

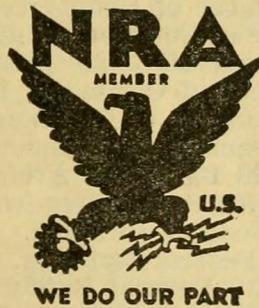
NATIONAL RECOVERY ADMINISTRATION

CODE OF FAIR COMPETITION

FOR THE

CANVAS GOODS INDUSTRY

AS APPROVED ON MARCH 16, 1934



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Approved Code No. 333

CODE OF FAIR COMPETITION
FOR THE
CANVAS GOODS INDUSTRY

As Approved on March 16, 1934

ORDER

**APPROVING CODE OF FAIR COMPETITION FOR THE CANVAS GOODS
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 a Code of Fair Competition for the Canvas Goods Industry, and hearings having been duly held thereon and the annexed report on said Code, containing findings with respect thereto, having been made and directed to the President:

NOW, THEREFORE, on behalf of the President of the United States, I, Hugh S. Johnson, Administrator for Industrial Recovery, pursuant to authority vested in me by Executive Orders of the President, including Executive Order No. 65 43-A, dated December 30, 1933, and otherwise; do hereby incorporate by reference said annexed report and do find that said Code complies in all respects with the pertinent provisions and will promote the policy and purposes of said Title of said Act; and do hereby order that said Code of Fair Competition be and it is hereby approved; provided, however, that the provisions of Article VII, Section B-4-7, insofar as they prescribe a waiting period between the filing with the Code Authority and the effective date of revised price lists or revised terms and conditions of sale be and they are hereby stayed pending my further order either within a period of 60 days from the effective date of this Code or after the completion of a study of open price associations now being conducted by the National Recovery Administration; further provided that after a period of ninety days from the effective date, Articles III and IV shall be reviewed upon such notice and hearing as I may prescribe to determine whether revisions of said Articles should be made.

FURTHER PROVIDED, that upon the approval of this Code there shall be established a committee composed of two representa-

tives appointed by the Labor Advisory Board and two representatives of the Code Authority for the Canvas Goods Industry to study the labor conditions in this industry, and report to the Administrator in regard thereto, within sixty days after the effective date of this Code.

HUGH S. JOHNSON,
Administrator for Industrial Recovery.

Approval recommended:

A. D. WHITESIDE,
Division Administrator.

WASHINGTON, D.C.,
March 16, 1934.

REPORT TO THE PRESIDENT

The PRESIDENT,
The White House.

INTRODUCTION

SIR: This is a report of the Hearing on the Code of Fair Competition for the Canvas Goods Industry in the United States, conducted in Washington, D.C., on Tuesday, November 28, 1933.

In accordance with the customary procedure every person who filed a request for appearance was freely heard in public, and all statutory and regulatory requirements were complied with.

The Code which is attached was presented by the duly qualified and authorized representatives of the industry, the National Tent and Awning Manufacturers Association and the American Wholesale Canvas Goods Manufacturers Association, complying with the statutory requirements as representing 66 percent of the retail manufacturers and 43 percent of the wholesale manufacturers in the industry respectively, and 69 percent of the volume and 75 percent of the volume of the two divisions of the industry respectively.

GENERAL CHARACTERISTICS OF THE INDUSTRY

It was brought out at the Hearing that there are two general types of manufacturers in the Canvas Goods Industry

1. Those who manufacture canvas goods which are sold direct to the consumer. This group not only includes the manufacturing of canvas goods but also includes the installing, taking down, storing, and repairing of awnings as well as the renting of tarpaulins, tents, canopies and awnings and the dealing in made-to-measure awnings.

2. Those who manufacture canvas goods for resale purposes.

The Bureau of Census, Reports on Manufacturers for 1929, shows the following with regard to the size of the various establishments in the industry.

