

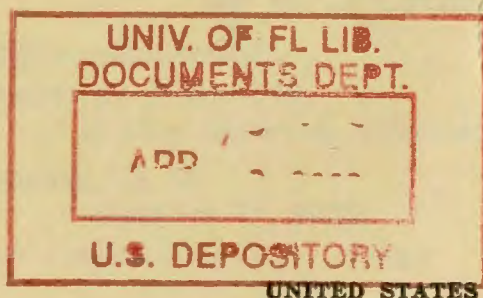
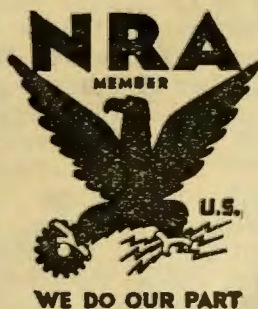
NATIONAL RECOVERY ADMINISTRATION

CODE OF FAIR COMPETITION

FOR THE

**FLOOR MACHINERY
INDUSTRY**

AS APPROVED ON OCTOBER 17, 1934

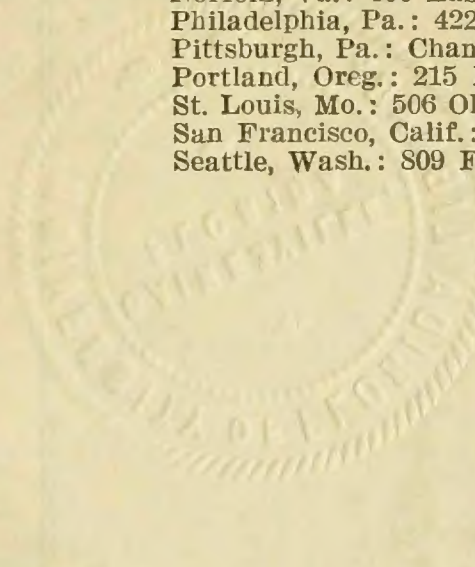


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Approved Code No. 526

CODE OF FAIR COMPETITION
FOR THE
FLOOR MACHINERY INDUSTRY

As Approved on October 17, 1934

ORDER

**APPROVING CODE OF FAIR COMPETITION FOR THE FLOOR MACHINERY
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 Floor Machinery 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, 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 17, 1934.

REPORT TO THE PRESIDENT

The PRESIDENT,
The White House.

SIR: This is a report on the Code of Fair Competition for the Floor Machinery Industry, public hearing on which was held in Washington, D. C., on July 12, 1934, in accordance with the provisions of the National Industrial Recovery Act:

PROVISIONS OF THE CODE AS TO WAGES AND HOURS

This Code provides for a maximum working period of forty (40) hours per week, eight (8) hours in any twenty-four (24) hour period, and six (6) days per week. The following are excepted:

(a) Executives and managerial employees receiving thirty-five dollars (\$35.00) or more per week, traveling salesmen and collectors.

(b) Employees on emergency maintenance or repair work who are to be paid at least one and one-half ($1\frac{1}{2}$) times the normal rate for time worked in excess of eight (8) hours per day, or forty (40) hours per week.

(c) Employees meeting the requirements of peak demand for any six (6) weeks in any six (6) months' period who are to be paid not less than one and one-half ($1\frac{1}{2}$) times the normal rate for time worked in excess of eight (8) hours in any one day or forty (40) hours in any one week.

(d) Watchmen are permitted to work fifty-six hours per week.

(e) Stock and shipping clerks and delivery employees may work not to exceed forty-four (44) hours per week, with time and one-half ($1\frac{1}{2}$) paid for hours worked in excess of eight (8) hours per day or forty (40) hours per week.

This Code provides for minimum rates of pay of forty cents (40¢) per hour. It provides for minimum rates of pay for office employees of fifteen dollars (\$15.00) per week, except in cities of less than 250,000, when the minimum rate is fourteen (14) dollars per week.

Child labor is prohibited, and no person under eighteen (18) years of age may be employed at occupations or operations which are hazardous in nature or dangerous to health.

Provisions are made for posting of complete copies of the Code and any amendments or modifications which may later be approved.

ECONOMIC EFFECTS OF THE CODE

This is a comparatively small industry, the products of which are used in the conditioning and maintenance of floor surfaces.

There are some thirty-four known members of the industry of which fourteen represent between 90% and 95% of the production volume.

The industry generally has operated for the past year under the President's Reemployment Agreement, under which wages were raised in 1933 about 25%.

The estimated production volume of the industry in 1929 was \$3,200,000, and it employed a total of 671. In 1933 the production volume had shrunk to \$1,800,000, and there were only 383 employees. While there has been an increase of about 10% in the number of employees in 1934, a substantial increase is possible only through a general resumption of business activity.

