

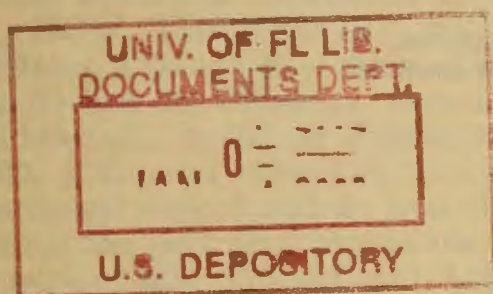
NATIONAL RECOVERY ADMINISTRATION

CODE OF FAIR COMPETITION

FOR THE

PICTURE MOULDING AND
PICTURE FRAME INDUSTRY

AS APPROVED ON JANUARY 16, 1934



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CODE OF FAIR COMPETITION
FOR THE
PICTURE MOULDING AND PICTURE FRAME
INDUSTRY

As Approved on January 16, 1934

ORDER
APPROVING CODE OF FAIR COMPETITION
FOR THE
PICTURE MOULDING AND PICTURE FRAME
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 Picture Moulding and Picture Frame Industry, and hearings having been duly held thereon and the annexed report on said Code, containing findings with respect thereto, having been made and directed to the President:

NOW, THEREFORE, on behalf of the President of the United States, I, Hugh S. Johnson, Administrator for Industrial Recovery, pursuant to authority vested in me by Executive Orders of the President, including Executive Order No. 6543-A, dated December 30, 1933, and otherwise; do hereby incorporate by reference said annexed report and do find that said Code complies in all respects with the pertinent provisions and will promote the policy and purposes of said Title of said Act; and do hereby order that said Code of Fair Competition be and it is hereby approved.

HUGH S. JOHNSON,
Administrator for Industrial Recovery.

Approval recommended:

MALCOLM MUIR,
Division Administrator.

WASHINGTON, D.C.,
January 16, 1934.

The PRESIDENT,
The White House.

SIR: This is a report on the Code of Fair Competition for the Picture Moulding and Picture Frame Industry in the United States, as revised after a hearing conducted in Washington on November 24, 1933, in accordance with the provisions of the National Industrial Recovery Act.

PROVISIONS FOR HOURS AND WAGES

The maximum hours of labor provided in this Code are 40 hours per week with the following exceptions: Executive and Supervisors receiving \$35 or more per week do not have any limitation of hours. Watchmen are not permitted to work more than 56 hours, nor more than 6 days, in any one week. Cleaners, mechanics, engineers, firemen, outside crews and outside delivery men, not to exceed ten percent of the employees of any one plant, are allowed a tolerance of 8 hours per week and are to be compensated at one and one third their normal rate of pay for hours worked in excess of 40 hours in any week. Emergency repair and maintenance work is unrestricted but also shall be compensated at one and one third the normal rate of pay for hours worked in excess of 40 hours in any one week or in excess of 8 hours in any one day. As the industry is largely a manufacture-on-order industry, an 8-hour tolerance per week is allowed on hours, providing the weekly average in each 4-week period does not exceed 40 hours. Hours in addition to the 40-hour average (but not exceeding 48 hours in any one week) are allowed during the peak season, if employees are compensated at the rate of one and one third times their normal rate of such additional hours worked. Office and clerical employees are not permitted to work more than 40 hours per week averaged over any 4-week period nor in excess of 48 hours in any one week.

The minimum wage rate provided for employees is 32½ cents per hour in the North and 10 percent less in the South. Learners, not to exceed 5 percent of the employees of any plant and for a period of one month, and messengers and office girls between 16 and 18 years of age, also not to exceed 5 percent of the employees, may be compensated at 80 percent of the minimum wage provided. Female workers shall receive the same rate of pay as male workers for substantially the same work. Handicapped persons may be employed at suitable work upon certification of the State Authority designated by the United States Department of Labor. One year from the effective date of this Code the minimum wage is to be increased to 37½ cents per hour unless adequate reasons for not doing so are presented to the Administration at a public hearing requested by the Code Authority for this purpose.

CHILD LABOR

The minimum age limit is 16 years, except in hazardous positions where the minimum age limit shall be 18 years.

