

**NATIONAL RECOVERY ADMINISTRATION**

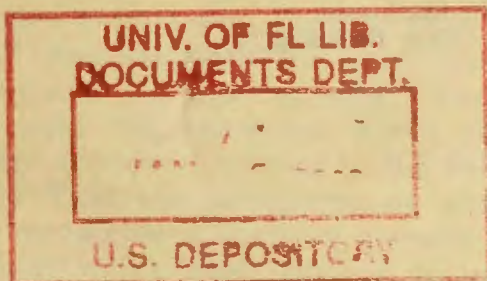
**SUPPLEMENTARY  
CODE OF FAIR COMPETITION**

FOR THE


**HOIST BUILDERS INDUSTRY**

(A Division of the Machinery and Allied Products Industry)

AS APPROVED ON JUNE 12, 1934



UNITED STATES  
GOVERNMENT PRINTING OFFICE  
WASHINGTON: 1934

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Approved Code No. 347—Supplement No. 20

## **SUPPLEMENTARY CODE OF FAIR COMPETITION**

FOR THE

## **HOIST BUILDERS INDUSTRY**

As Approved on June 12, 1934

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### **ORDER**

#### **SUPPLEMENTARY CODE OF FAIR COMPETITION FOR THE HOIST BUILDERS INDUSTRY**

A DIVISION OF THE MACHINERY AND ALLIED PRODUCTS 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 Supplemental Code of Fair Competition for the Hoist Builders Subdivision of Machinery and Allied Products Industry, and hearings having been duly held thereon and the annexed report on said Supplemental 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 Supplemental 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 Supplemental Code of Fair Competition be and it is hereby approved subject to the following conditions:

(2) That the provisions of Article VIII, Section (a) insofar as they prescribe a waiting period between the filing with the Code Authority (or such agency as may be designated in the Supplemental Code) and the effective date of price lists, as originally filed and/or revised price lists or revised terms and conditions of sale, be and they hereby are stayed pending my further order.

(2) That the provisions of the second paragraph of Article VIII, Section (d) be and they hereby are stayed pending the submission of satisfactory evidence concerning distribution of the products of the Subdivision to the Administrator.

(3) That the provisions of Article IX, Sections 5 to 10 inclusive, be and they hereby are stayed for a period of fifteen (15) days, then to become effective unless I, by my further order otherwise direct; within which time cause may be shown, if any there be, why the above provisions should not become effective; and that the Temporary Code Authority send notice of the stay of these provisions and of the opportunity to show cause why they should not become effective to all known employers of the Subdivision.

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

Approval recommended.

A. R. GLANCY,  
*Division Administrator.*

WASHINGTON, D.C.,  
*June 12, 1934.*



## REPORT TO THE PRESIDENT

The PRESIDENT,  
*The White House.*

SIR: This report relates to the Supplemental Code of Fair Competition for the Hoist Builders Subdivision of Machinery and Allied Products Industry as proposed by the Hoist Builders Association.

A public hearing was held in Washington, D.C., on December 4, 1933 and reconvened on December 21, 1933. The public hearings were conducted in accordance with the provisions of Title I of the National Industrial Recovery Act and all persons were given full opportunity to be heard.

### GENERAL STATEMENT

The Hoist Builders Subdivision, being truly representative of the manufacturers of the products defined in Article II of this Supplemental Code, has elected to formulate and submit a Supplemental Code of Fair Competition as provided in the second paragraph of Article I of the Code of Fair Competition for the Machinery and Allied Products Industry approved by you on the seventeenth day of March, 1934.

The Subdivision includes the design, manufacture, contracting for and/or subletting the manufacturing for sale of hoists as specifically described in the definition of the Subdivision but does not include hoists commonly known as contractors hoists, slusher hoists, direct lift hoists, simple cylinder hoists, monorail hoists, trolley hoists, body and dump truck hoists.

### ECONOMIC EFFECT

This Subdivision has been severely affected by the recent depression. This is evidenced by the steady decline in annual sales since 1929. Annual sales for 1932 were 90 per cent below the 1929 level, declining from \$1,414,000 in 1929, to \$135,000 in 1932. Invested capital has declined 2.7 per cent since 1929, while production capacity has remained constant.

