28 S.Ct. 301

Supreme Court of the United States.

DEITRICH LOEWE ET AL.

v.

MARTIN LAWLOR ET AL.

No 389.

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Argued December 4, 5, 1907.

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Decided February 3, 1908.

ON WRIT of Certiorari to the United States Circuit Court of Appeals for the Second Circuit to review a judgment of the Circuit Court for the District of Connecticut, sustaining a demurrer to and dismissing the complaint in an action to recover threefold damages for injuries sustained by reason of a combination alleged to violate the anti-trust act. Reversed and remanded.

See same case below, in circuit court, [148 Fed. 924](http://www.westlaw.com/Link/Document/FullText?findType=Y&serNum=1907100871&pubNum=348&originatingDoc=Icdef49a69cc211d993e6d35cc61aab4a&refType=RP&originationContext=document&vr=3.0&rs=cblt1.0&transitionType=DocumentItem&contextData=(sc.UserEnteredCitation)).

The facts are stated in the opinion.

West Headnotes (2)

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| **[1]** | [**Antitrust and Trade Regulation**](http://www.westlaw.com/Browse/Home/KeyNumber/29T/View.html?docGuid=Icdef49a69cc211d993e6d35cc61aab4a&originationContext=document&vr=3.0&rs=cblt1.0&transitionType=DocumentItem&contextData=(sc.UserEnteredCitation))  [Illegal Restraints or Other Misconduct](http://www.westlaw.com/Browse/Home/KeyNumber/29TVI(D)/View.html?docGuid=Icdef49a69cc211d993e6d35cc61aab4a&originationContext=document&vr=3.0&rs=cblt1.0&transitionType=DocumentItem&contextData=(sc.UserEnteredCitation)) |
|  | Any combination whatever to secure action which essentially obstructs the free flow of commerce between the states, or restricts, in that regard, the liberty of a trader to engage in business, is within the inhibition of Anti-Trust Act July 2, 1890, c. 647, 26 Stat. 209, [15 U.S.C.A. §§ 1](http://www.westlaw.com/Link/Document/FullText?findType=L&pubNum=1000546&cite=15USCAS1&originatingDoc=Icdef49a69cc211d993e6d35cc61aab4a&refType=LQ&originationContext=document&vr=3.0&rs=cblt1.0&transitionType=DocumentItem&contextData=(sc.UserEnteredCitation))-[7](http://www.westlaw.com/Link/Document/FullText?findType=L&pubNum=1000546&cite=15USCAS7&originatingDoc=Icdef49a69cc211d993e6d35cc61aab4a&refType=LQ&originationContext=document&vr=3.0&rs=cblt1.0&transitionType=DocumentItem&contextData=(sc.UserEnteredCitation)), [15](http://www.westlaw.com/Link/Document/FullText?findType=L&pubNum=1000546&cite=15USCAS15&originatingDoc=Icdef49a69cc211d993e6d35cc61aab4a&refType=LQ&originationContext=document&vr=3.0&rs=cblt1.0&transitionType=DocumentItem&contextData=(sc.UserEnteredCitation)) note, against combinations “in restraint of trade or commerce among the several states.”  [66 Cases that cite this headnote](http://www.westlaw.com/Link/RelatedInformation/DocHeadnoteLink?docGuid=Icdef49a69cc211d993e6d35cc61aab4a&headnoteId=190810037050120060425135229&originationContext=document&vr=3.0&rs=cblt1.0&transitionType=CitingReferences&contextData=(sc.UserEnteredCitation)) |

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| **[2]** | [**Antitrust and Trade Regulation**](http://www.westlaw.com/Browse/Home/KeyNumber/29T/View.html?docGuid=Icdef49a69cc211d993e6d35cc61aab4a&originationContext=document&vr=3.0&rs=cblt1.0&transitionType=DocumentItem&contextData=(sc.UserEnteredCitation))  [Unions;  Employee Organizations](http://www.westlaw.com/Browse/Home/KeyNumber/29Tk938/View.html?docGuid=Icdef49a69cc211d993e6d35cc61aab4a&originationContext=document&vr=3.0&rs=cblt1.0&transitionType=DocumentItem&contextData=(sc.UserEnteredCitation)) |
|  | A combination by members of labor organizations to destroy an existing interstate traffic in hats by preventing the manufacturers, through the instrumentality of a boycott, from manufacturing hats intended for transportation beyond the state, and to prevent their vendees in other states from reselling the hats so transported, and from further negotiating with the manufacturers for the purchase and transportation of such hats from the place of manufacture to the various places of destination, is a combination “in restraint of trade or commerce among the several states,” within the meaning of Anti-Trust Act July 2, 1890, c. 647, 26 Stat. 209, [15 U.S.C.A. §§ 1](http://www.westlaw.com/Link/Document/FullText?findType=L&pubNum=1000546&cite=15USCAS1&originatingDoc=Icdef49a69cc211d993e6d35cc61aab4a&refType=LQ&originationContext=document&vr=3.0&rs=cblt1.0&transitionType=DocumentItem&contextData=(sc.UserEnteredCitation))-[7](http://www.westlaw.com/Link/Document/FullText?findType=L&pubNum=1000546&cite=15USCAS7&originatingDoc=Icdef49a69cc211d993e6d35cc61aab4a&refType=LQ&originationContext=document&vr=3.0&rs=cblt1.0&transitionType=DocumentItem&contextData=(sc.UserEnteredCitation)), [15](http://www.westlaw.com/Link/Document/FullText?findType=L&pubNum=1000546&cite=15USCAS15&originatingDoc=Icdef49a69cc211d993e6d35cc61aab4a&refType=LQ&originationContext=document&vr=3.0&rs=cblt1.0&transitionType=DocumentItem&contextData=(sc.UserEnteredCitation)) note, the members of which are liable for the threefold damages which, under [section 7](http://www.westlaw.com/Link/Document/FullText?findType=L&pubNum=1000546&cite=15USCAS7&originatingDoc=Icdef49a69cc211d993e6d35cc61aab4a&refType=LQ&originationContext=document&vr=3.0&rs=cblt1.0&transitionType=DocumentItem&contextData=(sc.UserEnteredCitation)) of that act, may be recovered by those injured in business or property by violations of the act, although a negligible amount of intrastate business may be affected in carrying out the combination, and although the members of the combination are not themselves engaged in interstate commerce.  [173 Cases that cite this headnote](http://www.westlaw.com/Link/RelatedInformation/DocHeadnoteLink?docGuid=Icdef49a69cc211d993e6d35cc61aab4a&headnoteId=190810037050220060425135229&originationContext=document&vr=3.0&rs=cblt1.0&transitionType=CitingReferences&contextData=(sc.UserEnteredCitation)) |

**Attorneys and Law Firms**

**\*\*301** Messrs. **\*275 James M. Beck** and **Daniel Davenport** for Loewe et al.

Messrs. **\*280 John Kimberly Beach, John H. Light,** Robert De Forest, and Howard W. Taylor for Lawlor et al.

**\*283** Mr. Thomas Carl Spelling for the American Federation of Labor, et al.

**Opinion**

Mr. Chief Justice **Fuller** delivered the opinion of the court:

This was an action brought in the circuit court for the district of Connecticut under [§ 7](http://www.westlaw.com/Link/Document/FullText?findType=L&pubNum=1000546&cite=15USCAS7&originatingDoc=Icdef49a69cc211d993e6d35cc61aab4a&refType=LQ&originationContext=document&vr=3.0&rs=cblt1.0&transitionType=DocumentItem&contextData=(sc.UserEnteredCitation)) of the anti-trust act of July 2, 1890 [26 Stat. at L. 210, chap. 647, U. S. Comp. Stat. 1901, p. 3202], claiming threefold damages for injuries inflicted on plaintiffs by combination or conspiracy declared to be unlawful by the act.

