

NATIONAL RECOVERY ADMINISTRATION

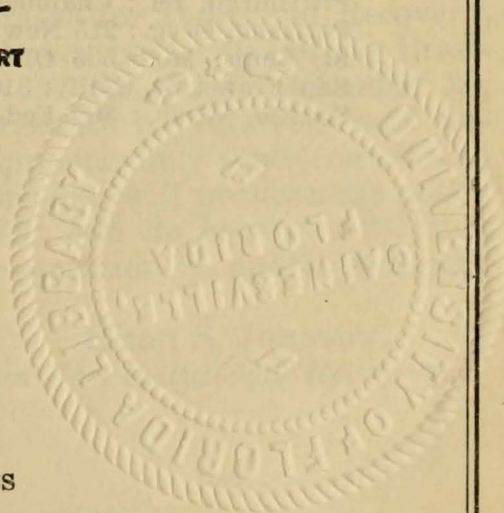
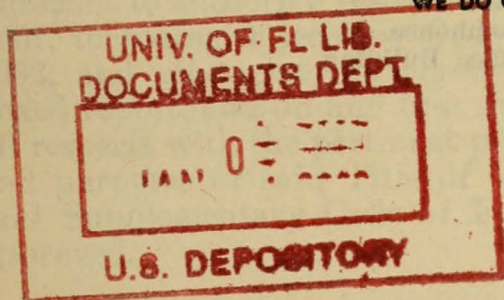
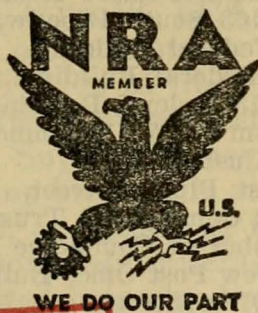
SUPPLEMENTARY
CODE OF FAIR COMPETITION

FOR THE

PAPER BOX MACHINERY
INDUSTRY AND TRADE

(A Division of the Packaging Machinery Industry and Trade)

AS APPROVED ON MAY 21, 1934

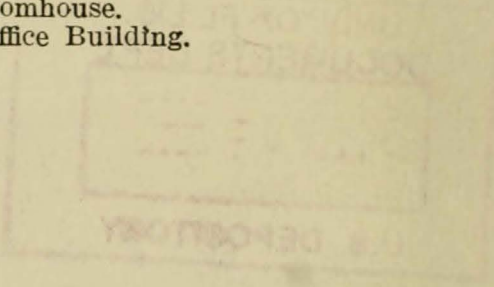
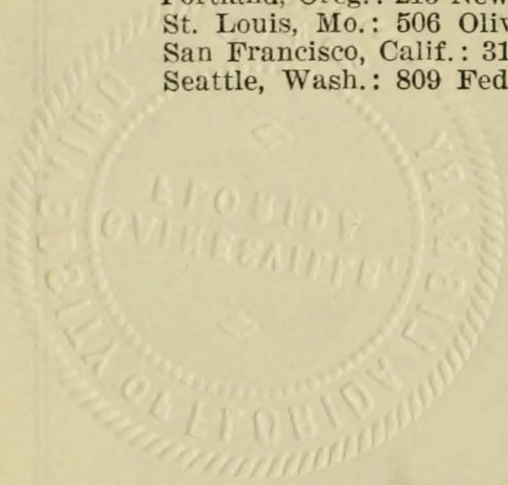


UNITED STATES
GOVERNMENT PRINTING OFFICE
WASHINGTON: 1934

This publication is for sale by the Superintendent of Documents, Government Printing Office, Washington, D.C., and by district offices of the Bureau of Foreign and Domestic Commerce.

DISTRICT OFFICES OF THE DEPARTMENT OF COMMERCE

Atlanta, Ga.: 504 Post Office Building.
Birmingham, Ala.: 257 Federal Building.
Boston, Mass.: 1801 Customhouse.
Buffalo, N.Y.: Chamber of Commerce Building.
Charleston, S.C.: Chamber of Commerce Building.
Chicago, Ill.: Suite 1706, 201 North Wells Street.
Cleveland, Ohio: Chamber of Commerce.
Dallas, Tex.: Chamber of Commerce Building.
Detroit, Mich.: 801 First National Bank Building.
Houston, Tex.: Chamber of Commerce Building.
Indianapolis, Ind.: Chamber of Commerce Building.
Jacksonville, Fla.: Chamber of Commerce Building.
Kansas City, Mo.: 1028 Baltimore Avenue.
Los Angeles, Calif.: 1163 South Broadway.
Louisville, Ky.: 408 Federal Building.
Memphis, Tenn.: 229 Federal Building.
Minneapolis, Minn.: 213 Federal Building.
New Orleans, La.: Room 225-A, Customhouse.
New York, N.Y.: 734 Customhouse.
Norfolk, Va.: 406 East Plume Street.
Philadelphia, Pa.: 422 Commercial Trust Building.
Pittsburgh, Pa.: Chamber of Commerce Building.
Portland, Oreg.: 215 New Post Office Building.
St. Louis, Mo.: 506 Olive Street.
San Francisco, Calif.: 310 Customhouse.
Seattle, Wash.: 809 Federal Office Building.



