

## Complaint

## IN THE MATTER OF

THE RUBBER MANUFACTURERS ASSOCIATION, INC.,  
ET AL.CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE  
FEDERAL TRADE COMMISSION ACT*Docket 7505. Complaint, June 2, 1959—Decision, Jan. 6, 1962*

Consent order requiring two trade associations and 15 manufacturers, accounting for substantially all the domestic production of rubber tires and tubes and with annual sales approximating two billion dollars, to cease engaging in a price-fixing conspiracy in the course of which they agreed upon and maintained a single zone delivered price system for tires and tubes—with the "Big Four" quoting identical prices to all customers of a class throughout the United States, and the others quoting prices lower by agreed-upon differentials—and engaged in other contributing illegal practices as in the order below indicated.

## COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act, and by virtue of the authority vested in it by said Act, the Federal Trade Commission having reason to believe that the party respondents named in the caption hereof, and hereinafter more particularly designated and described, have violated and are now violating Section 5 of the Federal Trade Commission Act (U.S.C., Title 15, Sec. 45), and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, the Commission hereby issues its complaint, stating its charges as follows:

PARAGRAPH 1. Respondent The Rubber Manufacturers Association, Inc., hereinafter referred to as respondent RMA, is an incorporated trade association organized and existing under and by virtue of the laws of the State of Connecticut, with its principal office located at 444 Madison Avenue, New York, N.Y. Said trade association was originally organized in 1900. After undergoing changes in name and organizational structure, it was incorporated under the laws of the State of Connecticut in 1915, under the name "The Rubber Club of America", which name was changed to "The Rubber Association of America, Inc." in 1917, and to its present corporate title in 1929.

Respondent The Tire and Rim Association, Inc., hereinafter referred to as respondent TRA, is an incorporated trade association organized and existing under and by virtue of the laws of the State of Ohio, with its principal office located at 2001 First National Tower, Akron, Ohio. Said trade association was originally organized in 1903

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under a different name. After undergoing several changes in name and organizational structure, it was incorporated under its present corporate title in 1933.

Respondent The Goodyear Tire and Rubber Company, hereinafter referred to as respondent Goodyear, is a corporation organized, existing and doing business under and by virtue of the laws of the State of Ohio, with its principal office and place of business located at 1144 East Market Street, Akron, Ohio.

Respondent The Firestone Tire and Rubber Company, hereinafter referred to as respondent Firestone, is a corporation organized, existing and doing business under and by virtue of the laws of the State of Ohio, with its principal office and place of business located at 1200 Firestone Parkway, Akron, Ohio.

Respondent United States Rubber Company, hereinafter referred to as respondent U.S., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New Jersey, with its principal office and place of business located at 1230 Avenue of the Americas, New York, N.Y.

Respondent The B. F. Goodrich Company, hereinafter referred to as respondent B. F. Goodrich, is a corporation organized, existing and doing business under and by virtue of the laws of the State of Ohio, with its principal office and place of business located at 500 South Main Street, Akron, Ohio.

Respondent The General Tire and Rubber Company, hereinafter referred to as respondent General, is a corporation organized, existing and doing business under and by virtue of the laws of the State of Ohio, with its principal office and place of business located at 1708 Englewood Avenue, Akron, Ohio.

Respondent The Armstrong Rubber Company is a corporation organized, existing and doing business under and by virtue of the laws of the State of Connecticut, with its principal office and place of business located at 475 Elm Street, West Haven, Conn. Said respondent was incorporated in 1940 as successor in interest to Armstrong Rubber Company, Inc., incorporated under the laws of the State of New Jersey in 1916.

Respondent Cooper Tire and Rubber Company is a corporation organized, existing and doing business under and by virtue of the laws of the State of Delaware, with its principal office and place of business located at Lima and Western Avenues, Findlay, Ohio.

Respondent The Dayton Rubber Company is a corporation organized, existing and doing business under and by virtue of the laws of

the State of Ohio, with its principal office and place of business located at 2342 Riverview Avenue, Dayton, Ohio.

Respondent Dunlop Tire and Rubber Corporation is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York, with its principal office and place of business located at River Road and Sheridan Drive, Buffalo, N.Y.

Respondent The Gates Rubber Company is a corporation organized, existing and doing business under and by virtue of the laws of the State of Colorado, with its principal office and place of business located at 999 South Broadway, Denver, Colo.

Respondent Lee Rubber and Tire Corporation is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York, with its principal office and place of business located at Conshohocken, Pa.

Respondent The Mansfield Tire and Rubber Company is a corporation organized, existing and doing business under and by virtue of the laws of the State of Ohio, with its principal office and place of business located at 515 Newman Street, Mansfield, Ohio.

Respondent McCreary Tire and Rubber Company is a corporation organized, existing and doing business under and by virtue of the laws of the State of Pennsylvania, with its principal office and place of business located at Indiana, Pa.

Respondent The Mohawk Rubber Corporation is a corporation organized, existing and doing business under and by virtue of the laws of the State of Ohio, with its principal office and place of business located at 1325 Second Avenue, East Akron, Ohio.

Respondent Seiberling Rubber Company is a corporation organized, existing and doing business under and by virtue of the laws of the State of Delaware, with its principal office and place of business located at 345 15th Street, Northwest, Barberton, Ohio.

All of the respondents named herein, other than respondents RMA and TRA, are collectively referred to hereinafter as "respondent manufacturers". Each of said respondent manufacturers is a member or contributing nonmember, of respondents RMA and TRA, and has for a number of years, through such membership and otherwise, directly or indirectly, participated in the cooperative and collective action of all of those named herein as respondents in formulating, engaging in and making effective the methods, systems, acts, practices and policies which are alleged herein to be unlawful.

PAR. 2. Respondent manufacturers, either directly or indirectly through subsidiary or affiliated corporations or operating divisions, are engaged in the manufacture, sale and distribution of a great

variety of rubber and associated products, including tires and inner tubes and items related thereto, hereinafter referred to as "tires and tubes", for use on automobiles, trucks, buses, tractors and other vehicles.

