

Trade Regulation Reporter - Trade Cases (1932 - 1992), United States of America v. Arthur Morgan Trucking Co.; Arthur L. Morgan; Local No. 600 of International Brotherhood of Teamsters, Chauffeurs, Stablemen, and Helpers; William Ryan; Elwood Jones; and Lawrence J. Camie., U.S. District Court, E.D. Missouri, 1940-1943 Trade Cases ¶56,090, (Dec. 3, 1940)

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United States of America v. Arthur Morgan Trucking Co.; Arthur L. Morgan; Local No. 600 of International Brotherhood of Teamsters, Chauffeurs, Stablemen, and Helpers; William Ryan; Elwood Jones; and Lawrence J. Camie.

1940-1943 Trade Cases ¶56,090. U.S. District Court, E.D. Missouri Eastern Division, December 3, 1940. Civil No. 642 (Court No. 2).

Proceedings commenced by the United States under the Sherman Anti-Trust Act against a trucking company and a labor union are terminated by the entry of a consent decree which provides that resolutions of the union prohibiting individual truck owners from driving their own trucks shall be void and directs the cancellation of all blacklists and other notices published prior to the date of the decree. Other provisions relate to wage scales to be adopted relating to truck drivers who own or furnish their own trucks. Individual officers and representatives of the union are enjoined from rejecting any applicant for union membership otherwise than by vote at a duly called meeting; from fixing wage scales otherwise than provided by the decree; from limiting any employer in the selection of union members for employment by requiring the employer to hire union members named or designated for employment by defendant union; from coercing any employer to rent trucks from defendant trucking company. Other provisions of the decree relate to the office of business representative and payments thereto by defendant trucking company.

Thurman Arnold, Assistant Attorney General, William M. Marvel, Special Attorney, Attorneys consenting to the decree for the United States.

Karol A. Korngold; Chas. M. Hay; Stewart D. Flanagan; Carrol J. Donohue, Attorneys consenting to the decree for the Defendants.

Before Moore, District Judge.

Final Decree

The United States of America having filed its complaint herein on December 3, 1940; and the defendants having severally appeared and filed their answers thereto; and each of the defendants having consented to the entry of this decree without the taking of any testimony and without findings of fact, upon condition that neither such consent nor this decree shall be considered any evidence, admission, or adjudication that any defendant has violated or is violating any law; and the United States of America by its counsel having moved for this decree and consented to the entry thereof;

And it appearing that by virtue of the written consents of the defendants attached hereto and the acceptance thereof by the plaintiff, it is unnecessary to proceed with the trial of the cause or to take testimony therein or to make findings of fact;

Now therefore, it is ordered, adjudged, and decreed as follows:

[Jurisdiction]

1. That this Court has jurisdiction of the subject matter set forth in the complaint and of all parties hereto with full power and authority to enter this decree.

2. That the complaint herein states a cause of action against the defendants under the Act of Congress of July 2, 1890, entitled "An Act To protect trade and commerce against unlawful restraints and monopolies," and the acts amendatory thereof and supplemental thereto.

[*Scope of Decree*]

3. That the defendants and each of them and each and all of their respective agents, representatives, employees, officers, directors, and members and all persons acting or claiming to act on behalf of the defendants or any of them are hereby perpetually enjoined and restrained from engaging in, maintaining or extending directly or indirectly any combination or conspiracy in restraint of trade or commerce, or to monopolize trade or commerce, as alleged in the complaint or otherwise, and from agreeing upon, threatening, attempting, doing, performing, or carrying out any of the matters, acts or things therein alleged as parts of such combination and conspiracy.

[*Terms Defined*]

4. That whenever the following terms are used in this decree they shall be deemed to have meaning and scope as respectively defined below:

(a) *Hauling as defined in this decree.*—The transportation and moving of excavated material, debris, building and construction materials, supplies, and equipment, and heavy machinery, objects, and structures in, by or upon motor trucks, semi-trailers, trailers, floats and other vehicles; including, without limitation by or upon the foregoing, all excavation and debris hauling, building material hauling, and heavy hauling or moving, and any and every branch of hauling and moving conducted by or for excavation and wrecking contractors, building and construction contractors and sub-contractors, building material producers and dealers, hauling contractors, and others, which is performed as part of or in connection with excavation, wrecking and building operations, the alteration and equipment of buildings and industrial plants of every kind, the installation of machinery, tanks, transformers, elevators, and the like therein, the construction of public works, highways, streets, bridges, and engineering projects of every kind, and the production of, dealing in, moving and erection of building and construction materials, supplies, and equipment, and machinery, monuments, and all manner of heavy objects and structures.

