

FILE NAME: National Safety Council (NSC)

DATE: 1937 Aug 25

DOC#: NSC395

DOCUMENT DESCRIPTION: Memo to Donald Tulloch, Jr. RE Price Protection in the Event of Price Advance

Aug 25, 1937

Donald Tulloch, Jr.,

Your memorandum 8/13 - Price Protection
in the event of Price Advance

We have reviewed your remarks very carefully and I hope you will defer ruling protection out until the matter has been openly discussed in a meeting. We think it quite too serious to pass on otherwise.

Just because the market has an upward tendency, we really do not feel this is any excuse for pushing the customers out into deep water just to save ourselves. If we cannot figure out what is going to happen in the insulation industry, how can we expect him to do it? We do not feel a sale can be regarded as complete until the delivery has actually been made and, and you know as we do, deliveries may extend over a number of months after a job has been figured. Ofttimes months pass before there is even a hole in the ground.

It seems to us the worse scare about inflation is pretty well over and for this reason we think the industry should be able to protect itself reasonably, and its customers too. However, if the consensus of opinion is that protection should be eliminated, we do feel it should not be written off at one fell swoop. Cut it down a bit at a time, but at least let's pretend to have some interest in the customer's welfare, so that when the sales curve heads in the other direction and has more of a hollow than a hump in it, we won't be ashamed to go to our customers and again ask for business.

We understand the method being followed by a number of the boiler manufacturers is to notify the trade 90 days in advance of the time prices are going up. We were told the other day that boiler prices were going to be higher about November 1. Even the trade unions make a gesture of protecting contractors by contracting with them for a year or so at a time. If they can take a chance of working "below cost" for a number of months, surely the insulation people can read the future at least three or four months in advance and by protecting themselves also protect the customers who are supporting them.

The advance our lines have made have been in some cases considerable over the last 12 or 18 months, but we think they have been accepted a lot more cheerfully in the trade by reason of the protection we have held out to them from time to time as advances have been published than might otherwise have been the case.

P.O.O.

FOO:ES

FEDERAL TRADE COMMISSION

Investigation of the Insulation Industry
Exhibit 55
77-
Obtained 6-18-46
No. 12407
Federal Trade Commission
11ST