

NATIONAL RECOVERY ADMINISTRATION

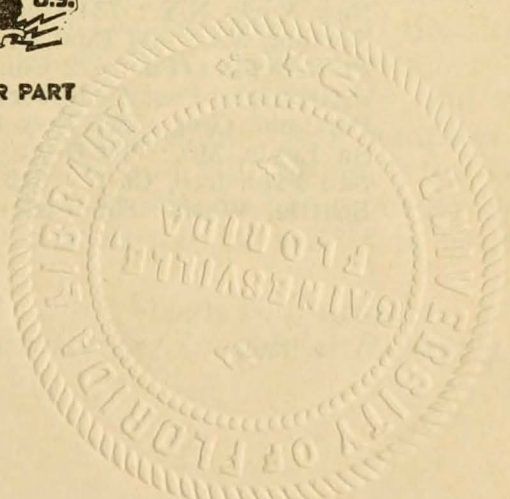
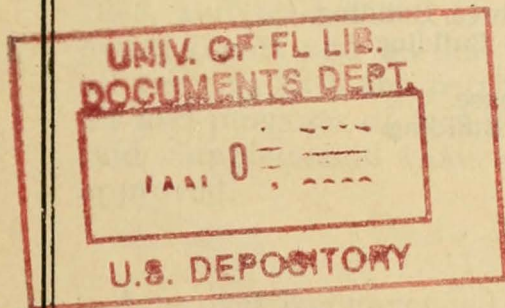
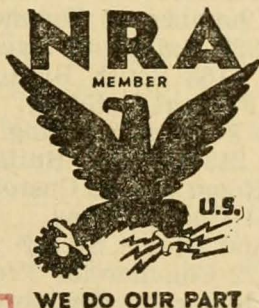
**SUPPLEMENTARY
CODE OF FAIR COMPETITION**

FOR THE

**WHOLESALE MILLINERY
TRADE**

(A Division of the Wholesaling or Distributing Trade)

AS APPROVED ON APRIL 16, 1934

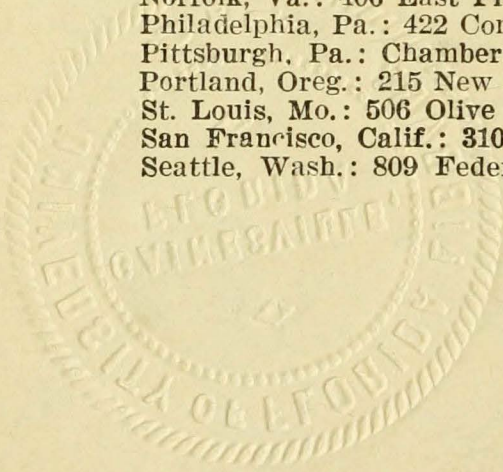


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Approved Code No. 201—Supplement No. 5

SUPPLEMENTARY CODE OF FAIR COMPETITION

FOR THE

WHOLESALE MILLINERY TRADE

As Approved on April 16, 1934

ORDER

SUPPLEMENTAL CODE OF FAIR COMPETITION FOR THE WHOLESALE MILLINERY 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 Wholesale Millinery 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 otherwise; 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:

H. O. KING,
Division Administrator.

WASHINGTON, D.C.,
April 16, 1934.

REPORT TO THE PRESIDENT

The PRESIDENT,
The White House.

SIR: This is a report of the Hearing on the Supplemental Code of Fair Competition for the Wholesale Millinery Trade, conducted in Room 3208, Department of Commerce Building, on March 22, 1934. The Supplemental Code, which is attached, was presented by a duly qualified and authorized representative of the Trade, complying with the statutory requirements, said to represent 87 per cent in number and about 90 per cent in volume of sales of the Trade which could be included in this Supplemental Code.

THE TRADE

According to statistics furnished by members of the Wholesale Millinery Trade, there are approximately 95 establishments with aggregate annual sales of \$32,000,000. The Trade employs about 1,975 persons.

PROVISIONS OF THE CODE

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

The provisions containing supplemental definitions are considered inclusive and accurate.

The Administrative provisions of this Supplemental Code establish a Divisional Code Authority which is fairly and adequately representative of all the different elements in the Trade.

The Trade Practices proposed do not appear to be in any way objectionable. The provision relating to the limitation of time in which to return damaged merchandise is designed to eliminate the most distressing evil in the Trade today.

FINDINGS

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

I find that

(a) Said Supplemental 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 trade 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 use 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 it is not classified by me as a major industry.

(c) The Supplemental 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 a trade association truly representative of the aforesaid Trade; and that said association imposes no inequitable restrictions on admission to membership therein.

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

(e) The Supplemental 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 the approval of this Supplemental Code.

For these reasons, the Supplemental Code has been approved.

Respectfully,

HUGH S. JOHNSON,
Administrator.

APRIL 16, 1934.

SUPPLEMENTAL CODE OF FAIR COMPETITION FOR THE WHOLESALE MILLINERY 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 Wholesale Millinery Trade to the Code of Fair Competition for the Wholesaling or Distributing Trade, as provided by Article VI, Section 1 (c) thereof, which shall be construed as a part of and in connection with the said Code for the Wholesaling or Distributing Trade, and both of these Codes shall be binding upon every member of the Wholesale Millinery Trade.

