

**NATIONAL RECOVERY ADMINISTRATION**

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**CODE OF FAIR COMPETITION**

**FOR THE**

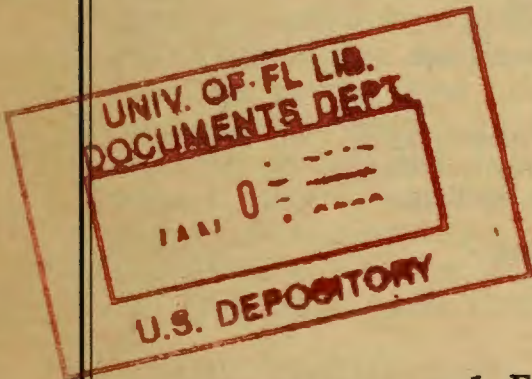
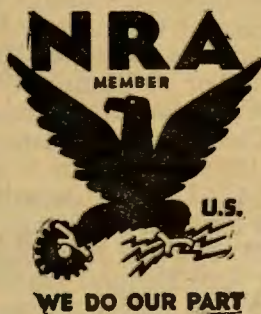
**SAVINGS, BUILDING**

**AND LOAN ASSOCIATIONS**

**AS APPROVED ON DECEMBER 21, 1933**

**BY**

**PRESIDENT ROOSEVELT**



1. Executive Order
2. Letter of Transmittal
3. Code

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**UNITED STATES**

**GOVERNMENT PRINTING OFFICE**

**WASHINGTON : 1933**

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Approved Code No. 169

**CODE OF FAIR COMPETITION**  
**FOR**  
**SAVINGS, BUILDING AND LOAN ASSOCIATIONS**  
**As Approved on December 21, 1933**  
**BY**  
**PRESIDENT ROOSEVELT**

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**Executive Order**

An application having been duly made, pursuant to and in full compliance with the provisions of title I of the National Industrial Recovery Act, approved June 16, 1933, for my approval of a Code of Fair Competition for Savings, Building and Loan Associations, and hearings having been held thereon and the Administrator having rendered his report containing an analysis of the said code of fair competition together with his recommendations and findings with respect thereto, and the Administrator having found that the said code of fair competition complies in all respects with the pertinent provisions of title I of said act and that the requirements of clauses (1) and (2) of subsection (a) of section 3 of the said act have been met:

NOW, THEREFORE, I, Franklin D. Roosevelt, President of the United States, pursuant to the authority vested in me by title I of the National Industrial Recovery Act, approved June 16, 1933, and otherwise, do adopt and approve the report, recommendations and findings of the Administrator and do order that the said code of fair competition be and it is hereby approved.

FRANKLIN D. ROOSEVELT.

Approval recommended:

HUGH S. JOHNSON,  
*Administrator.*

THE WHITE HOUSE,  
*December 21, 1933.*



DECEMBER 9, 1933.

THE PRESIDENT,  
*The White House.*

SIR: I have the honor to transmit herewith the Code of Fair Competition for Savings, Building and Loan Associations. The Hearing was held in accordance with the requirements of the National Recovery Administration in the United States Chamber of Commerce Building on December 4, 1933.

This Code was sponsored by the United States Building and Loan League founded in 1892 for the purpose of preserving the integrity of local cooperative institutions. The League's membership now comprises 5,831 out of 10,997 associations, large and small, and every State League in the Union is a member thereof.

The assets of member associations approximate six billion dollars or 76% of the total assets of all associations amounting to seven billion seven hundred fifty million dollars. Present-day business of Building and Loan is the outgrowth of a little institution organized over a century ago in Frankford, Pennsylvania, and is the development of more than a century of experience in the specialized field of thrift and home financing. The net profits of associations are divided among all the members, who are both the borrowers and the investors.

It is worthy of note that of the nineteen hundred institutions that have affiliated with the Federal Home Loan Bank System seventeen hundred of them are members of the parent League. The most recent form of these associations has been provided for by the Congress of the United States, authorizing for the first time the formation of these thrift and home-financing institutions under Federal charter.

The active and constructive policies of these associations furnish most pleasant reading at the present time. Although total assets have shrunk from nine billion dollars in 1929 to seven billion seven hundred fifty million dollars at this time, a decrease of 12%, the loss ratio has been less than one fourth of one percent of the assets in any one year of the depression. Furthermore, these institutions are aiding and abetting the Recovery Program not only through mortgages but by materially assisting in the financing of upkeep and repairs of homes. In 1932 when credit was almost non-existent associations made loans of five hundred thirty-two millions of dollars.

