

NATIONAL RECOVERY ADMINISTRATION

CODE OF FAIR COMPETITION

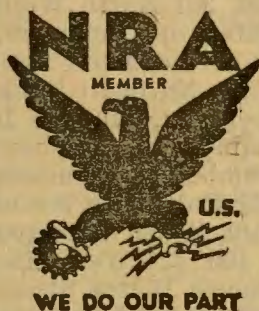
FOR

MUTUAL SAVINGS BANKS

AS APPROVED ON OCTOBER 9, 1933

BY

PRESIDENT ROOSEVELT



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

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(II)



EXECUTIVE ORDER

CODE OF FAIR COMPETITION

FOR

MUTUAL SAVINGS BANKS

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 Mutual Savings Banks Code of Fair Competition, 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 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 is hereby approved.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE,

October 9, 1933.

Approval recommended:

HUGH S. JOHNSON,

Administrator.

OCTOBER 4, 1933.

The PRESIDENT,
The White House.

MY DEAR MR. PRESIDENT: I have the honor to submit and recommend for your approval the Mutual Savings Banks Code of Fair Competition. Within sixty days after your approval, a supplementary code of fair practices provisions shall be filed with the Administrator for his approval.

The Code was proposed by, and has been accepted by, the National Association of Mutual Savings Banks, representing 92% of the 565 mutual savings banks in the country, 96% of their total assets of \$10,938,000,000, and 96% of their total number of depositors of 13,300,000.

The Code has been approved by the several Advisory Boards of the National Recovery Administration.

A complete report is being transmitted herewith to you. Significant features are: there have been only a few minor failures of mutual savings banks and not one in the State of New York; they have more employees now than in 1929; a small number of employees fall within the minimum wage level of the Code; and the statement by Labor Advisors that banking employees receive higher comparative wages than those paid by industry generally.

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

Respectfully submitted.

HUGH S. JOHNSON, *Administrator.*

(IV)

CODE OF FAIR COMPETITION FOR MUTUAL SAVINGS BANKS

PREAMBLE

To effectuate the policy of Title I of the National Industrial Recovery Act during the period of emergency, the following provisions are established as a Code of Fair Competition for Mutual Savings Banks.

ARTICLE I—DEFINITIONS

The term "mutual savings bank" as used herein means a savings bank operating under a state law, without capital stock or stockholders, and solely in the interests of its depositors.

The provisions of this Code shall apply to and affect only the regular banking operations of Mutual Savings Banks.

The term "employer" as used herein means any mutual savings bank.

The terms "employee" or "banking employee" as used herein shall mean any person employed by a mutual savings bank in any capacity in connection with its banking functions and operations.

The term "United States proper" as used herein shall mean the forty-eight (48) states of the United States and the District of Columbia.

The term "Administrator" as used herein shall mean the National Recovery Administrator.

Population for the purposes of this Code shall be determined by reference to the 1930 Federal Census.

ARTICLE II—EFFECTIVE DATE

The effective date of this Code, except as specifically provided for hereinafter, shall be the second Monday after its approval by the President of the United States.

ARTICLE III—GENERAL LABOR PROVISIONS

Employers shall comply with the following provisions of Section 7 (a) of Title I of the National Industrial Recovery Act:

(1) 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.

(2) 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.

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

ARTICLE IV—CHILD LABOR

On and after the effective date of this Code no person under sixteen (16) years of age shall be employed by any bank; provided, however, that where a state law prescribes a higher minimum age, no person below the age specified by such state law shall be employed within such state.

ARTICLE V—HOURS OF EMPLOYMENT

(1) On and after the effective date of this Code no banking employee shall work or be permitted to work more than forty (40) hours per week averaged over a period of thirteen (13) consecutive weeks.

(2) The maximum hours of employment prescribed in the foregoing paragraph shall be subject to the following exceptions:

(a) Where cases of seasonal or peak requirements impose upon banking facilities an unusual demand, employees of banks subject to such peak demand may work forty-eight (48) hours per week for a period not to exceed twelve (12) consecutive weeks in any calendar year. Any such increase in hours of employment shall be reported monthly to the Banking Code Committee provided for in Article VII hereinafter.

(b) All banking employees required to perform extra work or observe later hours in connection with examinations as required by law, over which the bank has no control, shall be exempt during such periods from the limitations upon hours of employment prescribed in the foregoing paragraphs.

