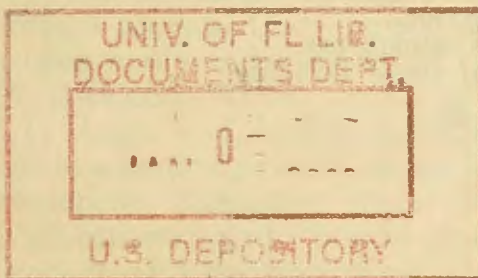
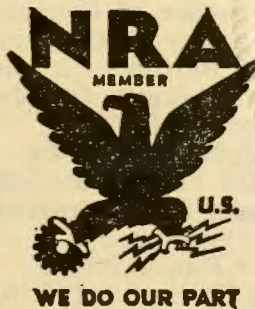


NATIONAL RECOVERY ADMINISTRATION

CODE OF FAIR COMPETITION
FOR THE
COIN OPERATED MACHINE
MANUFACTURING INDUSTRY

AS APPROVED ON JANUARY 23, 1934



UNITED STATES
GOVERNMENT PRINTING OFFICE
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Approved Code No. 228

CODE OF FAIR COMPETITION
FOR THE
COIN OPERATED MACHINE MANUFACTURING
INDUSTRY

As Approved on January 23, 1934

ORDER
APPROVING CODE OF FAIR COMPETITION
FOR THE
COIN OPERATED MACHINE 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 a Code of Fair Competition for the Coin Operated Machine Manufacturing 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, in 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 23, 1934.

The PRESIDENT,
The White House.

SIR: This is a report on the Code of Fair Competition for the Coin Operated Machine Manufacturing Industry, and on the hearing conducted thereon in Washington, D.C., on November 23, 1933, in accordance with the provisions of the National Industrial Recovery Act.

PROVISIONS AS TO WAGES AND HOURS

The Code provides a minimum wage rate for production employees of 40¢ per hour in the North and 35¢ per hour in the South. Watchmen, a limited number of handicapped persons, and, for not to exceed 90 days, a limited number of beginners without experience, may be paid not less than 80% of the foregoing minima.

All other employees are to be paid not less than from \$14 to \$15 per week, according to population, except that a limited number of office boys or girls may be paid not less than 80% of these minima.

Equitable adjustment is to be made of wages above the minima to maintain differentials existing as of May 1, 1933.

An eight-hour day and a 40-hour week are provided, except that when necessitated by peak or breakdown demands, employees may work not to exceed 48 hours per week. Hours worked in excess of 40 hours per week without payment of overtime, shall not exceed, in any six months' period, 32 hours for production employees and 48 hours for all other employees, and in no case may any employees work in excess of 96 hours in any two weeks' period.

No detailed statistics relative to this Industry had been collected prior to the formation of the National Association of Coin Operated Machine Manufacturers in August 1933. This Association has attempted to get figures from every known manufacturer in the Industry and based on the returns received up to the time of preparing this report, plus a reasonable estimate for those concerns which had not at that time reported, the following figures are submitted as the best estimate possible under the conditions:

| | Number of employees | Minimum wages | Hours per week | | Weekly Payroll |
|---------------------------|---------------------|---------------|----------------|---------|----------------|
| | | | Range | Average | |
| 1928..... | 2,407 | \$0.37 | 41-48 | 44 | \$54,900 |
| 1930..... | 2,501 | .37 | 41-48 | 44 | 57,000 |
| 1932..... | 2,390 | .31 | 41-48 | 44 | 45,300 |
| March 1933..... | 2,501 | .285 | 41-45 | 43 | 46,400 |
| September 1933..... | 3,192 | .340 | 39-42 | 40 | 53,200 |
| Estimated under Code..... | 3,300 | .400 | ----- | 40 | 60,000 |

Practically all members of the Association signed the President's Reemployment Agreement in August, and the increase in employ-

ment resulting from reduced hours is indicated in the figures of the first twelve companies to report. These companies show a pay roll of 1,416 employees for the month of March 1933, and a pay roll of 1,892 employees for the month of September 1933, an increase of 33.6% over March 1933.

