

FILE NAME: National Safety Council (NSC)

DATE: 1934 June 27

DOC#: NSC375

DOCUMENT DESCRIPTION: Merchandising Plan - Asbestos Paper and Allied Products Division of the Asbestos Industry

MERCHANDISING PLAN OF THE
LOW PRESSURE COVERING SUB DIVISION OF THE
ASBESTOS PAPER AND ALLIED PRODUCTS DIVISION
OF THE ASBESTOS INDUSTRY

THIS MERCHANDISING PLAN ADOPTED JUNE 27th, 1934
PURSUANT TO ARTICLE VI, SECTION 4 B OF THE
ASBESTOS CODE.

SECTION 1 - SCOPE OF MERCHANDISING PLAN

A. PRODUCTS

1. The following products are subject to all of the provisions of this
2. Merchandising Plan:
 - I. Corrugated Aircell type Asbestos Pipe Covering
Sheets and Blocks (4-6-8 Ply per 1" thickness)
 - II. Woolfelt Pipe Covering with Asbestos and/or
Waterproof Linings.
 - III. Anti Sweat types of covering.

B. TERRITORY

3. This Merchandising Plan applies on all sales for shipment from manu-
4. facturer's factories and warehouses into all territory within the
5. United States except the Pacific Coast Zone, defined as follows:

Washington	Nevada
Oregon	Idaho
California	Arizona
Montana	Utah
New Mexico	

Wyoming - following counties only - Bighorn, Washakie, Hot Springs,
Fremont, Sweetwater, Uinta, Lincoln, Sublette, Teton, Park
and Yellowstone National Park.

Colorado - following counties only - Moffatt, Routt, Rio Grande,
Garfield, Eagle, Mesa, Pitkin, Lake, San Juan, Chaffee,
Gunnison, Delta, Montrose, Saguache, Ouray, San Miguel,
Dolores, Montezuma, LaPlata, Hinsdale, Mineral,
Rio Grande, Alamosa, Conejos, Archuleta

Texas - El Paso County only.

FEDERAL TRADE COMMISSION
Section 4613 COMMISSION'S EXHIBIT No. 1514
IN THE MATTER OF Acme Asbestos
DATE 5/15/42 WITNESS Burattini
REPORTER Johnson
THEL E. FISHER & ASSOCIATES, INC.

June 27, 1934

SCHEDULE IV - B

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SECTION 2 - CLASSES OF BUYERS

1. The following definitions shall be used in the classification of buyers; such
2. classifications shall be continued only so long as the buyer's compliance with
3. these requirements remain effective:

4. I. Distributor Listed: One who is under a contract to represent,
5. exclusively, one manufacturer of Insulating Materials as cov-
6. ered by this plan, operates exclusively in a defined area
7. where the manufacturer acting as his source of supply is not
8. selling in competition with him, maintains an established
9. place of business, and engaged in the purchase, exploitation,
10. and sale of insulating materials as covered by this plan.

11. II. Approved Contractors Listed: One who is a member of A.C.N.A., who
12. principally applies heat insulating materials in an exclusive
13. defined area, maintains an established place of business and
14. purchases under agreement the products of this Sub-Division
15. from one manufacturer.

16. III. Independent Contractors Listed: Contractors other than approved
17. contractors whose chief business is applying heat insulating
18. materials as covered by this plan and who are members of the
19. Asbestos Contractors National Association and who pay the
20. same rate of wages as paid by approved contractors in the
21. same area.

22. IV. Equipment Accounts: Manufacturers of Equipment other than R. R.
23. equipment in which heat insulating materials form an
24. integral part of the finished piece of equipment which
25. is sold and/or erected by them.

Section 2 - Cont'd.

1. IV. Special Distributional Accounts Listed: Any manufacturer may ap-
2. point from his list of distributors, upon ap-
3. proval of the Sub Code Authority of the division,
4. a limited number of special distributional ac-
5. counts, operating in a defined area, under con-
6. tract to purchase exclusively the products of
7. one manufacturer, to carry a warehouse stock
8. and to perform the functions of an approved
9. contractor or distributor as defined in this
10. plan.

11. This special distributional account may be
12. given a reduction below the class AA price,
13. sufficient to compensate him adequately for
14. the service rendered the manufacturer.