Approved Code No. 72—Supplement No. 2

SUPPLEMENTARY

CODE OF FAIR COMPETITION

FOR THE

PAPER BOX MACHINERY INDUSTRY AND TRADE

As Approved on May 21, 1934

ORDER

APPROVING SUPPLEMENTARY CODE OF FAIR COMPETITION FOR THE
PAPER BOX MACHINERY INDUSTRY AND TRADE

A DIVISION OF THE PACKAGING MACHINERY INDUSTRY AND TRADE

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 Supplementary Code of Fair Competition for the Paper Box Machinery Industry and Trade, a Division of the Packaging Machinery Industry and Trade, and hearings having been duly held thereon and the annexed report on said Supplementary 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 Supplementary 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 Supplementary Code of Fair Competition be and it is hereby approved.

HUGH S. JOHNSON,
Administrator for Industrial Recovery.

Approval recommended:

A. R. GLANCY,
Division Administrator.

WASHINGTON, D.C.,
May 21, 1934.

REPORT TO THE PRESIDENT

The PRESIDENT,
The White House.

SIR: This is a report on the Supplementary Code of Fair Competition for the Paper Box Machinery Industry and Trade, a division of the Packaging Machinery Industry and Trade, submitted pursuant to the provisions of Section 7, Article XIII of the Basic Code for the Packaging Machinery Industry and Trade, and revised after a hearing held in Washington on the 30th day of March, 1934, in accordance with the provisions of the National Industrial Recovery Act.

GENERAL STATEMENT

The Paper Box Machinery Industry and Trade, being truly representative of this division of the Packaging Machinery Industry and Trade, has elected to avail itself of the option of submitting a Supplementary Code of Fair Practice as provided for in Section 7 of Article XIII of the Basic Code, for the Packaging Machinery Industry and Trade approved by you on the thirty-first day of October, 1933.

PROVISIONS AS TO HOURS AND WAGES

This Industry operates under the labor provisions of the Basic Code for the Packaging Machinery Industry and Trade, of which it is a Division.

ECONOMIC EFFECTS OF THE SUPPLEMENTARY CODE

This Industry represents a total invested capital of approximately \$2,740,000.00 and had a sales volume during 1933 of \$987,000.00, an increase of 12.2 percent over 1932.

This Supplementary Code is designed to cure certain economic ills existing in the Industry and increased purchasing power should follow the establishment of this sounder economic condition.

FINDINGS

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

I find that:

(a) Said Supplementary 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 organ-

ization 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 Supplementary 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 association truly representative of the aforesaid Industry; and that said association imposes no inequitable restrictions on admission to membership therein.

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

(e) The Supplementary 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 types of the economic process have not been deprived of the right to be heard prior to approval of said Supplementary Code.

For these reasons, this Supplementary Code has been approved by me.

Respectfully,

HUGH S. JOHNSON,
Administrator.

MAY 21, 1934.

SUPPLEMENTARY CODE OF FAIR COMPETITION FOR THE PAPER BOX MACHINERY INDUSTRY AND TRADE

A DIVISION OF THE PACKAGING MACHINERY INDUSTRY AND TRADE

ARTICLE I—PURPOSES

To effectuate further the policies of Title I of the National Industrial Recovery Act, the following provisions are established as a Supplementary Code of Fair Competition for the Paper Box Machinery Industry and Trade, a Division of the Packaging Machinery Industry and Trade, pursuant to Section 7 of Article XIII of the Code of Fair Competition of the Packaging Machinery Industry and Trade, approved by the President of the United States on the thirty-first day of October, 1933, or as amended. The provisions of said Code, as modified and/or amended and/or supplemented by this Supplementary Code shall be the standard of Fair Competition for the Paper Box Machinery Industry and Trade, a Division of the Packaging Machinery Industry and Trade, and shall be binding upon every member thereof.

ARTICLE II—DEFINITIONS

SECTION 1. *The Industry.*—The term "Paper Box Machinery Industry" or "Industry", as used herein, is defined to mean the manufacture and/or rebuilding and/or sale of power-driven automatic and semi-automatic and/or hand or foot operated machinery and/or equipment and/or parts therefor which were originally designed for and/or are used wholly or in part for the manufacture of paper boxes; namely: all of the following listed machinery and/or equipment and/or parts therefor; excepting, however, any parts therefor having a general purpose or use:

1. Cardboard Skiving, Grooving and Scoring Machines.
2. Corner Cutters, Board and Paper.
3. Shoulder Cutters, Hand Feed and Automatic Operated.
4. Rotary and Bar Creasers (not including Cutters and Creasers which are Modified Platen or Cylinder Printing Presses.)
5. Light Duty Paper Slitters, not Used in Paper Converting.
6. Box Enders.
7. Stayers and Box Banding Machines.
8. Brightwood, Inman, and similar Setting-Up Machines for forming or setting up Paper Boxes.
9. Turning In Machines.
10. Table Gummers.
11. Automatic Gummers with and without Tabbng Attachment.
12. Stencil Gluers.