Employment in the Subdivision declined from 429 in 1929 to 114 in 1932, or 73.3 per cent, and increased to 140 employees in 1933, or 22.8 per cent over the 1932 level.

The effects of the 40-hour provision with production at more normal levels may be estimated on a basis of the 1930-31 average of total man-hours per week divided by the number of hours prescribed in the Code. After 1929, man-hours declined steadily from 22,760 to a minimum of 3,430 in 1932, or approximately 85 per cent. Man-hours for 1933 have increased to 7,980, or more than 100 per cent over the 1932 level.



If it is assumed that the average man-hours for 1930-31 are representative of the volume of production for those years, and a reasonable measure of man-hour requirements in a more normal period, the adoption of the 40-hour week would require a force of approximately 260 employees, or about 60 per cent of the 1929 working level.

Approximately 70 per cent of the workers in June, 1933 were working more than 40 hours per week. The average work week in October, 1933 was 35.3 hours. With production remaining at present levels, no increase in employment may be expected with the adoption of the 40-hour week.

However, owing to the impossibility of all employees of the Subdivision working the maximum 40 hours, the average work week will be shorter, say 36 assumed effective hours, and the employment correspondingly greater, viz: 290 workers will be required to produce the 1930-1931 volume.

The minimum wage provisions proposed for the Subdivisions which are operating under the Code for the Machinery and Allied Products Industry are based on a flat minimum hourly rate of 32 cents per hour for the South and the following city population differentials for all other sections of the United States:

Over 50,000 population.....	40 cents per hour
Over 10,000 to 50,000 population.....	38 cents per hour
10,000 population and under.....	36 cents per hour

In addition to the minimum wage rates shown above, the Code provides that women engaged in substantially the same work as men shall receive the same rate of pay as such men employees; that the minimum wage for women employees employed in plant operations shall not be less than 87.5 per cent of the proper rate for the locality in which employed as specified; and that the minimum in the South shall be not less than 32 cents per hour.

*Estimated number of factory workers receiving less than designated hourly rates*

Proposed minimum hourly rates	Distribution of factory workers receiving less than the minimum regardless of location	
	Approximate percent	Approximate number
40 cents (other U.S.).....	23.7	53
38 cents (other U.S.).....	19.5	44
36 cents (other U.S.).....	15.4	35
32 cents (South).....	16.3	23

Based on the distribution as of June 15, 1933 and on the specified percentages of the number of factory workers receiving less than the designated rates shown in the above table, the adoption of the proposed minimum rates will probably cause an increase in factory payrolls. The estimated increase as of June 15, 1933, regardless of location of the workers, will probably, under the most favorable conditions, not exceed 6.0 per cent assuming only upward adjustment in the brackets below the 40 cent minimum and no change in man-hour requirements.



Distribution of the number of factory workers receiving classified rates in the specific areas are not available. Consequently, it is only possible to estimate the approximate number of factory workers who will receive the benefit of the proposed minimum hourly rates, regardless of location, on the basis of the number of factory workers receiving less than the designated hourly rates as of June 15, 1933.

#### RÉSUMÉ OF SUPPLEMENTAL CODE

Article I states the purpose of the Supplemental Code.

Article II accurately defines the products and specific terms applicable to the Hoist Builders Subdivision as used in this Supplemental Code.

Article III provides for the adoption of the employment provisions of the National Industrial Recovery Code of the Machinery and Allied Products Industry, as approved by you, and as from time to time amended.

Article IV provides for the adoption of Articles II, VI, VIII and IX of the National Industrial Recovery Code of the Machinery and Allied Products Industry, in accordance with the conditions in this Article governing their adoption.

Article V establishes a Code Authority consisting of the Executive Committee of the Hoist Builders Association consisting of not less than four and not more than seven members and one additional member to be elected by employers not members of the Applicant. In addition to the members named above, the Administrator may, in his discretion, appoint one member without vote and without expense to this Subdivision. In addition to the organization of the Code Authority, the powers and duties thereof are also outlined in this Article.

