

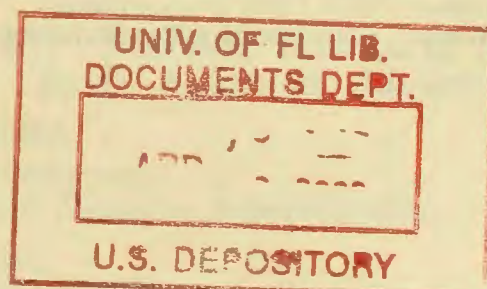
NATIONAL RECOVERY ADMINISTRATION

CODE OF FAIR COMPETITION


FOR THE

**METAL HOSPITAL FURNITURE
MANUFACTURING INDUSTRY**

AS APPROVED ON OCTOBER 23, 1934



**UNITED STATES
GOVERNMENT PRINTING OFFICE
WASHINGTON: 1934**



This publication is for sale by the Superintendent of Documents, Government Printing Office, Washington, D. C., and by district offices of the Bureau of Foreign and Domestic Commerce.

DISTRICT OFFICES OF THE DEPARTMENT OF COMMERCE

Atlanta, Ga.: 504 Post Office Building.
Birmingham, Ala.: 257 Federal Building.
Boston, Mass.: 1801 Customhouse.
Buffalo, N. Y.: Chamber of Commerce Building.
Charleston, S. C.: Chamber of Commerce Building.
Chicago, Ill.: Suite 1706, 201 North Wells Street.
Cleveland, Ohio: Chamber of Commerce.
Dallas, Tex.: Chamber of Commerce Building.
Detroit, Mich.: 801 First National Bank Building.
Houston, Tex.: Chamber of Commerce Building.
Indianapolis, Ind.: Chamber of Commerce Building.
Jacksonville, Fla.: Chamber of Commerce Building.
Kansas City, Mo.: 1028 Baltimore Avenue.
Los Angeles, Calif.: 1163 South Broadway.
Louisville, Ky.: 408 Federal Building.
Memphis, Tenn.: 229 Federal Building.
Minneapolis, Minn.: 213 Federal Building.
New Orleans, La.: Room 225-A, Customhouse.
New York, N. Y.: 734 Customhouse.
Norfolk, Va.: 406 East Plume Street.
Philadelphia, Pa.: 422 Commercial Trust Building.
Pittsburgh, Pa.: Chamber of Commerce Building.
Portland, Oreg.: 215 New Post Office Building.
St. Louis, Mo.: 506 Olive Street.
San Francisco, Calif.: 310 Customhouse.
Seattle, Wash.: 809 Federal Office Building.

Approved Code No. 527

CODE OF FAIR COMPETITION

FOR THE

METAL HOSPITAL FURNITURE MANUFACTURING INDUSTRY

As Approved on October 23, 1934

ORDER

APPROVING CODE OF FAIR COMPETITION FOR THE METAL HOSPITAL FURNITURE MANUFACTURING 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 Metal Hospital Furniture Manufacturing Industry, and hearing 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, the National Industrial Recovery Board, pursuant to authority vested in it by Executive Orders of the President, including Executive Order No. 6859, and otherwise; does hereby incorporate by reference said annexed report and does 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 does hereby order that said Code of Fair Competition be and it is hereby approved.

NATIONAL INDUSTRIAL RECOVERY BOARD,
By G. A. LYNCH, *Administrative Officer.*

Approval recommended:

KILBOURNE JOHNSTON,
Acting Division Administrator.

WASHINGTON, D. C.,
October 23, 1934.

REPORT TO THE PRESIDENT

The PRESIDENT,
The White House.

SIR: This is a report on the Code of Fair Competition for the Metal Hospital Furniture Manufacturing Industry, a hearing having been conducted thereon in Washington, D. C., August 4, 1934, in accordance with the provisions of Title I of the National Industrial Recovery Act.