(b) *Individual owner-driver.*—An individual natural person who owns and operates but one truck or vehicle, drives it himself, and furnishes the service of his truck together with his personal service as its driver for a single price or consideration.

(c) *Union Member*—A member of the defendant Local No. 600 of International Brotherhood of Teamsters, Chauffeurs, Stablemen, and Helpers (hereinafter called Local No. 600).

(d) *Employer*—A person, firm, or corporation that is entitled by complying with the provisions of Paragraph 6 of this decree to employ, and offers to employ, and unless prevented by the defendant Local No. 600, its officers, agents, or representatives, employs union members exclusively in the conduct of hauling as defined in this decree, within the territorial jurisdiction of the defendant Local No. 600.

(e) *International Constitution and By-Laws*— The Constitution and By-Laws of International Brotherhood of Teamsters, Chauffeurs, Warehousemen, and Helpers (Formerly called International Brotherhood of Teamsters, Chauffeurs, Stablemen, and Helpers), adopted in Convention at Washington, D. C., September 9th to 14th, 1940.

[*Practices of Labor Union Enjoined*]

5. That the defendant Local No. 600 is hereby enjoined and directed forthwith to cancel, rescind and withdraw all unfair lists, blacklists, boycotts, and other notices and communications adopted, issued, published, circulated or acted upon by Local No. 600, its members, officers, agents, representatives, or employees or any other person or persons acting or claiming to act in its behalf from January 1, 1936 to the date of this decree, which have purported to designate as unfair any person, firm or corporation now or formerly engaged in hauling as defined in this decree, or to designate any such person, firm or corporation as having been denied the privilege

of employing members of the said defendant Local No. 600; and that the said defendant Local No. 600 is hereby further enjoined and directed forthwith to give notice in writing to International Brotherhood of Teamsters, Chauffeurs, Warehousemen, and Helpers, Indianapolis, Indiana, to Teamsters' Joint Council No. 13, St. Louis, Missouri, to Building Trades Department, American Federation of Labor, Washington, D. C., and to Building Trades Council of St. Louis, Missouri and Vicinity, St. Louis, Missouri, that all such unfair lists, blacklists, and other notices and communications have been and are cancelled, rescinded and withdrawn by the said defendant Local No. 600 pursuant to this decree.

6. That the defendant Local No. 600 is hereby enjoined and directed henceforth without hindrance or discrimination to permit any and every person, firm, and corporation engaged or about to engage in hauling as defined in this decree to employ union members within the City of St. Louis and St. Louis County, Missouri, and also to allow each and every such person, firm, and corporation free choice and selection of employees from the membership of Local No. 600 without interference or dictation by Local No. 600, its officers, agents, representatives or employees; provided, however, that such person, firm, or corporation shall have offered to make, and, unless prevented by neglect or refusal of Local No. 600, shall have made, a written closed shop working agreement or agreements with Local No. 600 in the standard form applicable for the time being to the branch or branches of such hauling for which such person, firm or corporation shall desire to employ union members, and binding such person, firm or corporation to employ union members, exclusively for all branches of such hauling, as defined in this decree, which such person, firm, or corporation shall perform during the term of such agreement within the territorial jurisdiction of Local No. 600, which is bounded by the limits of the City of St. Louis and St. Louis County, Missouri; and provided further that such person, firm or corporation having made such an agreement or agreements shall not thereafter persist in violating the same or in committing unfair labor practices now or hereafter defined by law.

7. That that certain purported vote of the defendant Local No. 600 recorded in the minutes of its regular meeting of December 11, 1936, and reading as follows, to wit:

Motion made and second that individual owner members shall discontinue driving their own trucks and hire members of Local 600 in good standing. Motion put and carried

and also that certain purported resolution of the defendant Local No. 600, recorded in the minutes of its regular meeting of November 10, 1939 and reading as follows, to wit:

Whereas in the past several branches of Local Union No. 600 International Brotherhood of Teamsters and Chauffeurs have eliminated the practice of individual truck owners who are members of Local 600 driving their trucks in competition with owners who employ drivers, and whereas, this change has resulted very beneficially for the members of Local Union No. 600 engaged in those branches through the elimination of unfair and unjust competition and the establishment of fair competition.

