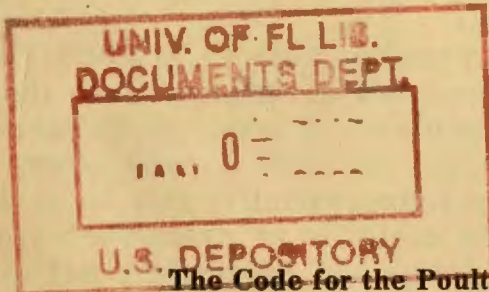


NATIONAL RECOVERY ADMINISTRATION

PROPOSED CODE OF FAIR COMPETITION
FOR THE
POULTRY EQUIPMENT
INDUSTRY

AS SUBMITTED ON AUGUST 30, 1933



The Code for the Poultry Equipment Industry
in its present form merely reflects the proposal of the above-mentioned
industry, and *none of the provisions contained therein are*
to be regarded as having received the approval of
the National Recovery Administration
as applying to this industry

UNITED STATES
GOVERNMENT PRINTING OFFICE
WASHINGTON : 1933

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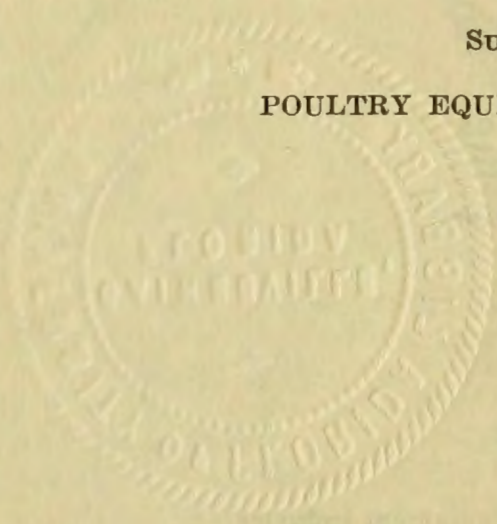
INDUSTRY

AS SUBMITTED BY THE ASSOCIATION

SUBMITTED BY

POULTRY EQUIPMENT ASSOCIATION

(II)



The code for the poultry equipment industry in the present form merely reflects the general policy of the department and does not constitute a binding contract. It is to be revised as needed and the approval of the National Recovery Administration is required in this industry.

UNITED STATES
GOVERNMENT PRINTING OFFICE
WASHINGTON: 1935

CODE OF ETHICS AND PRACTICES FOR THE POULTRY EQUIPMENT ASSOCIATION

AN AFFILIATED ORGANIZATION OF THE NATIONAL COUNCIL LIVE STOCK EQUIPMENT ASSOCIATIONS

(Adopted at Chicago, August 11, 1933)

PREAMBLE

The Poultry Equipment Association, a national trade association for this industry representing in its membership more than 75 percent of the production of Poultry Equipment in the United States, by action taken at a meeting in the City of Chicago on the 14th day of July 1933, does hereby subscribe to the policy, provisions, rules, and regulations of the National Industrial Recovery Act.

The Poultry Equipment Association, by a majority vote at this meeting, decided to come under the provisions of this act which permit the voluntary adoption of a Code of Fair Competition and Practices and authorized the creation of an Executive Committee to draft a code which is to be presented to the Government for Presidential approval by the chairman of this Association acting as a member of the Executive Committee of the National Council Live Stock Equipment Associations.

CONDITION OF THE INDUSTRY

The products of this industry are sold to the farmer, largely through dealers. Due to the limited buying power of the farmer, this industry has been in an abnormally depressed condition for the past several years. With the rapidly decreasing consumption of the products of this industry, competitive conditions have become extremely destructive, resulting in severe loss of wages for the worker, and in the destruction of capital values and cash reserves for the producer.

