

NATIONAL RECOVERY ADMINISTRATION

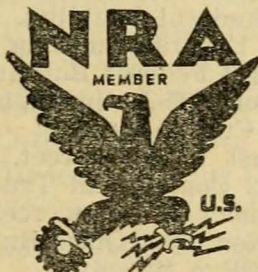
SUPPLEMENTARY
CODE OF FAIR COMPETITION

FOR THE

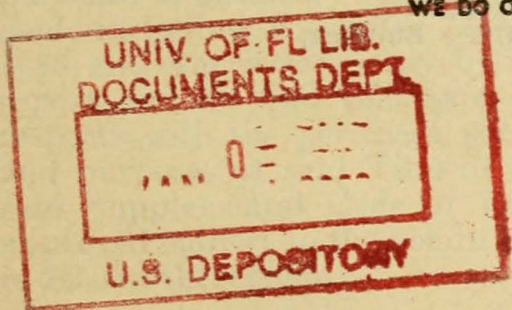
CHEMICAL ENGINEERING
EQUIPMENT INDUSTRY

(A Division of the Machinery and Allied Products Industry)

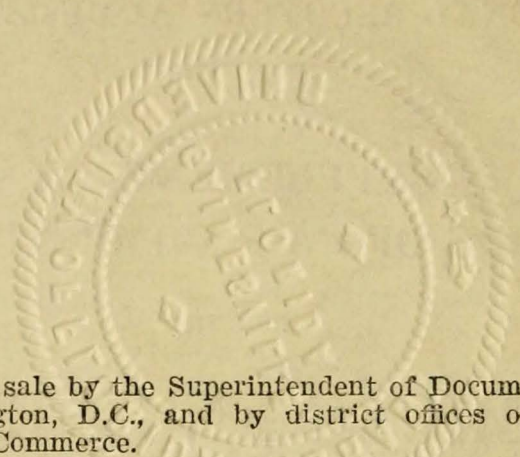
AS APPROVED ON JULY 5, 1934



WE DO OUR PART



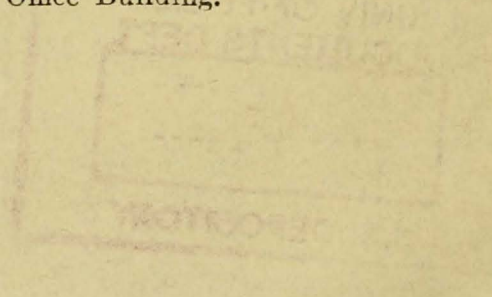
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Approved Code No. 347—Supplement No. 23

SUPPLEMENTARY CODE OF FAIR COMPETITION

FOR THE

CHEMICAL ENGINEERING EQUIPMENT
INDUSTRY

As Approved on July 5, 1934

ORDER

SUPPLEMENTARY CODE OF FAIR COMPETITION FOR THE CHEMICAL
ENGINEERING EQUIPMENT 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 Chemical Engineering Equipment 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 condition that Article XIV be and it hereby is deleted therefrom.

HUGH S. JOHNSON,
Administrator for Industrial Recovery.

Approval recommended:

BARTON W. MURRAY,
Division Administrator.

WASHINGTON, D.C.,
July 5, 1934.

REPORT TO THE PRESIDENT

The PRESIDENT,
The White House.

SIR: This is a report on the Supplemental Code of Fair Competition for the Chemical Engineering Equipment Subdivision of Machinery and Allied Products Industry, a Public Hearing on which was held in Washington, D.C., on April 27, 1934. The Hearing was conducted in full accordance with the provisions of Title I of the National Industrial Recovery Act.

GENERAL STATEMENT

The Chemical Engineering Equipment Subdivision, being truly representative of the manufacturers of the products defined in Article II of the Supplemental Code, has elected to formulate and submit a Supplemental Code of Fair Competition as provided in Article I of the Code of Fair Competition for the Machinery and Allied Products Industry, approved on the twenty-eighth day of May, 1934.

