

NATIONAL RECOVERY ADMINISTRATION

CODE OF FAIR COMPETITION

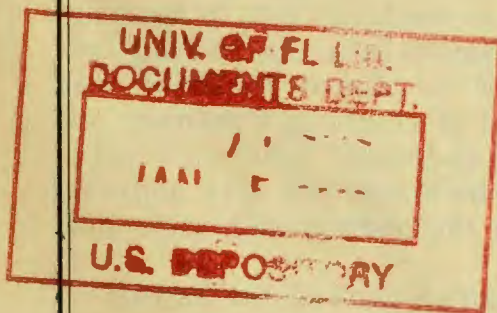
FOR THE

**CHEMICAL WATER TREATMENT
MANUFACTURING INDUSTRY**

AS SUBMITTED ON AUGUST 30, 1933

REGISTRY No. 699—15

The Code for the Chemical Water Treatment Manufacturing Industry in its present form merely reflects the proposal of the above-mentioned industry, and none of the provisions contained therein are to be regarded as having received the approval of the National Recovery Administration as applying to this industry

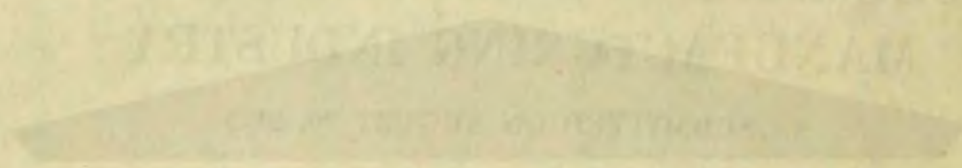


UNITED STATES
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RESEARCH BUREAU OF THE BUREAU OF CHEMISTRY

DEPARTMENT OF THE INTERIOR

U.S. GEOLOGICAL SURVEY

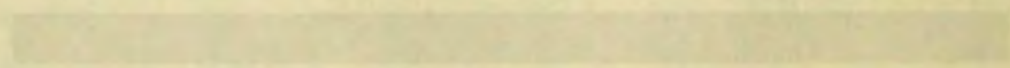
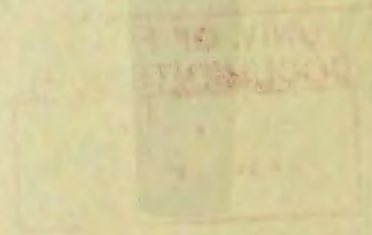


WATER RESOURCES DIVISION



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U.S. GEOLOGICAL SURVEY
WASHINGTON, D.C.

CODE OF FAIR COMPETITION FOR THE CHEMICAL WATER TREATMENT MANUFACTURING INDUSTRY

TO EFFECTUATE THE POLICY OF TITLE I OF THE NATIONAL INDUSTRIAL RECOVERY ACT, THE FOLLOWING PROVISIONS ARE ESTABLISHED AS A CODE OF FAIR COMPETITION FOR THE CHEMICAL WATER TREATMENT MANUFACTURING INDUSTRY

DEFINITIONS

(1) Wherever used in this Code, the term "the Industry" means the business of compounding chemicals and selling such compounds for the treatment of water used in the generation of steam and in other industrial operations to prevent, eliminate, or minimize scale formation, pitting, corrosion, foaming, or embrittlement, or to reduce or change the mineral content of such water.

(2) The term "Member of the Industry" used herein means any person, firm, or corporation owning or leasing and operating a plant in the Industry.

(3) The term "Employee" as used herein means any employee in the Industry.

(4) The term "Effective Date" as used herein means the second Monday after the approval of this Code by the President of the United States.

(5) The term "Pay Roll" as herein used shall mean and include the pay of all employees directly engaged in production in the Industry and that proportion of the pay of all employees and other personnel, including supervisory, administrative, engineering, development, sales, servicing, and executive, that is properly chargeable to the business of the member in the Industry. Such proportion shall be that part of the total dollar gross sales of the member for all products manufactured or sold by the member which is realized from sales of the member's products in the Industry.

(6) The term "Member in Good Standing" as herein used means a member who has complied with this Code and all rules and regulations issued in connection therewith.

HOURS OF LABOR, RATES OF PAY, AND OTHER CONDITIONS OF EMPLOYMENT

(1) Pursuant to subsection (a) of Section 7 of the National Industrial Recovery Act and so long as the Code shall be in effect, the Code shall be subject to the following conditions:

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

(b) That no employee and no one seeking employment shall be required as a condition of employment to join any company union or

to refrain from joining, organizing, or assisting a labor organization of his own choosing, and

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

(2) On and after the effective date no member of the Industry shall employ any employee excepting outside salesmen, emergency repair crews, superintendents, and supervising employees more than forty hours per week.

(3) On and after the effective date no member of the Industry shall pay any employee other than outside salesmen at a rate less than 35 cents per hour.