PAR. 3. Respondent RMA is a trade association whose membership is composed of manufacturers of tires and tubes and various other types of rubber products. Said respondent has been and now is engaged, through divisions, committees and other operating units, in a wide range of activities of mutual interest to its members, including standardization and simplification programs and the formulation and promotion of uniform accounting practices in the rubber industry. Respondent TRA is a trade association whose membership is composed of manufacturers of tires and tubes, rims, wheels, and their component parts. Said respondent "is the technical standardizing body of the tire and rim manufacturers of the United States", and has been and now is principally engaged, through committees and other operating units, in the formulation and adoption of standardization and simplification programs for the mutual interests of its members. Respondent manufacturers are among the principal members of respondents RMA and TRA (except respondent The Gates Rubber Company, which is a contributing nonmember of respondent RMA) and actively participate in the management, operations, policies, discussions, meetings and programs thereof.

PAR. 4. Total sales of tires and tubes by domestic manufacturers thereof approximate two billion dollars annually, substantially all of which is accounted for by respondent manufacturers. To the extent that said respondent manufacturers act collectively or cooperatively in the pricing of tires and tubes, they are in a position to dominate and control the prices at which said products are sold by them to purchasers in the original equipment and replacement markets. The latter includes independent dealers and distributors, federal, state and local government agencies and departments, and other classes of customers.

PAR. 5. The leading manufacturers of tires and tubes in the United States are respondents Goodyear, Firestone, U.S., and B. F. Goodrich. Said respondents collectively have been referred to in the industry for many years as the "Big Four", and are hereinafter so designated. The next leading manufacturer of said products for many years has been, and now is, respondent General. The Big Four and respondent General collectively have been referred to in the industry for many years as the "majors", and are hereinafter so designated. All other respondent manufacturers collectively have been, and now are, re-

ferred to in the industry as the "minors", and are hereinafter so designated.

PAR. 6. Respondent manufacturers produce tires and tubes in factories located in various parts of the United States, with many of said respondents having factories in more than one locality, from which points such products are transported, when sold or consigned, either directly or through numerous field warehouses or the company-owned stores of certain of said respondents, to their respective customers located throughout the United States. Among such customers are thousands of independent tire dealers or distributors who purchase tires and tubes from respondent manufacturers for resale at the wholesale level to automobile dealers, service stations, garages, fleet operators, and others, as well as for resale at the retail level. Respondent manufacturers also solicit business at the wholesale level from automobile dealers, service stations, garages, fleet operators, and others, and certain of said respondents have numerous stores located throughout the United States which resell tires and tubes at the wholesale level to the foregoing classes of customers, as well as at the retail level. Other important customer classes include the manufacturers of motor and other vehicles, who purchase tires and tubes primarily for use as original equipment on said vehicles; and federal, state and local governments, many of whom purchase tires and tubes on a sealed bid basis. The "majors" are the leading suppliers of tires and tubes to the original equipment market, although all respondent manufacturers solicit the business of, and sell tires and tubes to, purchasers in said market.

PAR. 7. Respondent manufacturers maintain, and at all times mentioned herein have maintained either directly or indirectly through subsidiary or affiliated corporations or operating divisions, a substantial and continuous course of trade in tires and tubes in commerce, as "commerce" is defined in the Federal Trade Commission Act, between and among the various states of the United States and the District of Columbia. Respondents RMA and TRA have been and now are engaged in aiding respondent manufacturers in carrying out the unlawful methods, acts and practices as alleged herein, which directly and substantially have affected and now affect competition between and among said respondent manufacturers.

PAR. 8. Respondent manufacturers have been and now are in competition with each other, and with others, in the manufacture, sale and distribution of tires and tubes to purchasers thereof, except insofar as actual and potential competition has been hindered, lessened.

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restricted, restrained, suppressed or eliminated by the unlawful and unfair methods, acts and practices hereinafter alleged.

PAR. 9. Respondent manufacturers, either directly or indirectly through subsidiary or affiliated corporations or operating divisions, acting between and among themselves and through and by means of respondents RMA and TRA, for many years last past and continuing to the present time, have maintained and now maintain and have in effect an understanding, agreement, combination and conspiracy to pursue, and they have pursued, a planned common course of action between and among themselves to adopt and adhere to certain practices and policies to hinder, lessen, restrict, restrain, suppress and eliminate competition in the manufacture, sale and distribution of tires and tubes in the course of the aforesaid commerce.

PAR. 10. Pursuant to and in furtherance of said understanding, agreement, combination, conspiracy and planned common course of action, respondent manufacturers, either directly or indirectly through subsidiary or affiliated corporations or operating divisions, acting between and among themselves and through and by means of respondents RMA and TRA, for many years last past and continuing to the present time, have engaged in and carried out by various methods and means the following acts, practices, methods, systems and policies, among others:

(1) Agreed to adopt, and have adopted, maintained and made effective, a system of delivered price quotations for tires and tubes, designed to prevent, and which does prevent, reflection in such quotations of any differences in cost of raw materials, factory overhead, depreciation or other items, as between respondent manufacturers, or any differences in the cost of delivery between the respective places of manufacture, or other shipping points, of said respondents to the respective locations of the purchasers or prospective purchasers of tires and tubes. Said system also prevents any advantage to many of said purchasers in delivered cost which would otherwise result because of their proximity to the places of production or shipping point, thereby discriminating against such purchasers.

(2) Agreed to adopt, and have adopted, maintained and made effective, a single zone delivered price system for tires and tubes whereby price offers made by all respondent manufacturers to all purchasers of a class throughout the United States, regardless of location and any differences in freight rates from shipping point to destination, are identically or substantially matched, except to the extent that by prearrangement and understanding the price offers made by respondent General and by each of respondent "minors" are permitted to be made

and maintained at recognized differentials below the identically or substantially matched offers of the "Big Four" respondents.

(3) For many years prior to about November 1955, respondent manufacturers of industrial solid tires adopted, maintained and made effective a system whereby the United States was divided into two zones, designated by certain of said respondents as East and West zones, which operated in the same manner and with the same effect within each zone, with a price differential between zones, as the single zone delivered price system set forth in subparagraph (2) above. Since about November 1955, industrial solid tires have been offered for sale and have been sold by said respondent manufacturers in the same manner and with the same effect as all other tires and tubes, as set forth in subparagraph (2) above.