The Chemical Engineering Equipment Subdivision means the manufacture, design, engineering, erection, and/or licensing of chemical engineering equipment, together with its accessories and necessary housing, for sale, and/or the licensing of chemical engineering processes for use in connection with specified chemical engineering equipment, and shall be construed to include all persons engaged in such manufacture, design, engineering and/or erection for sale and/or such licensing; provided, however, that all specific equipment covered by other codes heretofore or hereafter approved under the Act is excluded to the extent of its coverage under such codes.

ECONOMIC EFFECT

This subdivision has been severely affected by the recent depression. This is evidenced by the steady decline in annual sales after 1930, although it is worthy of note that sales increased from \$19,864,000 in 1929 to \$21,462,000 in 1930, or 8.0%. However, they declined thereafter to \$4,400,000 in 1932, or 79.5%. Sales for the first eight months of 1933 amounted to \$4,475,000.

In 1929 this Subdivision employed 3,243 persons, including office employees, which total declined to 1,698 in 1932, or 47.6%, increasing to 1,733, in 1933. No data are available on average hours of labor or average wage rates for the Subdivision. The effect of the wage and hour provisions of the Supplemental Code can not, therefore, be determined.

The wage provisions for the Subdivision, which is operating under the Code of the Machinery and Allied Products Industry, provide that employees engaged in plant operations shall be paid as follows: (1) in cities of more than 50,000 population and their immediate vicinity, 40 cents per hour; (2) in cities of more than 10,000 but not more than 50,000 population and their immediate vicinity, which

cities are not in the immediate vicinity of a city of more than 50,000 population, 38 cents per hour; (3) in cities of 10,000 population or less and their immediate vicinity, which cities are not in the immediate vicinity of a city of more than 10,000 population, 36 cents per hour, except that employees engaged in plant operations in all localities in the states of Virginia, North Carolina, South Carolina, Georgia, Florida, Tennessee, Alabama, Mississippi, Arkansas, Louisiana, Texas, and Oklahoma, shall be paid not less than 32 cents per hour.

When females do substantially the same work as males or replace males, they shall receive the same pay. However, no female employee shall be paid less than 87½% of the proper rate for the locality in which employed.

Office boys and girls and apprentices shall be paid not less than 80% of the minimum wage.

Employees other than those engaged in plant operations shall receive not less than \$15.00 per week.

This Supplemental Code provides that no person under sixteen years of age shall be employed in this Subdivision.

RÉSUMÉ OF SUPPLEMENTAL CODE

Article I states the purpose of the Supplemental Code.

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

Article III provides for the adoption of the employment provisions of the Code of Fair Competition for 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 Code of Fair Competition for the Machinery and Allied Products Industry in accordance with the conditions of this Article governing their adoption.

Article V provides for the establishment of the Code Authority and defines its powers and duties.

Article VI provides for registration of employers of the Subdivision.

Article VII provides for an accounting system and methods of cost finding and/or estimating.

Article VIII provides for not selling below reasonable cost when an emergency exists.

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

Article X sets forth trade practices for the Subdivision.

Article XI contains provisions governing pricing and marketing on sales for export.

Article XII. This Supplemental Code and all the provisions thereof are expressly 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 modifications may be submitted by the Code Authority to the Administrator for approval.

Article XIII provides means for withdrawal of this Subdivision from the Basic Code and its continuance as an autonomous Code.

Article XIV provides for consent to changes, modifications, and amendments. (This Article is deleted by the Order approving this Supplemental Code).

Article XV establishes that no provision of this Supplemental Code shall be so applied as to permit monopolies and monopolistic practices or to eliminate, oppress, or discriminate against small enterprises.

Article XVI states the effective date of this Supplemental Code.

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 institute is an institute truly representative of the aforesaid Subdivision; and that said institute 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 Article XIV is deleted in the order.

