

UNITED STATES v. STANDARD OIL CO. OF
NEW JERSEY.

IN THE CIRCUIT COURT OF THE UNITED STATES FOR
THE EASTERN DIVISION OF THE EASTERN JUDICIAL
DISTRICT OF MISSOURI.

UNITED STATES OF AMERICA, PETITIONER,

VS.

STANDARD OIL COMPANY OF NEW JERSEY AND OTHERS,
DEFENDANTS.

In Equity. No. 5371.

DECREE.

The case was argued on behalf of the United States by Mr. Frank B. Kellogg and Mr. Charles B. Morrison. The Attorney General, Mr. Cordenio A. Severance, and Mr. J. Harwood Graves were on the brief. It was argued for the defendants by Mr. John G. Milburn, Mr. D. T. Watson,

Mr. Moritz Rosenthal, and Mr. John G. Johnson. Mr. Frank L. Crawford, Mr. Chauncey W. Martyn, Mr. Douglas Campbell, Mr. Walter F. Taylor, Mr. M. F. Elliott, Mr. Martin Carey, Mr. John M. Freeman, Mr. Ernest C. Irwin, and Mr. W. I. Lewis were on the briefs.

After deliberation, it is ordered, adjudged, and decreed :

SECTION 1. That in and prior to the year 1899 there were twenty corporations organized, respectively, under the laws of various States engaged in commerce in petroleum and its products, either among the States, or in the Territories, or with foreign nations, and these corporations held a majority of the stock and controlled the business and operations of many other corporations engaged in that commerce; that one of these corporations was the Standard Oil Company of New Jersey, hereafter called the Standard Company, which had a capital stock of \$10,000,000.00; that since the year 1890 the defendants named in section two of this decree have entered into and are carrying out a combination or conspiracy in pursuance whereof about the year 1899 they caused the capital stock of the Standard Company to be increased to \$100,000,000.00, caused a majority of the stock of the nineteen companies, and the power to control them, and to manage their trade, and the power to control the corporations which they controlled and to manage their trade, to be vested in and held by the Standard-Company in exchange for its stock which was issued to the former holders of the stock of the nineteen companies, and caused the Standard Company ever since to control all these corporations, hereafter called the subsidiary corporations, and to manage their trade without competition among themselves as the trade and business of a single person; that this combination or conspiracy is a combination or conspiracy in restraint of trade and commerce in petroleum and its products among the several states, in the Territories, and with foreign nations, such as an act of Congress approved July 2, 1890, 26 Stat., 209, c. 647

(U. S. Comp. Stat., 1901, page 3200), entitled " An act to protect trade and commerce against unlawful restraints and monopolies," declares to be illegal.

SECTION 2. That the defendants, John D. Rockefeller, William Rockefeller, Henry H. Rogers, Henry M. Flagler, John D. Archbold, Oliver H. Payne, and Charles M. Pratt, hereafter called the seven individual defendants united with the Standard Company and other defendants to form and effectuate this combination, and since its formation have been and still are engaged in carrying it into effect and continuing it; that the defendants, Anglo-American Oil Company (Limited), Atlantic Refining Company, Buckeye Pipe Line Company, Borne-Scrymser Company, Chesebrough Manufacturing Company (Consolidated), Cumberland Pipe Line Company, Colonial Oil Company, Continental Oil Company, Crescent Pipe Line Company, Henry C. Folger, jr., and Calvin N. Payne, a copartnership doing business under the firm name and style of Corsicana Refining Company, Eureka Pipe Line Company, Galena Signal Oil Company, Indiana Pipe Line Company, Manhattan Oil Company, National Transit Company, New York Transit Company, Northern Pipe Line Company, Ohio Oil Company, Prairie Oil and Gas Company, Security Oil Company, Solar Refining Company, Southern Pipe Line Company, South Penn Oil Company, Southwest Pennsylvania Pipe Lines Company, Standard Oil Company of California, Standard Oil Company of Indiana, Standard Oil Company of Iowa, Standard Oil Company of Kansas, Standard Oil Company of Kentucky, Standard Oil Company of Nebraska, Standard Oil Company of New York, Standard Oil Company of Ohio, Swan and Finch Company, Union Tank Line Company, Vacuum Oil Company, Washington Oil Company, Waters-Pierce Oil Company, have entered into and became parties to this combination and are either actively operating or aiding in the operation of it; that by means of this combination

the defendants named in this section have combined and conspired to monopolize, have monopolized, and are continuing to monopolize a substantial part of the commerce among the States, in the Territories, and with foreign nations, in violation of section 2 of the antitrust act.