A companion achievement is their record in regard to employment and wages. A recent survey of associations with assets of five million dollars and over located in twenty-six states evidences an increase in the number of employees of 11% over 1929. Of these only a trifle over one per cent fall within the minimum wage groups. In this instance the top of the pyramid has borne the brunt of retrenchment both in numbers and in reduction of compensation. At the same time the number of employees receiving \$150.00 per month and



less have increased by 37% and their wage payments have increased by 24%.

I can add only that this recital should make history for the 10,000,000 savers of the Building and Loan Associations.

Under fair practices there is but one important provision and that important one governs the heart of the business. It prohibits advertising or other representation, in any form, which is inaccurate or which misrepresents the services, contracts, investments, or financial condition of any association.

No objector from an association or from the public appeared at the Hearing, nor has any objection been subsequently filed.

This Code has been accepted by the United States Building and Loan League and has received the approval of the several Advisory Boards of the National Recovery Administration, with the exception of a qualification by Labor which is included in this report.

I find that the Code complies with the pertinent provisions of clauses (1) and (2), subsection (a) of Section 3, subsection (a) of Section 7, and subsection (b) of Section 10 of the National Industrial Recovery Act.

I recommend, therefore, that you approve the Code of Fair Competition for Savings, Building and Loan Associations as herewith submitted.

Respectfully,

HUGH S. JOHNSON,  
*Administrator.*



**CODE OF FAIR COMPETITION**  
**FOR**  
**SAVINGS, BUILDING AND LOAN ASSOCIATIONS**

**PREAMBLE**

It is the declared purpose of the proponents of this Code to promote thrift and the buying and owning of homes; to operate associations for the equitable benefit and security of shareholders and investors therein and borrowers therefrom; to promote research and education; to reduce and relieve unemployment; to bring about unity and cooperative action among all persons engaged in the management of thrift and home-financing associations.

**ARTICLE I—PURPOSE**

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 Savings, Building and Loan Associations and shall be the standard of fair competition and shall be binding on all associations as hereinafter defined.

**ARTICLE II—DEFINITIONS**

1. The term "associations" as used herein shall include building and loan associations, savings and loan associations, homestead associations, cooperative banks, and similar cooperative thrift and home-financing associations.

2. The term "League" as used herein means the United States Building and Loan League, a trade association having its offices at 104 South Michigan Avenue, Chicago, Illinois.

3. The term "member" as used herein shall refer to such organizations and associations as are members of the league, as determined by its Constitution.

4. The term "nonmember" as used herein shall mean similar associations, unaffiliated with the League, subject to this Code and any revisions or additions thereto and receiving the benefits thereof.

5. The term "employee" as used herein means any person employed by such associations.

6. The term "effective date" as used herein means the tenth day after this Code shall have been approved by the President of the United States.

7. The term "expiration date" as used herein means June 16, 1933, or the earliest date prior thereto on which the President shall by



proclamation or the Congress shall by Joint Resolution declare that the emergency recognized by Section I of the National Industrial Recovery Act has ended.

8. The terms "President", "Act", and "Administrator" as used herein shall mean respectively the President of the United States, the National Industrial Recovery Act, and the Administrator appointed under Title I of said Act.

9. Population for the purposes of this Code shall be determined by reference to the latest Federal Census.

### ARTICLE III—MINIMUM WAGES

1. On and after the effective date, and to and until the expiration date, the minimum wages of employees covered hereby shall be: (a) \$15 per week in any city of over 500,000 population or in the immediate trade area of such city; (b) \$14.50 per week in any city of between 250,000 and 500,000; (c) \$14 per week in any city of between 2,500 and 250,000; (d) \$12 per week in any town under 2,500 population.

2. Part-time workers shall be paid minimum wages of 10% or more in excess of the above minimum standards, calculated on an hourly basis.

3. Officers, directors, or other members of the management rendering part-time service of any kind to the associations without compensation shall not be affected by the provisions of this Article.

4. The wages of employees shall not be decreased, even though the hours of such employees' work shall be reduced to conform to the maximum hours provided in Article IV.