13. Box Wrappers, Automatic and Semi-Automatic.
14. Box Stripping Machines, Automatic and Semi-Automatic.
15. Toppers, Hand and Mechanical.
16. Box Lacing and Fly Leafing Machines.
17. Thumb Holing Machines, Automatic and Hand.
18. Shoulder Making Machines.
19. Shoulder Gluers and Pressers, Automatic and Hand.
20. Extension Edge Machines.
21. Lining Machines.
22. Roll Sheet Cutters.
23. Flange Benders.
24. Round and Oval Cutters.
25. Box Doming Machines.
26. Folding Box Gluers.
27. Rotary Board Slitting Machines.
28. Partition Making Machines.
29. Table Shears, Hand Operated (not including any type of Guillotine Paper Cutter).

Rebuilt paper box machinery and/or equipment shall include rebuilt, overhauled, reconditioned, repaired and/or used machinery and/or equipment as listed above.

SECTION 2. *The Trade*.—The term “Paper Box Machinery Trade” or “Trade”, as used herein, is defined to mean the marketing of paper box machinery as defined in Section 1, by dealers in, and/or distributors and/or jobbers of, the products of the Industry.

SECTION 3. *Member of the Industry and/or Trade*.—The term “Member of the Industry and/or Trade”, as used herein, is defined to mean any person, firm, corporation or other form of enterprise engaged in the Industry and/or Trade, as above defined, either as an employer or on his or its own behalf.

SECTION 4. *Basic Code*.—The term “Basic Code”, as used herein, is defined to mean the Basic Code of Fair Competition for the Packaging Machinery Industry and Trade, as approved by the President of the United States on the thirty-first day of October, 1933, or as amended.

SECTION 5. *Code Authority*.—The term “Code Authority”, as used herein, is defined to mean the Code Authority of the Packaging Machinery Industry and Trade.

SECTION 6. *Member of the Code*.—The term “member of the Code”, as used herein, includes any member of the Industry and/or Trade who shall signify assent to this Supplementary Code.

SECTION 7. *Sub-Code Authority*.—The term “Sub-Code Authority”, as used herein, is defined to mean the Sub-Code Authority established in accordance with Article VII of this Supplementary Code.

SECTION 8. *Institute*.—The term “Institute”, as used herein, is defined to mean the Packaging Machinery Manufacturers Institute, Incorporated, or its successor or successors.

SECTION 9. *Division*.—The term “Division”, as used herein, is defined to mean the Paper Box Machinery Industry and Trade, a Division of the Packaging Machinery Industry and Trade and/or of the Packaging Machinery Manufacturers Institute, Incorporated.

ARTICLE III—LABOR PROVISIONS

The labor provisions of the Basic Code, namely, "Employment", "Minors", "Wages", "Hours", "State Regulations", as well as the "Definitions" insofar as they pertain to labor, are hereby made a part of this Supplementary Code with the same effect as if they were written into this Supplementary Code.

Every employer shall provide for the safety and health of employees during the hours and at the places of their employment.

Standards for safety and health shall be submitted by the Code Authority to the Administrator within six (6) months after the effective date of this Supplementary Code.

ARTICLE IV—ADOPTION OF OTHER PROVISIONS OF THE BASIC CODE

All other provisions of the Basic Code, as approved on October 31, 1933, or as amended, to the extent that they are applicable as a part of this Supplementary Code and insofar as they are not in conflict with the provisions of this Supplementary Code, are hereby incorporated by reference and made a part of this Supplementary Code.

ARTICLE V—INDUSTRIAL RELATIONS COMMITTEE

There may be established an Industrial Relations Committee for the Industry and Trade, which shall consist of an equal number of representatives of employers and employees and an impartial chairman. The Administrator shall appoint such impartial chairman upon the failure of the committee to select one by agreement. If no truly representative labor organization exists, the employee members of such committee may be nominated by the Labor Advisory Board of the N.R.A. and appointed by the Administrator. The employer representatives shall be chosen by the Code Authority. Such committee shall deal with complaints and disputes relating to labor in accordance with rules and regulations issued by the Administrator. The Industrial Relations Committee may establish such divisional, regional, and local industrial adjustment agencies as it may deem desirable, each of which shall be constituted in like manner as the Industrial Relations Committee.

ARTICLE VI—APPLICANT ORGANIZATION

SECTION 1. *Applicant*.—The applicant for this Supplementary Code is the Paper Box Machinery Division of the Institute, a division of a trade organization, all members of which are engaged in the manufacture and/or marketing of the products of the Industry.

