

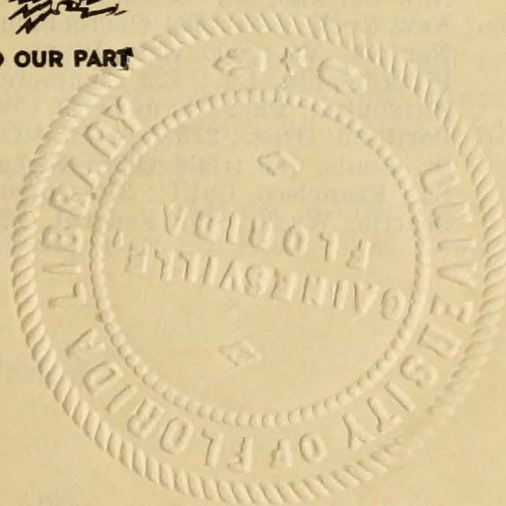
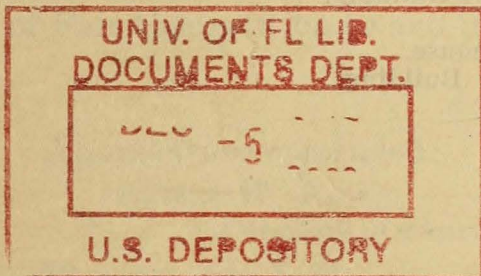
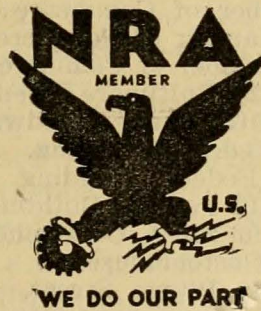
NATIONAL RECOVERY ADMINISTRATION

CODE OF FAIR COMPETITION

FOR THE

BROOM MANUFACTURING  
INDUSTRY

AS APPROVED ON JUNE 18, 1934



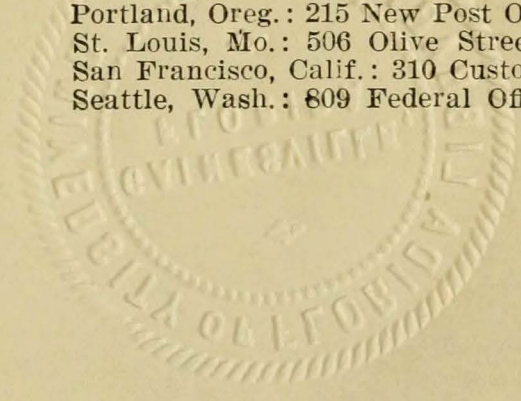
UNITED STATES  
GOVERNMENT PRINTING OFFICE  
WASHINGTON: 1934



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Approved Code No. 465

**CODE OF FAIR COMPETITION**  
FOR THE  
**BROOM MANUFACTURING INDUSTRY**

As Approved on June 18, 1934

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**ORDER**

**APPROVING CODE OF FAIR COMPETITION FOR THE BROOM  
MANUFACTURING INDUSTRY**

An application having been duly made pursuant to and in full compliance with the provisions of Title I of the National Industrial Recovery Act, approved June 16, 1933, for approval of a Code of Fair Competition for the Broom Manufacturing Industry, and hearings having been duly held thereon and the annexed report on said Code, containing findings with respect thereto, having been made and directed to the President:

NOW, THEREFORE, 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 Code complies in all respects with the pertinent provisions and will promote the policy and purposes of said Title of said Act; and do hereby order that said Code of Fair Competition be and it is hereby approved.

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

Approval recommended:

ARMIN W. RILEY,  
*Division Administrator.*

WASHINGTON, D.C.,  
*June 18, 1934.*



## REPORT TO THE PRESIDENT

The PRESIDENT,  
*The White House.*

SIRS This is a report on the hearing of the Code of Fair Competition for the Broom Manufacturing Industry held in Washington, D.C., March 9, 1934, pursuant to notice of hearing number 540, dated February 23, 1934.

### GENERAL

This industry is composed of persons, firms and corporations engaged in the manufacture of household, toy, whisk and metal case brooms, quite generally throughout the United States. Broom manufacturing was originally a household industry, clustering about the smaller centers of population where broom corn was produced. At the present time the industry is concentrated for the most part in and about the larger centers, although considerable rural household production still exists. It is estimated that there are approximately 350 establishments employing 4086 workers. There are numerous small factories or shops operated by individuals alone or employing one, two or three workers. The small shops are an important factor in the industry and are largely responsible for the adoption of the wage minimum which the Code provides. Approximately 20% of the total production occurs in prisons and other institutions.

