

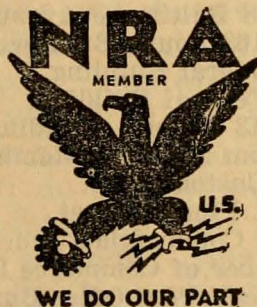
NATIONAL RECOVERY ADMINISTRATION

**AMENDMENT TO
CODE OF FAIR COMPETITION**

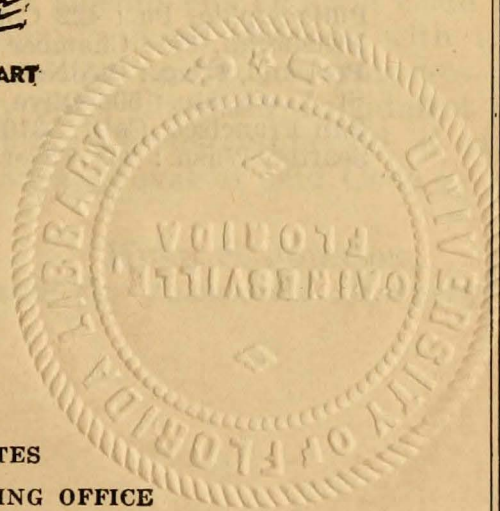
FOR THE

**HAIR AND JUTE FELT
INDUSTRY**

AS APPROVED ON JULY 22, 1934



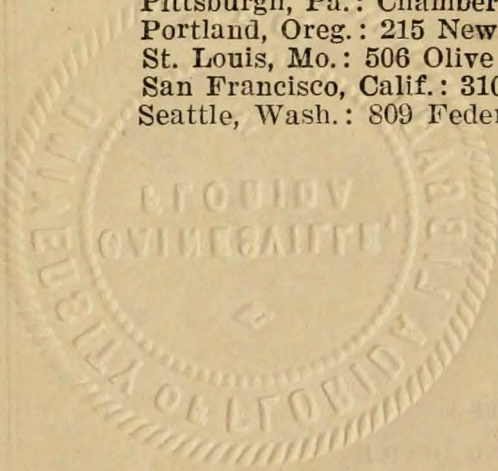
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Approved Code No. 73—Amendment No. 2

AMENDMENT TO CODE OF FAIR COMPETITION

FOR THE

HAIR AND JUTE FELT INDUSTRY

As Approved on July 22, 1934

ORDER

APPROVING AMENDMENT OF CODE OF FAIR COMPETITION FOR THE HAIR AND JUTE FELT 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 an amendment to a Code of Fair Competition for the Hair and Jute Felt Industry, and hearings having been duly held thereon and the annexed report on said amendment, 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 amendment and the Code as constituted after being amended comply 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 amendment be and it is hereby approved, and that the previous approval of said Code is hereby modified to include an approval of said Code in its entirety as amended.

HUGH S. JOHNSON,
Administrator for Industrial Recovery.

Approval recommended:

ROBERT L. HOUSTON,
Division Administrator.

WASHINGTON, D.C.,
July 22, 1934.

REPORT TO THE PRESIDENT

The PRESIDENT,

The White House.

SIR: The attached amendment was submitted, on behalf of the Industry, by the National Control Committee for the Hair and Jute Felt Industry.

The public hearing was conducted in Washington, D.C. on June 6, 1934. Every person who requested an appearance was freely heard in accordance with statutory and regulatory requirements.

RESUME OF AMENDMENTS

Certain changes have been made in the Administration Article of the Code to bring the powers and duties of the Code Authority in line with more recently approved codes. A section has been added which will give the Code Authority power to assess the Industry for Code administration.

The experience of several months' operation under the Code has shown the necessity for the inclusion of additional fair trade practices and changes in others.

FINDINGS

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

I find that:

(a) The amendment to said Code and the Code as amended are well designed to promote the policies and purposes of Title I of the National Industrial Recovery Act including the 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 trade groups, by inducing and maintaining united action of labor and management under adequate governmental sanction 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) The Code as amended complies in all respects with the pertinent provisions of said Title of said Act, including without limitation Sub-Section (a) of Section 3, Sub-Section (a) of Section 7, and Sub-Section (b) of Section 10 thereof.

