

NATIONAL RECOVERY ADMINISTRATION

CODE OF FAIR COMPETITION

FOR THE

AUTOMATIC SPRINKLER

INDUSTRY

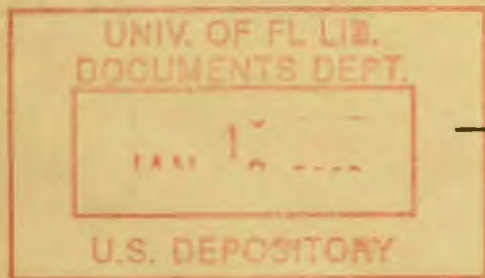
AS APPROVED ON OCTOBER 9, 1933

BY

PRESIDENT ROOSEVELT



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



UNITED STATES

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(II)

EXECUTIVE ORDER

CODE OF FAIR COMPETITION FOR THE AUTOMATIC SPRINKLER 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 my approval of a Code of Fair Competition for the Automatic Sprinkler Industry, 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 approve the report and recommendations and adopt the findings of the Administrator and do order that the said Code of Fair Competition be and it is hereby approved.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE,

October 9, 1933.

Approval recommended:

HUGH S. JOHNSON,

Administrator.

OCTOBER 5, 1933.

The PRESIDENT,
The White House.

MY DEAR MR. PRESIDENT: I have the honor to submit and recommend for your approval the Code of Fair Competition for the Automatic Sprinkler Industry.

The following exhibits are included or attached:

- (1) Letter of Transmittal from Administrator to President.
- (2) Report of Deputy Administrator.
- (3) Industrial Advisory Board Approval.
- (4) Labor Advisory Board Approval.
- (5) Consumers' Advisory Board Approval.
- (6) Legal Division Approval.
- (7) Research and Planning Approval.
- (8) Research and Planning Report (Statistical).
- (9) Original Letter of Transmittal from Industry.
- (10) Assent of Industry.
- (11) Notice of Hearing.
- (12) Authorization of Code Committee to act.
- (13) List of Witnesses.
- (14) Constitution and By-Laws of Association.

An analysis of the provisions of the code has been made by the Administration. I find that the code complies with the requirements of clauses 1 and 2, subsection (a) of Section 3 of the National Industrial Recovery Act.

I am, my dear Mr. President,
Very sincerely yours,

HUGH S. JOHNSON,
Administrator.

CODE OF FAIR COMPETITION AND TRADE PRACTICE FOR THE AUTOMATIC SPRINKLER INDUSTRY

To effectuate the policy of Title I of the National Industrial Recovery Act, the following provisions are established as a Code of Fair Competition for the Automatic Sprinkler Industry in the United States.

ARTICLE I—DEFINITIONS

(a) The term "Automatic Sprinkler Industry" when used in this Code includes, but without limitation, a person, partnership or corporation engaged in the business of the manufacture of automatic sprinklers and devices and the fabrication and installation of automatic sprinkler equipments.

(b) The term "Construction Labor" when used in this Code includes labor performed by men in the installation of automatic sprinkler equipments.

(c) The term "Manufacturing Labor" when used in this Code includes labor performed in the shops of the employers in the manufacture and fabrication of automatic sprinkler devices and equipments.

ARTICLE II—PROVISIONS FROM NATIONAL RECOVERY ACT

The Automatic Sprinkler Industry will comply with the following specific provisions of the National Industrial Recovery Act:

(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; and

(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.

(d) In any cases in which the cost of performing contracts entered into prior to the approval of this Code is increased because of the operation of this Code, it is equitable and promotive of the purposes of the National Industrial Recovery Act and of this Code, for adjustments of such contracts to be made which reflects such increased costs, and the Automatic Sprinkler Industry Code Authority, as provided in Article IX of this Code, is hereby constituted as an agency to assist in effecting such adjustments by arbitration or other cooperative action.

ARTICLE III—REGULATIONS OF HOURS OF WORK

(a) No construction employee in the Automatic Sprinkler Industry shall be employed in excess of forty (40) hours per week.

(b) No manufacturing employee in the Automatic Sprinkler Industry shall be employed in excess of forty (40) hours per week, except watchmen who may work not to exceed fifty-six (56) hours per week.

