

NATIONAL RECOVERY ADMINISTRATION

CODE OF FAIR COMPETITION

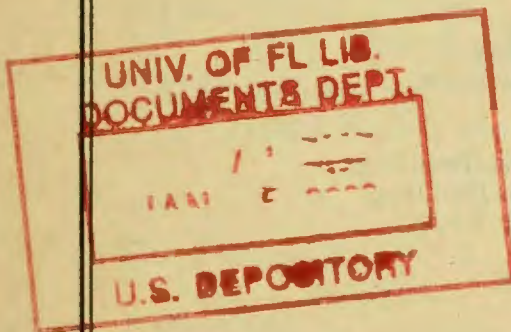
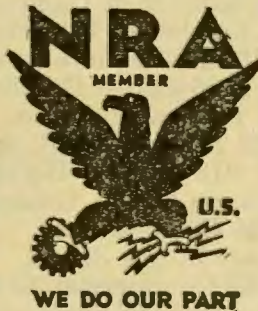
FOR THE

AMERICAN
PETROLEUM EQUIPMENT INDUSTRY
AND TRADE

AS APPROVED ON NOVEMBER 2, 1933

BY

PRESIDENT ROOSEVELT



1. Executive Order
2. Letter of Transmittal
3. Code

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EXECUTIVE ORDER

CODE OF FAIR COMPETITION FOR THE AMERICAN PETROLEUM EQUIPMENT 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 my approval of a Code of Fair Competition for the American Petroleum Equipment Industry and Trade, and hearings having been held thereon and the Administrator having rendered his report containing an analysis of the said code of fair competition together with his recommendations and findings with respect thereto, and the Administrator having found that the said code of fair competition complies in all respects with the pertinent provisions of title I of said act and that the requirements of clauses (1) and (2) of subsection (a) of section 3 of the said act have been met:

NOW, THEREFORE, I, Franklin D. Roosevelt, President of the United States, pursuant to the authority vested in me by Title I of the National Industrial Recovery Act, approved June 16, 1933, and otherwise, do adopt and approve the report and recommendations, and findings of the Administrator and do order that the said code of fair competition be and it is hereby approved.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE,
November 2, 1933.

Approval recommended:
HUGH S. JOHNSON,
Administrator,

OCTOBER 28, 1933.

The PRESIDENT,
The White House.

SIR: This is a report on the Code of Fair Competition for the American Petroleum Equipment Industry and Trade in the United States, conducted in Washington on October 20, 1933, in accordance with the provisions of the National Industrial Recovery Act.

PROVISIONS FOR HOURS AND WAGES

The maximum of 40 hours a week average in any 3 months' period and 48 hours or 6 days in any one week, is provided to all employees in this Industry and Trade, with the following exceptions:

Employees in emergency maintenance or repair work will not be limited to 48 hours or 6 days a week. Watchmen and gate men will be permitted to work 56 hours a week. None of the limitations in hours apply to executives and their immediate assistants, employees in supervisory capacities and in research and technical work who

IV

receive \$35.00 or more per week; nor to outside salesmen and service men.

The minimum wage provided for any employee who works on an hourly basis is 40 cents an hour, except in specified Southern States, where the minimum provided is 35 cents per hour. Time and a third will be paid for work in excess of 40 hours a week or 8 hours a day.

The minimum wage to all other employees will be \$15.00 per week; except to office boys who will receive \$12.00 a week, provided that they do not number more than 5 percent of the total employees to which this paragraph applies.

The hourly wage rates apply to employees working on either a time or piecework basis.

CHILD LABOR

The age limitation is 16 years, except in hazardous occupations or those detrimental to health. The Code Authority will submit to the Administrator a list of such occupations within 30 days after the effective date of this Code.

ECONOMIC EFFECT OF THE CODE

The Petroleum Equipment Industry has been effected greatly by the curtailment of petroleum production. Sales in the Industry were approximately \$300,000,000 in 1929, but were decreased to \$70,000,000 in 1932. Employment fell from 22,000 in 1929 to approximately 9,500 in 1932. In 1929 the Industry employed one man per \$13,250 of yearly sales, but at the beginning of the year 1933 the annual rate of sales per employee was \$6,650.