WHAT CONSTITUTES POULTRY EQUIPMENT

Poultry Equipment, as used in this Code, includes the following items:

Brooder Stoves and Canopy Brooders, Battery Brooders, Storage Brooders, Finishing Batteries, Intermediate Batteries, and in fact Brooders of any type or description whether heated by coal, oil distillate, electricity, or otherwise; Hen Batteries or Laying Batteries and pens, Wood or Metal Feeding Pans; Galvanized ware and Tin ware of various classes; Feeders, Troughs, or Feeding Devices, Wood or Metal Drinking Fountains, Troughs, or Pans; Grit and Shell Hoppers, Mason Jar Waterers and Feeders, Egg Graders or Testers,

Brooder Stove Pipe and Accessories, Leg Bands and Marking Devices, Parts or Accessories that enter into the manufacture of above equipment and all other equipment commonly used by the poultryman in caring for baby chicks, growing chicks, or flocks.

ORGANIZATION

This Association is composed of manufacturers of Poultry Equipment and was organized in 1931.

ASSOCIATION OFFICERS

The present officers of the Poultry Equipment Association are as follows: President, W. A. Zaloudek, Oakes Manufacturing Co., Tipton, Ind.; vice president, W. D. James, James Manufacturing Co., Fort Atkinson, Wis.; secretary-treasurer, L. J. Brower, Brower Manufacturing Co., Quincy, Ill.

EXECUTIVE COMMITTEE

The Executive Committee, as authorized by the Association at a meeting in the City of Chicago on October 11, 1932, consists of following: W. D. Harvey, Globe American Corporation, Kokomo, Ind.; A. R. Hill, Buckeye Incubator Co., Cleveland, Ohio; W. A. Zaloudek, Oakes Manufacturing Co., Tipton, Ind.; W. D. James, James Manufacturing Co., Fort Atkinson, Wis.; L. J. Brower, Brower Manufacturing Co., Quincy, Ill.

MEMBERSHIP OF ASSOCIATION

The membership of the Poultry Equipment Association, representing more than 75 percent of the production of Poultry Equipment in the United States, includes the following companies:

(List of members to be inserted.)

Manufacturers of Poultry Equipment representing the balance of the production of Poultry Equipment in the United States, which have been invited to become members of this Association but have not yet affiliated as members, include the following companies:

(List of nonmembers to be inserted.)

So far as can be determined by this Association, the above lists of members and nonmembers include all of the factors engaged in this industry.

The Poultry Equipment Association, in behalf of this industry, does hereby submit and ask for approval of the following Code of Ethics and Practices.

THE CODE

ARTICLE I—PURPOSE

This Code is set up for the purpose of increasing employment, maintaining fair and adequate wages, and eliminating unfair trade practices, to the end of rehabilitating the Poultry Equipment industry in all its phases and enabling it to do its part toward establishing that balance of industries which is necessary to the restoration and maintenance of the highest practical degree of public welfare.

It is the declared purpose of the Poultry Equipment industry and adherents to this Code to restore the income of enterprises within the industry to levels which will make possible the payment of fair wages and avoid the further depletion and destruction of capital assets.

ARTICLE II—PARTICIPATION

Participation in this Code, and any subsequent revision of or addition to the Code, shall be extended to any person, partnership, or corporation in the Poultry Equipment industry who accepts his share of the cost and responsibility, as well as the benefit of such participation, by becoming a member of the Poultry Equipment Association.

No initiation or entrance fee shall be charged for membership in the Poultry Equipment Association, but there shall be levied against all members of the association annual dues in the amount of \$25.00. Additional dues needed to finance the activities of the Association in carrying out and enforcing the Code of the industry shall be levied against each member in proportion to the volume of its sales of the items covered by this Code.

ARTICLE III—GENERAL

(1) No provision of this Code shall be interpreted or applied in such a manner as to—

- (a) Promote monopolies.
- (b) Permit or encourage unfair competition.
- (c) Eliminate or oppress, or discriminate against small enterprises in the Poultry Equipment industry.

(2) This Code or any of its provisions may be canceled or modified or any approved rule issued thereunder shall be ineffective to the extent necessary to conform to any action by the President of the United States under section 10 (b) of the National Industrial Recovery Act.

(3) Amendments to this Code may be proposed to the Executive Secretary by any member or members of the Poultry Equipment Association, or may be initiated by the Executive Committee and

may be adopted by the affirmative vote of a two thirds majority of the members of the Association, and when approved by the President of the United States shall be effective. Any amendments proposed shall be submitted in writing to all members of the Association not less than two weeks before coming before the Association for action.