### ARTICLE IV—HOURS OF LABOR

On and after the effective date, no employee shall work for more than an average of forty hours per week, such average being determined by periods of thirteen weeks, but such limitation shall not apply to:

(a) Any employee in a managerial, executive, or administrative capacity or in any other capacity of special or sole responsibility who receives more than \$35.00 per week.

(b) Any employee engaged as an outside representative, or night watchmen.

(c) Cases of emergency beyond the control of associations or periods when peak demands or Federal or State examinations place an unusual and temporary requirement upon any associations.

### ARTICLE V—LABOR PROVISIONS

1. No persons under 16 years of age shall be employed, except that persons between 14 and 16 may be employed for not to exceed 3 hours a day and those hours between 7 a.m. and 7 p.m. in such work as will not interfere with hours of day school.

2. As required by Section 7 (a) of Title I of the National Industrial Recovery Act the following provisions are conditions of this Code:



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

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

#### ARTICLE VI—ADMINISTRATION

1. A Code Authority shall be established for the administration of this Code. This Code Authority shall include the President and two Vice-Presidents of the League; ten representatives of the League, who shall be truly representative of its membership, to be appointed by the President of the League by and with the advice and consent of the Board of Directors of the League; two representatives of non-members of the League to be selected in a manner approved by the Administrator; and not more than three representatives, without vote, to be appointed by the Administrator.

2. (a) In the exercise of its powers and in the performance of its duties, the Code Authority shall use and employ the League, provided that nothing herein shall relieve the Code Authority of its duties or responsibilities under this Code, and it shall be answerable to the Administrator for any acts performed by the League.

(b) The League may delegate any of its duties to State or Territorial leagues of Associations, including the Council of the District of Columbia, or to such agents or committees as it may appoint, whose personnel, duties, and powers may be changed by the League from time to time.

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

(a) To administer, supervise, and promote the performance of the provisions of this Code.

(b) To collect all data and statistics called for by this Code, or required by the President or the Administrator, or pertinent to the effectuation of Title I of said Act, and, in its discretion, disseminate the summaries thereof.

(c) To represent associations in conferring with the President or the Administrator with respect to the application of this Code and of said Act and any regulations issued thereunder, and to hear



complaints and adjust the same; to coordinate the administration of this Code and such codes, if any, as may affect any related activity, and to receive proposals for supplementary provisions and amendments to this Code.

4. Associations shall be entitled to participate in and share the benefits of the activities of the Code Authority by assenting to and complying with the requirements of this Code and sustaining their pro rata share of the expenses of administration, calculated on the basis of assets and/or such other factors as may be deemed equitable, and as shall be determined by the Code Authority, subject to review and approval by the Administrator. Assent of associations shall be given in writing to the Managing Director, Code Authority, care of the United States Building and Loan League, 104 South Michigan Avenue, Chicago, Illinois.

#### ARTICLE VII—FAIR PRACTICES

To effectuate the purposes of the National Industrial Recovery Act all associations shall comply with the following rules governing fair competition in associations' practices, which shall become effective sixty (60) days after the approval of this Code by the President of the United States.

1. (a) Within cities, towns, counties, or other trade areas, such associations therein as are found by the Code Authority to be of the same class, kind, and character, shall, by agreement of a majority of such associations, establish maximum hours for business operations.

(b) When such maximum hours are agreed upon and approved by the Code Authority, they shall apply to all associations of such class, kind, and character in such cities, towns, counties, or other trade areas, provided that such associations may observe shorter hours than the maximum established.

2. No association shall use advertising (whether printed, radio, display, or of any other nature) or other representation which is inaccurate in any material particular or which in any way misrepresents its services, contracts, investments, or financial condition.

#### ARTICLE VIII—MONOPOLIES

No provision of this Code shall be so applied as to permit monopolies or monopolistic practices, or to eliminate, oppress, or to discriminate against small enterprises.

#### ARTICLE IX—VIOLATIONS

Violation by any association of any provision of this Code is an unfair method of competition.

#### ARTICLE X—GENERAL PROVISION

It is expressly provided that no provision of this Code shall be interpreted or applied so as to conflict in any way with any federal or state law or any rule, regulation, or order which may have been or may be issued by any federal or state supervising authority applicable to associations.