SECTION 3. That the defendants Argand Refining Company, American Lubricating Oil Company, Acme Oil Company, Baltimore United Oil Company, Buffalo Natural Gas Fuel Company, Bush and Denslow Manufacturing Company, Camden Consolidated Oil Company, Commercial Natural Gas Company, Connecting Gas Company, Eastern Ohio Oil and Gas Company, Eclipse Lubricating Oil Company, Florence Oil and Refining Company, Franklin Pipe Company (Limited), Lawrence Natural Gas Company, Mahoning Gas Fuel Company, Mountain State Gas Company, National Fuel Gas Company, Northwestern Ohio Natural Gas Company, Oil City Fuel Supply Company, Oswego Manufacturing Company, Pennsylvania Gas Company, Pennsylvania Oil Company, People's Natural Gas Company, Pittsburg Natural Gas Company, Platt and Washburn Refining Company, Republic Oil Company, Salamanca Gas Company, Standard Oil Company of Minnesota, Taylorstown Natural Gas Company, Tide Water Oil Company, Tide Water Pipe Company (Limited), United Natural Gas Company, United Oil Company, have not been proved to be engaged in the operation or carrying out of the combination, and the bill is dismissed as against each of them.

SECTION 4. That in the formation and execution of the combination or conspiracy the Standard Company has issued its stock to the amount of more than \$90,000,000.00 in exchange for the stocks of other corporations which it holds, and it now owns and controls all of the capital stock of many corporations, a majority of the stock or controlling interest in some corporations, and stock in other corporations as follows:

Name of company.	Total capital stock.	Owned by Standard Oil Company.
Anglo-American Oil Company (Limited).....	£1,000,000	£999,740
Atlantic Refining Company.....	\$5,000,000	\$5,000,000
Borne-Scrymser Company.....	200,000	199,700
Buckeye Pipe Line Company.....	10,000,000	9,999,700
Chesebrough Manufacturing Company (Consolidated).....	500,000	277,700
Colonial Oil Company.....	250,000	249,300
Continental Oil Company.....	300,000	300,000
Crescent Pipe Line Company.....	3,000,000	3,000,000
Eureka Pipe Line Company.....	5,000,000	4,999,400
Galena-Signal Oil Company.....	10,000,000	7,079,500
Indiana Pipe Line Company.....	1,000,000	999,700
Lawrence Natural Gas Company.....	450,000	450,000
Mahoning Gas Fuel Company.....	150,000	149,900
Mountain State Gas Company.....	500,000	500,000
National Transit Company.....	25,455,200	25,451,650
New York Transit Company.....	5,000,000	5,000,000
Northern Pipe Line Company.....	4,000,000	4,000,000
Northwestern Ohio Natural Gas Company.....	2,775,250	1,649,450
Ohio Oil Company.....	10,000,000	9,999,850
People's Natural Gas Company.....	1,000,000	1,000,000
Pittsburg Natural Gas Company.....	310,000	310,000
Solar Refining Company.....	500,000	499,400
Southern Pipe Line Company.....	10,000,000	10,000,000
South Penn Oil Company.....	2,500,000	2,500,000
Southwest Pennsylvania Pipe Lines.....	3,500,000	3,500,000
Standard Oil Company (of California).....	17,000,000	16,999,500
Standard Oil Company (of Indiana).....	1,000,000	999,000
Standard Oil Company (of Iowa).....	1,000,000	1,000,000
Standard Oil Company (of Kansas).....	1,000,000	999,500
Standard Oil Company (of Kentucky).....	1,000,000	997,200
Standard Oil Company (of Nebraska).....	600,000	599,500
Standard Oil Company (of New York).....	15,000,000	15,000,000
Standard Oil Company (of Ohio).....	3,500,000	3,499,400
Swan and Finch Company.....	100,000	100,000
Union Tank Line Company.....	3,500,000	3,499,400
Vacuum Oil Company.....	2,500,000	2,500,000
Washington Oil Company.....	100,000	71,480
Waters-Pierce Oil Company.....	400,000	274,700

That the defendant National Transit Company, which is owned and controlled by the Standard Oil Company as aforesaid, owns and controls the amounts of the capital stocks of the following-named corporations and limited partnerships, stated opposite each, respectively, as follows:

Name of company.	Total capital stock.	Owned by National Transit Company.
Connecting Gas Company.....	\$825,000	\$412,000
Cumberland Pipe Line Company.....	1,000,000	998,500
East Ohio Gas Company.....	6,000,000	5,999,500
Franklin Pipe Company, Limited.....	50,000	19,500
Prairie Oil & Gas Company.....	10,000,000	9,999,500

