

UNITED STATES DISTRICT COURT  
FOR THE WESTERN DISTRICT OF NEW YORK

UNITED STATES OF AMERICA,  
Plaintiff,

v.

AMERICAN STEAMSHIP COMPANY, and  
OSWEGO SHIPPING CORPORATION,  
Defendants.

61-1970-283  
Civil No.

Filed: June 22, 1970

COMPLAINT

The United States of America, by its attorneys, acting under the direction of the Attorney General of the United States, brings this civil action to obtain equitable relief against the above-named defendants, and complains and alleges as follows:

I.

JURISDICTION AND VENUE

1. This Complaint is filed and this action is instituted under Section 15 of the Act of Congress of October 15, 1914, as amended, (15 U.S.C. § 25), commonly known as the Clayton Act, in order to prevent and restrain violation by defendants, as hereinafter alleged, of Section 7 of said Act, as amended, (15 U.S.C. § 18).

2. Defendants American Steamship Company and Oswego Shipping Corporation transact business and are found within the Western District of New York.

II.

DEFENDANTS

3. American Steamship Company (hereinafter referred to as "ASC") is named a defendant herein. ASC is a corporation

organized and existing under the laws of the State of New York with its principal offices located at Marine Trust Building, Buffalo, New York. ASC controls or has substantial stock interests in eight corporations engaged in maritime transportation or related activities.

4. Oswego Shipping Corporation (hereinafter referred to as "Oswego") is named a defendant herein. Oswego is a corporation organized and existing under the laws of the State of New York with its principal offices located at 60 Broad Street, New York, New York. Oswego controls ASC. In addition to ASC and corporations controlled by ASC, Oswego controls 18 other corporations engaged in maritime transportation or related activities.

### III

#### TRADE AND COMMERCE

5. The Great Lakes of the United States are major arteries of interstate and foreign commerce. Traffic moves regularly between ports in Canada and in the eight industrial states of the United States which serve as the southern boundary of this extensive system of waterways. Water transportation is particularly adapted to the movement of bulk commodities, which constitute most of the traffic transported on the Great Lakes.

6. The principal bulk commodities transported in waterborne commerce on the Great Lakes in 1968 were iron ore, coal, grain, and stone. About 192 million net tons of such commodities were transported between ports on the Great Lakes in 1968; an estimated 136 million net tons of such commodities were transported between United States Great Lakes ports.

7. In 1968, ASC, with assets of about \$34 million and freight revenues of about \$20 million, carried about 11 per cent of all bulk commodities transported on the Great Lakes. In 1968, Reiss Steamship Company (hereinafter referred to as "Reiss"), with assets of about \$11 million and freight revenues of about \$10 million, carried about 5 per cent of all such commodities. In 1968, Gartland Steamship Company (hereinafter referred to as "Gartland"), with assets of about \$3 million and freight revenues of about \$4 million carried about 2 per cent of all such commodities.

8. Under the laws of the United States, traffic on the Great Lakes between United States ports is restricted to vessels of United States registry. In 1968, ASC transported approximately 15 per cent of the principal bulk commodities carried by all vessels of United States registry operating on the Great Lakes, Reiss transported approximately 7 per cent of such traffic, and Gartland transported approximately 2 per cent.

9. Bulk commodities transported on the Great Lakes are carried principally in self-unloading vessels or bulk freighters. Self-unloading vessels have equipment for high-speed unloading of bulk commodities at docks not having equipment for discharging cargo, while bulk freighters are restricted to serving only ports with land-based unloading facilities. A substantial number of ports on the Great Lakes have no adequate facilities for unloading bulk cargo from vessels and are dependent upon self-unloading

carriers for delivery of cargo. Approximately forty-four per cent of all bulk commodities carried in interstate commerce on the Great Lakes is transported in self-unloading vessels.

10. Transportation by self-unloading vessels in domestic commerce on the Great Lakes is highly concentrated. Immediately prior to the acquisitions complained of herein, eight firms directly or indirectly owned all of the self-unloading vessels of United States registry engaged in such commerce; approximately 85 percent of all such vessels were owned by four firms. ASC, ranked first among United States self-unloading vessel operators with approximately 33 per cent of all such vessels, Reiss, ranked third with approximately 15 per cent, and Gartland ranked fifth with approximately 5 per cent. As a result of the acquisitions complained of herein, ASC increased its ownership or control of self-unloading vessels of United States registry operated on the Great Lakes to more than 50 per cent of the total.

11. In 1968, ASC transported approximately 35 per cent of all bulk commodities carried by self-unloading vessels of United States registry on the Great Lakes. Reiss transported approximately 10 per cent and Gartland transported approximately 3 per cent.

#### IV

#### OFFENSE CHARGED

12. In or about March 1969, ASC acquired control of Gartland, and in or about June 1969, ASC acquired control of Reiss. The effect of the aforesaid acquisitions

may be substantially to lessen competition or tend to create a monopoly, in violation of Section 7 of the Clayton Act in the following ways, among others:

a. Actual and potential competition between ASC, Gartland and Reiss has been eliminated;

b. Actual and potential competition in the interstate transportation of bulk commodities on the Great Lakes may be substantially lessened and concentration increased;

c. Actual and potential competition in interstate transportation of bulk commodities between United States ports on the Great Lakes may be substantially lessened and concentration increased;

d. Actual and potential competition in interstate transportation of bulk commodities by self-unloading vessels between United States ports on the Great Lakes may be substantially lessened and concentration increased.

PRAYER

WHEREFORE, plaintiff prays:

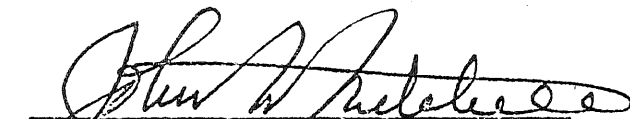
1. That the defendants' acquisition of Reiss and Gartland be adjudged and decreed to be in violation of Section 7 of the Clayton Act.

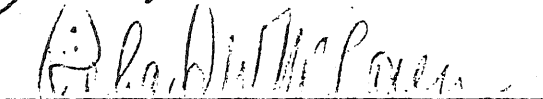
2. That ASC and Oswego be required to divest themselves of all interests in and control over Reiss and over Gartland.

3. That for a period of five years, except with the approval of the plaintiff or of the Court, defendants, their successors and assigns, their officers, directors, agents, employees, and all persons acting or claiming to act on their behalf, be enjoined from acquiring the stock or assets of any other company engaged in the business of transporting bulk commodities on the Great Lakes.


4. That the plaintiff have such other and further relief as may be just and proper.

5. That the plaintiff recover the costs of this action.


  
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Justice

Dated June 22, 1970

No. \_\_\_\_\_

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UNITED STATES OF AMERICA

*vs.*

AMERICAN STEAMSHIP COMPANY

OSWEGO SHIPPING CORPORATION

COMPLAINT

H. KENNETH SCHROEDER, JR.

UNITED STATES ATTORNEY

502 UNITED STATES COURTHOUSE

BUFFALO, NEW YORK

14202

*Filed* JUNE, 1970

*Clerk.*

*By* \_\_\_\_\_, *Deputy.*