(c) The Code empowers the Code Authority to present the aforesaid amendment on behalf of the industry as a whole.

(d) The amendment and the Code as amended are not designed to and will not permit monopolies or monopolistic practices.

(e) The amendment and the Code as amended are 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 amendments.

For these reasons, the amendment has been approved.

Respectfully,

HUGH S. JOHNSON,
Administrator.

JULY 22, 1934.

AMENDMENT TO CODE OF FAIR COMPETITION FOR THE HAIR AND JUTE FELT INDUSTRY

There shall be added to Article II, the following Section:

"(h) The term 'wholesaler, distributor, wholesale distributor or jobber of carpet linings and rug cushions' shall mean a person, firm, corporation, association, partnership or division thereof which by the nature of its operations is definitely organized to render a wholesale distribution service; buys and maintains at its place of business an adequate stock of carpet linings and rug cushions which through salesmen, advertising and/or sales promotion devices is sold to retailers and/or institutional, commercial, and/or industrial outlets and performs a credit function."

Section (c) of Article VI shall be deleted and the following provisions substituted therefor:

"(c) 1. It being found necessary in order to support the administration of this code and to maintain the standards of fair competition established hereunder and to effectuate the policy of the Act, the National Control Committee is authorized:

"(a) 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;

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

"(c) After such budget and basis of contribution have been approved by the Administrator, to determine and obtain equitable contribution as above set forth by all members of the Industry, and to that end, if necessary, to institute legal proceedings therefor in its own name.

"2. Each member of the Industry shall pay his or its equitable contribution to the expenses of the maintenance of the National Control Committee, determined as hereinabove provided, and subject to rules and regulations pertaining thereto issued by the Administrator. Only members of the industry complying with the Code and contributing to the expenses of its administration as hereinabove provided, unless duly excepted from making such contribution, shall be entitled to participate in the selection of members of the National Control Committee or to receive the benefits of any of its voluntary activities or to make use of any emblem or insignia of the National Recovery Administration.

"3. The National Control Committee shall neither incur nor pay any obligation in excess of the amount thereof as estimated in its approved budget, except upon approval of the Administrator; and no subsequent budget shall contain any deficiency item for expenditures in excess of prior budget estimates except those which the Administrator shall have so approved."

Section (d) of Article VI shall be deleted and the following provision substituted therefor:

"(d) Nothing contained in the By-Laws or Code of Fair Competition shall constitute the members of the National Control Committee partners for any purpose. Nor shall any member of the National Control Committee be liable in any manner to anyone for any act of any other member, officer, agent or employee of the National Control Committee. Nor shall any member of the National Control Committee exercising reasonable diligence in the conduct of his duties hereunder, be liable to anyone for any action or omission to act under the By-Laws or Code of Fair Competition, except for his own willful misfeasance or non-misfeasance."

"(k) If the Administrator shall at any time determine that any action of the National Control Committee 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 National Control Committee or agency pending final action which shall not be effective unless the Administrator approves or unless he shall fail to disapprove after thirty (30) days' notice to him of intention to proceed with such action in its original or modified form."

In Section (c) Article VII, the word, "approval" shall be deleted, substituting therefor:—"disapproval".

Section (h) (2) and Section (h) (3) of Article VII shall be deleted and the following provision substituted therefor:

"(h) (2) *Discontinued Lines*.—Any member of the Industry may offer in any calendar year a combined total of discontinued lines and/or seconds of Carpet Linings and Rug Cushions up to one per cent of his previous calendar year's dollar volume of sales at below cost or published prices, but must advise the Secretary of the National Control Committee forty-eight hours in advance, the nature, quantity and price of the merchandise thus offered. The Secretary will notify the members in the Industry."

There shall be added to Article VII the following sections:

"(j) *Consignments*.—Consigning carpet linings or rug cushions to any customer.

"(k) *Classification of Customers*.—Misclassifying a customer so as to enable said customer to obtain a more favorable price or terms of sale than that to which he is properly entitled.

"(l) *Commercial Bribery*.—Lending, giving, permitting to be given or loaned, or directly offering to loan or 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; nor shall such member permit such actions through or by his salesmen. 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."

Approved Code No. 73—Amendment No. 2.

Registry No. 232-1-03.



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