15. The manufacturer must file with the manager
16. of the division a complete schedule of these
17. prices which may be disclosed on request, to
18. a member of the division currently manufactur-
19. ing the product involved. Any changes in these
20. prices must be filed forthwith with the manager
21. of the division.

22. In consideration of the special differential
23. accorded, the manufacturer assumes responsibil-
24. ity for performance of all of the provisions
25. of this merchandising plan and on failure of
26. the distributor to so perform the manufacturer

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SCHEDULE IV - B

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Section 2 - Cont'd.

1. subjects himself to any and all penalties im-
2. posed by the Act, by the Code and/or by this
3. merchandising plan.

4. To effectuate performance under the plan all
5. transactions by distributors of this type are
6. subject to investigation in the same manner
7. and to the same extent as is provided for in-
8. vestigation of the transactions of the manu-
9. facturer, and any agreement between a manufac-
10. turer and this type of account must carry an
11. agreement to this provision.

12. The names of all such special distributional
13. accounts are to be published to the members of
14. the division immediately upon appointment.

15. All such accounts in existence on the effective
16. date of the Asbestos Code, (November 15, 1935)
17. are accepted and must be listed forthwith.

18. Additions to this classification, as provided
19. in this section may be approved by the Sub Code
20. Authority only after the name has been submitted
21. for discussion at a regularly called meeting of
22. the Sub Code Authority for the Division.

NRA Exhibit 2d
Obtained 8-29-40
No 1-12407 Atty. 200
Hester
Interview

FEDERAL TRADE COMMISSION
Date of 11/13/35
IN THE MATTER OF 14
DATE 11-13-35
REPORTER
ARTHUR E. FISHER & ASSOCIATES INC.

Section 2 - Cont'd.

B. CLASS "A" BUYERS

1. I. Jobbers Listed: Those who have a "jobber" or "wholesaler" classification in a recognized Trade Directory who are members of
2. any approved M.R.A. Code for which they are eligible and who
3. shall employ at least one salesman, who is wholly engaged
4. in selling in the field the jobbers' line (including insulating
5. materials as covered by this plan) to industrials and
6. retailers. They shall regularly sell from their warehouse
7. stocks of heat insulating materials at least 50% at wholesale
8. and shall have sufficient financial capacity to carry on a
9. wholesale and jobbing business.
- 10.
11. II. Asbestos Contractors: All contractors other than Approved Contractors and Independent Contractors whose chief business
12. is applying heat insulating materials as covered by this
13. plan.
- 14.
15. III. United States Government: Permanent Departments of the Federal
16. Government only, as follows: the Departments of Agriculture,
17. Commerce, Interior, Justice, Labor, Navy, Post Office,
18. State, Treasury, War, the Bureau of Indian Affairs, Veterans
19. Bureau, the District of Columbia, and the Coast Guard.

Section 2 - Cont'd.**C. CLASS "B" BUYERS**

1. I. Industrials: Manufacturers, mining, packing, power and air
2. transportation companies, etc., who operate
3. plants and who purchase asbestos heat insulat-
4. ing materials for their own use and not for resale.
5. II. Railroads: All steam railroads, not including electric rail-
6. roads or steamship companies, except as the
7. latter may be shown to be direct subsidiaries of
8. steam railroads.
9. III. Railroad Equipment Accounts Listed: A manufacturer who buys heat
10. insulating materials to be incorporated as an
11. integral part of some product that is made for
12. railroad equipment.
13. IV. State and Municipal Governments: Branches or Departments
14. of County, State or Municipal Government whose
15. purchases of asbestos heat insulating materials
16. are made from funds created by public taxation.
17. V. U.S. Government Agencies or Corporations: Emergency departments
18. of the Federal Government, such as the C.C.C.,
19. C.W.A., P.W.A., T.V.A., R.O.L.C., S.H.D., or any
20. corporation formed for or by the Federal Government
21. for carrying out specific works or projects.
22. VI. Department and Retail Stores: Merchants who operate stores
23. or shops for ultimate distribution of goods to
24. the general public as the consumer.

NRA - 8-11-34

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REPRODUCED AT THE NATIONAL ARCHIVES

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Section 2 - Cont'd.