Total:	
Establishments.....	1, 002
Wage earners (average for the year).....	7, 162
Establishments employing 1 to 5 wage earners:	
Establishments.....	664
Total number of wage earners.....	1, 951
Establishments employing 6 to 20 wage earners:	
Establishments.....	268
Total number of wage earners.....	2, 561
Establishments employing 21 to 50 wage earners:	
Establishments.....	45
Total number of wage earners.....	1, 361
Establishments employing 51 to 100 wage earners:	
Establishments.....	7
Total number of wage earners.....	469
Establishments employing 101 to 250 wage earners:	
Establishments.....	6
Total number of wage earners.....	820

This same report shows that out of the total of 1,002 establishments, 309 are corporations and 693 individuals, partnerships, etc. There are 4,287 wage earners employed by the corporations and 2,875 employed by individuals, partnerships, etc.

It further shows that in 1929 there were 476 establishments that have manufactured products valued from \$5,000 to \$19,999; 287, from \$20,000 to \$49,999; 134, valued from \$50,000 to \$99,999; 79 from \$100,000 to \$249,999; 16, from \$250,000 to \$499,999; 9 from half a million to \$999,999; and 1 establishment doing business over one million a year.

The total value of the products for 1929 was \$49,237,576; of establishments owned by corporations, \$31,445,003 was produced; and of establishments owned by individuals, partnerships, etc., \$17,792,573.

The standard work week for the Industry in the past has averaged in excess of 50 hours per week. It was further pointed out that the Industry is a highly seasonal one, varying in different geographical sections of the Country. In each instance, however, manufacturers are called upon to fill hurried orders in a limited period of time.

For several months prior to the date of the Hearing the two groups in this industry had serious difficulty in getting together on a common ground to formulate a single Code, each group feeling that the necessities arising out of the particular type of business done by that group called for a broad difference in certain provisions of their Code.

Unfortunately, a number of meetings were held at which no agreement could be reached. After considerable work and effort, however, and through an unusual spirit of fairness and spirit of give and take, agreement was finally reached, thereby formulating a Code equitable to all and conforming to the purposes of the Act.

RÉSUMÉ

It having been brought out that certain manufacturers of canvas goods manufacture their own canvas material under the provisions of the Cotton Textile Code, the minimum wages established for the Canvas Goods Industry are similar to those provided for in the Code for the Cotton Textile Industry.

It is estimated that the number of employees will be increased 20% by the application of the hours of labor in this Code. The provisions covering hours of employment in this Industry call for a forty (40) hour week with a maximum of forty-eight (48) hours a week for any ten consecutive weeks in each calendar year during seasonal or peak demands.

The administrative provisions of this Code provide for a Code Authority to administer those provisions relating to both the retail and wholesale divisions of this Industry. For the administration of the provisions applying solely to the retail section of the Industry there is established a Retail Canvas Goods Code Authority. Similarly, for the wholesale section of this Industry there is established a Wholesale Canvas Goods Code Authority. There are certain general trade practices established which relate to the Industry as a whole.

There is established a system of open price listing based upon a uniform system of cost accounting. It is stipulated, however, that full details concerning a uniform cost accounting system and methods of cost finding shall be made available to all members of the Industry selling at retail. All members of the Industry selling primarily at retail shall determine costs on all products sold by them in accordance with the principles of such methods.

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

I find that:

(a) Said Code is well designed to promote the policies and purposes of Title I of the National Industrial Recovery Act, including 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 the trade groups, by inducing and maintaining united action of labor and management under adequate governmental sanctions 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) Said Industry normally employs not more than 50,000 employees; and is not classified by me as a major industry.

(c) The Code as approved 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; and that the applicant associations are industrial associations truly representative of the aforesaid Industry; and that said associations impose no inequitable restrictions on admission to membership therein.

(d) The Code is not designed to and will not permit monopolies or monopolistic practices.

(e) The Code is 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 approval of said Code.

For these reasons, the Code has been approved.

HUGH S. JOHNSON,
Administrator.

MARCH 16, 1934.