PROVISIONS AS TO HOURS AND WAGES

The maximum hours are established in this Code as follows: All employees, except employees engaged in an executive, managerial or supervisory capacity who receive thirty-five dollars (\$35.00) per week or more and outside salesmen or watchmen—forty (40) hours in any one week, or eight (8) hours in any twenty-four (24) hour period and six (6) days in any seven (7) day period; watchmen—fifty-six (56) hours per week, and one day of rest in every seven (7) day period. The maximum hour provisions shall not apply to the following: Employees 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-half ($1\frac{1}{2}$) times their regular rate shall be paid for hours worked in excess of eight (8) hours in any twenty-four (24) hour period or forty (40) hours in any one week; employees for six (6) weeks in any twenty-six (26) weeks period during which overtime shall not exceed eight (8) hours in any one week nor shall any employee be permitted to work in excess of nine (9) hours in any twenty-four (24) hour period; provided that at least one and one-half ($1\frac{1}{2}$) times the regular rate shall be paid for hours worked in excess of eight (8) hours in any twenty-four (24) hour period of forty (40) hours in any seven day period. No employer shall permit any employee to work for any time which when totaled with that already performed for another employer, or employers, exceeds the maximum permitted herein.

The minimum wages are established in this Code as follows: All employees, except clerical or office employees—forty cents (40¢) per hour; clerical and office employees—fifteen dollars (\$15.00) per week. These minimum rates of pay shall apply irrespective of whether an employee is actually compensated on a time rate, piecework, or other basis and female employees performing substantially the same work as male employees shall receive the same rate of pay as male employees. Employees whose earning capacity is limited because of age or physical or mental handicap or other infirmity may be employed on light work at a wage below the minimum established by this Code if such employer shall obtain from the State authority designated by the United States Department of Labor a certificate authorizing his

employment at such wages and for such hours as shall be stated in the certificate.

The employment of any person under sixteen (16) years of age is prohibited, with a further provision that no person under eighteen (18) years of age may be employed in any occupation hazardous in nature or dangerous to health.

GENERAL STATEMENT

This Industry consists of companies which manufacture for sale, and sale by the manufacturer, of metal hospital furniture commonly used in hospitals or similar institutions and/or by physicians or surgeons.

There are approximately thirty-six manufacturers in the Industry, which number has been constant since 1928. The estimated number of employees reached a peak in 1930 with 2,370, and a low in 1933 with 1,940, a decrease of about 18 percent. The estimated aggregate invested capital decreased from a peak of \$6,990,000 in 1930 to a low of \$6,638,000 in 1933, a decrease of about 5.1 percent. The highest volume of sales was recorded in 1928 with \$8,124,000, which volume dropped to \$5,411,000 in 1933, a decrease of about 33 percent.

The estimated production capacity has decreased by about 16 percent during the past five years.

FINDINGS

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

It is found 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 including and maintaining united action of labor and management under adequate governmental sanction and supervision, by eliminating unfair competitive practices, by promoting the fullest possible utilization of the present productive capacity of industries, by avoiding undue restriction of production (except as may be temporarily required), by increasing the consumption of industrial and agricultural products through increasing purchasing power, by reducing and relieving unemployment, by improving standards of labor, and by otherwise rehabilitating industry.

(b) 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 association is an industrial association truly representative of the aforesaid Industry; and that said association imposes 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, therefore, the National Industrial Recovery Board has approved this Code.

For the National Industrial Recovery Board:

G. A. LYNCH,
Administrative Officer.

OCTOBER 23, 1934.

CODE OF FAIR COMPETITION FOR THE METAL HOSPITAL FURNITURE MANUFACTURING INDUSTRY

ARTICLE I—PURPOSE

To effect the policies of Title I of the National Industrial Recovery Act, this Code is established as a Code of Fair Competition for the Metal Hospital Furniture Manufacturing Industry, and upon approval its provisions shall be the standards of fair competition for such Industry and shall be binding upon every member thereof.

ARTICLE II—DEFINITIONS

SECTION 1. The term "Metal Hospital Furniture Manufacturing Industry" or "Industry" as used herein includes the manufacture for sale and sale by the manufacturer of metal hospital furniture commonly used in hospitals or similar institutions and/or by physicians or surgeons.

SECTION 2. The term "Member of the Industry" as used herein includes, but without limitation, any individual, partnership, association, corporation, or other form of enterprise engaged in the Industry, either as an employer or on his or its own behalf.

SECTION 3. The term "employee" as used herein includes any and all persons engaged in the Industry, however compensated, except a member of the Industry.

SECTION 4. The term "employer" as used herein includes anyone by whom such employee is compensated or employed.

SECTION 5. The term "association" as used herein shall mean the Association of Manufacturers of Metal Hospital Furniture, or its successor.

