

# S. 1712

---

IN THE SENATE OF THE UNITED STATES

MAY 15 (calendar day, MAY 19), 1933

Referred to the Committee on Finance and ordered to be printed

---

## AMENDMENT

Intended to be proposed by Mr. NYE to the bill (S. 1712) to encourage national industrial recovery, to foster fair competition, and to provide for the construction of certain useful public works, and for other purposes, viz: At the proper place insert the following:

1        SEC. . (a) Subsection (a) of section 12 of the  
2 Revenue Act of 1932 is amended by striking out the last  
3 eight paragraphs thereof and inserting in lieu thereof the  
4 following:

5        “\$22,460 upon net incomes of \$100,000; and upon  
6 net incomes in excess of \$100,000 and not in excess of  
7 \$200,000, 50 per centum in addition of such excess.

8        “\$72,460 upon net incomes of \$200,000; and upon  
9 net incomes in excess of \$200,000 and not in excess of  
10 \$300,000, 52½ per centum in addition of such excess.

1           “\$124,956 upon net incomes of \$300,000; and upon  
2 net incomes in excess of \$300,000 and not in excess of  
3 \$400,000, 55 per centum in addition of such excess.

4           “\$179,960 upon net incomes of \$400,000; and upon  
5 net incomes in excess of \$400,000 and not in excess of  
6 \$500,000, 57½ per centum in addition of such excess.

7           “\$237,460 upon net incomes of \$500,000; and upon  
8 net incomes in excess of \$500,000 and not in excess of  
9 \$600,000, 60 per centum in addition of such excess.

10          “\$297,460 upon net incomes of \$600,000, and upon  
11 net incomes in excess of \$600,000 and not in excess of  
12 \$700,000, 62½ per centum in addition of such excess.

13          “\$359,960 upon net incomes of \$700,000; and upon  
14 net incomes in excess of \$700,000 and not in excess of  
15 \$800,000, 65 per centum in addition of such excess.

16          “\$424,960 upon net incomes of \$800,000; and upon  
17 net incomes in excess of \$800,000 and not in excess of  
18 \$900,000, 67½ per centum in addition of such excess.

19          “\$492,460 upon net incomes of \$900,000; and upon  
20 net incomes in excess of \$900,000 and not in excess of  
21 \$1,000,000, 70 per centum in addition of such excess.

22          “562,460 upon net incomes of \$1,000,000; and upon  
23 net incomes in excess of \$1,000,000, 75 per centum in  
24 addition of such excess.”

25           (b) This section shall take effect as of January 1, 1933.

---

## AMENDMENT

---

Intended to be proposed by Mr. Nye to the bill (S. 1712) to encourage national industrial recovery, to foster fair competition, and to provide for the construction of certain useful public works, and for other purposes.

---

May 15 (calendar day, May 10), 1933  
Referred to the Committee on Finance and ordered  
to be printed

# S. 1712

---

IN THE SENATE OF THE UNITED STATES

MAY 15 (calendar day, MAY 19), 1933

Referred to the Committee on Finance and ordered to be printed

---

## AMENDMENT

Intended to be proposed by Mr. NYE to the bill (S. 1712) to encourage national industrial recovery, to foster fair competition, and to provide for the construction of certain useful works, and for other purposes, viz: At the proper place insert the following:

1           That the Commission is hereby empowered and di-  
2           rected to organize and conduct trade-practice conferences as  
3           herein defined.

4           For the purposes of this Act, a trade-practice confer-  
5           ence is defined as the assembling of persons engaged in  
6           commerce in a trade or industry upon the application of  
7           such persons, or any number thereof, at a time and place  
8           designated by the Commission, for the consideration of  
9           trade practices. Such application shall set forth the reasons

1 for the calling of such trade-practice conference and the  
2 scope and definition of the trade or industry to be invited  
3 to attend.

4 Such trade-practice conference may propose rules  
5 defining or dealing with any business or competitive con-  
6 duct, practice, or arrangement, which rules if uniformly  
7 observed would, in the judgment of the trade or industry,  
8 prevent or tend to prevent the use of unfair methods of  
9 competition, or the use of any unfair, fraudulent, deceptive,  
10 or wasteful trade practices, or may propose rules for the  
11 establishment of minimum wage scales and maximum hours  
12 of labor which, in the judgment of the Commission, would  
13 tend to promote the public interest and to prevent individual  
14 business units from obtaining undue competitive advantages  
15 through the payment of subnormal wages and/or resort to  
16 excessive hours of operation.

17 (1) The employers in said industry shall agree that  
18 workers in their employ shall have the right to join or  
19 refuse to join any labor organization which they believe  
20 will assist them in protecting their economic interests;

21 (2) That employers in said industry shall agree to  
22 abolish the so-called "yellow-dog contract" or any other  
23 agreement which compels a worker to agree to join a labor  
24 union or to refuse to join a labor union before he is given  
25 employment;

1           (3) That all employers shall agree not to influence  
2 in any way—by the organization of so-called “ company  
3 unions ” or similar devices—or interfere with the labor  
4 organizations of which their workers are members.

5           (4) That all employers shall agree that wages and  
6 working conditions within the industries shall be arranged  
7 at conferences between the employers and the representa-  
8 tives of the bona fide labor organizations to which their  
9 workers may belong.

