

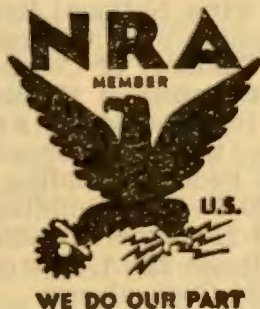
NATIONAL RECOVERY ADMINISTRATION

**AMENDMENT TO
CODE OF FAIR COMPETITION**

FOR THE

SILK TEXTILE INDUSTRY

AS APPROVED ON FEBRUARY 11, 1935

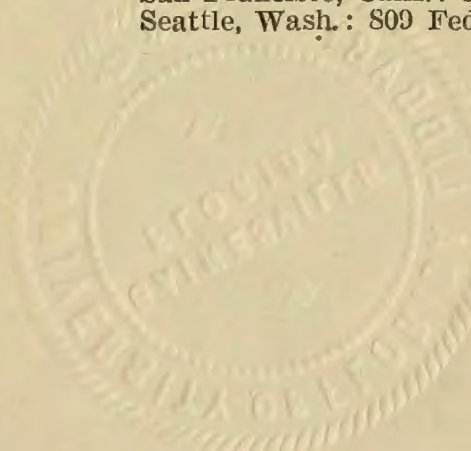


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AMENDMENT TO CODE OF FAIR COMPETITION

FOR THE

SILK TEXTILE INDUSTRY

As Approved on February 11, 1935

ORDER

APPROVING AMENDMENT OF CODE OF FAIR COMPETITION FOR THE SILK
TEXTILE 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 Silk Textile Industry, and hearings have 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, the National Industrial Recovery Board, pursuant to authority vested in it by Executive orders of the President, including Executive Order No. 6859, dated September 27, 1934, and otherwise; does hereby incorporate, by reference, said annexed report and does 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 does hereby order that said amendment be and it is hereby approved, and that the previous approval of said Code is hereby amended to include an approval of said Code in its entirety as amended.

NATIONAL INDUSTRIAL RECOVERY BOARD,

By W. A. HARRIMAN, *Administrative Officer.*

Approval recommended:

PRENTISS L. COONLEY,

Acting Division Administrator.

WASHINGTON, D. C.,

February 11, 1935.

REPORT TO THE PRESIDENT

The PRESIDENT,
The White House.

SIR: This is a report on the Hearing covering the Amendment to the Code of Fair Competition for the Silk Textile Industry, held in the Fairfax Room at the Willard Hotel, Washington, D. C., November 7, 1934. The Amendment, which is attached, was presented by duly qualified and authorized representatives of the Industry, complying with statutory requirements and being the same Agency that originally submitted the Code.

In accordance with customary procedure every person who had filed a request for appearance was freely heard in public, and all statutory and regulatory requirements were complied with.

PROVISIONS OF THE AMENDMENT

There are 4 Amendments as follows:

1. An Amendment prohibiting commercial bribery.
2. An Amendment defining duly accredited factors and/or authorized selling agents.
3. An Amendment providing for open price filing for the Sewing Thread and Floss Division of the Industry.
4. An Amendment regarding terms of sale of woven labels.

FINDINGS

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

It finds 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 the 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 Subsection (a) of Section 3, Subsection (a) of Section 7, and Subsection (b) of Section 10 thereof.

(c) The Code empowers the Code Authority to present the afore-said 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 amendment.

For these reasons this amendment has been approved.

For the National Industrial Recovery Board:

W. A. HARRIMAN,
Administrative Officer.

FEBRUARY 11, 1935.

AMENDMENT TO CODE OF FAIR COMPETITION FOR THE SILK TEXTILE INDUSTRY

Article VIII is amended by the addition of a new section, section 11, to read as follows:

1. No employer shall give, permit to be given, or 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 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.

Article XI, Ribbons, is hereby amended by the addition of a new provision to read as follows:

The words "duly accredited factors and/or authorized selling agents" as used herein in relation to ribbon manufacturers, are defined to mean individuals or concerns who sell merchandise shipped to them on consignment or memorandum by manufacturers for sale in the name of such manufacturers or factors or selling agents pursuant to a written agency agreement. All ribbon manufacturers who sell through duly accredited factors and/or authorized selling agents shall enter into written agency agreements with said factors and/or selling agents and said written agency agreements shall contain the following provisions and specifications:

(1) The manufacturer shall specify that the selling agent shall sell merchandise shipped to him on consignment or memorandum at prices not less than those determined by the manufacturer.

