

NATIONAL RECOVERY ADMINISTRATION

CODE OF FAIR COMPETITION

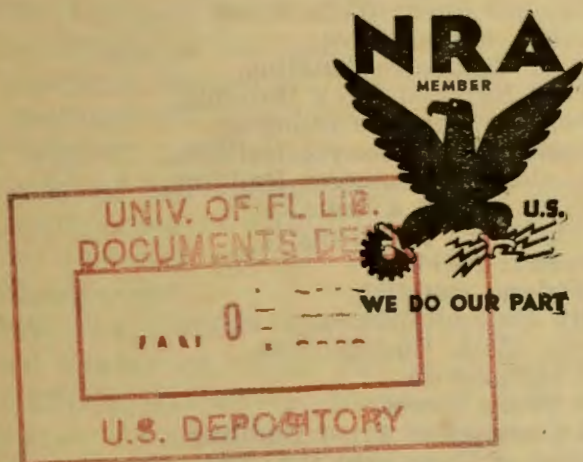
FOR THE

**PRECIOUS JEWELRY
PRODUCING INDUSTRY**

AS APPROVED ON NOVEMBER 27, 1933

BY

PRESIDENT ROOSEVELT



1. Executive Order
2. Letter of Transmittal
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CODE OF FAIR COMPETITION

FOR THE

PRECIOUS JEWELRY PRODUCING INDUSTRY

As Approved on November 27, 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 Precious Jewelry Producing 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, subject to the following condition:

That the application of the provision of section 1, article III to the manufacturers and distributors of jewelry for schools, colleges, fraternities, and other educational institutions, insofar as such section provides for the payment of time and one third for all hours over 40 per week worked by employees to whom such provision applies, shall be stayed until ninety days after the effective date of this code, at which time such provision shall become effective and have the same force and effect as any other provision of the code.

FRANKLIN D. ROOSEVELT.

Approval recommended:

HUGH S. JOHNSON,
Administrator.

THE WHITE HOUSE,
November 27, 1933.

(365)

NOVEMBER 21, 1933.

The PRESIDENT,
The White House.

SIR: A Public Hearing on the Code of Fair Competition for the Precious Jewelry Producing Industry, submitted by the Congress of Precious Jewelry Producers, Inc., 608 Fifth Avenue, New York City, was conducted in Washington on the 25th of September, 1933, in accordance with the provisions of the National Industrial Recovery Act. This association claims to represent eighty-five percent (85%) of the Industry.

The maximum hours fixed under this Code are forty (40) with special provisions for seasonal demands of one hundred forty-four (144) hours extra spread over one year, however, no more than forty-eight (48) hours are to be worked by any employee in any one week.

The minimum wage is forty cents (40¢) per hour. Provision is made for learners to be paid eighty percent (80%) of the minimum wage for a six weeks' learning period, after which they are to be raised to the minimum wage rate. Such learners shall at no time exceed five percent (5%) of the total number of employees employed by any one employer, except that every employer of less than twenty people shall be entitled to one learner.

In 1929 there were 2,630 firms engaged in the manufacture of Precious Jewelry. In 1933 this number had been reduced to 1,840. This mortality of concerns will give a partial indication of the extent to which this Industry has been affected by the economic depression. Sales in this Industry in 1932, were only seventeen percent (17%) of the 1929 level. The production of previous jewelry requires a large amount of invested capital. The character of work performed in this Industry requires considerable skill and workmanship, resulting in high wage scales. This is purely a luxury industry and thus has suffered considerably from the depression. The Jewelry Industry is also very seasonal, as the products are largely gift merchandise. The uncertainty of the market makes it extremely difficult in dull times to anticipate future needs for the purpose of building up a standing stock.

The forty (40) hour maximum will act to absorb only a small part of the unemployed workers. A further shortening of hours, with the inevitable increased labor costs, is not recommended, however. An additional burden on the financial structure of the industry would doubtless increase the large number of bankrupt concerns. Lack of demand prevents the passing of any part of the cost on to the consumer. The inclusion of importers, which are merchandising establishments, within the jurisdiction of this Code renders a shorter work week impractical.