SECTION 6. 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.

SECTION 7. The term "Confidential Agent" or "Agent" of the Code Authority, as used herein, is defined to mean the person as designated by the Code Authority. Said Agent, in order to qualify as such, shall be entirely free from any interest in or connection with any company engaged in the manufacture or sale of the products of the Industry.

SECTION 8. The term "Code Authority" as used herein means the agency which is to administer this Code as hereinafter provided.

ARTICLE III—HOURS

SECTION 1. No employee shall be permitted to work in excess of forty (40) hours in any one week, or eight (8) hours in any twenty-four (24) hour period, except as herein otherwise expressly provided.

No employee shall be permitted to work more than six (6) days in any seven (7) day period.

SECTION 2. The maximum hours fixed in Section 1 shall not apply to employees engaged in an executive, managerial or supervisory capacity, who receive \$35.00 per week or more, and outside salesmen.

SECTION 3. The maximum hours fixed in Section 1 shall not apply to employees or 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-half ($1\frac{1}{2}$) times their regular rate shall be paid for hours worked in excess of eight (8) hours in any twenty-four (24) hour period or forty (40) hours in any one week.

SECTION 4. The maximum hours fixed in Section 1 shall not apply to employees for six (6) weeks in any twenty-six (26) weeks period during which time overtime shall not exceed eight (8) hours in any one week nor shall any employee be permitted to work in excess of nine (9) hours in any twenty-four (24) hour period except that in any case of emergency any employee may work longer than the maximum hours of labor prescribed in this Article; provided that at least one and one-half ($1\frac{1}{2}$) times the regular rate shall be paid for hours worked in excess of eight (8) hours in any twenty-four (24) hour period or forty (40) hours in any seven day period.

SECTION 5. No employer shall permit any employee to work for any time which when totaled with that already performed for another employer, or employers, exceeds the maximum permitted herein.

SECTION 6. Watchmen shall be permitted to work not in excess of fifty-six (56) hours per week, provided, that they shall be given one day of rest in every seven (7) day period.

SECTION 7. Employers who personally perform manual work or who are engaged in mechanical operations in connection with the manufacture of products of the Industry shall not exceed the prescribed maximum hours.

ARTICLE IV—WAGES

SECTION 1. No employee shall be paid in any pay period less than at the rate of 40 cents per hour, except as herein otherwise provided.

SECTION 2. No clerical or office employee shall be paid in any pay period less than at the rate of \$15.00 per week.

SECTION 3. This Article establishes minimum rates of pay which shall apply, irrespective of whether an employee is actually compensated on a time rate, piecework, or other basis.

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

SECTION 5. A person whose earning capacity is limited because of age or physical or mental handicap or other infirmity may be employed on light work at a wage below the minimum established by this Code if such employer shall obtain from the State Authority designated by the United States Department of Labor a certificate authorizing his employment at such wages and for such hours as shall be stated in the certificate. Each employer shall file monthly with the Code Authority a list of all such persons em-

ployed by him, showing the wages paid to, and the maximum hours of work for, such employee.

SECTION 6. Equitable adjustment of compensation of all employees receiving more than the minimum rates of pay shall be made by all employers who have not heretofore made such adjustments, and all employers shall within thirty days after approval of this Code, report in full to the Code Authority concerning such adjustments whether made prior to or subsequent to such approval, provided, however, that in no event shall hourly rates of pay be reduced, irrespective of whether compensation is actually paid on an hourly, weekly, or other basis, nor shall any wages be at less than the minimum rates herein provided.

SECTION 7. This article establishes rates of pay which shall be exempt from any charge, fine and/or deduction by the employer, except such charges or deductions required by State or Federal Law.

SECTION 8. The employer shall make payments of all wages due in lawful currency or by negotiable check therefor, payable on demand. These wages shall be exempt from any payments for pensions, insurance or sick benefits other than those voluntarily paid by the wage earners, or required by State or Federal Law. Wages shall be paid at least by the end of every two week period, and salaries shall be paid at least at the end of every month. No employer shall withhold wages. The employer or his agents shall accept no rebates directly or indirectly on such wages, nor give anything of value or extend favors to any person for the purpose of influencing rates of wages or the working conditions of his employees.