ECONOMIC EFFECT OF THE CODE

From the data available, the representative of the Planning and Research Division has estimated maximum hour provisions of this Code would increase employment in this industry approximately 25 percent over that of June 1933; and that the wage provisions though comparatively low are a substantial increase over those prior to the President's Reemployment Agreement. An increase in the minimum wage from 32½ cents per hour to 37½ cents per hour is provided after this Code has been in effect one year, in the belief that the industry will then be better able to provide this more adequate wage for its employees.

FINDINGS

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

I find that:

(a) Said Code is well designed to promote the policies and purposes of Title I of the National Industrial Recovery Act, including removal of obstructions to the free flow of interstate and foreign commerce which tend to diminish the amount thereof and will provide for the general welfare by promoting the organization of industry for the purpose of cooperative action among the trade groups, by inducing and maintaining united action of labor and management under adequate governmental sanctions and supervision, by eliminating unfair competitive practices, by promoting the fullest possible utilization of the present productive capacity of industries, by avoiding undue restriction of production (except as may be temporarily required), by increasing the consumption of industrial and agricultural products through increasing purchasing power, by reducing and relieving unemployment, by improving standards of labor, and by otherwise rehabilitating industry.

(b) Said Industry normally employs not more than 50,000 employees; and is not classified by me as a major industry.

(c) The Code as approved complies in all respects with the pertinent provisions of said Title of said Act, including without limitation Subsection (a) of Section 3, Subsection (a) of Section 7, and Subsection (b) of Section 10 thereof; and that the applicant group is an industrial group truly representative of the aforesaid Industry; and that said group 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, this Code has been approved.

Respectfully,

HUGH S. JOHNSON,
Administrator.

WASHINGTON, D.C.,
January 16, 1934.

CODE OF FAIR COMPETITION
FOR THE
PICTURE MOULDING AND PICTURE FRAME INDUSTRY

ARTICLE I—PURPOSES

To effect the policies of Title I of the National Industrial Recovery Act this Code is submitted as a Code of Fair Competition for the Picture Moulding and Picture Frame Industry, and upon approval by the President 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. *Picture Moulding and Picture Frame Industry.*—The Picture Moulding and Picture Frame Industry, hereinafter termed “the industry”, means the manufacture and/or sale by the manufacturers of picture-frame mouldings, including plain, ornamented, embossed, carved, or composition, whitened, veneer covered, metal, finished and unfinished, and all picture frames, including mirror frames, photo frames, painting frames, advertising frames, metal frames, picture plaques, leather and leatherette frames, both empty and fitted and irrespective of the materials used in the production thereof, and wooden trays and art novelties made in picture-frame factories of similar materials and by similar processes to those used in the manufacture of picture frames; but excluding custom picture-framing from finished mouldings made to order for specific pictures delivered by retail customers for framing to the picture and frame departments of stores operating under the Code of Fair Competition for the Retail “Trade.”

SEC. 2. *Division.*—The term “Division” of the industry as used herein shall mean the several branches of the industry which have been or may hereafter be established by the Code Authority. The divisions immediately hereby established are as follows:

1. Raw Moulding.
2. Finished Moulding.
3. Empty Picture Frame.
4. Fitted Picture Frame.
5. Metal Moulding and Metal Frame.

SEC. 3. *Divisional Agency.*—The term “Divisional Agency” shall mean the executive agency of any Division of the industry selected by members of the Division by methods of selection prescribed by the Code Authority.

SEC. 4. *Members of the Industry.*—The term “Member of the Industry” includes, but without limitation, any individual or enterprise engaged in the industry, either as an employer or on his or its own behalf.

SEC. 5. *Member of Division.*—The term “Member of the Division” shall mean any member of the industry as classified in any division of the industry now or hereafter established.

SEC. 6. *Employee.*—The term “Employee” as used herein includes any and all persons engaged in the industry, except a “member of the industry”, however compensated.

SEC. 7. *Act and Administrator.*—The terms “Act” and “Administrator” as used herein shall mean, respectively, Title I of the National Industrial Recovery Act, and the Administrator of said Act.

SEC. 8. *Population.*—Population for the purposes of this Code shall be determined by reference to the latest Federal Census.

SEC. 9. *Association.*—The term “Association” as used herein means The Picture Moulding and Frame Manufacturers Association, Incorporated, under the laws of the State of Illinois, not for profit.

