

NATIONAL RECOVERY ADMINISTRATION

PROPOSED CODE OF FAIR COMPETITION

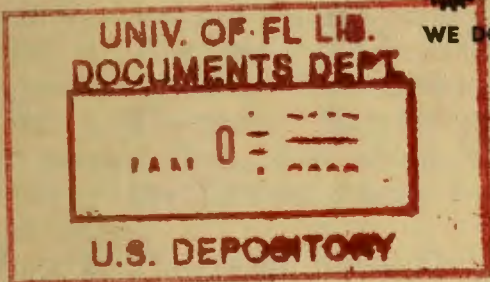
FOR THE

PLAIN WASHER INDUSTRY

AS SUBMITTED ON SEPTEMBER 2, 1933

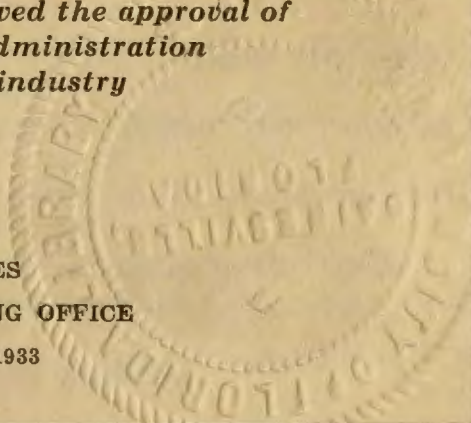


WE DO OUR PART



The Code for the Plain Washer 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



PROPOSED CODE OF FAIR COMPETITION OF THE PLAIN WASHER INDUSTRY

ARTICLE I—DEFINITIONS

Wherever used in this Code the terms hereinafter in this Article defined shall, unless the context shall otherwise clearly indicate, have the respective meanings hereinafter set forth. The definition of any such term in the singular shall apply to the use of such term in the plural and vice versa.

SECTION 1. The term "the United States" means and includes all of the territory of the United States of America on the North American continent.

SEC. 2. The term "the President" means the President of the United States of America.

SEC. 3. The term "Plain Washer" means and includes any stamped part having a hole or slot therein for the purpose of fitting over a screw, bolt, or rivet and such other parts as are commonly known as "washers." The term also includes related products or by-products such as round blanks, tool checks, etc. The term does not include lock washers, cast iron or malleable iron washers, or any other washers not made by the stamping process.

SEC. 4. The term "the Industry" means and includes the business of producing in the United States and selling plain washers.

SEC. 5. The term "Member of the Industry" means and includes any person, firm, association, or corporation operating a plant or plants in the United States for the production and sale of plain washers.

SEC. 6. The term "the Code" means and includes this Code as originally approved by the President and all amendments hereof and thereof made as hereinafter in Article XII provided.

SEC. 7. Except as otherwise required by the provisions of Section 4 of Article XI of the Code, the term "member of the Code" means any member of the Industry who shall have become a member of the Code as hereinafter in Section 3 of Article III provided.

SEC. 8. The term "the Association" means the Plain Washer Manufacturers Association.

SEC. 9. The term "the Association President" means the President of the Association at the time in office.

SEC. 10. The term "the Secretary-Treasurer" means the Secretary of the Association at the time in office.

SEC. 11. The term "unfair practice" means and includes any act described as an unfair practice in Article VIII.

SEC. 12. Wherever used in the Code with reference to the Industry or any member of the Industry or any member of the Code, unless the context shall otherwise clearly indicate,

(a) The term "products" includes plain washers;

(b) The term "Plant" means a plant for the production of one or more products in the Industry or a plant partially devoted to the production of one or more products in the industry;

(c) The term "prices" includes only prices for products produced in the Industry;

(d) The term "wages" includes only wages for labor performed in the Industry;

(e) The term "labor" means only labor performed in the Industry;

(f) The term "hours of labor" or "hours of work" includes only hours of labor or hours of work in the Industry; and

(g) The term "employee" means only an employee in the Industry.

SEC. 14. (a) The term "date of invoice" means the date of the invoice of any product.

