

provided, that nothing herein contained shall be taken to prohibit such requests where disclosure is made by the parties making them of their connection with or their acting for respondent.

**FEDERAL TRADE COMMISSION v. STEWART,
DICKSON & CO. (INC.).**

**COMPLAINT IN THE MATTER OF THE ALLEGED VIOLATION OF
SECTION 5 OF THE ACT OF CONGRESS, APPROVED SEPTEMBER 26,
1914.**

Docket No. 234.—February 20, 1919.

SYLLABUS.

Where a corporation engaged in the manufacture and sale of engine packing gave and offered to give to employees of its customers and of competitors' customers, in some instances without the knowledge and consent of their employers, sums of money, as an inducement for them to influence their employers to purchase its goods or to refrain from dealing with its competitors:

Held, That such payments and offers to pay, under the circumstances set forth, constituted an unfair method of competition in violation of section 5 of the act of September 26, 1914.

COMPLAINT.

The Federal Trade Commission, having reason to believe from a preliminary investigation made by it that Stewart, Dickson & Co. (Inc.), hereinafter referred to as respondent, has been, for more than a year last past, using unfair methods of competition in interstate commerce in violation of the provisions of section 5 of the act of Congress, approved September 26, 1914, entitled, "An act to create a Federal Trade Commission, to define its powers and duties, and for other purposes," and it appearing that a proceeding by it in respect thereof would be to the interest of the public, issues this complaint, stating its charges in that respect on information and belief as follows:

PARAGRAPH 1. That the respondent, Stewart, Dickson & Co. (Inc.), is a corporation, organized and existing and doing business under and by virtue of the laws of the State of New York, having its principal office and place of business at the city of New York, in said State, and is now and for more than one year last past has been engaged in manufacturing and selling engine packings composed of asbestos, flax, and kindred products, throughout the States and Territories of the United States, and that at all times hereinafter mentioned, the respondent has carried on and conducted such business in direct competition with other persons, firms, copartnerships, and corporations manufacturing and selling like products.

PAR. 2. That in the course of its business of manufacturing and selling engine packings composed of asbestos, flax, and kindred products throughout the States and Territories of the United States, the respondent, for more than one year last past, has been, secretly paying and offering to pay, to employees of both its customers and prospective customers, and its competitors' customers and prospective customers, without the knowledge and consent of their employers, sums of money as an inducement to influence their said employers to purchase or contract to purchase from the respondent, engine packings composed of asbestos, flax, and kindred products, or to influence such customers to refrain from dealing, or contracting to deal with competitors of respondent.

REPORT, FINDINGS AS TO THE FACTS, AND
ORDER.

The Federal Trade Commission, having issued and served its complaint herein, wherein it is alleged that it had reason to believe that the above-named respondent, Stewart, Dickson & Co. (Inc.), has been and now is using unfair methods of competition in interstate commerce in violation of the provisions of section 5 of an act of Congress approved September 26, 1914, entitled "An act to create a Federal Trade Commission, to define its powers and duties, and for other purposes," and that a proceeding by it in that respect would be to the interest of the public and fully stating its charges in this respect and the respondent having entered its appearance by George P. Fall, Esq., its attorney, and having filed its answer admitting that the matters and things alleged in the said complaint are true in the manner and form therein set forth, and agreeing and consenting that the Commission shall forthwith proceed to make and enter its report, stating its findings as to facts, and its order disposing of this proceeding without the introduction of testimony in support of the same and waiving any and all right to the introduction of such testimony, the Commission makes this report and findings as to the facts and conclusions:

FINDINGS AS TO THE FACTS.

PARAGRAPH 1. That the respondent, Stewart, Dickson & Co. (Inc.), is a corporation, organized, existing, and doing business under and by virtue of the laws of the State of New York, with its home office located at the city of New York, in said State of New York, now and for more than one year last past engaged in the business of manufacturing and selling engine packings composed of asbestos, flax, and kindred products generally in commerce throughout the States and Territories of the United States in direct competition with other persons, firms, copartnerships and corporations manufacturing and selling like products.

PAR. 2. That for more than one year last the respondent has been secretly paying and offering to pay to employees of both its customers and prospective customers and its com-

petitors' customers and prospective customers without the knowledge and consent of their employers, as an inducement to influence their said employers to purchase or to contract to purchase from the respondent, engine packings, or to influence such employers to refrain from dealing or contracting to deal with competitors of the respondent, sums of money.

CONCLUSIONS.

That the methods of competition set forth in the foregoing findings as to facts in paragraph 2, and each and all of them, are under the circumstances therein set forth, unfair methods of competition in interstate commerce in violation of the provisions of section 5 of the act of Congress approved September 26, 1914, entitled "An act to create a Federal Trade Commission, to define its powers and duties, and for other purposes."

ORDER TO CEASE AND DESIST.

The Federal Trade Commission, having issued and served its complaint herein, and the respondent having entered its appearance by George P. Fall, its attorney, and having filed its answer admitting that the matters and things alleged and contained in the said complaint are true in the manner and form therein set forth and agreeing and consenting that the Commission shall forthwith proceed to make and enter its report stating its findings as to the facts and its order disposing of this proceeding without the introduction of testimony in support of the same, and waiving any and all rights to the introduction of such testimony and the Commission having made and filed its report containing its findings as to the facts and its conclusions that the respondent has violated section 5 of an act of Congress approved September 26, 1914, entitled "An act to create a Federal Trade Commission, to define its powers and duties, and for other purposes," which said report is hereby referred to and made a part hereof: Now, therefore,

It is ordered, That the respondent, Stewart, Dickson & Co. (Inc.), and its officers, directors, agents, servants, and employees, cease and desist from directly or indirectly—

Paying or offering to pay employees of its customers or prospective customers or those of its competitors' customers or prospective customers as an inducement to influence their employers to purchase or to contract to purchase from the respondent packings for engines, or to influence such employers to refrain from dealing or contracting to deal with competitors of the respondent, without other consideration therefor, money.

FEDERAL TRADE COMMISSION *v.* THE WHOLE-SALE SADDLERY ASSOCIATION OF THE UNITED STATES AND NATIONAL HARNESS MANUFACTURERS' ASSOCIATION OF THE UNITED STATES.