ARTICLE VII—ORGANIZATION AND ADMINISTRATION

SECTION 1. *Sub-Code Authority*.—A Sub-Code Authority is hereby established as the agency to cooperate with the Code Authority and the Administrator in the administration of the Basic Code and of this Supplementary Code.

SECTION 2. *Membership of Sub-Code Authority.*—(a) The Sub-Code Authority is established in accordance with the provisions of Article XII of the Basic Code and shall consist of five (5) members of the Paper Box Machinery Industry and Trade, a Division of the Packaging Machinery Industry and Trade, to be elected by the members of the Code as defined in Article II hereof from a list of all members of the Industry and Trade whose names have been ascertained after diligent search, the method of election to be subject to the prior approval of the Code Authority and of the Administrator; and in addition thereto, one member who may be appointed by the Administrator, without vote, and who together with the Administrator shall receive notice of and be entitled to attend all meetings of the Sub-Code Authority.

(b) Until such election has been held, which shall be within sixty (60) days after approval of this Supplementary Code, the committee authorized by the Paper Box Machinery Industry and Trade, a Division of the Packaging Machinery Industry and Trade to present this Supplementary Code shall serve as the Sub-Code Authority.

(c) The term of office of all members of the Sub-Code Authority, except the member appointed by the Administrator who shall serve for such term as the Administrator may specify, shall be until January 31, 1935 and thereafter for one year. Subsequent elections of such members shall be conducted in accordance with the method of election approved by the Code Authority and the Administrator in accordance with Section 2 (a) of this Article.

(d) In order that the Sub-Code Authority shall at all times be truly representative of the Industry and Trade, and in other respects comply with the provisions of the National Industrial Recovery Act, the Administrator may prescribe such hearings as he may deem proper; and thereafter if he shall find that the Sub-Code Authority is not truly representative of the Industry and Trade or does not in other respects comply with the provisions of the said Act, may require an appropriate modification in the method of selection of the members of the Sub-Code Authority.

SECTION 3. *Expenses of Code Administration.*—It being found necessary, in order to support the administration of this Supplementary Code and to maintain the standards of fair competition established by this Supplementary Code and to effectuate the policy of the Act, the Sub-code Authority is authorized, subject to the approval of the Administrator:

(a) To incur such reasonable obligations as are necessary and proper for the purposes enumerated in this Supplementary Code and to meet such obligations out of funds which may be raised as hereinafter provided and which shall be held in trust for the purposes of the Supplementary Code;

(b) To submit to the Administrator for his approval, subject to such notice and opportunity to be heard as he may deem necessary, (1) an itemized budget of its estimated expenses for the foregoing purposes, and (2) an equitable basis upon which the funds necessary to support such budget shall be contributed by members of the Industry and/or Trade;

(c) After such budget and basis of contribution have been approved by the Administrator, to determine and secure equitable

contribution as above set forth by all such members of the Industry and/or Trade, and to that end, if necessary, to institute legal proceedings therefor in its own name.

SECTION 4. Only members of the Industry and/or Trade complying with the Supplementary Code and contributing to the expenses of its administration as provided in Section 3 hereof shall be entitled to participate in the selection of the members of the Sub-Code Authority or to receive the benefit of its voluntary activities or to make use of any emblem or insignia of the National Recovery Administration.

SECTION 5. *Statistics and Information.*—For purposes of administration of this Supplementary Code and with a view to keeping the Administrator informed as to the observance or non-observance of this Supplementary Code, and furnishing to the Administrator such information as he may require, the Sub-Code Authority shall collect from members of the Industry and/or Trade such statistics and/or reports as it may deem necessary and send them to the Code Authority in such form as the Administrator may require.

SECTION 6. *Data Confidential.*—All statistical data and/or information furnished by any member of the Industry and/or Trade in accordance with the foregoing provisions shall be collected and kept in a confidential manner by a disinterested person or agency appointed by the Sub-Code Authority and the reports of any individual member of the Industry and/or Trade so collected shall not be divulged to any other member of the Industry and/or Trade or to anyone else except as may be authorized or directed by the Administrator.

In addition to information required to be submitted to the Sub-Code Authority, members of the Industry and/or Trade subject to this Supplementary Code shall furnish such statistical information as the Administrator may deem necessary for the purposes recited in Section 3 (a) of the Act to such Federal and State agencies as he may designate; provided that nothing in this Code shall relieve any member of the Industry or Trade of any existing obligations to furnish reports to any Government agency.

SECTION 7. *Complaints.*—Under such rules and regulations as the Administrator may from time to time prescribe, the Sub-Code Authority may receive complaints of violations of this Supplementary Code, make investigations thereof, provide hearings thereon, and adjust such complaints and bring to the attention of the Administrator through the Code Authority, any recommendations and information relative to unadjusted complaints or violations.