ARTICLE III—HOURS

SECTION 1. *Maximum Hours.*—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 hereinafter otherwise provided.

EXCEPTIONS

SEC. 2. *Executive, Supervisory, or Administrative Employees.*—The maximum hours prescribed in Section 1 of this Article shall not apply to executive, supervisory, or administrative employees receiving thirty-five (35) dollars or more in any one week, nor to outside salesmen, provided, however, that the exemption contained in this section shall not apply to foremen engaged in machine operations.

SEC. 3. *Watchmen.*—The maximum hours prescribed in Section 1 of this Article shall not apply to watchmen, provided, however, that watchmen shall not be permitted to work in excess of fifty-six (56) hours in any one week nor more than six (6) days in any one week.

SEC. 4. *Outside Deliverymen, Firemen, Mechanics, Engineers, Cleaners, and Outside Crews.*—The maximum hours prescribed in Section 1 of this Article shall not apply to outside deliverymen, firemen, mechanics, engineers, cleaners, and outside crews, provided, however, that the total number of such employees engaged by any member of the industry shall not exceed ten percent of the total number of employees engaged by such member of the industry at any one time, and provided, further, that such employees shall be paid not less than one and one third times their normal rate of pay for all hours worked in excess of forty (40) hours in any one week, nor shall such employees be permitted to work more than forty-eight (48) hours in any one week.

SEC. 5. *Emergencies.*—The maximum hours prescribed in Section 1 of this Article shall not apply to emergency maintenance or emergency repair work, provided, however, that any employees engaged

in any such emergency maintenance or emergency repair work, shall be paid at not less than one and one third times their normal rate of pay for all hours worked in excess of forty (40) hours in any one week, or in excess of eight (8) hours in any one day.

SEC. 6. *Peak Seasons*.—The maximum hours prescribed in Section 1 of this Article shall not apply in case of seasonal or peak operations, provided, however, that no employee engaged in such operations shall be permitted to work in excess of forty-eight (48) hours in any one week or in excess of forty (40) hours per week averaged over a four (4) consecutive week period except as hereinafter provided. Employees may be permitted to work in excess of the forty (40) hour average over a four (4) week period (but not in excess of forty-eight (48) hours in any one week) provided that employees shall be paid at least one and one third times their normal wage rate for all hours worked in any one week in excess of the forty (40) hour average period provided herein or for hours worked in excess of eight (8) in any one day.

SEC. 7. *Office Employees*.—Clerical and office employees other than administrative, supervisory, or executive employees exempted pursuant to the provisions of Section 2 of this Article, shall not be permitted to work in excess of forty (40) hours per week averaged over any four (4) consecutive weeks nor in excess of forty-eight (48) hours in any one week.

SEC. 8. *Dual Employment*.—No employer shall knowingly engage any employee for any time which, when totaled with that already performed with another employer or employers in this industry, exceeds the maximum hours prescribed in this Article.

SEC. 9. *One Owner in Partnership Exempted*.—Where a member of this industry is a partnership, association, or trust, which consists of more than one person, not more than one individual of such partnership, association, or trust shall work as an operator in excess of the maximum hours of labor as hereinbefore provided.

ARTICLE IV—WAGES

SECTION 1. *Minimum Wages*.—No employee shall be paid in any pay period less than at the rate of thirty-two and one half ($32\frac{1}{2}$) cents per hour, except as herein otherwise provided.

SEC. 2. *Increase of Minimum Wage after One Year*.—One year from the effective date of this Code the minimum wage hereunder shall be increased to thirty-seven and one half ($37\frac{1}{2}$) cents, subject however, to the right of the Code Authority at its election and prior to said date of effective increased minimum wage to request a hearing before the Administrator to show cause why said increase or any part thereof should not become effective.

SEC. 3. *Wage Differential in South*.—The minimum wage in the States of South Carolina, Georgia, Florida, Alabama, Mississippi, Louisiana, and Texas, shall be ninety (90) percent of the minimum wages set forth in Sections 1 and 2 of this Article.

SEC. 4. *Piece Work and Minimum Wage*.—This Article establishes a minimum rate of pay which shall apply irrespective of whether an employee is actually compensated on a time rate, piecework, or other basis.