Therefore,

Be it resolved that Local Union No. 600 International Brotherhood of Teamsters and Chauffeurs, go on record that on and after November 20th, 1939 no individual truck owner a member of Local 600 engaged in the hauling business shall be permitted to drive his own truck, but all truck owners engaged in the business of hauling must employ drivers, members in good standing of Local Union No. 600 to drive such trucks, and be it further resolved that a copy of these resolutions be spread on the minutes of Local Union No. 600—

are each hereby declared null, void, and of no effect; and that the defendant Local No. 600 is hereby enjoined and directed forthwith to rescind the same.

8. That the defendant Local No. 600 is hereby enjoined and directed without discrimination or delay to admit and reinstate as active union members in good standing any and all individual owner-driver union members who withdrew from active membership or were suspended or expelled from membership in Local No. 600 from June 1, 1936 to the date of this decree, and who shall apply to Local No. 600 for admission or reinstatement hereunder within one year after the date of this decree; provided—

(a) That Local No. 600 shall not demand or receive from any such member any initiation fee, payment, or exaction on account of or as a condition to such admission or reinstatement, excepting only the payment of any unpaid arrearages of monthly dues to Local No. 600 that may have accrued up to the date of his withdrawal, suspension, or expulsion or up to December 11, 1936, whichever date may have been earlier; and provided further

(b) That Local No. 600 may fix and prescribe minimum scales of wages to be charged by individual owner-driver union members employed by the hour, day, or week to furnish and drive their own trucks, which minimum wage scales shall be adopted by Local No. 600 in the same manner and by the same procedure as is used to adopt the regular scales of wages for union members employed to furnish personal services alone, and shall in no case exceed two hundred and ten per cent (210%) of such regular wage scales respectively applicable to corresponding branches of work; and provided further

(c) That in case for any reason now existing or hereafter arising the said percentage ratio or any minimum wage scale prescribed by Local No. 600 for individual owner-driver union members shall be so high as generally to hinder or prevent individual owner-driver union members from competing with hauling contractors employing other union members, or shall be so low as generally to hinder or prevent such hauling contractors from competing with individual owner-driver union members, then the plaintiff and the defendant, Local No. 600 or either of them may at any time or from time to time apply to the Court for such further orders or directions by way of modification of or amendment to the preceding sub-paragraph as may be necessary or appropriate to restore, ensure, and promote continued competition between individual owner-driver union members and such hauling contractors; and provided further

(d) That the provisions of sub-paragraph (b) of this Paragraph 8 shall not be deemed by implication to require or permit Local No. 600 to prohibit or prevent individual owner-driver union members from publishing and operating under drayage tariffs in accordance with the laws of the United States or of the State of Missouri now or hereafter in force; and provided finally

(e) That individual owner-driver union members shall in other respects be subject to the same lawful rules and disciplinary processes of Local No. 600 and shall be entitled to the same rights and privileges, as provided for other union members under the International Constitution and By-Laws

[*Union Officers and Representatives*]

9. That the defendants William. Ryan, Elwood Jones, Lawrence J. Camie, and Local No. 600, and also any and every successor of Local No. 600, and each and all of its officers, agents, representatives, and members and all persons acting or claiming to act in its behalf are hereby perpetually enjoined and restrained, jointly and severally,—

(a) From proceeding otherwise than by vote of Local No. 600 at regular or special meeting duly called and held, in the matter of acting upon, accepting or rejecting applications for membership in Local No. 600 made by persons not heretofore members of Local No. 600, or in the matter of initiation fees for their admission to membership in Local No. 600;

(b) From adopting, publishing, applying, or enforcing any rule or order, whether of general or of special application, denying or impairing the right of any person now a union member or hereafter admitted or reinstated as a union member pursuant to the provisions of paragraph 8 of this decree, to own and operate one truck and to drive his own truck subject to the provisions of said Paragraph 8, while in good standing as a union member; and from discriminating against individual owner-drivers in receiving, accepting, or rejecting applications for membership in Local No. 600 hereafter made by persons not heretofore union members, contrary to the International Constitution and By-Laws ;