SECTION 8. *Standards of the Industry.*—In order to assist in making effective the reports from the Industry and in eliminating unfair competition, the Code Authority shall within one (1) month after the effective date of this Supplementary Code give due consideration to the establishment of a committee so constituted as to give due consumer and governmental representation, to make a study with a view to the establishment of classifications and standards of dimension and/or quality and/or performance of products of the Industry wherever such classifications and/or standards are deemed advisable. Proposed modifications and amendments based on such findings and recommendations of this committee may, within one (1) year, be

submitted to the Administrator and after such hearings as he may prescribe and upon approval shall become a part of this Supplementary Code and be binding upon every member of the Industry. Such committee shall have the power to cooperate with any other such standardization committee.

SECTION 9. *Coordination with other Codes.*—The Sub-Code Authority, with the approval of the Code Authority, shall have power to coordinate the administration of this Supplementary Code with such other codes and/or supplementary codes, if any, as may be related to the Industry and/or Trade or any subdivision thereof, and to delegate to any administrative authority, with the approval of the Administrator, such powers as will promote joint and harmonious action upon matters of common interest.

SECTION 10. *Suspension of Action.*—If the Administrator shall determine that any action of the Sub-Code Authority or any agency thereof may be unfair or unjust or contrary to the public interest, the Administrator may require that such action be suspended to afford an opportunity for investigation of the merits of such action and further consideration by the Sub-Code Authority, pending final action, which shall not be effective unless the Administrator approves or unless he shall fail to disapprove after thirty (30) days notice to him of intention to proceed with such action in its original or modified form.

ARTICLE VIII—PRICE FILING AND EXCHANGE

SECTION 1. *Filing of Prices.*—Each member of the Industry and/or Trade shall, within fifteen (15) days after the date of approval of this Supplementary Code, file with the Sub-Code Authority, or a responsible disinterested agency or person designated by the Sub-Code Authority, a price list independently prepared by such member of the Industry and/or Trade, showing his current prices and terms of sale on new competitive machinery and/or equipment which are products of the Industry sold by such member of the Industry and/or Trade, and thereafter no sale shall be made except at such prices and terms. For the purposes of this Article, competitive machinery and/or equipment includes machinery and/or equipment which performs similar operations in the process of manufacturing paper boxes made by another member of the Industry.

SECTION 2. *Changes in Filed Prices.*—Prices and terms as and when revised shall be similarly filed from time to time thereafter, to be effective immediately except that, upon machines newly designed and invented, the prices and terms therefor shall become effective immediately upon same being offered for sale, and shall be filed within five (5) days thereafter. All price lists and terms, together with any revisions thereto, shall be open to inspection at all reasonable times by any interested party.

SECTION 3. *Deviation from Filed Prices.*—No member of the Industry and/or Trade shall sell any competitive product of the Industry for any price or on any terms other than those set forth in his last price list and terms as filed or required to be filed by this Article; provided, however, that such machines and/or equipment

may be sold to authorized dealers, jobbers and/or distributors at the list price less the discounts to dealers, jobbers and/or distributors.

SECTION 4. *Price Exchange.*—Upon written application of any member of the Code, the Sub-Code Authority or the agency or person designated by the Sub-Code Authority shall furnish such member manufacturing and/or marketing similar competitive machinery and/or equipment a copy of any price list and/or terms filed with it. Each member of the Industry and/or Trade shall provide with each filed price list and/or terms or revised price list and/or terms sufficient copies for distribution to every other competitive member of the Industry and/or Trade, in addition to the copy filed with the Sub-Code Authority or the agency or person designated by the Sub-Code Authority.

SECTION 5. *Machine Description.*—Every price list filed for a machine must indicate clearly what is included in the way of equipment. All other equipment, whether regular or special, must be priced separately and, if furnished with the machine, must be sold at such list price in addition to the price of the machine as listed, and must be sold under the terms and conditions governing all sales as specified in Articles VIII and IX of this Supplementary Code.

ARTICLE IX—TRADE PRACTICE RULES

General Definition.—For all purposes of this Supplementary Code, the acts described in this Article shall constitute unfair trade practices. Any member of the Industry and/or Trade who shall directly, or indirectly, through any officer, employee, agent, or representative knowingly use, employ, or permit to be used or employed, any such unfair practices shall be guilty of a violation of this Supplementary Code.

RULE 1. *Selling Other Than New Machines as New.*—No member of the Industry and/or Trade shall sell re-built, re-conditioned or overhauled products of the Industry as and for new products.

RULE 2. *Tampering with Competitors' Machines.*—No member of the Industry and/or Trade shall directly or indirectly knowingly maladjust a competitor's products in order to discredit them with a customer, or for any other purpose.

RULE 3. *Selling New Products as Other Than New.*—No member of the Industry and/or Trade shall sell new products of the Industry as demonstration, exhibition, re-built, re-conditioned, overhauled or used machinery and/or equipment below the price of or on more favorable terms than similar new products.

RULE 4. *Inaccurate Reference to Competitors.*—No member of the Industry and/or Trade shall knowingly use advertising or other representation which refers inaccurately in any material particular or knowingly disseminate false or misleading information relative to any competitor or his products, selling prices, values, credit standing, credit terms, ability to perform work, conditions of employment, policies or services.