SEC. 5. *Learners*.—Persons learning an occupation shall be paid not less than eighty (80) percent of the minimum wages prescribed in Section 1 of this Article providing that the number of such learners shall not exceed five percent of the total number of employees of any one employer at any time and that the learners shall not be compensated at less than the minimum rate for a total period in excess of one month whether employed by one or more employers.

SEC. 6. *Office Boys and Messengers*.—The minimum rates prescribed in Section 1 of this Article shall not apply to messengers, office boys, or office girls under the age of eighteen (18) years, provided, however, that such employees shall be paid not less than eighty (80) percent of the minimum wage prescribed herein. The number of such employees shall not exceed five (5) percent of the total number of employees of any one employer at any one time.

SEC. 7. *Adjustment of Wages*.—No employee receiving in excess of the minimum wage rate in June 1933 shall have his rate of wages decreased below his rate on that date. Wages in excess of the minimum shall be adjusted on a fair and equitable basis, said adjustments to be reported to the Code Authority and the Administrator for approval.

SEC. 8. *Female Employees*.—Female employees performing substantially the same work as male employees shall receive the same rates of pay as male employees.

SEC. 9. *Handicapped Persons*.—A person whose earning capacity is limited because of age or physical or mental handicap may be employed on 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. Each employer shall file with the Code Authority a list of all such persons employed by him.

SEC. 10. *Accounting, Clerical, or Office Employees*.—Accounting, clerical, or office employees shall not be paid less than the rate of \$15.00 per week in any city of 500,000 population or over, or in the immediate trade area of such city, and not less than \$14.50 per week in any city between 100,000 and 500,000 population or in the immediate trade area of such city, and not less than \$14.00 per week in any city between 10,000 and 100,000 or in the immediate trade area of such city, and not less than \$12.00 per week in any city under 10,000 population. Population for the purposes of this Code shall be determined by the 1930 Federal Census.

ARTICLE V—GENERAL LABOR PROVISIONS

SECTION 1. *Child Labor Prohibited*.—No person under sixteen (16) years of age shall be employed in the industry. No person 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 before January 31, 1934, 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 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.

SEC. 2. *Employees' Right to Organize.*—In compliance with Section 7 (a) of the Act, it is provided that:

(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.

SEC. 3. *State Laws Prevail Where More Stringent Than Code.*—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 are imposed by this Code.

SEC. 4. *Posting Code.*—All employers shall post complete copies of this Code in conspicuous places accessible to employees.

SEC. 5. *Reclassifying Employees.*—No employer shall reclassify employees or duties of occupations performed for the purpose of defeating the purpose or provisions of the Act or of this Code.

SEC. 6. *Safety and Health.*—Every employer shall make reasonable 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 for approval within six months after the effective date of this Code.

SEC. 7. *Contracted Work.*—No employer shall avoid or evade the labor provisions of this Code by contracting his work to any person subject to labor regulations less stringent than those provided in this Code.

SEC. 8. *Prohibited Home Work.*—No member of the industry shall permit any work in the industry to be performed in the home of any worker.

SEC. 9. *Payment of Wages.*—An employer shall make payment of all wages due in lawful currency, or by negotiable check therefor payment on demand. These wages shall be exempt from any payments for premiums, insurance, or sick benefits other than those voluntarily paid by the wage earners, or required by State laws. All employment agreements shall require that wages be paid at least at the end of every two weeks' period, salaries at least at the end of every month, and that no employer shall withhold wages due any employee.

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

SECTION 1. *Code Authority.*—A Code Authority is hereby constituted to cooperate with the Administrator in the administration of this Code.

SEC. 2. *How Composed.*—The Code Authority shall consist of not less than ten (10) members of the industry complying with the provisions of Section 8 of this Article, to be selected as follows: Ten (10) members of the Code Authority may be selected by the members of the Association, not more than two (2) being selected by each of the five (5) Divisions by the members thereof. Not less than one (1) member of the Code Authority shall be a nonmember of the Association, if there be any such members of the industry and shall be selected by such nonmembers, complying with the provisions of Section 8 of this Article, by personal vote or by proxy at an election conducted by the Association.

SEC. 3. *Provisions for Alternates.*—Each Division may select an alternate for each of its members of the Code Authority. Should any matter come before the Authority which specifically involves acts, conduct, or the interests of a company with which any member of the Code Authority is associated or employed, such member shall be disqualified to act in such matter and a designated alternate may act in such disqualified member's place.