CODE OF FAIR COMPETITION FOR THE CANVAS GOODS INDUSTRY

ARTICLE I—PURPOSES

To effectuate the policies of Title I of the National Industrial Recovery Act, the following provisions are established as a Code of Fair Competition for the Canvas Goods Industry, and shall be the standard of fair competition for such Industry and shall be binding upon every member thereof.

ARTICLE II—DEFINITIONS

1. The term "Canvas Goods Industry" or "Industry," as used herein, includes the manufacturing and, when done by the manufacturer, the selling and/or distributing at wholesale or retail of canvas articles such as made-to-measure and stock awnings, canopies, tarpaulins, paulins, cotton picker sacks, truck and wagon covers, tents, sails, hatch covers, and other similar articles made of canvas such as are customarily manufactured and sold by members of this Industry; it also includes the business of installing made-to-measure awnings, and made-to-measure canopies and the taking down, storing, and repairing of all awnings and canopies, and the renting of tarpaulins, tents, canopies, and awnings; provided, however, that the installing of made-to-measure awnings and made-to-measure canopies, when done by others than manufacturers, shall be exempt from all provisions of this Code except Articles III, IV, and V.

2. 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.

3. The term "employer", as used herein, includes anyone by whom any such employee is compensated or employed.

4. The term "member of the industry" includes anyone engaged in the Industry as above defined, either as an employer or on his own behalf, but no one shall be deemed a member of the Industry as to those parts of his business or establishment not defined in Section 1 of this Article.

5. The terms "President," "Act," and "Administrator," as used herein, mean respectively the President of the United States, 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, except

(a) Executives, supervisors, and those in a managerial position, and who receive thirty dollars (\$30.00) or more per week, and outside salesmen,

(b) Clerical and office employees (other than those specified in paragraph (a) preceding) receiving more than thirty-five dollars (\$35.00) per week,

(c) Repair shop crews, cleaners, and shipping help, who shall be permitted to work forty (40) hours a week with a tolerance of 10 per cent,

(d) Engineers, firemen, electricians, and watchmen, who shall be permitted to work forty-eight (48) hours per week.

2. To take care of seasonal or peak demand, all employees may work up to but not more than forty-eight (48) hours a week for any ten consecutive weeks in each calendar year.

3. The maximum hours fixed in the foregoing Sections 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 his normal rate shall be paid for hours worked in excess of the maximum hours herein provided.

ARTICLE IV—WAGES

1. No employee shall be paid less than at the rate of thirty cents per hour in the States of Maryland, West Virginia, Virginia, Kentucky, Tennessee, North Carolina, South Carolina, Georgia, Alabama, Mississippi, Florida, Arkansas, Louisiana, Oklahoma, Texas and in the District of Columbia, and at the rate of thirty-two and one half cents ($32\frac{1}{2}$) per hour elsewhere.

2. Learners during a three weeks' period are excepted from the foregoing provisions but shall be paid not less than 80 per cent of the minimum wage and shall be limited in number in any one factory to ten per cent (10%) of the total number of employees in that factory. A learner is defined as an employee who has worked less than three (3) weeks in the Canvas Goods Industry.

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

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

5. Employees whose earning capacity is limited because of age, physical or mental handicap, or other infirmity, may be employed on light work at a wage below the minimum established by Section 1 of this Article, if the employer obtains from the State authority, designated by the U.S. Department of Labor, a certificate authorizing such person's employment at such wages and for such hours as shall be stated in the certificate. Such authority shall be guided by the instructions of the U.S. Department of Labor in issuing certificates to such persons. Each employer shall file monthly with the Code Authority a list of all such persons employed by him, showing the wages paid to, and the maximum hours of work for such employee.

6. Rates of pay in excess of the minimum hereinbefore prescribed shall be equitably adjusted in order to preserve equitable differentials.

All such adjustments made since June 16, 1933 shall be reported to the Code Authority.

ARTICLE V—GENERAL LABOR PROVISIONS

1. No person under sixteen (16) years of age shall be employed in the Industry and no person under eighteen (18) years of age shall be employed at occupations hazardous in nature or detrimental to health. 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.