That the Standard Company has also acquired the control by the ownership of its stock or otherwise of the Security Oil Company, a corporation created under the laws of Texas, which owns a refinery at Beaumont in that State, and the Manhattan Oil Company, a corporation which owns a pipe line situated in the States of Indiana and Ohio; that the Standard Company and the corporations and partnerships named in section 2 are engaged in the various branches of the business of producing, purchasing, and transporting petroleum in the principal oil-producing districts of the United States in New York, Pennsylvania, West Virginia, Tennessee, Kentucky, Ohio, Indiana, Illinois, Kansas, Oklahoma, Louisiana, Texas, Colorado, and California in shipping and transporting the oil through pipe lines owned or controlled by these companies from the various oil-producing districts into and through other States, in refining the petroleum and manufacturing it into various products, in shipping the petroleum and the products thereof into the States and Territories of the United States, the District of Columbia, and to foreign nations, in shipping the petroleum and its products in tank cars owned or controlled by the subsidiary companies into various States and Territories of the United States and into the District of Columbia, and in selling the petroleum and its products in various places in the States and Territories of the United States, in the District of Columbia, and in foreign countries; that the Standard Company controls the subsidiary companies and directs the management thereof so that none of the subsidiary companies competes with any other of those companies or with the Standard Company, but their trade is all managed as that of a single person.

SECTION 5. That the stocks of the various corporations which are named in section 2 and described in section 4 of this decree held by the Standard Company were acquired and are held by it by virtue of the illegal combination; that the Standard Company, its directors, officers, agents, servants, and employees are enjoined and prohibited from

voting any of the stock in any of the subsidiary companies named in section 2 of this decree, and from exercising or attempting to exercise any control, direction, supervision, or influence over the acts of these subsidiary companies by virtue of its holding of their stock.

And these subsidiary companies, their officers, directors, agents, servants, and employees are, and each of them is, enjoined and prohibited from declaring or paying any dividends to the Standard Company on account of any of the stock of these subsidiary companies held by the Standard Company, and from permitting the latter company to vote any stock in, or to direct the policy of, any of said companies, or to exercise any control whatsoever over the corporate acts of any of said companies by virtue of such stock, or by virtue of the power over such subsidiary corporation acquired by means of the illegal combination. But the defendants are not prohibited by this decree from distributing ratably to the shareholders of the principal company the shares to which they are equitably entitled in the stocks of the defendant corporations that are parties to the combination.

SECTION 6. That the defendants named in section 2 of this decree, their officers, directors, agents, servants, and employees are enjoined and prohibited from continuing or carrying into further effect the combination adjudged illegal hereby, and from entering or performing any like combination or conspiracy, the effect of which is, or will be, to restrain commerce in petroleum or its products among the States, or in the Territories, or with foreign nations, or to prolong the unlawful monopoly of such commerce obtained and possessed by defendants as before stated, in violation of the act of July 2, 1890, either (1) by the use of liquidating certificates, or other written evidences, of a stock interest in two or more potentially competitive parties to the illegal combination, by causing the conveyance of the physical property and business of any of said parties to a potentially competitive party to this combination, by causing the conveyance of the property and business of two or more of the potentially com-

petitive parties to this combination to any party thereto, by placing the control of any of said corporations in a trustee, or group of trustees, by causing its stock or property to be held by others than its equitable owners, or by any similar device; or (2) by making any express or implied agreement or arrangement together, or one with another, like that adjudged illegal hereby, relative to the control or management of any of said corporations, or the price or terms of purchase, or of sale, or the rates of transportation of petroleum or its products in interstate or international commerce, or relative to the quantities thereof purchased, sold, transported, or manufactured by any of said corporations which will have a like effect in restraint of commerce among the States, in the Territories, and with foreign nations to that of the combination the operation of which is hereby enjoined.

SECTION 7. The defendants named in section two of this decree are enjoined and prohibited, until the discontinuance of the operation of the illegal combination, from engaging or continuing in commerce among the States or in the Territories of the United States.

SECTION 8. The United States shall recover its costs herein, to be taxed by the clerk of the court, and shall have execution therefor.

SECTION 9. This decree shall take effect thirty (30) days after its entry in case no appeal is taken from it. If an appeal is taken from this decree by the defendants, or by any of them, and a bond in the amount of fifty thousand dollars (\$50,000.00), conditioned to operate as a supersedeas, approved by one of the circuit judges, is given within thirty (30) days after the entry of this decree, then this decree, unless reversed or modified, shall take effect thirty (30) days after the final decision of this case by the Supreme Court upon the appeal.

St. Louis, November 20, 1909.

WALTER H. SANBORN,
WILLIS VAN DEVANTER,
WILLIAM C. HOOK,
ELMER B. ADAMS,
United States Circuit Judges.