(4) The President and the Executive Secretary of the Association, subject to the approval of the Executive Committee, shall represent the Poultry Equipment Association and the Poultry Equipment industry in all contacts with the Administrator of the National Industrial Recovery Act, or his agents, except if a member of the association shall feel aggrieved on account of the provisions of this Code or of an amendment thereto or rule or regulation made pursuant thereto such member shall have the right directly to present his position to the President of the United States or his duly authorized agent.

(5) The provisions, rules, regulations, and restrictions as set forth in this Code, as approved by the President of the United States shall become binding upon all producers of Poultry Equipment within ten days after final approval.

(6) *Rights of Workers.*—(a) Employees in the Poultry Equipment industry shall have the right to organize and bargain collectively through representatives of their own choosing, and shall be free from the interference, restraint, or coercion of employers of labor, or their agents, in the designation of such representatives or in self-organizations, or in other concerted activities for the purpose of collective bargaining, or other mutual aid or protection, as provided for in Section 7 of the National Industrial Recovery Act.

(b) No employee in the Poultry Equipment industry, and no one seeking employment therein, shall be required as a condition of employment to join any company union, or to refrain from joining a labor organization of his own choosing, as provided for in Section 7 of the National Industrial Recovery Act.

(c) Employers of labor in the Poultry Equipment industry agree to comply with the maximum hours of labor, minimum rates of pay, and other working conditions approved or prescribed by the President.

(d) It is clearly understood that the foregoing paragraph does not impair in any particular the constitutional rights of the employee and employer to bargain individually or collectively as may be mutually satisfactory to them; nor does it impair the joint right of employer and employee to operate an open shop.

(e) Nothing in this Code is to prevent the selection, retention, and advancement of employees on the basis of their individual merit, without regard to their affiliation or nonaffiliation with any labor organization.

(f) It is expressly stipulated that neither any provision of this Code nor the fact or manner of its preparation, presentation, adoption, or filing shall be construed as constituting a waiver of any constitutional right which the several members of the Poultry Equipment Association or industry might otherwise have and enjoy. Any such provision which may limit or abrogate any constitutional right is inserted under the unavoidable requirements of the National In-

dustry Recovery Act as the same is understood by said members and not voluntarily nor with their approval as a contractual relinquishment of such right.

ARTICLE IV—ADMINISTRATION

Enforcement.—The administration officer of this Code shall be the Executive Secretary of the Poultry Equipment Association. He shall be required to submit and to explain the provisions, purposes, and aims of the Code to all producers of Poultry Equipment, including members and nonmembers of the Poultry Equipment Association.

Any producer of poultry equipment injured by the violation of this Code shall file with the Executive Secretary a written complaint setting forth the facts in the matter and requesting such relief as may be just. The cost of investigating unfounded complaints may be assessed against the complainant by the Executive Secretary in his discretion.

The Executive Secretary of the Poultry Equipment Association is authorized and directed to enforce vigorously, equitably, and without exception a system of discipline for violators of this Code or any of its rules, regulations, or provisions as follows:

A fine against violators, in cases where the violation involves a sale of poultry equipment, of an amount not to exceed fifty percent of the established price of the equipment sold.

A fine against violators, where the sale of equipment may not be involved, of an amount not to exceed five hundred dollars (\$500).

The Executive Secretary may use his discretion, as circumstances warrant in substituting an arbitrary fine for the percentage of sale plan.

Violation of any or all rules of the Code may be considered a separate offense for each and every day such rules are violated.

If found necessary to the welfare of the industry or in support of the proper administration of this Code, the Executive Secretary may give full publicity to the facts regarding any violation by any person of any rule or regulation of this Code, and the hearing and determination thereon, without any liability for libel arising therefrom.

Any fines assessed and collected shall be turned into the Association Treasury. Such money shall be available for awarding financial damages to member injured by violations. Fines collected and not so used shall be applied to the Association's operating budget.