(b) The term "discount for early payment" means the amount of the deduction allowed for the payment of an invoice of products before the expiration of ten days from the date of said invoice, except where a custom has been established in the case of a particular customer over a period of years for some other period than ten days from date of invoice, such as tenth prox, the term "discount for early payment" shall mean the deduction allowed for the payment of an invoice of products before the expiration of said period established by custom; provided, however, that in no case will this provision be applied to a new customer.

(c) The term "an affiliated group" means one or more corporations connected through stock ownership with a common parent corporation, if (1) at least 75% of the stock of such corporations (except such common parent corporation) is owned directly by one or more of the other corporations, and (2) such common parent corporation owns directly at least 75% of the stock of at least one of the other corporations. The term "an affiliated company of a member of the Code" means (1) a corporation which is one of an affiliated group that also includes such member of the Code, or (2), in case the member of the Code is a person, firm or association, a corporation at least 75% of the stock of which is owned by such member. For the purposes of this paragraph the term "stock" does not include nonvoting stock which is limited and preferred as to dividends.

ARTICLE II—PURPOSE OF THE CODE

SECTION 1. The Code is adopted pursuant to Title I of the National Industrial Recovery Act.

SEC. 2. The purpose of the Code is to effectuate the policy of Title I of the National Industrial Recovery Act in so far as it is applicable to the Industry.

ARTICLE III—MEMBERSHIP IN THE CODE

SECTION 1. It is of the essence of the Code that all members of the Industry which shall comply with the provisions of the Code shall be entitled to participate in its benefits upon the terms and conditions set forth in the Code.

SEC. 2. Any member of the Industry is eligible for membership in the Code.

SEC. 3. Any member of the Industry desiring to become a member of the Code may do so by signing and delivering to the Association President a statement accepting the Code and agreeing to abide by its provisions.

SEC. 4. The rules and regulations in respect to meetings of members of the Code are as follows:

(a) A meeting of members of the Code may be called and held at any time by members of the Code having the right to cast at least 50% of all the votes that might be cast at such meeting, if all the members of the Code were present thereat, on not less than three days' notice to each of such members stating the time and place of such meeting and the purposes thereof.

(b) At each meeting of the members of the Code each member thereof shall have as many votes as shall equal the quotient obtained by dividing by 10,000 the aggregate amount in dollars of the invoiced value of the products delivered by such member for consumption within the United States during the preceding calendar year. Fractions in such quotient shall be disregarded; provided, however, that each member of the Code shall have at least one vote. All questions as to the number of votes which each member of the Code shall be entitled to cast at any meeting of the members thereof shall be determined by the Secretary-Treasurer. Any person or firm who shall be a member of the Code may, and any association or corporation which shall be a member of the Code may vote at meetings of the members of the Code by proxy in writing duly executed by such member and filed with the Secretary-Treasurer. Any such proxy may be for a specified meeting or be a general proxy for any or all meetings that may be held until such proxy shall have been revoked by an instrument in writing duly executed by the member of the Code which gave such proxy and filed with the Secretary-Treasurer.

ARTICLE IV—HOURS OF LABOR, RATES OF PAY, AND OTHER CONDITIONS OF EMPLOYMENT

SECTION 1. Pursuant to subsection (a) of Section 7 of the National Industrial Recovery Act, and so long as the Code shall be in effect, the Code shall be subject to the following conditions:

(a) That employees 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-organization or in other concerted activities for the purpose of collective bargaining or other mutual aid or protection;

(b) That no employee and no one seeking employment shall be required as a condition of employment to join any company union or to refrain from joining, organizing, or assisting a labor organization of his own choosing; and

(c) That employers shall comply with the maximum hours of labor, minimum rates of pay, and other conditions of employment approved or prescribed by the President.

SEC. 2. It is clearly understood that the foregoing paragraph does not impair in any particular the constitutional rights of the employees and employer to bargain individually or collectively as may be mutually satisfactory to them. The selection, retention, and advancement of employees shall be on the basis of their individual merit, without regard to their affiliation or nonaffiliation with any labor organization.

SEC. 3. It is further understood that collective bargaining will be permitted by the employee only in connection with minimum pay, maximum hours, and working conditions.