(c) No employees in the Automatic Sprinkler Industry, including accounting, clerical, office, service, and sales employees (excepting the employees heretofore specified in this Article III, outside salesmen and the employees in managerial or executive capacity who receive more than thirty-five (35) dollars per week), shall be employed in excess of forty (40) hours per week.

ARTICLE IV—MINIMUM WAGE RATES

(a) The minimum pay for construction labor, except common labor, shall be at the rate of forty-three and three quarters ($43\frac{3}{4}$) cents per hour except in the States of Louisiana, Florida, Georgia, North Carolina, South Carolina, Alabama, Mississippi, Southern half of Arkansas and Southern half of Virginia, where it shall be thirty-seven and one half ($37\frac{1}{2}$) cents per hour.

1. Common labor to be paid not less than eighty (80) percent of the minimum wage, the total number of such common labor employees in any calendar month not to exceed eight (8) percent of the total number of skilled and semiskilled employees during the same period.

(b) The minimum pay for manufacturing labor, except watchmen, shall be at the rate of forty (40) cents per hour; watchmen shall be paid not less than (70) percent of this minimum rate.

(c) The minimum pay for accounting, clerical, office, service and sales employees, except office boys, shall be not less than fifteen (\$15) dollars per week in any city of over five hundred thousand (500,000) population; nor less than fourteen dollars and fifty cents (\$14.50) in any city of between two hundred and fifty thousand (250,000) and five hundred thousand (500,000) population; nor less than fourteen (\$14.00) dollars in any city of between two thousand five hundred (2,500) and two hundred and fifty thousand (250,000) population. Office boys shall be paid not less than eighty (80) percent of these minimum rates.

(d) This Article (IV) establishes a guaranteed minimum rate of pay regardless of whether the employee is compensated on the basis of a time rate or on a piecework performance, or otherwise.

(e) No employee shall be classified in any one of the excepted classes hereinabove defined, unless he performs functions identical with those performed by employees thus classified on June 16, 1933.

(f) There shall be an equitable readjustment of compensation now in excess of the minimum wages herein established.

ARTICLE V—MINIMUM AGE

Employers in the Automatic Sprinkler Industry shall not employ any person under the age of sixteen (16) years; provided, however,

that where a State law provides a higher minimum age, no person below the age specified by such State law shall be employed within that State.

ARTICLE VI—UNFAIR METHOD OF COMPETITION

The following practices are hereby declared to be unfair methods of competition:

(a) To sell any products or services below the reasonable cost of such products or services.

1. For this purpose, "cost" is defined as the cost of direct labor plus the cost of materials, plus a proper amount of overhead, all as determined on the basis of a system of cost accounting formulated by the Code Authority with the approval of the Administrator.

(b) To sell Automatic Sprinkler Devices to irresponsible, inexperienced or incompetent contractors.

1. Each manufacturer in the Automatic Sprinkler Industry shall file from time to time with the Code Authority a list of automatic sprinkler contractors qualified under this Section to whom the manufacturer will exclusively sell automatic sprinkler devices. Each automatic sprinkler contractor, to qualify, must agree in writing to comply with and be bound by all the provisions of this Code, when engaged on Automatic Sprinkler installations.

2. The Code Authority, subject to the approval of the Administrator, shall approve or disapprove the list of automatic sprinkler contractors and shall have the power to strike from said list any contractor, who, after hearing, shall be found by it to have violated this Code or who shall be found to be irresponsible, inexperienced or incompetent, and shall likewise add to such list the name of any automatic sprinkler contractor omitted therefrom who is qualified. If any contractor who has been omitted from any list by reason of disqualification, thereafter becomes qualified, he shall be placed upon the list. Any contractor may appeal to the Administrator from a ruling of the Code Authority in regard to his status.

3. The operation of this Article VI (b) and the actions of the Code Authority thereunder shall at all times be subject to the Administrator's approval.