The total amount paid in wages to factory employees only by these same twelve companies increased from \$116,789.77 in March 1933 to \$133,174.77 in September 1933. Reports from several of these companies for the first half of November 1933 show further substantial increases in employment.

Based on these returns, it is estimated that the effect of operating under the Code Provisions will be an increase in the annual pay roll of at least \$300,000 over the annual rate of pay roll as shown in March 1933.

I believe that the Code as proposed is fair to Industry, to Labor, and to the Consumer, and is in accordance with the intent and purpose of the National Industrial Recovery Act.

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, I have approved this Code.

Respectfully,

HUGH S. JOHNSON,
Administrator.

JANUARY 23, 1934.

CODE OF FAIR COMPETITION
FOR THE
COIN OPERATED MACHINE MANUFACTURING
INDUSTRY

ARTICLE I—PURPOSE

To effectuate the policies of Title I of the National Industrial Recovery Act, the following provisions are submitted as a Code of Fair Competition for the Coin Operated Machine Manufacturing Industry, and upon approval by the President, shall be the standard of fair competition for such Industry and shall be binding upon every member thereof.

ARTICLE II—DEFINITIONS

SECTION 1. The term "Industry" as used herein shall mean and include the coin operated machine manufacturing industry consisting of manufacturers of all types of coin operated machines and devices which vend amusement, service, or commodities, including manufacturers of coin actuated devices for use in such machines, or such related branches or subdivisions thereof as may from time to time be included under the provisions of this Code by the President after such notice and hearing as he may prescribe, but shall not include manufacturers of coin operated telephone or gas-meter equipment.

SEC. 2. The term "member of the industry" as used herein means and includes any individual, partnership, association, corporation, receiver, trustee, or other person, without limitation, engaged in the Industry, either as an employer or on his or its own behalf.

SEC. 3. The term "employee" as used herein, includes any and all persons engaged in the Industry except a member of the Industry, however compensated.

SEC. 4. The terms "President", "Act", and "Administrator" as used herein shall mean respectively the President of the United States, Title I of the National Industrial Recovery Act, and the Administrator for Industrial Recovery.

SEC. 5. (a) The term "South" as used herein shall mean the States of North Carolina, South Carolina, Georgia, Florida, Kentucky, Tennessee, Alabama, Mississippi, Louisiana, and Texas.

(b) The term "North" as used herein shall mean the remaining States of the United States.

SEC. 6. Population, for the purposes of this Code, shall be determined by reference to the latest Federal census.

SEC. 7. The words "export trade" as used herein shall mean solely trade or commerce in goods, wares, or merchandise exported or in the course of being exported from the United States to any foreign nation.

ARTICLE III—LABOR PROVISIONS

WAGES

SECTION 1. As required by Section 7 (a) of Title I of the National Industrial Recovery Act, the following provisions are conditions of this Code:

(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.

(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.

SEC. 2. 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 occupations which are hazardous in nature or dangerous to health. The Code Authority shall submit to the Administrator for approval within sixty (60) days after approval of this Code a list of such 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 valid 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. 3. (a) On and after the effective date the minimum wage which shall be paid by any employer to any employee engaged in the processing of products in the Industry and any labor incident thereto shall be forty (40¢) cents per hour in the North.

(b) On and after the effective date the minimum wage which shall be paid by any employer to any employee engaged in the processing of products of the Industry or any labor incident thereto shall be thirty-five cents (35¢) per hour in the South.

(c) Provided that for a period of not to exceed ninety (90) days, beginners without experience may be paid not less than eighty percent (80%) of the minimum wages of forty cents (40¢) per hour in the North, and thirty-five cents (35¢) per hour in the South; the total number of such beginners shall not exceed five percent (5%) of the total number of employees employed by any such employer in any calendar month; and

(d) Provided further, that where any State Law requires any higher minimum wages than those specified in this section, such higher minimum wages shall apply in all cases.