The 40-hour week schedule fixed in this Code represents a substantial reduction from an average of 50 hours per week previous to the enactment of the National Recovery Act. The application of the 40-hour schedule together with some increase in business has resulted since March 1, 1933, in an increase of about 4,000 employees, or an increase of 42 percent in employment from the low point of the depression.

Wage provisions in this Code result in an average minimum wage increase of about 20 percent. Most of the plants in the Industry granted a 15 percent wage increase to all classes of employees upon the application of the 40-hour week. The total wage bill added to the Industry through increased wages and additional employees exceeds 25 percent, which can only be offset by an increase in business. In offering the Code this Industry has demonstrated a ready compliance with the spirit of the Act.

FINDINGS

The Administrator finds that:

(a) The Code as recommended complies in all respects with the pertinent provisions of Title I of the Act, including, without limitation, subsection (a) of Section 7 and subsection (b) of Section 10 thereof; and that

(b) The applicant group imposes no inequitable restrictions on admission to membership therein and is truly representative of the American Petroleum Equipment Industry and Trade; and that

(c) The Code as recommended is not designed to promote monopolies or to eliminate or oppress small enterprises and will not operate to discriminate against them, and will tend to effectuate the policy of Title I of the National Industrial Recovery Act.

It is recommended, therefore, that this Code be adopted.

Respectfully,

HUGH S. JOHNSON,
Administrator.

CODE OF FAIR COMPETITION OF THE AMERICAN PETROLEUM EQUIPMENT INDUSTRY AND TRADE

ARTICLE I—DEFINITIONS

SECTION 1. Whenever used in this Code, the terms hereinafter in this Article I defined shall, unless the context shall otherwise clearly indicate, have the respective meanings hereinafter in this Article I set forth. The definition of any such term in the singular shall apply to the use of such term in the plural and vice versa.

SEC. 2. The term "the Industry" means and includes the business of manufacturing machinery, equipment, or supplies used in the Petroleum Industry as in this Article I defined, excepting, however, any machinery, equipment, or supplies which are specifically included within any other basic Code of Fair Competition which has been or may be approved by the President.

SEC. 3. The term "the Trade" means and includes the business of selling machinery, equipment, supplies, or services to the Petroleum Industry as in this Article I defined, excepting, however, any machinery, equipment, supplies, or services, which are specifically included within any other basic Code of Fair Competition which has been or may be approved by the President.

SEC. 4. The term "member of the Industry and Trade" means everyone, including, but without limitation, every person, partnership, association, or corporation engaged, in whole or in part, in the Industry and/or the Trade as in this Article I defined.

SEC. 5. The term "the Petroleum Industry" means and includes the business of drilling, producing, pipe-line transporting, refining, or storing petroleum, or of producing or pipe-line transporting natural gas, in the United States of America.

SEC. 6. The term "member of the Code" means and includes every member of the Industry and Trade which has signed and delivered to the Code Authority a letter substantially in the form set forth in Schedule A attached hereto.

SEC. 7. The term "product" means and includes any machinery, equipment, supplies, or services manufactured for or sold to the Petroleum Industry as in this Article I defined, excepting, however, any machinery, equipment, supplies, or services, which are specifically included within any other basic Code of Fair Competition which has been or may be approved by the President.

SEC. 8. The term "employee" means and includes anyone engaged in the Industry or Trade in any capacity receiving compensation for his services irrespective of the nature or method of payment of such compensation.

SEC. 9. The term "employer" means and includes anyone by whom any such employee is compensated or employed.

SEC. 10. The term "the Association" means and includes the American Petroleum Equipment Suppliers' Association.

SEC. 11. The term "price list" means and includes (a) a list of minimum prices or prices with maximum discounts therefrom at

which the member of the Industry and Trade filing such list shall sell his or its products direct to consumers or ultimate users, and, if such products are sold by such members of the Industry and Trade through jobbers or wholesalers, (b) a list of minimum prices or prices with maximum discounts therefrom at which the member of the Industry and Trade filing such list shall sell his or its products to jobbers or wholesalers.

SEC. 12. The term "discount for early payment" means the amount of the deduction allowed for the cash payment of an invoice for products before the expiration of the period of free credit in respect thereof.

SEC. 13. The term "period of free credit" means the period of time between the date of a shipment of a product to the purchaser of such product and the date from and after which such purchaser shall be required to pay interest on the purchase price of such product or any part thereof which shall not have been paid prior to the expiration of such period.