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

5. With the exception of one individual per member of the Industry, all members of any individual proprietorship, partnership, association, or corporation, although connected with such member as a co-owner, partner, stockholder, officer or director, if engaged in any process of direct manufacture of the products of the Industry, shall be bound by the above schedules of hours of work and rates of pay, regardless of such proprietary interests.

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

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

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

9. Every employer shall make reasonable provisions for the safety and health of his employees at the place and during the hours of their employment. Standards for safety and health shall be submitted by the Code Authority to the Administrator for approval within six months after the effective date of this Code.

10. Each employer shall post in conspicuous places in his plant and office full copies of Articles II, III, IV, and V of this Code.

ARTICLE VI—ADMINISTRATION

1. There is hereby created a Code Authority for the Canvas Goods Industry to consist of three persons, each with one vote, to be selected by the National Tent and Awning Manufacturers Association, Inc., three persons, each with one vote, to be selected by the American Wholesale Canvas Goods Manufacturers Association, and one or more persons, without vote, to represent the Administrator, to be appointed by him, and to serve without expense to the Industry.

2. The National Tent and Awning Manufacturers Association, Inc., and the American Wholesale Canvas Goods Manufacturers Association and any other trade association participating in this Code shall

(a) impose no inequitable restrictions on membership, and

(b) submit to the Administrator true copies of their respective articles of Association, by-laws, regulations, and any amendments, if and 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.

3. In order that the representatives on 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 such representatives are not truly representative or do not in other respects comply with the provisions of the Act, he may require an appropriate modification in the method of selection of such representatives.

4. For the purpose of administering this Code, there shall be recognized two Sections of the Industry as follows:

(a) A retail section which shall include the installing of made-to-measure awnings and made-to-measure canopies and the taking down, storing, and repairing of all awnings and canopies and the renting of tarpaulins, tents, canopies, and awnings and all transactions where the products mentioned in Section 1 of Article II are sold direct to the consumer by a member of the industry except as set forth in sub-section (b) next following.

(b) A wholesale section which shall include all transactions where the products mentioned in Section 1 of Article II are sold by a member of the industry for resale or to industrial consumers (other than small industrial consumers), steam and electric railroads, and federal, state and large municipal governmental agencies.

The Code Authority, with the approval of the Administrator, shall determine and classify into the groups or classes above mentioned the purchasers of the products of this Industry.

5. A Retail Canvas Goods Code Authority, to consist of the three persons on the Code Authority selected by the National Tent and Awning Manufacturers Association, Inc., together with the person or persons to be selected by the Administrator, is hereby created the agency to administer the provisions of this Code in cooperation with the Administrator insofar as such provisions pertain to the Retail Section of the Industry as hereinbefore defined.

6. A Wholesale Canvas Goods Code Authority, to consist of the three persons on the Code Authority selected by the American Wholesale Canvas Goods Manufacturers Association, together with

the person or persons to be selected by the Administrator, is hereby created the agency to administer the provisions of this Code insofar as such provisions pertain to the Wholesale Section of the Industry as hereinbefore defined.

7. The Code Authority may incorporate as a corporation not for profit. The Retail Canvas Goods Code Authority and the Wholesale Canvas Goods Code Authority may also incorporate as corporations not for profit.

8. Nothing contained in this Code shall constitute the members of any of the various Code Authorities partners for any purpose, nor shall any member of any of the various Code Authorities be liable in any manner to any one for any act of any other member, officer, agent, or employee of any of the various Code Authorities. Nor shall any member of any of the various Code Authorities exercising reasonable diligence in the conduct of his duties hereunder be liable to any one for any act or omission to act under this Code, except for his own willful misfeasance or non-feasance.

9. To the extent permitted by the Act, the Retail Canvas Goods Code Authority is hereby empowered:

(a) to collect such reports and statistical data from members of the industry regarding the Retail Section of the Industry as in its judgment may be necessary adequately to plan for the Industry and adequately to administer and enforce the provisions of this Code.