SEC. 4. *Trade Association Shall Conduct Election.*—The Association is hereby designated as the agency to conduct an election of the members of the Code Authority within twenty (20) days after the effective date of this Code, and any other elections of members of the Code Authority which may thereafter be held. Members of the Code Authority shall be elected to serve for a term of one (1) year or until their successors are elected at the next annual meeting of the industry. In the event of any vacancy in the membership of the Code Authority, a special meeting of the members of the industry for an election to fill the incomplete terms of such members shall be called. Notice of each election shall be sent to all members of the industry at least ten (10) days in advance of such election, and voting at such election may be by person, by proxy, or by letter ballot.

SEC. 5. *Members Appointed by the Administrator.*—In addition to membership as above provided, there may be three (3) members, without vote, to be appointed by the Administrator, to serve for terms of from six (6) to twelve (12) months from the date of appointment as the Administrator may designate. Such members shall be given notice of and may sit at all meetings of the Code Authority.

SEC. 6. *Trade Association Regulations.*—Each trade or industrial association or Division 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, bylaws, 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 effect the purposes of the Act.

SEC. 7. *Code Authority Must be Representative.*—In order that the Code Authority shall at all times be truly representative of the in-

dustry 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 in the method of selection of the Code Authority.

SEC. 8. *Expenses of Code Authority.*—Members of the industry shall be entitled to participate in and share the benefits of the activities of the Code Authority and to participate in the selection of the members thereof by assenting to and complying with the requirements of this Code and sustaining their reasonable share of the expenses of its administration. Those who participate in or accept the benefits of the activities of the Code Authority or their respective Divisional Agency shall pay their reasonable share of the cost of the Administration of this Code. Such reasonable share of the expenses of administration shall be determined by the Code Authority, subject to review by the Administrator, on the basis of volume of business and/or such other factors as may be deemed equitable.

SEC. 9. *Members of Code Authority not Partners.*—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 any one 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 any one for any action or omission to act under this Code, except for his own willful misfeasance or nonfeasance.

SEC. 10. *Powers and Duties of Code Authority.*—The Code Authority shall have the following further powers and duties, the exercise of which shall be reported to the Administrator and shall be subject to his right, on review, to disapprove any action taken by the Code Authority.

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

(b) To adopt bylaws and rules and regulations for its procedure and for the administration and enforcement of the Code.

(c) To obtain from members of the industry such information and reports as are required for the administration of the Code and to provide for submission by members of such information and reports as the Administrator may deem necessary for the purposes recited in Section 3 (a) of Title I of the Act, which information and reports shall be submitted by members to such administrative and/or government agencies as the Administrator 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 reports shall be disclosed to any other member of the industry or any other party except to such governmental agencies as may be directed by the Administrator and except to such impartial agency as may be necessary to facilitate the administration of this Code.

(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 make recommendations to the Administrator for the co-ordination of the administration of this Code with such other codes, if any, as may be related to the industry.

(f) To secure from members of the industry an equitable and proportionate payment of the reasonable expenses of maintaining the Code Authority and its activities.

(g) To cooperate with the Administrator in regulating the use of any N.R.A. insignia solely by those members of the industry who have assented to and are complying with this Code.

(h) To recommend to the Administrator further fair-trade practice provisions to govern members of the industry in their relations with each other or with other industries and to recommend to the Administrator measures for industrial planning, including stabilization of employment.

(i) The Code Authority may appoint such committees or agents as it may deem necessary and may delegate to them or to any Divisional Agency or Divisional Code Authority such of its powers or duties as it may deem proper for the administration of this Code; provided, however, that it shall reserve final responsibility as to any powers or duties so delegated.

(j) Divisional agencies or Divisional Code Authorities provided for herein may make such rules and regulations as may be necessary to administer this Code in their respective Divisions. Any rules and regulations made pursuant to the provisions of this section shall be immediately submitted in duplicate to the Authority, which shall promptly transmit one copy thereof to the Administrator for his review or disapproval.

(k) In order to assist in eliminating unfair competition, the Code Authority may establish classifications and quality standards for the products manufactured and sold by each Division subject to the approval of the Division concerned. No member of the industry shall falsely represent his product as complying with any standards or classifications so established. Such classifications and quality standards shall be subject on review to disapproval by the Administrator.