(4) Beginning about 1923, respondent manufacturers, with the active participation and cooperation of respondent RMA, prepared and made effective a uniform system of accounting for the tire and tube industry. Said accounting system has been continually used, as revised from time to time, by respondent manufacturers since its inception. In or about 1933, a "Cost Accounting Formula for the Calculation of Rubber Product Costs for Establishment of Selling Prices", hereinafter referred to as "Cost Formula", was included in said system "as a vitally essential and integral part of the uniform cost accounting plan". Said "Cost Formula" was adopted and has been continued in effect since its inception by respondent manufacturers by agreement, understanding and concerted action between and among themselves for utilization, together with other price-fixing formulae, in calculating, fixing, establishing and maintaining identical or substantially identical delivered price quotations in the sale of tires and tubes, except to the extent that agreed upon recognized price differentials are permitted for respondent General and respondent "minors", as described in subparagraph (2) above.

(5) In furtherance of their utilization of the "Cost Formula" in the manner and for the purposes described in subparagraph (4) above, and since the inception thereof, respondent manufacturers have submitted confidential accounting data to respondent RMA for the determination by the latter of arbitrary and artificial pricing factors which it has disseminated to them and which have been and now are used by said respondent manufacturers in the establishment of selling prices for tires and tubes.

(6) Agreed to fix, adopt and maintain, and have fixed, adopted, maintained, and made effective, identical or substantially uniform customer classifications, list prices, trade discounts, promotional dis-

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counts, carload and truckload discounts, cumulative annual volume bonuses and allowances, transportation terms, other terms and conditions of sale, and all other factors affecting the selling prices of tires and tubes, all for the purpose and with the effect of either identically or substantially matching delivered price quotations, except to the extent that agreed upon recognized price differentials are permitted for respondent General and respondent "minors", as described in subparagraph (2) above.

(7) Agreed to adopt, and have adopted, maintained and continued in effect, at times through and by means of respondent RMA, uniform or substantially similar policies and terms of sale and delivery with respect to Spring (and Winter) Dating Plans, whereby tires and tubes are delivered to purchasers thereof during specified periods on a deferred payment basis.

(8) Respondent "majors" agreed to adopt, and have adopted, maintained and made effective, uniform policies and practices for special sales promotions of tires and tubes, including the types and sizes of said products featured during such promotions, the applicable terms and conditions of sale and delivery, and the identical or substantially similar prices at which such tires and tubes are sold at retail by said respondent "majors" through their company-owned stores and other outlets. For example, such special sales promotions are conducted during certain National Holiday periods, generally at or about Decoration Day (May), July Fourth, and Labor Day (September).

(9) Agreed to fix and maintain, and have fixed, maintained and made effective, price-fixing formulae for calculating, determining and establishing identical or substantially similar prices for tires and tubes at which sales or offers of sale, by sealed bid or otherwise, have been and now are made or submitted by respondent manufacturers to federal and state, and certain county, city and other local, governmental agencies and departments, and to original equipment manufacturers, except to the extent that agreed upon recognized price differentials are permitted for respondent General and respondent "minors", as described in subparagraph (2) above.

(10) Respondent "majors" agreed to adopt, and have adopted, maintained and continued in effect, a system, method or plan for policing, controlling and enforcing adherence to identical or substantially similar prices, as set forth in Net State Price Lists, on sales, or offers of sale, by sealed bid or otherwise, of tires and tubes by said respondents, and their respective company-owned stores and independent dealers, to state, and certain county, city and other local, governmental agencies and departments.

(11) Agreed to adopt, and have adopted, maintained and continued in effect, a price leadership plan whereby one of the "Big Four" respondents generally leads in the announcement of tire and tube list price increases and decreases, as well as in the announcement of changes in all other factors or policies which affect the selling prices of said products, such as, but not limited to, discounts, bonuses and allowances, terms and conditions of sale and delivery, customer classifications, and Spring (and Winter) Dating Plans. Thereafter, respondent General and respondent "minors", by agreement, follow in the adoption and announcement of either identical or substantially similar prices or pricing factors or policies, except to the extent that agreed upon recognized price differentials are permitted for said respondents, as described in subparagraph (2) above.

(12) Respondent manufacturers have communicated between and among themselves and filed and exchanged with each other, through correspondence, telegraph, telephone and otherwise, confidential and other information concerning past, current and future prices and price quotations, terms and conditions of sale and delivery which have been and now are, or are to be, quoted and charged by said respondents to purchasers or prospective purchasers of tires and tubes. Through and by means of such acts, practices and methods, all respondent manufacturers keep informed and have a common understanding of the prices and pricing factors and policies expected to be, and which have been, used by each of them in the sale, or offering for sale, of tires and tubes.

(13) Respondent manufacturers, with the active cooperation and assistance, through meetings and otherwise, of respondent RMA and respondent TRA, have planned, adopted and made effective, simplification and standardization programs and policies for the purpose and with the effect of fixing, establishing and maintaining identical or substantially similar prices and price quotations, terms and conditions of sale and delivery and other factors affecting prices at which tires and tubes and related products, such as, but not limited to, valves for tubeless tires, are sold or offered for sale by respondent manufacturers, except insofar as agreed upon recognized price differentials are permitted for respondent General and respondent "minors", as described in subparagraph (2) above.

(14) Respondent manufacturers have held and continue to hold meetings from time to time under the auspices and supervision of respondent RMA and of respondent TRA, during the course of which, and at other times, said trade associations have cooperated with and assisted, and continue to cooperate with and assist, said respondent

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manufacturers in furthering and carrying out the unlawful acts, practices and methods set forth herein.

PAR. 11. The inherent and necessary effects of the adoption and maintenance by respondent manufacturers of the zone delivered price systems of pricing and other acts, practices and methods set forth in paragraph 10 herein include the following, among others:

(1) The elimination of price competition between and among respondent manufacturers in the sale of tires and tubes;

(2) A substantial lessening of competition between and among respondent manufacturers in all parts of the United States by virtue of each of them voluntarily and reciprocally surrendering and cancelling the inherent advantage it has over other respondent manufacturers within the market area nearer freight-wise to its factory or factories than to a factory of another respondent manufacturer in consideration of a similar surrender and cancellation by each of said other respondent manufacturers;

(3) The fixing and using of certain arbitrary or average costs in determining selling prices of tires and tubes rather than any respondent manufacturer using its own such costs;

(4) The maintenance of monopolistic unfair and oppressive discrimination against purchasers of tires and tubes in large areas of the United States by depriving such purchasers of the advantage in cost otherwise accruing to them by reason of their proximity to the factories of respondent manufacturers, and by compelling such purchasers to pay portions of the cost of transportation of such products to other purchasers more distantly located from the respective factories of said respondents, all in the accomplishment of said respondents' unlawful purpose to destroy price competition in the sale of tires and tubes in commerce and to create for said respondents a monopoly therein and thereof.