SEC. 14. The term "the President" means the President of the United States.

SEC. 15. The term "the Act" means the National Industrial Recovery Act.

SEC. 16. The term "the Administrator" means the Administrator of the National Industrial Recovery Act.

SEC. 17. The term "the Code" means and includes this Code as originally approved by the President of the United States and all amendments thereof made in accordance with law.

SEC. 18. The term "the effective date" means the 11th day after the Code shall have been approved by the President of the United States, pursuant to the National Industrial Recovery Act, upon which date the Code shall become effective.

ARTICLE II—PURPOSE OF THE CODE

SECTION 1. The purpose of the Code is to effectuate the policy of Title I of the Act.

SEC. 2. The Code is adopted pursuant to Title I of the Act.

ARTICLE III—MEMBERSHIP IN THE CODE

SECTION 1. It is of the essence of the Code that all members of the Industry and Trade which shall comply with the provisions of the Code shall be entitled to participate in its benefits under the terms and conditions set forth in the Code.

SEC. 2. Any member of the Industry and Trade is eligible for membership in the Code.

SEC. 3. Every member of the Association, and every member of the Industry and Trade (which is not a member of the Association and which has the right to participate in the election of the Code Authority and receives the benefits of its activities), shall pay to the Code Authority its pro rata share of the cost of administering the Code. The reasonable share of the expense of administration shall 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 deemed equitable to be taken into consideration.

ARTICLE IV—GENERAL LABOR PROVISIONS

SECTION 1. On and after the effective date, no person under 16 years of age shall be employed in the Industry or Trade, nor anyone under 18 years of age at operations or occupations hazardous in nature or detrimental to the health of such employee. The Code Authority shall submit to the Administrator within thirty days after the effective date a list of such occupations.

SEC. 2. 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.

SEC. 3. 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.

SEC. 4. Employers shall comply with the maximum hours of labor, minimum rates of pay, and other conditions of employment, approved or prescribed by the President of the United States.

SEC. 5. Within each State no provision of the Code shall supersede any laws of such State imposing more stringent requirements on employers regulating the age of employees, wages, hours of labor, or health, fire or general working conditions, than under the Code.

SEC. 6. Each member of the Industry and Trade shall post in conspicuous places full copies of the Code.

SEC. 7. All wages shall be paid in lawful currency or by negotiable check paid on demand.

SEC. 8. On and after the effective date, the minimum wage that shall be paid by any member of the Industry and Trade to any employee employed on an hourly basis shall be forty cents per hour; except that in Texas, Oklahoma, Louisiana, Alabama, Georgia, Florida, North Carolina, South Carolina, Arkansas, Tennessee, Missouri, and Mississippi the minimum wage that shall be paid by any member of the Industry and Trade to any such employee shall be not less than thirty-five cents per hour. Any employee referred to in this Section 8 of Article IV who works in excess of 8 hours per day or 40 hours per week, shall be paid not less than time and one third for the excess hours so worked.

SEC. 9. On and after the effective date, the minimum wage which shall be paid by any member of the Industry and Trade to all other employees shall be at the rate of \$15.00 per week, excepting office boys, who shall be paid not less than \$12.00 in any one week, provided, however, that the number of such boys shall not exceed 5% of the total number of employees engaged by any one employer and included within the scope of this Section 9 of Article IV, but in any event any employer may employ at least one office boy.

Sections 8 and 9 of this Article IV establish a minimum rate of pay, regardless of whether an employee is compensated on a time rate, piecework, or other basis.

SEC. 10. On and after the effective date, none of the members of the Industry and Trade shall cause or permit any employee, except executives, their immediate assistants, those employed in supervisory capacities, and in research and technical work, who are paid not less

than \$35.00 per week, and except also outside salesmen and outside service employees, to work at an average of more than 40 hours per week in any three months' period or to work more than 48 hours or more than 6 days in any one week. The maximum hours fixed in this Section 10 of this Article IV shall not apply to employees engaged in emergency maintenance or emergency repair work involving breakdowns or protection of life or property, but in no event shall any employee engaged in such emergency work, work at an average of more than 40 hours per week in any three months' period. The maximum hours fixed in this Section 10 of this Article IV shall not apply to watchmen and gate tenders, provided, however, such employees shall not be permitted to work in excess of 56 hours in any one week.