Respectfully,

HUGH S. JOHNSON,
Administrator.

JULY 5, 1934.

SUPPLEMENTARY CODE OF FAIR COMPETITION FOR THE CHEMICAL ENGINEERING EQUIPMENT INDUS- TRY

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 for the Chemical Engineering Equipment Subdivision of the Machinery and Allied Products Industry, and upon approval by the President this Supplemental Code taken 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 Chemical Engineering Equipment Institute, a trade organization, all members of which are engaged in the Chemical Engineering Equipment 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, and as such definition may from time to time be amended.

“Subdivision” means this Chemical Engineering Equipment Subdivision of the Machinery and Allied Products Industry as defined and set forth in Article II of the Code of the Machinery and Allied Products Industry (as amended May 28, 1934) as follows:

“Chemical Engineering Equipment Subdivision means the manufacture, design, engineering, erection and/or licensing of chemical engineering equipment, together with its accessories and necessary housing, for sale, and/or the licensing of chemical engineering processes for use in connection with specified chemical engineering equipment, and shall be construed to include all persons engaged in such manufacture, design, engineering and/or erection for sale and/or such licensing; *provided, however*, that all specific equipment covered by other codes heretofore or hereafter approved under the Act is excluded to the extent of its coverage under such codes.”

“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 corporation, a partnership, an association, a trust, a trustee, a trustee in bankruptcy, a receiver, or other entity.

"Employer" means any person engaged in the Subdivision either on his own behalf or as an employer of labor.

"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 product classification within this Subdivision, constituted under the authority of the Code and of this Supplemental Code.

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" and 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—ADMINISTRATION

(a) There shall forthwith be constituted a Code Authority consisting of (A) not more than twelve (12) members of the Board of Directors of the Applicant and (B) not more than two (2) members chosen (in any manner approved by the Administrator) by those employers entitled to vote in this Subdivision not members of the Applicant, and (3) the Administrator may at his discretion appoint one additional member (without vote and without expense to the Subdivision).

(b) Said Code Authority shall adopt subject to the approval of the Administrator rules and regulations for the conduct of the code activities of the Subdivision not inconsistent with the provisions of the Code and of this Supplemental Code.

(c) Any employer in this Subdivision shall be eligible to membership in the Applicant. The Applicant 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 purposes of the Act.

(d) 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 prescribe 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.

(e) Any employer in this Subdivision, by accepting his pro-rata share of the reasonable cost of creating and administering this Supplemental Code as determined by the Code Authority and approved by the Administrator, shall be entitled to vote on matters requiring the vote of employers and to share in the benefits of the activities of the Code Authority and participate in the preparation of any revisions of or additions or supplements to this Supplemental Code.

(f) Action by the employers in the Subdivision at any meeting for the transaction of business and action on Code revisions shall be by vote of the employers entitled to vote as provided in (e) above, present in person or by proxy, in both of the following ways:

(1) By vote of each employer.

(2) By vote of each employer weighted on the basis of one vote for each \$75.00 or fraction thereof paid by said employer on account of assessments levied under the provisions of this Supplemental Code during the twelve (12) months preceding the day of voting.

Except as otherwise provided in the Code or in this Supplemental Code, any action taken at any meeting of employers hereunder shall be by majority vote, cast and computed in each of the two ways hereinbefore provided.

(g) The Code Authority may appoint a Trade Practice Committee which shall meet with the trade practice committees appointed under such other codes as may be related to the Subdivision for the purpose of formulating fair trade practices to govern the relationship between production and distribution employers under this Code and under such others to the end that such fair trade practices may be proposed to the Administrator as amendments to this Code and such other codes.

(h) If formal complaint is made to Code Authority, that provisions of this Supplemental Code have been violated by any employer, the Code Authority or the proper Group Code Authority, may to the extent permitted by the Act, cause such investigation or audit to be made 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 the Code Authority for action.