(e) Equitable adjustments to maintain differentials existing as of May 1, 1933, in all pay schedules of factory employees (and other employees receiving less than Thirty-five (\$35.00) Dollars per week) above the minimums shall be made on or before fifteen days subsequent to the effective date of this Code by any employers who have not heretofore made such adjustments, or who have not maintained rates comparable with such equitable adjustments. The first reports of wages required to be filed under this Code shall contain all wage increases made since May 1, 1933.

(f) In the case of employees performing work for which they are paid per piece of work performed, the minimum rate of pay which each member of the Industry shall pay for such work shall produce earnings per hour per employee for the number of hours worked in any pay period at least equal to the minimum rate of pay per hour provided in this Code for the same type of labor on an hourly basis.

SEC. 4. On and after the effective date the minimum wage that shall be paid by any employer to all other employees, except commission sales people and all employees covered by Section 3 of Article III hereof, shall be not less than at the rate of Fifteen Dollars (\$15.00) per week in any city of over Five Hundred Thousand (500,000) population, or in the immediate trade area of such city; nor less than at the rate of Fourteen Dollars and fifty cents (\$14.50) per week in any city between Two Hundred and Fifty Thousand (250,000) and Five Hundred Thousand (500,000) population, or in the immediate trade area of such city; nor less than at the rate of Fourteen Dollars (\$14.00) per week in any city of Two Hundred and Fifty Thousand (250,000) population or less.

Office boys and girls shall be exempt from the provisions of this section, provided they are paid at a rate of not less than eighty percent (80%) of the above minimum wages, and provided further that the number of such office boys and girls under this section shall not exceed one for companies with twenty (20) or less office employees nor five percent (5%) of the total number of office employees for companies with more than twenty (20) office employees.

HOURS

SEC. 5. (a) No employee shall be permitted to work in excess of forty (40) hours in any one week. The normal working day shall not be in excess of eight (8) hours in any twenty-four (24) hour period beginning at midnight. There may be the following exceptions to this weekly-hour provision:

1. Executives, administrative or supervisory employees who receive thirty-five dollars (\$35.00) or more per week, and outside salesmen and commission salesmen, shall be exempt from all hour limitations.

2. Employees engaged in the processing of products in the Industry and work incident thereto in branches of the Industry on which seasonal or peak demands place an unusual and temporary burden, and employees working in emergency periods resulting from breakdowns, may be permitted to work not more than thirty-two (32) additional hours in any six (6) months' period, but not more than

forty-eight (48) hours in any one week, without the payment of overtime as provided in Section 5 (a) 4.

3. Also under like conditions to those described in Section 5 (a) 2 all other employees, except those mentioned in Section 5 (a) 2, may be permitted to work not more than forty-eight (48) additional hours in any six (6) months' period, but not more than forty-eight (48) hours in any one week, without the payment of overtime as provided in Section 5 (a) 4.

4. All employees may be permitted to work hours in addition to those specified in Section 5 (a), 5 (a) 2, and 5 (a) 3, provided that overtime at the rate of one and one half times the normal rate of pay is paid for such additional hours. Under no circumstances may any employee be permitted to work in excess of ninety-six (96) hours in any two consecutive weeks.

5. All hours worked in excess of forty (40) hours in any one week after the date of the approval of the Code shall be reported to the Administrator through the Code Authority.

6. No employee shall knowingly be permitted to work in the aggregate in excess of the above-prescribed number of hours irrespective of whether such employee be on the pay roll of more than one employer.

GENERAL LABOR PROVISIONS

SECTION 1. (a) It is understood, however, that old and partially disabled employees are not included in the above wage provisions, except that they shall in no case be paid less than eighty (80) percent of the above minimums, and provided that the total number of such employees shall not exceed two (2) employees in plants having less than one hundred (100) employees, nor more than two (2) percent of the total number of employees in such plants employing one hundred (100) or more.