The minimum wage rate will apply to only a small portion of the workers as the requirements are for workers of a high degree of skill.

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 Congress of Precious Jewelry Producers, Inc., the applicant group herein, imposes no inequitable restrictions on admission to membership and is truly representative of the Precious Jewelry Producing 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.

This Industry has cooperated in a most satisfactory manner with the Administration in the preparation of this Code. From 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
PRECIOUS JEWELRY PRODUCING INDUSTRY

ARTICLE I—PURPOSES

To effectuate the policies of Title I of the National Industrial Recovery Act, the following provisions are submitted as a Code of Fair Competition for the Precious Jewelry Producing Industry, and upon approval by the President shall be the standard of fair competition for such industry and shall be binding upon every member thereof.

ARTICLE II—DEFINITIONS

1. The term "Precious Jewelry Producing Industry" as used herein is defined to mean any manufacturer of platinum jewelry, gold jewelry, and any importer, wholesaler or cutter of diamonds, pearls and other precious or semiprecious stones or imitations thereof, and such branches or subdivisions as may from time to time be included under the provisions of this Code.

2. The term "gold jewelry" as used herein shall mean jewelry of the fineness of ten karat (10 kt) or better.

3. The term "employee" as used herein includes anyone engaged in the industry in any capacity receiving compensation for his services, irrespective of the nature or method of payment of such compensation.

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

5. The term "Manufacturer" shall mean any person who, within or without his premises, engages in the manufacture, production, assembly or in the setting and/or finishing of jewelry; and/or in the cutting or polishing of stones.

6. The terms "Act" and "Administrator" as used herein shall mean respectively the National Industrial Recovery Act and the Administrator of said Act.

ARTICLE III—HOURS

1. No employee shall be permitted to work in excess of forty (40) hours in any one week, except that during seasonal or peak demands, employees, other than office and clerical employees, may work not to exceed one hundred and forty-four (144) hours per year in excess of the maximum herein established, or forty-eight (48) hours in any one week, or more than eight (8) hours in any one day; provided, however, that the maximum hours worked shall not exceed forty (40) in any one week when averaged over a period of any three consecutive calendar months; and provided further that time and one third shall be paid for all hours in excess of forty (40) in any one week.

(a) The maximum hours fixed in the foregoing section shall not apply to any employee on emergency maintenance or emergency repair work involving breakdowns or protection of life or property, but in any such special case at least one and one third times the normal rate shall be paid for all hours worked in excess of the maximum herein established.

(b) The provisions for maximum hours herein established shall not apply to employees engaged in a managerial or executive capacity who now receive over thirty-five dollars (\$35.00) per week, or to outside salesmen.

2. Employers (including individuals, partners, and officers or stockholders of corporations) or individual manufacturers while working as producers shall adhere to the working hours above prescribed.

ARTICLE IV—WAGES

1. The minimum wage that shall be paid by any employer to any employee shall be not less than forty (40) cents per hour, except learners, who shall have had no previous experience or employment in this industry, shall be paid not less than eighty percent (80%) of the minimum hourly rate, provided, however, that such learners shall be limited to a six (6) weeks' learning period, after which learning period they shall receive at least the minimum wage, and provided further, that the number of learners employed by any one employer in any one month shall not exceed five percent (5%) of the total number of employees of such employer, except that an employer of less than twenty (20) employees shall be entitled to employ one learner.

2. This Article establishes a minimum rate of pay, regardless of whether an employee is compensated on a time-rate, piecework, or other basis.

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

4. It is the policy of the members of this industry to refrain from reducing the compensation for employment which compensation was prior to June 16, 1933, in excess of the minimum wage herein set forth, notwithstanding that the hours of work in such employment may be reduced; and, unless since such date such adjustments have been made, all members of this industry shall endeavor to increase the pay of all employees in excess of the minimum wage, as herein set forth, by an equitable adjustment of all pay schedules.

GENERAL LABOR PROVISIONS

1. Employers shall not employ or have in their employ any person under the age of sixteen (16) years; nor anyone under eighteen (18) years of age at operations or occupations hazardous in nature or detrimental to health. The Code Authority shall submit to the Administrator 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. 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.