ARTICLE VI—REGISTRATION OF EMPLOYERS OF THE SUBDIVISION

The Code Authority shall exercise due diligence in notifying all employers engaged in the Subdivision of the approval of this Supplemental Code and shall invite all employers desiring to participate in the benefits hereof to register with it. Such registration shall include the full name and mailing address of the employer together with a list of his products in this Subdivision. The Code Authority

shall be under no obligation to notify any person not so registered with it of its actions or of any meeting of employers hereunder.

ARTICLE VII—ACCOUNTING AND COSTING

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

ARTICLE VIII—SELLING BELOW REASONABLE COST

When the Code Authority determines that an emergency exists in this Subdivision and that the cause thereof is destructive price-cutting such as to render ineffective or seriously endanger the maintenance of the provisions of this Supplemental Code, the Code Authority may cause to be determined the lowest reasonable cost of the 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 the emergency, it shall be and unfair trade practice for any employer of the Subdivision to sell or offer to sell any 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 IX—PRICE LISTS

(a) If and when the Code Authority 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 printed net price lists, or price lists with discount sheets, and terms of sale and payment, specified therein, each manufacturer of such product 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, and the Code Authority shall immediately publish (make available to all interested parties) at the office of Code Authority and send copies thereof to all manufacturers of such specified product registered with Code Authority in accordance with Article VI hereof and who shall have supplied such price list of his own products.

Revised price lists and/or discount sheets and/or all other conditions of sale may be filed from time to time thereafter with the Code Authority by any manufacturer of such product, to become effective on the date of such filing. Copies of such revised price lists and/or discount sheets and/or all other conditions of sale shall be immedi-

ately published (made available to all interested parties) at the office of the Code Authority and sent to all manufacturers of such product, registered with Code Authority in accordance with Article VI hereof and who are cooperating in this Supplemental Code.

(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 terms of sale and payment specified therein, the distribution or marketing conditions in said branch or group of the Subdivision are the same as, or similar to, the distribution and marketing conditions in a branch or group of the Subdivision where the use of price lists, with or without discount sheets, and other specified conditions of sale is well recognized, and that the use of price lists, with or without discount sheets, with other specified conditions of sale should be put into effect in such branch or group of the Subdivision, then each manufacturer of the product or products of such branch or group of the Subdivision shall, within twenty (20) days after notice of such determination, file with the Code Authority net price lists or price lists and discount sheets, containing all other specified conditions of sale, and such price lists and/or discount sheets and/or other specified conditions of sale 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 IX, unless two-thirds of the employers who are at that time engaged in manufacturing such product, and who are entitled to vote as above provided, shall affirmatively consent that such determination be made.

(c) For the purpose of gathering statistical data for the determination or revision of a lowest reasonable cost under article VIII, the Code Authority shall have power, on its own initiative, or on the request of any employer, to cause to be investigated to the extent permitted by the Act, any price or the terms of sale and payment for any product shown in any price list and/or discount sheet filed with the Code Authority by any employer; and for the purpose of the investigation thereof, to require, to the extent permitted by the Act, such employer to furnish to an impartial agency such information concerning the cost of manufacturing and selling such product as the Code Authority shall deem necessary or proper for such purpose.

(d) No employer shall sell, directly or indirectly, by any means whatsoever, any product of the Subdivision covered by provisions of this Article IX at a price or at discounts or on other conditions of sale different from those provided in his own current net price lists, or price lists and discount sheets.

(e) Each employer shall prepare and furnish the Code Authority with such number of copies of his price lists and/or discount sheets as Code Authority may require for administration and distribution.

ARTICLE X—TRADE PRACTICES

(1) *Cost of Delivery.*—No employer shall sell equipment covered by this Supplemental Code at a delivered price unless such delivered price shall include the cost of delivery in addition to the f.o.b. factory price.