Article VII governing prison-made goods, and Article VIII dealing with sheltered workshops, are in harmony with the recent provisions regarding institutional products as provided for in the Compact of Fair Competition approved April 19, 1934, and otherwise.

This Code prohibits the employment of any person under 16 years of age and under 18 years of age at occupations which are hazardous or detrimental to health.

The wage minima set forth in the Code represent an increase of approximately 60% over the average wage paid prior to August, 1933. It is indicated that while this Code will not materially increase employment within the industry there will be a marked tendency to stabilize employment and furnish steady work for the employees thus engaged.

Of 122 companies reporting hours worked, 80 companies (65%) report that in years of normal business their work week exceeded 40 hours, and of these 80 companies, 31 report normal working hours in excess of 50 per week.

The average wages for this industry have always been very low. This is due to many factors, among which are:

1. Influence of institutional and prison-made goods which amounted to about 20% of total volume in 1932, 10% of which was made in prisons, 6% in institutions for the blind, and 4% in other institutions.



2. Large number of aged and physically handicapped persons to whom this industry (requiring, as it does, little skill) offers a means of livelihood.

3. Growing use of brushes, carpet and electric vacuum sweepers, mops and other broom substitutes.

4. Large number of one and two-man shops (many on the farms or as a fill-in occupation.) This is an unemployment industry. A handicapped person can quickly learn to make brooms, peddle them from door to door, and make some wage for himself, even though small. This type of labor makes up about half of the total for the industry and will not come under this code.

5. Another factor has been the decline in the use of parlor, mill and stable brooms due to lack of demand caused by economic change.

The minimum wages proposed will average about 31¢ per hour. Compared with the average minimum wages paid for the first six months of 1933 of 19¢ per hour, this is an increase of 12¢ per hour (or 61%). Based on figures supplied by a reputable outside agency, there will be an increase in annual payrolls for 60% of the industry amounting to \$930,000 and an increase in payrolls for the remaining 40% amounting to \$500,000, making a total increase of \$1,430,000. This represents a general payroll increase of 62½%. Only 10% of the reporting companies had minimum wages higher than those required for male labor, and only 5% had wages higher than those required for female labor. The report brings out the fact that of the companies reporting, two plants were paying male labor as low as 4¢ per hour, two plants were paying female labor as low as 4¢ per hour, one plant was paying male labor 6 cents per hour, 10 plants were paying female labor 12 cents per hour, and 21 plants were paying male labor 12¢ per hour.

*For companies reporting (50% of industry)*

Actual wages for first six months 1933:

2,388,000 man hours @ 31¢	\$740,280.00
Average wage was 160% of minimum of	19¢
New minimum wage will average	31¢
160% of 31¢	49.6¢
Increase in average wage	18.6¢
Man hours per year	5,000,000
Increase in annual payroll	\$930,000.00

*(For companies not reporting (40% of industry)*

Studies show a much lower wage in the small shops and based thereon it is estimated that for these companies the average wage before N.R.A. was

before N.R.A. was	22¢
Average after this code	37¢
Increase	15¢
Man hours per year	3,333,333
Increase in annual payroll	\$500,000.00

*Total for industry*

Estimated annual payroll before N.R.A.:

5,000,000 hours @ 31¢	\$1,550,000.00
3,333,333 hours @ 22¢	733,000.00
Total	\$2,283,000.00
Total increase	\$1,430,000.00
Percent of increase	62½%



The foregoing does not take into direct consideration wage increases which will result because of shortening of hours or by reason of the minimum for office workers. Neither does it consider the increase in wages or earnings to the one and two man shops not considered in arriving at what is taken as 100% for the industry.

#### PROVISIONS AS TO HOURS

This Code provides for a maximum work week of 40 hours and normal work day of 8 hours. There are exceptions with regard to executive, administrative, or supervisory employees who regularly receive not less than \$30.00 per week, and outside salesmen. Watchmen may work 56 hours per week. Chauffeurs and deliverymen may work 44 hours per week. No special peak period is provided for by this Code, but employees engaged in emergency maintenance or emergency repair work involving breakdowns or protection of life or property shall be paid at the rate of not less than one and one-third times the normal rate for all hours worked in excess of the maximum allowed.