1. VII. Plumbing and Heating Contractor: One who is engaged in con-
2. tracting for plumbing and heating to be done in
3. residences, office buildings, apartment houses, etc.

4. VIII. Hardware Houses: One whose principal business it is to pur-
5. chase items generally known as hardware and
6. such items to the general public.

D. CLASS "C" BUYERS - ALL OTHERS.

7. Any class of buyers not specifically mentioned above.

LIST OF BUYERS

8. The names of all customers required to be listed shall be compiled by the
9. manufacturer and submitted to the Sub Code Authority of the Division. After
10. approval by the Sub Code Authority such list shall be filed with the Manager
11. of the Division and shall be open for inspection of the manufacturer and to
12. the Class of Trade affected at the proper office of the Division. Copies
13. thereof, or of proper portions thereof shall be furnished by the Division
14. upon application to any manufacturer or member of the trade by the proper
15. office of the Division in the same manner as provided with respect to price lists.
16. After said customers classification list has been compiled addition may be
17. made by any manufacturer only after application in writing on a prescribed
18. form to the Sub Code Authority of the Division. The Sub Code Authority of the
19. Division shall send the name and location of the nominee of the addition
20. requesting the opinion of the manufacturers. Notice of any objection by
21. manufacturers must be filed within fifteen calendar days to the Sub Code
22. Authority of the Division. Failure to object within fifteen days shall be
23. construed as approval of the addition.
24. The approval of any additions shall, after consultation with the manufacturers,

FEDERAL TRADE COMMISSION

Beckel No. 4613 COMMISSION'S Exhibit No. 151-G

IN THE MATTER OF

DATE _____ WITNESS _____

REPORTER

ETHEL E. FISHER & ASSOCIATES, INC.

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Section 2 - Cont'd.

1. be with the Sub Code Authority whose decision shall be final.
2. Upon the twentieth day after nomination of an addition has been made by a
3. manufacturer to the Manager decision shall be rendered by the Sub Code
4. Authority specifying effective date on which the name is added to the list.
5. No listing shall be considered approved until formal notice has been received
6. by the manufacturer from the Sub Code Authority.
7. Deletions from the approved list of classified accounts shall be made by the
8. Sub Code Authority for cause.

SECTION 3 - SHIPMENTS OF ASBESTOS HEAT INSULATING MATERIALS

A. CARLOAD SHIPMENTS

9. 1. All single shipments having a total list value of \$5,000.00
10. or more of Asbestos Corrugated Aircraft and/or
11. Hookbolt Pipe Covering and/or Any other types
12. of pipe coverings, sheets and/or blocks.
13. 2. Mixed Car, All single shipments of \$5,000 list of aircraft
14. and/or wool felt, and/or other types of Asbestos
15. and/or magnesite covering and/or blocks and/or
16. 30,000 pounds of insulating cement and/or 40,000
17. pounds of asbestos paper and/or 30,000 pounds
18. of millboard, or proportional amounts of any of
19. these commodities which total a full carload,
20. constitutes a mixed carload.

The following is an example of a mixed carload of the above description:

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Section 3 - Cont'd.

1. Woolfelt Pipe Covering (List Value \$1250) 25% of C.L.
2. Cellular Pipe Covering (List Value \$1250) 25% " "
3. Magnesia Blocks & Pipe Covering (List Value \$1000) 20% " "
4. 3000 lbs. Insulating Cements 10% " "
5. 3000 " Asbestos Millboard 10% " "
6. 4000 " Asbestos Paper 10% " "
- 100%

7. NOTE: Carload prices on Aircell or Woolfelt apply only where materials are shipped and billed at one time to a single customer.

8. 3. Stop Over Car. A shipment of a full carload as defined above invoiced to one customer but consigned to more than one destination, providing the freight allowed price is based on the schedule for the highest priced zone destination and customer pays all stop over charges.

FEDERAL TRADE COMMISSION
Case No. 4613
THE MATTER OF _____
WITNESS _____
REPORTER _____
ETHEL E. FISHER & ASSOCIATES, INC.

B. LESS CARLOAD SHIPMENTS

16. 1. All single shipments of less than \$5,000 list of Asbestos Corrugated Aircell and/or Woolfelt shipped by rail and/or water.
17. 2. Less carload shipments aggregating \$5,000 list or more shipped in a single box car, but invoiced to two or more buyers.
18. 3. All truck shipments whether picked up by customers owned or hired truck or delivered by manufacturers owned or hired truck are less carload shipments.