Defendants filed a demurrer to the complaint, assigning general and special grounds. The demurrer was sustained as to the first six paragraphs, which rested on the ground that the combination stated was not within the Sherman act, and this rendered it unnecessary to pass upon any other questions in the case; and, upon plaintiffs declining to amend their complaint, the court dismissed it with costs. [148 Fed. 924;](http://www.westlaw.com/Link/Document/FullText?findType=Y&serNum=1907100871&pubNum=348&originatingDoc=Icdef49a69cc211d993e6d35cc61aab4a&refType=RP&originationContext=document&vr=3.0&rs=cblt1.0&transitionType=DocumentItem&contextData=(sc.UserEnteredCitation)) and see [142 Fed. 216,](http://www.westlaw.com/Link/Document/FullText?findType=Y&serNum=1920106192&pubNum=348&originatingDoc=Icdef49a69cc211d993e6d35cc61aab4a&refType=RP&originationContext=document&vr=3.0&rs=cblt1.0&transitionType=DocumentItem&contextData=(sc.UserEnteredCitation)) [130 Fed. 633](http://www.westlaw.com/Link/Document/FullText?findType=Y&serNum=1904102434&pubNum=348&originatingDoc=Icdef49a69cc211d993e6d35cc61aab4a&refType=RP&originationContext=document&vr=3.0&rs=cblt1.0&transitionType=DocumentItem&contextData=(sc.UserEnteredCitation)).

**\*284** The case was then carried by writ of error to the circuit court of appeals for the second circuit, and that court, desiring the instruction of this court upon a question arising on the writ or error, certified that question to this court. The certificate consisted of a brief statement of facts, and put the question thus: ‘Upon this state of facts can plaintiffs maintain an action against defendants under [§ 7](http://www.westlaw.com/Link/Document/FullText?findType=L&pubNum=1000546&cite=15USCAS7&originatingDoc=Icdef49a69cc211d993e6d35cc61aab4a&refType=LQ&originationContext=document&vr=3.0&rs=cblt1.0&transitionType=DocumentItem&contextData=(sc.UserEnteredCitation)) of the anti-trust act of July 2, 1890?’

After the case on certificate had been docketed here, plaintiffs in error applied, and defendants in error joined in the application, to this court to require the whole record and cause to be sent up for its consideration. The application was granted, and the whole record and cause being thus brought before this court, it devolved upon the court, under § 6 of the judiciary act of 1891, to ‘decide the whole matter in controversy in the same manner as if it had been brought there for review by writ of error or appeal.’ [26 Stat. at L. 828, chap. 517, U. S. Comp. Stat. 1901, p. 550.]

The case comes up, then, on complaint and demurrer, and we give the complaint in the margin.[†](#co_footnote_B001_dagger_1908100370_1)

**\*\*302** **\*285** The question is whether, upon the facts therein averred and admitted by the demurrer, this action can be maintained under the anti-trust act.

The 1st, 2d, and 7th sections of that act are as follows:

**\*286** ‘1. Every contract, combination in the form of trust or otherwise, or conspiracy, in restraint of trade or commerce among the several states, or with foreign nations, is hereby declared to be illegal. Every person who shall make any such **\*287** contract or engage in any such combination or conspiracy shall be deemed guilty of a misdemeanor, and, on conviction thereof, shall be punished by fine not exceeding five thousand dollars, or by imprisonment not exceeding one year, or by both said punishments, in the discretion of the court.

**\*288** ‘2. Every person who shall monopolize, or attempt to monopolize, or combine or conspire with any other person or persons to monopolize, any part of the trade or commerce among the several states or with foreign nations, shall be deemed guilty **\*289** of a misdemeanor, and on conviction thereof shall be punished by fine not exceeding five thousand dollars, or by imprisonment not exceeding one year, or by both said punishments, in the discretion of the court.’

**\*290** ‘7. Any person who shall be injured in his business or property by any other person or corporation by reason of anything forbidden or declared to be unlawful by this act may sue therefor in any circuit court of the United States in the district in **\*291** which the defendant resides or is found, without **\*\*303** respect to the amount in controversy, and shall recover three fold the damages by him sustained, and the costs of suit, including a reasonable attorney’s fee.’

**\*292** In our opinion, the combination described in the declaration is a combination ‘in restraint of trade or commerce among the several states,’ in the sense in which those words are used in the act, and the action can be maintained accordingly.

**\*293** And that conclusion rests on many judgments of this court, to the effect that the act prohibits any combination whatever to secure action which essentially obstructs the free flow of commerce between the states, or restricts, in that regard, the liberty of a trader to engage in business.

**\*294** The combination charged falls within the class of restraints of trade aimed at compelling third parties and strangers involuntarily not to engage in the course of trade except on conditions that the combination imposes; and there is no doubt **\*295** that (to quote from the well-known work of Chief Justice Erle on Trade Unions) ‘at common law every person has individually, and the public also has collectively, a right to require that the course of trade should be kept free from unreasonable **\*296** obstruction.’ But the objection here is to the jurisdiction, because, even conceding that the declaration states a case good at common law, it is contended that it does not state one within the statute. Thus, it is said that the restraint alleged would operate to entirely destroy plaintiffs’ business and thereby include intrastate trade as well; that physical obstruction **\*297** is not alleged **\*\*304** as contemplated; and that defendants are not themselves engaged in interstate trade.

We think none of these objections are tenable, and that they are disposed of by previous decisions of this court.

[United States v. Trans-Missouri Freight Asso. 166 U. S. 290, 41 L. ed. 1007, 17 Sup. Ct. Rep. 540;](http://www.westlaw.com/Link/Document/FullText?findType=Y&serNum=1897180021&pubNum=708&originatingDoc=Icdef49a69cc211d993e6d35cc61aab4a&refType=RP&originationContext=document&vr=3.0&rs=cblt1.0&transitionType=DocumentItem&contextData=(sc.UserEnteredCitation)) [United States v. Joint Traffic Asso. 171 U. S. 505, 43 L. ed. 259, 19 Sup. Ct. Rep. 25;](http://www.westlaw.com/Link/Document/FullText?findType=Y&serNum=1898180153&pubNum=708&originatingDoc=Icdef49a69cc211d993e6d35cc61aab4a&refType=RP&originationContext=document&vr=3.0&rs=cblt1.0&transitionType=DocumentItem&contextData=(sc.UserEnteredCitation)) and [Northern Securities Co. v. United States, 193 U. S. 197, 48 L. ed. 679, 24 Sup. Ct. Rep. 436,](http://www.westlaw.com/Link/Document/FullText?findType=Y&serNum=1904101136&pubNum=708&originatingDoc=Icdef49a69cc211d993e6d35cc61aab4a&refType=RP&originationContext=document&vr=3.0&rs=cblt1.0&transitionType=DocumentItem&contextData=(sc.UserEnteredCitation)) hold, in effect, that the anti-trust law has a broader application than the prohibition of restraints of trade unlawful at common law. Thus, in the Trans-Missouri Case it was said that, ‘assuming that agreements of this nature are not void at common law, and that the various cases cited by the learned courts below show it, the answer to the statement of their validity now is to be found in the terms of the statute under consideration;’ and, in the Northern Securities Case, that the act declares ‘illegal every contract, combination, or conspiracy, in whatever form, of whatever nature, and whoever may be parties to it, which directly or necessarily operates in restraint of trade or commerce among the several states.’

We do not pause to comment on cases such as [United States v. E. C. Knight Co. 156 U. S. 1, 39 L. ed. 325, 15 Sup. Ct. Rep. 249;](http://www.westlaw.com/Link/Document/FullText?findType=Y&serNum=1895143988&pubNum=708&originatingDoc=Icdef49a69cc211d993e6d35cc61aab4a&refType=RP&originationContext=document&vr=3.0&rs=cblt1.0&transitionType=DocumentItem&contextData=(sc.UserEnteredCitation)) [Hopkins v. United States, 171 U. S. 578, 43 L. ed. 290, 19 Sup. Ct. Rep. 40;](http://www.westlaw.com/Link/Document/FullText?findType=Y&serNum=1898146001&pubNum=708&originatingDoc=Icdef49a69cc211d993e6d35cc61aab4a&refType=RP&originationContext=document&vr=3.0&rs=cblt1.0&transitionType=DocumentItem&contextData=(sc.UserEnteredCitation)) and **\*\*305** [Anderson v. United States, 171 U. S. 604, 43 L. ed. 300, 19 Sup. Ct. Rep. 50,](http://www.westlaw.com/Link/Document/FullText?findType=Y&serNum=1898180156&pubNum=708&originatingDoc=Icdef49a69cc211d993e6d35cc61aab4a&refType=RP&originationContext=document&vr=3.0&rs=cblt1.0&transitionType=DocumentItem&contextData=(sc.UserEnteredCitation)) in which the undisputed facts showed that the purpose of the agreement was not to obstruct or restrain interstate commerce. The object and intention of the combination determined its legality.