SEC. 11. Not later than 60 days after the effective date each employer in the Industry and Trade shall report to the Administrator through the Code Authority the action taken by such employer since June 16, 1933, in adjusting the hourly wage rates for all employees receiving more than the minimum rates provided in Sections 8 and 9, of this Article IV.

ARTICLE V—ADMINISTRATION OF THE CODE

SECTION 1. The Association is hereby designated an agency for promoting the performance of the provisions of the Code by the members of the Industry and Trade. The Board of Directors of the Association, together with two members of the Industry and Trade which are not members of the Association (if any members of the Industry and Trade which are not members of the Association so desire and so petition said Board of Directors), to be elected by such nonmembers by fair methods of election to be approved by the Administrator, in conjunction with such non-voting appointees of the National Recovery Administration as the Administrator may deem necessary, are hereby designated the Code Authority for administering and supervising the performance of the provisions of the Code. The aforesaid Board of Directors shall consist of eleven members of the Industry as defined in Section 2 of Article I and eleven members of the Trade as defined in Section 3 of Article I.

SEC. 2. The Code Authority may from time to time interpret and construe the provisions of the Code for members of the Code.

SEC. 3. The Code Authority may from time to time appoint such officers or committees as it shall deem necessary or proper in order to effectuate the purpose of the Code, and it may delegate to any such officer or committee generally or in particular instances such of the powers and duties of the Code Authority under the Code as such Code Authority shall deem necessary or proper in order to effectuate such purpose; provided, however, that the Code Authority shall not be relieved of final responsibility with respect to any such delegated powers or duties.

SEC. 4. A majority of the members of the Code Authority shall constitute a quorum for the transaction of business.

SEC. 5. Each industrial or trade association directly or indirectly participating in the selection or activities of the Code Authority shall: (1) Impose no inequitable restrictions on membership, and (2) submit to the Administrator true copies of its articles of association, 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. 6. In order that the Code Authority shall at all times be truly representative of the Industry and Trade 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.

SEC. 7. The Administrator shall have the right to review, cancel, or modify any decisions or any other action pursuant to the Code by the Code Authority.

ARTICLE VI—OPEN PRICE REPORTING

SECTION 1. Each member of the Industry and Trade shall file with the Code Authority, within twenty days after the effective date, price lists, individually prepared by such member, and his or its terms and conditions of sale (which terms and conditions of sale shall specify the discount for early payment and the period of free credit), for products regularly manufactured for, or sold or furnished to, the Petroleum Industry by such member, which price lists and terms and conditions of sale so filed with the Code Authority shall be open to inspection at all reasonable times by any member of the Industry and Trade. Revised price lists or revised terms and conditions of sale may be filed from time to time thereafter with the Code Authority by any member of the Industry and Trade. If the prices noted in the revised price list of any such member, or if the revised terms and conditions of sale are more favorable to the purchaser of products than the terms and conditions of sale of such member, then on file with the Code Authority, the revised price list or revised terms and conditions of sale shall not become effective until ten days after the date of the filing thereof; otherwise the same shall become effective on such date as the member of the Industry and Trade filing the same shall designate. Notice of the filing of any such revised price list or revised terms and conditions of sale shall be mailed by the Code Authority immediately to all other members of the Industry and Trade which, at the time of such filing, had on file with the Code Authority price lists for similar products. Any of such other members of the Industry and Trade may, if they desire, file revisions of their price lists or terms and conditions of sale, which shall become effective on the date when the revised price list or revised terms and conditions of sale first filed shall become effective, if the prices noted in the revised price lists of such other members are not lower than the prices noted in the revised price list first filed or the terms and conditions of sale of such other members are not more favorable to the purchaser of products than the revised terms and conditions of sale first filed; otherwise the revised price lists or revised terms and conditions of sale of such other members shall not become effective until ten days after the date of the filing thereof. Any member of the Industry and Trade may, upon request and at the expense of

such member, obtain from the Code Authority copies of any such list so filed.