(2) The manufacturer shall set forth in said agreement the commissions to be paid the selling agent.

(3) The manufacturer shall specify that duplicates of each invoice giving full details of all sales, exclusive of the names of the purchasers, shall be submitted to him monthly.

(4) The manufacturer shall specify in said agreement that net proceeds of sales less commissions and other deductions set forth shall be remitted to the manufacturer.

(5) The manufacturer shall set forth in said agreement that reconsignment of merchandise shipped to a selling agent is prohibited except reconsignment to another registered selling agent with the consent of the manufacturer.

(6) The manufacturer shall set forth in said agreement that duly accredited factors and/or authorized selling agents cannot sell to themselves.

Article XI, Sewing Threads and Flosses, is hereby amended by the addition of a new provision to read as follows:

SECTION 1. Each member of the Sewing Thread and Floss Industry shall file with a confidential and disinterested agent of the Code

Authority or, if none, then with such an agent designated by the National Industrial Recovery Board, identified lists of all of his prices, discounts, rebates, allowances, and all other terms or conditions of sale, hereinafter in this Article referred to as "price terms" which lists shall completely and accurately conform to and represent the individual pricing practices of said member on his "pound goods", as differentiated from "bulk" or "small goods." Such lists shall contain the price terms for all such standard products of the industry as are sold or offered for sale by said member and for such non-standard products of said member as shall be designated by the Code Authority. Said price terms shall in the first instance be filed within fifteen (15) days after the date of approval of this provision. Price terms and revised price terms shall become effective immediately upon receipt thereof by said agent. Immediately upon receipt thereof, said agent shall by telegraph or other equally prompt means notify said member of the time of such receipt. Such lists and revisions, together with the effective time thereof, shall upon receipt be immediately and simultaneously distributed to all members of the industry and to all of their customers who have applied therefore and have offered to defray the cost actually incurred by the Code Authority in the preparation and distribution thereof and be available for inspection by any of their customers at the office of such agent. Said lists or revisions or any part thereof shall not be made available to any person until released to all members of the industry and their customers, as aforesaid; provided, that prices filed in the first instance shall not be released until the expiration of the aforesaid fifteen (15) day period after the approval of this provision. The Code Authority shall maintain a permanent file of all price terms filed as herein provided, and shall not destroy any part of such records except upon written consent of the National Industrial Recovery Board. Upon request the Code Authority shall furnish to the National Industrial Recovery Board, or any duly designated agent of the National Industrial Recovery Board copies of any such lists or revisions of price terms.

SECTION 2. When any member of the industry has filed any revision such member shall not file a higher price within forty-eight (48) hours.

SECTION 3. No member of the industry shall sell or offer to sell any products/services of the industry, for which price terms have been filed pursuant to the provisions of this Article, except in accordance with such price terms.

SECTION 4. No member of the industry shall enter into any agreement, understanding, combination or conspiracy to fix or maintain price terms, nor cause or attempt to cause any member of the industry to change his price terms by the use of intimidation, coercion, or any other influence inconsistent with the maintenance of the free and open market which it is the purpose of this Article to create.

SECTION 5. Each employer in his Division shall report on or before August 1st and February 1st of each year his total dollar sales to each customer for the preceding calendar half year. This information shall be held in strict confidence by the confidential agent and shall be used only as the basis for rendering the following reports.

On September 1st and March 1st of each year, the confidential agent shall establish the ratings of all buyers of this division of the industry on the basis of their purchases for each calendar half year. These ratings shall be on the basis of the present prevailing custom in the industry of rating trade buyers in five classes and jobbers in three classes.

Upon written or telegraphic request, the confidential agent shall give members of the division the rating of any individual buyer.

The confidential agent shall on September 1st and March 1st of each year advise each individual buyer of his individual rating in this division of the industry and shall advise each individual buyer of his own individual rating only, and the ratings of other buyers shall be kept confidential.

The Code Authority shall have the right to order the confidential agent to check and/or correct any ratings upon request of any employer in the division and/or buyer.

The cost of compiling and distributing this information to members of the division and to all interested parties shall be borne proportionately by all members of the division desiring this service.

The confidential agent shall be appointed by the Code Authority and approved by the National Industrial Recovery Board. The records of the confidential agent may be examined by a confidential agent of the National Industrial Recovery Board at any time.

Article XI, Woven Labels, is hereby amended to read as follows:

Each employer shall bill woven labels on date of shipment upon the terms of 2/10 e. o. m. -

Approved Code No. 48—Amendment No. 5.
Registry No. 263-01.