## ARTICLE XI—ALTERATIONS AND AMENDMENTS

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

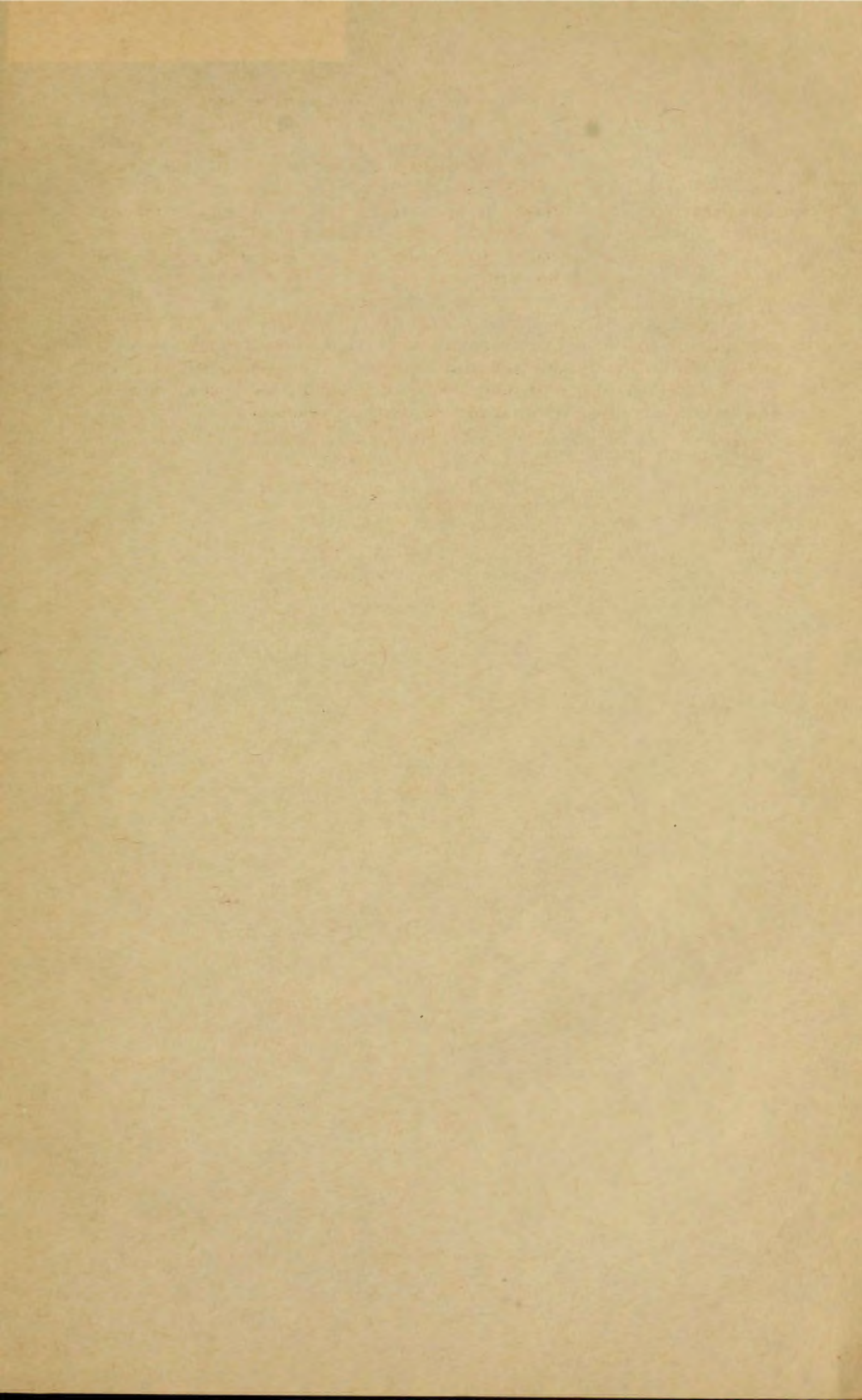
2. This Code, except as to provisions required by the Act, may be modified on the basis of experience or changes in circumstances, such modification to be based upon application to the Code Authority and to the Administrator and such notice and hearing as he shall specify, and to become effective on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

Approved Code No. 169.

Registry No. 1712-02.

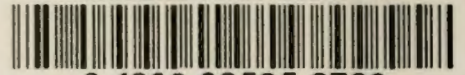








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