(b) To coordinate the administration of the Retail Section of the Industry with the administration of the Wholesale Section of the Industry.

(c) To hear and, if possible, to adjust complaints in regard to violations of any provisions of the Code (except Articles III, IV, and V) insofar as they pertain to the Retail Section of the Industry.

(d) To divide the United States into retail regions and/or zones as may be necessary for the proper administration of the retail section of this Code.

(e) To make such delegation of its powers as may seem to it desirable. Nothing in such delegation shall relieve the Code Authority of any of its responsibilities under the Code.

10. To the extent permitted by the Act, the Wholesale Canvas Goods Code Authority is hereby empowered:

(a) To collect such reports and statistical data from members of the Industry regarding the Wholesale Section of the Industry as in its judgment may be necessary adequately to plan for the Industry and adequately to administer and enforce the provisions of this Code.

(b) To coordinate the administration of the Wholesale Section of the Industry with the administration of the Retail Section of the Industry.

(c) To hear and, if possible, to adjust complaints in regard to violations of any provisions of the Code (except Articles III, IV, and V) insofar as they pertain to the Wholesale Section of the Industry.

(d) To divide the United States into wholesale regions and/or zones as may be necessary for the proper administration of the wholesale section of this Code.

(e) To make such delegation of its powers as may seem to it desirable. Nothing in such delegation shall relieve the Code Authority of any of its responsibilities under this Code.

11. To the extent permitted by the Act, the Code Authority provided for in Section 1 of this Article is hereby empowered:

(a) To consider and act upon all matters that affect both the Retail and Wholesale Sections of the Industry jointly, including Articles III, IV, and V, of this Code, and

(b) To coordinate the administration of this Code with the administration of Codes of allied industries.

(c) To make such delegation of its powers as may deem to it desirable. Nothing in such delegation shall relieve the Code Authority of any of its responsibilities under this Code.

(d) To make recommendations to the Administrator which will effectuate the operation of the provisions of the Code and the policy of the Act, all such recommendations to become operative as a part of the Code upon approval by the Administrator.

12. Each member of the Industry subject to the jurisdiction of this Code and accepting the benefits thereof, insofar as his business relates to the Retail Section, shall pay to the Retail Canvas Goods Code Authority his proportionate share of the amounts necessary to maintain its operations in assembling, analyzing, and publishing reports and data and in carrying on its activities relative to the administration of this Code. Said proportionate share shall be assessed upon an equitable basis as the Retail Code Authority, with the approval of the Administrator, may prescribe.

13. Each member of the Industry subject to the jurisdiction of this Code and accepting the benefits thereof, insofar as his business relates to the Wholesale Section, shall pay to the Wholesale Canvas Goods Code Authority his proportionate share of the amounts necessary to maintain its operations in assembling, analyzing, and publishing reports and data and in carrying on its activities relative to the administration of this Code. Said proportionate share shall be assessed upon an equitable basis as the Wholesale Code Authority, with the approval of the Administrator, may prescribe.

14. The Retail and Wholesale Canvas Goods Code Authority shall pay to the Code Authority provided for in Section 1 of this Article, their proportionate share of the amounts necessary to pay the cost of its maintenance and operation. Such proportionate share shall be determined upon an equitable basis approved by the Administrator.

15. Members of the Industry, subject to the approval of the Administrator, shall furnish to the various Code Authorities, on request, such information as they may require, and in addition they shall furnish to government agencies such statistical information as the Administrator may deem necessary for the purposes recited in Section 3 (a) of the Act.

16. If the Administrator shall determine that any action of a Code Authority or any agency thereof may be unfair or unjust or contrary to the public interest, the Administrator may require that such action be suspended to afford an opportunity for investigation of the merits of such action and further consideration by such Code Authority or agency pending final action, which shall not be effected unless the Administrator approves or unless he shall fail to disap-

prove after 30 days' notice to him of intention to proceed with such action in its original or modified form.