RULE 5. *Espionage of Competitors.*—No member of the Industry and/or Trade shall deliberately procure or attempt to procure, directly or indirectly, any confidential information concerning the

business of another member by false or misleading statement, or by representation through false impersonation of one in authority, or by bribery, or by any other unfair method.

RULE 6. *Deceptive Advertising.*—No member of the Industry and/or Trade shall knowingly use advertising or selling methods or credit terms which have the capacity and tendency to deceive or mislead a customer or prospective customer.

RULE 7. *Using Advertising Material of a Competitor.*—No member of the Industry and/or Trade shall knowingly use the advertising material of another member of the Industry and/or Trade in the sale of products of the Industry, except with the permission of such member.

RULE 8. *Misrepresenting Origin of Parts.*—No member of the Industry and/or Trade shall knowingly misrepresent the origin of a part or parts, either through direct statement or by implication.

RULE 9. *Identification Marks and Serial Numbers.*—No member of the Industry and/or Trade shall obliterate, remove, damage, destroy, tamper with or alter in any manner the trade names or trade or identification marks or serial numbers of machines and/or attachments which are products of the Industry, with the intent of destroying the identity of origin of manufacture; and no member of the Industry and/or Trade shall in any way misrepresent any such product (including but without limitation its trade mark, trade name, or other mark of identification other than part symbols). All members of the Industry shall place a serial number and an identification mark on each machine and/or equipment manufactured by such member of the Industry sufficient properly to identify the origin of manufacture.

RULE 10. *Interference with Contractual Relations.*—No member of the Industry and/or Trade shall deliberately induce or attempt to induce the breach of an existing contract, either oral or written, between a member and his customer or source of supply by any false or deceptive means, or deliberately interfere with or obstruct the performance of such contract or contractual duties or services by any such means with the purpose and for the effect of hampering, injuring, or embarrassing any member in his business.

RULE 11. *False Billing.*—No member of the Industry and/or Trade shall knowingly withhold from or insert in any quotation or invoice any statement that makes it inaccurate in any material particular.

RULE 12. *Freight Charges.*—No member of the Industry and/or Trade shall absorb freight or other transportation or rigging charges on sales of products of the Industry. All shipments made by a member of the Industry shall be made F.O.B. his factory. All shipments made by a member of the Trade shall be made F.O.B. shipping point.

RULE 13. *Rebates, Split Commissions, et cetera.*—No member of the Industry and/or Trade shall make or permit to be made any secret payment or allowance of rebates, refunds, commissions, split commissions or unearned discounts, whether in the form of money or otherwise, or secretly extend to certain purchasers special services or privileges not extended to all purchasers on like terms and conditions; provided, however, that this shall not be construed to prohibit the payment of discounts which may be shown in the

member's price lists filed in accordance with Article VIII hereof, or as provided elsewhere herein.

RULE 14. *Combination Sales.*—No member of the Industry and/or Trade shall sell or offer to sell products other than the products of this Industry at prices below the prevailing market prices of such products or donate or offer to donate such products in order to influence sales of products of this Industry.

RULE 15. *Trade-in Allowances.*—(a) For a period not exceeding six (6) months after the effective date of this Supplementary Code, no member of the Industry and/or Trade shall make or offer to make a trade-in allowance in excess of twelve and a half ($12\frac{1}{2}$) per cent for any machine and/or equipment, more than five (5) years old and less than ten (10) years old, or make or offer to make a trade-in allowance in excess of five (5) per cent for any machine and/or equipment, more than ten (10) years old and less than twenty (20) years old, or make or offer to make any trade-in allowance whatsoever on any machine and/or equipment over twenty (20) years old. The allowance in all cases shall be figured on the original price of the machine and/or equipment accepted in trade.

(b) The Sub-Code Authority shall cause to be made a study of the reasonable market value of used paper box machinery and/or equipment as defined in Article II and shall, from time to time, with the approval of the Administrator, adopt maximum trade-in allowance schedules for such used machinery and/or equipment, based upon the reasonable market value of such used machinery and/or equipment, and thereafter no member of the Industry and/or Trade shall make a trade-in allowance in excess of the maximum allowances provided for in such approved schedules which shall, as adopted or from time to time modified with the approval of the Administrator, constitute a part of this Rule in lieu of paragraph (a).

With a view to providing factual data on which such schedules of maximum trade-in allowances may be revised and established from time to time, members of the Industry and/or Trade shall, as the Sub-Code Authority may require, report to the Sub-Code Authority or to some responsible disinterested agency or person designated by the Sub-Code Authority, allowances made under this Rule for each traded-in machine and the price at which such traded-in machine is resold, together with an estimate of the costs of reconditioning or rebuilding such machine, if any, and an estimate of the direct costs, if any, of selling such machine.

(c) In case the age or serial number of the machine and/or equipment traded in cannot be readily ascertained, the customer must prove to the satisfaction of the member of the Industry and/or Trade the approximate date on which the machine and/or equipment was originally sold and the approximate sale price thereof.