Any member of the Poultry Equipment Association or any producer of poultry equipment who is not a member of the association shall have the right to appeal from the ruling or decision of the Executive Secretary and such appeal shall be heard by a representative Arbitration Committee of at least three persons, such committee to be appointed by the Executive Committee of the Poultry Equipment Association from the organizations of different members of the industry. Under this provision a separate Arbitration Committee shall be named to handle each appeal and the membership of such committee shall be truly representative for the purpose of insuring the parties a fair hearing, but shall not include any mem-

bers of the industry connected with or in any way involved in the dispute in question.

The decision of such Arbitration Committee may be appealed by either party to the association as a whole and the decision of the association by a two-thirds vote shall be final and binding. If such association decision is not accepted and complied with by the complainant or defendant the case shall be turned over to the Executive Committee of the industry for submission to the Administrator of the National Industrial Recovery Act.

Statistics and Reports.—The Executive Secretary shall have the power and authority to require from each manufacturer of poultry equipment from time to time such wage and labor reports, information, and records as shall be necessary to the adequate administration and enforcement of the provisions of this Code.

The Executive Secretary shall have the right at all times to examine all records of every producer of poultry equipment, whenever such inspection is necessary for the adequate administration and enforcement of the provisions of this Code. It is definitely agreed that any such information obtained by such inspection shall be of a strictly confidential nature, except insofar as disclosure of the facts so obtained may be necessary to the just administration of this Code.

ARTICLE V—HOURS OF LABOR

We agree that on and after the effective date hereof, employers in the Poultry Equipment industry shall not operate on a schedule of hours of labor for their employees excepting executives and their assistants, and salesmen, in excess of forty (40) hours per week, averaged over a six months' period.

(a) However, there shall be no restrictions on the number of hours which may be worked during any one day or during any one week provided the average of forty (40) hours per week over a six months' period is not exceeded.

(b) The above, however, is not to apply to hours of labor for repairshop crews, engineers, electricians, firemen, office sales, and supervisory staff, shipping, watching, and outside crews.

ARTICLE VI—WAGES

We agree that on and after the effective date hereof, the minimum wage which shall be paid by employers in the Poultry Equipment Industry to any of their employees shall be as follows: Adult male labor, 30¢ per hour; female and minor labor, 25¢ per hour.

(a) It is understood that learners shall be exempted from the provisions of this section for a period of twelve weeks from the date of their employment.

(b) It is further understood that each manufacturer shall have the privilege of exempting from the provisions of this section a certain number of so-called "pensioner employees"; namely, employees who by reason of age or physical disability are not capable of performing a full day's work but whom it is desired to retain because of their long connection with the business. Such employees shall be reported separately in the making of necessary current labor reports to the Administrator.

We further agree that the above rates may be revised from time to time in such manner as will currently reflect on equitable adjustments to variations in the cost of living; such adjustments to be subject to the approval of the President of the United States. We further agree not to employ any minor under the age of 16 years.

ARTICLE VII—SELLING PRICES

It shall be an unfair method of competition for any producer of poultry equipment to sell his product below his cost, plus a reasonable profit.

Cost to be interpreted as follows:

(a) Cost or market price, whichever is lower, of all materials used.

(b) Cost of all normal direct labor including laying out, fabricating, assembling, riveting, soldering, welding, finishing, testing, etc.

(c) Fixed expense or overhead covers items including salaries of Administrative and Executive Officers (which must be figured commensurate with services performed), clerical help, shipping, credit expense, shop superintendents and maintenance, advertising, sales expense, all discounts and commissions, reasonable depreciation on plant and equipment, obsolescence, and any and all general costs and charges whether specifically enumerated or not.

ARTICLE VIII—TRADE PRACTICE RULES

These trade practice rules as set for the Poultry Equipment Association are identical with the trade practice rules adopted by the Barn Equipment Industry and which were approved by the Federal Trade Commission on July 11, 1929, and amended on September 19, 1930.

GROUP I

Rule 1. *Interference With Contract*.—The wilful interference by any person, firm, corporation, or association, by any means or device, whatever, with any existing contract or order between a seller and purchaser of any product handled by the industry, or the performance of any contractual duty or service connected therewith, such interference being for the purpose or with the effect of dissipating, destroying, or appropriating in whole or in part the patronage, property, or business of another engaged in such industry, is unfair trade practice.