SEC. 4. On and after the effective date employers shall not operate on a schedule of hours of labor in excess of 40 hours per week per employee: Provided, however, that these limitations shall not apply to branches of this industry in which seasonal or peak demand or breakdown places an unusual and temporary burden upon such branches; in such cases such number of hours may be worked as are required by the necessity of the situation;

Providing further, that in no case shall the hours worked in any one week exceed 48 hours; and

Providing further, that the number of hours of overtime worked in any six (6) months' period shall not exceed 32 hours; and

Providing further, that nothing in the foregoing employment provisions shall apply to executive, administrative, supervisory, emergency, repair employees, and outside sales and service men.

It is understood, however, that old and partially disabled employees and watchmen are not included in the above labor provisions, except that they shall in no case be paid less than 80% of the above minimum, and provided that the total of such employees shall not exceed two (2) percent of the total number of employees.

SEC. 5. None of the Members of the Code shall employ in or about its plants in the Industry any person under 16 years of age.

SEC. 6. On and after the effective date, the minimum wage that shall be paid by any employer to any employee engaged in the processing of products of the Industry and any labor incident thereto, shall be 35¢ per hour for males, and 30¢ an hour for females, unless the hourly rate for the same class of work on July 15, 1929, was less than the above specified minimums, in which latter case not to pay less than the hourly rate on July 15, 1929, and in no event less than 30¢ per hour for males, and 25¢ per hour for females, and provided further that learners and apprentices may be paid not less than 80% of the above minimum wages for a period of not to exceed three (3) months; but the total number of such learners and apprentices shall not exceed 5% of the total number employed by any such employer in any calendar month.

The above minimum wage shall not in any way be considered as a discrimination by reason of sex, and where in any case females do substantially the same work, or perform substantially the same duties as men, they shall receive the same amount of wages as men receive for doing such work or performing such duties.

On and after the effective date, the minimum wage that shall be paid by any employer to all other employees except commission sales people, shall be not less than at the rate of \$15.00 per week in any city of over 500,000 population, or in the immediate trade area of such city; nor less than at the rate of \$14.50 per week in

any city of between 250,000 and 500,000 population, or in the immediate trade area of such city; nor less than at the rate of \$14.00 per week in any city of between 2,500 and 250,000 population, or in the immediate trade area of such city; and in towns of less than 2,500 population, to increase all wages by not less than 20%, provided that this shall not require wages in excess of at the rate of \$12.00 per week.

Such rates of pay shall not, however, be understood to be the maximum rates of pay, but, until changed as aforesaid, none of the members of the Code shall be required to pay its common laborers in the Industry a rate of pay higher than the rate specified, except as such member shall have agreed to pay such higher rate in any agreement heretofore or hereafter made by such member with its employees.

In the case of employees (not including apprentices and learners) performing work for which they are paid per piece of work performed, the minimum rate of pay which each member of the Code shall pay for such work shall be sufficient to produce at the average rate of performance of such work at the time prevailing at the plant of such member where such work is performed the minimum rate of pay per hour provided in the Code for common labor.

ARTICLE V—PRODUCTION AND NEW CAPACITY

SECTION 1. It is the consensus of opinion in the Industry that it is not necessary, in order to effectuate the policy of Title I of the National Industrial Recovery Act, to make any specific provision in the Code for controlling or regulating the volume of production in the Industry or for allocating production or sales among its members. It is believed that the elimination of unfair practices in the Industry will automatically eliminate any overproduction therein and any alleged inequities in the distribution of production and sales among its members.

ARTICLE VI—ADMINISTRATION OF THE CODE

SECTION 1. The administration of the Code shall be under the direction of the Code Committee. The Code Committee shall have all the powers and duties conferred upon it by the Code and generally all such other powers and duties as shall be necessary or proper to enable it fully to administer the Code and to effectuate its purpose.

SEC. 2. The Secretary-Treasurer shall act as Secretary Treasurer under the Code and, under the direction of the Code Committee, he shall have custody of, and have charge of the disposition of, all funds collected under the Code; and he shall keep proper books of account showing the collection and disposition thereof.

