

**NATIONAL RECOVERY ADMINISTRATION**

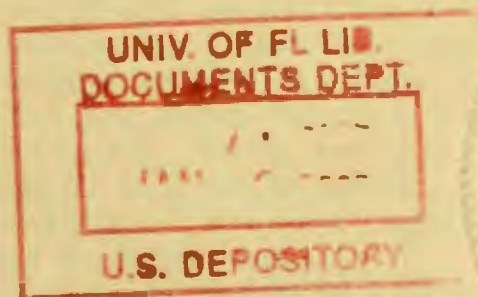
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**AMENDMENT TO  
CODE OF FAIR COMPETITION**

**FOR THE**

**SHOE AND LEATHER FINISH  
POLISH AND CEMENT  
MANUFACTURING INDUSTRY**

**AS APPROVED ON AUGUST 2, 1934**



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Approved Code No. 184—Amendment No. 1

## AMENDMENT TO CODE OF FAIR COMPETITION

FOR THE

### SHOE AND LEATHER FINISH, POLISH AND CEMENT MANUFACTURING INDUSTRY

As Approved on August 2, 1934

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#### ORDER

#### APPROVING AMENDMENTS OF CODE OF FAIR COMPETITION FOR THE SHOE AND LEATHER FINISH, POLISH AND CEMENT MANUFACTURING 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 an amendment to a Code of Fair Competition for the Shoe and Leather Finish, Polish and Cement Manufacturing Industry, and hearings having been duly held thereon and the annexed report on said amendments, 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 amendment and the Code as constituted after being amended comply 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 amendments be and they are hereby approved, and that the previous approval of said Code is hereby modified to include an approval of said Code in its entirety as amended, provided, however, that the following changes be and they are hereby made:

1. Subsection (I) of Section 1 of Article VII be deleted.
2. That the following be inserted as Article VII, Section 1, Subsection (J) 3:
3. (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 quoted price constitutes unfair competition as destructive price-cutting, imperiling small enterprises

or tending toward monopoly or the impairment of code wages and working conditions. The Code Authority shall within five days afford an opportunity to the member using the price to answer such complaint and shall within fourteen 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 N.R.A. 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.

This order shall become effective ten days after the date hereof unless within that time good cause to the contrary shall be shown to the Administrator and he shall issue a subsequent order to that effect.

HUGH S. JOHNSON,  
*Administrator for Industrial Recovery.*

Approval recommended:

GEO. L. BERRY,  
*Division Administrator.*

WASHINGTON, D.C.,  
*August 2, 1934.*



## REPORT TO THE PRESIDENT

The PRESIDENT,  
*The White House.*

SIR: A Code of Fair Competition for the Shoe and Leather Finish, Polish and Cement Manufacturing Industry was approved by you on December 30, 1933, and became effective on January 8, 1934.

Since that time, it has been deemed advisable to bring within the scope of the above Code a group which is closely allied to the Shoe and Leather Finish, Polish and Cement Manufacturing Industry. This group is the Fabric Cleaner Industry.

The Code Authority for the Shoe and Leather Finish, Polish and Cement Manufacturing Industry and a group representing approximately seventy-five (75%) per cent of the Fabric Cleaner manufacturers, submitted an application to include the above mentioned group under the approved Code. A Public Hearing on the proposed amendments was conducted in Washington, May 22nd, 1934, in accordance with the provisions of the National Industrial Recovery Act.

By amending the definition of the Industry and the definition of the Shoe Polish Division, under which Division the Fabric Cleaner manufacturers will be classified, the group has been included under the provisions of the Shoe and Leather Finish, Polish and Cement Manufacturing Industry's Code. The Code Authority has been enlarged to fourteen (14) members in order that it may be truly representative of the Industry. The Code has also been amended to allow the Code Authority to assess members of the Industry in order that the Code may be properly administered. There has also been added a provision for the formulation of methods of cost finding and accounting, which provision applies only to the Shoe and Leather Finish and Cement Division.