SEC. 2. Each member of the Industry and Trade shall file with the Code Authority within twenty days after the effective date, and from time to time thereafter, but not oftener than once every thirty days, a list of discontinued lines, or obsolete or surplus stocks, of products which such member is willing to sell below the prices noted in the price lists or on more favorable terms and conditions of sale than the terms and conditions of sale previously filed by such member with the Code Authority in accordance with the provisions of Section 1 of Article VI, and in effect at the time of the filing of such list, and the prices at which, or the terms and conditions of sale in accordance with which, such member is willing to sell the same or any part thereof, which list shall contain such information as to the quantity, size, weight, etc., of the products noted therein as the Code Authority may deem necessary. Before any sales of any of such products shall be made by any member of the Industry and Trade, the list, prices, and terms and conditions of sale so filed must be approved by the Code Authority. Notice of the filing of any such list which shall have been approved by the Code Authority shall be mailed by the Code Authority to all members of the Industry and Trade which at the date of such filing had on file with the Code Authority price lists for similar products. Any member of the Industry and Trade may, upon request and at the expense of such member, obtain from the Code Authority copies of any such list so filed. When all of any class of products noted on any such list shall have been sold, the member of the Industry and Trade filing such list shall notify the Code Authority to that effect. The foregoing provisions of this Section 2 of Article VI shall at all times be subject to modification or disapproval by the Administrator.

SEC. 3. Except as provided in Section 2 of this Article VI, no member of the Industry and Trade shall sell, lease, rent, exchange, or furnish any products at prices lower than the prices noted in the price list or on more favorable terms and conditions of sale than the terms and conditions of sale previously filed by such member with the Code Authority in accordance with the provisions of Section 1 of this Article VI, and in effect at the time of such sale, lease, rental, exchange, or furnishing of such products.

ARTICLE VII—SALES

Except as provided in Section 2 of Article VI, no member of the Industry and Trade shall sell, lease, rent, exchange, or furnish any products at prices that, or upon such terms and conditions of sale as, will result in the purchaser's paying for such products less than the cost thereof to the seller; provided, however, that the seller shall be permitted to meet the price of a competitor whose price does not violate the provisions of the Code. In order to determine such cost, each member of the Industry; and Trade shall conform his or its costing system to such accounting standards and shall include therein such elements of cost as shall be approved by the Code Authority and the Administrator.

ARTICLE VIII—REPORTS AND STATISTICS

SECTION 1. The Code Authority shall have power, from time to time, to require each member of the Industry and Trade to furnish to the Code Authority such information concerning the number of his or its employees, rates of pay (except rates of pay of executives), hours of labor, and other conditions of employment, and such other information as may be necessary or proper in order to administer the Code. The Code Authority shall not require any information regarding trade secrets or the names of the customers of any member of the Industry and Trade. In order that the President may be informed as to the observance and operation of the Code, the Code Authority shall make such reports as the Administrator may require.

SEC. 2. 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.

ARTICLE IX—GROUPING OF MEMBERS

Aggregations of members of the Code or aggregation of members of the Code and of the Industry and Trade having a common interest and common problems may be grouped by the Code Authority for administrative purposes in proper subdivisions or product classifications under such rules and regulations not inconsistent with the Code as may be adopted, from time to time, by the Code Authority.

ARTICLE X—UNFAIR PRACTICES

For the purposes of the Code, the following described acts shall constitute unfair practices in the Industry and Trade.

(a) Making or promising to any purchaser or prospective purchaser of any product, or to any officer, employee, agent, or representative of any such purchaser or prospective purchaser, any bribe, gratuity, gift, or other payment or remuneration, directly or indirectly.

(b) Procuring, otherwise than with the consent of any member of the Industry and Trade, any information concerning the business of such member which is properly regarded by such member as a trade secret or confidential within his or its organization.

(c) The imitation or simulation by any member of the Code of any design, style, mark, or brand used by any other member of the Code, or the adoption or use by any member of the Code of the same trade name or company name of any other member of the Code.

(d) Using or substituting any material superior in quality to that specified by the purchaser of any product.

(e) Cancelling in whole or in part, or permitting the cancellation in whole or in part of, any contract of sale of any product, except for a fair consideration, or paying or allowing to any purchaser in connection with the sale of any product any rebate, commission, credit, discount, adjustment (including what is known in the Industry or Trade as a policy adjustment) or similar concession other than as is permitted by the Code and specified in the contract of sale.

(f) Disseminating, publishing, or circulating any false or misleading information relative to any product or price for any product of any member of the Industry and Trade, or the credit standing or ability

of any member thereof to perform any work or manufacture or produce any product, or to the conditions of employment among employees of any member thereof.