ARTICLE V—GENERAL LABOR PROVISIONS

SECTION 1. (a) Employees shall have the right to organize and bargain collectively through representatives of their own choosing, and shall be free from the interference, restraint, or coercion of employers of labor, or their agents, in the designation of such representatives or in self organization or in other concerted activities for the purpose of collective bargaining or other mutual aid or protection.

(b) No employee and no one seeking employment shall be required as a condition of employment to join any company union or to refrain from joining, organizing, or assisting a labor organization of his own choosing, and

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

SECTION 2. No persons under sixteen (16) years of age shall be employed in the Industry. No persons under eighteen (18) years of age shall be employed at operations or occupations which are hazardous in nature or dangerous to health. The Code Authority shall submit to the Administrator for approval before January 1, 1935, a list of such operations or occupations. In any State an employer shall be deemed to have complied with this provision as to age if he shall have on file a valid certificate or permit duly signed by the

Authority in such State empowered to issue employment or age certificates or permits, showing that the employee is of the required age.

SECTION 3. Employers shall not re-classify employees, or duties of occupations performed, or engage in any other subterfuge so as to defeat the purposes of the Act or this Code.

SECTION 4. Within ten (10) days after the effective date of this Code, each employer shall post, and keep posted, in conspicuous places accessible to employees full copies of this Code and any amendments or modifications which may later be approved in accordance with Executive Orders and/or regulations thereof. Every member of the Industry shall comply with all rules and regulations relative to the posting of provisions of Codes of Fair Competition which may from time to time be prescribed by the Administrator.

SECTION 5. Every employer shall make provision 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 within three (3) months after the effective date of the Code.

SECTION 6. No employee shall be dismissed or demoted by reason of making a complaint or giving evidence with respect to an alleged violation of this Code.

SECTION 7. No provision in the Code shall supersede any State or Federal law which imposes on employers more stringent requirements as to age of employees, wages, hours of work, or as to safety, health, sanitary or general working conditions, or insurance, or fire protection, than are imposed by this Code.

ARTICLE VI—ORGANIZATION, POWERS, AND DUTIES OF THE CODE AUTHORITY

SECTION 1. (a) During the period not to exceed thirty (30) days following the effective date of this Code, the Code Committee of the Association of Manufacturers of Metal Hospital Furniture shall constitute a temporary Code Authority until the Code Authority is elected. There shall be constituted within the thirty (30) day period a Code Authority consisting of six (6) members, to be elected by the members of the Industry at a meeting called by the temporary Code Authority. Notice of such meeting shall be sent by registered mail to all known members of the Industry, whose names shall have been ascertained after diligent search by the Association of Manufacturers of Metal Hospital Furniture, such notice to be mailed to all known members of the Industry at least fifteen (15) days prior to the date on which such meeting is to be held.

(b) The members of the Code Authority shall be elected in the following manner:

1. Only those members of the Industry who agree to pay their reasonable share of the expenses of the administration of this Code shall be entitled to vote in the election of the Code Authority.

2. Six (6) members of the Industry shall be elected members of the Code Authority by a majority vote of all known members of the Industry, present in person or by proxy, each member to have one vote; said election to be subject to the approval of the Administrator. At least one member of the Code Authority shall be a non-

member of the Association of Manufacturers of Metal Hospital Furniture, provided, however, that such a non-Association member of the Industry is available and willing to serve.

3. The members so elected to the Code Authority shall serve for a period of one (1) year from the date of election, and thereafter members of the Code Authority shall be elected by members of the Industry, as provided in Paragraph 2 of Subsection (b) of this Section, at a meeting called by the Code Authority not less than thirty (30) days prior to the expiration date of the current term of office of the Code Authority.

4. A vacancy in the membership of the Code Authority shall be filled by a majority vote of the remaining members of the Code Authority; provided, however, that the vacancy to be filled shall be subject to the provision that at least one member of the Code Authority shall be a non-member of the Association of Manufacturers of Metal Hospital Furniture, if such a member is available and willing to serve.

(c) In addition thereto, the Administrator in his discretion may appoint not more than three members of the Code Authority, without votes, for such terms as he may prescribe.

SECTION 2. Each trade or industrial association directly or indirectly participating in the selection or activities of the Code Authority shall (1) impose no inequitable restrictions on membership, and (2) submit to the Administrator true copies of its articles of association, by-laws, regulations, and any amendments when made thereto, together with such other information as to membership, organization, and activities as the Administrator may deem necessary to effectuate the purposes of the Act.

