



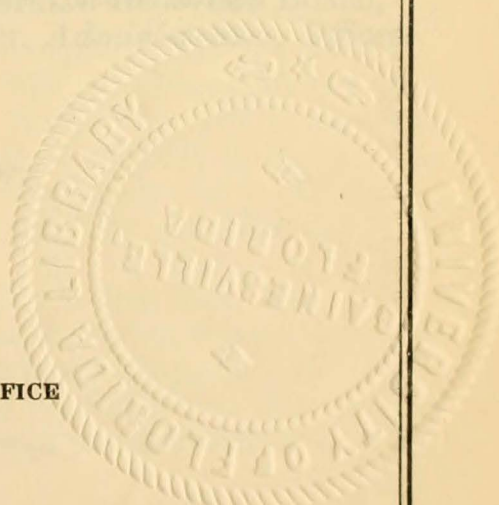
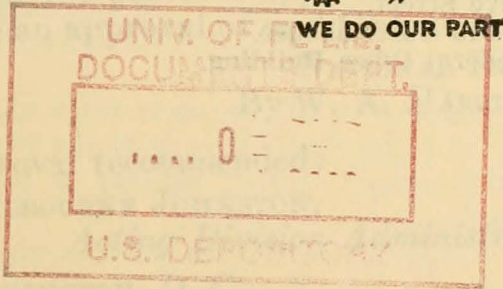
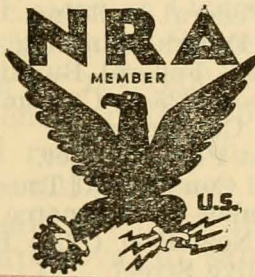
NATIONAL RECOVERY ADMINISTRATION

AMENDMENT TO
CODE OF FAIR COMPETITION

FOR THE

CAP AND CLOSURE
INDUSTRY

AS APPROVED ON DECEMBER 20, 1934

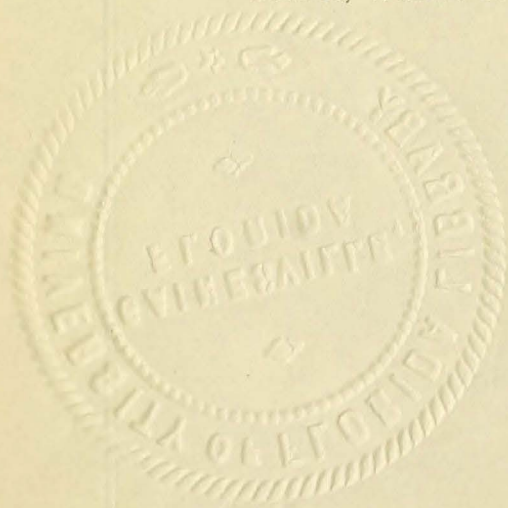


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Approved Code No. 58—Amendment No. 1

AMENDMENT TO CODE OF FAIR COMPETITION
FOR THE
CAP AND CLOSURE INDUSTRY

As Approved on December 20, 1934

ORDER

APPROVING AMENDMENT OF CODE OF FAIR COMPETITION FOR THE CAP
AND CLOSURE INDUSTRY

An application having been duly made pursuant to and in full compliance with the provisions of Title I of the National Industrial Recovery Act, approved June 16, 1933, for approval of an amendment to the Code of Fair Competition for the Cap and Closure Industry, and a hearing having been duly held thereon and the annexed report on said amendment, containing findings with respect thereto, having been made and directed to the President:

NOW, THEREFORE, on behalf of the President of the United States, the National Industrial Recovery Board, pursuant to authority vested in it by Executive Orders of the President, including Executive Order No. 6859, dated September 27, 1934, and otherwise, does hereby incorporate by reference said annexed report and does find that said amendment and the Code as constituted after being amended comply in all respects with the pertinent provisions and will promote the policy and purposes of said Title of said Act, and does hereby order that said amendment be and it is hereby approved, and that the previous approval of said Code is hereby amended to include an approval of said Code in its entirety as amended.

NATIONAL INDUSTRIAL RECOVERY BOARD,
By W. A. HARRIMAN, *Administrative Officer.*

Approval recommended:

KILBOURNE JOHNSTON,
Acting Division Administrator.

WASHINGTON, D. C.,
December 20, 1934.

(1)

REPORT TO THE PRESIDENT

The PRESIDENT,
The White House.

SIR: This is a report on the amendments to the Code of Fair Competition for the Cap and Closure Industry, to incorporate certain rules for Fair Trade Practices as affecting the Moulded Cap Division thereof. These amendments were proposed in accordance with Article IV of the Code as approved on October 20, 1933, a public hearing on the proposed amendments having been held on December 27, 1933.