(b) It is further understood that watchmen are not included in the labor provisions of this Article, except that they shall in no case be paid less than eighty (80) percent of the minimum wages herein specified and in no case shall they be permitted to work longer than fifty-six (56) hours in any one week unless they are paid time and one half for any hours in excess of fifty-six (56) hours per week.

SEC. 2. Employers shall not reclassify employees, or duties, or occupations of employees, nor engage in any other subterfuge, so as to defeat the purposes of this Act.

SEC. 3. Complete copies of this Code shall be posted in conspicuous places accessible to all employees.

ARTICLE IV—ORGANIZATION, POWERS, AND DUTIES OF THE CODE AUTHORITY

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

SEC. 2. The Code Authority shall consist of not less than five or more than seven members, to be elected by the members of the Industry who assent to by compliance with the requirements of this Code, and who assume their reasonable share of the expenses of the administration as hereinafter set forth, the method of election and

voting to be determined by the Code Committee of the National Association of Coin Operated Machine Manufacturers, subject to the approval of the Administrator, and in addition thereto, there may be from one to three representatives to be appointed by the Administrator. The representatives who may be appointed by the Administrator shall be without vote and together with the Administrator shall be given notice of and may sit at all meetings of the Code Authority.

SEC. 3. The National Association of Coin Operated Machine Manufacturers may be designated as the agency under the Code Authority for administering provisions of this Code.

SEC. 4. The National Association of Coin Operated Machine Manufacturers and/or other associations 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 effectuate the purposes of the Act.

SEC. 5. In order that the Code Authority shall at all times be truly representative of the Industry 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.

POWERS AND DUTIES

SEC. 6. The Code Authority shall have the following powers and duties to the extent permitted by the Act. Any action taken by the Code Authority or its delegated agents relative to the administration of this Code, except where made subject to the approval of the Administrator, may, in the discretion of the Code Authority, be submitted to the Administrator for approval and in any case shall be subject to the disapproval of the Administrator.

(a) To adopt bylaws and rules and regulations for its procedure and for the administration and enforcement of the Code in accordance with the powers herein granted, except that a majority of the voting members shall be required for a quorum and a vote by a like number shall be required to make effective any formal action by the Code Authority. The Code Authority shall submit its bylaws and rules and regulations for procedure, administration, and enforcement to the Administrator for his approval, together with true copies of any amendments or additions when made thereto, minutes of meetings when held, and such other information as to its activities as the Administrator may deem necessary to effect the purposes of the Act.

(b) To obtain from members of the Industry as soon as the necessary readjustments within the Industry can be made, reports based on periods of one, two, or four weeks, or multiples thereof, for use of the Code Authority and the Administrator in the administration

and enforcement of the Code, and for the information of the President, and to give assistance to members of the Industry in improving methods, or in prescribing a uniform system of accounting and reporting. All individual reports shall be kept confidential and only general summaries thereof may be published.

(c) To receive complaints of violations of this Code, make investigations thereof, provide hearings thereon and adjust such complaints, and bring to the attention of the Administrator for prosecution, recommendations and information relative to unadjusted violations.

(d) To secure an equitable and proportionate payment of the expenses of maintaining the Code Authority and its activities from those members of the Industry who accept the benefits of the activities of the Code Authority and indicate their desire to participate in this Code and their assent to the provisions thereof and to the payment of their reasonable share of the expenses of the administration of the Code as hereinafter set forth.

(e) In the event of dispute arising as to the rights under this Code, any member shall have the right to appeal to the Code Authority, and the decision of said Code Authority on said appeal shall be final, subject only to appeal to the President or his duly authorized representative.

SEC. 7. In addition to the information required 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 purposes recited in Section 3 (a) of the Act.