SEC. 3. The expenses of administering the Code shall be borne by the members thereof. The Code Committee may from time to time make such assessments on account of such expenses against the members of the Code as are necessary and such assessments shall be payable as such Committee shall specify. The part of such expenses which shall be assessed against each member of the Code shall bear the same relation to the total thereof as the number of votes which,

pursuant to the provisions of the Code, such member might cast at a meeting of the members thereof held at the time of any such assessment shall bear to the total number of votes that might be cast thereat by all the then members of the Code. Failure of any member of the Code to pay the amount of any assessment against such member for a period of thirty days after the date on which it became payable shall constitute a violation of the Code.

SEC. 4. The Code Committee may from time to time appoint such further committees as it may deem necessary or proper in order to effectuate the purpose of the Code, and it may delegate to any such committee generally or in particular instances such of the powers and duties of the Code Committee under the Code as such Committee shall deem necessary or proper in order to effectuate such purpose. Any member of any such committee may be a member of the Code Committee or an officer or a director of a member of the Code or a person not having any industrial connection with any member of the Code or with the Industry as the Code Committee shall deem proper.

ARTICLE VII—PRICES AND TERMS OF PAYMENT

SECTION 1. Each member of the Code shall, within ten days after the effective date of the Code, file with the Secretary-Treasurer a list of discounts for its standard washers, and from and after the expiration of such ten days such member shall at all times maintain on file with the Secretary-Treasurer a list showing the discounts for its standard washers and shall not make any changes in such discounts except as hereinafter provided. Each such list shall state the date upon which it shall become effective, which date shall be not less than ten days after the date of filing such list with the Secretary-Treasurer; provided, however, that the first list of discounts filed by any member of the Code as above provided shall take effect on the day of filing thereof. None of the discounts shown in any list filed by any member of the Code as herein provided shall be changed except by the filing by such member with the Secretary-Treasurer of a new list of its discounts, which shall become effective on the effective date therein specified which shall not be less than ten days after the date on which such new price list shall have been so filed.

SEC. 2. All prices quoted and billed by any member of the Code for any product sold by such member from and after ten days after the effective date of the Code shall be delivered prices.

Nothing in this Code shall affect existing contracts during the remainder of the life of such contract.

SEC. 3. On the complaint of any three members of the Code the Code Committee shall have the power to investigate any discount or any product shown in any list filed with the Secretary-Treasurer by any member of the Code, where it is suspected that such member is selling any product below the actual manufacturing cost. For the purpose of the investigation thereof the Code Committee may require such member to furnish such information concerning the cost of manufacturing such product as the Code Committee shall deem necessary or proper for such purposes. If the Code Committee after such investigation shall determine that such discount created an unfair price for such product, having regard to the cost of manufac-

turing such product, and that the maintenance of such unfair discount may result in unfair competition in the Industry, the Code Committee may require the member of the Code that filed the list in which such unfair discount is shown to file a new list showing a fair discount for such product, which fair discount shall become effective immediately upon the filing of such list. If such member of the Code shall not within ten days after notice to it of such determination by the Code Committee file a new list showing such fair discount for such product the Code Committee shall have power to fix a fair discount for such product, which fair discount, however, shall not be more than the discount of any other member of the Code at that time effective for such product and in respect of which a Code Committee shall not theretofore have begun an investigation or a complaint shall not have been made by any member of the Code. When the decision of such Code Committee fixing such discount shall have been filed with the Secretary-Treasurer and the Secretary-Treasurer shall have given notice thereof to such member, such fair discount shall be the discount of such member for such product until it shall have been changed as in the Code provided.

SEC. 4. The maximum rates of discount for early payment which may be allowed by any member of the Code shall be one percent and the standard terms may be allowed by any member of the Code shall be thirty days. Nothing in the Code contained shall prevent any member of the Code from allowing credit to any purchaser or allowing any purchaser to delay payment in respect of any invoice for a longer period than the standard terms.

SEC. 5. Any extras added to, and any deductions made from, the list price for any product sold by any member of the Code in determining its quoted or billed price for such product shall be uniform for all members of the Code. In case any member of the Code shall sell any product to which any such rate of extra or deduction shall apply, such member shall add an extra at a rate which will not be less than the rate of extra applicable to such product as aforesaid and at the time in effect and none of the members of the Code shall make any deductions at a rate that shall be more favorable to the purchaser of such product than the rate of deduction applicable to such product theretofore approved by the members and at the time in effect; provided, however, that nothing in the Code contained shall be so construed as to prevent any member of the Code from selling or contracting to sell any product for use by the purchaser thereof in the manufacture of articles for shipment in export trade within the meaning of the term "export trade" as it is used in the Export Trade Act under an agreement by such member of the Code with such purchaser that, when such articles shall have been shipped in such export trade, such member of the Code shall make an allowance at a rate which shall be such to enable such member of the Code or such purchaser to meet foreign competition in the delivery of such product or such articles, as the case may be.