Article VI establishes a uniform accounting system and method of cost finding and/or estimating to be used by all employers in the Subdivision.

Article VII provides that no products of the Subdivision shall be sold or offered for sale below a reasonable cost when the Code Authority determines that an emergency exists.

Article VIII provides for methods of setting up, revising and filing price lists and discount sheets and terms of sale and payment.

Article IX sets forth trade practices for the Subdivision.

Article X. No provisions of this Supplemental Code relating to prices or terms of selling, shipping or marketing, shall apply to export trade or sales or shipments for export trade, as defined by the term "export" in this Article.

Article XI. This Supplemental Code and all provisions thereof are made subject to the right of the President, in accordance with Subsection (b) of Section 10 of the Act, from time to time to cancel or modify any order, approval, license, rule, or regulation issued under said Act. Provision is also made that amendments, additions, revisions, or supplements proposed by Code Authority may be submitted from time to time for the approval of the Administrator.

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



Article XIII. This Supplemental Code shall become effective on the eleventh day after its approval by the Administrator.

#### FINDINGS

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

I find that:

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

(c) The Supplemental 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 association is an industrial association truly representative of the aforesaid Subdivisions; and that said association imposes no inequitable restrictions on admission to membership therein.

(d) The Supplemental Code is not designed to and will not permit monopolies or monopolistic practices.

(e) The Supplemental 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 Supplemental Code.

For these reasons, therefore, I have approved this Supplemental Code, provided that certain provisions relating to price publication, trade practices, and Article VIII, Section (e) are stayed, as stated in the Order.

Respectfully,

HUGH S. JOHNSON,  
*Administrator.*

JUNE 12, 1934.



# SUPPLEMENTARY CODE OF FAIR COMPETITION FOR THE HOIST BUILDERS INDUSTRY

## A DIVISION OF THE MACHINERY AND ALLIED PRODUCTS INDUSTRY

### ARTICLE I—PURPOSES

To effectuate the policy of Title I of the National Industrial Recovery Act, the following provisions are established as a Supplemental Code of Fair Competition for the Hoist Builders Subdivision of the Machinery and Allied Products Industry, and together with the Code of Fair Competition for the Machinery and Allied Products Industry to which it is a Supplement shall be the standard of fair competition for this Subdivision, and shall be binding on each employer therein.

### ARTICLE II—DEFINITION

“Applicant” means the Hoist Builders Association, a trade organization truly representative of this Subdivision, all members of which are engaged in the manufacture for sale of the products of the Hoist Builders Subdivision of the Machinery and Allied Products Industry.

“Industry” means the Machinery and Allied Products Industry as defined in its Code of Fair Competition as approved by the President, March 17, 1934, and as such definition may from time to time be amended.

“Subdivision” means the Hoist Builders Subdivision of the Machinery and Allied Products Industry as defined and set forth in Paragraph (13) of Article II of the Code of Fair Competition for the Machinery and Allied Products Industry as follows:

“Hoist Builders Subdivision means the design, manufacture, contracting for and/or subletting the manufacturing for the sale of hoists operated by electricity, gas, oil, air or steam, for hoisting or hauling materials or men and for all industrial uses in which such type of hoists, commonly known as mine hoists are applicable, including spare, repair and replacement parts thereof, and includes all those so engaged; provided that the Subdivision shall not include those types of hoists, including spare, repair or replacement parts thereof, commonly known as contractors hoists, slusher hoists, direct lift hoists, simple cylinder hoists, monorail hoists, trolley hoists, body and dump truck hoists.”

“Code” means the Code of Fair Competition for the Machinery and Allied Products Industry, as approved by the President, and as from time to time amended.

“Person” means a natural person, a partnership, a corporation, an association, a trust, a trustee, a trustee in bankruptcy, a receiver, or other entity.

“Employer” means any person engaged in this Subdivision of the Industry, either on his own behalf or as an employer of labor.