(d) No member of the Industry and/or Trade shall purchase used machinery and/or equipment from a customer or prospective customer for a price larger than the trade-in allowance with the intent or effect of defeating or avoiding the provisions of this Rule 15.

(e) Only paper box machinery and/or equipment, as defined in Article II of this Supplementary Code, may be taken in trade for new paper box machinery and/or equipment.

(f) In transactions involving a trade-in allowance for paper box machinery and/or equipment, the member of the Industry and/or Trade may, at his option, credit the trade-in allowance against the cash payment required, or calculate the percentage of payments on the price after deducting the trade-in allowance. A cash discount shall be allowed only on the balance after deducting the allowance from the list price.

RULE 16. *Permitting Retention of Traded-In Machines.*—No member of the Industry and/or Trade shall permit purchasers to retain machinery and/or equipment for which a trade-in allowance has been made. Each member of the Industry and/or Trade shall return the traded-in machinery and/or equipment to his place of business or shall totally destroy and junk it unless he shall have sold it to a bona fide customer for a sum not less than the trade-in allowance.

RULE 17. *Installation and Instruction Charges.*—No member of the Industry and/or Trade shall install machinery and/or equipment and/or parts thereof or provide instruction to operators except he make an adequate service charge of not less than the actual cost of installation and/or instruction time per man, plus living and traveling expenses to and from the customer's factory; provided, however, that installation and instruction service may be included in the price and terms, if so specified in the price and terms as filed under Article VIII of this Supplementary Code, on the following machines:

1. Box Banding Machines.
2. Automatic Gummers with or without Tabbings Attachment.
3. Stencil Gluers.
4. Box Wrappers, Automatic and Semi-Automatic.
5. Turning In Machines.
6. Box Stripping Machines, Automatic and Semi-Automatic, except Claff Machines.
7. Mechanical Toppers.
8. Box Lacing and Fly Leafing Machines.
9. Shoulder Making Machines.
10. Automatic Shoulder Gluers.
11. Lining Machines.
12. Roll Sheet Cutters.
13. Box Doming Machines.
14. Folding Box Gluers;

and provided, however, that free demonstration may be provided on the first installation of a new or changed machine or a new or changed model.

RULE 18. *Installation Subject to Specific Performance Guarantee.*—No member of the Industry and/or Trade shall install any machinery and/or equipment on trial; provided, however;

(a) That a member of the Industry and/or Trade may install machinery and/or equipment, subject to specific performance guarantee, for any customer or prospective customer who has not previously purchased or tried any machinery and/or equipment of the same make and type, under a contract of sale for a single machine and/or equipment, the terms of which contract specify that it may be rescinded by the customer and the goods returned within sixty (60) days from the date of installation if the machine and/or equip-

ment shall fail to operate and/or produce according to the specific performance guarantee of the member of the Industry and/or Trade; and

(b) That it shall not be construed a violation of this Rule 18 to install newly developed models of machinery and/or equipment and/or attachments in a customer's or prospective customer's plant for the purpose of testing their operation under practical working conditions; and

(c) That it shall not be a violation of this Rule 18 to install other machinery and/or equipment subject to specific performance guarantee where the purpose of the installation is to test the practicability and/or consumer acceptability of the product of the machinery and/or equipment in cases where these factors cannot be otherwise determined; and

(d) That nothing herein shall prevent the return or surrender of any machinery and/or equipment and/or part sold under a specific performance guarantee which has not been met within the time provided in the contract of sale; and

(e) That, in case the machinery and/or equipment and/or parts installed subject to a specific performance guarantee to test the practicability and/or the consumer acceptability of the product of the machinery and/or equipment are not accepted and are returned to the manufacturer, the customer shall pay all transportation, installation and demonstration charges; and

(f) That all machinery and/or equipment installed subject to a specific performance guarantee and accepted by the customer shall be paid for in conformity with the prices and terms of sale referred to in Article VIII of this Supplementary Code; and

(g) That nothing in this Rule shall be construed to limit the warranties of workmanship and material made by the member of the Industry and/or Trade or implied by law.

RULE 19. *Service Charges.*—No member of the Industry and/or Trade shall, after a machine and/or equipment has been installed and demonstrated, furnish material or labor or incur other expenses, on request of the customer, without making to the customer adequate and proper charge therefor, except where necessary to effect proper operation of a machine and/or equipment where the member of the Industry and/or Trade is at fault or to meet the reasonable guarantee of the member of the Industry and/or Trade in respect of defects in workmanship or materials which may develop in service.

RULE 20. *Terms of Sale.*—No member of the Industry and/or Trade shall sell paper box machinery and/or equipment, except on royalty, on terms more favorable than as follows:

(a) Net thirty (30) days from date of invoice.

(b) Two (2) per cent discount ten (10) days from date of invoice.

