ALBUQUERQUE EVENING HERALD

TRIBUNE CITIZEN. VOL. 26. NO. 56.

ALBUQUERQUE, NEW MEXICO, MONDAY, MAY 29, 1911

EVENING HERALD VOL. 1. NO. 72.

TOBACCO TRUST IN HELD TO BE IN RESTRAINT OF TRADE

United States Supreme Court This Afternoon Renders Another Important Opinion in Government Prosecutions.

DOCUMENT IS LONG AND IN DETAIL

Attempt to Dissolve the Corporation Began in 1907 and Was Similar to Attack by Authorities on Standard Oil.

(By Evening Herald A. P. Leased Wire)

Washington, May 29.—The United States supreme court here this afternoon, in a lengthy and detailed decision held that the corporation known as the Tobacco trust was a combination in restraint of trade and it was ordered dissolved. This is the second opinion in the big trust case of the government, the first being the Standard Oil decision, recently announced.

The American Tobacco corporation was made the target in the suit filed by the government in equity in 1907. The first case the Standard Oil, before the Taft administration taken in the standard oil, the case was not so old as the Standard Oil in the standard oil, the case was argued before the court for consideration for the same time.

The attempt of the government to dissolve the tobacco corporation was begun the 30 years anniversary was taken place in 1907. The first suit petition was filed in the United States circuit court in New York. The government asked that the American Tobacco company, its officers, directors and affiliated corporations be prevented and enjoined from restraint and monopolizing commerce in tobacco.

The defendants and monopolies alleged by the government were held to have been abandoned by the institution of the suit. The government contended that the American Tobacco company was created in 1904. The new company then began to acquire the business of the independent tobacco companies.

In 1906, the Continental Tobacco company was incorporated to take over the plug tobacco business of the American Tobacco company plus the business of the Independent plug manufacturers.

In 1906 the American snuff company was incorporated to take over the snuff business of the American Tobacco company, the Continental Tobacco company and two other independent manufacturers.

In 1906 the American Cigar company was incorporated to take over the business of the American Tobacco company and other manufacturers of cigars, cheroots and stogies.

In the same year the Consolidated Tobacco company was incorporated to take the business substantially all of the assets of the American Tobacco company and the Continental Tobacco company.

In 1908 the American Snuff company was incorporated to take over the snuff business of the American Tobacco company, the American Tobacco company, and the Continental Tobacco company and merged into the present American Tobacco company.

The government charged that all these organizations were created with the definite purpose of destroying competition and that they accomplished that purpose. Each step was attacked as a part of an unlawful plan. Gross development and progress was assumed, it was the aim to divide, intimidate, and unfair methods were resorted to drive out and crush competitors and secure monopolies.

The defendants claimed that nothing was to be found in the organization of these corporations, but the natural and legitimate development of a great business. They said the combinations had been proper and that no intent to restrain trade or monopolize trade had accompanied the creation of corporations.

In addition, it was charged that the American Tobacco company acquired control of the United Cigar Stores company, which company retail stores in large cities, and thereby was seeking dominion in the retail business, an evident and unlawful measure to effective competition.

The tobacco organization was charged with having a monopoly of the leaves needed required in the manufacturing of tobacco, the Mac-Andrews & Forbes company, organized to the Continental serving no competitor, it was said.

It was also said that the defendants had a monopoly in the fine cut business the Conley foil company, of which the American Tobacco company held a majority of the stock producing 75 per cent of the tin foil manufactured in the country. Both the licorice and the foil monopolies were said to have been obtained in violation of the Sherman anti trust law.

Another phase of the situation complained in the foreign trade. The government charged that the American Tobacco company had entered into contracts with the Imperial Tobacco company, the so-called "British Trust," whereby the latter should limit its activities to Great Britain except as to the purchase of a certain amount of leaf in America and the former should limit its business of the United States. It was alleged that the two "trust" organized organized the British-American Tobacco company to take over the export business of both and divide the world between them. These contracts were made in great secrecy.

The circuit court found that there existed a restraint of commerce, but said nothing about the charges of monopolizing in its decree, the court dismissed the petition as to the Imperial company and the British-American company and from this portion of the decree the government appealed to the supreme court. It dismissed the petition as to the United Cigar Stores company and from this, too, the government appealed.

The circuit court decreed that the American Tobacco company, the American Snuff company, the American Cigar company, the American Stogie company and Mac-Andrews & Forbes company were unlawful combinations and restrained them from engaging in interstate or foreign commerce. From this decree both appealed to the supreme court. So did the government. The government argument became the Conley Foil company and the individual defendants headed by James B. Duke were not made parties to the suit. The company in restraint and monopoly were not held to be attempting a monopoly.

The circuit court decreed that the American Tobacco company, the American Snuff company, the American Cigar company, P. Lorillard company, R. J. Reynolds Tobacco company, Pinkard's Partners Tobacco company and the Conley Foil company from shares in specified corporations and enjoined them from acquiring the shares of stockholders of other the shares of and from exercising control over the subsidiary companies, and enjoined the defendants from participating in the business and the government appealed. The latter enjoined the American Tobacco company, the Imperial Tobacco company, the British-American Tobacco company, and the United Cigar Stores company were not enjoined among the defendants, and because the holding companies were not included in the decree the government appealed.

The appeals were argued before the supreme court first in January, 1910, and the second time in January, 1911. Prominent attorneys appeared. For the government Attorney General Wickersham and his special assistant, F. B. McKenzie addressed the court. For the American Tobacco company Henry W. Jackson of Tennessee, Delaney Nunn and James C. McReynolds of New York, while William D. Guthrie of New York appeared for the Imperial Tobacco company and E. C. Stedman of New York for the Conley Foil company.