ARTICLE VII—TRADE PRACTICES

A. The following Practices Constitute Unfair Methods of Competition for members of the Industry and are prohibited:

1. *False Marking or Branding.*—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, or otherwise is hereby prohibited.

2. *Misrepresentation or False or Misleading Advertising.*—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 is hereby prohibited.

3. *Commercial Bribery.*—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 employers of such employee, the principal of such agent or the represented party, without the knowledge of such employer, principal or party. This provision 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.

4. *Interference with Contractual Relations.*—Maliciously inducing or attempting to induce the breach of an existing oral or written contract between a competitor and his customer or source of supply, or interfering with or obstructing the performance of any such contractual duties or services is hereby prohibited.

5. *Secret Rebates.*—The secret payment or allowance of rebates, refunds, commissions, credits, or unearned discounts, whether in the form of money or otherwise, or the secret extension to certain purchasers of special services or privileges not extended to all purchasers on like terms and conditions is hereby prohibited.

6. *Giving of Prizes, Premiums or Gifts.*—The offering or giving of prizes, premiums or gifts in connection with the sale of products, or as an inducement thereto, by any scheme which involves lottery, misrepresentation or fraud is hereby prohibited.

7. *Defamation.*—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 is hereby prohibited.

8. *Threats of Litigation.*—The publishing or circularizing of threats of suits for infringement of patents or trade marks or of any other legal proceedings not in good faith, with the tendency or

effect of harassing competitors or intimidating their customers is hereby prohibited.

9. *Espionage of Competitors.*—Securing confidential information concerning the business of a competitor by a false or misleading statement or representation, by a false impersonation of one in authority, by bribery, or by any other unfair method is hereby prohibited.

10. *Other Unfair Practices.*—Nothing in this Code shall limit the effect of any adjudication by the Courts or holding by the Federal Trade Commission on complaint, findings, and order that any practice or method is unfair, provided that such adjudication or holding is not inconsistent with any provision of the Act or of this Code.

11. As a manufacturing process, the having of work done or labor performed on any awnings or tents or other canvas products in rooms used for living quarters is hereby prohibited. No work shall be done or labor performed in any unsanitary building, or under unsanitary conditions.

12. The sale or offer for sale of tarpaulins, paulins, truck covers, wagon covers, and/or tents on any basis of weight other than the weight of the untreated material per square yard is hereby prohibited.

13. The sale or offer for sale of cotton picker sacks on any basis of weight other than the weight of the untreated material on 29 inch basis is hereby prohibited.

14. The booking of contracts with provisions guaranteeing prices against decline or advance, or with stock protection is hereby prohibited.

15. The placing of merchandise on consignment, either directly or indirectly, is hereby prohibited.

16. The copying or imitation or sale of new styles, patterns, or designs originated by another member of the Industry when same shall be registered either with the United States Patent Office or accepted as a novel by a two-thirds vote of the Code Authority and registered with said Code Authority.

B. Sales Below Cost, Open Price Listing, and Cost Accounting Provisions.

1. No member of the Canvas Goods Industry shall sell or offer for sale, or exchange, any products of the Industry in a retail or wholesale transaction at a price below the reasonable cost established as hereinafter provided.

(a) When the Retail Canvas Goods Code Authority determines that an emergency exists in the Retail Section of this Industry and that the cause thereof is destructive price-cutting such as to render ineffective or seriously to endanger the maintenance of the provisions of this Code, the Retail Canvas Goods Code Authority may cause to be determined for any or all retail regions and/or retail zones, the reasonable cost of the products of the Retail Section of this Industry, such determination to be subject to such notice and hearing as the Administrator may require. The Administrator may approve, disapprove, or modify the determination. Thereafter, during the period of the emergency, it shall be an unfair trade practice for any member of the Industry to sell or offer to sell at retail, as defined in Article VI, Section 4(a), any products of the Industry for which

the reasonable cost has been determined at such prices and/or upon such terms or conditions of sale that the buyer will pay less therefore than the reasonable cost of such products.

