

70
IN EQUITY.

**In the District Court of the United States
Western District of Tennessee
Western Division.**

UNITED STATES OF AMERICA, PLAINTIFF,

v.

**AMERICAN COLUMN AND LUMBER COMPANY AND
OTHERS, DEFENDANTS.**

BILL OF COMPLAINT.

WASHINGTON : GOVERNMENT PRINTING OFFICE : 1920

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Western District of Tennessee
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v.

AMERICAN COLUMN AND LUMBER COMPANY AND
OTHERS, DEFENDANTS.

BILL OF COMPLAINT.

I.

THE PARTIES.

The United States of America by its attorney for the Western District of Tennessee, acting under the direction of the Attorney General, brings this bill of complaint against the following defendants: F. R. Gadd and the companies (corporations and associations existing under or authorized by the laws of the United States or of the several States) and indi-

viduals (representatives of the several companies) named and identified in the following list:

Date joined.	Index No.	Name of firm.	Active man.
Jan. 1, 1919	1	American Column & Lumber Co., Columbus, Ohio.	M. W. Starr.
Do.....	2	Wilderness Lumber Co., Nallen, W. Va.....	J. I. Nallen.
Do.....	3	Cherry River Boom & Lumber Co., Philadelphia, Pa.	F. Noel Pierce.
Do.....	4	Clearfield Lumber Co., Clearfield, Ky.....	Geo. H. Gearhart.
Do.....	5	Gennett Lumber Co., Franklin, N. C.....	Andrew Gennett.
Do.....	6	Gideon Anderson Lumber & Mill Co., St. Louis, Mo.	J. C. Anderson.
Do.....	7	D. E. Hewit Lumber Co., Huntington, W. Va.....	D. E. Hewit.
Do.....	8	Himmelberger-Harrison Lumber Co., Cape Girardeau, Mo.	C. L. Harrison.
Do.....	9	Hutchinson Lumber Co., Huntington, W. Va.....	R. L. Hutchinson.
Do.....	10	Kentucky Lumber Co., Lexington, Ky.....	W. E. Delaney.
Do.....	11	Lamb-Fish Lumber Co., Charleston, Miss.....	Walter E. Burke.
Do.....	12	Long-Bell Lumber Co., Kansas City, Mo.....	W. W. Beebe.
Do.....	13	Little River Lumber Co., Townsend, Tenn.....	R. A. Huffstetter.
Do.....	14	Ashland Hardwood Lumber Co., Ashland, Ky.....	H. H. Van Sant.
Do.....	15	Mobry-Robinson Co., Cincinnati, Ohio.....	E. O. Robinson.
Do.....	16	Paepke-Leight Lumber Co., Chicago, Ill.....	E. A. Lang.
Do.....	17	C. L. Ritter Lumber Co., Huntington, W. Va.....	B. B. Burns.
Do.....	18	W. M. Ritter Lumber Co., Columbus, Ohio.....	J. W. Mayhew.
Do.....	19	Cybur Lumber Co., Cybur, Miss.....	C. J. Coppock.
Do.....	20	Turkey Foot Lumber Co., Huntington, W. Va.....	B. B. Burns.
Do.....	21	Van Sant-Kitchen & Co., Ashland, Ky.....	R. H. Van Sant.
Do.....	22	Williams Lumber Co., Fayetteville, Tenn.....	A. T. Williams.
Do.....	23	Wisconsin Lumber Co., Chicago, Ill.....	P. E. Gilbert.
Do.....	24	Yellow Poplar Lumber Co., Coal Grove, Ohio.....	Leon Isaacs.
Do.....	25	Broadhead-Garrett Lumber Co., Clay City, Ky.....	H. G. Garrett.
Do.....	26	Geo. B. Brown & Co., Memphis, Tenn.....	H. B. Weis.
Do.....	27	Lyon Lumber Co., Garyville, La.....	W. J. Stebbins.
May 31, 1919	28	W. H. Dawkins Lumber Co., Ashland, Ky.....	W. H. Dawkins.
Jan. 1, 1919	29	Parkersburg Mill Co., Parkersburg, W. Va.....	E. L. Davidson.
Do.....	30	Philip A. Ryan Lumber Co., Lufkin, Tex.....	P. A. Ryan.
Do.....	31	Lee, Wilson & Co., Wilson, Ark.....	I. J. Wilson.
Mar. 1, 1919	32	Pritchard-Wheeler Lumber Co., Memphis, Tenn.....	Do.
Jan. 1, 1919	33	Boon Fork Lumber Co., Elizabethton, Tenn.....	W. S. Whiting.
June 28, 1919	34	Vestal Lumber Manufacturing Co., Knoxville, Tenn.	Ed. Vestal.
Jan. 1, 1919	35	Big Salkehatchie Cypress Co., Varnville, S. C.....	E. C. Glenn.
Do.....	36	Loomis & Hart Manufacturing Co., Chattanooga, Tenn.	Blucher Blair.
Mar. 29, 1919	37	May Bros., Memphis, Tenn.....	Ralph May.
Jan. 1, 1919	38	Anderson-Tully Co., Memphis, Tenn.....	S. B. Anderson.
Do.....	39	Jas. E. Stark & Co., Memphis, Tenn.....	Jas. E. Stark.
Do.....	40	Penrod-Jurden Co., Memphis, Tenn.....	Ralph Jurden.
Feb. 3, 1919	41	J. H. Bonner & Sons, Memphis, Tenn.....	W. C. Bonner.