(4) No member of the Industry shall employ any person under sixteen years of age.

PUBLICATION OF PRICES

(1) Each member of the Industry shall, on or before the effective date, file with the Secretary of the Code Committee a list of all his products in the Industry and the minimum prices thereof to all classes of customers, including all quantity differentials or other discounts, all terms of payment, freight allowances, prepayments, and equalizations. Such prices shall be available to any member of the Industry on request of the Secretary of the Code Committee.

(2) No member of the Industry shall make any reduction in the minimum price of any product on the list on file with the Secretary effective less than ten days after such revised price shall have been filed with the Secretary.

(3) The sale of any product by any member of the Industry at less than the effective price of such member for such product then on file with the Secretary shall be a violation of this Code.

(4) Each member agrees that he will not sell a product of the Industry to a purchaser for resale who shall not agree to resell said product at prices equal to or in excess of the lowest ultimate consumers' price therefor filed with the Secretary by any member.

UNFAIR PRACTICES

(1) For all purposes of the Code the following acts shall constitute unfair practice and shall be deemed to be unfair methods of competition in commerce within the meaning of the Federal Trade Commission Act as amended, and the using or employing of any of them shall be deemed to be a violation of this Code, and any member of the Industry which shall directly or indirectly, through any officer, employee, agent, or representative, use or employ any of such unfair practices shall be guilty of a violation of the Code:

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

(b) The defamation of competitors by falsely imputing to them dishonorable conduct, inability to perform contract, questionable credit standing, or by other false representations, or false disparagement of the grade or quality of their work.

(c) The imitation of the trade marks, trade names, slogans, or other marks of identification of competitors.

(d) Maliciously enticing away the employees of competitors with the purpose or effect of unduly hampering, injuring, or embarrassing competitors in their business.

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

(f) Paying or allowing or offering to any purchaser or prospective purchaser any secret or discriminatory rebate, commission, credit, discount, adjustment, or similar concession.

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

(h) Any misrepresentation as to the quality, quantity, origin, or other material condition of any product or service.

(i) Acceptance of any form of paper or security in payment at more than the true value thereof.

(j) The shipment of any product to any person without a definite advance order therefor from such person.

MEMBERS

(1) To the extent required or permitted by or under the provisions of Title I of the National Industrial Recovery Act the provisions of the Code shall apply to and be binding upon every member of the Industry whether or not such member shall be a member of the Code.

(2) Every member of the Industry who shall signify in writing his acceptance of the Code and who shall not be in default in the payment of any assessment or the observance of any provision of the Code shall be a member of the Code.

(3) Meetings of members of the Code may be called from time to time by the Chairman of the Code Committee, by a majority of the members of the Code Committee, or by members of the Code having not less than 30% of the voting power. Fifty percent of the voting power of the members of the Code shall be necessary for a quorum, but less than a quorum may adjourn any meeting to any time.

(4) Notice of the time and place of holding any meeting of the members of the Code shall be sent to each member of the Industry as then listed by the Code Committee not less than ten days before such meeting.

VOTING POWER

(1) At each meeting of the members of the Code each member thereof in good standing shall have as many votes as shall equal the quotient obtained by dividing by 1,000 the aggregate amount of dollars of the payroll in the Industry of such members during the preceding calendar year. Fractions shall be disregarded; provided, however, that each member of the Industry shall have at all times at least one vote. All questions as to the number of votes that each member of the Code shall be entitled to cast in any meeting of the members thereof shall be determined by the Code Committee.

(2) Each member of the Code shall file with the Secretary a statement sworn to by a responsible officer of such member, setting forth the payroll on the basis of which the voting power of such member shall be determined.

CODE COMMITTEE

(1) The members of the Code shall elect a Code Committee at the Annual Meeting, composed of five members, all of whom shall be officers or other representatives of the members of the Industry.

(2) Pending a meeting of the members of the Code the following persons in the Industry are constituted the Code Committee to serve as such until the first meeting of the members of the Code and until their respective successors are elected and qualified:

George R. Carr

W. E. Ridenour

L. F. Edwards

F. H. Thorne

Donald Rathbun

(3) Any member of the Code Committee may designate an alternate to act in his absence at any meeting of the Code Committee.

(4) The Code Committee shall be the general planning and coordinating agency for the Industry and shall have the following powers and duties:

(a) To represent the members of the Industry at all conferences, hearings, and other negotiations with the President of the United States or his representatives with respect to the approval of this Code or any amendment thereof, or any of its provisions, or any matters relating thereto.

(b) To employ such agents, clerks, and attorneys as may be necessary or desirable to administer this Code or to advise and represent the Committee in any of its functions.

(c) To provide itself with offices and make the necessary expenditures in connection therewith.

(d) To select a Chairman, Vice Chairman, Secretary, and Treasurer.