When it appears that conditions have changed, the Retail Canvas Goods Code Authority, upon its own initiative or upon the request of any interested party, shall cause the determination to be reviewed.

(b) No member of the Industry shall sell or offer for sale or exchange any product of the industry at wholesale, as defined in Section 4-b of Article VI, at a price below his own individual cost, determined in accordance with the provision of Section 3 of this Article, except to meet the competition of a competitor who is not selling below his own individual cost.

(c) When the Wholesale Canvas Goods Code Authority determines that an emergency exists in the Wholesale Section of this Industry and that the cause thereof is destructive price-cutting such as to render ineffective or seriously to endanger the maintenance of the provisions of this Code, the Wholesale Canvas Goods Code Authority may cause to be determined for any or all wholesale regions and/or wholesale zones, the reasonable cost of the products of the Wholesale Section of this Industry, such determination to be subject to such notice and hearing as the Administrator may require. The Administrator may approve, disapprove, or modify the determination. Thereafter, during the period of the emergency, it shall be an unfair trade practice for any member of the Industry to sell or offer to sell at wholesale, as defined in Article VI, Section 4(b), any products of the Industry for which the reasonable cost has been determined at prices and/or upon such terms or conditions of sale that the buyer will pay less therefor than the reasonable cost of such products.

When it appears that conditions have changed, the Wholesale Canvas Goods Code Authority, upon its own initiative or upon the request of any interested party, shall cause the determination to be reviewed.

(d) The foregoing provisions shall not apply to articles commonly known as "dropped lines", "close outs" and damaged returned merchandise, which articles may be sold at such price or prices as are necessary to consummate a sale.

2. In figuring cost the items of materials may be based upon a manufacturer's individual cost or upon the market value of raw materials, whichever is lower.

3. Every member of the Industry must have a cost accounting system.

(a) The Retail Canvas Goods Code Authority shall cause to be formulated an accounting system and methods of cost finding and/or estimating capable of use by all members of the Industry selling at retail. After such system and methods have been formulated and approved by the Administrator, full details concerning them shall be made available to all members of the Industry selling at retail. Thereafter all members of the Industry selling primarily at retail shall determine and/or estimate costs of all products of the Industry sold by them in accordance with the principles of such methods.

(b) The Wholesale Canvas Goods Code Authority shall cause to be formulated an accounting system and methods of cost finding and/or estimating capable of use by all members of the Industry selling at wholesale. After such system and methods have been formulated and approved by the Administrator, full details concerning them shall be made available to all members of the Industry selling at wholesale. Thereafter all members of the Industry selling primarily at wholesale shall determine and/or estimate costs of all products of the Industry sold by them in accordance with the principles of such methods.

4. Each member of the Canvas Goods Industry shall, within ten days after the effective date of this Code, file with the Retail Canvas Goods Code Authority a net price list or a price list and discount sheet as the case may be, individually prepared by him, showing his current prices or prices and discounts and terms of payment and conditions of sale on the following products and services sold or offered for sale at retail as defined in Section 4 (a) of Article VI:

Tarpaulin, canopy and tent rentals

Taking down, storing and putting up awnings

Awnings made-to-measure

Ship canvas

Tarpaulins

Paulins

Truck and wagon covers

Tents, including wall, stable, mule fly, oblong, concession and show, gypsy, round and cemetery, and made-to-measure tents.

Revised price lists, with or without discount sheets, may be filed from time to time thereafter with the Retail Canvas Goods Code Authority by any member of the industry to become effective upon a date specified by such member of the industry, which date shall be not less than ten (10) days after the filing of such revised prices with the Retail Canvas Goods Code Authority.

Copies of price lists, discount sheets and revisions thereof, with notice of the effective date specified, shall be sent to any member of the industry upon written application to the Retail Canvas Goods Code Authority for such information.

Upon the filing of any price list, discount sheet, or revision thereof by any member of the Industry other members of the industry may file, if they so desire, revisions of their price lists and/or discount sheets, which, if filed previous to such effective date, shall take effect upon the date when the revised price list or discount sheet first filed shall go into effect.