Date joined.	Index No.	Name of firm.	Active man.
Nov. 29, 1919	42	Fork Leaf White Oak Lumber Co., West Eminence, Mo.	G. E. Lamb.
Jan. 1, 1919	43	Pelican Lumber Co., Mound, La.....	J. B. Robinson.
Sept. 1, 1919	44	Rush Lumber Co., Memphis, Tenn.....	Jas. F. Rush.
Jan. 1, 1919	45	Hillyer-Deutsch-Edwards (Inc.), Oakdale, La.....	A. Deutsch.
Do.....	46	Peytona Lumber Co., Huntington, W. Va.....	Do.
Do.....	47	Desha Lumber Co., Memphis, Tenn.....	W. E. Hyde.
Do.....	48	Hemphill Lumber Co., Kennett, Mo.....	J. A. Hemphill.
Do.....	49	Freeman-Smith Lumber Co., Millville, Ark.....	C. A. Buchner.
Do.....	50	Meadow River Lumber Co., Ratneville, W. Va.....	Jno. Rain.
Do.....	51	Carrier Lumber & Manufacturing Co., Sardis, Miss.	R. M. Carrier.
Do.....	52	Gayoso Lumber Co., Memphis, Tenn.....	Wick Ransom.
Do.....	53	Farris Hardwood Lumber Co., Nashville, Tenn.....	W. M. Farris.
Do.....	54	Bristol Door & Lumber Co., Bristol, Tenn.....	W. O. Carne.
Do.....	55	J. H. Leavenworth & Sons, Greenville, Miss.....	R. L. Woodward.
Do.....	56	Bond-Foley Lumber Co., Bond, Ky.....	F. P. Dabolt.
June 7, 1919	57	Delta & Pine Land Co., Memphis, Tenn.....	L. K. Saulsberry.
June 21, 1919	58	E. C. Artman Lumber Co., Metropolis, Ill.....	Do.
Jan. 1, 1919	59	Newdeemer Manufacturing Co., Deemer, Miss.....	F. H. Stanford.
Do.....	60	Sabine Tram Co., Beaumont, Tex.....	C. E. Walden.
June 28, 1919	61	Mansfield Hardwood Lumber Co., Shreveport, La.....	H. B. Johnson.
Jan. 1, 1919	62	Brewer-Nienstedt Lumber Co., Wiltonburg, La.....	Walter Brewer.
Do.....	63	Wilson & Cochran, Lottie, La.....	Jno. M. Wilson.
Dec. 1, 1919	64	Blount-Decker Lumber Co., Alto, Tex.....	Do.
Jan. 1, 1919	65	Merl Lumber Co., Meridian, Miss.....	W. W. Logan.
Do.....	66	Bowman-Blanks Lumber Co., Blanks, La.....	A. N. Smith.
Do.....	67	Faust Bros. Lumber Co., Jackson, Miss.....	C. L. Faust.
Do.....	68	A. M. Richardson Lumber Co., Helena, Ark.....	A. M. Richardson.
Do.....	69	Tallahatchie Lumber Co., Philipp, Miss.....	W. H. Dick.
Do.....	70	McCarroll Lumber Co., Holden, La.....	R. H. Fleming.
Do.....	71	Kraetzer Cured Lumber Co., Greenwood, Miss.....	B. F. Colweber.
Dec. 1, 1919	72	Cumberland Valley Lumber Co., Cincinnati, Ohio.....	Miles J. Byrnes.
Jan. 1, 1919	73	A. G. Wineman & Sons, Greenville, Miss.....	Otto Wineman.
Do.....	74	Keith Lumber Co., Beaumont, Tex.....	W. C. Keith.
Do.....	75	Morse Bros. Lumber Co., Rochester, N. Y.....	C. C. Morse.
Do.....	76	Newell Lumber Co., Eunice, La.....	F. L. Adams.
Do.....	77	Boynnton Lumber Co., White City, Tex.....	A. L. Boynnton.
May 3, 1919	78	Fred Brenner Lumber Co., Alexandria, La.....	R. C. Witbeck.
Nov. 29, 1919	79	Guy S. Lyman, Cleveland, Ohio.....	Guy S. Lyman.
Jan. 1, 1919	80	Southern Pine Lumber Co., Texarkana, Tex.....	A. Temple.
Apr. 26, 1919	81	Alexandria Cooperage & Lumber Co., Alexandria, La.	G. V. Patterson.
Feb. 3, 1919	82	Chicago Lumber & Coal Co., Memphis, Tenn.....	J. H. Maassen.
Dec. 1, 1919	83	Ashby Veneer & Lumber Co., Jackson, Tenn.....	Mr. Ashby.
Jan. 1, 1919	84	Huie-Hodge Lumber Co., Hodge, La.....	J. T. Holloway.
Do.....	85	Bowie Lumber Co., Bowie, La.....	J. F. Wigginton.
Do.....	86	Burns & Knapp Lumber Co., Conneautville, Pa.....	F. R. Knapp.
Do.....	87	Barr-Holladay Lumber Co., Greenfield, Ohio.....	W. I. Barr.
Do.....	88	H. G. Bohlssen Mfg. Co., New Coney, Tex.....	H. G. Bohlssen.
Do.....	89	L. O. Steinbeck Lumber Co., Secoma, W. Va.....	L. O. Steinbeck.
Do.....	90	F. W. Burnham & Sons, Erie, Pa.....	F. W. Burnham.

