

NATIONAL RECOVERY ADMINISTRATION

CODE OF FAIR COMPETITION

FOR THE

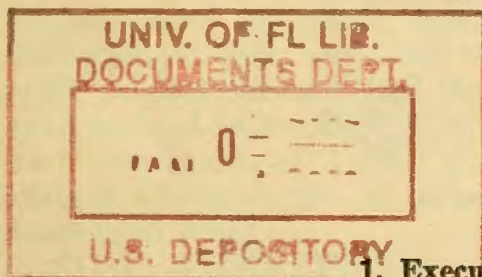
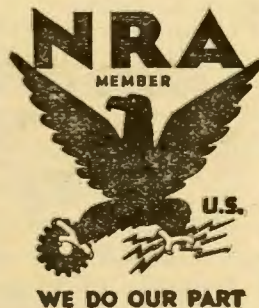
WATCH CASE

MANUFACTURING INDUSTRY

AS APPROVED ON DECEMBER 23, 1933

BY

PRESIDENT ROOSEVELT



1. Executive Order
2. Letter of Transmittal
3. Code

UNITED STATES
GOVERNMENT PRINTING OFFICE
WASHINGTON : 1933

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.: 2213 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.: 933 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 Building.

Approved Code No. 178

CODE OF FAIR COMPETITION

FOR THE

WATCH CASE MANUFACTURING INDUSTRY

As Approved on December 23, 1933

BY

PRESIDENT ROOSEVELT

Executive Order

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, for my approval of a Code of Fair Competition for the Watch Case Manufacturing Industry, and hearings having been held thereon and the Administrator having rendered his report containing an analysis of the said code of fair competition, together with his recommendations and findings with respect thereto, and the Administrator having found that the said code of fair competition complies in all respects with the pertinent provisions of Title I of said Act and that the requirements of clauses (1) and (2) of subsection (a) of section 3 of the said Act have been met:

NOW, THEREFORE, I, Franklin D. Roosevelt, President of the United States, pursuant to the authority vested in me by Title I of the National Industrial Recovery Act, approved June 16, 1933, and otherwise, do adopt and approve the report, recommendations, and findings of the Administrator and do order that the said code of fair competition be and is hereby approved.

FRANKLIN D. ROOSEVELT.

Approval recommended:

HUGH S. JOHNSON,
Administrator.

THE WHITE HOUSE,
December 23, 1933.

DECEMBER 18, 1933.

The PRESIDENT,
The White House.

SIR: A Public Hearing on the Code of Fair Competition for the Watch Case Manufacturing Industry of the United States, submitted by the National Watch Case Manufacturers Association, 20 West 47th Street, New York City, was conducted in Washington on the 29th of September 1933 in accordance with the provisions of the National Industrial Recovery Act. The Association claims to represent approximately 79 percent of the industry.

The maximum hours established in this code are forty (40) per week, with a provision for peak demand periods of 96 hours per year in excess of the maximum, provided time and one third is paid for all hours per week over forty (40).

The establishment of a 40-hour week by the code will not reabsorb any of the unemployed in this industry, numbering approximately 2,250 workers. The amount of production as well as the number of workers employed in this industry has steadily fallen since 1923, with the result that where 4,325 workers were employed in 1923, only 1,150 were employed in the industry during the first six months of 1933.

In order to reemploy the workers who have become detached from the industry since 1923 it would be necessary to establish an eleven-hour week, assuming that production will be maintained as of April 1933.

The average for all factory employees in this industry in 1929 was 55.5 hours per week. In April 1932 average hours had dropped to 29 per week. A slight improvement was registered in April 1933, when the average rose to 32 hours per week.

The minimum wage established in the code is 35¢ per hour, or \$14.00 per week. It is estimated that raising the wages of employees receiving below this minimum (approximately 26 percent of the total) would add about 5 percent to the pay roll of the industry. However, the code also provides that the wages of those employees receiving compensation in excess of the minimum shall be equitably adjusted where practicable, which will undoubtedly increase the pay roll to some extent.

The effect of wage increases on selling prices should not amount to more than three or four percent. However, the increasing price of gold will undoubtedly have a considerable effect on the prices of the products of this industry.