(c) On machinery and/or equipment sold on a deferred payment plan, twenty-five (25) per cent in cash thirty (30) days from date of invoice, the balance being payable in approximately equal amounts bearing interest at the rate of six (6) per cent per annum over a maximum period not exceeding eighteen (18) months; provided, however, that on a machine and/or equipment on which the price exceeds ten thousand (\$10,000) dollars, the period of payment may exceed eighteen (18) months, and provided further that if the period

of payments specified by the contract of sale exceeds twelve (12) months, at least one quarter of one per cent per month shall be charged for the entire period in excess of twelve (12) months, in addition to the six (6) per cent interest, or provided that if the account is handled through a finance company, the prevailing finance and interest rates shall be charged.

RULE 21. *Charges for Attachments, Accessories, or Alterations.*—No member of the Industry and/or Trade shall add attachments and/or accessories or make alterations to standard machines, without adding to the price filed a proper charge therefor, which charge shall be not less than the sum of the costs of parts furnished, direct labor, material and shop overhead.

RULE 22. *Discrimination.*—No member of the Industry and/or Trade shall discriminate in selling price between purchasers of the same class under similar conditions except for differences in grade or quality purchased.

RULE 23. *Quantity Discounts.*—No member of the Industry and/or Trade shall give a quantity discount.

RULE 24. *Reporting Authorized Agents, Jobbers, Distributors, Dealers.*—Within thirty (30) days after the effective date of this Supplementary Code, every member of the Industry shall file with the Sub-Code Authority or agency or person designated by the Sub-Code Authority under Section 1 of Article VIII hereof, a list of his or its authorized jobbers or distributors of and/or dealers in and/or agents for the products of the Industry, with their addresses, and he shall file the names and addresses of all additional jobbers, distributors, dealers and/or agents and all cancellations thereof, to become effective on the date specified in the notice filed with the Sub-Code Authority or agency or person designated by the Sub-Code Authority. Such lists shall, on request of any member of the Code, be furnished by the Sub-Code Authority or agency or person to such member.

No member of the Industry shall allow any discount or pay any commission on the sale of paper box machinery and/or equipment and/or parts thereof, as defined in Section 1 of Article II herein, to any party not shown in his or its list of jobbers, distributors, dealers and/or agents, as filed with the Sub-Code Authority or agency or person designated by the Sub-Code Authority; provided, however, that any member of the Industry may allow an established and recognized machinery distributor, jobber, or dealer a trade discount not exceeding his customary discount, provided such dealer, distributor or jobber originates the inquiry and carries the account.

ARTICLE X—JURISDICTION

SECTION 1. *As to Products.*—If any member of the Industry and/or Trade is also a member of any other Industry and/or Trade, the provisions of this Supplementary Code shall apply to and affect only that part of his business which is included in this Industry and/or Trade.

The Sub-Code Authority shall have power to exempt members of the Industry and/or Trade from particular trade practice rules, in whole or in part, of this Supplementary Code, with particular

reference to paper box machinery and/or equipment which does not perform operations similar to the operations performed by machines and/or equipment manufactured by another member of the Industry, all such exemptions to be reported to the Administrator and to be subject on review to disapproval by the Administrator.

In case a question arises as to whether a machine and/or equipment competes with another machine and/or equipment, the question shall be referred to the Sub-Code Authority, whose ruling shall be binding on all members of the Industry and/or Trade, except that appeal may be had first to the Code Authority and afterward to the Administrator.

SECTION 2. *Export Trade*.—No provision of this Supplementary Code relating to prices or terms of selling, shipping or marketing, shall apply to export trade or sales or shipments for export trade. "Export Trade" shall be as defined in the Export Trade Act adopted April 10, 1918.

ARTICLE XI—MONOPOLIES

No provision of this Supplementary Code shall be applied in such a manner as to permit monopolies or monopolistic practices, or to oppress, eliminate or discriminate against small enterprises.

ARTICLE XII—MODIFICATION AND AMENDMENT

This Supplementary Code and all the provisions thereof are expressly made subject to the right of the President, in accordance with the provisions of sub-section (b) of Section 10 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.

Such of the provisions of this Supplementary Code as are not required to be included herein by the Act may, with the approval of the Administrator, be modified or eliminated in such manner as may be indicated by the needs of the public, by changes in circumstances, or by experience. All the provisions of this Supplementary Code, unless so modified or eliminated, shall remain in effect until June 16, 1935.

Any proposed amendment or modification of this Supplementary Code may be submitted by the Sub-Code Authority to the Code Authority; the latter shall submit such amendment or modification to the Administrator together with its recommendation thereon; after such notice and hearing as the Administrator may deem necessary, such amendment or modification shall be in full force and effect as a part of this Supplementary Code upon approval thereof.

ARTICLE XIV—EFFECTIVE DATE

This Supplementary Code shall become effective and binding on every member of the Industry and/or Trade on the eleventh day after its approval by the President.

Approved Code No. 72.—Supplement No. 2.
Registry No. 1399-30B.

3 1262 08336 662 4