
Buffalo, N.Y.: Chamber of Commerce Building.
Charleston, S.C.: Chamber of Commerce Building.
Chicago, Ill.: Suite 1706, 201 North Wells Street.
Cleveland, Ohio: Chamber of Commerce.
Dallas, Tex.: Chamber of Commerce Building.
Detroit, Mich.: 801 First National Bank Building.
Houston, Tex.: Chamber of Commerce Building.
Indianapolis, Ind.: Chamber of Commerce Building.
Jacksonville, Fla.: Chamber of Commerce Building.
Kansas City, Mo.: 1028 Baltimore Avenue.
Los Angeles, Calif.: 1163 South Broadway.
Louisville, Ky.: 408 Federal Building.
Memphis, Tenn.: 229 Federal Building.
Minneapolis, Minn.: 213 Federal Building.
New Orleans, La.: Room 225-A, Customhouse.
New York, N.Y.: 734 Customhouse.
Norfolk, Va.: 406 East Plume Street.
Philadelphia, Pa.: 422 Commercial Trust Building.
Pittsburgh, Pa.: Chamber of Commerce Building.
Portland, Oreg.: 215 New Post Office Building.
St. Louis, Mo.: 506 Olive Street.
San Francisco, Calif.: 310 Customhouse.
Seattle, Wash.: 809 Federal Office Building.



Approved Code No. 84. Supplement No. 6

SUPPLEMENTARY CODE OF FAIR COMPETITION
FOR THE
SHOE SHANK MANUFACTURING INDUSTRY

As Approved on February 21, 1934

ORDER

**APPROVING SUPPLEMENTARY CODE OF FAIR COMPETITION FOR THE
SHOE SHANK 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 Shoe Shank 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.

HUGH S. JOHNSON,
Administrator for Industrial Recovery.

Approval Recommended:

W. A. HARRIMAN,
Division Administrator.

WASHINGTON, D.C.,
February 21, 1934.

REPORT TO THE PRESIDENT

The PRESIDENT,
The White House.

SIR: This is a report on the Supplementary Code of Fair Competition for the Shoe Shank 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 20, 1933, in accordance with the provisions of Title I of the National Industrial Recovery Act.

GENERAL STATEMENT

The Shoe Shank 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 seven (7) members who shall be selected 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 this Code.

Article V 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 VI provides against monopolies and monopolistic practices.

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

Article VIII recognizes that price increases be limited to actual additional increases in the sellers' costs.

Article IX 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.

FEBRUARY 21, 1934.

SUPPLEMENTARY CODE OF FAIR COMPETITION FOR THE SHOE SHANK 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 Shoe Shank 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 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 "Shoe Shank Manufacturing Industry" hereinafter referred to as the "Industry" is defined to mean the manufacture for sale to the boot and shoe trade of steel shanks and/or combination steel and fibre shanks and/or fibre shanks and/or fibre and wood shanks.

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 for Industrial Recovery under 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 on the second day of November, 1933.

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

The term "Association", as used herein, is defined to mean the Shoe Shank Manufacturers Association or its successor.

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

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.

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 are the labor provisions of this Supplementary Code, as though herein repeated and set forth at length.

ARTICLE IV—ORGANIZATION AND ADMINISTRATION

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

There shall be constituted within the sixty (60) day period a Supplementary Code Authority consisting of seven 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 (10) days' notice sent to all known members of the Industry, 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 Association in January, and thereafter members of the Supplementary Code Authority shall be elected as hereinafter provided at 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) Five members who shall at the time of election be members of the Association by a majority vote of all members of the Industry present in person or by proxy, each member to have one vote.

(b) Two members who are not at the time of election members of the Association by a majority vote of all known members of the Industry, present in person or by proxy, each member to have one vote.

A vacancy in the membership of the Supplementary Code Authority may be filled by a majority vote of the remaining members of the Supplementary Code Authority.

In addition thereto the Administrator may appoint a member of the Supplementary Code Authority who without vote shall serve without expense to the 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 Code Authority.

SECTION 2. The Supplementary Code Authority is hereby constituted the agency to administer the provisions of this Supplementary Code and, through a confidential agent, to collect and distribute all statistical reports of the Industry. With a view to keeping the President informed as to the observance or nonobservance of this Supplementary Code, said agency shall collect through its confidential agent such statistics as are called for by the President and/or the Admin-

istrator 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.

SECTION 3. The Supplementary Code Authority, through its confidential 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.

SECTION 4. 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 wilful misfeasance or non-feasance.

SECTION 5. 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 specific duties:

(a) To adopt by-laws and rules and regulations for, and keep records of its procedure and for the administration of the Supplementary Code.

(b) 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.

(c) 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.

(d) 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, subject to rules and regulations of the Administrator in regard to compliance.

(e) Each member of the Industry shall pay to the Association as the agent 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 and operation 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 net sales and/or other equitable factors as the Supplementary Code Authority may prescribe, subject to the approval of the Administrator.

SECTION 6. If the Administrator shall determine that any action of a code authority or any agency thereof may be 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 and further consideration by such code authority or agency pending final action which shall not be effective unless the Administrator approves or unless he shall fail to disapprove after thirty days' notice to him of intention to proceed with such action in its original or modified form.

SECTION 7. Each trade or industrial association directly or indirectly participating in the selection or activities of the Supplementary Code Authority shall (1) impose no inequitable restrictions on admission to 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 8. In order that the Code Authority shall at all times be truly representative of the industry and in other respects comply with the provisions of the Act, the Administrator may prescribe such hearings as he may deem proper; and thereafter if he shall find that the Supplementary Code Authority is not truly representative or does not in other respects comply with the provisions of the Act, he may make an appropriate modification or modifications in the method of selection of the Supplementary Code Authority.

ARTICLE V—UNFAIR TRADE PRACTICES

SECTION 1. In addition to the unfair trade practices covered in Article V of the Basic Code, except the first and second paragraphs of Section A of that Article, any violation of any of the following provisions directly or indirectly, through any officer, employee, agent or representative, shall constitute an unfair trade practice under this Supplementary Code:

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

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

(b) Dropped lines, seconds or surplus stocks 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 prior to such

disposal has filed with the Supplementary Code Authority his statement in writing, setting forth the fact of, reasons for and terms of such proposed disposal.

(c) Nothing in Article V of this Supplementary Code shall apply to sales between members of the Industry, provided, however, no sales shall be made below cost.

(d) Sales quotations shall be based on units of one thousand (1000) pieces.

(e) A cash discount not exceeding two (2) percent may be allowed on all purchases where the invoice is paid not later than the fifteenth of the following month and no other terms or discounts shall be allowed unless agreed upon by a majority vote of the members of the Industry.

(f) No member of the Industry shall accept the return of any shoe shanks from any shoe manufacturer except for mistake of the shipper or faulty construction in the merchandise not in accordance with the purchaser's specifications.

(g) All merchandise shall be sold either f.o.b. factory or f.o.b. destination with freight allowed.

(h) All invoices shall plainly specify the quantity and the description of the material used.

(i) No split commission or any kind of bonus shall be given to any manufacturer or his agent in order to procure orders.

(j) No member of the Industry for the purpose of influencing a sale shall 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 offer or extend to any customer any special service or privilege not extended to all customers of the same class.

ARTICLE VI—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 VII—MODIFICATIONS

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.

SECTION 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 modifications without being given an opportunity to be heard.

SECTION 3. The 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 President and/or the Administrator.

ARTICLE VIII—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 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.

ARTICLE IX—EFFECTIVE DATE AND DURATION

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. 6.
Registry No. 929-1-01.