PAR. 12. The combination and conspiracy and the acts, practices, methods, policies, agreements and understandings of the respondents as hereinbefore alleged, all and singularly, are unfair and to the prejudice of the public; deprive the public of the benefits of competition in the sale of tires and tubes; prevent price competition among respondent manufacturers in the sale of said products; deprive purchasers of said products of the benefits of competition in price; are discriminatory against some buyers and users of said products; maintain artificial and monopolistic methods and prices in the sale and distribution of said products; have a dangerous tendency and capacity to hinder, frustrate, suppress and eliminate, and have actually hindered, frustrated, suppressed and eliminated, competition in the

sale of tires and tubes in commerce; have a dangerous tendency and capacity to restrain unreasonably, and have restrained unreasonably, commerce in said products; have a dangerous tendency and capacity to create in respondent manufacturers a monopoly in the sale and distribution of such products; and constitute unfair methods of competition and unfair acts and practices in commerce within the intent and meaning of Section 5 of the Federal Trade Commission Act.

*Mr. James S. Kelaher, Sr.*, and *Mr. James P. Timony* supporting the complaint.

*Alexander & Green*, New York, N.Y., by *Mr. Edward E. Rigney* for respondent The Rubber Manufacturers Association, Inc.

*Wise, Roetzel, Mawon, Kelly & Andress*, Akron, O., by *Mr. John M. Ulman* for respondent The Tire and Rim Association, Inc.

*Cahill, Gordon, Reindel & Ohl*, New York, N.Y., by *Mathias F. Correa*, for respondent The Goodyear Tire & Rubber Company.

*Gravelle, Whitlock, Markey & Tait*, Washington, D.C., by *Mr. Thomas S. Markey* for respondent The Firestone Tire and Rubber Company.

*Arthur, Dry & Dole*, New York, N.Y., by *Mr. Myron Kalish*, for respondent United States Rubber Company.

*White & Case*, New York, N.Y., by *Mr. Edgar Barton* for respondent The B. F. Goodrich Company.

*Sullivan & Cromwell*, New York, N.Y., by *Mr. William E. Willis*, and *Mr. Frank W. Knowlton* and *Mr. John J. Dalton*, Akron, O., for respondent The General Tire & Rubber Company.

*Thompson, Weir & Barclay*, New Haven, Conn., by *Mr. John W. Barclay* for respondent The Armstrong Rubber Company.

*Marshall, Melhorn, Bloch & Belt*, Toledo, O., by *Mr. W. A. Belt*, for respondent Cooper Tire & Rubber Company.

*Pickrel, Schaeffer & Ebeling*, Dayton, O., by *Mr. James E. Corkey* and *Mr. William G. Pickrel*, and *Gravelle, Whitlock, Markey & Tait*, Washington, D.C., by *Mr. Thomas S. Markey* for respondent Dayco Corporation.

*Phillips, Mahoney, Lytle, Yorkey & Letchworth*, Buffalo, N.Y., by *Mr. Robert M. Hitchcock* for respondent Dunlop Tire and Rubber Corporation.

*Mr. Dayton Denious*, Denver, Colo., for respondent The Gates Rubber Company.

*Satterlee, Browne, Cherbonnier & Dickerson*, New York, N.Y., by *Mr. Paul Van Anda* for respondent Lee Rubber and Tire Corporation.

*Baker, Hostetler & Patterson*, Cleveland, O., by *Mr. Ezra K. Bryan* for respondent The Mansfield Tire and Rubber Company.

*Reed, Smith, Shaw & McClay*, Pittsburgh, Pa., by *Mr. Edmund K. Trent* for respondent McCreary Tire and Rubber Company.

*Brouse, McDowell, May, Bierce & Wortman*, Akron, O., by *Mr. C. Blake McDowell, Jr.*, for respondent The Mohawk Rubber Company.

*Buckingham, Doolittle & Burroughs*, Akron, O., by *Mr. Richard A. Chenoweth*, for respondent Seiberling Rubber Company.

INITIAL DECISION BY EDWARD CREEL, HEARING EXAMINER

The Federal Trade Commission issued its complaint against the respondents in this proceeding, charging that fifteen tire and tube manufacturers, accounting for substantially all of the industry's domestic production, and two trade associations had conspired to fix prices on tires and tubes.

On November 3, 1961, there was submitted to the hearing examiner an agreement between respondents, their counsel, and counsel supporting the complaint providing for the entry of a consent order.

Under the terms of the agreement, the respondents admit the jurisdictional facts alleged in the complaint. The parties agree, among other things, that the cease and desist order there set forth may be entered without further notice and have the same force and effect as if entered after a full hearing and the document includes a waiver by the respondents of all rights to challenge or contest the validity of the order issuing in accordance therewith. The agreement further recites that it is for settlement purposes only and does not constitute an admission by the respondents that they have violated the law as alleged in the complaint.

The hearing examiner finds that the content of the agreement meets all of the requirements of Section 3.25(b) of the Rules of the Commission, published May 6, 1955, as amended.

The hearing examiner having considered the agreement and proposed order, and being of the opinion that they provide an appropriate basis for settlement and disposition of this proceeding, the agreement is hereby accepted, and it is ordered that said agreement shall not become a part of the official record unless and until it becomes a part of the decision of the Commission. The following jurisdictional findings are made and the following order issued:

1. Respondent The Rubber Manufacturers Association, Inc. (hereinafter sometimes referred to as RMA), is an incorporated trade association organized and existing under and by virtue of the laws of the State of Connecticut, with its principal office located at 444 Madison Avenue, New York, N.Y.

Respondent The Tire and Rim Association, Inc. (hereinafter sometimes referred to as TRA), is an incorporated association organized and existing under and by virtue of the laws of the State of Ohio, with its principal office located at 2001 First National Tower, Akron, Ohio.

Respondent The Goodyear Tire & Rubber Company, referred to in the complaint as The Goodyear Tire and Rubber Company, is an Ohio corporation with its principal office and place of business located at 1144 East Market Street, Akron, Ohio.

Respondent The Firestone Tire and Rubber Company is an Ohio corporation with its principal office and place of business located at 1200 Firestone Parkway, Akron, Ohio.

Respondent United States Rubber Company is a New Jersey corporation with its principal office and place of business located at 1230 Avenue of the Americas, New York, N.Y.