(e) To make investigations upon written complaint or upon its own initiative of violations of the Code and to levy appropriate penalties, which in the case of sales shall not exceed 25% of the selling price. The Code Committee may also refer any complaints of violations of this Code to the President of the United States or his representatives for the imposition of the penalties provided by the National Industrial Recovery Act.

(f) To levy such assessments on the members of the Industry in proportion to their respective pay rolls during the preceding year as may be necessary to cover the expense of the administration of the Code and reasonable reserves.

(g) To make such rules and regulations as may be necessary for the administration and enforcement of this Code.

(h) To determine whether a member of the Code is in good standing.

(5) A majority of the members of the Code Committee shall constitute a quorum.

GENERAL PROVISIONS

(1) Pursuant to subsection (b) of Section 10 of the National Industrial Recovery Act, the President of the United States may at any time cancel or modify any order, approval, license, rule, or regulation issued under Title I of said Act.

(2) In event any member of the Industry shall fail to file a report of its pay roll for the preceding calendar year within the time specified

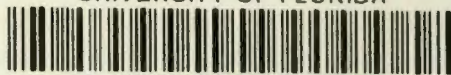
in the request therefor by the Code Committee, or in event the Code Committee shall be of the opinion that any such report when filed by any such member shall not have been prepared in the manner specified herein or fails properly to reflect the pay roll of said member, said Code Committee shall have the right during reasonable business hours to cause the books and records of any one or more of such members of the Industry to be examined by a reputable firm of disinterested Certified Public Accountants in order to compute the pay roll of such member or members to determine whether any report theretofore prepared and filed by such member was accurately prepared in accordance with the proper application of the terms of this Code.

(3) In the event said Certified Public Accountants shall investigate and verify the accuracy of said report, the expense of the examination of the books of said member shall be borne by the members of the Code. In the event said Certified Public Accountants shall find said report or reports to be substantially erroneous and to reflect improperly the actual pay rolls of said member, the expense of such examination shall be borne by the member making such erroneous report.

AMENDMENTS

(1) This Code may be amended at any time on the recommendation of the Code Committee by a meeting of the members of the Code which shall be called for such purpose upon notice given of the substance of the proposed amendment in accordance with the provisions of the Code. If at such meeting at least 75% of all the votes cast at such meeting shall be in favor of the adoption of such amendment, such amendment shall be submitted by the Code Committee to the President of the United States for approval, if approval thereof by him shall then be required by law.

(2) Each such amendment shall take effect as a part of the Code upon the adoption thereof by the members of the Code and the approval thereof by the President of the United States as above provided.



Code Committee shall be of the opinion that any such person shall be called by any such committee and not otherwise prepared in the manner specified herein or that the person is not a member of the Code Committee and the person is not a member of any other committee of the Code Committee. The Code Committee shall have the right during reasonable business hours to examine the books and records of any such person of such members of the Code Committee to be examined by a committee of distinguished Certified Public Accountants in order to compare the pay roll of such member or members to determine whether any report thereto prepared and filed by such member was accurate. The Code Committee shall have the right to examine the books and records of such member with the proper application of the terms of this Code.

18. In the event and within thirty days after the receipt of any report of such member, the committee of distinguished Certified Public Accountants shall have the right to examine the books and records of such member of the Code Committee to be examined by a committee of distinguished Certified Public Accountants in order to compare the pay roll of such member or members to determine whether any report thereto prepared and filed by such member was accurate. The Code Committee shall have the right to examine the books and records of such member with the proper application of the terms of this Code.

ARTICLE IV

1. This Code may be amended at any time on the recommendation of the Code Committee by a majority of the members of the Code which shall be called for such purpose upon notice given of the existence of the proposed amendment in accordance with the provisions of the Code. At each meeting at least 75% of all the votes cast at such meeting shall be in favor of the adoption of such amendment, such amendment shall be submitted by the Code Committee to the President of the United States for approval. If approved, then it shall then be required by law.

2. Each such amendment shall take effect as a part of the Code upon the adoption thereof by the members of the Code and the approval thereof by the President of the United States as a part of the Code.

3. Any amendment to this Code shall be subject to the approval of the President of the United States and the members of the Code. The Code Committee shall have the right to examine the books and records of any such member of the Code Committee to be examined by a committee of distinguished Certified Public Accountants in order to compare the pay roll of such member or members to determine whether any report thereto prepared and filed by such member was accurate. The Code Committee shall have the right to examine the books and records of such member with the proper application of the terms of this Code.

4. The Code Committee shall have the right to examine the books and records of any such member of the Code Committee to be examined by a committee of distinguished Certified Public Accountants in order to compare the pay roll of such member or members to determine whether any report thereto prepared and filed by such member was accurate. The Code Committee shall have the right to examine the books and records of such member with the proper application of the terms of this Code.