"Employee" means any one who is employed in the Subdivision by any such employer.

"The Act" means Title I of the National Industrial Recovery Act.

"The President" means the President of the United States.

"The Administrator" means the Administrator for Industrial Recovery.

"Basic Code Authority" means the Code Authority for the Machinery and Allied Products Industry as constituted by the Code.

"Code Authority" means the Code Authority constituted for this Subdivision as provided by the Code and by this Supplemental Code.

"Group Code Authority" means the Code Authority for any group or classification of products within this Subdivision, constituted under the authority of Article V of this Supplemental Code.

"Publish" means to make available to the public.

"Principles" means all essential characteristics.

### ARTICLE III—EMPLOYMENT PROVISIONS

The following Articles of the Code, viz: Article III, "Working Hours"; Article IV, "Wages"; and Article V, "General Labor Provisions", are hereby made a part of this Supplemental Code, with the same effect as if they were written into this Supplemental Code.

### ARTICLE IV—ADOPTION OF OTHER PROVISIONS OF CODE

The following Articles of the Code, viz: Article II, "Definitions"; Article VI, "Administration", to the extent that they shall be applicable to this Supplemental Code as such or as it may hereafter be administered as an autonomous Code; Article VIII, "Modifications and Termination"; and Article IX, "Withdrawal" are hereby made a part of this Supplemental Code with the same effect as if they were written into this Supplemental Code.

### ARTICLE V—ORGANIZATION AND ADMINISTRATION

To administer and supervise, and facilitate the performance of the provisions of this Supplemental Code, there is hereby established a "Code Authority."

(a) The Code Authority for this Subdivision shall consist of

(1) The Executive Committee of the Hoist Builders Association, consisting of not less than four and not more than seven members.

(2) One additional member to be elected in any fair manner, with the approval of the Administrator, by employers in this Subdivision not members of the Applicant, who are cooperating in this Supplemental Code, as described in Section (e) hereof, if so desired, by such non-members.

(3) The Administrator may, at his discretion appoint one additional member (without vote and without expense to the Subdivision).

(b) Each trade or industrial association 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, by-laws, 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 effectuate the purpose of the Act.

(c) In order that the Code Authority shall at all times be truly representative of the Subdivision and in other respects comply with the provisions of the Act, the Administrator may provide 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, or any Group-Code Authority.

The Code Authority may adopt rules and regulations for its procedure and employ such personnel as it may deem necessary.

(d) Any employer in this Subdivision shall be eligible for membership in Hoist Builders Association.

(e) Any employer in this Subdivision shall be entitled to vote, subject to the provisions of Section (a) hereof, at the election of, and share in the benefits of the activities of the Code Authority, and may participate in any endeavors of the Code Authority, in the preparation of any revisions of, or additions or supplements to, this Supplemental Code, by paying his proper pro rata share of the reasonable cost of creating and administering it, as determined by the Code Authority, such vote of employers in this Subdivision to be determined subject to the provisions of Section (a) hereof, by a vote of employers who are at that time engaged in manufacturing such product, and are at that time cooperating in this Code, as above described in this Section (e) of this Article V, cast concurrently in each of the two following methods: (1) by one vote of each employer. (2) By vote of employers weighted on the basis of one vote for each \$25,000 of sales booked of such product of said employers who are at that time engaged in manufacturing such products, made in the preceding five calendar years, as reported to the Code Authority of this Subdivision. Each employer shall be entitled to at least one such vote.

Except as otherwise provided in this Code any action taken at any meeting of employers shall be by a majority vote, cast and computed in each of the two methods hereinabove provided.

(f) Employers in this Subdivision having a common interest and common problems, may be grouped by Code Authority for administrative purposes into various Group Subdivisions, or product classifications.

In each Group Subdivision, or product classification, there may be a Group-Code Authority approved, or appointed, by Code Authority.

(g) If formal complaint is made to Code Authority, that provisions of this Supplemental Code have been violated by any employer, this Code Authority or proper Group-Code Authority, may cause such investigation or audit to be made, to the extent permitted by the Act, as may be deemed necessary. If such investigation is made by Group-Code Authority, it shall report the results of such investigation or audit to Code Authority for action.