(2) *Terms of Payment.*—No employer shall sell equipment covered by this Supplemental Code on terms of payment more liberal than:

(a) Five (5%) percent cash discount for payment in full with order.

(b) Two (2%) percent cash discount for payment in full within ten (10) days from date of invoice, which date shall be the shipping date; *provided* that on recurring orders for spare parts and accessories or supplies two (2%) percent cash discount may be allowed for payment on or before the tenth (10th) day of any month of all invoices for the preceding month.

(c) Net amount without cash discount for payment in full within thirty (30) days from the date of the invoice, which date shall be the shipping date, *provided*, that the buyer may be allowed to retain not more than fifteen (15%) percent of the invoice price for not to exceed ninety (90) days from the invoice date to allow for inspection and/or operating tests of the equipment.

(d) Deferred terms covered by Conditional Sales Contract or Bailment Lease extending for not more than one year. In such cases interest on unpaid balances shall be charged to the buyer at not less than six (6%) percent per annum unless the state laws governing the contract provide a lower maximum legal rate; *provided, however*, that no employer shall pay any charges for financing such Conditional Sales Contracts or Bailment Leases.

Provided, however, that nothing in this Section 2 of Article X shall apply to terms for the sale of complete operating units, either on an erected basis or on the basis of furnishing equipment and/or materials plus engineering supervision.

(3) *Installation Service.*—No employer shall furnish services for the installation of equipment unless such services are charged separately to the buyer, such charge to be not less than the estimated or actual expense of such services; *provided, however*, that when an employer's published price list clearly indicates that certain installation service is included in the regular sales price of equipment so published, the services so indicated may be furnished on the basis published; *provided, further*, that nothing in this Section (3) shall apply to cases where equipment or complete operating units shall be sold, either on an erected basis or on a basis of furnishing materials plus engineering supervision.

(4) *Changes in and Cancellations of Contracts.*—(a) No employer shall accept responsibility for errors in blueprints and/or specification furnished by the buyer nor assume the cost of correcting said errors.

(b) No employer shall furnish special production services to give unusual delivery not contemplated at the time of sale without receiving the cost thereof from the buyer.

(c) A change in cost to employer of any alteration in an accepted order or contract, made at buyer's written request, shall be charged or credited to buyer as the case may be.

(5) *Experimental Work and Engineering Services.*—(a) Code Authority, with the approval of the Administrator, may from time to time limit the amounts of experimental work and/or engineering service which may be furnished gratis to the buyer, actual or prospective, by employers in the Subdivision. As and when such limit

or limits are established, Code Authority shall formulate a basis for charges, subject to approval by the Administrator, for all such experimental work and/or engineering service furnished in excess of the limit or limits so determined.

(b) No employer shall agree to maintain, or service at less than actual expense, equipment after installation and acceptance of same by the buyer; *provided, however*, that any employer may replace any part or parts found to be of defective material or workmanship.

(6) *Responsibilities of Employers.*—(a) No employer shall assume the cost of or loss caused by work undertaken by any buyer on such buyer's own responsibility.

(b) No employer shall assume the cost of loss or damage to buyer's patterns, engineering data, equipment and/or drawings by fire or other casualties beyond the control of such employer.

(7) *Arbitration.*—No employer shall accept as the sole arbitrator of a contract for equipment or service with any buyer, any person employed or retained directly or indirectly by said buyer.

(8) *Unfair Practices.*—Each of the following acts and practices is deemed to be inimical to the best interests of the Subdivision, and of the public, and each is, therefore, hereby declared to be, and to constitute, an unfair method of competition, and is hereby prohibited, viz.:

(a) Giving, permitting to be given, or directly offering 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, the principal of such agent, or the represented party, without the knowledge of such employer, principal, or party. This commercial bribery provision shall not 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 hereinbefore defined.

(b) Any discrimination between purchasers of the same class by the sale of any standardized article having a published price at any price different from the seller's published price by means of direct or indirect price concessions, or by means of any privilege not extended to all purchasers of the same class.