At the Public Hearing all factors were in complete agreement that the present loose stamping standards are woefully inadequate and operate to the distinct and definite disadvantage of the consumer, the employer, and the employee. The Code, therefore, provides standards for the products of this industry which will eliminate these evils and work to the advantage of everyone concerned.

FINDINGS

The Administrator finds that:

(a) The Code as recommended complies in all respects with the pertinent provisions of Title I of the Act, including, without limitation, subsection (a) of Section 7 and subsection (b) of Section 10 thereof; and that

(b) The Watch Case Manufacturers Association, the applicant group herein, imposes no inequitable restrictions on admission to membership and is truly representative of the Watch Case Manufacturing Industry; and that

(c) The Code as recommended is not designed to promote monopolies or to eliminate or oppress small enterprises and will not operate to discriminate against them and will tend to effectuate the policy of Title I of the National Industrial Recovery Act.

The Watch Case Manufacturing Industry has cooperated in a most satisfactory manner with the Administration in the preparation of this Code. From the evidence adduced during this hearing and from recommendations and reports of the various Advisory Boards it is believed that this Code as now proposed and revised represents an effective, practical, equitable solution for this industry, and its approval as herewith submitted is recommended.

Respectfully,

HUGH S. JOHNSON,
Administrator.

CODE OF FAIR COMPETITION
FOR THE
WATCH CASE MANUFACTURING INDUSTRY

ARTICLE I—PURPOSES

To effectuate the policies of Title I of the National Industrial Recovery Act, this code is submitted as a Code of Fair Competition for the Watch Case Manufacturing Industry, and upon approval by the President its provisions shall be the standard of fair competition for such industry and shall be binding upon every member thereof.

ARTICLE II—DEFINITIONS

1. The term "Watch Case Manufacturing Industry" as used herein is defined to mean the manufacture and sale by the manufacturer, of any case, covering, or housing, of any quality or description, for a time-keeping device intended to be worn on or about the person.

2. The term "employee" as used herein shall include all persons employed in any capacity in the conduct of any branch of the watch case manufacturing industry, as defined above, receiving compensation for his services, irrespective of the nature or method of payment of such compensation.

3. The term "employer" as used herein shall include all those who employ labor in the conduct of any branch of the watch case manufacturing industry as defined above, and anyone by whom such employee is compensated or employed.

4. The term "member of the industry" includes anyone engaged in the industry as defined, either as an employer or on his own behalf.

5. The terms "Act" and "Administrator" as used herein shall mean, respectively, Title I of the National Industrial Recovery Act and the Administrator for Industrial Recovery.

ARTICLE III—HOURS

1. No employee shall be permitted to work in excess of forty (40) hours in any one week, or eight (8) hours in any twenty-four (24) hour period, except that due to seasonal peak demand periods, with the approval of the Administrator, an aggregate of ninety-six (96) hours per year in excess of the maximum shall be allowed provided, however, that time and one third shall be paid for all hours per week over forty (40).

2. The maximum hours fixed in the foregoing shall not apply: to executives and employees in managerial capacities who now receive thirty-five dollars (\$35.00) per week or more; nor to outside salesmen; nor to emergency repair crews while engaged in emergency

repair work, involving breakdowns or protection of life and property; provided, however, that emergency repair crews shall be paid one and one half times their normal rate of pay for all hours in excess of forty (40) per week.

ARTICLE IV—WAGES

1. No employee in the Watch Case Manufacturing Industry shall be paid at less than the rate of fourteen dollars (\$14.00) per week of forty (40) hours or thirty-five cents (35¢) per hour.

2. In the case of employees performing work for which they are paid per piece of work performed, the minimum pay which each member of the industry shall pay for such work shall not be less than thirty-five cents (35¢) per hour of labor. This Article establishes a minimum rate of pay, regardless of whether an employee is compensated on time rate, piecework performance, or other basis.

3. It is the policy of the members of this industry to refrain from reducing the weekly rate of compensation of employees whose said rate of compensation is above the minimum rate established in this Article. As far as practicable the rates of compensation for various labor operations which receive more than the minimum shall be equitably adjusted, due account being taken of the number and extent of such downward adjustments as may have been made in any individual case prior to May 1, 1933, as well as of the number and extent of such upward adjustments as may have been made subsequent to that date. Within thirty (30) days each manufacturer shall report to the Administrator through the Code Authority all readjustments of wage rates made in accordance with this section.