In Swift & Co. v. United States, 196 [U. S. 395, 49 L. ed. 523, 25 Sup. Ct. Rep. 276,](http://www.westlaw.com/Link/Document/FullText?findType=Y&serNum=1905100375&pubNum=708&originatingDoc=Icdef49a69cc211d993e6d35cc61aab4a&refType=RP&originationContext=document&vr=3.0&rs=cblt1.0&transitionType=DocumentItem&contextData=(sc.UserEnteredCitation)) a bill was brought against a number of corporations, firms, and individuals of different states, alleging that they were engaged in interstate commerce in the purchase, sale, transportation, and delivery, and subsequent resale at the point of delivery, of meats; and that they combined to refrain from bidding against each other in the purchase of cattle; to maintain a uniform price at which the meat should be sold; and to maintain uniform charges in delivering meats thus sold through the channels of interstate trade to the various dealers and consumers in other states. **\*298** And that thus they artificially restrained commerce in fresh meats from the purchase and shipment of live stock from the plains to the final distribution of the meats to the consumers in the markets of the country.

Mr. Justice Holmes, speaking for the court, said:

‘Commerce among the states is not a technical legal conception, but a practical one, drawn from the course of business. When cattle are sent for sale from a place in one state, with the expectation that they will end their transit after purchase in another, and when, in effect, they do so, with **\*\*306** only the interruption necessary to find a purchaser at the stock yards, and when this is a typical, constantly recurring course, the current thus existing is a current of commerce among the states, and the purchase of the cattle is a part and incident of such commerce.’

‘The general objection is urged that the bill does not set forth sufficient definite or specific facts. This objection is serious, but it seems to us inherent in the nature of the case. The scheme alleged is so vast that it presents a new problem in pleading. If, as we must assume, the scheme is entertained, it is, of course, contrary to the very words of the statute. Its size makes the violation of the law more conspicuous, and yet the same thing makes it impossible to fasten the principal fact to a certain time and place. The elements, too, are so numerous and shifting, even the constituent parts alleged are, and from their nature must be, so extensive in time and space, that something of the same impossibility applies to them.

‘The scheme as a whole seems to us to be within reach of the law. The constituent elements, as we have stated them, are enough to give to the scheme a body, and, for all that we can say, to accomplish it. Moreover, whatever we may think of them separately, when we take them up as distinct charges, they are alleged sufficiently as elements of a scheme. It is **\*299** suggested that the several acts charged are lawful and that intent can make no difference. But they are **\*\*307** bound together as the parts of a single plan. The plan may make the parts unlawful.’

And the same principle was expressed in [Aikens v. Wisconsin, 195 U. S. 194, 49 L. ed. 154, 25 Sup. Ct. Rep. 3,](http://www.westlaw.com/Link/Document/FullText?findType=Y&serNum=1904100451&pubNum=708&originatingDoc=Icdef49a69cc211d993e6d35cc61aab4a&refType=RP&originationContext=document&vr=3.0&rs=cblt1.0&transitionType=DocumentItem&contextData=(sc.UserEnteredCitation)) involving a statute of Wisconsin prohibiting combinations ‘for the purpose of wilfully or maliciously injuring another in his reputation, trade, business, or profession, by any means whatever,’ etc., in which Mr. Justice Holmes said:

‘The statute is directed against a series of acts, and acts of several, the acts of combining, with intent to do other acts. ‘The very plot is an act in itself.’ Mulcahy v. Queen, L. R. 3 H. L. 306, 317. But an act, which, in itself, is merely a voluntary muscular contraction, derives all its character from the consequences which will follow it under the circumstances in which it was done. When the acts consist of making a combination calculated to cause temporal damage, the power to punish such acts, when done maliciously, cannot be denied because they are to be followed and worked out by conduct which might have been lawful if not preceded by the acts. No conduct has such an absolute privilege as to justify all possible schemes of which it may be a part. The most innocent and constitutionally protected of acts or omissions may be made a step in a criminal plot, and, if it is a step in a plot, neither its innocence nor the Constitution is sufficient to prevent the punishment of the plot by law.’

In **\*\*308** [Addyston Pipe & Steel Co. v. United States, 175 U. S. 211, 44 L. ed. 136, 20 Sup. Ct. Rep. 96,](http://www.westlaw.com/Link/Document/FullText?findType=Y&serNum=1899180166&pubNum=708&originatingDoc=Icdef49a69cc211d993e6d35cc61aab4a&refType=RP&originationContext=document&vr=3.0&rs=cblt1.0&transitionType=DocumentItem&contextData=(sc.UserEnteredCitation)) the petition alleged that the defendants were practically the only manufacturers of cast iron within thirty-six states and territories, that they had entered into a combination by which they agreed not to compete with each other in the sale of pipe, and the territory through which the constituent companies could make sales was allotted between them. This court held that the agreement, which, prior to any act of transportation, limited the prices at which the pipe could be **\*300** sold after transportation, was within the law. Mr. Justice Peckham, delivering the opinion, said: ‘And when Congress has enacted a statute such as the one in question, any agreement or combination which directly operates not alone upon the manufacture, but upon the sale, transportation, and delivery of an article of interstate commerce, by preventing or restricting its sale, etc., thereby regulates interstate commerce.’

In [W. W. Montague & Co. v. Lowry, 193 U. S. 38, 48 L. ed. 608, 24 Sup. Ct. Rep. 307,](http://www.westlaw.com/Link/Document/FullText?findType=Y&serNum=1904100278&pubNum=708&originatingDoc=Icdef49a69cc211d993e6d35cc61aab4a&refType=RP&originationContext=document&vr=3.0&rs=cblt1.0&transitionType=DocumentItem&contextData=(sc.UserEnteredCitation)) which was an action brought by a private citizen under [§ 7](http://www.westlaw.com/Link/Document/FullText?findType=L&pubNum=1000546&cite=15USCAS7&originatingDoc=Icdef49a69cc211d993e6d35cc61aab4a&refType=LQ&originationContext=document&vr=3.0&rs=cblt1.0&transitionType=DocumentItem&contextData=(sc.UserEnteredCitation)) against a combination engaged in the manufacture of tiles, defendants were wholesale dealers in tiles in California, and combined with manufacturers in other states to restrain the interstate traffic in tiles by refusing to sell any tiles to any wholesale dealer in California who was not a member of the association, except at a prohibitive rate. The case was a commercial boycott against such dealers in California as would not or could not obtain membership in the association. The restraint did not consist in a physical obstruction of interstate commerce, but in the fact that the plaintiff and other independent dealers could not purchase their tiles from manufacturers in other states because such manufacturers had combined to boycott them. This court held that this obstruction to the purchase of tiles, a fact antecedent to physical transportation, was within the prohibition of the **\*\*309** act. Mr. Justice Peckham, speaking for the court, said, concerning the agreement, that it ‘restrained trade, for it narrowed the market for the sale of tiles in California from the manufacturers and dealers therein in other states, so that they could only be sold to the members of the association, and it enhanced prices to the nonmember.’

The averments here are that there was an existing interstate traffic between plaintiffs and citizens of other states, and that, for the direct purpose of destroying such interstate traffic, defendants combined not merely to prevent plaintiffs from manufacturing articles then and there intended for transportation beyond the state, but also to prevent the vendees from reselling that hats which they had imported from Connecticut, or from **\*301** further negotiating with plaintiffs for the purchase and intertransportation of such hats from Connecticut to the various places of destination. So that, although some of the means whereby the interstate traffic was to be destroyed were acts within a state, and some of them were, in themselves, as a part of their obvious purpose and effect, beyond the scope of Federal authority, still, as we have seen, the acts must be considered as a whole, and the plan is open to condemnation, notwithstanding a negligible amount of intrastate business might be affected in carrying it out. If the purposes of the combination were, as alleged, to prevent any interstate transportation at all, the fact that the means operated at one end before physical transportation commenced, and, at the other end, after the physical transportation ended, was immaterial.

Nor can the act in question be held inapplicable because defendants were not themselves engaged in interstate commerce. The act made no distinction between classes. It provided that ‘every’ contract, combination, or conspiracy in restraint of trade was illegal. **\*\*310** The records of Congress show that several efforts were made to exempt, by legislation, organizations of farmers and laborers from the operation of the act, and that all these efforts failed, so that the act remained as we have it before us.