Date joined.	Index No.	Name of firm.	Active man.
Jan. 1, 1919	91	English Lumber Co., Charleston, W. Va.	Mr. English.
Do.	92	R. J. Darnell (Inc.), Memphis, Tenn.	R. H. Darnell.
Do.	93	Wright-Bachman Lumber Co., Bostick, N. C.	
Do.	94	Spicer Run Lumber Co., Charleston, W. Va.	W. C. Bartlett.
Do.	95	Carr Lumber Co., Pisgah Forest, N. C.	Louis Carr.
Do.	96	Pardee & Curtin Lumber Co., Clarksburg, W. Va.	H. B. Curtin.
Do.	97	Jefferson Hardwood Lumber Co., Pine Bluff, Ark.	Geo. Alport.
Do.	98	Sun Lumber Co., Weston, W. Va.	J. H. Brewster.
Do.	99	Smott Lumber Co., Cowan, W. Va.	C. D. Howard.
Do.	100	H. B. Blands Lumber Co., Vicksburg, Miss.	L. C. Zinc.
Do.	101	Kenova Sawmill Co., Kenova, W. Va.	O. D. Parsley.
Jan. 17, 1919	102	Jerome Hardwood Lumber Co., Blissville, Ark.	H. F. Moeller.
Jan. 1, 1919	103	Wilson Lumber Co., Elkins, W. Va.	W. W. Wilson.
Do.	104	White Oak Lumber Co., Coal Grove, Ohio.	Leon Isaacsen.
Do.	105	Nigh Lumber Co., Ironton, Ohio.	W. H. Nigh.
Do.	106	Ironton Lumber Co., Ironton, Ohio.	W. M. Gannon.
Do.	107	Rendwood Lumber Co., Parkersburg, W. Va.	C. H. Holden.
Do.	108	Geissler Sawmill Co., Lufkin, Tex.	Arthur Geissler.
Do.	109	Jno. B. Ransom & Co., Nashville, Tenn.	
Do.	110	Sycamore Plantation Co., Ferriday, La.	J. R. Stires.
Do.	111	Natchez Lumber Co., Natchez, Miss.	F. J. Roys.
Do.	112	Weis-Dillman Lumber Co., Caruthersville, Mo.	Frank Dillman.
Do.	113	Bernice Lumber Co., Bernice, La.	A. H. Wacker.
Do.	114	North Vernon Lumber Co., North Vernon, Ind.	E. A. Platter.
Do.	115	T. C. Clanton Lumber Co., Shreveport, La.	T. C. Clanton.
Do.	116	R. F. Learned & Sons, Natchez, Miss.	A. B. Learned.
Do.	117	Powell Lumber Co., Lake Charles, La.	W. D. Hoover.
Do.	118	Eastman-Gardiner Hardwood Co., Laurel, Miss.	J. W. Bailey.
Do.	120	North Fork Lumber Co., Nottingham, W. Va.	G. C. Hamilton.
Do.	121	The Raine Lumber Co., Honey Dew, W. Va.	Jno. Raine.
Do.	122	Hoffman Bros., Fort Wayne, Ind.	H. B. Sale.
Do.	123	Dorsey Land & Lumber Co., Texarkana, Ark.	L. Dorsey.
Do.	124	Caddo Hardwood Lumber Co., Shreveport, La.	A. E. Blizzard.
Dec. 1, 1919	125	Sabine Valley Hardwood Co., Bon Weir, Tex.	J. M. Ragland.
Jan. 1, 1919	126	Davis Bros. Lumber Co., Ansley, La.	F. M. Sparks.
Do.	127	The Stout Lumber Co., Thornton, Ark.	B. E. Halpin.
Do.	128	Taylor Bros., Lunsford, Ark.	
Do.	129	Forest City Box Co., Forest City, Ark.	H. A. Seller.
Aug. 30, 1919			
Feb. 3, 1919	130	Guyan Lumber Co., Herndon, W. Va.	B. T. Ingels.
Do.	131	Black River Cypress Co., Gable, S. C.	C. P. Gable.
Do.	132	V. O. Jones Lumber Co., Newport, Ark.	V. O. Jones.
Feb. 8, 1919	133	Savannah River Lumber Co., Savannah, Ga.	
Do.	134	W. P. Brown & Sons Lumber Co., Louisville, Ky.	G. G. Carnahan.
Do.	135	E. L. Davis Lumber Co., Louisville, Ky.	E. L. Davis.
Feb. 15, 1919	136	Brown-Everts Lumber Co., Memphis, Tenn.	G. W. Everts.
Do.	137	Kellogg Lumber Co., Memphis, Tenn.	C. M. Kellogg.
Do.	138	J. W. Darling Lumber Co., Cincinnati, Ohio.	J. W. Darling.
Do.	139	Triangle Lumber Co., Cincinnati, Ohio.	Chester Korn.
Do.	140	Fisher-Elmer Co., Ironton, Ohio.	R. G. Elmer.
Do.	141	Brown & Hackney, Memphis, Tenn.	Mark Brown.