Respondent The B. F. Goodrich Company is a New York corporation (referred to in the complaint as an Ohio corporation) with its principal office and place of business located at 500 South Main Street, Akron, Ohio.

Respondent The General Tire & Rubber Company, referred to in the complaint as The General Tire and Rubber Company, is an Ohio corporation with its principal office and place of business located at 1708 Englewood Avenue, Akron, Ohio.

Respondent The Armstrong Rubber Company is a Connecticut corporation with its principal office and place of business located at 475 Elm Street, West Haven, Conn.

Respondent Cooper Tire & Rubber Company, referred to in the complaint as Cooper Tire and Rubber Company, is a Delaware corporation with its principal office and place of business located at Lima and Western Avenues, Findlay, Ohio.

Respondent Dayco Corporation, formerly known as and named in the complaint as The Dayton Rubber Company, is an Ohio corporation with its principal office and place of business presently located at 333 West First Street, Dayton, Ohio.

Respondent Dunlop Tire and Rubber Corporation is a New York corporation with its principal office and place of business located at River Road and Sheridan Drive, Buffalo, N.Y.

Respondent The Gates Rubber Company is a Colorado corporation with its principal office and place of business located at 999 South Broadway, Denver, Colo.

Respondent Lee Rubber and Tire Corporation is a New York corporation with its principal office and place of business located at Conshohocken, Pa.

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Respondent The Mansfield Tire and Rubber Company is an Ohio corporation with its principal office and place of business located at 515 Newman Street, Mansfield, Ohio.

Respondent McCreary Tire and Rubber Company is a Pennsylvania corporation with its principal office and place of business located at Indiana, Pa.

Respondent The Mohawk Rubber Company, referred to in the complaint as The Mohawk Rubber Corporation, is an Ohio corporation with its principal office and place of business located at 1325 Second Avenue, Akron, Ohio.

Respondent Seiberling Rubber Company is a Delaware corporation with its principal office and place of business located at 345 15th Street, Northwest, Barberton, Ohio.

All of the respondents named herein, other than respondents RMA and TRA, are collectively sometimes referred to hereinafter as respondent manufacturers.

2. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondents, and the proceeding is in the public interest.

## ORDER

## I

A. *It is ordered*, That respondents, The Rubber Manufacturers Association, Inc., The Tire and Rim Association, Inc., The Goodyear Tire & Rubber Company, The Firestone Tire and Rubber Company, United States Rubber Company, The B. F. Goodrich Company, The General Tire & Rubber Company, The Armstrong Rubber Company, Cooper Tire & Rubber Company, Dunlop Tire and Rubber Corporation, The Gates Rubber Company, Lee Rubber and Tire Corporation, The Mansfield Tire and Rubber Company, McCreary Tire and Rubber Company, The Mohawk Rubber Company, and Seiberling Rubber Company, their respective officers, representatives, agents, employees, subsidiaries, successors and assigns, directly or through any corporate or other device in or in connection with the manufacture, offering for sale, sale or distribution of rubber tires and tubes, tire valves, retread materials and repair materials (all of which products are hereinafter referred to as tires and tubes) in interstate commerce, do forthwith cease and desist from entering into, continuing, cooperating in, or carrying out any planned common course of action, understanding, agreement, combination, or conspiracy between or among any two or more of the said respondents, or between any one

or more of said respondents and any others not parties hereto, to do or perform any of the following things:

1. Establish, fix or maintain prices, discounts, bonuses, allowances, terms or conditions of sale, or any other pricing policies or adhere to or follow any prices, discounts, bonuses, allowances, terms or conditions of sale, or any other pricing policies so established, fixed or maintained.
2. Quote, bid or sell at prices calculated or determined pursuant to or in accordance with a single zone delivered price system, or pursuant to or in accordance with any other plan or system of delivered prices.
3. Adopt, use or in any way follow any prices, discounts, bonuses, allowances, terms or conditions of sale, or any other pricing policies, announced by a particular respondent or respondents, or any of them, whereby prices, discounts, bonuses, allowances, terms or conditions of sale, or any other pricing policies are made identical or substantially uniform or matched, or reflect agreed upon price differentials.
4. Quote, bid or sell at prices calculated or determined in whole or in part through the use of a system of accounting or a cost formula.
5. Circulate or communicate cost data to respondent RMA or to any other trade association, business organization or non-governmental agency.
6. Establish, fix, maintain or adopt customer classifications, list prices, discounts, bonuses, warranties, guarantees, allowances, transportation terms, sales promotion plans (such as Labor Day sales or liquidation sales), payment plans (such as Spring Dating Plans), terms or conditions of sale, or any other pricing policies.
7. Quote, bid or sell to federal, state, county, or municipal governments, or any agencies thereof, or to original equipment manufacturers, at prices arrived at through any agreed upon formulae, or by any other agreed upon methods or means, whereby prices are made identical or substantially uniform or matched, or reflect agreed upon price differentials.
8. Establish or maintain a system, method or plan for policing, controlling, or enforcing adherence to any prices or pricing policies to any class of customers.
9. Exchange, distribute or circulate with, between or among respondents any information concerning prices, discounts, bonuses, allowances, terms or conditions of sale, or any other pricing policies before announcement thereof to respondent's customers or the public.
10. Plan, adopt or make effective, through respondent RMA, or any other trade association or business organization, or through respondent

TRA, or through any other non-governmental agency, any standardization or simplification programs or policies for the purposes of fixing, maintaining or tampering with prices or pricing policies.

11. Establish, fix, maintain, adopt or suggest any resale price to be maintained by any dealer; or police, control or enforce adherence to any resale price.

12. Allocate or designate the business of a specific purchaser, governmental or other, to or for a particular respondent or respondents.

13. Use or maintain respondent RMA or respondent TRA or any other agency as an instrument or medium for promoting, aiding, or rendering more effective, any cooperative or concerted effort or efforts to suppress or eliminate competition by or through any of the means or methods set forth in this order.

B. It is understood that nothing contained in the foregoing or Paragraph III hereof shall prevent any respondent manufacturer from negotiating or carrying out in good faith a contract to manufacture, or to sell to or buy from any bona fide customer or supplier, whether such customer or supplier is or is not a respondent herein.