4. Female employees performing substantially the same work as male employees shall receive the same rates of pay as male employees.

ARTICLE V—GENERAL LABOR PROVISIONS

1. No person under sixteen (16) years of age shall be employed in the industry, nor anyone under eighteen (18) years of age at operations or occupations which are hazardous in nature or detrimental to health. The Code Authority shall submit to the Administrator before January 1, 1934, a list of such occupations. In any State an employer shall be deemed to have complied with this provision if he shall have on file a certificate or permit duly issued by the authority in such State empowered to issue employment or age certificates or permits, showing that the employee is of the required age.

2. In compliance with Section 7 (a) of the Act, it is provided:

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

3. Within each State this Code shall not supersede any laws of such State imposing more stringent requirements on employers regulating the age of employees, wages, hours of work, or general working conditions than under this Code.

4. Employers shall not reclassify employees or duties of occupations performed by employees so as to defeat the purposes of the Act.

5. Each employer shall post in conspicuous places full copies of this Code.

6. On and after the effective date of this Code all home work shall be prohibited.

7. No employee shall be permitted to work for a total number of hours in excess of the number of hours prescribed, whether he be employed by one or more employers.

8. If any employer in the Watch Case Manufacturing Industry is also an employer of labor in any other industry, the provisions of this Code shall apply to and affect only that part of the business of such employer which is included in the Watch Case Manufacturing Industry.

ARTICLE VI—ADMINISTRATION

To further effectuate the policies of the Act, a Code Authority is hereby established to cooperate with the Administrator in the administration of this Code.

SECTION 1. *Organization and Constitution of Code Authority.*—

(a) The Code Authority shall consist of five members of the Industry, or such other number as may be approved from time to time by the Administrator, to be chosen by a fair method of selection, approved by the Administrator. The Administrator, at his discretion, may appoint not more than three additional members, without vote and without compensation from the industry, to represent the Administrator and to serve for such time as he may designate.

(b) The National Watch Case Manufacturers' Association shall be the agency under the Code Authority for administering the provisions of this Code. This Association or any other industrial association directly or indirectly participating in the selection or activities of the Code Authority shall submit to the Administrator true copies of its articles of association, bylaws, 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.

(c) 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 provide such hearings as he may deem proper; and thereafter if he shall find that the Code Authority is not truly representative or does not in other respects comply with the provisions of the Act, may require an appropriate modification in the method of selection of the Code Authority.

(d) No inequitable restrictions on admission to membership in the National Watch Case Manufacturers' Association or any other trade association or organized group, participating in the activities of the Code Authority shall be imposed, and any member of the industry shall be eligible for membership in any such trade association or organized group upon compliance with the provisions of the bylaws relating to membership, provided that any person applying for such membership shall, in addition to the payment of such dues as are imposed and paid by all other members, accept a reasonable and equitable share of the expenses of administration. Such members of the industry who do not choose to become members of any trade association or organized group may participate in the activities of the Code Authority as herein provided by paying to the Code Authority such proportionate part of the expenses of administration as the Code Authority, subject to the Administrator's approval, shall prescribe as fair and equitable.

SEC. 2. *Powers and Duties.*—The Code Authority shall have the following further powers and duties, the exercise of which shall be reported to the Administrator and shall be subject to his right, on review, to disapprove any action taken by the Code Authority.

(a) To insure the execution of the provisions of this Code and provide for the compliance of the industry with the provisions of the Act.

(b) To adopt bylaws and rules and regulations for its procedure and for the administration and enforcement of the Code.

(c) To obtain from members of the industry such information and reports as are required for the administration of the Code and to provide for submission by members of such information and reports as the Administrator may deem necessary for the purposes recited in Section 3 (a) of the Act, which information and reports shall be submitted by members to such administrative and/or government agencies as the Administrator may designate; provided that nothing in this Code shall relieve any member of the industry of any existing obligations to furnish reports to any government agency. No individual reports shall be disclosed to any other member of the industry or any other party except to such governmental agencies as may be directed by the Administrator.

(d) To regulate the disposal of distress, obsolete and/or discontinued merchandise in a way to secure the protection of the owners and to promote sound conditions in the Industry.