#### PROVISIONS AS TO WAGES

Factory employees may be divided into two groups, namely, those who operate machines and those who do not operate machines. Machine operators shall be paid at a rate not less than 42½¢ per hour in the North or 40¢ per hour in the South. Male employees not operating machines shall be paid at a rate of not less than 32½¢ per hour in the North or 30¢ per hour in the South; except that a differential of 2½¢ per hour is allowed in the case of female employees engaged in light work, it being provided that women doing the same work as male employees shall receive the same rate of pay. Office employees shall be paid at a rate of not less than \$16.00 per week in cities of 500,000 population or over or \$15.00 elsewhere. One and one-half times the normal rate shall be paid for all time worked (except by watchmen, outside salesmen, and persons employed in an executive, supervisory, or administrative capacity) on Sundays, New Year's Day, July Fourth, Labor Day, Thanksgiving Day, Christmas Day, and such other holidays as may be proclaimed by the President.

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

I find that:

(a) Said Code is well designed to promote the policies and purposes of Title I of the National Industrial Recovery Act, including removal of obstructions to the free flow of interstate and foreign commerce which tend to diminish the amount thereof and will provide for the general welfare by promoting the organization of industry for the purpose of cooperative action among the trade groups, by inducing and maintaining united action of labor and management under adequate governmental sanctions and supervision, by eliminating unfair competitive practices, by promoting the fullest possible utilization of the present productive capacity of industries, by avoiding undue restriction of production (except as



may be temporarily required), by increasing the consumption of industrial and agricultural products through increasing purchasing power, by reducing and relieving unemployment, by improving standards of labor, and by otherwise rehabilitating industry.

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

(c) The Code as approved complies in all respects with the pertinent provisions of said Title of said Act, including without limitation Subsection (a) of Section 3, Subsection (a) of Section 7, and Subsection (b) of Section 10 thereof; and that the applicant association is an industrial (or Trade) association truly representative of the aforesaid Industry; and that said association imposes no inequitable restrictions on admission to membership therein.

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

(e) The Code is not designed to and will not eliminate or oppress small enterprises and will not operate to discriminate against them.

(f) Those engaged in other steps of the economic process have not been deprived of the right to be heard prior to approval of said Code.

For the above reasons this Code has been approved.

Respectfully,

HUGH S. JOHNSON,  
*Administrator.*

JUNE 18, 1934.



# CODE OF FAIR COMPETITION FOR THE BROOM MANUFACTURING INDUSTRY

## ARTICLE I—PURPOSES

To effect the policies of Title I of the National Industrial Recovery Act, this Code is established as a Code of Fair Competition for the Broom Manufacturing Industry, and its provisions shall be the standards of fair competition for such Industry and shall be binding upon every member thereof.

## ARTICLE II—DEFINITIONS

SECTION 1. As used in this Code:

(a) The terms "Broom Manufacturing Industry" and "Industry" include the manufacture and sale by the manufacturer of household, industrial, whisk, toy and metal case brooms, and such related branches as may, from time to time, be included under the provisions of this Code.

(b) The term "Member of the Industry" includes, without limitation, any individual, partnership, association, corporation or other form of enterprise engaged in the Industry either as an employer or on his or its own behalf.

(c) The term "Employee" includes any and all persons engaged in the Industry, however compensated, except a member of the Industry.

(d) The term "Employer" means any person by whom any such employee is employed or compensated.

(e) The term "President" means the President of the United States.

(f) The terms "Act" and "Administrator" mean respectively, Title I of the National Industrial Recovery Act, and the Administrator for Industrial Recovery or his duly appointed agent.

(g) The term "Person" means any individual, partnership, corporation, association, or any other business unit.

(h) The term "Association" means the National Broom Manufacturers' Association.

(i) The term "Watchman" includes any employee whose principal function is watching and guarding the premises and property of an establishment of a member of the Industry.

(j) The term "Outside Salesman" means any salesman who is engaged not less than sixty per cent (60%) of his working hours outside the place of business of his employer.

(k) The term "State" means and includes any and all States, Territories, and the District of Columbia.

(l) The term "Sheltered Workshop" means any charitable institution, or an activity of a charitable institution, conducted not for



profit, but for the purpose of providing remunerative employment for physically, mentally or socially handicapped workers.

(m) The term "Broom Corn" means the panicles, fibres or top growth of the broom corn plant, an agricultural product.