Unless Basic Code Authority shall take jurisdiction, the Code Authority shall have the right to investigate to the extent permitted



by the Act, and analyze any transaction coming under the scope of this Supplemental Code, on which any unfair competition is alleged, to show evidence of any violation of this Supplemental Code, to report any such alleged violation to the proper authorities for action.

#### ARTICLE VI—ACCOUNTING AND COSTING

The Code Authority shall cause to be formulated an accounting system and methods of cost finding and/or estimating capable of use by all employers of the Subdivision. After such system and methods have been formulated, full details concerning them shall be made available to all employers. Thereafter all employers shall determine and/or estimate costs in accordance with the principles of such methods.

#### ARTICLE VII—SELLING BELOW REASONABLE COST

(a) When the Code Authority has reason to believe that an emergency exists as to any product or products of the Subdivision, and that the cause thereof is destructive price-cutting such as to render ineffective or seriously endanger the purposes or the maintenance of the provisions of this Supplemental Code, the Code Authority may cause an investigation of costs and pricing to be made by an impartial agency in order to determine the existence of the emergency and the Code Authority may cause to be determined the lowest reasonable cost of the product or products of this Subdivision, such determination to be subject to such notice and hearing as the Administrator may require. The Administrator may approve, disapprove, or modify the determination. Thereafter during the period of emergency, no employer of the Subdivision shall sell or offer to sell any product or products of the Subdivision for which the lowest reasonable cost has been determined at such prices or upon such terms or conditions of sale that the buyer will pay less therefor than the lowest reasonable cost of such products.

When it appears that conditions have changed, the Code Authority, upon its own initiative or upon the request of any interested party, shall cause the determination to be reviewed.

#### ARTICLE VIII—PRICE LISTS

(a) If and when the Code Authority of this Subdivision determines that in any branch or group of the Subdivision it has been the generally recognized practice to sell a specified product on the basis of net price lists, or price lists with discount sheets, and fixed terms of sale and payment, each employer shall, within ten (10) days after notice of such determination, file with the Code Authority a net price list, or a price list and discount sheet, as the case may be, individually prepared by him, showing his current prices, or prices and discounts, and terms of sale and payment, for such specified product, and the Code Authority shall immediately publish and send copies thereof to all known employers who are cooperating in this Supplemental Code as described in Section (e) of Article V hereof.



Revised price lists and/or discount sheets and/or terms of sale and payment for such product may be filed from time to time thereafter with the Code Authority by any employer, but such revised price lists and/or discount sheets and/or terms of sale and payment shall be filed with the Code Authority ten (10) days in advance of the effective date. Copies of such revised price lists and/or discount sheets and/or terms of sale and payment, for such product, with notice of the effective date specified, shall be immediately published and sent to all known employers who are cooperating in this Supplemental Code as described in Section (e) of Article V hereof, any of whom may file, if he so desires, to become effective upon the date when the revised price list and/or discount sheet and/or terms of sale and payment first filed shall go into effect, revisions of his price lists and/or discount sheets and/or terms of sale and payment establishing prices or prices and discounts not lower or terms of sale and payment not more favorable than those established in the revised price lists and/or discount sheets and/or terms of sale and payment first filed. Nothing in the foregoing shall constitute a limitation upon the right of any employer to file revised lists fixing his own prices, discounts and terms of sale and payment, which prices and discounts may be either more or less favorable than those contained in any other price list, to be effective as provided in the first sentence of this paragraph.<sup>1</sup>