3. 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

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

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

6. 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 health, fire, or general working conditions than under this Code.

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

8. Each employer shall post and keep posted in conspicuous places full copies of the hour and wage provisions of this Code.

9. If any employer in the Precious Jewelry Producing 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 which is included in the Precious Jewelry Producing Industry.

ARTICLE V—HOME WORK

On and after the effective date of this Code home work in this industry shall be prohibited.

ARTICLE VI—ADMINISTRATION

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

1. Organization and constitution of Code Authority.

(a) The Code Authority shall consist of six (6) members of the Precious Jewelry Producing Industry and one (1) member of the Medium and Low Priced Jewelry Producing Industry. The Administrator, in his discretion, may appoint, to represent the Administration, not more than three (3) additional members, without vote, to serve for such period of time as he may designate.

(b) Each trade or industrial association directly or indirectly participating in the selection of activities of the Code Authority shall submit to the Administrator true copies of its articles of association, by-laws, regulations, and any amendments 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.

2. The Code Authority shall have the following duties and powers to the extent permitted by the Act, subject to the right of the Administrator on review to disapprove or modify any action taken by the Code Authority.

(a) There shall be filed with the Code Authority, at such times and in such manner as may be prescribed, with the approval of the Administrator, records showing in detail the number of employees, wage rates, employee earnings, hours of work, and such other data or information as the Code Authority may from time to time require.

(b) Except as otherwise provided in the National Industrial Recovery Act, all statistics, data, and information filed in accordance with the provisions of subparagraphs (a) and (b) of this Article shall be confidential, and the statistics, data, and information of one employer shall not be revealed to any other employer except that for the purpose of administering or enforcing the provisions of this Code, the Code Authority by their duly authorized representatives (who shall not be in the employ of any employer affected by this Code) with the approval of the Administrator, shall have access to any and all such statistics.

(c) When complaint in writing is made to the Code Authority that any of the provisions of this Code have been violated by any employer, the Code Authority shall promptly investigate the facts and may cause such investigation to be made as may be deemed necessary to determine the facts set forth therein, and if said complaint is verified by such investigation, the Code Authority shall issue an order to cease and desist from such violation, provided, that upon the refusal of any member of this industry to comply with such order of the Code Authority, the Code Authority shall call the same to the attention of the Administrator and make such recommendations with reference thereto, as it may deem necessary to effectuate the purposes of the Act.

(d) No inequitable restrictions on admission to membership in the Congress of Precious Jewelry Producers, Inc., 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 cost of code development and 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 cost of code development and administration as the Code Authority, sub-

ject to the Administrator's approval, shall prescribe as fair and equitable.

3. Each member of the industry shall keep detailed records of all purchases, imports, and sales made by him, either as principal or agent, the date thereof, and the names and addresses of the parties from whom acquired or to whom sold and shall submit such records, including consular invoices covering imports, to the Administrator upon request.

4. In addition to the information required to be submitted to the Code Authority, there shall be furnished to the Administrator such statistical information as he may deem necessary for the purposes recited in Section 3(a) of the Act.

ARTICLE VII—STANDARDS

1. No article of merchandise shall be stamped, branded, marked, or invoiced with any word, symbol, mark, or quality mark in violation of Federal or State stamping laws governing the stamping and marking of articles made of platinum, gold, and other precious metals, or in violation of any Commerical Standard issued by the United States Department of Commerce, nor shall any merchandise be advertised in a manner which will violate State advertising laws or of the rulings of the Federal Trade Commission.

2. No article of merchandise shall be marked or stamped with a quality mark indicating gold or the fineness of gold unless the gold content shall be ten karat (10 Kt.) fine or over.

3. The term "Solid Gold" shall be applied only to gold of twenty-four karat (24 Kt.) fineness.

4. No article, including raw material and finished or unfinished merchandise, purporting to be, or to be made of platinum, in whole or in part, shall be bought or sold unless the transaction be covered by an invoice accurately stating the quality of the metal.