SEC. 6. A sale made by any member of the Code indirectly through any affiliated company of such member shall be deemed to be a sale made by such member.

SEC. 7. Nothing in the Code contained shall be deemed to apply to or affect the sale of any product for direct shipment in export trade by any member of the Code within the meaning of the term

“export trade” as it is used in the Export Trade Act, or, unless and to the extent that the Code Committee shall otherwise determine, the sale of any product by any such member for direct shipment to the Philippines, Hawaii, or Puerto Rico, or other insular possessions of the United States of America.

ARTICLE VIII—UNFAIR PRACTICES

SECTION 1. For all purposes of the Code the acts described below together with other acts specifically mentioned in the Code shall constitute unfair practices. Such unfair practices shall be deemed to be unfair methods of competition commerce within the meaning of the Federal Trade Commission Act as amended, and the using or employing of any of them shall be deemed to be a violation of the Code, and any member of the Industry which shall directly, or indirectly through any officer, employee, agent, or representative, knowingly use or employ any of such unfair practices shall be guilty of a violation of the Code.

(a) Making or promising to any purchaser or prospective purchaser of any product, or to any officer, employee, agent, or representative of any such purchaser or prospective purchaser, any bribe, gratuity, gift, or other payment or remuneration, directly or indirectly.

(b) Procuring, otherwise than with the consent of any member of the Code, any information concerning the business of such member which is properly regarded by it as a trade secret or confidential within its organization, other than information relating to a violation of any provision of the Code.

(c) Imitating or simulating any design, style, mark, or brand used by any other member of the Code.

(d) Using or substituting any material superior in quality to that specified by the purchaser of any product or using or substituting any material or any method of manufacture not in accord with any applicable law, rule, or regulation of any governmental authority.

(e) Cancelling in whole or in part, or permitting the cancellation in whole or in part of any contract of sale of any product, except for a fair consideration, or paying or allowing to any purchaser in connection with the sale of any product any rebate, commission, credit, discount, adjustment, or similar concession other than as is permitted by the Code and specified in the contract of sale.

(f) Disseminating, publishing, or circulating any false or misleading information relative to any product or price for any product of any member of the Code, or the credit standing or ability of any member thereof to perform any work or manufacture or produce any product, or to the conditions of employment among the employees of any member thereof.

(g) Inducing or attempting to induce by any means any party to a contract with a member of the Code to violate such contract.

(h) Aiding or abetting any person, firm, association, or corporation in any unfair practice.

(i) Making or giving to any purchaser of any product any guaranty or protection in any form against decline in the market price of such product.

(j) Stating in the invoice of any product as the date thereof a date later than the date of the shipment of such product, or including in any invoice any product shipped on a date earlier than the date of such invoice.

(k) Making any sale or contract of sale of any product under any description which does not fully describe such product in terms customarily used in the Industry.

(l) Rendering to any purchaser of any product in or in connection with the sale of such product any service, unless fair compensation for such service shall be paid by such purchaser.

(m) Any violation of any provision of the Code, whether or not therein expressed to be such, or using or employing any practice not herein described which the members by the affirmative vote of three fourths shall have declared to be a practice that would tend to defeat the policy of Title I of the National Industrial Recovery Act and, therefore, an unfair practice, and of which determination by such members the Association President shall have given notice to the members of the Code and to the President.

(n) Making a contract to sell products to a purchaser which is not as equally binding upon the purchaser as upon the seller. Within the meaning of this provision, a contract to sell made by any member of the Code with a purchaser will constitute an unfair practice unless the contract binds the purchaser:

(1) To a definite quantity of product within a given time.

(2) All the requirements of the purchaser for a specified product within a given time.