SENATE WILL TAKE UP STATEHOOD ON FRIDAY

Meeting Has Been Called by William Alden Smith, the Chairman, to Consider the House Joint Resolution.

(The Evening Herald Bureau, 11 Post Bldg. Staff Correspondent.)

Washington, May 29.—The senate committee on territories will take up consideration of statehood for New Mexico and Arizona Friday of this week.

A meeting of the committee was called today by Senator Nelson, who is chairman in the absence of Senator Flint, of the house committee, and to hold a hearing on Friday and it is probable that a favorable report on the joint resolution will be adopted at that time.

The prevailing idea at this time is that the senate will consider and pass the joint resolution, and it is expected that statehood for New Mexico will be granted.

GERMANY WANTS TO ARBITRATE TOO

That Country Seeks Peace Treaty Similiar to One We Are Now Planning With Great Britain and France.

(By Evening Herald A. P. Leased Wire)

Washington, May 29.—Germany is the fourteenth nation to offer to sign the proposed peace treaties with the United States. It is understood that Germany will follow the lines of the treaties with Great Britain and France, which are now before the senate for ratification.

Count von Bernstorff, the German ambassador at Washington, informed this information to Secretary Knox and asked for a copy of the treaty proposition of the United States.

M'NAMARA CASE IS NOT TO BE PROBED

House Committee on Rules Decides Not to Investigate Extradition of Alleged Los Angeles Dynamiters.

(By Evening Herald A. P. Leased Wire)

Washington, May 29.—That congress will not conduct an investigation into the arrest and extradition of J. B. McNamara, in connection with the Los Angeles dynamiting case of J. J. McNamara, the Indianapolis labor leader, was indicated today when the house committee on rules decided favorably on a resolution to the house providing for an investigation.

BOB BURMAN MAKES NEW SPEED SLATE

Driving Blitzen Car, 20 Horse Power, He Cuts Down Time on World's Record for Mile and Less.

(By Evening Herald A. P. Leased Wire)

Daytona, Fla., May 29.—Bob Burman driving the Blitzen Benz racing car this morning established a new mark for the world's speed record. He drove the mile in 24.14, the kilometer in 21.46, the half mile in 16.53, and the quarter mile in 8.16.

ANTI-RELIGION IS DEPLORED BY POPE

Roman Catholic Bishops of the World Receive Communication on Harassing Conditions in Portugal.

(By Evening Herald A. P. Leased Wire)

Rome, May 29.—An encyclical addressed to Pope P. by the Roman Catholic bishops throughout the world, seriously deploring the anti-religious attitude of the government of the Portuguese republic was officially published at the Vatican today.

HOURS OF SERVICE LAW IS UPHELD BY SUPREME COURT

Highest Body Declares That Enactment of Congress in 1907 is Constitutional in Decision of Test Case.

TRAINMEN CAN NOT BE WORKING OVERTIME

Lines Engaged in Interstate Commerce Must Give Employes Time to Eat and Sleep.

(By Evening Herald A. P. Leased Wire)

Washington, D. C., May 29.—The hours of service law of 1907 was upheld by the supreme court of the United States today. The decision was announced by Justice Hughes in the case instituted by the Baltimore and Ohio Railroad company.

The act made it a misdemeanor for any common carrier engaged in interstate commerce to permit any trainman subject to the act to remain on duty for a longer period than sixteen consecutive hours, or after a period of twenty hours spent partly on duty and partly off duty, according to the time the train was on the road or not moving.

The act also created exceptions of cases for the emergency.

The Baltimore and Ohio Railroad company attacked the law as unconstitutional on the ground that it applied to interstate as well as to intrastate railroads and employes. The other in which the interstate commerce commission placed the law into operation was attacked also. The railroad claimed that congress could not and did not attempt to delegate to the commission the power to make reports of violation of the law and the labor and expense necessary to make the reports constituted a taking of the railroad's property without the exercise of law and therefore deprivation of the constitution and that it compelled self-incrimination to railroad employes of the railroads and officials of the company.

The arguments in the case were very elaborate on the government's side both the law itself and the order upheld as constitutional by the circuit court of the United States for the district of Maryland which made the case appealed.

CURES FOR MEN MAY BE WORTHLESS UNDER PURE FOOD LAW

U. S. Supreme Court So Decides in Case Against Dr. C. O. Johnson in Famous Cancerine Remedy and its Labels.

STATEMENTS ABOUT DRUGS ALONE COUNT

(By Evening Herald A. P. Leased Wire)

Washington, D. C., May 29.—Medicines may be labeled as cures for cancer and yet be absolutely ineffective for that purpose without violating the national pure food and drugs act, according to a decision today by a unanimous the supreme court of the United States in the case of Dr. C. O. Johnson.

Johnson was indicted in the federal courts of Missouri in 1909 on a charge of having violated the pure food and drugs act of 1906. It was alleged that Johnson, doing business under the name of a company, shipped from one state to another certain articles designated as "Cancerine" and "Lotagen" etc., the labels upon which were false and misleading in that they implied that the articles would cure and were effective in healing cancer of cancer. It was alleged that the statement that this statement was false and the articles were worthless and ineffective for such purposes.

The information was founded on certificates of cures, testimonials and quotations from the Bible and quotations from the Bible and quotations from the Bible