(n) The term "Productive Machinery" means winding machines and sewing machines in reference to household, industrial and whisk brooms; and nailing, stapling, or banding machines and nailing benches in reference to metal case brooms.

(o) The term "Product" means any household, industrial, whisk, toy, or metal case broom, or any part or piece thereof.

(p) The term "Code Authority" means the supervisory agency designated in Article VI of this Code.

(q) Population for the purpose of this Code shall be determined by reference to the latest Federal Census.

### ARTICLE III—HOURS

SECTION 1. No employee shall be permitted to work in excess of forty (40) hours in any week or eight (8) hours in any twenty-four (24) hour period beginning at midnight or six (6) days in any seven (7) day period, except as herein otherwise provided. A normal work day shall not exceed eight (8) hours.

(a) The provisions of this Article shall not apply to executive, supervisory and administrative employees, provided that they shall be paid regularly at a rate of not less than thirty dollars (\$30.00) per week, and outside salesmen.

(b) Watchmen may be permitted to work not more than fifty-six (56) hours in any week.

(c) Chauffeurs and deliverymen may be permitted to work not more than forty-four (44) hours in any week.

SECTION 2. The maximum hours fixed in Section 1 herein shall not apply to any employees on emergency maintenance or emergency repair work involving breakdowns or protection of life or property, but in any such special case at least one and one-third times the normal rate shall be paid for hours worked in excess of such maximum. Reports shall be made monthly to the Code Authority stating the number of hours worked by all employees in excess of such maximum hours.

SECTION 3. No employer shall knowingly permit any person or employee to work for a total number of hours in excess of the number of hours prescribed for each week and day, whether employed by one or more employers.

### ARTICLE IV—WAGES

SECTION 1. No person employed in clerical, accounting or other office work shall be paid less than at the rate of:

\$16.00 per week..... In cities of 500,000 population or over, or  
in the mediate trade areas thereof.

\$15.00 per week..... Elsewhere.

except that office boys and messengers may be paid at a rate of not less than two dollars (\$2.00) per week below the minimum wage otherwise applicable; provided, however, that not more than ten per



cent (10%) of the total number of office employees may be so employed, but each establishment may have at least one.

SECTION 2. Other employees shall be paid not less than the following minima respectively:

(a) Operators of productive machinery shall receive not less than forty-two and one-half cents ( $42\frac{1}{2}\text{¢}$ ) per hour in the North or forty cents ( $40\text{¢}$ ) per hour in the South.

(b) Other male employees shall receive not less than thirty-two and one-half cents ( $32\frac{1}{2}\text{¢}$ ) per hour in the North or thirty cents ( $30\text{¢}$ ) per hour in the South.

(c) Other female employees, generally engaged in light work, shall receive not less than thirty cents ( $30\text{¢}$ ) per hour in the North or twenty-seven and one-half cents ( $27\frac{1}{2}\text{¢}$ ) per hour in the South.

(d) For the purposes of this Code the "South" shall include that section of the United States consisting of the following states: Virginia, North Carolina, South Carolina, Tennessee, Georgia, Florida, Alabama, Mississippi, Louisiana and Texas; and "North" means the rest of the United States.

SECTION 3. This Article establishes minimum rates of pay which shall apply irrespective of whether an employee is actually compensated on a time rate, piece work or other basis.

SECTION 4. No employee whose normal full time weekly hours, after the approval of this Code, shall be sixteen and two-thirds per cent ( $16\frac{2}{3}\%$ ), or less, below his average full time weekly hours for the four months ending May 1, 1933, shall have his full time weekly earnings reduced below the average weekly earnings of such employee during said four months' period. In case the reduction in hours, as so measured, is more than sixteen and two-thirds per cent ( $16\frac{2}{3}\%$ ), employers shall make an equitable readjustment of hourly wage rates upwards, but in no case shall such hourly wage rates be less than such employees would have received under the preceding sentence had their weekly hours been reduced by only sixteen and two-thirds per cent ( $16\frac{2}{3}\%$ ). In no case shall hourly wage rates be reduced.

SECTION 5. Female employees performing substantially the same work as male employees shall receive the same rate of pay as male employees.

SECTION 6. Every contract of employment shall provide that wages shall be paid in lawful money or by negotiable check no less frequently than semi-monthly. Within fifteen (15) days after the approval of this Code all back wages due employees for any period prior to the effective date shall be paid in lawful money or negotiable check.