In an early case ([United States v. Workingmen’s Amalgamated Council, 26 L.R.A. 158, 4](http://www.westlaw.com/Link/Document/FullText?findType=Y&serNum=1820108444&pubNum=473&originatingDoc=Icdef49a69cc211d993e6d35cc61aab4a&refType=RP&originationContext=document&vr=3.0&rs=cblt1.0&transitionType=DocumentItem&contextData=(sc.UserEnteredCitation)) Inters. Com. Rep. 831, [54 Fed. 994)](http://www.westlaw.com/Link/Document/FullText?findType=Y&serNum=1820108444&pubNum=348&originatingDoc=Icdef49a69cc211d993e6d35cc61aab4a&refType=RP&originationContext=document&vr=3.0&rs=cblt1.0&transitionType=DocumentItem&contextData=(sc.UserEnteredCitation)) the United States filed a bill under the Sherman act in the circuit court for the eastern district of Louisiana, averring the existence of ‘a gigantic and widespread combination of the members of a multitude of separate organizations for the purpose of restraining the commerce among the several states and with foreign countries,’ and it was contended that the statute did not refer to combinations of laborers. But the court, granting the injunction, said:

‘I think the congressional debates show that the statute had its origin in the evils of massed capital; but, when the Congress came to formulating the prohibition, which is the yardstick for measuring the complainant’s right to the injunction, **\*302** it expressed it in these words: ‘Every contract or combination in the form of trust, or otherwise in restraint of trade or commerce among the several states or with foreign nations, is hereby declared to be illegal.’ The subject had so broadened in the minds of the legislators that the source of the evil was not regarded as material, and the evil in its entirety is dealt with. They made the interdiction include combinations of labor as well as of capital; in fact, all combinations in restraint of commerce, without reference to the character of the persons who entered into them. It is true this statute has not been much expounded by judges, but, as it seems to me, its meaning, as far as relates to the sort of combinations to which it is to apply, is manifest, and that it includes conbinations which are composed of laborers acting in the interest of laborers.

‘It is the successful effort of the combination of the defendants to intimidate and overawe others who were at work in conducting or carrying on the commerce of the country, in which the court finds their error and their violation of the statute. One of the intended results of their combined action was the forced stagnation of all the commerce which flowed through New Orleans. This intent and combined action are none the less unlawful because they included in their scope the paralysis of all other business within the city as well.’

The case was affirmed on appeal by the circuit court of appeals for the fifth circuit. [6 C. C. A. 258,](http://www.westlaw.com/Link/Document/FullText?findType=Y&serNum=1893138778&pubNum=853&originatingDoc=Icdef49a69cc211d993e6d35cc61aab4a&refType=RP&originationContext=document&vr=3.0&rs=cblt1.0&transitionType=DocumentItem&contextData=(sc.UserEnteredCitation)) [13 U. S. App. 426,](http://www.westlaw.com/Link/Document/FullText?findType=Y&serNum=1893137722&pubNum=3960&originatingDoc=Icdef49a69cc211d993e6d35cc61aab4a&refType=RP&originationContext=document&vr=3.0&rs=cblt1.0&transitionType=DocumentItem&contextData=(sc.UserEnteredCitation)) [57 Fed. 85](http://www.westlaw.com/Link/Document/FullText?findType=Y&serNum=1893138778&pubNum=348&originatingDoc=Icdef49a69cc211d993e6d35cc61aab4a&refType=RP&originationContext=document&vr=3.0&rs=cblt1.0&transitionType=DocumentItem&contextData=(sc.UserEnteredCitation)).

Subsequently came the litigation over the Pullman strike and the decisions Re Debs, 5 Inters. Com. Rep. 163, [64 Fed. 724, 745, 755,](http://www.westlaw.com/Link/Document/FullText?findType=Y&serNum=1820108130&pubNum=348&originatingDoc=Icdef49a69cc211d993e6d35cc61aab4a&refType=RP&fi=co_pp_sp_348_745&originationContext=document&vr=3.0&rs=cblt1.0&transitionType=DocumentItem&contextData=(sc.UserEnteredCitation)#co_pp_sp_348_745) [158 U. S. 564, 39 L. ed. 1092, 15 Sup. Ct. Rep. 900.](http://www.westlaw.com/Link/Document/FullText?findType=Y&serNum=1895180153&pubNum=708&originatingDoc=Icdef49a69cc211d993e6d35cc61aab4a&refType=RP&originationContext=document&vr=3.0&rs=cblt1.0&transitionType=DocumentItem&contextData=(sc.UserEnteredCitation)) The bill in that case was filed by the United States against the officers of the American Railway Union, which alleged that a labor dispute existed between the Pullman Palace Car Company and its employees; that thereafter the four officers of the railway union combined together and with others to compel an adjustment of such dispute by creating a boycott against the **\*\*311** cars of the car company; that, to make such boycott effective, they had already prevented certain **\*303** of the railroads running out of Chicago from operating their trains; that they asserted that they could and would tie up, paralyze, and break down any and every railroad which did not accede to their demands, and that the purpose and intention of the combination was ‘to secure unto themselves the entire control of the interstate, industrial, and commercial business in which the population of the city of Chicago and of the other communities along the lines of road of said railways are engaged with each other, and to restrain any and all other persons from any independent control or management of such interstate, industrial, or commercial enterprises, save according to the will and with the consent of the defendants.’

The circuit court proceeded principally upon the Sherman anti-trust law, and granted an injunction. In this court the case was rested upon the broader ground that the Federal government had full power over interstate commerce and over the transmission of the mails, and, in the exercise of those powers, could remove everything put upon highways, natural or artificial, to obstruct the passage of interstate commerce, or the carrying of the mails. But, in reference to the anti-trust act, the court expressly stated:

‘We enter into no examination of the act of July 2, 1890, chap. 647, 26 Stat. at L. 209, U. S. Comp. Stat. 1901, p. 3200, upon which the circuit court relied mainly to sustain its jurisdiction. It must not be understood from this that we dissent from the conclusions of that court in reference to the scope of the act, but simply that we prefer to rest our judgment on the broader ground which has been discussed in this opinion, believing it of importance that the principles underlying it should be fully stated and affirmed.’

And, in the opinion, Mr. Justice Brewer, among other things, said:

‘It is curious to note the fact that in a large proportion of the cases in respect to interstate commerce brought to this court the question presented was of the validity of state legislation in its bearings upon interstate commerce, and the uniform course of decision has been to declare that it is not within **\*304** the competency of a state to legislate in such a manner as to obstruct interstate commerce. If a state, with its recognized powers of sovereignty, is impotent to obstruct interstate commerce, can it be that any mere voluntary association of individuals within the limits of that state has a power which the state itself does not possess?’

The question answers itself; and, in the light of the authorities, the only inquiry is as to the sufficiency of the averments of fact. We have given the declaration in full in the margin, and it appears therefrom that it is charged that defendants formed a combination to directly restrain plaintiffs’ trade; that the trade to be restrained was interstate; that certain means to attain such restraint were contrived to be used and employed to that end; that those means were so used and employed by defendants, and that thereby they injured plaintiffs’ property and business.

At the risk of tediousness, we repeat that the complaint averred that plaintiffs were manufacturers of hats in Danbury, Connecticut, having a factory there, and were then and there engaged in an interstate trade in some twenty states other than the state of Connecticut; that they were practically dependent upon such interstate trade to consume the product of their factory, only a small percentage of their entire output being consumed in the state of Connecticut; that, at the time the alleged combination was formed, they were in the process of manufacturing a large number of hats for the purpose of fulfilling engagements then actually made with consignees and wholesale dealers in states other than Connecticut, and that, if prevented from carrying on the work of manufacturing these hats, they would be unable to complete their engagements.

That defendants were members of a vast combination called The United Hatters of North America, comprising about 9,000 members, and including a large number of subordinate unions, and that they were combined with some 1,400,000 others into another association known as The American Federation of **\*305** Labor, of which they were members, whose members resided in all the places in the several states where the wholesale dealers in hats and their customers resided and did business; that defendants were ‘engaged in a combined scheme and effort to force all manufacturers of fur hats in the United States, including the plaintiffs, against their will and their previous policy of carrying on their business, to organize their workmen in the departments of making and finishing, in each of their factories, into an organization, to be part and parcel of the said combination known as the United Hatters of North America, or, as the defendants and their confederates term it, to unionize their shops, with the intent thereby to control the employment of labor in and the operation of said factories, and to subject the same to the direction and control of persons other than the owners of the same, in a manner extremely onerous and distasteful to such owners, **\*\*312** and to carry out such scheme, effort, and purpose by restraining and destroying the interstate trade and commerce of such manufacturers, by means of intimidation of and threats made to such manufacturers and their customers in the several states, of boycotting them, their product, and their customers, using therefor all the powerful means at their command as aforesaid, until such time as, from the damage and loss of business resulting therefrom, the said manufacturers should yield to the said demand to unionize their factories.’