5. When any quality mark, descriptive of the quality, purity, fineness, quantity, weight, and/or percentage of the platinum, gold, or other precious metal of which an article is made, is stamped or branded on said article itself, there must also be stamped or branded on said article: (1) the trade mark duly applied for or registered under the laws of the United States of the manufacturer of such article or (2) if the manufacturer has sold or contracted to sell such article to a jobber, wholesaler, or retail dealer regularly engaged in business, the trade mark duly registered or applied for under the laws of the United States of such purchaser.

6. All pearls, precious and semi-precious stones (diamonds not included), either sold loose or mounted, shall be designated on invoices by the proper descriptive trade terms, such as "Australian Sapphire", "Siam Ruby", "Natural Pearl", "Cultured Pearl", etc.

7. Synthetic, reconstructed, doublet, or imitation stones, cultured and imitation pearls, sold either loose or mounted, shall be designated as such on all invoices, tags, or other descriptive medium.

ARTICLE VIII—TRADE PRACTICES

The following practices constitute unfair methods of competition for members of the industry and are prohibited.

1. The false marking or branding of any product of the industry which has the tendency to mislead or deceive customers or prospective customers, whether as to the grade, quality, quantity, substance, character, nature, origin, size, finish, or preparation of any product of the industry, or otherwise.

2. The making or causing or knowingly permitting to be made or published any false, materially 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, having the tendency or capacity to mislead or deceive customers or prospective customers.

3. The giving, delivering, loaning, consigning, or otherwise placing of any merchandise in the control or custody of any person, either directly or indirectly, for the purpose of conducting a sale (whether or not advertised) or for the purpose of placing the same in any retailer's stock.

(a) The foregoing paragraph shall not prohibit: (1) the consignment of any single item, exceeding in value two thousand dollars (\$2,000) to any retailer not conducting a price reduction sale; or (2) the delivery, upon memorandum, of merchandise for purpose of selection for a period not exceeding fifteen (15) days from date of the receipt of the merchandise, or upon specific call.

4. The sending or delivering of merchandise as samples, except upon the condition that same shall be returned within fifteen (15) days following receipt, except when a selection is sent for the purpose of preparing a catalogue.

5. Accepting for credit, exchange, or for any other reason, articles of jewelry, finished or unfinished, returned by a purchaser, unless such article is defective, or is not in accordance with specifications or approved sample; this provision shall not apply to settlements made with any insolvent or embarrassed debtor.

6. The copying of any original design produced by another manufacturer, or estimating upon or making up an article in imitation of another's design, without the permission or consent of the owner of such design.

(a) The memorandum on which such merchandise is delivered shall bear the following: "The above itemized articles forwarded herewith shall not be copied or duplicated, or altered or caused to be copied, duplicated, or altered by anyone except the owner of said merchandise."

7. Directly or indirectly to give or permit to be given, or offer to give, money, lavish entertainment, or anything of value to agents, employees, or representatives of customers or prospective customers, or to agents, employees, or representatives of competitors' customers or prospective customers, without the knowledge of their employers or principals, as an inducement to influence their employers or principals to purchase or contract to purchase from the makers of such gift or offer, or to influence such employers or principals to refrain from dealing or contracting to deal with competitors.

8. The defamation of competitors by falsely imputing to them dishonorable conduct, inability to perform contracts, questionable

credit standing, or by other false representations or by the false disparagement of the grade or quality of their goods.

9. The selling by any manufacturer of findings to jobbers or others, who do not maintain facilities for assembling these findings, or who do not send such findings to assemblers who come within the provisions of this Code, so far as wages and hours are concerned.

10. The renting or loaning of bench space by any manufacturer and/or other manufacturing facilities for the purpose of manufacturing jewelry, thus enabling the user to compete unfairly with manufacturers who are obliged to maintain such facilities.

ARTICLE IX—TERMS

1. No merchandise shall be sold on terms longer than six (6) months net average.

(a) Mountings and articles of jewelry which do not contain diamonds, precious stones, or pearls, shall not be sold on terms longer than four (4) months net or season settlement January 1st or July 1st net.

(b) Loose stones of a price of \$3.00 per karat or less, or the equivalent thereof, shall not be sold on terms more favorable than three percent (3%) cash discount on or before the 15th of the following month—four months net.