SECTION 7. A person whose earning capacity is limited because of age, physical or mental handicap, or other infirmity, may be employed on light work at a wage below the minimum established by this Code, if the employer obtains from the state authority, designated by the United States Department of Labor, a certificate authorizing such person's employment at such wages and for such hours as shall be stated in the certificate. Such authority shall be guided by the instruction of the United States Department of Labor in issuing certificates to such persons. Each employer shall file monthly with the Code Authority a list of all such persons employed



by him showing the wages paid to, and the maximum hours of work for such employee.

SECTION 8. No employer shall permit any person to work in the Industry without compensation at least equal to the minimum wages provided for in this Article, except as provided for in Section 7, above.

SECTION 9. Time and one-half the normal rate shall be paid for all time worked (except by watchmen, outside salesmen, and those persons employed in an executive, supervisory, or administrative capacity, as set forth in Section 1 (a) of Article III) on Sundays and the following holidays: New Year's Day, July fourth, Labor Day, Thanksgiving Day, Christmas Day, and such other holidays as may be proclaimed by the President.

#### ARTICLE V—GENERAL LABOR PROVISIONS

SECTION 1. No person under sixteen (16) years of age shall be employed in the Industry. No person under eighteen (18) years of age shall be employed at operations or occupations which are hazardous in nature or dangerous to health. The Code Authority shall submit to the Administrator within thirty (30) days after the effective date of this Code a list of such operations or occupations. In any jurisdiction, an employer shall be deemed to have complied with this provision as to age if he shall have on file a certificate or permit duly signed by the Authority in such jurisdiction empowered to issue employment or age certificates or permits showing that the employee is of the required age.

SECTION 2. (a) Employees shall have the right to organize and bargain collectively through representatives of their own choosing, and shall be free from the interference, restraint or coercion of employers of labor, or their agents, in the designation of such representatives or in self-organization or in other concerted activities for the purpose of collective bargaining or other mutual aid or protection.

(b) No employee and no one seeking employment shall be required as a condition of employment, to join any company union or to refrain from joining, organizing, or assisting a labor organization of his own choosing.

(c) Employers shall comply with the maximum hours of labor, minimum rates of pay, and other conditions of employment approved or prescribed by the President.

SECTION 3. No provisions in this Code shall supersede any law which imposes more stringent requirements on employers as to age of employees, wages, hours of work, or as to safety, health, sanitary or general working conditions, or insurance, or fire protection, than are imposed by this Code.

SECTION 4. Every employer shall make reasonable provision for the safety and health of his employees at the place and during the hours 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 Code.

SECTION 5. No employee now employed at a rate in excess of the minimum shall be discharged and reemployed at a lower rate of pay for the purpose of evading the provisions of this Code.



SECTION 6. Wages shall be exempt from fines; and from charges and deductions, except charges and deductions covering employees' voluntary contributions to pension, insurance or benefit funds; and no employer shall withhold wages except upon service of legal process or other papers lawfully requiring such withholding. Deductions for purposes not heretofore stated may be made only when the agreement is in writing and is kept on file by the employer open to the inspection of the Administrator or his duly authorized agent.

SECTION 7. Employers shall not change the method of payment of employees' compensation or reclassify employees or duties or occupations performed by employees or engage in any subterfuge so as to defeat the purposes of the Act or the provisions of this Code.

SECTION 8. Each employer shall post and keep posted in conspicuous places accessible to all employees Articles III, IV and V of this Code. Every member of the Industry shall comply with all rules and regulations relative to the posting of provisions of Codes of Fair Competition which may, from time to time, be prescribed by the Administrator.

## ARTICLE VI—ADMINISTRATION—ORGANIZATION, POWERS AND DUTIES OF THE CODE AUTHORITY

### A. ORGANIZATION AND CONSTITUTION

SECTION 1. A Code Authority is hereby established consisting of seven (7) members. All members of the Broom Industry who shall have qualified to participate in the selection of the members of the Code Authority in accordance with Section 11 of this Article shall have the right to vote for the members of the said Code Authority. Four (4) of the members of the Code Authority shall be elected by the National Broom Manufacturers' Association. The other three (3) members of said Code Authority shall be selected from the members of the Industry who are non-members of the Association. Within forty-five (45) days from the effective date of this Code, the Association members of the Code Authority shall formulate and submit for the approval of the Administrator an equitable method by which the three (3) non-Association members of said Code Authority shall be selected.