FINDINGS

The Deputy Administrator in his final report on said amendments to said Code having found as herein set forth and on the basis of all the proceedings in this matter:

We find that:

(a) The amendments to said Code and the Code as amended are well designed to promote the policies and purposes of Title I of the National Industrial Recovery Act, including the removal of obstructions to the free flow of interstate and foreign commerce which tend to diminish the amount thereof, and will provide for the general welfare by promoting the organization of industry for the purpose of cooperative action among trade groups, by inducing and maintaining united action of labor and management under adequate governmental sanction and supervision, by eliminating unfair competitive practices, by promoting the fullest possible utilization of the present productive capacity of industries, by avoiding undue restriction of production (except as may be temporarily required), by increasing the consumption of industrial and agricultural products through increasing purchasing power, by reducing and relieving unemployment, by improving standards of labor, and by otherwise rehabilitating industry.

(b) The Code as amended complies in all respects with the pertinent provisions of said Title of said Act, including without limitation Subsection (a) of Section 3, Subsection (a) of Section 7, and Subsection (b) of Section 10 thereof.

(c) The Code empowers the Code Authority to present the aforesaid amendments on behalf of each or all of the Divisions of the Industry.

(d) The Code and the Code as amended are not designed to and will not permit monopolies or monopolistic practices.

(e) The amendments and the Code as amended are not designed to and will not eliminate or oppress small enterprises and will not operate to discriminate against them.

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

For these reasons, therefore, these amendments have been approved. For the National Industrial Recovery Board:

W. A. HARRIMAN,
Administrative Officer.

DECEMBER 20, 1934.

AMENDMENT TO CODE OF FAIR COMPETITION FOR THE CAP AND CLOSURE INDUSTRY

ARTICLE V

Amend Section 2 to read as follows:

“The rules for Fair Trade Practice for the Moulded Cap Division as set forth in Schedule “B” attached hereto are specifically made a part of this code.”

Renumber present Section 2 of Article V as Section 3.

Add the following as

SCHEDULE “B”

RULES FOR FAIR TRADE PRACTICE FOR THE MOULDED CAP DIVISION

SECTION 1.—Each member of the Division shall file with a confidential and disinterested agent of the Code Authority or, if none, then with such an agent designated by the National Industrial Recovery Board, identified lists showing all of his prices, discounts, rebates, allowances, and all other terms or conditions of sale, hereinafter in this article referred to as “price terms”, which lists shall completely and accurately conform to and represent the individual pricing practices of said member. Such lists shall contain the price terms for all such standard products in the Division as are sold or offered for sale by said member and for such non-standard products of said member as shall be designated by the Code Authority. Said price terms shall in the first instance be filed within ten days after the date of approval of this provision. Price terms and revised price terms shall become effective immediately upon receipt thereof by said agent. Immediately upon receipt thereof, said agent shall by telegraph or other equally prompt means notify said member of the time of such receipt. Such lists and revisions, together with the effective time thereof, shall upon receipt be immediately and simultaneously distributed to all members of the Division and to all of their customers who have applied therefor and have offered to defray the cost actually incurred by the Code Authority in the preparation and distribution thereof and be available for inspection by any of their customers at the office of such agent. Said lists or revisions or any part thereof shall not be made available to any person until released to all members of the Division and their customers, as aforesaid; provided, that prices filed in the first instance shall not be released until the expiration of the aforesaid ten day period after approval of this provision. The Code Authority shall maintain a permanent file of all price terms filed as herein provided, and shall not destroy any part of such records except upon written consent of the National Industrial Recovery Board. Upon request the Code Authority shall furnish to the National Industrial Recovery Board or any duly designated

agent of the National Industrial Recovery Board copies of any such lists or revisions of price terms.

Section 2. When any member of the Division has filed any revision such member shall not file a higher price within forty-eight hours.

Section 3. No member of the Division shall sell or offer to sell any products of the Division for which price terms have been filed pursuant to the provision of this article, except in accordance with such price terms.

Section 4. No member of the Division shall enter into any agreement, understanding, combination or conspiracy to fix or maintain price terms nor cause or attempt to cause any member of the Division to change his price terms by the use of intimidation, coercion, or any other influence inconsistent with the maintenance of the free and open market which it is the purpose of this article to create.

Section 5. Nothing in this Schedule contained shall be so construed as to prevent the performance by any member of any valid bona fide contract made and entered into before the effective date of this provision; provided, however, that such contract has not been made and entered into before the effective date hereof in contemplation thereof and with the intent to defeat the purpose thereof.

Section 6. For all purposes of the Code the following-described acts shall constitute unfair practices:

A. No member of the Division shall brand or mark or pack any goods in any manner which tends to deceive or mislead purchasers with respect to the brand, grade, quality, quantity, origin, size, substance, character, nature, finish, material content or preparation of such goods.

B. No member of the Division shall secretly offer or make any payment or allowance of a rebate, refund, commission, credit, unearned discount or excess allowance, whether in the form of money or otherwise, nor shall a member of the Division secretly offer or extend to any customer any special service or privilege not extended to all customers of the same class, for the purpose of influencing a sale.

C. 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.

D. No member of the Division shall permit sales agents or representatives to split commissions with purchasers.

E. No member of the Division shall make false invoices.

Approved Code No. 58—Amendment No. 1.
Registry No. 1022-1-03.