It is expected that the adoption by the industry of the Trade Practice Rules provided in this Code will materially assist in restoring this industry to a healthy basis of operation.

FINDINGS

The Deputy Administrator in his final report to us 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 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 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, we have approved this Code.

For the National Industrial Recovery Board:

G. A. LYNCH,
Administrative Officer.

OCTOBER 17, 1934.

CODE OF FAIR COMPETITION FOR THE FLOOR MACHINERY INDUSTRY

ARTICLE I—PURPOSES

To effectuate the policies of Title I of the National Industrial Recovery Act, the following provisions are submitted as a Code of Fair Competition for the Floor Machinery Industry, and upon approval 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 "Floor Machinery Industry" or the "Industry" means the manufacture for sale of floor waxing, scrubbing, polishing, sanding, refinishing, or surfacing machinery.

SECTION 2. The term "Employee", as used herein, includes any and all persons engaged in the industry, however compensated, except a member of the industry.

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

SECTION 4. 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 5. The term "Association", as used herein, means the Floor Machinery Manufacturers Association.

SECTION 6. The terms "President", "Act", and "Administrator", as used herein, mean respectively the President of the United States of America, Title I of the National Industrial Recovery Act, and the Administrator for Industrial Recovery under said Act.

ARTICLE III—HOURS

SECTION 1. No employee shall be permitted to work in excess of eight (8) hours in any twenty-four (24) hour period, or in excess of forty (40) hours in any one week or more than six (6) days in any seven (7) day period, except as otherwise expressly provided in this Article III.

SECTION 2. (a) The provisions of this Article III shall not apply to persons employed in managerial or executive capacities who are paid thirty-five (35) dollars or more per week (or to traveling salesmen, or to collectors who are paid on a commission basis).

(b) Watchmen shall not be permitted to work in excess of fifty-six (56) hours per week.

SECTION 3. (a) The maximum hours fixed in Section 1 hereof shall not apply for six (6) weeks in any twenty-six (26) weeks period, during which overtime shall not exceed eight (8) hours in

any one week. In any such case at least one and one-half ($1\frac{1}{2}$) times the regular rate shall be paid to each such employee for hours worked in excess of eight (8) hours in any twenty-four (24) hour period, or in excess of forty (40) hours in any seven (7) day period.

(b) The maximum hours fixed in Section 1 hereof shall not apply to any employee on emergency maintenance or repair work involving break-downs or protection of life or property, but in any such special case at least one and one-half ($1\frac{1}{2}$) times his regular rate shall be paid to each such employee for hours worked in excess of eight (8) hours in any twenty-four hour period or in excess of forty (40) hours in any seven (7) day period.

(c) Stock and shipping clerks and delivery employees shall be permitted to work not in excess of forty-four (44) hours per week, provided that at least one and one-half ($1\frac{1}{2}$) times the regular rate shall be paid each such employee for hours worked in excess of eight (8) hours in any twenty-four (24) hour period or in excess of forty (40) hours in any seven (7) day period.

SECTION 4. No employer shall knowingly permit any employee to work for any time which when totaled with that performed for another employer or employers exceeds the maximum permitted herein.

SECTION 5. No employer shall work any accounting or clerical employee more than forty (40) hours in any one week nor more than six (6) days in any seven (7) day period or more than eight (8) hours in any twenty-four (24) hour period.

ARTICLE IV—WAGES

SECTION 1. No employee shall be paid less than at the rate of forty (40) cents per hour, except as hereinafter provided.

SECTION 2. No clerical or office employee shall be paid less than at the rate of fifteen (15) dollars per week, except in cities of less than 250,000 the minimum rate shall be fourteen (14) dollars per week.

SECTION 3. (a) Office boys and girls or messengers may be paid not less than at the rate of eighty (80) percent of the minimum rate for clerical and office employees established in Section 2 of this Article, but the total number of such office boys and girls and messengers employed by any one employer shall not exceed five (5) percent of the total number of office employees of such employer, provided, however, that each employer shall have the right to employ one such boy or girl or messenger. The wage provisions of this article shall not apply to outside salesmen who are compensated wholly on a commission basis.

(b) A person whose earning capacity is limited because of age or physical or mental handicap or other infirmity may be employed at light work at a wage below the minimum established by this Code if the employer obtains 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. Such authority shall be guided by the instructions of the Department of Labor in issuing certificates to such persons. Each employer shall file with the Code Authority a list of all such persons

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

SECTION 4. (a) This Article establishes a minimum rate of pay regardless of whether an employee is compensated on a time rate or piece-work or other basis.