## II

*It is further ordered,* That each manufacturing respondent, and subsidiary thereof, shall, within ninety (90) days after the date of service of this Order, individually and independently revise its prices and pricing factors and policies on tires and tubes in the following manner:

A. Independently review its prices, price lists, discounts, bonuses and allowances, and other pricing factors and policies, on the basis of its own costs, the margin of profit individually desired, and other lawful considerations including outstanding contractual commitments;

B. Withdraw its presently effective prices, price lists, discounts, bonuses and allowances;

C. Establish new prices, price lists, discounts, bonuses and allowances on the basis of such an independent review;

D. In the event any prices, price lists, discounts, bonuses or allowances thus established are changed within the period of six (6) months following their adoption, the respondent making such change shall have the burden of establishing that such change was made in good faith to meet a competitive pricing situation. For a period of two years following the adoption of the prices, price lists, discounts, bonuses or allowances provided for in subparagraph C hereof, any respondent who has made changes therein during the above-noted six-

month period shall have the burden of documenting all evidence relied upon in making such change and retaining and making available to the Commission upon request all such documentation; and

E. Within one hundred and twenty (120) days after the date of service of this Order, file with the Commission an affidavit setting forth the fact and manner of compliance with subparagraph C hereof.

### III

*It is further ordered*, That each of the respondents, its officers, representatives, agents, employees, subsidiaries, successors and assigns, directly or through any corporate or other device, in connection with the sale of tires and tubes in interstate commerce, do forthwith cease and desist from:

A. Disseminating any information or data as to prices, discounts, bonuses, allowances, terms or conditions of sale, or any other pricing policies to any other of the respondents before announcement thereof to respondent's customers or to the public.

B. Attending any meeting with another respondent or respondents at which prices, discounts, bonuses, allowances, terms or conditions of sale, or any other pricing policies are discussed or considered.

### IV

*It is further ordered*, That respondent The Rubber Manufacturers Association, Inc., its officers, representatives, agents, employees, subsidiaries, successors and assigns, directly or through any divisions, committees or other operating units or devices, formally or informally, in connection with the manufacture, offering for sale, sale or distribution of tires and tubes, do forthwith cease and desist and permanently refrain from planning or performing any of the following things:

A. Obtaining or disseminating any information as to prices, discounts, bonuses, allowances, warranties, guarantees, sales promotion plans (such as Labor Day sales or liquidation sales), payment plans (such as Spring Dating plans), terms or conditions of sale, or customer classifications in connection therewith, or any other pricing policies.

B. Conducting or holding any meeting at which discussion is had or consideration is given concerning information as to prices, discounts, bonuses, allowances, warranties, guarantees, sales promotion plans (such as Labor Day sales), payment plans (such as Spring Dating plans), terms or conditions of sale, or customer classification in connection therewith, or any other pricing policies.

C. Obtaining, compiling, retaining or disseminating any uniform accounting manuals or any cost data relating to accounting practices or procedures, including but not limited to cost accounting data, cost accounting surveys, cost formulae, or any accounting data relating to prices.

D. Cooperating in the formulation of any standardization or simplification programs or policies with the purpose of fixing, maintaining or tampering with prices or pricing policies.

E. Obtaining or collecting any information on nonpublic freight rates or transportation charges from any tire and tube manufacturer, or disseminating any information on any fictitious or averaged freight rates, or any zone pricing plan or system.

F. Acting as an instrument or medium for promoting, aiding or rendering more effective any cooperative or concerted effort to suppress or eliminate competition, or to cooperate with any of the other respondents herein in carrying out any of the acts prohibited by this Order.

## V

*It is further ordered,* That respondent The Tire and Rim Association, Inc., its officers, representatives, agents, employees, subsidiaries, successors and assigns, directly or through any divisions, committees, or other operating units or devices, formally or informally, in connection with the manufacture, offering for sale, sale or distribution of tires and tubes, do forthwith cease and desist and permanently refrain from planning or performing any of the following things:

A. Cooperating in the formulation of any standardization or simplification programs or policies with the purpose of fixing, maintaining or tampering with prices or pricing policies.

B. Acting as an instrument or medium for the purpose of promoting, aiding or rendering more effective any cooperative or concerted effort to suppress or eliminate competition, or to cooperate with any of the other respondents herein in carrying out any of the acts prohibited by this Order.

## VI

*It is further ordered,* That the complaint be, and it is hereby, dismissed as to respondent Dayco Corporation (formerly operating as The Dayton Rubber Company).

## VII

*It is further ordered,* That each of the respondents shall within sixty (60) days after service upon it of this order file with the Com-

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mission a report in writing setting forth in detail the manner and form in which it has complied with Paragraphs I, III, IV and V of this Order to cease and desist.

DECISION OF THE COMMISSION AND ORDER TO FILE REPORT OF COMPLIANCE

Pursuant to Section 3.21 of the Commission's Rules of Practice, published May 6, 1955, as amended, the initial decision of the hearing examiner shall, on the 6th day of January 1962, become the decision of the Commission; and, accordingly:

*It is therefore ordered,* That respondents shall, within the times provided for in the order contained in the initial decision herein, file with the Commission reports, in writing, setting forth in detail the manner and form in which they have complied with the order to cease and desist.

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IN THE MATTER OF

THE NATIONAL SCHOOL OF CONSTRUCTION, INC.,  
ET AL.

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE  
FEDERAL TRADE COMMISSION ACT

*Docket C-62. Complaint, Jan. 8, 1962—Decision, Jan. 8, 1962*

Consent order requiring Milwaukee sellers of a correspondence course in the operation and maintenance of heavy construction equipment, to cease using false representations in advertising in newspapers and periodicals, leaflets, form letters, etc., to sell its courses, including false employment offers and opportunities, exaggerated earnings claims, GI and Justice Department approval, operation of several branches, etc., as in the order below indicated.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act, and by virtue of the authority vested in it by said Act, the Federal Trade Commission, having reason to believe that The National School of Construction, Inc., a corporation, and Raymond F. Watt and Richard Kolpin, individually and as officers of said corporation; and James Haig Advertising, a corporation, and James Haig, individually and as an officer of said corporation, hereinafter referred to as respondents, have violated the provisions of said Act, and it appearing to the Commission that a proceeding by it in respect thereof would be

Complaint

mission a report in writing setting forth in detail the manner and form in which it has complied with Paragraphs I, III, IV and V of this Order to cease and desist.