5. No member of the Canvas Goods Industry shall sell or offer for sale, or exchange, the products enumerated in the preceding section, when sold or offered for sale at retail as defined in Section 4 (a) of Article VI, and no member of the Industry shall perform the service mentioned in the preceding section, at prices lower or discounts greater or on more favorable terms of payment than the approved schedule of such member on file with the Retail Canvas Goods Code Authority as above provided.

6. If it be the belief of the Retail Canvas Goods Code Authority that any price list submitted represents sales below the cost of the

member submitting same, the date of effectiveness of such list may be delayed an additional ten (10) days in order that an investigation may be made by the Retail Canvas Goods Code Authority to determine the propriety of such cost. If it is found or determined by the Retail Canvas Goods Code Authority that said price list represents figures below cost, as defined by the Retail Canvas Goods Code Authority and approved by the Administrator, such price list shall be withdrawn and revised price lists submitted.

7. Nothing herein contained shall be construed to require the filing of prices with the Retail Canvas Goods Code Authority of any of the products of the Industry sold at wholesale, as defined in Article VI, Section 4 (b), provided, however, that the Wholesale Canvas Goods Code Authority may elect to establish open price listing for any product or products of the Industry sold or offered for sale at wholesale as defined in Article VI, Section 4 (b).

In which event each member of the Canvas Goods Industry shall, within ten days after such decision, file with the Wholesale Canvas Goods Code Authority a net price list or a price list and discount sheet as the case may be, individually prepared by him, showing his current prices or prices and discounts and terms of payment and conditions of sale on the products decided upon by the Wholesale Canvas Goods Code Authority sold or offered for sale at wholesale as defined in Section 4 (b) of Article VI. Revised price lists, with or without discount sheets, may be filed from time to time thereafter with the Wholesale Canvas Goods Code Authority by any member of the Industry to become effective upon a date specified by such member of the Industry, which date shall be not less than ten (10) days after the filing of such revised prices with the Wholesale Canvas Goods Code Authority.

Copies of price lists, discount sheets and revisions thereof with notice of the effective date specified, shall be sent to any member of the Industry upon written application to the Retail Canvas Goods Code Authority for such information.

Upon the filing of any price list, discount sheet, or revision thereof, by any member of the Industry, other members of the Industry may file, if they so desire, revisions of their price lists and/or discount sheets, which if filed previous to such effective date, shall take effect upon the date when the revised price list or discount sheet first filed shall go into effect.¹

8. No member of the Canvas Goods Industry shall sell or offer for sale or exchange the products decided upon by the Wholesale Canvas Goods Code Authority when sold or offered for sale at wholesale as defined in Section 4 (b) of Article VI, at prices lower or discounts greater or on more favorable terms of payment than the approved schedule of such member on file with the Wholesale Canvas Goods Code Authority as above provided.

9. If it be the belief of the Wholesale Canvas Goods Code Authority that any price lists submitted represents sales below the cost of the member submitting same, the date of effectiveness of such list may be delayed an additional ten (10) days in order that an investigation may be made by the Wholesale Canvas Goods Code Authority to determine the propriety of such cost. If it is found or determined

¹ See paragraph 2 of order approving this Code.

by the Wholesale Canvas Goods Code Authority that said price list represents figures below cost, as defined by the Wholesale Canvas Goods Code Authority and approved by the Administrator, such price list shall be withdrawn and revised price lists submitted.

10. It is hereby provided that the operation of the foregoing provisions in regard to price lists shall at all times be subject to the approval of the Administrator.

ARTICLE VIII—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 sub-section (b) of Section 10 of the National Industrial Recovery Act, from time to time 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 on the basis of experience or changes in circumstances, such modification 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 Administrator.

ARTICLE IX—MONOPOLIES

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 X—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 XI—EFFECTIVE DATE

This Code shall become effective five days after its approval by the President.

Approved Code No. 333.
Registry No. 202-13.