19. NOTE: Manufacturers shall not hire trucks from their customers nor rent their own trucks to their customers for the purpose of transporting asbestos heat insulating materials. There shall be no

Section 3 - Cont'd.

allowance of trucking charges where material is picked up at factory or warehouse by customer's truck.

SECTION 4 - CLASSES OF SHIPPING DELIVERY POINTSA. FACTORY POINTS

All points within the corporate limits of any city or town within which is located a factory at which insulating materials as covered by this plan are actively manufactured.

B. METROPOLITAN AREA

Such territory as may be included in an accepted defined area of a metropolis.

C. MANUFACTURER'S WAREHOUSES

All storage places, other than factories, owned or leased by a manufacturer where insulating materials as covered by this plan are carried in stock by the manufacturer for the purpose of better serving the public. Manufacturers shall not lease warehouses from or use warehouses of their customers for storage of said heat insulating materials.

SECTION 5 - PRICES AND METHOD OF HANDLING ORDERSA. UNIT OF SALE

(1) All Corrugated Aircell Pipe Covering and/or Woolfelt Pipe Covering will be quoted, sold and invoiced in units of one lineal foot.

Quotations must be based on furnishing full three foot sections.

When a number of feet representing fractional sections is specified, the next higher number of feet representing full three foot sections shall be used. For example: on inquiry for 100 feet, quote on and furnish 102 feet.

Section 5 - Cont'd.

1.	Differential between 2-ply base & 3" thick rag felt anti sweat 12 Pts. of L.												
	"	"	2	"	"	2	"	"	"	"	16	"	"
	"	"	2	"	"	18	"	"	"	"	24	"	"
	"	"	2	"	"	20	asbestos	"	"	"	17	"	"
	"	"	2	"	"	22	"	"	"	"	21	"	"
	"	"	2	"	"	19	"	"	"	"	29	"	"

2. NOTE: Anti-Sweat coverings are described as those pipe coverings containing
3. in their internal body construction layers of either saturated rag
4. felt or saturated asbestos felt spaced between the layers of dry
5. deadening felt or dry wool felt and/or with both the inner liner and
6. the outer liner of the shell or shells being a layer of either
7. aforementioned saturated felt. Thicknesses of anti-sweat less than
8. 1" thick shall be solid construction. Thicknesses of anti-sweat 1"
9. thick and over must be double shell construction. The use of "anti-
10. sweat" or any similar descriptive term in connection with covering
11. not constructed as above described is an unfair trade practice under
12. this Code.

13. Six ply to the inch discounts: To arrive at a discount for 6 ply per inch

14. type of covering and blocks of any given thickness, proceed as follows:

15. (1) Determine the discount for the corresponding thickness constructed

16. from 1" corrugated for "AA" class of buyer only. (2) Deduct from this

17. discount 30% of the complementary percentage in full points of list.

For example: If standard 4-ply discount is 75% complementary percentage is 25. 30% of 25 is $7\frac{1}{2}$ points. 75% less 7 full points is 68% discount. (3) Using these figures determine the prices for other classes of trade by using the table of differentials on page 15.

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Section 5 - Comptd.

1. Eight ply to the high differential, to arrive at a discount for 8 ply to the
2. high type of covering and blocks figure same as above deducting 45%
3. or the complementary percentage.
4. The following differentials are established between ZONE I and other ZONES
5. Differential between ZONE I and ZONE III