SECTION 2. All members of the Code Authority shall hold office for one (1) year from the date of their election or until their respective successors are elected, provided that the non-members of the Association so elected shall not take office until the terms of their predecessors shall have expired. Elections of the Code Authority shall be held annually on a date fixed by the Code Authority.

SECTION 3. In addition to membership, as above provided, there may be one or more members without vote to be appointed by the Administrator to serve on the Code Authority for such time as he may designate. The representatives who may be appointed by the Administrator, together with the Administrator, shall be given notice of and shall be permitted to sit at all meetings of the Code Authority.

SECTION 4. Any vacancies occurring in the membership of the Code Authority shall be filled by election as provided herein for the election of the original members.



SECTION 5. In the selection of the members of the Code Authority, a vote cast by mail or by proxy shall have the same force and effect as a vote cast in meeting.

SECTION 6. The Code Authority shall have as its Chairman one of its members duly elected by the members thereof.

SECTION 7. If the Administrator shall determine that any action of a 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 such Code Authority or agency pending final action which shall not be effective unless the Administrator approves or unless he shall fail to disapprove after thirty days' notice to him of intention to proceed with such action in its original or modified form.

SECTION 8. Each trade or industrial association directly or indirectly participating in the selection or activities of the Code Authority shall (1) impose no inequitable restrictions on membership, and (2) submit to the Administrator true copies of its articles of association, by-laws, regulations, and any amendments when made thereto, together with such other information as to membership, organization, and activities as the Administrator may deem necessary to effectuate the purposes of the Act.

SECTION 9. In order that the Code Authority shall at all times be truly representative of the Industry, and in other respects comply with the provisions of the Act, the Administrator may 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.

SECTION 10. Nothing contained in this Code shall constitute the members of the Code Authority partners for any purpose. Nor shall any member of the Code Authority be liable in any manner to anyone for any act of any other member, officer, agent or employee of the Code Authority. Nor shall any member of the Code Authority, exercising reasonable diligence in the conduct of his duties hereunder, be liable to anyone for any action or omission to act under this Code, except for his own wilful misfeasance or non-feasance.

#### B. POWERS AND DUTIES

SECTION 11. The Code Authority shall have the following further powers and duties, subject to such rules and regulations as may be issued by the Administrator:

(a) To insure the execution of the provisions of this Code and provide for the compliance of the Industry with the provisions of the Act, subject to such rules and regulations as the Administrator may establish.

(b) To adopt rules and regulations for its procedure and for the administration of the Code.

(c) To obtain from members of the Industry such information and reports as are required for the administration of the Code. In addition to information required to be submitted to the Code Authority, members of the Industry subject to this Code shall furnish



such statistical information as the Administrator may deem necessary for the purpose 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 of any existing obligation to furnish reports to any Government agency. No individual report shall be disclosed to any other member of the Industry or any other party except to such other Governmental agencies as may be directed by the Administrator.

(d) It being found necessary, in order to support the administration of this Code and to maintain the standards of fair competition established by this Code and to effectuate the policy of the Act, the Code Authority is authorized, subject to the approval of the Administrator:

1. To incur such reasonable obligations as are necessary and proper for the foregoing purposes 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 Code;

2. 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;

3. 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 to that end, if necessary, to institute legal proceedings therefore in its own name.

Only members of the Industry complying with the Code and contributing to the expenses of its administration as provided in Section 1 hereof shall be entitled to participate in the selection of the members of the 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.

(e) To cooperate with the Administrator in regulating the use of any N.R.A. insignia solely by those members of the Industry who are complying with this Code.

(f) The Code Authority is empowered to establish from time to time geographical divisions of the Industry and to increase or decrease the number of such divisions, all subject to the approval of the Administrator. When any geographical division of the Industry has been established, the Code Authority shall supervise the election by the assentors to the Code in such division, of a Regional Code Authority. All assentors to the Code maintaining an office or a plant in such division shall be entitled to vote for the members of the Regional Code Authority and to serve as a member thereof. Regional Code Authorities, so created, shall have the right to advise the Code Authority in the administration of this Code on questions having local application and shall assist the Code Authority as directed by them in the administration of this Code; provided, however, that the Code Authority in delegating any powers, duties or functions to a Regional Code Authority shall not be relieved of any of its responsibilities under this Code. The Administrator



shall have the right to designate one or more Administration members to serve without vote on each such Regional Code Authority. Any action pursuant to this paragraph shall be subject to disapproval by the Administrator.