2. No datings shall be allowed, except that a fifteen (15) day tolerance is permitted for adjustment of payment to customary monthly or seasonal disbursement dates.

3. Interest at the rate of six percent (6%) per annum shall be charged from due date, unless otherwise provided by State laws.

4. No marcasites, chatons, or imitations of precious or semi-precious stones of any kind or description, suitable for the manufacture of jewelry or ornamentation of other material of any kind, shall be sold on any terms more favorable to the purchaser than the following:

(a) Three percent (3%) discount for payment within fifteen (15) days from the end of the month in which merchandise is delivered, subject to a tolerance of ten (10) days.

(b) No datings shall be allowed, except that merchandise sold after the 25th of the month may be dated as of the first of the month immediately following.

(c) Interest at the rate of six percent (6%) per annum, unless otherwise provided by State laws, shall be charged on all accounts unpaid within sixty (60) days from the end of the month in which delivery of merchandise was made.

ARTICLE X—MODIFICATION

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 Title I of the National Industrial Recovery Act, from time to time to cancel or modify any order, approval, license, rule, or regulation issued under Title I of said Act, and specifically, but without limitation, to the right of the President to cancel or modify his approval of this Code or any conditions imposed by him upon his approval thereof.

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 XI—MONOPOLIES, ETC.

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 XII—PRICE INCREASES

Whereas the policy of the Act to increase real purchasing power will be made impossible of consummation if prices of goods and services increase as rapidly as wages, it is recognized that price increases should be delayed and that, when made, the same should, so far as reasonably possible, be limited to actual increases in the seller's costs.

ARTICLE XIII—EFFECTIVE DATE

This Code shall become effective on the 3rd day after its approval by the President.

ARTICLE XIV—SUPPLEMENTARY PROVISIONS

The following Divisions (Schedules A and B) are supplementary to, and constitute part of, the Code of Fair Competition for the Precious Jewelry Producing Industry. Such schedules apply to only those particular Divisions as are indicated by the specific headings.

Any provision of the supplementary Codes that may be inconsistent with the provisions of the Basic Code shall prevail.

Approved Code No. 130.

Registry No. 1215-06.

SCHEDULE A

DIVISION FOR THE MANUFACTURERS AND DISTRIBUTORS OF JEWELRY FOR SCHOOLS, COLLEGES, FRATERNITIES, AND OTHER EDUCATIONAL INSTITUTIONS

1. *Contracts*.—(a) In order to meet the increased cost of gold, following the Executive Order of the President of August 28, 1933, it is recognized that prices in contracts for purchase of gold products which were made prior to said Executive Order and are in full force and effect between members of this Division and their customers, should be increased to such an extent as is necessary to allow for the actual increased cost of gold in such products.

(b) No member of this Division shall induce or attempt to induce the breach of a bona fide existing contract between a competitor and the customer of such competitor during the term covered by such contract, or interfere with or obstruct the performance of any duty or service provided by the terms thereof.

(c) Where a fraternity controls the manufacture and distribution of its insignia under contract, it is an unfair trade practice for unauthorized persons to manufacture, solicit, or accept orders for such insignia.

2. *Discounts*.—(a) Discounts on all orders sold direct from any manufacturer of this Division to retail stores, where no salesman works on such order, shall be uniform as to purchasers of the same class, grade, quality, and/or quantity and at such amount off of the list price filed with the Code Authority as may, with the approval of the Administrator, be determined by such Code Authority.

(b) Discounts on all orders placed through local dealers by salesmen shall be uniform as to purchasers of the same class, grade, quality, and/or quantity and at such amount off of the list price filed with the Code Authority, as may, with the approval of the Administrator, be determined by such Code Authority.

(c) Cash and trade discounts, other than provided for in sections (a) and (b) of this Article, are hereby prohibited.

3. *Deposits*.—(a) Deposits on the purchase price of class emblems and fraternity jewelry shall be required with the order, as follows:

(1) On each class emblem order, not less than one dollar (\$1.00) deposit where the retail selling price exceeds three dollars (\$3.00) but is less than ten dollars (\$10.00).