	pts. of list	pts. of list
2 ply Circell	1	1
3	1	1
4	1	1
5	1	1
6	1	1
7	1	1
8	1	1
9	1	1
10	1	1
11	1	1
12	1	1
13	1	1
14	1	1
15	1	1
16	1	1
17	1	1
18	1	1
19	1	1
20	1	1
21	1	1
22	1	1
23	1	1
24	1	1
25	1	1
26	1	1
27	1	1
28	1	1
29	1	1
30	1	1
31	1	1
32	1	1
33	1	1
34	1	1
35	1	1
36	1	1
37	1	1
38	1	1
39	1	1
40	1	1
41	1	1
42	1	1
43	1	1
44	1	1
45	1	1
46	1	1
47	1	1
48	1	1
49	1	1
50	1	1
51	1	1
52	1	1
53	1	1
54	1	1
55	1	1
56	1	1
57	1	1
58	1	1
59	1	1
60	1	1
61	1	1
62	1	1
63	1	1
64	1	1
65	1	1
66	1	1
67	1	1
68	1	1
69	1	1
70	1	1
71	1	1
72	1	1
73	1	1
74	1	1
75	1	1
76	1	1
77	1	1
78	1	1
79	1	1
80	1	1
81	1	1
82	1	1
83	1	1
84	1	1
85	1	1
86	1	1
87	1	1
88	1	1
89	1	1
90	1	1
91	1	1
92	1	1
93	1	1
94	1	1
95	1	1
96	1	1
97	1	1
98	1	1
99	1	1
100	1	1

6. Differential between ZONE I and ZONE III

Differential between ZONE I and ZONE IV

	pts. of list	pts. of list
2 ply Circell	1	1
3	1	1
4	1	1
5	1	1
6	1	1
7	1	1
8	1	1
9	1	1
10	1	1
11	1	1
12	1	1
13	1	1
14	1	1
15	1	1
16	1	1
17	1	1
18	1	1
19	1	1
20	1	1
21	1	1
22	1	1
23	1	1
24	1	1
25	1	1
26	1	1
27	1	1
28	1	1
29	1	1
30	1	1
31	1	1
32	1	1
33	1	1
34	1	1
35	1	1
36	1	1
37	1	1
38	1	1
39	1	1
40	1	1
41	1	1
42	1	1
43	1	1
44	1	1
45	1	1
46	1	1
47	1	1
48	1	1
49	1	1
50	1	1
51	1	1
52	1	1
53	1	1
54	1	1
55	1	1
56	1	1
57	1	1
58	1	1
59	1	1
60	1	1
61	1	1
62	1	1
63	1	1
64	1	1
65	1	1
66	1	1
67	1	1
68	1	1
69	1	1
70	1	1
71	1	1
72	1	1
73	1	1
74	1	1
75	1	1
76	1	1
77	1	1
78	1	1
79	1	1
80	1	1
81	1	1
82	1	1
83	1	1
84	1	1
85	1	1
86	1	1
87	1	1
88	1	1
89	1	1
90	1	1
91	1	1
92	1	1
93	1	1
94	1	1
95	1	1
96	1	1
97	1	1
98	1	1
99	1	1
100	1	1

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Section 5 - Cont'd.

Standard Block List:

LIST PRICES FOR CORRUGATED BOARDS

Thickness	$\frac{1}{8}$ "	$\frac{1}{4}$ "	$\frac{3}{8}$ "	$\frac{1}{2}$ "	$1\frac{1}{4}$ "	$1\frac{1}{2}$ "	$1\frac{3}{4}$ "	2"	$2\frac{1}{2}$ "	3"
Price per ft.	\$0.22	\$0.24	\$0.27	\$0.30	\$0.38	\$0.45	\$0.53	\$0.60	\$0.75	\$0.90

Section 5 - Cont'd.

After determination of the base price for Class "AA" accounts by each manufacturer, differentials for various classes of trade are to be added in accordance with the following table:

Where Class AA Discount is	Deduct from base to get Class A dis't.	Deduct from base to get Class B dis't.	Deduct from base to get Class C dis't.	
85 - 89	1 pts. of list	4 pts. of list	5 pts. of list	
80 - 84	2 " " "	8 " " "	9 " " "	
75 - 79	3 " " "	11 " " "	13 " " "	
70 - 74	4 " " "	14 " " "	16 " " "	
65 - 69	5 " " "	17 " " "	20 " " "	
60 - 64	6 " " "	20 " " "	24 " " "	
55 - 59	7 " " "	23 " " "	28 " " "	
50 - 54	8 " " "	26 " " "	31 " " "	
45 - 49	9 " " "	29 " " "	35 " " "	
40 - 44	10 " " "	32 " " "	39 " " "	
35 - 39	11 " " "	35 " " "	43 " " "	
30 - 34	12 " " "	38 " " "	46 " " "	
25 - 29	13 " " "	41 " " "	50 " " "	
20 - 24	14 " " "	44 " " "	54 " " "	
15 - 19	15 " " "	47 " " "	58 " " "	
10 - 14	16 " " "	50 " " "	61 " " "	
5 - 9	17 " " "	53 " " "	65 " " "	
List - 4	18 " " "	56 " " "	69 " " "	

A differential of 10% may be given on full C.L. rail shipments of aircell and/or woolfelt covering and/or blocks to Class AA, A, B, & C accounts.