(g) Upon application of a substantial number of the assentors to the Code in any Product Division of the Industry, the Code Authority may establish Product Divisions of the Industry. Such Product Divisions operating through duly elected committees may submit additional amendments for incorporation in this Code relating to trade practices of such Product Divisions. The Code Authority may also delegate to such Product Division Committees administrative duties and functions relating to the trade practices of such divisions, subject to such rules and direction as the Code Authority may prescribe and subject to disapproval by the Administrator.

(h) To recommend to the Administrator further fair trade practice provisions to govern members of the Industry in their relations with each other or with other industries and to recommend to the Administrator measures for industrial planning, including stabilization of employment.

SECTION 12. Members of the Industry and the Code Authority shall use their best efforts to insure the full observance of the conditions of this Code. Any violations of the terms of this Code which shall come to the knowledge of any member of the Industry shall immediately be communicated to the Code Authority by a sworn statement containing said charges of violations of the terms of this Code, together with all available substantiating evidence.

It shall be the duty of the Code Authority to investigate such charges and any charges which shall come to the knowledge of the Code Authority through any other reliable source. The Code Authority shall request a statement under oath from the member of the Industry whose transactions are under investigation. If, after investigation, the Code Authority shall find that such charges are substantiated, it shall either notify the member so violating the conditions of this Code, requesting that such violations be discontinued, or it shall notify the Administrator in writing requesting him to take necessary action, or both.

SECTION 13. In order to protect American Agriculture, the members of this Industry, and the consumer, the Code Authority, with the cooperation of the Department of Commerce shall collect and publish from time to time data pertaining to the import of broom corn produced outside of the United States and/or substitutes therefor and the import of brooms produced wholly or in part outside of the United States. The Code Authority is authorized to petition the President under Section 3 (e) of the National Recovery Act for restrictions on such imports as may be necessary and desirable to comply with the intent of such section.

#### ARTICLE VII—PRISON MADE GOODS

SECTION 1. Where any penal, reformatory, or correctional institution or the State by which said institution is maintained either by subscribing to the Compact of Fair Competition for the Prison Industries of the United States of America, or by a binding agreement of any other nature, satisfies the Administrator that merchan-



dise produced in such institution or by the inmates thereof will not be sold except upon a fair competitive basis with similar merchandise not so produced, the provisions of Section 2 hereof shall not apply to any merchandise produced in such manner in an institution which is a party to such agreement.

SECTION 2. Except as provided in the foregoing section no member of the Industry shall knowingly produce, buy, or contract to buy any merchandise produced in whole or in part in a penal, reformatory, or correctional institution. No member of the Industry shall knowingly sell or offer for sale such merchandise. Nothing in this section, however, shall affect contracts, which the member of the Industry does not have the option to cancel, made with respect to such merchandise before the approval of this Code by the President of the United States.

#### ARTICLE VIII—SHELTERED WORKSHOPS

SECTION 1. No provisions of this Code shall be construed to apply to any sheltered workshop, provided such sheltered workshop shall have executed a pledge to the Administrator (1) that it will not employ minors under 16 years of age, except those whose employment shall be approved by the appropriate Regional Committee of the National Sheltered Workshop Committee, (2) that it will not engage in destructive price cutting or any other unfair method of competition, and (3) that it will not wilfully hamper or retard the purposes of the Act.

#### ARTICLE IX—MARKETING & TRADE PRACTICE RULES

SECTION 1. *Selling Below Cost.*—No member of the Industry shall sell products of the Industry at lower than his own cost, as computed in accordance with the provisions of Sections 2 and 3 of this Article; provided, however, that any member of the Industry may sell below his own cost to meet sales prices of a competitor, who is not violating the provisions of this Article, on products of equivalent design, character and quality.

For the purpose of determining a violation of this clause, all terms of sale, including cash discounts shall be considered. Nothing contained in this section shall be construed so as to in any manner fix prices paid to producers of broom corn.

SECTION 2. *Accounting.*—Each member shall use an accounting system which shall conform to the principles of and is at least as detailed and complete as the standard and uniform method of accounting that shall be formulated or approved by the Code Authority, subject to the approval of the Administrator, with such variations therefrom as may be required by the individual conditions affecting any member, provided such variations are approved by the Administrator after recommendation by the Code Authority.