(c) From fixing, enforcing, or attempting to fix or enforce any minimum scale of wages to be charged by individual owner-driver union members who furnish their own trucks in addition to their services as drivers, in excess of two hundred and ten per cent (210%) of the regular scale of wages fixed by Local No. 600 for

the personal services of union members employed in the corresponding branch of work at the same time, except pursuant to further order or direction of the Court as provided in sub-paragraph (c) of Paragraph 8;

(d) From denying to any union member any right or privilege to which he is or may be entitled by law or under this decree or under the International Constitution and By-Laws;

(e) From disciplining, fining, suspending, or expelling any union member or depriving any union member of his good standing or right to work for any employer except for the causes and in strict accord with the procedure prescribed by the International Constitution and By-Laws;

(f) From unlawfully discriminating against or exerting economic pressure upon any employer as defined in sub-paragraph (d) of Paragraph 4 of this decree;

(g) From adopting, using enforcing, or attempting directly or indirectly to adopt, use, or enforce any rule or practice, whether of general or of special application, such as to limit any employer in the selection of union members for employment by requiring the employer to hire union members named or designated for employment by Local No. 600 or any of its officers, agents, representatives, or employees, or by requiring any employer to hire union members through the union hall or office of Local No. 600, or to adhere to or use any fixed order or system of seniority or priority in the employment of union members;

(h) From attempting, committing, causing, counselling, or supporting any unlawful threat or act of force or violence against or upon any person, or any act or threat of sabotage upon the property of any person, firm, or corporation or any member, officer, agent, employee, or successor thereof, now or formerly engaged in hauling as defined in this decree;

(i) From denying, impeding or interfering with the free exercise by any employer of the right to discharge any union member for gross insubordination, disobedience, malingering, or insults to his employer or the customers of his employer, or for other lawful cause;

(j) From coercing or requiring any employer to re-employ any union member discharged for gross insubordination, disobedience, malingering or insults to his employer or to the customers of his employer, or for other lawful cause;

(k) From demanding, exacting, or collecting any fine or penalty from any employer; provided, however, that Local No. 600 and its officers, agents, representatives, and members are entitled by all lawful means to demand and collect, from any employer all wages actually due to any union member.

(l) From directly or indirectly soliciting or coercing any contractor, building material producer or dealer, or other person, firm, or corporation whatsoever by threats of labor trouble, offers or assurances of immunity from labor trouble, or any other inducements to engage hauling service or to hire or rent trucks or other vehicles from the defendants Arthur Morgan Trucking Co. or Arthur L. Morgan or from any other person, firm or corporation operating or about to operate trucks or other vehicles capable of being used for hauling as defined in this decree; and

(m) From paying, delivering, or causing to be paid or delivered directly or indirectly from the funds or property of Local No. 600 any money, salary, wages, expenses, or other payment, property, emolument, or thing of value to the defendant Lawrence J. Camie; provided always that the payment by Local No. 600 of its regular dues to any joint council with which it is or may be affiliated shall not be deemed to be such a payment.

[*Business Agent*]

10. That the defendant Lawrence J. Camie is hereby enjoined and directed forthwith to resign his offices as business agent or representative and as delegate of the defendant Local No. 600 and any and all other offices and positions of authority, and trust, or emolument held by him in Local No. 600; and is hereby perpetually enjoined and restrained henceforth, individually and in his capacity as an official or representative of International Brotherhood of Teamsters, Chauffeurs, Stablemen and Helpers or any joint council or other body subordinate thereto—