(b) If and when the Code Authority shall determine that in any branch or group of the Subdivision not now selling its product on the basis of price lists, with or without discount sheets, with fixed terms of sale and payment, the distribution or marketing conditions in said branch or group are the same as, or similar to, the distribution or marketing conditions in a branch or group of the Subdivision where the use of price lists, with or without discount sheets, and fixed terms of sale and payment, is well recognized, and that a system of selling on net price lists or price lists and discount sheets with fixed terms of sale and payment for such product should be put into effect in such branch or group, then each employer of such branch or group shall within ten (10) days after notice of such determination, file with the Code Authority net price lists or price lists and discount sheets, containing fixed terms of sale and payment, showing his current prices and discounts and terms of sale and payment, and such price lists and/or discount sheets and/or terms of sale and payment may be thereafter revised in the manner hereinabove provided; provided, however, that the Code Authority shall make no determination to place any product of the Subdivision (not now on a price list basis) on a price list basis, as provided in this paragraph (b) of Article VIII, unless the employers who are at that time engaged in manufacturing such product and are at that time cooperating in this Code, have given affirmative consent to such determination. The eligibility requirements, method, and effect of such voting shall be the same as provided in Section (e) of Article V.

Each employer shall prepare and shall furnish the Code Authority for distribution with such number of copies of his price lists and/or discount sheets and terms of sale and payment as Code Authority may prescribe.

<sup>1</sup> See paragraph 2 (1) of order approving this Code.



(c) No employer shall sell directly or indirectly by any means whatsoever, any product of the Subdivision covered by provisions of this Article VIII at a price or at discounts, or on terms of sale and payment, different from those provided in his own current net price lists, or price lists and discount sheets, provided that nothing in the above shall prevent an employer from adding to his own price and/or price list and discount sheets by increasing his job price to include unusual selling, engineering, servicing, financing, financial risks, or other similar special charges, (except as provided in Article VII above), provided, however, that in the event of an employer quoting a higher price than the price published in his own price list and/or price list and discount sheets, to take care of unusual selling, engineering, servicing, financing, financial risks, or other similar special charges, he shall not subsequently quote a lower price on said prospective sale than that price first quoted, except in accordance with revised price lists duly filed or unless he simultaneously eliminates part or all of the unusual engineering, servicing, financing, financial risks or other similar special charges, for which a corresponding reduction only may be made.

(d) No employer shall sell to, or through any broker, jobber, commission account or sales agency, (this is known in the trade as "pooled buying"), who or which is in fact an agent for an organization of industrial consumers, with the result that any industrial consumer secures a discount, allowance or price other than the discount, allowance or price provided for in the employer's own current net price lists or price lists with discount sheets.

No employer shall evade any provision of this Code by selling to or through any dealer, jobber, distributor or other selling agency which shall fail to agree to resell in accordance with the provisions of Articles VII, VIII, and IX of this Supplemental Code.<sup>2</sup>

(e) Wherever by the provisions of this Article VIII an employer is or may be required to or permitted to file terms of sale and payment, such terms shall mean usual or standard terms, and to cover any special and/or unusual terms definite formulae for determining such special and/or unusual terms shall be filed.

(f) If and when Code Authority shall determine that it is undesirable to continue the filing of net price lists and/or price lists with discount sheets and/or fixed terms of sale and payment on any product in respect of which such filing has heretofore been required, such filing shall cease and the provisions of this Article shall not apply to such product unless and until Code Authority shall again determine that such filing be made.

## ARTICLE IX <sup>3</sup>—TRADE PRACTICES

Each of the following acts and practices is deemed to be inimical to the best interests of this Subdivision, and of the public, and each is, therefore, hereby declared to be, and to constitute, an unfair method of competition, viz:—

1. The secret offering or making, to any customer, agent, fiduciary or representative of customer, of any payment or allowance of a

<sup>2</sup> See paragraph 2 (2) of order approving this Code.

<sup>3</sup> See paragraph 2 (3) of order approving this Code.



rebate, refund, commission, credit, credit subsidy, unearned discount or excess allowance, whether in the form of money or otherwise, or any special service or privilege, for the purpose of influencing a sale. No employer of the Subdivision 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, agent, or representative of another in relation to the business of the employer of such employee or the principal of such agent without the knowledge of such employer or principal, provided that no provision of this Code shall be construed to prohibit free and general distribution of articles commonly used for advertising, except so far as such articles are actually used for commercial bribery as hereinabove defined.

