

UNITED STATES v. READING COMPANY.

IN THE CIRCUIT COURT OF THE UNITED STATES FOR
THE EASTERN DISTRICT OF PENNSYLVANIA.

April Sessions, 1907. In Equity No. 27.

THE UNITED STATES OF AMERICA, PETITIONER,
VS.

THE READING COMPANY ET AL., DEFENDANTS.

FINAL DECREE.

This cause having come to a final hearing upon pleadings and proofs, and having been argued by the counsel of the respective parties on the 21st, 22nd, 23rd, and 24th days of February, 1910, in this Court, before the three circuit judges of the third judicial circuit, under the provisions of the Act of Congress known as the Expediting Act of February 11, 1903, and the said pleadings, proofs and arguments having been duly considered by the said judges and their written opinions having been duly filed, it is now on this 20th day of December, 1910, by the said circuit court, ordered, adjudged and decreed:

First. That the defendants, Reading Company, Philadelphia and Reading Railway Company, The Central

Railroad Company of New Jersey, The Delaware, Lackawanna & Western Railroad Company, Lehigh Valley Railroad Company, Erie Railroad Company, and The New York, Susquehanna & Western Railroad Company, prior to the time the petition was filed, entered into, and at the time and since the filing of the said petition were and have been joined together in, a combination in restraint of trade and commerce among the several states, by and through the instrumentality of the defendant The Temple Iron Company, in violation of the Act of Congress, approved July 2, 1890, entitled "An Act to protect trade and commerce against unlawful restraints and monopolies"; that the shares of the capital stock of The Temple Iron Company, claimed to be owned and held by or in the interest of each of the above named defendants, were acquired and are now held by it or in its interest in pursuance and furtherance of such unlawful combination; and that the shares of capital stock of the Northwest Coal Company, Edgerton Coal Company, Sterrick Creek Coal Company, Babylon Coal Company, Mount Lookout Coal Company, Forty Fort Coal Company, and Lackawanna Coal Company, Limited, likewise were acquired and are now held in violation of said Act of Congress by the defendant The Temple Iron Company.

Wherefore, the above named defendants, their officers, agents, servants and employees, are enjoined and prohibited from continuing the combination hereby adjudged to be illegal, and from hereafter entering in any like combination in restraint of trade and commerce among the several states in anthracite coal, in violation of said Act of Congress.

And each and all of the above-named defendants, their officers, directors, agents, servants and employees, are hereby restrained and enjoined from hereafter acquiring any shares of The Temple Iron Company; from voting or attempting to vote any of such shares at any meeting of stockholders of said The Temple Iron Company; from collecting or receiving any dividends or other profits thereon; and from exercising or attempting to exercise

any control, direction, supervision or influence what so ever over the acts of said corporation. And it is further ordered, adjudged and decreed that The Temple Iron Company be, and it is hereby, restrained and enjoined from permitting shares held by any of said defendants, or any company controlled by any of them, to be voted at any corporate meeting of the said The Temple Iron Company; from paying to any of them any dividends on account of such shares, and from permitting or suffering any of them to exercise any control over its affairs.

And the defendant The Temple Iron Company, its officers, agents, or representatives, are hereby further enjoined from exercising any control over any of the property or assets of the Northwest Coal Company, Edgerton Coal Company, Sterrick Creek Coal Company, Forty Fort Coal Company, and Lackawanna Coal Company, Limited; from voting the shares of capital stock of such companies; and from receiving any dividends or other profits accruing thereon.

Provided, that nothing herein contained shall be taken as preventing the said defendant, The Temple Iron Company, from selling and disposing of the shares of the capital stocks, assets and properties of the Northwest Coal Company, Edgerton Coal Company, Sterrick Creek Coal Company, Babylon Coal Company, Mount Lookout Coal Company, Forty Fort Coal Company, and Lackawanna Coal Company, Limited, acquired by it as hereinbefore stated and found to have been acquired by it in violation of the said Act of Congress, to any bona fide purchaser or purchasers not in privity with any of the defendants herein and not sustaining any relation in interest direct or indirect, by trust or otherwise, to or with any of said defendants, and distributing the remainder, if any, of the proceeds thereof after the payment of its bonded and other indebtedness, among the holders of the capital stock of the said defendant the said The Temple Iron Company.

Second. That the charge made in paragraph seven (b) of the petition, concerning the combination by which it

is alleged the Erie Railroad Company acquired the capital stock of the New York, Susquehanna & Western Railroad Company, in violation of the act entitled "An Act to protect trade and commerce against unlawful restraints and monopolies," approved July 2, 1890, is not sustained, and the petition in respect of that charge is dismissed.

Third. That the charge made in paragraph seven (c) of the petition concerning the combination by which it is alleged the Reading Company acquired a majority of the capital stock of the Central Railroad Company of New Jersey, in violation of the act entitled "An Act to protect trade and commerce against unlawful restraints and monopolies," approved July 2, 1890, is not sustained, and the petition in respect of that charge is dismissed.

Fourth. That the general charge in paragraph seven of the petition concerning an alleged combination or conspiracy in violation of the act entitled "An Act to protect trade and commerce against unlawful restraints and monopolies," approved July 2, 1890, in the development of which it is averred the other combinations set forth in said petition were used as steps, is not sustained, and the petition in respect of that general charge is dismissed.

Fifth. That the charge in paragraph seven (a) of the petition concerning an alleged combination for making and maintaining the so-called 65 per cent. contracts is not sustained, and the petition in respect of that charge is dismissed.

Sixth. That the petitioner do recover from Reading Company, Philadelphia & Reading Railway Company, The Central Railroad Company of New Jersey, The Delaware, Lackawanna & Western Railroad Company, Lehigh Valley Railroad Company, Erie Railroad Company, The New York, Susquehanna & Western Railroad Company, and the Temple Iron Company, defendants therein, its taxable costs as to so much of the proceedings as relate to the subject matter of the first paragraph of this decree, and shall have execution therefor.

Seventh. That except as to defendants Reading Company, Philadelphia & Reading Railway Company, The

Central Railroad Company of New Jersey, The Delaware, Lackawanna & Western Railroad Company, Lehigh Valley Railroad Company, Erie Railroad Company, The New York, Susquehanna & Western Railroad Company, The Temple Iron Company, Mount Lookout Coal Company, and Lackawanna Coal Company, Limited, in the particulars hereinbefore specified the petition is dismissed.

GEO. GRAY,
JOS. BUFFINGTON,
W. M. LANNING,

United States Circuit Judges, Third Circuit.
DECEMBER 20, 1910.