SECTION 3. 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 prescribe 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 of the Code Authority.

SECTION 4. Nothing contained in this Code shall constitute the members of the Code Authority partners for any purpose. Nor shall any member of the Code Authority be liable in any manner to anyone for any act of any other member, officer, agent, or employee of the Code Authority. Nor shall any member of the Code Authority, exercising reasonable diligence in the conduct of his duties hereunder, be liable to anyone for any action or omission to act under this Code, except for his own wilful malfeasance or non-feasance.

SECTION 5. If the Administrator shall at any time determine that any action of the Code Authority or any agency thereof may be unfair, 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 effective unless the administrator approves or unless he shall fail to disapprove after thirty (30) days' notice to him of intention to proceed with such action in its original or modified form.

POWERS AND DUTIES

SECTION 6. Subject to such rules and regulations as may be issued by the Administrator, the Code Authority shall have the following powers and duties, in addition to those authorized by other provisions of this Code.

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

(b) To adopt bylaws and rules and regulations for its procedure.

(c) To obtain from members of the Industry such information and reports as are required for the Administration of the Code. In addition to information required to be submitted to the Code Authority, members of the industry subject to this Code shall furnish such statistical information as the Administrator may deem necessary for the purposes recited in Section 3 (a) of the Act to such Federal and State agencies as he may designate; provided that nothing in this Code shall relieve any member of the Industry of any existing obligations to furnish reports to any Government agency. No individual report shall be disclosed to any other member of the Industry or any other party except to such other Governmental agencies as may be directed by the Administrator.

(d) To use such trade associations and other agencies as it deems proper for the carrying out of any of its activities provided for herein, provided that nothing herein shall relieve the Code Authority of its duties or responsibilities under this Code and that such trade associations and agencies shall at all times be subject to and comply with the provisions hereof.

(e) To recommend to the Administrator any action or measures deemed advisable, including further fair trade practice provisions to govern members of the Industry in their relations with each other or with other industries; measures for industrial planning, and stabilization of employment; and including modifications of this Code which shall become effective as part hereof upon approval by the Administrator after such notice and hearing as he may specify.

(f) To appoint a Trade Practice Committee which shall meet with the trade practice committees appointed under such other codes as may be related to the Industry for the purpose of formulating fair trade practices to govern the relationships between employers under this Code and under such other codes to the end that such fair trade practices may be proposed to the Administrator as amendments to this Code and such other Codes.

(g) To provide appropriate facilities for arbitration, and subject to the approval of the Administrator, to prescribe rules of procedure and rules to effect compliance with awards and determinations.

(h) To make recommendations to the Administrator for the coordination of the administration of this Code with such other codes, if any, as may be related to or affect members of the Industry.

SECTION 7. 1. It being found necessary in order to support the administration of this Code and to maintain the standards of fair competition established hereunder and to effectuate the policy of the Act, the Code Authority is authorized:

(a) To incur such reasonable obligations as are necessary and proper for the foregoing purposes, and to meet such obligations out of funds which may be raised as hereinafter provided and which shall be held in trust for the purposes of the Code;

(b) To submit to the Administrator for his approval, subject to such notice and opportunity to be heard as he may deem necessary (1) an itemized budget of its estimated expenses for the foregoing purposes, and (2) an equitable basis upon which the funds necessary to support such budget shall be contributed by members of the Industry;

(c) After such budget and basis of contribution have been approved by the Administrator, to determine and obtain equitable contribution, as above set forth, by all members of the Industry, and to that end, if necessary, to institute legal proceedings therefor in its own name.

2. Each member of the Industry shall pay his or its equitable contribution to the expenses of the maintenance of the Code Authority, determined as hereinabove provided, and subject to rules and regulations pertaining thereto issued by the Administrator. Only members of the Industry complying with the Code and contributing to the expenses of its administration as hereinabove provided (unless duly exempted from making such contributions), shall be entitled to participate in the selection of members of the Code Authority or to receive the benefits of any of its voluntary activities or to make use of any emblem or insignia of the National Recovery Administration.

3. The Code Authority shall neither incur nor pay any obligation substantially in excess of the amount thereof as estimated in its approved budget, and shall in no event exceed the total amount contained in the approved budget, except upon approval of the Administrator; and no subsequent budget shall contain any deficiency item for expenditures in excess of prior budget estimates except those which the Administrator shall have so approved.