(l) To employ a Secretary-Accountant who shall be the Executive Officer of the Code Authority and who shall not be in any way affiliated with any member of the industry.

SEC. 10. *Industrial Relations Board*.—To recommend to the Administrator the establishment of an Industrial Relations Board for this industry.

SEC. 11. *Metal Moulding and Metal Frame Division*.—Division 5, Metal Moulding and Metal Frame, may adopt, subject to the approval of the Administrator, a Supplementary Code for such Division, provided that such Supplementary Code shall not be inconsistent with or contrary to the provisions of this Code of the Industry. Such Supplementary Code, when approved by the Presi-

dent, shall have the same force and effect in the Metal Moulding and Metal Frame Division as this Code. Such Supplementary Code may provide for a Divisional Code Authority, which shall have direct access and appeal at all times to the Administrator.

ARTICLE VII—PUBLICITY OF PRICES, TERMS AND CONDITIONS OF SALE

SECTION 1. *Cost Accounting System for Each Division.*—Pursuant to the provisions of Article VI, each Division of the industry shall formulate or cause to be formulated standard methods or systems of cost accounting for use in such Division of the Industry, which methods or systems shall be adaptable to the cost-accounting procedure of and to the business of such Division of the Industry, and shall be subject to the approval of the Code Authority. Such methods or systems shall specify the factors that shall determine the cost for each member of such Division of the Industry pursuant to the provisions of this section. Upon approval of such methods or systems by the Administrator, the Code Authority shall furnish to each member of such Division of the Industry complete details of such methods or systems. Thereafter, in determining its costs, each member of the industry shall use the principles of such cost-accounting system recommended by such divisions and approved by the Code Authority and the Administrator.

SEC. 2. *Selling Below Cost.*—No member of the industry shall publish prices or sell any article, including surplus stocks, below his cost of production except (a) to meet the competition of a lower-cost producer and (b) as may be specifically authorized by the Code Authority regarding dropped lines and close outs.

SEC. 3. *Filing Individual Overhead Costs.*—Each member of the industry shall within ten (10) days of the effective date of this Code, file with the Secretary-Accountant a statement of the percentage to be added to his direct raw material and direct labor costs, the total of which is commonly called Bench Cost, to cover his entire individual overhead. This overhead percentage may be different for different classifications of products of the members, provided that not more than four classifications be used, unless otherwise authorized by the Code Authority. The percentages filed shall be based on the actual costs of the individual member, and, after the adoption of the cost system which may be prescribed by the respective Divisions as set forth in Section 1 of this Article, shall be in accord with such cost system.

SEC. 4. *Price Lists to be Filed with Code Authority.*—Within ten (10) days after the effective date of this Code each member of the industry shall file with the Secretary-Accountant of the Code Authority his list prices and maximum discounts applying thereto and the terms and conditions of sale on all his products. Such lists so filed and any revisions thereof subsequently filed shall be available to each class of purchasing trade, namely, manufacturers who are customers of another manufacturer, wholesalers, and retailers to which such list prices, maximum discounts, terms, and conditions apply.

SEC. 5. *List Prices May be Changed.*—In the event of any change by any member of the industry in any list price and maximum

discounts, terms, or conditions of sale applying thereto, he shall file full and complete copies of every such change with the Secretary-Accountant of the Code Authority within such periods as may have been designated by the Code Authority but not exceeding ten (10) days in advance of the effective date of any such change.

SEC. 6. *Unlisted Discounts Not Allowed.*—No member of the industry shall sell, pay a rebate, or allow a deduction at any time to anyone except in accordance with his list prices and maximum discounts applying thereto, terms, and conditions of sale then in effect and published in the manner described herein. Each member of the industry shall have the right, individually, to publish new list prices and maximum discounts applying thereto, terms, and conditions of sale from time to time as herein provided.

ARTICLE VIII—TRADE PRACTICE RULES

GENERAL DEFINITIONS

For all purposes of the Code the acts described in this Article shall constitute unfair practices. Any member of the industry who shall directly or indirectly through any officer, employee, agent, or representative, knowingly use, employ, or permit to be employed, any of such unfair practices shall be guilty of a violation of the Code.