(b) The rates of compensation of all employees receiving more than the minimum herein established shall be equitably adjusted by all employers who have not already done so since June 16, 1933; provided that in no case shall hourly or piecework rates be reduced nor shall any office employee have his weekly compensation reduced on account of a reduction in the hours of employment in conformity with the provisions of Article III. Within thirty (30) days after the effective date, each employer in the Industry shall report to the Administrator, through the Code Authority the action taken by him since June 16, 1933, in adjusting the rate of all hourly and piecework employees and of all office employees receiving less than thirty-five (35) dollars per week of regular work period.

ARTICLE V—GENERAL LABOR PROVISIONS

SECTION 1. No person under sixteen (16) years of age shall be employed in the industry, nor anyone under eighteen (18) years of age at operations or occupations hazardous in nature or detrimental to health. The Code Authority shall submit to the Administrator within sixty (60) days after the effective date of this Code a list of such operations or occupations. In any State an employer shall be deemed to have complied with this provision if he shall have on file a certificate or permit duly 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 2. As required by Section 7 (a) of the Act, it is hereby provided:

(a) That 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.

(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 3. Female employees performing substantially the same work as male employees shall receive the same rate of pay as male employees; and where they displace men, they shall receive the same rate of earnings as the men they displace. The Code Authority shall within ninety (90) days after the effective date of this Code, file with the Administrator a description of all occupations in the Industry in which both men and women are employed.

SECTION 4. An employer shall make payment 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 the law. Wages shall be paid at least at the end of every two weeks' period and salaries at least at the end of every month. No employer shall withhold wages except for legal cause. 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.

SECTION 5. No provision in this Article shall modify established practices or privileges as to vacation periods, leaves of absence or temporary absences from work heretofore granted to office employees.

SECTION 6. Every employer shall provide for the safety and health of employees during the hours and at the places of their employment. Standards for safety and health shall be submitted by the Code Authority to the Administrator within three months after the effective date of this Code.

SECTION 7. No employer shall reclassify employees or duties of occupations performed or engage in any other subterfuge for the purpose of defeating the purposes or provisions of the Act or of this Code.

SECTION 8. No provision in this 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 as imposed by this Code.

SECTION 9. All employers shall post and keep posted copies of this Code in conspicuous places accessible to all employees. 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 10. No employer subject to this Code shall dismiss or demote any employee for making a complaint or giving evidence with respect to an alleged violation of the provisions of this Code.

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

SECTION 1. A Code Authority is hereby established to administer and facilitate the enforcement of this Code.

SECTION 2. (a) During the period not to exceed thirty (30) days following the approval of the Code, the Board of Directors of the Association shall constitute a temporary Code Authority, and the Administrator may, at his discretion, appoint from one (1) to three (3) additional members, without vote.

(b) Within said thirty (30) day period the permanent Code Authority shall be elected and organized at a meeting called by Temporary Code Authority, of which all known members of the Industry shall be advised by notices mailed at least fifteen (15) days in advance of said meeting.

The permanent Code Authority shall consist of three (3) members of the Association, who shall be elected by the members thereof; one (1) member of the Industry, who shall be elected by the non-association members of the Industry, provided such representation is

desired. The Administrator may, at his discretion, appoint from one (1) to three (3) additional members, without vote.

(c) Action at any Industry meeting for the election of Code Authority shall be by majority vote of the members of the Industry entitled to vote as hereinafter provided, who are present in person or by proxy duly executed and filed with Code Authority, each such member to have one vote. Action for all other purposes, including the adoption of Code revision, amendments or supplements, shall be by majority vote of eligible members of the Industry either in person, by mail or by proxy.

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 provide such hearings as he may deem proper; and thereafter if he shall find that the Code Authority is not truly representative or does not in other respects comply with the provisions of the Act, may require an appropriate modification in the method of selection of the Code Authority.

SECTION 4. If the Administrator shall determine that any action of the 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 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.

SECTION 5. 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 par-

ticipate 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.

SECTION 6. 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.

ARTICLE VII—OPEN PRICE

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 non-standard products of said member as shall be designated by the Code Authority. Said price terms shall in the first instance be filed within thirty 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 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 offices 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 thirty day 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 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—TRADE PRACTICES

It shall be an unfair method of competition and a violation of this Code for any member of the Industry to engage in any of the following practices:

SECTION 1. To allow more than one (1%) percent off for cash in ten (10) days from date of shipment; nor more than 30 days net; provided that machines for resale or rental purposes listing for not to exceed \$75.00, may be discounted for cash 10th proximo. It is further provided, that terms not exceeding four (4) months net may be made to charitable and nontaxpaying institutions, schools, hospitals, and religious institutions.

SECTION 2. To manufacture any machine without putting on a serial number, and an identification mark, or marks, sufficient to properly identify the date and origin of manufacture.