Approved Contractors and Distributors may be given the C.L. price on L.C.L. shipments with C.L. freight allowed.

Section 5 - Cont'd.

1. NOTE: Standard size sheets of Aircell Boards or Blocks shall be
2. defined as follows:

3. 1. Aircell Sheets And Blocks - 4 ply 1" thick Standard
4. sizes shall be 6", 12", 18" and 36" wide x 36" long.

5. (a) For other than standard size add 10% to the
6. established price.

7. (b) For making cut-outs and/or holes in flat or curved sheets
8. of any description add 1% per sq. ft of the billing area,
9. to the final net price.

10. 2. Method of figuring price of Aircell Boards.

11. (a) First, secure the area of the piece from the standard area
12. table published by the Sub Code Authority. If dimensions
13. are in fractions of an inch, use next larger number of even
14. inches.

15. (b) Second, Multiply the area derived from the standard area
16. table by the list price for the thickness involved in the
17. table entitled "Standard Block List" in this plan. Drop all
18. but three decimals in the result.

19. (c) Third, Each manufacturers published discount is next applied
20. to get the net price per piece. Drop all but three decimals.

21. Where the board is $\frac{1}{2}$ " or $\frac{3}{4}$ " thick, apply the discount for $\frac{1}{2}$ "
22. corrugation 2 ply aircell. Where material is $\frac{3}{4}$ " or 1" thick,
23. apply the 3 ply or 4 ply $\frac{1}{2}$ " corrugation aircell discount.

24. For all thicknesses 1" thick and over, apply the 4 ply $\frac{1}{2}$ "
25. corrugation discount.

EXTRA BLACK OR GOLD LACQUERED BANDS WHEN FURNISHED WITH COVERING
For each band per section add 1/32 of the list.

See 3 points of the list

SOLID BRASS BANDS

Involved in the regular change in points of list specified.
NOTE: In all cases where waterproof jackets are supplied, cut to size
special canvas jackets are furnished.

NOTE: No allowance will be made for the omission of standard weight
cans, bands or other accessories when water proof jackets or

cut to size at the factory or fastened to the covering
add 8 points of the list.

WATERPROOF (FOOTING) JACKETS

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
---	---	---	---	---	---	---	---	---	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	-----

point of list for 4 oz. canvas

SPECIAL CANVAS

Involved and same classification specified.
added to the base price (deduct from discount) for the quantity
shown in the following schedule, such indicated difference to be
materials for any special types of jackets, bands, etc., at
3. Difference shall be added to the base prices or insulating
charges mentioned above.

per square foot to the final net price in addition to the
length, to obtain the area of the sheet and add one cent
allowance of the insulation, multiplied by the greatest
for cylinders or curved sheets of all-glass board use the outside

Section 5 - Cont'd.

Section 5 - Cont'd.

1. 4. All pipe coverings shall be furnished in crates, cartons,
2. bundles or loose. No allowance will be made for the
3. omission of crates, cartons, canvas or bands.
4. NOTE: All pipe coverings shall be furnished with Gold Lacquered and/or
5. Black Japanned bands on the basis of not more than 3 bands per section.
6. NOTE: Sales may be made by a manufacturer to his own employees at the low-
7. est trade classification price, provided material is for employees'
8. exclusive use and employee signs a statement to that effect.

TAXES

9. All current Federal Sales, excise processing or any other direct taxes upon the
10. manufacturer or upon the sale of materials covered by those plans shall be added
11. to prices contained in these Merchandising Plans.