That the conspiracy or combination was so far progressed that out of eighty-two manufacturers of this country engaged in the production of fur hats, seventy had accepted the terms and acceded to the demand that the shop should be conducted in accordance, so far as conditions of employment were concerned, with the will of the American Federation of Labor; that the local union demanded of plaintiffs that they should unionize their shop under peril of being boycotted by this combination, which demand plaintiffs declined to comply with; that thereupon the American Federation of Labor, acting through its official organ and through its organizers, declared a boycott.

**\*306** The complaint then thus continued:

20. On or about July 25, 1902, the defendants individually and collectively, and as members of said combinations and associations, and with other persons whose names are unknown to the plaintiffs, associated with them, in pursuance of the general scheme and purpose aforesaid, to force all manufacturers of fur hats, and particularly the plaintiffs, to so unionize their factories, wantonly, wrongfully, maliciously, unlawfully, and in violation of the provisions of the ‘act of Congress approved July 2, 1890’ [26 Stat. at L. 209, chap. 647, U. S. Comp. Stat. 1901, p. 3200], and entitled ‘An Act to Protect Trade and Commerce Against Unlawful Restraints and Monopolies,’ and with intent to injure the property and business of the plaintiffs by means of acts done which are forbidden and declared to be unlawful by said act of Conpress, entered into a combination and conspiracy to restrain the plaintiffs and their customers in states other than Connecticut, in carrying on said trade and commerce among the several states, and to wholly prevent them from engaging in and carrying on said trade and commerce between them and to prevent the plaintiffs from selling their hats to wholesale dealers and purchasers in said states other than Connecticut, and to prevent said dealers and customers in said other states from buying the same, and to prevent the plaintiffs from obtaining orders for their hats from such customers, and filling the same, and shipping said hats to said customers in said states, as aforesaid, and thereby injure the plaintiffs in their property and business, and to render unsalable the product and output of their said factory, so the subject of interstate commerce, in whosoever’s hands the same might be or come, through said interstate trade and commerce, and to employ as means to carry out said combination and conspiracy and the purposes thereof, and accomplish the same, the following measures and acts, *viz.:*

‘To cause, by means of threats and coercion, and without warning or information to the plaintiffs, the concerted and simultaneous withdrawal of all the makers and finishers of hats then working for them, who were not members of their said **\*307** combination, the United Hatters of North America, as well as those who were such members, and thereby cripple the operation of the plaintiffs’ factory, and prevent the plaintiffs from filling a large number of orders then on hand, from such wholesale dealers in states other than Connecticut, which they had engaged to fill and were then in the act of filling, as was well known to the defendants; in connection therewith to declare a boycott against all hats made for sale and sold and delivered, or to be so sold or delivered, by the plaintiffs to said wholesale dealers in states other than Connecticut, and to actively boycott the same and the business of those who should deal in them, and thereby prevent the sale of the same by those in whose hands they might be or come through said interstate trade in said several states; to procure and cause others of said combinations united with them in said American Federation of Labor in like manner to declare a boycott against, and to actively boycott, the same and the business of such wholesale dealers as should buy or sell them, and of those who should purchase them from such wholesale dealers; to intimidate such wholesale dealers from purchasing or dealing in the hats of the plaintiffs by informing them that the American Federation of Labor had declared a boycott against the product of the plaintiffs and against any dealer who should handle it, and that the same was to be actively pressed against them, and by distributing circulars containing notices that such dealers and their customers were to be boycotted; to threaten with a boycott those customers who should buy any goods whatever, even though union-made, of such boycotted dealers, and at the same time to notify such wholesale dealers that they were at liberty to deal in the hats of any other nonunion manufacturer of similar quality to those made by the plaintiffs, but must not deal in the hats **\*\*313** made by the plaintiffs under threats of such boycotting; to falsely represent to said wholesale dealers and their customers, that the plaintiffs had discriminated against the union men in their employ, had thrown them out of employment because they refused to give up their union cards and **\*308** teach boys, who were intended to take their places after seven months’ instruction, and had driven their employees to extreme measures ‘by their persistent, unfair, and un-American policy of antagonizing union labor, forcing wages to a starvation scale, and giving boys and cheap, unskilled foreign labor preference over experienced and capable union workmen,’ in order to intimidate said dealers from purchasing said hats by reason of the prejudice thereby created against the plaintiffs and the hats made by them among those who might otherwise purchase them; to use the said union label of said the United Hatters of North America as an instrument to aid them in carrying out said conspiracy and combination against the plaintiffs’ and their customers’ interstate trade aforesaid, and, in connection with the boycotting above mentioned, for the purpose of describing and identifying the hats of the plaintiffs and singling them out to be so boycotted; to employ a large number of agents to visit said wholesale dealers and their customers, at their several places of business, and threaten them with loss of business if they should buy or handle the hats of the plaintiffs, and thereby prevent them from buying said hats, and, in connection therewith, to cause said dealers to be waited upon by committees representing large combinations of persons in their several localities to make similar threats to them; to use the daily press in the localities where such wholesale dealers reside and do business, to announce and advertise the said boycotts against the hats of the plaintiffs and said wholesale dealers, and thereby make the same more effective and oppressive, and to use the columns of their said paper, the **Journal** of the United Haters of North America, for that purpose, and to describe the acts of their said agents in prosecuting the same.’

And then followed the averments that the defendants proceeded to carry out their combination to restrain and destroy interstate trade and commerce between plaintiffs and their customers in other states by employing the identical means contrived for that purpose; and that, by reason of those acts, **\*309** plaintiffs were damaged in their business and property in some $80,000.

We think a case within the statute was set up and that the demurrer should have been overruled.

Judgment reversed and cause remanded with a direction to proceed accordingly.