ARTICLE IX—REPORTS AND STATISTICS

The Code Committee shall require the members of the Code from time to time to furnish such information as shall be necessary for determining assessments and the number of votes each member is entitled to. Such information is to be held strictly confidential; and no publication thereof to anyone or in any manner shall be made other than in combination with similar information furnished by other members of the Code, in which case the publication shall be made only in such manner as will avoid the disclosing separately of such confidential information.

ARTICLE X—PENALTIES AND DAMAGES

SECTION 1. It is hereby agreed by and among all members of the Code that each member of the Code which shall violate any provision of the Code shall pay the Secretary-Treasurer as and for liquidated damages a sum of \$50 per hundredweight for any product sold by such member in violation of any such provision.

SEC. 2. Except in cases for which liquidated damages are fixed in the Code and in cases which shall give rise to actions in tort in favor of one or more members of the Code for damages suffered by it or them, the Code Committee shall have the power from time to time to establish the amount of liquidated damages payable by any member of the Code upon the commission by such member of any act constituting an unfair practice under the Code. Upon the commission by any member of the Code of any act constituting an

unfair practice under the Code and for which liquidated damages are not fixed in the Code or which does not give rise to an action in tort in favor of one or more members of the Code for damages suffered by it or them, such members shall be liable to pay to the Secretary-Treasurer, liquidated damages in the amount at the time established by the Code Committee for such unfair practice.

SEC. 3. All amounts so paid to or collected by the Secretary-Treasurer under this Article X or under Section 4 of Schedule F of the Code shall be held and disposed of by him as part of the funds collected under the Code and each member of the Code not guilty of the unfair practice in respect of which any such amount shall have been paid or collected shall be credited with its pro rata of such amount on account of any and all assessments (other than damages for violation of any provision of the Code) due or to become due from such member under the Code, such pro rata share to be computed on the same basis as the last previous assessment made against such member on account of the expenses of administering the Code as hereinbefore in Section 5 provided. All rights of any person who shall at any time be the Secretary-Treasurer in respect of any amounts which shall be payable to him because of the commission by any member of the Code of any act constituting an unfair practice under the Code, whether payable under the provisions of this Article X or under any other provision of the Code, shall pass to and become vested in his successor in office upon the appointment of such successor.

SEC. 4. Each member of the Code by becoming such member agrees with every other member thereof that the Code constitutes a valid and binding contract by and among all members of the Code and that, in addition to all penalties and liabilities imposed by statute, any violation of any provision of the Code by any member thereof shall constitute a breach of such contract and shall subject the member guilty of such violation to liability for liquidated damages pursuant to the provisions of the Code. Each member of the Code by becoming such member thereby assigns, transfers, and delivers to the Secretary-Treasurer as an individual and not as Secretary-Treasurer of the Association, in trust, all rights and causes of action whatsoever which shall thereafter accrue to such member under the Code for such liquidated damages by reason of any violation of the Code by any other member thereof, and thereby designates and appoints, the Secretary-Treasurer as such individual the true and lawful attorney-in-fact of such member to demand, sue for, collect, and receipt for any and all amounts which shall be owing to such member in respect of any such right or cause of action, and to compromise, settle, satisfy, and discharge any such right or cause of action, all in the name of such member or in the name of the Secretary-Treasurer individually, as he shall elect.

SEC. 5. Anything in the Code to the contrary notwithstanding, the Code Committee by the affirmative vote of two thirds of its members may waive any liability for liquidated damages imposed by or pursuant to any provision of the Code for any violation of any provision thereof, if in its discretion it shall decide that such violation was innocently made and that the collection of such damages will not to any material extent tend to effectuate the policy of Title I of the National Industrial Recovery Act.

ARTICLE XI—GENERAL PROVISIONS

SECTION 1. Any notice, demand, or request required or permitted to be given to or made upon any member of the Code shall be sufficiently given if mailed postage prepaid addressed to such member at the address of such member on file with the Secretary-Treasurer. A waiver in writing signed by any member of the Code of any such notice, demand, or request and delivered to the Secretary-Treasurer shall be deemed to be the equivalent of a notice, demand, or request duly given or made, whether or not such waiver was signed and delivered before the time when such notice, demand, or request was required or permitted to be given or made.