D. SHIPMENTS - IMMEDIATE AND FUTURE

12. All quotations are subject to acceptance within 15 days of date of
13. quotation. All orders from all classes of buyers if taken at firm
14. prices shall be subject to shipment within 30 days of date of order,
15. and such orders shall be complete with respect to specifications, prices,
16. date of shipments, terms and the like. If not complete, they shall be
17. considered as deferred for future shipment. All orders for future
18. shipment shall be subject to prices, terms and conditions, as specified
19. for Contracts (See Section J.) under this plan, and shall be taken
20. and/or acknowledged subject to such conditions.

E. PRICE ADVANCE

21. All prices shall be subject to change at any time in the event of
22. price advance. No new business will be quoted or sold at old prices
23. and protection may be extended as follows:

Section 5 - Cont'd.

(a) Applied Contract Sales

1. Insulation Contractors & Mechanical Contractors will be
2. protected at price in effect prior to advance on all
3. contracts existing at time of advance, provided a list
4. of such contracts is filed with the manufacturer within
5. 15 days of price advance. This list must show contractor's
6. name, name of job and quantities and sizes required to
7. execute each job.

8. 2. Insulation Contractors & Mechanical Contractors may be
9. allowed 30 days to close outstanding quotations. A list
10. of proposals made by such contractor, outlining quantities
11. and sizes required, must be filed with the manufacturer
12. within 15 days of price advance. All such contract propo-
13. sals actually closed must be reported with name and location
14. of job, quantity and sizes of materials, name of contractor,
15. to the manufacturer within 45 days of price advance. The
16. manufacturer must report all such protections to the manager
17. of the division within 50 days of price advance.

18. 3. Jobbers may be protected as above for definite individual commitments
19. involving full car loads or more by placing their orders with the manu-
20. facturer within 15 days after making such commitment. Such orders must
21. specify the amount of material involved and the name and address of the
22. job. Duplication of such protections will in no case be permitted. All
23. commitments must be filed at the office of the division within ten days
24. of receipt.

(b) Material Sales Only.

25. In the event of a price advance, any Class of buyer will be privileged to

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SCHEDULE IV - B

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Section 5 - Cont'd.

1. Place an order with any manufacturer or his distributor for his requirements of Asbestos and Woolfelt Insulating Materials in an amount not exceeding his average monthly purchases from that manufacturer during the preceding 12 months or, and until overhauled, from one manufacturer.
2. Provided such order is placed with the manufacturer within 15 days of the date of price advance. Shipment applying to such orders and to return shipment orders must be completed not later than thirty days from the date of price advance. Sundays and holidays included to secure the benefit of price in effect prior to price advance.
3. PRICE DECLINE

4. In the event of a price decline the buyer will not be granted a return on any Asbestos Heat Insulating Materials in his stock. Shipments arriving from a factory or manufacturer at warehouse and having been accepted by Railroad, Steamship Company or other type of carrier shall be considered in the stock of the buyer.

5. (a) Unfilled orders on hand at time of price decline may be filled at the lower prices.

6. OUTSIDE WAREHOUSE PRICES

6. All shipments of Asbestos Covered Asbestos and/or Woolfelt Pipe covering from manufacturer's warehouse, located at other than factory points, shall be invoiced full freight allowed if desired at not less than the established LESS CARLOAD prices for the ultimate zone destination to which shipment is being made. (See restriction under Freight Allowance.)
7. NONE; No shipments, at manufacturer's carload prices or Covered Asbestos and/or Woolfelt Pipe covering, shall be made from manufacturer's outside warehouse point.

Section 5 - Cont'd.

H. TERMS OF PAYMENT

1. Railroad and locomotive builders net 30 days.
2. United States Government - maximum terms 2% 10 days, net 30 days from
3. date of receipt of goods. State, Municipal and other governments, 2%
4. 10 days, net 30 days.
5. All other classes of trade, 2% 10 days, net 30 days, up to but not ex-
6. ceeding 2% 20th proximo, net 30th proximo. Under no circumstances may
7. cash discounts be used as a trade discount.

I. DATING

8. Manufacturers shall not grant future invoice datings on any shipments of
9. Insulating Materials, as covered by this plan.

