

NATIONAL RECOVERY ADMINISTRATION

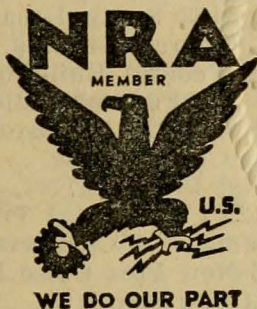
**SUPPLEMENTARY
CODE OF FAIR COMPETITION**

FOR THE

**UPHOLSTERY AND
DECORATIVE FABRICS TRADE**

(A Division of the Wholesaling or Distributing Trade)

AS APPROVED ON MARCH 6, 1934



UNITED STATES
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Approved Code No. 201—Supplement No. 1

SUPPLEMENTARY CODE OF FAIR COMPETITION

FOR THE

UPHOLSTERY AND DECORATIVE FABRICS TRADE

As Approved on March 6, 1934

ORDER

**APPROVING SUPPLEMENTARY CODE OF FAIR COMPETITION FOR THE
UPHOLSTERY AND DECORATIVE FABRICS TRADE**

A DIVISION OF THE WHOLESALING OR DISTRIBUTING 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 approval of a Supplemental Code of Fair Competition for the Upholstery and Decorative Fabrics Trade to the Code of Fair Competition for the Wholesaling or Distributing Trade, 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 do hereby incorporate by reference said annexed report and do find that said Supplemental 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 Supplemental Code of Fair Competition be and it is hereby approved.

HUGH S. JOHNSON,
Administrator for Industrial Recovery.

Approval recommended:

A. D. WHITESIDE,
Division Administrator.

WASHINGTON, D.C.,
March 6, 1934.

REPORT TO THE PRESIDENT

The PRESIDENT,
The White House,

SIR: This is a report of the Hearing on the Fair Trade Practice Supplement of the Upholstery and Decorative Fabrics Trade to the Code of Fair Competition for the Wholesaling and Distributing Trade conducted in the Banquet Hall of the Carlton Hotel on December 8, 1933. The Supplemental Code which is attached was presented by duly qualified and authorized representatives of the Trade, complying with the statutory requirements, said to represent 75 percent in number and 90 percent in volume of the Trade which could be included in this Code.

THE TRADE

There are no census figures available covering this Trade. According to statistics furnished by members of the Trade, there are approximately 125 concerns engaged in it. Their total annual sales in 1929 amounted to approximately seventy million dollars, and in 1932 to forty million dollars. The Trade employs about 1600 persons.

PROVISIONS OF THE CODE

Since this Code is supplemental to the General Code of Fair Competition for the Wholesaling or Distributing Trade, it contains no labor provisions.

The provisions containing supplemental definitions are inclusive and accurate.

The supplement to the administrative provisions, establishes a Divisional Code Authority for this Trade, which is fairly and adequately representative of the different elements in the Trade. According to the most accurate available statistics, the Upholstery and Decorative Fabrics Association of America contains among its membership or is authorized to represent in the administration of the Code, 75 percent of the total number of concerns in the Trade. Its members sell approximately 80 percent of the total volume. The selection of four representatives of the Code Authority by the Association and one representative by non-members of the Association, therefore, seems to be fair.

The Trade Practice rules contained in the Supplemental Code are not in any respect objectionable and are designed to promote fair dealing in the Trade.

FINDINGS

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 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) Said Trade 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 group is a trade group truly representative of the aforesaid Trade, and that said group 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 these reasons, the Supplemental Code has been approved.

Respectfully,

HUGH S. JOHNSON,
Administrator.

MARCH 6, 1934.

SUPPLEMENTARY CODE OF FAIR COMPETITION FOR THE UPHOLSTERY AND DECORATIVE FABRICS TRADE

A DIVISION OF THE WHOLESALING OR DISTRIBUTING TRADE

ARTICLE I—PURPOSES

To further effectuate the policies of Title I of the National Industrial Recovery Act, the following provisions are established as a Supplemental Code of Fair Competition for the Upholstery and Decorative Fabrics Trade to the Code of Fair Competition for the Wholesaling or Distributing Trade, as provided by Article VI, Section 1 (c) thereof, and shall be considered as a part of and in connection with the said Code for the Wholesaling or Distributing Trade and both Codes shall be binding upon every member of such Wholesale Upholstery and Decorative Fabrics Trade.