SECTION 3. To obliterate, remove, damage, destroy, or tamper with or alter in any manner any identification marks in any manner whatsoever on any of the products of the Industry, including manufacturer's rating of power unit.

SECTION 4. To classify or sell at reduced price any machinery and/or equipment as demonstrating machinery and/or demonstrating equipment unless that member of the industry notifies the Code Authority on the date he placed such machinery and/or equipment in demonstrating service with all the identification marks appearing on such machinery and/or equipment, and keeps same in demonstrating service for one hundred eighty (180) days before he sells such machinery and/or equipment.

SECTION 5. To allow on deferred payment for machinery and/or equipment listing not to exceed seventy-five (\$75.00) dollars, terms of less than 10% down payment; and machinery and equipment listing for more than seventy-five (\$75.00) dollars, terms of less than twenty-five percent (25%) down payment and a period of payment longer than twelve (12) months on the balance or to allow said balance to be paid on less favorable terms to purchaser than on equal monthly installments plus not more than legal rate of interest and carrying charge added to such partial payments.

SECTION 6. That any member of the Industry shall require the purchase or lease of any goods as a prerequisite to the purchase or lease of any other goods.

SECTION 7. To engage in fictitious or blind bidding for the purpose of deceiving competitors or purchasers, or attempt through connivance to have all bids rejected to the end that a more advantageous position may be secured by such member in new bidding.

SECTION 8. To usurp design, styles, or patterns originated by a competitor and appropriate them for one's own use within five (5) years after such origination. This section does not affect a member's rights under the patent and trade-mark laws.

SECTION 9. To imitate the trade marks, trade names, or other marks of identification of competitors, having the tendency or capacity to mislead or deceive purchasers or prospective purchasers. This section does not affect a member's rights under the patent and trade-mark laws.

SECTION 10. To issue false invoices or other documents covering sales in which the prices, terms, discounts, allowances, or other facts relating to the transaction are in any manner falsely stated.

SECTION 11. To discriminate in prices between purchasers of the same class under similar conditions except for differences in the grade, quality, or quantity purchased.

SECTION 12. To agree to conditions or terms of sale, or making promises of any nature which manifestly cannot be fulfilled.

SECTION 13. To quote a total price on any schedule of supplies and machinery which does not show unit prices and making any addition or deduction on any other basis than the unit price shown.

SECTION 14. *Commercial Bribery*.—No member of the Industry shall give, permit to be given or directly or indirectly, offer to give anything of value for the purpose of influencing or rewarding the action of any employee, agent or representative of another in relation to the business of the employer of such employee, the principal of such agent or the represented party without the knowledge of such employer, principal or party. Commercial bribery provisions shall not be construed to prohibit free and general distribution of articles commonly used for advertising except so far as such articles are actually used for commercial bribery as hereinabove defined.

SECTION 15. To defame competitors by falsely imputing to them dishonorable conduct, inability to perform contracts, questionable credit standing, or by other misrepresentations with the tendency or capacity to mislead and deceive purchasers or prospective purchasers.

SECTION 16. To 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, for the purpose of influencing a sale, nor shall any member extend to any customer any special service or privilege not extended to all customers of the same class.

SECTION 17. *Trade-in Allowances*.—Within thirty (30) days from the effective date of this Code each member of the Industry shall file with the Code Authority a schedule of his trade-in allowances on machines of his own manufacture which shall establish the maximum trade-in allowances of such machines. Such schedules may be revised from time to time by filing same with the Code Authority. The Code Authority shall advise all members of the Industry of these prices, which prices shall become effective immediately upon filing.

It shall be unfair trade practice for any member of the Industry to make any trade-in allowance in excess of these prices.

ARTICLE IX—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 five (5) days afford an opportunity to the member filing the price to answer such complaint and shall within fourteen (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 NRA 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. *Emergency Provisions.*—(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 X—EXPORT TRADE

No provisions of this Code relating to prices or terms of selling, shipping or marketing, shall apply to export trade.

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 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.

SECTION 2. This Code, except as to provisions required by the Act, may be modified on the basis of experience or changes in circumstances, such modifications to be based upon application to the Administrator and such notice and hearing as he shall specify, and to become effective on approval of the President.

ARTICLE XII—OTHER INDUSTRIES

If any employer in this Industry is also an employer in any other Industry, the provisions of this Code shall apply to and affect only that part of the business of such employer which is a part of the Industry covered by this Code.

ARTICLE XIII—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 XIV—PRICE INCREASES

Whereas the policy of the Act to increase real purchasing power will be made more difficult 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 possible, be limited to actual increases in the seller's costs.



ARTICLE XV—EFFECTIVE DATE

This Code shall become effective ten (10) days after its approval by the President.

Approved Code No. 526.

Registry No. 1399-66.

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