2. Any discrimination between purchasers, by the sale of any article having a published price, at any price other than the seller's published price, by means of direct or indirect price concessions, or by means of any privilege not extended to purchasers generally.

3. Untruthfully advertising, representing, or marking any product, with intent to deceive or mislead.

4. The publishing or circularizing of threat of any suit for infringement of patent or trade mark, or of any other legal proceedings, not in good faith, which would tend to harass a competitor or intimidate his customers.

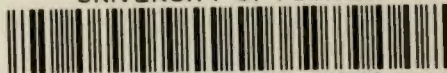
5. The taking in trade or accepting in trade any secondhand or old equipment in part payment for new, provided, however, that this provision shall not be construed to prohibit in any way the return within six months of the date of shipment, to the Vendor and the allowance of any fair adjustment thereon by the Vendor of any product which shall not meet the purposes for which it was sold. Any employer may, however, assist in finding a bona fide buyer for said equipment, but shall in no case take any financial interest in it.

6. So long as the maker of any product of this Subdivision bearing the maker's name or trade mark, which has required special designing, research or development expense (or his successor in business) continues to make and supply such spare, repair and replacement parts therefor, supplying repair parts for such product of this Subdivision unless (a) the name of the maker of such copied non-genuine repair parts shall be plainly marked on each part (or if this is impracticable on the package or tag) so that the ultimate user is clearly informed by marking on such parts, packages, tags and in catalogues, price lists, quoted prices, advertisements or advertising literature of the manufacturers of such copies non-genuine parts that said parts were not made by the original maker of the products of the employer of this Subdivision.

7. The furnishing to any purchaser, and/or his agent, directly or indirectly of detailed shop drawings of the products of this Subdivision without filing a statement of such proposed transaction with the Code Authority which may approve or with the approval of the Administrator disapprove the transaction within ten (10) days by written notice to the employer.

8. Disseminating false or misleading information relative to competitor's products, selling prices, reputation, credit or financial standing, ability to perform work, or labor conditions.





9. Inducing or attempting to induce a breach or abandonment of contract covering the purchase or sale of the product of this Subdivision; provided, however, that nothing in this Section shall be construed to prohibit the attempt on the part of the owner of or licensee under any patent to induce a purchaser or future purchaser of any product which shall infringe said patent, to avoid such purchase.

10. It shall be an unfair trade practice for any employer to engage in destructive price cutting.

#### ARTICLE X—SALES FOR EXPORT

The provisions of this Supplemental Code concerning pricing and marketing (Articles VII, VIII and IX) shall not apply to direct export sales of any product. A similar exemption may be granted by the Code Authority of this Subdivision as to sales of any product destined ultimately for export. Unless otherwise determined by the Code Authority the term "export" shall include all shipments to all places without the several states of the United States and the District of Columbia; provided, however, that no shipment to any territory or possession of the United States shall be considered an export when any employer is engaged in the industry in such territory or possession.

#### ARTICLE XI—MODIFICATIONS

(a) As provided by Section 10 (b) of the Act, the President may from time to time cancel or modify any order, approval, license, rule or regulation issued under Title I of the Act.

(b) Study of the trade practices of this Subdivision will be continued by Code Authority, with the intention of submitting, from time to time, after its effective date, amendments or additions to, or revisions of, or supplements to, this Supplemental Code.

Any such amendments, additions, revisions, or supplements, proposed by Code Authority, and approved by a vote of the employers shall be in full force and effect upon approval by the President. The eligibility requirements, method, and effect of such voting shall be the same as provided in Section (e) of Article V.

#### ARTICLE XII—MONOPOLIES

The Supplemental Code presented by Applicant is not designed to promote monopoly, and shall not be so construed or applied as to oppress or eliminate small enterprises or discriminate against them, and is designed to effectuate the Policy of the Act.

#### ARTICLE XIII—EFFECTIVE DATE

This Supplemental Code shall become effective and binding on all persons engaged in this Subdivision on the eleventh day after its approval by the President.

Approved Code No. 347. Supplement No. 20.  
Registry No. 1399-49.