SEC. 3. For the purpose of administering the provisions of this Code, the Code Authority, by its duly authorized representatives, not engaged in the Industry, shall have access to any and all statistical data that may be furnished in accordance with the provisions of this Code, and wherever such representatives may discover supporting facts indicating a violation of this Code, they shall furnish any and all statistical data pertaining to such violation to the Code Authority and the Administrator.

ARTICLE VII—TRADE PRACTICES

The following practices constitute unfair methods of competition and are prohibited.

SECTION 1. To sell or offer for sale any product of the industry below cost, as determined by an adequate cost accounting system to be formulated by the Code Authority and approved by the Administrator. However, any member of the industry shall be permitted to sell below cost when necessary to meet the competitive price of a lower cost producer.

SEC. 2. To manufacture any merchandise so as to simulate obsolete and/or discontinued merchandise, and to sell or offer to sell the same in such a manner as to frustrate the spirit of this Code. Provided that any actually obsolete and/or discontinued merchandise may be sold at less than cost; such sales to be reported to the Code Authority within five days of the date thereof giving the quantity and price, together with any pertinent facts requested by the Code Authority.

SEC. 3. No member of the industry shall give, permit to be given, or directly offer to give, anything of value for the purpose of influencing or rewarding the action of any employee, agent, or representative of another in relation to the business of the employer of such employee, the principal of such agent, or the represented party, without the knowledge of such employer, principal, or party. Commercial bribery provisions shall not be construed to prohibit free and general distribution of articles commonly used for advertising except so far as such articles are actually used for commercial bribery as hereinabove defined.

SEC. 4. The making, or causing, or knowingly permitting to be made or published, any false, substantially inaccurate, or deceptive statement, by way of advertisement or otherwise, whether concerning the grade, quality, quantity, substance, character, nature, origin, size, finish, or preparation of any product of the industry; or the credit terms values, policies, or services of any member of the industry, or otherwise, tending to mislead or deceive customers or prospective customers.

SEC. 5. The imitation of the trade marks, trade names, slogans, original designs, or brands, or other marks of identification of competitors, having the tendency and capacity to mislead or deceive purchasers or prospective purchasers.

SEC. 6. To make and supply exclusive models without including in the invoice as a separate item, the cost of any dies and tools especially made for the production.

SEC. 7. To supply, without charge, crystals, straps, bracelets, crowns, bows, pendants, or other parts; or to repair, without charge except for manufacturing defects, worn cases, crystals, straps, bracelets, or parts.

SEC. 8. To disseminate, publish, or circulate any false or misleading information relative to the conditions of employment of any member or to any product or price for any product of any member of the industry, or the credit standing or ability of any member thereof to perform any work, or manufacture or produce any product.

SEC. 9. To make or give any guaranty of protection in any form against advance or decline in the market price of any product.

SEC. 10. To grant secret payments or allowances of rebates, refunds, commissions, credits, or unearned discounts, whether in the

form of money or otherwise, or to grant any secret extension to certain purchasers of special services or privileges not extended to all purchasers on like terms and conditions.

SEC. 11. To ship goods, except samples, on consignment or memorandum.

SEC. 12. To sell on terms greater than two (2) percent tenth (10th) of month following, net sixty (60) days.

ARTICLE VIII—STANDARDS

1. No member of the Industry shall manufacture, sell, or offer for sale, any watch case, on the outside surface of which he has not indelibly and legibly stamped in some visible place his name or duly registered trade mark, accompanied by a quality mark equally indelible and legible, in accordance with the following standards and conditions.

(a) No watch case may be stamped, tagged, or described with the word "Quality" or with any other words or form of words denoting "quality", other than with one of the six specific quality marks as follows:

(1) No watch case may be stamped, tagged, or described with the quality mark "Platinum" unless every part of said case, free from solder, and excepting the crown, shall consist of at least 985/1000th parts of platinum, iridium, palladium, ruthenium, rhodium and/or osmium, and unless in addition the entire watch case, exclusive of the crown, shall consist of at least 950/1000th parts of pure platinum. In no case may the word "Platinum" be abbreviated.

(2) No watch case may be stamped, tagged, or described with the quality mark "Solid Gold" unless accompanied by its proper karat mark, and unless every part of the case, free from solder, shall assay in actual fineness, within three one-thousandth (3/1000th) parts of the fineness indicated by said karat mark; and unless in addition, the entire case exclusive of the crown, shall assay within one half karat fineness of the fineness indicated by said karat mark. In no case may the words "Solid Gold" be abbreviated.