(g) Inducing or attempting to induce by any means any party to a contract with a member of the Industry and Trade to violate such contract.

(h) Aiding or abetting any person, partnership, association, or corporation in any unfair practice, as set forth in this Article X.

(i) Making or giving to any purchaser of any product any guaranty or protection in any form against decline in the market price of such product.

(j) Stating in the invoice of any product as the date thereof a date later than the date of the shipment of such product, or including in any invoice any product shipped on a date earlier than the date of such invoice.

(k) Making any sale or contract of sale of any product under any description which does not fully describe such product in terms customarily used in the Industry or Trade.

(l) Rendering to any purchaser of any product in or in connection with the sale of such product any service (except technical or engineering services), unless fair compensation for such service shall be paid by such purchaser.

(m) Consignment of any product to any prospective consumer or ultimate user thereof without any obligation on the part of such prospective consumer or ultimate user to purchase the same.

The conducting of field tests or demonstrations of new products by any member of the Industry and Trade, without compensation to such member, shall not be deemed to be an unfair practice.

(n) The sale of an indefinite quantity of products for a price certain.

(o) The guaranty of any product beyond the regular guaranty as specified in the terms and conditions of sale on file with the Code Authority and in effect at the time of the sale of such product.

(p) Extending jobbers' or wholesalers' prices to anyone who is not, in the opinion of the Code Authority, a jobber or wholesaler, after receiving notice to that effect from the Code Authority.

(q) Buying or offering to buy from purchasers of products any goods, wares, or merchandise of their manufacture in excess of ordinary business requirements, when the intent or result of such purchase is to secure business.

(r) The loan for use of any product to any prospective consumer or ultimate user thereof when there is no obligation on the part of such prospective consumer or ultimate user to purchase, lease, or rent such product in accordance with the price list and terms and conditions of sale on file with the Code Authority and in effect at the time of such purchase, lease, or rental of such product.

Any unfair practice by any member of the Industry and Trade shall constitute a violation of the Code by such member.

ARTICLE XI—VIOLATIONS OF THE CODE

SECTION 1. Any violation of any provision of the Code, or any amendments thereto, by any member of the Industry and Trade shall constitute a violation of the Code by such member.

SEC. 2. Upon written complaint to the Code Authority by any member of the Code that any of the provisions of the Code have been

violated by any other member of the Code, the Code Authority shall investigate the facts in connection with the alleged violation, and to that end may cause such examination or audit to be made as may be deemed necessary and proper, and, upon proof to the satisfaction of the Code Authority that a violation has occurred, the Code Authority shall, without in any way affecting any penalties and liabilities imposed by statute, take such steps as, in its opinion, it deems advisable to prevent a repetition of such violation.

SEC. 3. Recognizing that the violation by any member of the Code of any provision of either Article VI or Article VII will disrupt the normal course of fair competition in the Industry and Trade and cause serious damage to other members of the Code, and that it will be impossible fairly to assess the amount of such damage to any member of the Code, it is hereby agreed by and among all members of the Code that if it shall be determined by the Code Authority, after investigation, that any member of the Code has violated any provision of either said Article VI or Article VII, such member shall pay to the Treasurer, for the time being in office, of the Association, as liquidated damages, in addition to all penalties and liabilities imposed by statute, a sum equal to twenty per centum of the invoiced price of any products in connection with which such violation occurred. Any amounts so paid to, or collected by, the said Treasurer of the Association under this Article XI shall be held and disposed of by him as part of the general funds of the Association.

SEC. 4. Anything in the Code to the contrary notwithstanding, the Code Authority by the affirmative vote of two thirds of all the members thereof may waive any liability for liquidated damages imposed by or pursuant to any provision of the Code for any violation of any provision thereof, if in its discretion it shall decide that such violation was innocently made and that the collection of such damages will not in any material extent tend to effectuate the policy of Title I of the Act.

ARTICLE XII—GENERAL PROVISIONS

SECTION 1. To the extent required or permitted by or under the provisions of Title I of the Act, the provisions of the Code shall apply to and be binding upon every member of the Industry and Trade, whether or not such member shall be a member of the Code.

SEC. 2. This Code and all the provisions thereof are expressly made subject to the right of the President, in accordance with the provisions of 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 Title I of said Act and specifically, but without limitation, to the right of the President to cancel or modify his approval of the Code or any conditions imposed by him upon his approval thereof.