10           The rules proposed at a trade-practice conference shall  
11 be forthwith submitted to the Commission, and at the same  
12 time a copy thereof shall be forwarded to the Attorney  
13 General of the United States. If the Commission shall find  
14 that such rule or rules if uniformly observed will not un-  
15 reasonably restrain trade or create monopoly, and if the  
16 Commission shall further find that such rule or rules have  
17 been approved in writing by a majority in interest, both in  
18 number of members and in volume of product, of the trade  
19 or industry invited to attend the trade-practice conference  
20 at which such rule or rules proposed, it shall affirmatively  
21 adopt such rule or rules and shall so advise the persons that  
22 attended the trade-practice conference at which such rule  
23 or rules were proposed and shall so advise other persons  
24 in the same industry or trade.

1           In all proceedings, public or private, whether before  
2 the Federal Trade Commission or in any jurisdiction other  
3 than the Federal Trade Commission, the affirmative adop-  
4 tion of a trade-practice conference rule by the Commission  
5 or the approval of such rule by a court of record shall be  
6 conclusive evidence under the antitrust Acts of the legality of  
7 individual or concerted action conforming to its terms:  
8 *Provided*, That whenever the Commission shall have reason  
9 to believe that such rules or any of them may or do operate  
10 unreasonably to restrain trade or create monopoly, or when-  
11 ever it shall be advised in a formal opinion of the Attorney  
12 General that such rule or rules may or do operate unreason-  
13 ably to restrain trade or create monopoly, it shall notify all  
14 persons in the trade or industry invited to attend the trade-  
15 practice conference at which such rule or rules were pro-  
16 posed, of its intention to revoke and terminate such rule  
17 or rules with a clear statement of the grounds upon which  
18 either the Commission or the Attorney General believes that  
19 such rule or rules may or do operate unreasonably to re-  
20 strain trade or create monopoly, giving to such persons not  
21 less than thirty days within which to appear and show cause  
22 why the Commission should not revoke and terminate such  
23 rule or rules. Following a public hearing for this purpose,  
24 at which all interested parties shall be given an opportunity  
25 to be heard, the Commission shall revoke and terminate such

1 rule or rules and shall advise the persons in said trade or  
2 industry of its decision which decision shall contain a clear  
3 statement of the grounds upon which it rests. The revoca-  
4 tion and termination of trade-practice conference rules shall  
5 terminate forthwith as to individual or concerted action taken  
6 subsequent to such revocation and termination the conclusive  
7 evidence of legality herein provided. Appeal from the  
8 action of the Commission in revoking and terminating trade-  
9 practice conference rules may be had in the manner and to  
10 the extent provided in this section for appeal from original  
11 decisions of the Commission affecting rules adopted at trade-  
12 practice conferences.

13       If, and to the extent that, the Commission shall find  
14 that such rule or rules if uniformly observed unreasonably  
15 restrain trade or tend to create monopoly, it shall so advise  
16 the persons in the trade or industry invited to attend the  
17 trade-practice conference at which such rule or rules were  
18 adopted. Thereafter, and within thirty days after the receipt  
19 of such written notice, any person in such trade or industry  
20 may file with the Commission an undertaking in writing,  
21 in the form which the Commission shall prescribe and signed  
22 by a majority in interest, as herein defined, of such trade or  
23 industry, in evidence of the intention on the part of the  
24 signatories thereto to enter into, perform, and carry out such  
25 rule or rules. Upon receipt of such written undertaking,



1 the Commission shall thereupon cause to be issued against  
2 such signatories a complaint, the allegations of which shall  
3 be limited to the violation of law found by the Commission  
4 to exist by reason of the entering into, the performance,  
5 and/or the carrying out of said rules or parts thereof, and  
6 shall take such other and further proceedings in connection  
7 therewith in the manner and form prescribed in section 5  
8 of this Act.

9 Proceedings for the review of the Commission's order  
10 shall be had in accordance with and under the circumstances  
11 and conditions provided in section 5 of this Act.

12 It shall be an unfair method of competition under  
13 section 5 of this Act for any person in the course of com-  
14 merce to violate any rule adopted at a trade-practice con-  
15 ference by an industry of which he is a member: *Provided,*  
16 That such rule has been adopted by the Commission or  
17 approved by a court of record prior to the violation.

18 All provisions of existing law inconsistent with or  
19 repugnant to the provisions of this section or which prevent  
20 the provisions of this section from becoming fully effective  
21 are hereby suspended and repealed to the extent that such  
22 provisions of existing law are inconsistent with or repugnant  
23 to or limit the effectiveness of the provisions of this section.

24 If any clause, sentence, paragraph or part of this  
25 section shall for any reason be adjudged by any court of

1 competent jurisdiction to be invalid, such judgment shall not  
2 affect, impair, or invalidate the remainder of the section,  
3 but shall be confined in its operation to the clause, sentence,  
4 paragraph, or part thereof directly involved in the contro-  
5 versy in which such judgment has been rendered.

# AMENDMENT

Intended to be proposed by Mr. Nye to the bill (S. 1712) to encourage national industrial recovery, to foster fair competition, and to provide for the construction of certain useful works, and for other purposes.

MAY 15 (calendar day, MAY 19), 1933  
Referred to the Committee on Finance and ordered  
to be printed