(c) Employees in banking institutions employing not more than two (2) persons in addition to executive officers, in towns of less than 2,500 population, not part of a larger trade area, and employees in a managerial or executive capacity or in any other capacity of distinction or sole responsibility (regardless of the location of the bank) who receive more than thirty-five (35) dollars per week, shall be exempt from the limitations upon hours of employment prescribed in the foregoing paragraphs.

(d) These provisions for working hours shall not apply to night watchmen employed to safeguard the assets of the bank, who cannot with safety be shifted or changed during the night period.

ARTICLE VI—WAGES

(1) On and after the effective date of this Code no employee in cities of over 500,000 population, or in the immediate trade area of such cities, shall be paid less than at the rate of \$15.00 per week; no employee in cities between 250,000 and 500,000 population, or in the immediate trade area of such cities, shall be paid less than at

the rate of \$14.50 per week; no employee in cities between 2,500 and 250,000 population, or in the immediate trade area of such cities, shall be paid less than at the rate of \$14.00 per week. In towns of less than 2,500 population the wages of all classes of employees shall be increased by not less than twenty (20) per cent, provided that this shall not require an increase in wages to more than the rate of \$12.00 per week.

(2) It is provided, however, that employees without previous banking experience or training employed as apprentices may be paid during a continuous period of not more than six (6) months at the rate of eighty (80) per cent of the minimum wages prescribed in the foregoing paragraph. No bank shall include within the category of apprentices more than one such employee for every twenty (20) employees or fraction thereof.

(3) Employers shall not reduce the compensation for regular employment now in excess of the minimum wages provided for herein, notwithstanding that the hours worked in such employment may be hereby reduced.

ARTICLE VII—ADMINISTRATION

(1) To effectuate further the policies of the National Industrial Recovery Act, a Mutual Savings Banks Code Committee is hereby set up to act as a planning and fair-practice agency and to cooperate with the Administrator in the administration and enforcement of this Code. This Committee shall consist of fifteen (15) representatives of the National Association of Mutual Savings Banks, who shall be truly representative of the membership of the Association, a representative selected by fifty-one (51) per cent (measured by total resources) of the non-members of the National Association of Mutual Savings Banks, and a representative or representatives, without vote, appointed by the President of the United States.

(2) The Mutual Savings Banks Code Committee may from time to time present to the Administrator recommendations, based upon conditions in the banking business, which will tend to effectuate the operation of the provisions of this Code and the policy of the National Industrial Recovery Act. Such recommendations shall, upon approval of the Administrator after such public notice and hearing as he may prescribe, become operative as part of this Code.

(3) The Mutual Savings Banks Code Committee may, subject to the approval of the Administrator, require from all banks such reports as are necessary to effectuate the purposes of this Code, and shall upon its own initiative or upon complaint of any person affected make investigation as to the functioning and observance of any provision of the Code and report the results of such investigation to the Administrator.

(4) The Administrator may from time to time, after consultation with the Mutual Savings Banks Code Committee, issue such administrative interpretations of the various provisions of this Code as are necessary to effectuate its purposes within the provisions of the National Industrial Recovery Act of 1933, and such interpretations shall become operative as a part of this Code. Such interpre-



tations shall be promptly communicated to members of the Association, and any member shall have the right to appeal to the Administrator and be heard.

ARTICLE VIII—FAIR TRADE PRACTICES

(1) Within sixty (60) days after the approval of this Code, the Mutual Savings Banks Code Committee shall present to the Administrator for his approval a supplementary Code containing fair trade practice provisions.

(2) If the hours of banking operation of any mutual savings bank are reduced, no such bank shall by reason of this fact reduce the number of its employees below the number employed as of June 1, 1933. By hours of banking operation is meant the time within which the doors of the mutual savings bank are open for the purpose of serving the public.

ARTICLE IX—GENERAL PROVISIONS

(1) Membership in the National Association of Mutual Savings Banks shall be open to all banks included within the provisions of this Code and said Association shall impose no inequitable restrictions upon admission to membership therein.

(2) 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 banking law or any rule, regulation, or order which may have been or may be issued by any federal or state banking authority applicable to mutual savings banks.

(3) This Code and all the provisions thereof are expressly made subject to the right of the President, in accordance with the provisions of Section 10 (b) of Title I 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 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.

(4) Such other provisions of this Code as are not required to be included herein by the National Industrial Recovery Act, may, with the approval of the President, be modified or eliminated as changes in the circumstances or experience may indicate.

(5) The provisions of this Code shall expire on the expiration date of Title I of the Act or on 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.