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THE NATIONAL SCHOOL OF CONSTRUCTION, INC.,  
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in the public interest, hereby issues its complaint, stating its charges in that respect as follows:

PARAGRAPH 1. Respondent The National School of Construction, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Wisconsin, with its office and principal place of business located at 10852 West Wisconsin Avenue, in the city of Milwaukee, State of Wisconsin.

Respondent Raymond F. Watt is an individual and President of corporate respondent The National School of Construction, Inc., and respondent Richard Kolpin is an individual and Vice President and Treasurer of said corporate respondent. They formulate, control and direct the policies and practices of said corporate respondent, and have the same address as that of the corporate respondent.

Respondent James Haig Advertising is a corporation organized, existing and doing business under and by virtue of the laws of the State of Wisconsin, with its office and principal place of business located at 3707 North 92nd Street, in the city of Milwaukee, State of Wisconsin.

Respondent James Haig is an individual and President of corporate respondent James Haig Advertising. He formulates, controls and directs the policies and practices of said corporate respondent, including those hereinafter referred to, and his address is the same as that of said corporate respondent. Corporate respondent James Haig Advertising is the advertising agent of corporate respondent The National School of Construction, Inc., and prepares and places for publication or broadcast advertising material, including but not limited to that hereinafter set forth, to promote the instruction courses sold by corporate respondent The National School of Construction, Inc.

PAR. 2. Respondent The National School of Construction, Inc., is now, and for some time last past has been, engaged in the business of conducting a correspondence school and in selling and distributing courses of instruction in the operation and maintenance of heavy construction equipment.

PAR. 3. Respondents have caused, and are now causing, said courses of instruction in said subjects, when sold, to be transported from their place of business in the State of Wisconsin to purchasers thereof at their respective locations in other States of the United States and in the District of Columbia. Said respondents have maintained, and now maintain, a course of trade in said courses of instruction in commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 4. In the course and conduct of their business as aforesaid, and for the purpose of enrolling prospective students and thereby promoting the sale of their said courses of instruction in the operation and maintenance of heavy construction equipment, respondents, through advertisements inserted and published in newspapers and periodicals having general circulation throughout the United States, in pamphlets, letterheads, leaflets, circulars, form letters, cards, printed contracts and other media distributed through the United States mail, and by radio broadcasts across state lines, and through oral representations made by their salesmen, and by other means and media, have made, and are now making, numerous statements with respect to their said courses of instruction and the advantages and benefits which the purchasers thereof will receive. Among and typical of such statements, but not limited thereto, are the following:

Men Needed to operate all kinds of heavy equipment Tractors, Scrapers, Graders, Bulldozers, etc. State in letter if you are experienced operator or trainee. Also untrained men needed to learn heavy equipment operation.

You don't have to relocate to learn. Men are needed now everywhere.

(Under "Help Wanted" columns in newspapers)

Men Wanted to Move the Earth.

Trained men are needed now to operate construction equipment \* \* \*.

900,000 men will be needed in the ever expanding heavy equipment operating field.

(Radio-Television Script)

Men are needed now in your hometown.

Get Ahead Fast with Top Pay.

Learn to operate Big Construction Equipment.

You can be one of America's high-pay operators of giant Earth Moving Equipment \* \* \*.

A short knowledge course which you can complete in your own home plus actual field training will enable you to operate the largest dozers, graders and tournapulls.

If you qualify Heavy Equipment & Gas Turbine Training Division will even help you finance your training as you learn.

Today contractors throughout the country watching National graduates at work know that these men have learned their jobs well \* \* \*.

The National School of Construction, first of the kind in the nation, has proved to the industry that it is needed . . . that it is turning out graduates who step into their jobs . . . "moving earth the very first day" . . . in an efficient manner.

Learn the SURE WAY by DOING !

Practical Resident courses of 220 to 440 hours give you the actual practice you need.

Did you know the men operating heavy equipment earn up to \$10,000? So can you.

Operators with time off for winter have been earning \$7,000-\$10,000! Advancement to foreman earns up to \$12,000 to \$15,000.

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I make myself up to \$225 per week or \$10,000 per year and work only 11 months, all because of one simple reason. I signed up with National Schools to take a short knowledge course and spent 3 weeks of intensive training at their resident training grounds.

National Schools are GI Approved.

Approved by Commission on Adult Education.

Approved by the Immigration and Naturalization Department of the Justice Department.

National Schools of Construction, Inc. Offices in Milwaukee, Wisconsin—Charlotte, North Carolina.

Students learn by Doing—Photos taken at our Training Grounds.

We will train you to become a heavy equipment operator or field mechanic. Our huge proving grounds are staffed with qualified instructors \* \* \* Write now.

National School of Construction, Inc.  
10852 Wisconsin Ave., Milwaukee, Wisconsin.

Printed seals used by respondents on their agreements, etc., contain the following wording:

Carolinas Branch  
AGC  
Associate Member  
Licensed  
By N.C.  
State Dept.  
Of Public  
Instruction  
American Road Builders Assn.  
A  
R B  
A  
1902

PAR. 5. Through the use of the aforesaid statements and representations, and others of similar import not specifically set forth herein, with respect to their courses of instruction in the operation and maintenance of heavy equipment, respondents represent, and have represented, directly or by implication, that:

1. Respondents offer employment in the operation of construction equipment, including tractors, scrapers, graders, bulldozers, and other earth moving equipment.

2. There is a shortage of heavy equipment operators and men are needed everywhere to operate construction equipment, and that purchasers of respondents' courses will secure employment as heavy machine operators.

3. Respondents' courses provide all the necessary instruction and experience to qualify persons who complete the courses for immediate employment as operators of heavy construction equipment.

4. Completion of respondents' courses will assure purchasers thereof of earnings of up to \$10,000 yearly, or \$7,000 to \$10,000 without working in the winter, or high pay as an operator of earth moving equipment.

5. Respondents will aid in financing the training of persons who purchase their courses.

6. Respondents' school is GI Approved, approved by the Commission on Adult Education and by the Bureau of Immigration and Naturalization of the Department of Justice.

7. Respondents' school is licensed by the North Carolina State Department of Public Instruction; is an associate member of the Associated General Contractors of America and of the American Road Builders Association.