SEC. 8. Each member of the Industry participating in and sharing the benefits of the Code and assenting to liability for his share of the cost of administering same shall pay to the Code Authority or to the agent duly established by the Code Authority his reasonable share of the expenses of the Code administration, such reasonable share of said expenses to 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 just or equitable.

SEC. 9. 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 anyone for any act of any other member, officer, agent, or employee of the Code Authority exercising reasonable diligence in the conduct of his duties hereunder, nor be liable to anyone for any action or omission to act under the Code, except for his own willful misfeasance or nonfeasance.

ARTICLE V

SECTION 1. Every employer shall use a cost-accounting system which will conform to the principles of and is at least as detailed and complete as the uniform and standard method of cost accounting to be prescribed by the Code Authority subject to the approval of the Administrator. The Code Authority shall specify those items of cost determined pursuant to this Article hereof which shall be included in allowable cost.

SEC. 2. (a) No manufacturer of the Industry shall sell any product of the Industry at a price below his own individual cost. Provided,

that this shall not apply to merchandise vending machines sold, leased, or supplied by a manufacturer for the sole purpose of vending some commodity on which the manufacturer of the machine is to make a profit. Provided further, that any member of the Industry may meet the price competition of anyone whose costs under this Code provision are lower.

(b) Provided that obsolete patterns, discontinued models or surplus stock may be sold at such prices as are necessary to effect a sale subject to rules as established or modified from time to time by the Code Authority. All such proposed sales must be reported to the Code Authority prior to making the sale. Any sale made under this provision which is made for the purpose of evading paragraph (a) of this Section, is an unfair method of competition.

SEC. 3. No provision of this Code relating to prices and/or terms of selling, shipping, and/or marketing shall apply to export trade and/or to trade and/or to sales and/or shipments for export trade.

ARTICLE VI—TRADE PRACTICE RULES

For all purposes of the Code the following acts described in this Article shall constitute unfair practices, and 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:

(a) The intentional misrepresentation of the products sold, or the making, or causing or permitting to be made or published, of any false, misleading, or deceptive statements by way of advertisement, invoice, or otherwise, concerning the size, quantity, character, and nature of any coin operated machine or kindred products, bought or sold.

(b) Withholding from, or inserting in any invoice, words or figures which make or tend to make such invoice a false record, wholly or in part, of the transaction represented on the face thereof, and of the secret payment or allowances of rebates, refunds, credits, unearned discounts, whether in the form of money or otherwise.

(c) The making of, or causing or permitting to be made, any false or deceptive statements, either written or oral, concerning installations or sales previously made, or the claiming by any manufacturer that equipment actually supplied and installed by others was supplied and installed by him, or the making of any other misleading or deceptive statements.

(d) To imitate or simulate the trade mark, trade name, package, wrapper, or label of a competitor's product to such a degree as to deceive or have a tendency to deceive customers.

(e) Inducing or attempting to induce, by any means or device whatsoever, a breach of contract between a competitor and a customer during the term of such contract.

(f) The copying or imitation of the design or construction of a machine or device containing new or novel features or any material parts thereof, in which the owner or manufacturer has property rights, which can be protected by legal proceedings, by competitors

for their own use prior to the end of the year following that in which they were originated.

(g) Securing information from competitors concerning their businesses by false or misleading statements or representations, or by false impersonation of one in authority, and the wrongful use thereof to unduly hinder or stifle the competition of such competitors.

ARTICLE VII

SECTION 1. This Code and all the provisions thereof are expressly made subject to the right of the President, in accordance with 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.

SEC. 2. 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 such notice and hearing as he shall specify, and to become effective on approval by the President.

ARTICLE VIII

If any employer of labor in this Industry is also an employer of labor in any other Industry, the provisions of this Code shall apply to and affect only that part of the business which is a part of the Coin Operated Machine Manufacturing Industry.

ARTICLE IX

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

ARTICLE X

This Code shall become effective on the tenth day after its approval by the President.

Approved Code No. 228.
Registry No. 1334-01.