Rule 2. *Misrepresentation*.—The sale or offering for sale of any product of the industry with intent to deceive customers or prospective customers as to the quantity, quality, substance, or size of such product is unfair trade practice.

Rule 3. *Rebates*.—No person in this industry shall make a secret prepayment of transportation charges or permit the payment or allowance of secret rebates, so-called agency allowances, to the purchaser, refunds, credits, or unearned discounts, whether in the form of money or otherwise, or the giving of premiums, or extending to certain purchasers special service or privilege not extended to all purchasers under like terms and conditions. Violation of this rule is an unfair trade practice.

Rule 4. *Price Discrimination*.—Any discrimination in price between purchasers of the same class, excepting discrimination in price on account of the difference in grade or quality of the product sold, is unfair trade practice.

Rule 5. *Defamation of Character*.—The defamation of a competitor by words or acts which call in question his business integrity, his ability to perform his contracts, his credit standing, or misrepresentation of the grade, quality, or reliability of his goods, is condemned as unfair trade practice.

Rule 6. *Excess Allowances*.—The allowance of transportation or trucking charges in excess of the actual or published amount of such charges on products is an unfair trade practice.

Rule 7. *Soliciting Employes*.—The solicitation of the services of salesmen or other employes of other members of the industry without notice to the employer involved is an unfair trade practice.

Rule 8. *Patents, Trade marks, and Trade Names*.—No person in this industry shall imitate the trade marks or trade names of a competitor which results in deception to buyers and consumers, or which may be an invasion of property rights of such competitor.

The circulation of threats of suits for infringement of patent or trade-mark among customers of a competitor, not made in good faith, for the purpose of harassing and intimidating customers, is an unfair trade practice.

GROUP II

RULE 1. *Price Lists*.—In the belief that a uniform method of price quotations will eliminate much existing discrimination between purchasers of the same class and will result in mutual benefits to both the producer and consumer of Poultry Equipment, the Poultry Equipment industry has agreed that all price lists published or distributed by the producers of Poultry Equipment shall list the recommended selling price to the consumer and that no consumer discounts shall be permitted. Any producer of Poultry Equipment making changes in his price list or lists, or contemplating the issuance of new price lists, shall give the association office notice of such change or changes. If the price adjustment is downward, the notice to the Secretary shall be given at least two weeks before date on which new prices are to become effective. A member company adjusting prices either upward or downward shall not advise his selling organization of such change until after the Secretary has been so notified.

On courtesy business interchanged between manufacturers or on items which are special and not listed by any member of the association quotations shall be made on the basis of manufacturing cost as defined in Article 7, including normal cost of material, labor, and overhead, plus a reasonable profit. On jobbed items quotations shall be made on the basis of resale price fixed by the manufacturer thereof. Manufacturers in this association shall publish a published price list or price lists showing the prices for various sizes, grades, and quantities of their products.

Any violation of this plan by any producer of Poultry Equipment is unfair competition.

Rule 2. Dealer Discounts.—Definition: The term “dealer” for the purpose of this Code shall be defined as one operating a place of business, carrying a stock of goods, selling at retail and for the purposes of this Code shall be further limited to those dealers who handle lines kindred to Poultry Equipment, as for example, farm implements, hardware; also general stores carrying hardware; hatcheries, and feed or seed stores; and shall exclude retail dealers handling lines entirely foreign to the Poultry Equipment industry who have not in the past handled Poultry Equipment as a line. Inasmuch as the prevailing discounts on the various items of poultry equipment range from 10 to 33 $\frac{1}{3}$ percent, it shall be unfair competition for any producer of Poultry Equipment to allow a discount of more than 33 $\frac{1}{3}$ % off consumer price list to a dealer who stocks the product of such producer. The Executive Secretary of the Poultry Equipment Association shall be the sole judge as to whether a dealer can be qualified as such.