(3) No watch case may be stamped, tagged, or described with the quality mark "Sterling" unless every part of the case, free from solder, shall assay nine hundred and twenty-five one-thousandths (925/1000th) pure silver with a tolerance of four one-thousandths (4/1000th), and unless in addition, the entire watch case exclusive of the crown, shall assay nine hundred and twenty-five one-thousandths (925/1000th) pure silver, with a tolerance of ten one-thousandths (10/1000th). In no case may the word "Sterling" be abbreviated.

(4) No watch case may be stamped, tagged, or described with the quality mark "Gold Filled" unless accompanied by its proper karat mark, and unless the sheet of gold affixed, brazed, or fused to the outer surface of the back, center, lugs, open face bezel, pendant, crown, and bow, shall be three one-thousandths (3/1000th) of an inch in thickness as a minimum; and unless the sheet of gold affixed, brazed, or fused to the inner surface of the back, the inner and

outer surfaces of the cap, and the outer surface of the hunting bezel, shall be one one-thousandth ($1/1000$ th) of an inch in thickness as a minimum. In no case may the words "Gold Filled" be abbreviated.

(5) No watch case may be stamped, tagged, or described with the quality mark "Rolled Gold Plate" unless accompanied by its proper karat mark, and unless the sheet of gold affixed, brazed, or fused to the outer surface of the back, center, lugs, open face bezel, pendant, crown and bow, shall be one and one-half one-thousandths ($1\frac{1}{2}/1000$ th) of an inch in thickness as a minimum. In no case may the words "Rolled Gold Plate" be abbreviated.

(6) No manufacturer shall make or offer for sale any watch case which does not contain Platinum, Gold, or Silver in quantity as determined by the Code Authority, unless he shall stamp the words "Base Metal" legibly and indelibly on the outside surface of said watch case, as provided in the first paragraph of this Article. In no case may the words "Base Metal" be abbreviated.

2. The quality marks "Solid Gold", "Gold Filled", and "Rolled Gold Plate" shall be accompanied in every instance with the proper karat mark: provided, however, that no watch case may be stamped with any such quality mark, unless it shall be of a quality of 10 karat fineness or greater. Such marks shall mean that the gold employed in all component parts of such watch case are of the fineness so stamped.

3. For the purpose of determining the legitimate use of specific trade names or marks on or in connection with watch cases of any given quality, each manufacturer shall file with the Code Authority a complete list of trade names or marks specifying in each case the grade or quality of the cases on which he proposes to stamp such names or marks; and the Code Authority, with the approval of the Administrator, shall decide as to the proper use of such names or marks.

4. It is hereby specifically provided that watch cases completely manufactured prior to the effective date of this Code shall be exempt from the provisions of this Article, provided that each member of the Industry shall, within thirty days after said effective date, certify under oath to the Code Authority, the number, type, markings, quality, and serial numbers, if any, of such completed watch cases as he has in finished stock on that date, and that sales of all such watch cases shall be reported monthly to the Code Authority, by the manufacturer, in detail, as to the date of sale, name of purchaser, number, type, markings, quality, and serial number, if any; and provided further that unless stamped in compliance with the provisions of this Article, regardless of the date of its manufacture, no watch case shall be sold, or offered for sale, after July 1, 1934, or such reasonable extension beyond said date as may be granted by the Administrator upon application therefor.

ARTICLE IX—MODIFICATION

SECTION 1. This Code and all the provisions thereof are expressly made subject to the right of the President, in accordance with the provisions of subsection (b) of Section 10 of the Act, from time to

time to cancel or modify any order, approval, license, rule, or regulation issued under said Act.

SEC. 2. This 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 to the Administrator and such notice and hearing as he shall specify, and to become effective on approval of the President unless otherwise provided.

ARTICLE X—MONOPOLIES

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

ARTICLE XI—PRICE INCREASES

SECTION 1. 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.

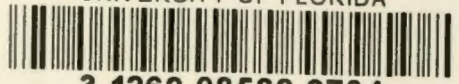
ARTICLE XII—EFFECTIVE DATE

This Code shall become effective on the second Monday after its approval by the President.

Approved Code No. 178.
Registry No. 1225-01.



UNIVERSITY OF FLORIDA



3 1262 08582 8704