RULE 1. *Inaccurate Advertising.*—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 or in any way misrepresents any commodity (including its use, trade mark, grade, quality, quantity, origin, size, material content, or preparation), or credit terms, value, policies, services, or the nature or form of the business conducted.

RULE 2. *"Bait" Advertising.*—No member of the Industry shall knowingly publish advertising or use selling methods or credit terms which tend to deceive or mislead the customer or prospective customer.

RULE 3. *False Billing.*—No member of the Industry shall knowingly withhold from or insert in, any quotation, contract, or invoice any statement that makes it inaccurate in any material particular.

RULE 4. *Inaccurate Labeling.*—No member of the Industry shall brand or mark or pack any commodity in any manner which tends to deceive or mislead purchasers with respect to the brand, grade, quality, quantity, origin, size, material content, or preparation of such commodity.

RULE 5. *Inaccurate Reference to Competitors, Etc.*—No member of the Industry shall publish advertising which intentionally refers inaccurately in any material particular to any competitors or their commodities, prices, values, credit terms, policies, or services.

RULE 6. *Threats of Lawsuits.*—No member of the Industry shall publish or circularize unjustified or unwarranted threats of legal proceedings which tend to or have the effect of harassing competitors or intimidating their customers, and failure to prosecute diligently shall be evidence of such harassment or intimidation.

RULE 7. *Secret and Discriminatory Rebates.*—No member of the Industry shall offer or make any secret or discriminatory payment or allowances of a rebate, refund, commission, credit, unearned dis-

count, or excess allowance, whether in the form of money or otherwise, for the purpose of influencing a sale, nor shall a member extend to any customer any secret or discriminatory special service or privilege not extended to all customers of the same class.

RULE 8. *Giving Gratuities or Rewards to Employees.*—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 or agent of another in relation to the business of the employer of such employee or the principal of such agent with or without knowledge of such employer or principal, provided that nothing herein shall prohibit the free and general distribution of articles used solely for advertising.

RULE 9. *Interference with Another's Contracts.*—No member of the Industry shall induce or attempt to induce the breach of an existing contract between a competitor and his employee or customer or source of supply; nor shall any such member interfere with or obstruct the performance of such contractual duties or services.

RULE 10. *Shipment of Commodities on Consignment.*—No member of the Industry shall ship commodities on consignment, except under circumstances and conditions approved by the Code Authority.

ARTICLE IX—COMPLAINTS AND APPEALS

SECTION 1. *Right of Appeal to Divisions.*—Any interested party shall have the right of complaint to any Divisional Agency and prompt hearing and decision therein with respect to any action by it under this Code under such rules and regulations as it may prescribe.

SEC. 2. *Method of Appeal to Authority.*—Any interested party shall have the right to appeal to the Code Authority from any decision of a Divisional Agency under such procedure as the Code Authority shall prescribe.

SEC. 3. *Right of Complaint to Authority.*—Any interested party shall have the right of complaint to the Code Authority and prompt hearing and decision thereon under such procedure as it shall prescribe in respect to any rule, regulation, order, or finding made, or course of action pursued by the Code Authority.

SEC. 4. *Right of Appeal to Administrator.*—Any interested party shall have the right of appeal to the Administrator under such procedure as he shall prescribe in respect to any decision, rule, regulation, order, or finding made, or course of action pursued by any agency pursuant to this Code.

ARTICLE X—MONOPOLIES

No provisions of this Code shall be interpreted or applied in such manner as to promote or permit monopolies or monopolistic practices or to eliminate, oppress, or discriminate against small enterprises.

ARTICLE XI—MODIFICATIONS

SECTION 1. *President May Modify Code.*—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 limitations 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.

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

ARTICLE XII—EFFECTIVE DATE AND TERMINATION

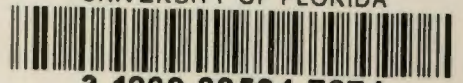
This Code shall become effective on the second Monday after it shall have been approved by the President. It shall continue in effect until June 16, 1935, or until such time prior thereto as the President, by proclamation, or the Congress shall by joint resolution, declare that the emergency recognized by Section 1 of the National Recovery Act has ended.

Approved Code No. 208.

Registry No. 1122-09.



UNIVERSITY OF FLORIDA



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