

**DIGEST OF REPLIES IN RESPONSE TO AN
INQUIRY OF THE FEDERAL TRADE
COMMISSION RELATIVE TO THE
PRACTICE OF GIVING GUARANTEE
AGAINST PRICE DECLINE: MAY 27, 1920**

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Digest of Replies in Response to an Inquiry of the Federal Trade Commission Relative to the Practice of Giving Guarantee Against Price Decline: May 27, 1920 by Federal Trade Commission

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FEDERAL TRADE COMMISSION

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APR 29 1921

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DIGEST OF REPLIES

IN RESPONSE TO AN INQUIRY OF THE
FEDERAL TRADE COMMISSION

RELATIVE TO THE PRACTICE OF
GIVING GUARANTEE AGAINST
PRICE DECLINE

MAY 27, 1920



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VICTOR MURDOCK, *Chairman.*
HUSTON THOMPSON.
WILLIAM B. COLVER.
NELSON B. GASKILL.
JOHN GARLAND POLLARD.
J. P. YODER, *Secretary*

GIFT

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QUESTIONNAIRE.

The following is copy of circular letter sent out by the Federal Trade Commission on December 26, 1919, to those interested in the subject of guarantee against price decline:

GENTLEMEN: The question of guarantee against decline in price has been the subject of so many complaints before the commission and opinion seems to be so diverse that the commission has determined to go into the whole matter thoroughly.

As a basis for the necessary expenditures attending upon such an inquiry such formal complaints have been issued presenting various phases of the subject. To the end that every party at interest may be fully represented the commission is inviting generally producers, manufacturers, merchants (wholesale and retail), and consumers to declare their interest, so that the commission may know what parties should be represented.

The commission is asking you therefore to communicate as speedily and as widely as possible with your membership, advising them of the invitation and to notify the commission of the nature of their interest in the subject, if any.

As soon as this list of the parties at interest in the matter can be compiled it is the purpose of the commission to invite each or any of them to submit his observations in writing. This follows the custom of the commission in numerous other similar cases.

A reasonable time limit for the filing of written statements will be given, after which they will be assembled and as far as possible classified and each correspondent will be furnished with a copy of the whole document.

As soon thereafter as is possible it is the purpose of the commission to call a general hearing at Washington, at which parties at interest may be present in person, by representative, or by counsel, and an orderly method for hearing the matter will be laid out.

As in everything where the public interest is involved, the utmost expedition consistent with care and full opportunity for the presentation of all sides is to be desired.

Letters similar to this are being sent to various associations and concerns, but the commission feels that its present list by no means includes all those whose interests may be touched by a final determination of the question.

May we ask you therefore to give the widest possible currency to this invitation?

By direction of the commission.

Very truly, yours,

VICTOR MURDOCK, *Chairman.*

REPLIES FAVORING GUARANTEE AGAINST PRICE DECLINE.

AGRICULTURAL IMPLEMENTS.

American Seeding Machine Co., Springfield, Ohio.

Manufacturers.

We favor continuation of principle, conditions of guarantee to be such as to safeguard interests of buyer and seller. In most cases safeguards interests of buyer and encourages freer purchases.

The Appleton Manufacturing Co., Batavia, Ill.

Manufacturers.

At present time feel quite desirable. Encourages dealers to carry normal stock and enables shipments in advance of time needed. Saves delays in transit and allows manufacturer to ship goods early.

D. F. Avery & Sons Co., Louisville, Ky.

Manufacturers.

Much in favor of this custom as believe principle, as applied to undelivered portion of contracts, such as steel bars, steel plates, etc., has tendency to insure regular and continuous factory operation and gives manufacturer opportunity to buy on less fluctuating market. However, such guarantee should be permissive and not mandatory.

A. D. Baker Co., Swanton, Ohio.

Manufacturers.

Favor continuance of this principle, but as applying only to undelivered portion of contracts covering steel plates, bars, lumber, etc. Practice regarded as beneficial to business in general.

Beeman Tractor Co., Minneapolis, Minn.

Manufacturers.

Favors continuance of guarantee and expresses belief that it is a much-needed safeguard in business, especially in times like this, and works no hardship at any stage of the business.

Case Plow Works Co., Racine, Wis.

Manufacturers.

Tends to stabilize business and creates confidence. Jobbers able to anticipate needs in advance, giving manufacturer more accurate knowledge as to his own needs. Is accorded this privilege in its business and extends same to customers.

Challoner Co., Oshkosh, Wis.

Manufacturers.

Manufactures horseshoes, chains for motor trucks, etc., and finds it necessary to give guarantee in order to encourage jobbers to order sufficiently in advance to permit of best factory operation and proper distribution of shipments. Does not believe business could be conducted on any other basis.