Rule 3. Jobber Discounts.—Definition of Jobber: The industry hereby records its approval of the definition of a qualified wholesale distributor to be one whose principal business is selling to the retail distributor, carries a well selected stock of merchandise, buys in suitable quantities, warehouses a reserve stock for retailers within a radius of economical distribution and convenience of service, resells in proper units to the retailer as economically as possible, assumes the credit risk, and such other obligations as are incident to the transportation, warehousing and distribution of the products of the industry.

It shall be unfair competition for any producer of Poultry Equipment to allow a discount to a jobber or a national distributor of Poultry Equipment greater than 25% from the dealer price list.

Rule 4. Terms.—Payment of all invoices covering sales to jobbers and dealers shall be not to exceed a 1% discount to jobbers and a 2 percent discount for retailers from the net amount of the invoice for cash in ten days. No discount permitted on transportation charges or allowances. (In cases where it is deemed advisable 10th prox. may be considered 10 days.) On future orders in reasonable quantities written previous to January 1st and calling for shipment at producer's convenience before January 1st, terms may be not to exceed 1% discount for jobbers and 2% for retailers for cash March 10th, April 1st net with prepayment discount of 6% per annum. On future orders in reasonable quantities of fall goods calling for shipment at producer's convenience prior to August 1st, terms may be not to exceed 1% to jobbers and 2% to retailers for cash October 10th, November 1st net, with 6% per annum for prepayment. These terms on future orders are recognized by the members of this association as desirable to enable them to manufacture and ship merchandise during the months in which the industry ordinarily would be shut down, thus equalizing employment in the industry throughout the year. A retailer may receive a 3% discount for cash with order.

Rule 5. Freight Allowances and F.O.B. Points.—All merchandise is to be shipped F.O.B. point of origin with the privilege of equalizing the freight with the nearest competitive shipping point.

RULE 6. *Uniform Guarantee.*—Members of the Poultry Equipment Association may give to customers thereof a uniform guarantee or warranty as follows: "We guarantee this merchandise to be free from defective workmanship or material for a period of one year from sale thereof and agree to replace or repair at our option without charge, any merchandise sold under this arrangement within the time limits prescribed herewith F.O.B. factory and without allowance for repair and other liability therein."

RULE 7. *Steel Mills.*—"Any steel mill or manufacturer of any raw material which fabricates articles of merchandise designated in this Code shall be subject to this Code in every particular, and it shall be Unfair Competition for such mill or manufacturer to figure in the cost of such articles of merchandise any materials of their own manufacture at other than the published resale prices of such materials when sold in carload lots or other maximum quantities purchased by the average manufacturer.

Above shall also apply to such merchandising outlet as manufacture their own goods or have same made through subsidiary companies.

Rule 8. *Distressed Merchandise.*—Fourteen days before offering for sale, each manufacturer will submit to the Executive Secretary for his approval lists of obsolete, rebuilt, repossessed, excess inventory, and reclaimed merchandise giving number of units, age, condition, consumer list price, and the price for which it will be sold and such merchandise must always be quoted in writing, and when sold to the trade it must be specified on the order blank as rebuilt, reclaimed, or returned merchandise.

PRODUCTION RESTRICTION

We agree that, because existing productive capacity far exceeds the normal demand, not to increase our productive capacity for a period of 12 months from the effective date of this Code, excepting as it may be normally increased through the substitution of new for existing equipment, or through more efficient methods of manufacture.

In view of the foregoing agreement we specifically ask that the Administrator establish a rule which will make it necessary for any concern desiring to undertake the manufacture of Poultry equipment to show a necessity for such increase in productive capacity, or that the product he intends to manufacture will better serve the public interest than the Poultry equipment now available.

NEW RULES

In submitting above trade practice rules for approval, the Poultry Equipment Association desires to be given the privilege of offering for approval in the future such additional rules as experience may prove desirable, or to amend or withdraw old rules which prove unworkable.

Respectfully submitted for the Poultry Equipment Industry.

EXECUTIVE COMMITTEE OF
POULTRY EQUIPMENT ASSOCIATION,
_____, Chairman.

Dated at _____, _____, the _____ day of _____,
1933.

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UNIVERSITY OF FLORIDA



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