- (a) From holding by election or appointment or otherwise any office or position of authority, trust, or emolument in Local No. 600 or any successor thereof and from exercising or attempting to exercise, directly or indirectly, any of the powers, authority, functions, or privileges of such office or position;
- (b) From directly or indirectly representing or acting for, or claiming or attempting to represent or act for, Local No. 600 or any successor thereof or any of its members, officers, agents, representatives or employees in or about any matter or thing whatsoever;
- (c) From exercising or claiming or attempting to exercise directly or indirectly any authority, control, power, domination, influence, or voice in or over the affairs of the said defendant Local No. 600 or any successor thereof; provided, however, that the defendant Lawrence J. Camie may retain membership and the right to vote as a member in Local No. 600;
- (d) From receiving any money, salary, wages, expenses, or other payment, property, emolument, or thing of value whatsoever, directly or indirectly, from Local No. 600 or any successor thereof; provided always that the receipt of salary, wages, or expenses from any joint council with which Local No. 600 is or may be affiliated and to which Local No. 600 pays regular dues shall not be deemed within the prohibitions hereof;
- (e) From directly or indirectly paying or delivering to or receiving from the defendants Arthur Morgan Trucking Co. or any successor thereof or from the defendant Arthur L. Morgan any money, chose in action, property, or thing of value whatsoever, whether by way of gift, loan, investment, purchase, sale, barter, salary, wages, commission, reimbursement, or other wise, and whether on his, its, or their own account or for the account of others.

[*Defendant Trucking Company*]

11. That the defendant Arthur Morgan Trucking Co., its directors, officers, agents, employees, successors, and assigns, and the defendant Arthur L. Morgan, jointly and severally, are hereby perpetually enjoined and restrained—

- (a) From directly or indirectly paying or delivering to or receiving from the defendant Lawrence J. Camie, any money, chose in action, property, or thing of value whatsoever, whether by way of gift, loan, investment, salary, wages, commission, barter, purchase, sale, reimbursement, or otherwise, and whether on his, its, or their own account or for the account of others; and
- (b) From purchasing gasoline from, making payments to, or otherwise dealing with any and every firm, corporation, and business enterprise and any successor or assign thereof, in which the defendants Lawrence J. Camie or William Ryan or any other officer, agent, representative or employee of Local No. 600 or of Teamsters Joint Council No. 13 now has or shall hereafter have any substantial financial interest or any employment or official position.

[*Persons Enjoined*]

12. That the terms of this decree shall be binding upon, and shall extend to each and every one of the successors in interest of the defendant Local No. 600 and of the defendant Arthur Morgan Trucking Co. and to any and all corporations, partnerships, associations, and individuals who may acquire the ownership or control, directly or indirectly, of the property, business, or assets of the said defendants or either of them, whether by purchase, merger, consolidation, reorganization, or otherwise.

[*Limitation of Decree*]

13. That nothing contained in this decree shall be held or construed by implication to deny to the defendant Local No. 600 or its members the rights, powers, privileges, or immunities granted to them or any of them under the laws of the United States of America or of the State of Missouri.

[*Access to Records*]

14. That for the purpose of securing compliance with this decree, and for no other purpose, duly authorized representatives of the Department of Justice shall, on the written request of the Attorney General or an Assistant

Attorney General, and on reasonable notice to the defendants made to the principal office of the defendants, be permitted (a) reasonable access, during the office hours of the defendants, to all books, ledgers, accounts, correspondence, memoranda, and other records and documents in the possession or under the control of the defendants, relating to any of the matters contained in this decree, (b) subject to the reasonable convenience of the defendants and without restraint or interference from them, to interview officers or employees of the defendants, who may have counsel present, regarding any such matters; and the defendants, on such request, shall submit such reports in respect of any such matters as may from time to time be reasonably necessary for the proper enforcement of this decree; *provided, however, that* information obtained by the means permitted in this paragraph shall not be divulged by any representative of the Department of Justice to any person other than a duly authorized representative of the Department of Justice except in the course of legal proceedings in which the United States is a party or as otherwise required by law.

[*Jurisdiction Retained*]

15. That jurisdiction of this cause is retained for the purpose of enabling any of the parties to this decree to make application to the Court at any time for such further orders and directions as may be necessary or appropriate in relation to the construction of or carrying out of this decree, for the modification hereof upon any ground (including any modification upon application of the defendants or any of them required in order to conform this decree to any Act of Congress enacted after the date of entry of this decree), for the enforcement of compliance herewith and the punishment of violations hereof. Jurisdiction of this cause is retained for the purpose of granting or denying such applications as justice may require and the right of the defendants to make such applications and to obtain such relief is expressly granted.

[*Effective Date*]

16. That this decree shall become effective on the date of entry hereof.