8. Respondents operate more than one school, with branches in several locations.

9. Respondents own facilities for practical training and students will be trained at the school's proving grounds.

In soliciting the sale of said courses, respondents' salesmen repeat in substance the statements made in the foregoing advertisements and scripts, and in addition represent, directly or by implication, that:

1. Students will be placed in jobs or their names furnished to companies or others needing heavy equipment operators.

2. Persons who purchase and complete said courses will earn \$9,000 to \$15,000 yearly, a minimum of \$165.00 a week, or from \$7,000 to \$9,000 a year without working during the winter.

3. Purchasers of the courses will receive from 80 to 220 hours of practice on heavy equipment.

PAR. 6. The aforesaid statements and representations are grossly exaggerated, false, misleading and deceptive. In truth and in fact:

1. Respondents do not offer employment. Their sole purpose in advertising is to interest prospects in purchasing their said courses of instruction.

2. There is no shortage of heavy equipment operators in many areas of the United States, and purchasers of respondents' courses are not assured of securing employment as heavy equipment operators.

3. Respondents' courses do not provide all the necessary instruction and experience to qualify persons who complete the courses for immediate employment as operators of heavy construction equipment.

4. Completion of respondents' courses will not assure the purchasers thereof earning up to \$10,000 or high pay as an operator of heavy equipment, and in most instances will not assure any such employment.

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5. Respondents do not aid in financing the training of persons who purchase their courses.

6. Respondents' school is not GI Approved, nor approved by the Commission of Adult Education or the Bureau of Immigration and Naturalization of the Department of Justice.

7. Respondents' school is not licensed by the North Carolina State Department of Public Instruction, is not an associate member of the Associated General Contractors of America nor of the American Road Builders Association.

8. Respondents operate only one school, the residence school in Milwaukee, and have no other branches.

9. Respondents do not own any facilities for practical training or training grounds. Purchasers of their courses are trained by other schools, under contract, which are not owned by or affiliated with respondents.

10. Respondents do not place students or purchasers of their courses in jobs, nor do they furnish such persons with the names of contractors or others who will employ them.

11. Persons who purchase and complete respondents' courses do not earn from \$9,000 to \$15,000 yearly, or a minimum of \$165.00 a week, nor do they earn from \$7,000 to \$9,000 a year without working during the winter.

12. Purchasers of respondents' courses do not receive from 80 to 220 hours of practice on heavy equipment.

PAR. 7. At all times mentioned herein respondents have been, and are, in substantial competition, in commerce, with corporations, firms and individuals also selling and distributing courses of instruction of the same general kind and nature as those sold by respondents.

PAR. 8. The use by respondents of the aforesaid false, misleading and deceptive statements and representations and the acts and practices engaged in by them, as aforesaid, have had, and now have, the tendency and capacity to mislead and deceive members of the purchasing public into the erroneous belief that said statements and representations were true and by reason of said erroneous and mistaken belief to induce the purchase of respondents' said courses of instruction.

PAR. 9. The aforesaid acts and practices of respondents, as herein alleged, were, and are, all to the prejudice and the injury of the public and of respondents' competitors and constituted, and now constitute, unfair methods of competition in commerce and unfair and deceptive acts and practices in commerce in violation of Section 5(a)(1) of the Federal Trade Commission Act.

## DECISION AND ORDER

The Commission having heretofore determined to issue its complaint charging the respondents named in the caption hereof with violation of the Federal Trade Commission Act, and the respondents having been served with notice of said determination and with a copy of the complaint the Commission intended to issue, together with a proposed form of order; and

The respondents and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by the respondents of all the jurisdictional facts set forth in the complaint, a statement that the signing of said agreement is for settlement purposes only and does not constitute an admission by respondents that the law has been violated as set forth in the complaint, and waivers and provisions as required by the Commission's rules; and

The Commission, having considered the agreement, hereby accepts same, issues its complaint in the form contemplated by said agreement, makes the following jurisdictional findings, and enters the following order:

1. Respondent The National School of Construction, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Wisconsin, with its office and principal place of business located at 10852 West Wisconsin Avenue, in the city of Milwaukee, State of Wisconsin.

Respondents Raymond F. Watt and Richard Kolpin are officers of said corporation, and their address is the same as that of said corporation.

Respondent James Haig Advertising is a corporation organized, existing and doing business under and by virtue of the laws of the State of Wisconsin, with its office and principal place of business located at 3707 North 92nd Street, in the city of Milwaukee, State of Wisconsin.

Respondent James Haig is an officer of corporate respondent James Haig Advertising, and his address is the same as that of said corporation.

2. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondents, and the proceeding is in the public interest.

## ORDER

*It is ordered,* That The National School of Construction, Inc., a corporation, and its officers, and respondents Raymond F. Watt and

Richard Kolpin, individually and as officers of said corporation; and James Haig Advertising, a corporation, and its officers, and James Haig, individually and as an officer of said corporation, and respondents' representatives, agents and employees, directly or through any corporate or other device, in connection with the offering for sale, sale or distribution in commerce, as "commerce" is defined in the Federal Trade Commission Act, of courses of instruction in the operation and maintenance of heavy construction equipment, or any other courses of instruction containing substantially the same material, do forthwith cease and desist from representing, directly or by implication, that:

1. Respondents offer employment in the operation of construction or earth moving equipment.
2. There is a shortage of heavy equipment operators or that men are now needed everywhere to operate construction equipment.
3. Persons who purchase and complete said courses of instruction will find employment as heavy machine operators or operators of construction equipment.
4. Said courses provide the necessary instruction and experience to secure immediate employment as operators of heavy construction equipment.
5. Persons who have completed said courses will be able to earn from \$7,000 to \$15,000 a year, or \$165.00 a week, or any amount in excess of the amount that is usually and customarily earned by said persons.
6. Respondents will finance or assist in financing the training of persons who purchase their courses.
7. Respondents' school is GI Approved, or approved by the Commission of Adult Education or by the Bureau of Immigration and Naturalization of the Department of Justice, or by any other agency of the United States Government.
8. Respondents' school is licensed by the North Carolina State Department of Public Instruction, or is an associate member of the Associated General Contractors of America or of the American Road Builders Association.
9. Respondents operate more than one school or have branches in several locations.
10. Respondents own facilities for practical training or that students will be trained on proving grounds owned by the respondents.
11. Respondents will place persons who complete said courses in jobs or furnish the names of contractors or others who will employ said persons.

RICHARDSON-MERRELL, INC., ETC.

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12. Purchasers of respondents' courses will receive from 80 to 220 hours of actual practice on heavy equipment, or any number of hours in excess of the number of hours actually given in the operation of