(2) On each class emblem order not less than three dollars (\$3.00) deposit where the retail selling price exceeds ten dollars (\$10.00).

Provided, however, that no deposit shall be forfeited except for arbitrary cancellation or rejection of the order, or any part thereof.

(3) Not less than ten percent (10%), and in no case less than one dollar (\$1.00) deposit on all regular orders for fraternity jewelry, and on special orders for fraternity jewelry at least fifty percent (50%) of the purchase price thereof.

4. *Special charges and commissions*.—(a) On all orders for high-school rings and pins the actual cost of the necessary dies shall be charged in accordance with a schedule submitted by the Code Authority and approved by the Administrator.

(b) Commissions in any form allowed or paid to any salesman, representing a member of this Division, shall be filed with the Code Authority in the same manner as provided for the filing of net current price lists and discount sheets, and no salesman shall give to a purchaser any deduction from his commission as shown by the schedule thereof filed with the Code Authority.

5. *Sales provisions*.—(a) No member of this Division shall sell, exchange, or offer for sale, any product of this Division at a price below his own individual cost, as determined by an adequate cost-finding system, capable of uniform application to the Industry, to be developed and set up by the Code Authority, subsequent to the effective date of this Code, and when approved by the Administrator, shall be used by all members of this Division as the basis for determining their individual cost.

6. *Price lists*.—(a) Each member of this Division shall, within five (5) days after the effective date of this Code, file with the Code Authority, a schedule

of his net current price lists and discount sheets, on forms prescribed by the Code Authority, and approved by the Administrator.

(b) Revised schedules of price lists and discount sheets may be filed from time to time thereafter with the Code Authority by any member of this Division, to become effective upon the date specified by such member, which date shall be not less than ten (10) days after the filing of such revised schedules with the Code Authority.

(c) No member of this Division shall sell, exchange, or offer for sale any product of this Division at a price less than set forth in the schedule of such member on file with the Code Authority.

(d) Members of this Division shall keep accurate records of their individual costs, which records shall, upon request, with the approval of the Administrator, be available to the Code Authority.

(e) No member of this Division shall submit a price list in which the price of any particular article is less than the individual cost of such member, as determined by the uniform cost accounting system provided for in Section 5 (a) of this schedule, and such submitted price list, representing the price of any particular article below the individual cost of the member submitting the same, as shown by his certified cost sheets, shall be held in abeyance by the Code Authority, pending submission of a revised price list based on the individual cost of each article to such member.

7. *Trade Practices.*—In addition to the Trade Practices set forth in the Basic Code, the following constitute unfair methods of competition for members of this Division and are prohibited:

(a) The giving of gratuities of every description, such as keys, plaques, cups, and any article of merchandise or anything of value, as well as all gratis rings or pins, bribes, special discounts, or rebates.

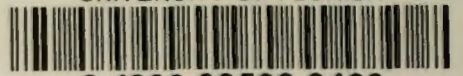
(b) To guarantee a cash payment or installment payments as an inducement to secure a contract.

(c) Advertising allowances, which have the effect of a concession in price, provided that this provision shall not be so interpreted as to prohibit legitimate advertising, or the purchase of a reasonable space in a school or college publication, based on approximately three percent (3%) of the business secured by the member of the Division, as advertising, from such school or college.

(d) Where no standard or special design has been adopted by any school or institution, and suggested designs are requested by such school or institution, that will require a special shank die, no member of this Division shall submit a special sample of the design without first receiving a bona fide and definite signed order.

(e) Making repairs or refinishing any products of the Industry without a fair charge unless defective in material or manufacture.

8. *Consignment.*—(a) Nothing contained in the basic Code relative to the prohibition of delivery of goods on consignment or memorandum shall apply to members of this Division.



SCHEDULE B

DIVISION FOR MANUFACTURERS OF FRATERNAL AND EMBLEMATIC JEWELRY

Trade Practices.—In addition to the Trade Practices set forth in this Code, the following constitute unfair methods of competition for the members of this Division and are prohibited:

- (a) To prepay any shipping charges on merchandise.
- (b) To accept a note or notes in payment which do not bear interest at the prevailing contract rate as provided by the law of the State in which said note may be executed.

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