### THE INDUSTRY

The Fabric Cleaner Industry includes the manufacture of liquids for cleaning wearing apparel sold under a trade name, and not sold as a basic commodity. There are about 550 establishments listed as manufacturers to some extent of fabric cleaners. Most of these firms are small or operate part-time under this classification. The larger shoe polish manufacturers generally make fabric cleaners as do some oil companies and chemical special manufacturers.

The aggregate number of employees in 1929 is estimated at about 1,000. Annual business is estimated at about \$2,500,000 in recent years.

The restrictions of the definition, together with the general lack of organization in the Industry make it impossible to obtain accurate statistical data regarding it.



## FINDINGS

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

I find that:

(a) The amendments to said Code and the Code as amended are well designed to promote the policies and purposes of Title I of the National Industrial Recovery Act including the 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 sanction 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) The Code as amended 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.

(c) The Fabric Cleaner Group of Manufacturers was and is an industrial group, which, together with the Code Authority are truly representative of the aforesaid Industry and that said group and said Code Authority imposed and imposes no inequitable restrictions on admission to membership therein and has applied for these amendments.

(d) The amendments and the Code as amended are not designed to and will not permit monopolies or monopolistic practices.

(e) The amendments and the Code as amended are 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 amendments.

For these reasons, therefore, the amendments have been approved.

Respectfully,

HUGH S. JOHNSON,  
*Administrator for Industrial Recovery.*

AUGUST 2, 1934.



## AMENDMENT TO CODE OF FAIR COMPETITION FOR THE SHOE AND LEATHER FINISH, POLISH AND CEMENT MANUFACTURING INDUSTRY

*Article II, Section 1* shall be amended to read as follows:

"The term 'Shoe and Leather Finish, Polish and Cement Manufacturing Industry' as used herein includes the manufacturing for shoes and leathers of: Blackings, dressings, liquid rubber cements (meaning adhesives), pastes, pyroxylin cements, rubber (synthetic or natural, either dispersed or dissolved), polishes, dyes, and cleaners, stitching waxes, burnishing waxes, finishes, binders, topcoats, reenforcing materials for innersoles, and other similar chemical products for use on shoes or leather, or liquids for cleaning wearing apparel sold under a trade name, and not sold as a basic commodity, together with such allied or related products as may from time to time, upon the approval of the President, be included under the provisions of this Code."

*Article II, Section 2.* The following sentence shall be added thereto:

"This division shall include the manufacturers of liquids for cleaning wearing apparel sold under a trade name, and not sold as a basic commodity."

*Article VI, Section 2,* shall be amended to read as follows:

"SECTION 2. *Organization and Constitution of Code Authority Board.*—The Code Authority Board shall be composed of members of the Industry and shall consist of fourteen (14) members to be selected as follows: Eight (8) members of the Code Authority Board shall be appointed by the Administrator from members of the Shoe Polish Division, of whom six (6) are to be appointed from members who are primarily manufacturers of Shoe Polish and of whom two (2) are to be appointed from members who are primarily Cleaning Fluid Manufacturers, and six (6) members from the Shoe and Leather Finish and Cement Division to be selected as follows: The Executive Committee of the Association of Manufacturers of Shoe and Leather Finishes and Cements shall submit the names of twelve (12) nominees, of whom six shall be elected by the majority vote of the members of the Industry as a whole. Five of the six elected by this method shall be members of the Association."

*Article VI, Section 7,* shall be deleted and the following substituted therefor:

"7. 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, shall be entitled to participate 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 in excess of the amount thereof as estimated in its 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."

*Article VI, Subsections F and G of Section 9 shall be deleted.*

There shall be a new section added to *Section 1, Article VII*, which shall be hereinafter known as *Section J*:

"SECTION J. 1. 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.

2. (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 products 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.

Approved Code No. 184—Amendment No. 1.  
Registry No. 621-05.





















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