SECTION 3. *Elements of Cost.*—For determination of cost as used in Section 1, of this Article the Code Authority, with the approval of the Administrator, shall from time to time set forth the elements which shall enter into cost. Such elements shall provide for the inclusion of material costs at purchase cost or replacement market cost whichever is lower.



SECTION 4. *Investigation*.—Upon complaint against any member of the Industry of a violation of Sections 1, 2 or 3 of this Article, the Code Authority may, upon authority granted by the Administrator, designate a certified, registered, chartered, or any other lawful practitioner of public accountancy, to examine, during the usual hours of business, the books and records of the member of the Industry against whom complaint has been made. Only such books and records as pertain to the alleged violation may be examined by the accountant employed, and said accountant shall not reveal to the Code Authority any other information obtained than information which is pertinent to the alleged violation.

SECTION 5. *Substitutes*.—Any broom containing any particle, piece or part of any grass, straw, or fibre as a substitute for broom corn shall have attached thereto, in such manner as to be plainly visible to the purchaser thereof, a separate label at least one inch removed from the regular label, plainly printed in not less than 10 point bold face type in black letters on white paper, the legend:

“This broom contains (*here give the common trade name of the substitute*). a substitute for broom corn.”

Failure so to mark is a violation of this Code.

SECTION 6. *Trade Practice Rules*.—The following practices constitute unfair methods of competition and are prohibited:

(a) *Bribery*.—No member of the Industry shall give, permit to be given or directly offer to give, anything of value for the purpose of influencing or rewarding the action of any employee, agent or representative of another in relation to the business of the employer of such employee, the principal of such agent or the represented party, without the knowledge of such employer, principal or represented party. This 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 hereinabove defined.

(b) *Defamation*.—Disseminating, publishing or circulating any false or misleading information relative to any products or price for any product of any member of the Industry, or the credit standing or ability of any member thereof.

(c) *Inducing Breach of Existing Contracts*.—No member of the Industry shall wilfully induce or attempt to induce the breach of existing contracts between competitors and their customers by any false or deceptive means, or interfere with or obstruct the performance of any such contractual duties or services by any such means, with the purpose and effect of hampering, injuring or embarrassing competitors in their business.

No member of the Industry shall require that the purchase or lease of any goods be a prerequisite to the purchase or lease of any other goods.

(d) *Unfair Practices*.—Aiding or abetting any person within this Industry in any unfair method of competition contained in this Article.

(e) *False Invoicing*.—No member of the Industry shall knowingly withhold from or insert in any quotation or invoice, any statement that makes it inaccurate in any material particular.



(f) *Trade-Marks and Brands.*—The unauthorized use of any design, trade-mark, brand, label, insignia, or slogan belonging to another Member of the Industry, or simulation thereof, with the purpose or intent to deceive or having the tendency or capacity to deceive or mislead the purchaser.

(g) *Unsold Merchandise.*—Agreeing with buyers that brooms unsold may be returned for credit or returned for exchange for other brooms.

(h) *Labels.*—All products, except whisk brooms and toy brooms shall be labeled with the name and address or key number of the manufacturer plainly visible, provided, however, that members of the Industry who at the time of the approval of this Code are selling products of the Industry bearing labels which do not conform to the above may continue to do so until their present supply of such labels is exhausted, but in no event shall such use be continued more than ninety (90) days after the date of approval of this Code, and no purchases of such labels shall hereafter be made by any member of the Industry.

(i) *Special Labels.*—Furnishing to customers without recognition therefor in the sales price of the product of any special labels featuring the name or names of any private brand, trade-mark or design of any person, partnership, firm or corporation, shall be considered a secret rebate and as such an unfair trade practice.

(j) *False Labeling.*—To mark, label, or brand any broom in such a manner as to misrepresent the weight, size, quality or the material used therein.

(k) *Prizes and Premiums.*—No member of the Industry shall offer any prize or premium or gift in pursuance of a plan which involves fraud or deception or lottery, or which is an indirect price concession.

#### ARTICLE X—MODIFICATION

SECTION 1. (a) This 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 Act, from time to time to cancel or modify any order, approval, license, rule, or regulation issued under Title I of said Act.

(b) This Code, except as to provisions required by the Act, may be modified on the basis of experience or changes in circumstances, such modifications to be based upon application by members of the Industry to the Administrator and such notice and hearing as he shall specify, and to become effective upon approval by the Administrator.

#### ARTICLE XI—MONOPOLIES

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

#### ARTICLE XII—EFFECTIVE DATE

This Code shall become effective the second Monday after approval.







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