SEC. 3. The Code is intended to be a basic code and study of the trade practices of the Industry and Trade will be continued by the Code Authority with the intention of submitting from time to time to the Administrator recommendations for additions, amendments, or alterations of such provisions of the Code, applicable to members of the Industry and Trade, as are not required by the Act to be included herein, and for supplemental codes applicable to one or more branches or subdivisions or product classifications of the Industry

and Trade, such supplemental codes, however, to conform to and be consistent with the provisions of the Code as now constituted or hereafter amended. No such proposed additions, amendments, or alterations to the Code, or supplemental codes, shall, however, be submitted by the Code Authority to the Administrator with a recommendation for approval except only after the affirmative vote of three fourths of all the members thereof.

SEC. 4. If any member of the Industry and Trade is also a member of any other industry or trade than the Industry or Trade as defined in Section 2 and Section 3, respectively, of Article I, the provisions of the Code shall apply to and affect only that part of his or its business which is included in the Industry or Trade.

SEC. 5. Nothing in the Code contained, except the General Labor Provisions as set forth in Article IV of the Code, shall be deemed to apply to or affect the sale of any product for direct shipment, or the sale of any product purchased for direct shipment, in export trade by any member of the Industry and Trade within the meaning of the term "export trade" as it is used in the Export Trade Act, or, unless and to the extent that the Code Authority shall otherwise determine, the sale of any product for direct shipment, or the sale of any product purchased for direct shipment, by any such member, to the Philippines, Hawaii, Puerto Rico, the Canal Zone, or other insular possessions of the United States of America.

SEC. 6. Any member of the Industry and Trade may withdraw from membership in the Code after June 16, 1935, or after such published date as may be fixed by proclamation of the President or by joint resolution of the Congress as the date on which the emergency recognized by Title I of the Act has ended. Upon such withdrawal, all obligations and liabilities of such member under the Code shall cease, except those for liquidated damages or assessments theretofore accrued under any provision of the Code.

SCHEDULE A

FORM OF LETTER OF ASSENT TO THE CODE

AMERICAN PETROLEUM EQUIPMENT SUPPLIERS' ASSOCIATION,
Temporary address, 413 Esperson Bldg., Houston, Texas.

GENTLEMEN: The undersigned desiring to become a member of the Code of Fair Competition of the American Petroleum Equipment Industry and Trade, a copy of which is annexed hereto, hereby approves, and by this letter subscribes to, all of the provisions of such Code, effective as of the effective date of such Code, or as of the date of the mailing of this letter if it shall have been mailed subsequent to such effective date of the Code, and hereby agrees with every person, partnership, association, or corporation which shall be or hereafter become a member of the Code, that the Code shall constitute a valid and binding agreement between the undersigned and all such other members.

The undersigned hereby authorizes the Board of Directors of the American Petroleum Equipment Suppliers' Association, or such members thereof as may be designated by said Board of Directors, hereinafter called the "Presentation Committee," to represent the undersigned in the presentation and submission of such Code to the proper authorities of the National Recovery Administration for approval by the President of the United States, hereby giving and granting unto said Presentation Committee full power and authority to consent to or approve such additions to or modifications thereof as may be required by the National Recovery Administration.

The execution and delivery of this letter by the undersigned shall be deemed to be a subscription to and ratification and approval by the undersigned of any such additions or modifications consented to and approved by the Presentation Committee.

The undersigned hereby transfers, assigns, and delivers to the American Petroleum Equipment Suppliers' Association all rights and causes of action whatsoever hereafter accruing to the undersigned under the Code for liquidated damages by reason of any violation by anyone, and hereby designates and appoints the Treasurer, for the time being in office, of said Association the true and lawful attorney in fact of the undersigned to demand, sue for, collect, and receipt for any and all amounts that shall be owing to the undersigned by reason of any such right or cause of action, and to compromise, settle, satisfy, and discharge any such right or cause of action in the name of the undersigned, or in the name of said Treasurer, as said Treasurer shall elect.

Until written notice of a change of address of the undersigned is filed with the Association, the address of the undersigned shall be as set forth at the foot of this letter.

Very truly yours,

_____, *President.*



UNIVERSITY OF FLORIDA



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