ARTICLE VII—OPEN PRICE FILING

SECTION 1. Each member of the Industry shall file with a confidential and disinterested agent of the Code Authority or, if none, then with such an agent designated by the Administrator, identified lists of all of his prices, discounts, rebates, allowances, and all other terms or conditions of sale, hereinafter in this Article referred to as "price terms", which lists shall completely and accurately conform to and represent the individual pricing practices of said member. Such lists shall contain the price terms for all such standard products of the Industry as are sold or offered for sale by said member and for such nonstandard products of said member as shall be designated by the Code Authority. Said price terms shall in the first instance be filed within ten (10) days after the date of approval of this provision. Price terms and revised price terms shall become effective immediately upon receipt thereof by said agent. Immediately upon receipt thereof, said agent shall by telegraph or other equally prompt means notify said member of the time of such receipt. Such lists and revisions, together with the effective time thereof, shall upon receipt be

immediately and simultaneously distributed to all members of the Industry and to all of their customers who have applied therefor and have offered to defray the cost actually incurred by the Code Authority in the preparation and distribution thereof and be available for inspection by any of their customers at the office of such agent. Said lists or revisions or any part thereof shall not be made available to any person until released to all members of the Industry and their customers, as aforesaid; provided, that prices filed in the first instance shall not be released until the expiration of the aforesaid ten (10) days period after the approval of this code. The code authority shall maintain a permanent file of all price terms filed as herein provided, and shall not destroy any part of such records except upon written consent of the Administrator. Upon request the code authority shall furnish to the Administrator or any duly designated agent of the Administrator copies of any such lists or revisions of price terms.

SECTION 2. When any member of the Industry has filed any revision, such member shall not file a higher price within forty-eight (48) hours.

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

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

ARTICLE VIII—COSTS AND PRICE CUTTING

SECTION 1. The standards of fair competition for the Industry with reference to pricing practices are declared to be as follows:

(a) Wilfully destructive price cutting is an unfair method of competition and is forbidden. Any member of the Industry or of any other Industry or the customers of either may at any time complain to the Code Authority that any filed price constitutes unfair competition as destructive price cutting, imperiling small enterprise, or tending toward monopoly or the impairment of code wages and working conditions. The Code Authority shall within 5 days afford an opportunity to the member filing the price to answer such complaint and shall within 14 days make a ruling or adjustment thereon. If such ruling is not concurred in by either party to the complaint, all papers shall be referred to the Research and Planning Division of N. R. A., which shall render a report and recommendation thereon to the Administrator.

(b) When no declared emergency exists as to any given product there is to be no fixed minimum basis for prices. It is intended that sound cost-estimating methods should be used and that consideration should be given to costs in the determination of pricing policies.

(c) When an emergency exists as to any given product, sale below the stated minimum price of such product in violation of Section 2 hereof is forbidden.

SECTION 2. (a) If the Administrator, after investigation, shall at any time find both (1) that an emergency has arisen within the Industry adversely affecting small enterprises or wages or labor conditions, or tending toward monopoly or other acute conditions, which tend to defeat the purposes of the Act, and (2) that the determination of the stated minimum price for a specified product within the industry for a limited period is necessary to mitigate the conditions constituting such emergency and to effectuate the purposes of the Act, the Code Authority may cause an impartial agency to investigate costs and to recommend to the Administrator a determination of the stated minimum price of the product affected by the emergency, and thereupon the Administrator may proceed to determine such stated minimum price.

(b) When the Administrator shall have determined such stated minimum price for a specified product for a stated period, which price shall be reasonably calculated to mitigate the conditions of such emergency and to effectuate the purposes of the National Industrial Recovery Act, he shall publish such price. Thereafter, during such stated period, no member of the Industry shall sell such specified products at a net realized price below said stated minimum price, and any such sale shall be deemed destructive price cutting. From time to time the Code Authority may recommend review or reconsideration or the Administrator may cause any determinations hereunder to be reviewed or reconsidered and appropriate action taken.