ARTICLE II—DEFINITIONS

SUPPLEMENTING ARTICLE II OF THE GENERAL CODE

Wholesaler or Distributor.—The term “Wholesaler” or “Distributor”, as used herein, is defined to mean any individual, partnership, association, corporation, or other firm, or a definitely organized division thereof, definitely organized to render, and rendering a general distribution service, which buys and maintains at his or its place of business, a stock of ladies’, misses’, and children’s trimmed and untrimmed hats, and incidental merchandise pertaining thereto which it distributes; and which through salesmen, advertising, and/or sales promotion devices, sells to retailers, but which does not sell in significant amounts to ultimate consumers.

The Trade.—The term “the Trade”, as used herein, is defined to mean the business in which “Wholesalers” or “Distributors”, as above defined are engaged.

Divisional Code Authority.—The term “Divisional Code Authority”, as used herein, is defined to mean the Divisional Code Authority for the Wholesale Millinery Trade, a division of the Wholesaling or Distributing Trade.

General Code.—The term “General Code”, as used herein, is defined to mean the Code of Fair Competition for the Wholesaling or Distributing Trade.

ARTICLE III—ADMINISTRATION

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

SECTION I. *Divisional Code Authority.*—

(a) There shall be created a Divisional Code Authority to cooperate with the Administrator in the administration of the provisions of this Supplemental Code.

(b) Such Divisional Code Authority shall be composed of seven (7) members, six of whom shall be members of the Associated Wholesale Distributors of Ladies' and Children's Hats, Inc., and selected by the Board of Directors thereof, subject to ratification by the members of that Association who have signed a letter of Compliance and Assent to this Supplemental Code and the General Code, and further selected with due regard for their residence in the major markets of the Trade and one (1) member shall be selected in a manner to be approved by the Administrator to represent those engaged in the Trade who are not members of the Associated Wholesale Distributors of Ladies', Misses', and Children's Hats, Incorporated.

SECTION II. *Powers and Duties.*—The Divisional Code Authority shall have the following powers in addition to those provided in the General Code.

(a) To organize, elect officers, hire employees, and perform such other acts as may be necessary for the proper administration of this Supplemental Code.

(b) To use such trade associations and other agencies as it deems proper for the carrying out of any of its activities provided for herein, provided that nothing herein shall relieve the Divisional Code Authority of its duties or responsibilities under this Supplemental Code, and that such trade associations and agencies shall at all times be subject to and comply with the provisions hereof.

(c) To appoint a Trade Practice Committee which shall meet with the Trade Practice Committees appointed under such other codes as may be related to the Trade, except other Supplemental Codes to the General Code, for the purpose of formulating Fair Trade Practices to govern the relationships between production and distribution employers under this Supplemental Code and under such others, to the end that such Fair Trade Practices may be proposed to the Administrator as an amendment to this Supplemental Code and such other codes.

(d) The successor to any member of the Divisional Code Authority shall be nominated and elected in accordance with a plan devised by the Divisional Code Authority, subject to the approval of the Administrator.

SECTION III. *Liability of the Code Authority.*—Nothing contained in this Supplemental Code shall constitute the members of the Divisional Code Authority partners for any purpose; nor shall any member of the Divisional Code Authority be liable in any manner to anyone for any act of any other member, officer, agent, or employee of the Divisional Code Authority, nor shall any member of the Divisional Code Authority, exercising reasonable diligence in the conduct of his duties hereunder, be liable to anyone for any action or omission of any act under this Supplemental code, except for his own misfeasance, or nonfeasance.

SECTION IV. *Approval or Disapproval by the Administrator.*—If the Administrator shall determine that any action of the Divisional Code Authority or any agent 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 Divisional 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.

ARTICLE IV—TRADE PRACTICES

SUPPLEMENTING ARTICLE VII OF THE GENERAL CODE

SECTION 1. *Terms and discounts.*—The maximum terms of cash discount shall be seven (7) per cent, 10 days, e.o.m., and payment may be anticipated at the rate of six (6) per cent per annum, or the legal rate governing the contract whichever is lower. Cash sales shall be governed by the above provisions.

SECTION II. *Return of merchandise.*—Merchandise purchased and shipped in good faith and in accordance with the buyers specifications may not be returned for credit by any purchaser; provided, however, that where goods are received in an apparent damaged or imperfect condition or when they do not conform to the specifications contained in the purchase order, a maximum of three (3) successive business days after the receipt of such merchandise will be allowed for the return of same for credit, but provided further that this section shall have no application to the return of merchandise in which the defective conditions cannot be discovered by an ordinary inspection. Whenever a member of the Trade shall accept the return of merchandise after it has been in the customer's possession for more than the said three (3) day period, he shall report such transaction to the Divisional Code Authority and certify that his action was in accordance with this provision. The Divisional Code Authority may require any member of the Trade to present proof that such returns were accepted in good faith and in accordance with the provisions herein.

SECTION III. *Consignment of Merchandise.*—No merchandise shall be shipped on a consignment basis.

SECTION IV. *Subterfuge.*—It shall be an unfair trade practice for any member of the Trade to employ subterfuge, directly or indirectly, to avoid or attempt to avoid the provisions of this Supplemental Code or the purposes and intent of the National Industrial Recovery Act, which are to increase employment, provide better wages, promote fair competitive methods, better business conditions, and promote the public welfare.

ARTICLE V—EFFECTIVE DATE

This Supplemental Code shall become effective on the tenth day after its approval by the Administrator.

Approved Code. No. 201—Supplement No. 5.
Registry No. 1625-59N.