SEC. 2. Nothing contained in the Code shall be deemed to constitute the members of the Code partners for any purpose. None of the members of the Code shall be liable in any manner to anyone for any act of any other member of the Code or for any act of the Code Committee, Association President, or the Secretary-Treasurer, or any committee, officer, or employee appointed under the Code. None of the members of the Code Committee or of any committee appointed under the Code, nor the Association President, nor the Secretary-Treasurer, nor any officer or employee appointed under the Code shall be liable to anyone for any action or omission to act under the Code, except for his wilful misfeasance or nonfeasance. Nothing contained in the Code shall be deemed to confer upon anyone other than a member of the Code any right, claim, or demand whatsoever against any member of the Code or against any member of the Code Committee or of any committee appointed under the Code or against the Association President or the Secretary-Treasurer or any officer or employee appointed under the Code.

SEC. 3. As soon as members of the Industry which would, if then members of the Code, have the right to cast at least 75% of all the votes that might be cast at a meeting of the members of the Code, if all members of the Industry were then members of the Code and present at such meeting, shall approve of the Code, the Code shall be submitted to the President pursuant to the provisions of Title I of the National Industrial Recovery Act, and upon the approval of the Code by the President, pursuant to the provisions of such Title I, it shall constitute a binding contract by and among the members of the Code, and the provisions thereof shall be the standards of fair competition for the Industry; subject, however, to amendment or termination as hereinafter in Article XII provided.

SEC. 4. To the extent required or permitted by or under the provisions of Title I of the National Industrial Recovery Act the provisions of the Code shall apply to and be binding upon every member of the Industry, whether or not such member shall be a member of the Code. To the extent that it shall be necessary or proper in order to effectuate the purpose of the Code, the term "member of the Code", wherever used in the Code, shall be deemed to mean a member of the Industry, but no member of the Industry which shall not also be a member of the Code shall be entitled to vote at any meeting of members of the Code or to any other right, power, or privilege provided in the Code for the members thereof.

SEC. 5. The Code Committee shall have power from time to time to interpret and construe the provisions of the Code, including but

without any limitation upon the foregoing, the power to determine what are products within the meaning of that term as it is used in the Code. Any interpretation or construction placed upon the Code by the Code Committee shall be final and conclusive upon all members of the Code.

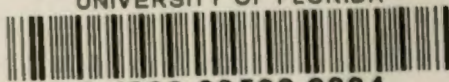
SEC. 6. Pursuant to subsection (b) of Section 10 of the National Industrial Recovery Act, the President may from time to time cancel or modify any order, approval, license, rule, or regulation issued under Title I of said Act.

ARTICLE XII—AMENDMENTS—TERMINATION

The Code may be amended at any time in the manner hereinafter provided. Any amendment may be proposed by two members of the Code. Each amendment so proposed shall be submitted to a meeting of the members of the Code which shall be called for such purpose upon notice given in accordance with the provisions of Section 4 (a) of Article III and Section 1 of Article XI of the Code. If at such meeting members of the Code having the right to cast at least 75% of all the votes that might be cast at such meeting, if all the members of the Code were present thereat, shall vote in favor of the adoption of such amendment, such amendment shall be submitted to the President for approval, if approval thereof by him shall then be required by law. Every such amendment shall take effect as a part of the Code upon the adoption thereof by the members of the Code as above provided and the approval thereof by the President, if approval thereof by him shall be required as aforesaid.

The Code shall continue in effect until September 16, 1935, or until the President declares by proclamation that the emergencies appointed no longer exist as provided for in Title I of the National Industrial Recovery Act, in which case it shall continue in effect for a period of 90 days after the effective date of such proclamation or unless Title I of the National Industrial Recovery Act shall be repealed, declared invalid, unconstitutional or in any other way become inoperative in law, in which case the Code shall continue in effect for a period of 90 days after the date of such termination; provided, however, that if the Industry feels that the Code is of mutual benefit the Code may be continued beyond the termination dates above provided by the affirmative vote of 75% of the members of the Code. It may be terminated at any time after the expiration of such a period by the same action by members of the Code as is above provided for the amendment thereof. When so terminated in any manner all obligations and liabilities under the Code shall cease, except those for unpaid assessments theretofore made in accordance with the provisions of the Code and those for liquidated damages theretofore accrued under any provision of the Code.

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