SECTION 3. *Cost Finding*.—The Code Authority shall cause to be formulated methods of cost finding and accounting capable of use by all members of the Industry, and shall submit such methods to the Administrator for review. If approved by the Administrator, full information concerning such methods shall be made available to all members of the Industry. Thereafter, each member of the Industry shall utilize such methods to the extent found practicable. Nothing herein contained shall be construed to permit the Code Authority, any agent thereof, or any member of the Industry to suggest uniform additions, percentages or differentials or other uniform items of cost which are designed to bring about arbitrary uniformity of costs or prices.

ARTICLE IX—TRADE PRACTICE RULES

RULE 1. No member of the Industry shall publish advertising (whether printed, radio, display, or of any other nature) which is misleading or inaccurate in any material particular, nor shall any member in any way misrepresent any goods (including but without limitation its use, trade mark, grade, quality, quantity, origin, size, substance, character, nature, finish, material content or preparation) or credit terms, values, policies, services, or the nature or form of the business conducted.

RULE 2. No member of the Industry shall knowingly withhold from or insert in any quotation or invoice any statement that makes it inaccurate in any material particular.

RULE 3. No member of the Industry shall brand or mark or pack any goods in any manner which is intended to or does deceive or mislead purchasers with respect to the brand, grade, quality, quantity,

origin, size, substance, character, nature, finish, material, content, or preparation of such goods.

RULE 4. No member of the Industry shall defame a competitor by falsely imputing to him dishonorable conduct, inability to perform contracts, questionable credit standing, or by other false representation, or by falsely disparaging the grade or quality of his goods.

RULE 5. No member of the Industry shall publish or circulate unjustified or unwarranted threats of legal proceedings which tend to or have the effect of harassing competitors or intimidating their customers.

RULE 6. No member of the Industry shall secretly offer or make any payment or allowance of a rebate, refund, commission, credit, unearned discount, or excess allowance, whether in the form of money or otherwise, nor shall a member of the Industry secretly offer or extend to any customer any special service or privilege not extended to all customers of the same class for the purpose of influencing a sale.

RULE 7. No member of the Industry shall give, permit to be given or offer to give anything of value for the purpose of influencing or rewarding the action of any employee, agent, or representative of another in relation to the business of the employer of such employee, the principal of such agent or the represented party. 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.

RULE 8. No member of the Industry shall wilfully induce or attempt to induce the breach of existing contracts between competitors and their customers by any false or deceptive means, or interfere with or obstruct the performance of any such contractual duties or services by any such means, with the purpose and effect of hampering, injuring, or embarrassing competitors in their business.

RULE 9. No member of the Industry shall require that the purchase or lease of any goods be a prerequisite to the purchase or lease of any other goods.

RULE 10. No member of the Industry shall use or substitute or sell any article or material other than that specified by the purchaser of any product without clearly defining such substitutions.

RULE 11. No member of the Industry shall imitate or manufacture any design, style, work, or brand of any member of the Industry which shall have been registered with the Association. Such procedure of registration shall be prepared by the Code Authority, and shall be subject to approval by the Administrator.

RULE 12. No member of the Industry shall fail to put the manufacturer's name or trade mark, or other mark of identification, on all products manufactured within the Industry.

ARTICLE X—EXPORT TRADE

SECTION 1. No provision of this Code relating to prices or terms of selling, shipping or marketing, shall apply to export trade or sales or shipments for export trade. "Export Trade" shall be as defined in the Export Trade Act adopted April 10, 1918.

ARTICLE XI—MODIFICATION

SECTION 1. This Code and all the provisions thereof are expressly made subject to the right of the President, in accordance with the provisions of subsection (b) of Section 10 of the Act, from time to time to cancel or modify any order, approval, license, rule, or regulation issued under Title I of said Act.

SECTION 2. Such of the provisions of this Code as are not required to be included herein by the Act may, with the approval of the Administrator, be modified or eliminated in such manner as may be indicated by the needs of the public, by changes in circumstances, or by experience. All the provisions of this Code, unless so modified or eliminated, shall remain in effect until June 16, 1935.

ARTICLE XII—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.

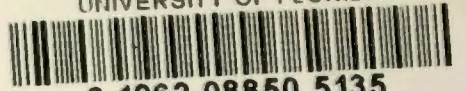
ARTICLE XIII—EFFECTIVE DATE

This Code shall become effective on the tenth day after its approval.

Approved Code No. 527.

Registry No. 1121—01.

UNIVERSITY OF FLORIDA



3 1262 08850 5135