J. CONTRACTS

10. Rehandler contracts, all of which must be subject to price change at any
11. time, may be offered Approved Contractors, Distributors, Independent Con-
12. tractors and Jobbers at any time during the year and may be of a continu-
13. ing type of agreement. Such contracts must provide, in the event of a
14. price advance, for placing protection orders within 15 days of price ad-
15. vance for shipment within 30 days of price advance. Protection orders
16. must not exceed a total of one full carload or one-twelfth of the previous
17. year's purchase of the materials covered by this plan. The contract must
18. provide not longer than a sixty day cancellation clause on written notice.
19. All such contracts must include the requirements of Article 8, Section 5,
20. of the Asbestos Code.
21. Contracts may be offered to any other class of trade between Nov.
22. 15th and January 31st, subject to price change at any time. In the event
23. of a price advance, orders may be accepted within 30 days of price advance,
24. for shipment within 60 days of price advance. All contracts must terminate
25. on and shipments must be made by December 31st of the year for which they

Section 5 - Cont'd.

1. are operative.

SECTION 6 - CONSIGNMENT STOCKS

2. A. Consigned stocks are not permitted under any condition.

SECTION 7 - SUB-STANDARD MATERIALS

3. A. Sub-standard or second quality materials must not be offered at prices
4. below normal selling schedule of the manufacturer.

SECTION 8 - SPECIAL TYPES OF PIPE COVERINGS

5. All types of Insulating Materials manufactured from asbestos paper or rag
6. felt paper and not covered by any other merchandising plan developed
7. under the Asbestos Code, and sold principally for use on cold water, hot
8. water or heating system pipes carrying not over 100 lbs. steam pressure
9. shall be subject to all the provisions of this merchandising plan.

SECTION 9 - FREIGHT ALLOWANCE

10. A. The allowance for freight that may be made on all shipments of Asbestos
11. Corrugated Aircell and/or Woolfelt Pipe Covering, via rail and/or water,
12. shall be only to the point where the goods are actually unloaded.

13. B. No freight allowance will be made on any shipments picked up by the
14. buyer's own or buyer's hired truck from factory or warehouse.

15. C. When a shipment of heat insulating materials is delivered by manufacturer's
16. owned or manufacturer's hired truck from factories or warehouses no trans-
17. portation charge need be made but charges must, in all cases, be paid by
18. by the manufacturer.

19. D. Freight allowed zones shall be defined as follows:

ZONE 1

Delaware
District of Columbia
Maine
Maryland
Massachusetts
New Jersey

New York
Pennsylvania
Rhode Island
Vermont
Virginia
West Virginia
New Hampshire

ZONE 2.

Alabama
Florida
Georgia
Mississippi

North Carolina
South Carolina
Tennessee

Nebraska (Omaha only)
Ohio
Wisconsin

ZONE 3

Illinois
Indiana
Iowa
Kentucky

Michigan
Minnesota (Ramsey & Hennepin Counties only)
Missouri (a)

ZONE 4

Arkansas
Kansas
Louisiana
Missouri (d)
Nebraska (c)
North Dakota
Oklahoma
Minnesota (except Ramsey
& Hennepin Counties)
South Dakota
Texas (b)

Colorado... following Counties only:

Crowley	Jackson	Larimer	Logan
Pueblo	Sedgewick	Phillips	
Custer	Tioga	Washington	
Costilla	Morgan	Boulder	
Huerfano	Grand	Summit	
Otter	Clear Creek	Gilpin	
Las Animas	Jefferson	Adams	
Beca	Denver	Wapahoe	
Prowers	Kit Carson	Lincoln	
Bent	Elbert	El Paso	
Weld	Cheyenne	Kiowa	

Wyoming... following Counties only:

Shoshone	Laramie	Platte	Goshute
Johnson	Campbell	Crook	
Converse	Hoton	Siobara	
Albany	Natrona	Carson	

- (a) That part of Missouri which is within ten miles of the Mississippi River.
(b) Except El Paso District which is in Zone 5 (Western Schedule)
(c) Except Omaha, which is in Zone 3.
(d) Except that portion which is within 10 miles of the Mississippi River which falls in Zone 3.

SECTION 10 - UNFAIR TRADE PRACTICES

1. A. Interference with contractual relations, maliciously inducing or attempting to induce a breach of an existing contract between a competitor and his customer, is forbidden under this Merchandising Plan.
- 2.
- 3.
4. B. The offering of alternates on bids to Federal, State, County, or Municipal Governments is an unfair trade practice unless alternate is requested in writing in the invitation for bids.
- 5.
- 6.