ARTICLE II—DEFINITIONS

SUPPLEMENTING ARTICLE II OF THE GENERAL CODE

1. The term "Upholstery and Decorative Fabrics Distributing Trade" as used herein includes the selling at wholesale of upholstery and decorative fabrics to interior decorators, upholsterers, and furniture manufacturers, and such branches or subdivisions thereof as may from time to time be included under the provisions of this Code.

2. The term "distributor" is defined to mean any person engaged in the Trade.

3. The term "Association" as used herein refers to the Upholstery and Decorative Fabrics Association of America, a trade association of distributors.

4. The term "Divisional Code Authority" as used herein means the Divisional Code Authority for the Upholstery and Decorative Fabrics Trade, a division of the Wholesaling and Distributing Trade.

ARTICLE III—ADMINISTRATION

SUPPLEMENTING ARTICLE VI, SECTION 2, PARAGRAPH (E) OF THE GENERAL CODE

1. The Divisional Code Authority shall be composed of five members.

(a) Four representatives of members of the Association appointed by the Board of Directors of the Association.

(b) One representative of non-member distributors assenting to this Code and consenting to pay their share of the cost of its administration, to be chosen as and when and in a manner prescribed by the Administrator.

ARTICLE IV—TRADE PRACTICES

SUPPLEMENTING ARTICLE VII OF THE GENERAL CODE.

As expressly permitted in Article VIII, Section 2, of the Code of Fair Competition for the Wholesaling or Distributing Trade, violations of the following regulations constitute additional unfair methods of competition for members of the Upholstery and Decorative Fabrics Distributing Trade and are prohibited:

1. *Discrimination*.—Each distributor shall maintain, publish, and file with the Divisional Code Authority, a printed list quoting his established wholesale prices for all fabrics. Each distributor shall adhere to said established price list as filed and amended from time to time and shall afford equal terms and prices to all buyers similarly situated in order thereby to avoid unfair discrimination.

2. *Cash terms* shall not exceed 2% 10 days, due net 30 days, provided that extra datings not exceeding 60 days may be allowed to drapery and upholstery departments of retail stores and furniture manufacturers, and further provided that E. O. M. terms may be granted.

3. *10% discount* may be allowed for full pieces and over, but in no case unless the full piece consist of 50 yards or more. It is further provided that 10% may be allowed on materials at not less than \$1.00 per yard wholesale of half pieces of 25 yards and over, provided such purchases are for stock purposes.

4. *Contract sales* to retail stores or manufacturers, provided such purchases are for stock; and contract sales for wholesalers, hotels, clubs, steamships, theatres, railroads, and other public work, need not be controlled by the provisions of paragraphs 1 and 3 hereof.

5. No secret rebates, and no discounts, bonuses, or special advantages of any kind, other than herein expressly authorized, shall be permitted, including "courtesy discounts" such as, but not limited by, those made to trade customers, and their employees for purchases to be used in decorating their homes and their business establishments.

6. *Lost samples* must be paid for by the borrower except that a 25% allowance may be made where, in the judgment of the seller, special circumstances warrant it.

7. *Sample Orders*: All sample lengths of fabrics other than swatches and samples bound in book form not exceeding 54 square inches, except chintzes and cretonnes which may be 216 square inches in size shall be billed at the regular price per yard without any allowance or trade discount. Nothing in this section shall apply to stocks of books on hand or under contract on December 9, 1933; provided that a list of such stocks or contracts are filed with the Divisional Code Authority within 10 days after the effective date of this Code.

8. *Returns*. When merchandise is returned without fault of the distributor, a 10% service and depreciation charge shall be made, but no piece of less than 3 yards shall be accepted under such circumstances.

9. *Designs*. No design owned by or in the use of which there is a property right which belongs to an importer or jobber shall be pirated or copied without proper authorization. No reproduction in good faith of a museum piece or other significant pieces and no

innocent purchase of merchandise from a manufacturer shall be deemed a violation of this section.

10. *Season Lines* of memorandum samples shall be discontinued, and to that end no samples shall be permitted out on memorandum more than thirty days.

11. *Consignments*. No yard goods merchandise shall be given out on consignment or memorandum, except under circumstances to be defined by the Divisional Code Authority where peculiar conditions of the trade require it.

ARTICLE V—EFFECTIVE DATE

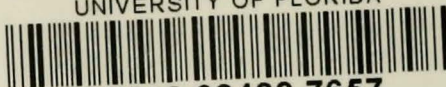
This supplemental code shall become effective on the tenth day after date of approval.

Approved Code No. 201, Supplement No. 1.

Registry No. 280-03.



UNIVERSITY OF FLORIDA



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