(c) To sell automatic sprinkler devices to owners or lessees of plants or properties for installation on such plants or properties by such owners or lessees; provided, however, that nothing herein contained shall prohibit sales to owners or lessees for installation by such owners or lessees in replacement of automatic sprinkler installations theretofore installed by such owners or lessees or their predecessors in title; and provided further that sales may be made to owners or lessees for installation by such owners or lessees in any other case, if the prior written consent of the Code Authority is obtained. If any application of this paragraph should involve unjust discrimination against any manufacturer or any owner or lessee, such manufacturer or owner or lessee may appeal to the Administrator, who may grant relief.

(d) To fail to comply with the Rules and Regulations of the Insurance or Governmental authorities having jurisdiction with reference to the manufacture and installation of Automatic Sprinklers,

provided, however, that if such rules and regulations should at any time hereafter work hardship upon any manufacturer, said manufacturer may appeal to the Administrator, who may grant relief.

(e) To aid and abet the practice by insurance interests of receiving or quoting of prices for the installation of automatic sprinkler equipments, or the preparation of detail construction plans and specifications for the installation of automatic sprinkler equipments and the distribution or sale of such plans and specifications.

(f) To use other than the standard forms of contract and the standard form of license agreement adopted by the National Automatic Sprinkler Association as and when approved by the Code Authority and the Administrator, and provided that this contract shall not be construed to require the abrogation of any existing license contract.

(g) To leave out of a bid materials or labor required in plans and specifications or to fail to state that certain work is not included for the price submitted, or to sell or install used material or devices or those which do not conform to the standards prescribed by Insurance or Governmental authorities having jurisdiction without the prior consent of the buyer and the insurance or other authorities having jurisdiction; unless the Administrator has granted relief upon appeal to him as provided in Section (d) of this Article VI.

(h) To give or offer to give rebates, refunds, credits, allowances, unearned discounts, or special services directly or indirectly in connection with any work performed or to receipt bills for work of any kind until payment is made.

(i) To aid and abet in the practice known as "bid peddling."

ARTICLE VII—ARBITRATION

The use of arbitration in the settlement of commercial disputes between employers or between buyers and sellers under the arbitration rules of the American Arbitration Association is recognized as an economical and effective method of adjusting business controversies.

ARTICLE VIII—ADMINISTRATIVE EXPENSE

Every manufacturer in the Automatic Sprinkler Industry desiring to participate in the activities of the Code Authority may do so, provided that he bears an equitable share of the expense incident to the administration of this Code of Fair Competition under such rules and regulations as may be adopted by the Code Authority, subject to the approval of the Administrator.

ARTICLE IX—ADMINISTRATION—INDUSTRY COMMITTEE

(a) To effectuate further policies of the Act, and Automatic Sprinkler Industry Committee, called the Code Authority, is hereby designated to cooperate with the Administrator as a Planning and Fair Practice Agency for the Automatic Sprinkler Industry. This Code Authority shall consist of three representatives of the Automatic Sprinkler manufacturing companies elected by a fair method of selection, to be approved by the Administrator, and not more than three members without vote who may be appointed by the President

of the United States, or his delegated authority under the National Industrial Recovery Act. Such agency may from time to time present to the Administrator recommendations based on conditions in their industry as they may develop from time to time which will tend to effectuate the operation of the provisions of this Code and the policy of the National Recovery Act.

(b) The Code Authority is empowered and set up to cooperate with the Administrator to make investigations as to the functioning and observance of any provisions of this Code, at its own instance or on complaint by any persons affected, and to report the same to the Administrator.

(c) In addition to information to be submitted to the Code Authority, there shall be furnished to government agencies such statistical information as the Administrator may deem necessary for the purpose recited in Section 3(a) of the National Industrial Recovery Act.

(d) The Code and all the provisions thereof are expressly made subject to the right of the President, in accordance with the provision of Clause 10b of the National Industrial Recovery Act, to cancel or modify from time to time 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.

(e) Such of the provisions of this Code as are not required to be included therein by the National Industrial Recovery Act may, with the approval of the President, or his delegated authority, be modified or eliminated as changes in the circumstances or experience may indicate. It is contemplated that from time to time supplementary provisions to this Code or additional codes will be submitted for the approval of the President, or his delegated authority, to prevent unfair competition in price and other purposes and policies of Title I of the National Industrial Recovery Act consistent with the provisions thereof.

(f) This Code shall become effective not later than ten (10) days after its approval by the President.

UNIVERSITY OF FLORIDA



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