**All Citations**

208 U.S. 274, 28 S.Ct. 301, 52 L.Ed. 488, 5 Ohio Law Rep. 617, 13 Am.Ann.Cas. 815

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| Footnotes | |
| [†](#co_footnoteReference_B001_dagger_1908100) | The complaint alleged that the defendants were residents of the district of Connecticut and that complainants resided in Danbury, in that district, were copartners, and located and doing business as manufacturers and sellers of hats there; that they had ‘a factory for the making of hats, for sale by them in the various states of the Union, and have for many years employed, at said factory, a large number of men in the manufacture and sale of said hats, and have invested in that branch of their business a large amount of capital, and, in their business of selling the product of their factory and filling orders for said hats, have built up and established a large interstate trade, employing more than two hundred and thirty (230) persons in making and annually selling hats of a value exceeding four hundred thousand ($400,000) dollars.  ‘4. The plaintiffs, deeming it their right to manage and conduct their business without interference from individuals or associations not connected therewith, have for many years maintained the policy of refusing to suffer or permit any person or organization to direct or control their said business, and, in consequence of said policy, have conducted their said business upon the broad and patriotic principle of not discriminating against any person seeking employment because of his being or not being connected with any labor or other organization, and have refused to enter into agreement with any person or organization whereby the rights and privileges, either of themselves or any employee, would be jeopardized, surrendered to, or controlled by, said person or organization, and have believed said policy, which was and is well known to the defendants, to be absolutely necessary to the successful conduct of their said business and the welfare of their employees.  ‘5. The plaintiffs, for many years, have been and are now, engaged in trade and commerce among the several states of the Union, is selling and shipping almost the whole of the product of their said factory by common carriers, from said Danbury to wholesale dealers residing and doing business in each of the states of Maine, Massachusetts, Rhode Island, New York, New Jersey, Pennsylvania, Maryland, Virginia, Ohio, Illinois, Michigan, Wisconsin, Missouri, Nebraska, Arkansas, Calfornia, and other states, to the amount of many hundreds of thousands of dollars, and in sending agents with samples from said Danbury into and through each of said states to visit said wholesale dealers at their places of business in said several states, and solicit and procure from them orders for said hats, to be filled by hats to be shipped from their said factory at said Danbury, by common carriers, to said wholesale dealers, to be by them paid for after the delivery thereof at their several places of business.  ‘6. On July 25, 1902, the amount of capital invested by the plaintiffs in said business of making and selling hats approximated $130,000, and the value of the hats annually sold and shipped by them in previous years, to said dealers in states other than Connecticut, exceeded $400,000, while the value of hats sold by them in the state of Connecticut did not exceed $10,000.  ‘7. On July 25, 1902, the plaintiffs had made preparations to do a large and profitable business with said wholesale dealers in other states, and the condition of their business was such as to warrant the full belief that the ensuing year would be the most successful in their experience. Their factory was then running to its full capacity in filling a large number of orders from such wholesale dealers in other states. They were then employing about 160 men in the making and finishing departments, a large number in the trimming and other departments, whose work was dependent upon the previous work of the makers and finishers, and they then had about 150 dozens of hats in process of manufacture, and in such condition as to be perishable and ruined if work was stopped upon them.  ‘8. The plaintiffs then were and now are almost wholly dependent upon the sale and shipments of hats as aforesaid, to said dealers in states other than Connecticut, to keep their said factory running and to dispose of its product and their capital in said business profitably employed, and the restraint, curtailment, and destruction of their said trade and commerce with their said customers in said states other than Connecticut, by the combination, conspiracy, and acts of the defendants, as hereinafter set forth, have been and now are of serious damage to the property and business of the plaintiffs, as hereinafter set forth.  ‘9. The individual defendants, named in this writ, are all members of a combination or association of persons, styling themselves the United Hatters of North America, and said combination includes more than 9,000 persons, residing in the several states of Massachusetts, Connecticut, New York, New Jersey, Pennsylvania, Indiana, Illinois, Missouri, California, and the Province of Ontario in the Dominion of Canada. The said combination is subdivided into 20 subcombinations, each of which is by themselves styled a local union of the United Hatters of North America. Six of said subcombinations are in the state of Connecticut, and known as local Unions 1 and 2, 10 and 11, and 15 and 16 of the United Hatters of North America, and have an aggregate membership of more than 3,000 persons residing in the state of Connecticut.  ‘10. Said combination of persons, collectively known as the United Hatters of North America, owns, controls, edits, publishes, and issues a paper styled the Journal of the United Hatters of North America, in which are published reports of many of the actś of its agents, hereinafter mentioned, which circulates widely among its members and the public, and which affords a ready, convenient, powerful, and effective vehicle for the dissemination of information to its members and the public as to boycotts declared and pushed by them, and of the acts and measures of its members and agents for carrying such boycotts into effect, and was so used by them in connection with the acts of the defendants hereinafter set forth.  ‘11. Said combination owns and absolutely controls the use of a certain label or distinguishing mark, which it styles the Union Label of the United Hatters of North America, which mark, when so used by them, affords to them a ready, convenient, and effective instrument and means of boycotting the hats of any manufacturer against whom they may desire to use it for that purpose.  ‘12. The defendants in this suit are also all members of a combination or association of persons calling themselves and known as the American Federation of Labor, which includes more than 1,400,000 members residing in the several states and territories of the Union, and in the Dominion of Canada, and in all the places in the several states where the wholesale dealers in hats, hereinbefore mentioned, and their customers, reside and do business. Said combination is subdivided in subordinate groups, or combinations, comprising 110 national and international unions and combinations, of which the said combination of persons styling themselves the United Hatters of North America is one, composed of 12,000 local unions, 28 state federations or combinations, more than 500 central labor unions or combinations, and more than 2,000 local unions or combinations, which are not included in the above-mentioned national and international combinations.  ‘13. Said combination of persons collectively known as the American Federation of Labor owns, controls, edits, published, and issues a paper or magazine called the American Federationist, which it declares to be its official organ and mouthpiece, which has a very wide circulation among its members and others, and which affords a ready, convenient, powerful, and effective vehicle and instrument for the dissemination of information, as to persons, their products and manufactures, boycotted or to be boycotted, by its members, and as to measures adopted and statements to be published, detrimental to such persons and to the sale of their manufactures, and for boycotting such persons, their manufactures, and said paper has been and now is constantly used, printed, and distributed for said purposes among its members and the public, and was so used by the defendants and their confederates in boycotting the products of the firm of F. Berg & Company, of Orange, New Jersey, and H. H. Roelofs & Company, of Philadelphia, Pennsylvania, hat manufacturers, to their very great injury, and until the said firms successively yielded to their demands in pursuance of the general scheme of the defendant, hereinafter set forth.  ‘14. The persons united in said conbination, known as the American Federation of Labor, including the persons in said subcombination known as the United Hatters of North America, constantly employ more than 1,000 agents in the states and territories of the United States, to push, enforce, and carry into effect all boycotts declared by the said members, including those in aid of the combined scheme, purpose, and effort hereinafter stated, to force all the manufacturers of fur hats in the United States, including the plaintiffs, to unionize their factories by restraining and destroying their interstate trade and commerce, as hereinafter stated, all of which said agents act under the immediate supervision and personal direction of one Samuel Gompers, who is chief agent of the said combination of persons for said purpose, and of each of the said combinations, and the said agents make monthly reports of their doings in pushing and enforcing, and causing to be pushed and enforced, said boycotts, and publish the same monthly in said paper known as the American Federationist, of which he is the editor, appointed by the said members, which said paper, in connection with said statement or summary, is declared to be the authorized and official mouthpiece of each of said subcombinations, including the said United Hatters of North America. Said statement is declared by the defendants to be a faithful record of the doings of said agents, and each of said statements, made during the period covered by the acts of the defendants against the plaintiffs herein stated, contains the announcement to the members of said combination and the public, that all boycotts declared by them are being by them and their agents pushed, enforced, and observe.  ‘15. Said combination of persons collectively known as the American Federation of Labor, of which the defendants are members, was, by the defendants and their other members, formed for the purpose, among others, of facilitating the declaration and successful maintenance of boycotts, by and for said combination of persons known as the United Hatters of North America, acting through the said Federation of Labor and its other component parts or members, and it and its component parts have frequently declared boycotts, at the request of the defendants, against the business and product of various hat manufacturers, and have vigorously prosecuted the same by and through the powerful machinery at their command as aforesaid, in carrying out their general scheme herein stated, to the great damage and loss of business of said manufacturers, and particularly during the years of 1901 and 1902, they declared, prosecuted, and waged, at the request of the defendants and their agents, a boycott against the hats made by and the business of H. H. Roelofs & Company, of Philadelphia, Pennsylvania, until, by causing them great damage and loss of business, they coerced them into yielding to the demand of the defendants and their agents, by the said factory of said Roelofs & Company be unionized, as termed by the defendants, and into agreeing to employ, and employing exclusively, members of their said combination in the making and finishing departments of said factory, and in large measure surrendering to the defendants and their agents the control of said factory and business, all of which was well known to the plaintiffs, their customers, wholesale dealers, and the public, and was, by the defendants and their agents, widely proclaimed through all their agencies above mentioned, in connection with their acts against the plaintiffs, as hereinafter set forth, for the purpose of intimidating and coercing said wholesale dealers and their customers from buying the hats of the plaintiffs, by creating in their minds the fear that the defendants would invoke and put into operation against them all said powerful means, measures, and machinery, if they should handle the hats of the plaintiffs.  ‘16. The defendants, together with the other persons united with them in said combination, known as the United Hatters of North America, have been for many years, and now are, engaged in a combined scheme and effort to force all manufacturers of fur hats in the United States, including the plaintiffs, against their will and their previous policy of carrying on their business, to organize their workmen in the departments of making and finishing, in each of their factories, into an organization, to be part and parcel of the said combination known as the United Hatters of North America, or, as the defendants and their confederates term it, to unionize their shops, with the intent thereby to control the employment of labor in and the operation of said factories, and to subject the same to the direction and control of persons other than the owners of the same, in a manner extremely onerous and distasteful to such owners, and to carry out such scheme, effort, and purpose by restraining and destroying the interstate trade and commerce of such manufacturers by means of intimidation of and threats made to such manufacturers and their customers in the several states, of boycotting them, their product, and their customers, using therefor all the powerful means at their command as aforesaid, until such time as, from the damage and loss of business resulting therefrom, the said manufacturers should yield to the said demand to unionize their factories.  ‘17. The defendants and other members of said United Hatters of North America, acting with them and in pursuance of said general combined scheme and purpose, and in carrying the same into effect against said manufacturers, including the plaintiffs, and by use of the means above stated, and the fear thereof, have, within a very few years, forced the following named manufacturers of hats in the United States to yield to their demand, and unionize their factories, *viz.*: [Here follow 70 names of corporations and individuals]; and until there remained, according to the statements of the defendants, only 12 hat factories in the United States which had not submitted to their said demands, and the defendants, in pursuing their warfare against the plaintiffs, as hereinafter set forth, and in connection with their said acts against them, have made public announcement of that fact and of the firms so coerced by them, in order thereby to increase the effectiveness of their acts in intimidating said wholesale dealers and their customers in states other than Connecticut, from buying hats from plaintiffs, as hereinafter set forth.  ‘18. To carry out said scheme and purpose, the defendants have appointed and employed, and do steadily employ, certain special agents to act in their behalf, with full and express authority from them and the other members of said combination, and under explicit instructions from them, to use every means in their power to compel all such manufacturers of hats to so unionize their factories, and each and all of the defendants in this suit did the several acts hereinafter stated, either by themselves or their agents, by them thereto fully authorized.  ‘19. On or about March 1, 1901, in pursuance of said general scheme and purpose, the defendants and the other members of said combination, the United Hatters of North America, through their agents, the said John A. Moffit, Martin Lawlor, John Phillips, James P. Maher, and Charles J. Barrett, who acted for themselves and the other defendants, demanded of the plaintiffs that they should unionize their said factory, in the making and finishing departments, and also thereby acquire the right to use and use the said Union label, subject to the right of the defendants to recall the same at pleasure, in all hats made by them, and then notified the plaintiffs that, if they failed to yield to said demand, the defendants and all the other members of the said combination known as the United Hatters of North America would resort to their said usual and well-known methods to compel them so to do. After several conferences, and in April, 1901, the plaintiffs replied to the said demand of the defendants as follows:  “Firmly believing that we are acting for the best interests of our firm, for the best interests of those whom we employ, and for the best interests of Danbury, by operating an independent or open factory, we hereby notify you that we decline to have our shop unionized, and, if attacked, shall use all lawful means to protect our business interests.’  ‘The plaintiffs were then employing many union and nonunion men, and their said factory was running smoothly and satisfactory both to the plaintiffs and their employees. The defendants, their confederates and agents, deferred the execution of their said threat against the plaintiffs until the conclusion of their attack made in pursuance of the same general scheme and purpose against H. H. Roelofs & Company, which resulted in the surrender of Roelofs & Company on July 15, 1902, except that the defendants, their confederates and agents, in November, 1901, caused the said American Federation of Labor to declare a boycott against any dealer or dealers who should handle the products of the plaintiffs.  ‘20. On or about July 25, 1902, the defendants, individually and collectively, and as members of said combinations and associations, and with other persons whose names are unknown to the plaintiffs, associated with them, in pursuance of the general scheme and purpose aforesaid, to force all manufacturers of fur hats, and particularly the plaintiffs, to so unionize their factories, wantonly, wrongfully, maliciously, unlawfully, and in violation of the provisions of the ‘act of Congress approved July 2, 1890’ [26 Stat. at L. 209, chap. 647, U. S. Comp. Stat. 1901, p. 3200], and entitled ‘An Act to Protect Trade and Commerce Against Unlawful Restraints and Monopolies,’ and with intent to injure the property and business of the plaintiffs by means of acts done which are forbidden and declared to be unlawful by said act of Congress, entered into a combination and conspiracy to restrain the plaintiffs and their customers in states other than Connecticut, in carrying on said trade and commerce among the several states, and to wholly prevent them from engaging in and carrying on said trade and commerce between them, and to prevent the plaintiffs from selling their hats to wholesale dealers and purchasers in said states other than Connecticut, and to prevent said dealers and customers in said other states from buying the same, and to prevent the plaintiffs from obtaining orders for their hats from such customers, and filling the same, and shipping said hats to said customers in said states as aforesaid, and thereby injure the plaintiffs in their property and business, and to render unsalable the product and output of their said factory, so the subject of interstate commerce, in whosoever’s hands the same might be or come, through said interstate trade and commerce, and to employ as means to carry out said combination and conspiracy and the purposes thereof, and accomplish the same, the following measures and acts, *viz.:*  ‘To cause, by means of threats and coercion, and without warning or information to the plaintiffs, the concerted and simultaneous withdrawal of all the makers and finishers of hats then working for them, who were not members of their said combination, the United Hatters of North America, as well as those who were such members, and thereby cripple the operation of the plaintiffs’ factory, and prevent the plaintiffs from filling a large number of orders then on hand, from such wholesale dealers in states other than Connecticut, which they had engaged to fill and were then in the act of filling, as was well known to the defendants; in connection therewith to declare a boycott against all hats made for sale and sold and delivered, or to be sold or delivered, by the plaintiffs to said wholesale dealers in states other than Connecticut, and to actively boycott the same and the business of those who should deal in them, and thereby prevent the sale of the same by those in whose hands they might be or come through said interstate trade in said several states; to procure and cause others of said combinations united with them in said American Federation of Labor, in like manner to declare a boycott against and to actively boycott the same and the business of such wholesale dealers as should buy or sell them, and of those who should purchase them from such wholesale dealers; to intimidate such wholesale dealers from purchasing or dealing in the hats of the plaintiff by informing them that the American Federation of Labor had declared a boycott against the product of the plaintiffs and against any dealer who should handle it, and that the same was to be actively pressed against them, and by distributing circulars containing notices that such dealers and their customers were to be boycotted; to threaten with a boycott those customers who should buy any goods whatever, even though union-made, of such boycotted dealers, and at the same time to notify such wholesale dealers that they were at liberty to deal in the hats of any other nonunion manufacturer of similar quality to those made by the plaintiffs, but must not deal in the hats made by the plaintiffs under threats of such boycotting; to falsely represent to said wholesale dealers and their customers, that the plaintiffs had discriminated against the union men in their employ, had thrown them out of employment because they refused to give up their union cards and teach boys, who were intended to take their places after seven months’ instruction, and had driven their employees to extreme measures ‘by their persistent, unfair, and un-American policy of antagonizing union labor, forcing wages to a starvation scale, and given boys and cheap, unskilled foreign labor preference over experienced and capable union workmen,’ in order to intimidate said dealers from purchasing said hats by reason of the prejudice thereby created against the plaintiffs and the hats made by them among those who might otherwise purchase them; to use the said union label of said the United Hatters of North America as an instrument to aid them in carrying out said conspiracy and combination against the plaintiffs’ and their customers’ interstate trade aforesaid, and, in connection with the boycotting above mentioned, for the purpose of describing and identifying the hats of the plaintiffs, and singling them out to be so boycotted; to employ a large number of agents to visit said wholesale dealers and their customers, at their several places of business, and threaten them with loss of business if they should buy or handle the hats of the plaintiffs, and thereby prevent them from buying said hats, and, in connection therewith, to cause said dealers to be waited upon by committees representing large combinations of persons in their several localities to make similar threats to them; to use the daily press in the localities where such wholesale dealers reside and do business, to announce and advertise the said boycotts against the hats of the plaintiffs and said wholesale dealers, and thereby make the same more effective and oppressive, and to use the columns of their said paper, the Journal of the United Hatters of North America, for that purpose, and to describe the acts of their said agents in prosecuting the same.  ‘21. Afterwards, to wit, on July 25, 1902, and on divers days since hitherto, the defendants, in pursuance of said combination and conspiracy, and to carry the same into effect, did cause the concerted and simultaneous withdrawal, by means of threats and coercion made by them, and without previous warning or information thereof to the plaintiffs, of all but 10 of the nonunion makers and finishers of hats then working for them, as well as all of their union makers and finishers, leaving large numbers of hats in an unfinished and perishable condition, with intent to cripple, and did thereby cripple, the operation of the plaintiffs’ factory until the latter part of October, 1902, and thereby prevented the plaintiffs from filling a large number of orders then on hand from such wholesale dealers in states other than Connecticut, which they had engaged to fill, and were then in the act of filling, as well known to the defendants, and thereby caused the loss to the plaintiffs of many orders from said wholesale dealers in other states, and greatly hindered and delayed them in filling such orders, and falsely representing to said wholesale dealers, their customers, and the public generally in states other than Connecticut, that the plaintiffs had discriminated against the union men in their employ, and had discharged or thrown out of employment their union men in August, 1902; that they had driven their employees to extreme measures by their persistent, unfair, and un-American policy of antagonizing union labor, forcing wages down to a starvation scale, and giving boys and cheap, unskilled foreign labor preference over experienced and capable workmen; that skilled hatters had been discharged from said factory for no other cause than their devotion and adherence to the principles of organized labor in refusing to give up their union cards, and to teach the trade to boys who were intended to take the place of union workmen after seven months’ instruction, and that, unable to submit longer to a system of petty tyrannies that might be tolerated in Siberia, but could not be borne by independent Americans, the workmen in the factory inaugurated the strike to compel the firm to recognize their rights, in order to prejudice, and did thereby prejudice, the public against the plaintiffs and their product, and in order to intimidate, and did thereby intimidate, said wholesale dealers and their customers, in states other than Connecticut, from purchasing hats from the plaintiffs by reason of the fear of the prejudice created against said hats; and, in connection therewith, declared a boycott against all hats made for and so sold and delivered, and to be so sold and delivered to said wholesale dealers, in states other than Connecticut, and actively boycotted the same and the business of those who dealt in them in such other states, and thereby restrained and prevented the purchase of the same from the plaintiffs, and the sale of the same by those in whose hands they were, or might thereafter be, in the course of such interstate trade, and caused and procured others of said combinations united with them in the said American Federation of Labor to declare a boycott against the plaintiffs, their product, and against the business of such wholesale dealers in states other than Connecticut, as should buy or sell them, and of those who should purchase from such wholesale dealers any goods whatever, and further intimidated said wholesale dealers from purchasing or dealing in hats made by the plaintiffs, as aforesaid, by informing them that the American Federation of Labor had declared a boycott against the hats of the plaintiffs and against any dealer who should handle them, and that said boycott was to be actively pressed against them, and by sending agents and committees from various of said labor organizations, to threaten said wholesale dealers and their customers with a boycott from them if they purchased or handled the goods of plaintiffs, and by distributing in San Francisco, California, and other places, circulars containing notices that such dealers and their customers were to be boycotted, and threatened with a boycott, and did actively boycott the customers who did or should buy any goods whatever, even though union-made, of such wholesale dealers so boycotted, and used the daily press to advertise and announce said boycott and the measures taken in pursuance thereof by said labor organizations, particularly the San Francisco Bulletin, in its issues of July 2 and July 4, 1903, and a daily paper published in Richmond, Virginia, on December 10, 1902, and notified such wholesale dealers in states other than Connecticut, that they were at liberty to deal in the hats of any other nonunion hat manufacturer of similar quality to those of the plaintiffs, but they must not deal in hats made by the plaintiffs, under threats of being boycotted for so doing, and used the said union label of the United Hatters of North America as an instrument to aid them in carrying out said combination and conspiracy against the plaintiffs’ and their customers’ interstate trade, as aforesaid, and, in connection with such boycotting, by using the same and its absence from the hats of the plaintiffs, as an insignia or device to indicate to the purchaser that the hats of the plaintiffs were to be boycotted, and to point them out for that purpose, and employed a large number of agents to visit said wholesale dealers and their customers at their several places of business in each of said states, particularly Philadelphia and other places in the state of Pennsylvania, in Baltimore, in the state of Maryland, in Richmond and other places in the state of Virginia, and in San Francisco and other places in the state of California, to intimidate and threaten them, if they should continue to deal in or handle the hats of the plaintiffs, and, among many other instances of like kind, the said william C. Hennelly and Daniel P. Kelly, in behalf of all said defendants, and acting for them, demanded the firm of Triest & Company, wholesale dealers in hats, doing business in said San Francisco, that they should agree not to buy or deal in the hats made by the plaintiffs, under threats made by them to said firm of boycotting their business and that of their customers, and, upon their refusing to comply with such demand and yield to such threats, the defendants, by their said agents, caused announcement to be made in the newspapers of said city that said Triest & Company were to be boycotted therefor, and that the labor council of San Francisco would be addressed by them for that purpose, and that they had procured a boycott to be declared by said labor council, and thereupon the defendants, through their said agents, Hennelly and Kelly, printed, published, issued, and distributed to the retail dealers in hats, in several states upon the Pacific coast, the following circular, to wit:  ‘San Francisco Labor Council,  Affiliated with the American Federation of Labor,  Secretary’s Office, 927 Market Street,  Rooms, 405, 406, 407 Emma Spreckel’s Building.  Meets every Friday, at 1159 Mission St.  ‘Telephone, South, 447.  ‘Address all communications to 927 Market Street.  ‘San Francisco, July 3, 1903.  ‘To whom it may concern:  ‘At a special meeting of the San Francisco Labor Council held on the above date, the hat-jobbing concern known as Triest & Company, 116 Sansome street, San Francisco, was declared unfair for persistently patronizing the unfair hat-manufacturing concern of D. E. Loewe & Company, Danbury, Connecticut, where the union hatters have been on strike, for union conditions, since August 20, 1902. Triest & Company will be retained on the unfair list as long as they handle the product of this unfair hat-manufacturing concern. Union men do not usually patronize retail stores who buy from unfair jobbing houses or manufacturers. Under these circumstances, all friends of organized labor, and those desiring the patronage of organized workers, will not buy goods from Triest & Company, 116 Sansome street, San Francisco.  ‘Yours respectfully,  ‘G. B. Benham,  ‘President S. F. Labor Council.  ‘T. E. Zant,  ‘Secretary S. F. Labor Council. [L. S.]  ‘W. C. Hennelly,  ‘D. F. Kelley,  ‘Representing United Hatters of North America.’  ‘Also the following, to wit:  ‘San Francisco Labor Council,  Affiliated with American Federation of Labor,  Secretary’s Office, 927 Market Street,  Rooms 405, 406, 407 Emma Spreckel’s Building.  Meets every Friday, at 1159 Mission St.  ‘Telephone, South, 447.  ‘Address all communications to 927 Market Street.  ‘San Francisco, July 14, 1903.  ‘Messrs. \_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_.  ‘Gentlemen:--  ‘We beg leave to call your attention to the following products which are on the unfair list of the American Federation of Labor.  ‘We do this in order that you refrain from handling these goods, as the patronage of the firms named below is taken by the organized workers as an evidence of a desire to patronize those who are opposed to the interests of organized labor. The declaration of unfairness regarding the firms mentioned is fully sanctioned and will be supported to the fullest degree by the San Francisco Labor Council.  ‘Frusting that you will be able to avoid the handling of these goods in the future, we are,  Yours respectfully,  ‘G. B. Benham,  ‘President.  ‘T. E. Zant, Secretary. [L. S.]  ‘Unfair list.  ‘Loewe & Company, Danbury, Connecticut, and Triest & Company, 116 Sansome street, San Francisco, hat manufacturers.  ‘Cluett, Peabody, & Company, shirts and collars, Troy, New York, and 562 Mission street, San Francisco, California.  ‘United Shirt & Collar Company, Troy, New York, and 25 Sansome street, San Francisco, California.  ‘Van Zandt, Jacobs, & Company, Troy, New York; Greenbaum, Weil, & Michaels, selling agents, 27 Sansome street, San Francisco, California.’  ‘and caused said circulars to be mailed to and personally delivered to the retail dealers in hats, and the other customers of said Triest & Company, upon the Pacific coast, and to many others, thereby causing the loss of many orders and customers to said Triest & Company and to the plaintiffs, for the purpose of intimidating and coercing said Triest & Company not to deal with the plaintiffs, and thereby cause the loss of many orders and customers to said Treist & Company and to the plaintiffs.  ‘22. By means of each and all of said acts done by the defendants in pursuance of said combination and conspiracy, they have greatly restrained, diminished, and, in many places, destroyed the trade and commerce of the plaintiffs with said wholesale dealers, in said states other than Connecticut, by the loss of many orders and customers directly resulting therefrom, and the plaintiffs have been injured in their business and property by reason of said combination and conspiracy, and the acts of the defendants done in pursuance thereof, and to carry the same into effect, which are declared to be unlawful by said act of Congress, to the amount of eighty thousand ($80,000) dollars, to recover threefold which damages, under [§ 7](http://www.westlaw.com/Link/Document/FullText?findType=L&pubNum=1000546&cite=15USCAS7&originatingDoc=Icdef49a69cc211d993e6d35cc61aab4a&refType=LQ&originationContext=document&vr=3.0&rs=cblt1.0&transitionType=DocumentItem&contextData=(sc.UserEnteredCitation)) of said act, this suit is brought.’ |

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