(c) Untruthfully advertising, representing, or marking any product with intent to deceive or mislead prospective purchasers.

(d) Intentionally procuring, otherwise than with the consent of an employer under this Supplemental Code, any information concerning the business of such employer which is his trade secret, or which is ordinarily considered confidential in a going business.

(e) Knowingly to submit a quotation to a prospective customer based on original drawings, designs and/or specifications prepared by another employer without said employer's written permission.

(f) Disseminating, publishing, or circulating any false or misleading information relative to any product or price for any product of any employer, or the credit standing or ability of any employer to perform any work or manufacture or produce any product, or to the conditions of employment within the organization of any employer.

(g) Inducing or attempting to induce by any means any party to an existing commercial contract with an employer to violate such contract.

(h) Simulating in any printed matter any emblem, device, mark or brand, or the distinctive style of any advertising matter or catalog originated by any other employer, for the purpose or with the effect of misleading customers or prospective customers.

(i) Directly or indirectly tampering with or misadjusting an employer's product for the purpose of discrediting such employer with a customer.

(j) Furnishing equipment to a customer for trial purposes after one successful commercial installation has been placed in operation and accepted by a purchaser, without a definite order and an advance agreement that if the equipment be returned, the customer will pay the cost of transportation to the original shipping point and the cost of reconditioning.

(k) Indulging in destructive price cutting.

ARTICLE XI—SALES FOR EXPORT

The provisions of this Supplemental Code concerning pricing and marketing shall not apply to direct export sales of any product. A similar exemption may be granted by the Code Authority as to sales of any product destined ultimately for export. 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 Subdivision in such territory or possession.

ARTICLE XII—MODIFICATIONS AND TERMINATION

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

(c) Any such amendments, additions, revisions, or supplements of this Supplemental Code approved by a 66 $\frac{2}{3}$ % vote of the employers cooperating under this Supplemental Code, shall be in full force and effect upon approval by the President. The method, manner, and effect of such voting shall be the same as provided by Article V.

(d) This Supplemental Code shall terminate June 16, 1935, or upon such date prior thereto when the Act shall be repealed or the President shall, by proclamation, or the Congress shall, by joint resolution, direct that the emergency recognized by Section 1 of the Act has ended.

ARTICLE XIII—WITHDRAWAL

As is provided by Article IX of the Code, upon thirty (30) days' notice to Basic Code Authority and to the Administrator, this Subdivision may, upon the concurring affirmative vote of employers within this Subdivision entitled to cast two-thirds or more of all the

votes that might be cast by all employers within the Subdivision entitled to vote thereon, withdraw from the jurisdiction of Basic Code Authority. The eligibility of voters and the method and effect of such voting shall be in accordance with the provisions of Sections (e) and (f) of Article V hereof. Thereafter this Supplemental Code, together with the provisions of the Code except such portions of Articles I, II, VI and VII as are not pertinent thereto, as determined by the Code Authority and the Administrator, shall become the code governing this former Subdivision and its Code Authority shall become and be the sole Code Authority and shall perform all the functions thereof with respect to such Code.

ARTICLE XIV—CONSENT TO CHANGES, MODIFICATIONS, AND AMENDMENTS

By presenting this Supplemental Code and accepting the provisions of the Code of which it is a supplement, those employers who assent hereto shall not be deemed to have consented to any changes, modifications, and amendments thereof, except as each shall thereto subsequently agree.¹

ARTICLE XV—MONOPOLIES

Applicant imposes and shall impose no inequitable restrictions on membership therein. The Supplemental Code presented by it 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 XVI—EFFECTIVE DATE

This Supplemental Code shall become effective and binding on the eleventh day after its approval.

Approved Code No. 347—Supplement No. 23.
Registry No. 1614-01.

¹ Deleted—See paragraph 2 of order approving this Code.



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