Date joined.	Index No.	Name of firm.	Active man.
Feb. 15, 1919	142	Nickey Bros., Memphis, Tenn.	S. M. Nickey.
Feb. 22, 1919	143	Geneva Mill Co., Geneva, Ala.	D. H. Morse, jr.
Do.	144	Memphis Band Mill Co., Memphis, Tenn.	J. S. McSwain.
Do.	145	Dierks Lumber & Coal Co., Kansas City, Mo.	E. L. Koester.
Do.	146	D. H. Hall Lumber Co., New Albany, Miss.	D. H. Hall.
Do.	147	Fordyce Lumber Co., Fordyce, Ark.	S. A. Williams.
Do.	149	Iabb Lumber Co., Colfax, La.	W. E. Lurry.
Do.	150	Alexander Bros., Belzonia, Miss.	H. H. Alexander.
Do.	151	E. Soudheimer Co., Memphis, Tenn.	Chas. C. Dickinson.
Do.	152	Perkins Bros., Kelso, Ark.	H. E. Perkins.
Mar. 1, 1919	153	Anderson Lumber Co., Madison, S. C.	D. O. Anderson.
Do.	154	Bradley Lumber Co., Greenwood, Miss.	
Nov. 29, 1919	155	Fee-Crayton Lumber Co., Dermott, Ark.	Frank F. Fee.
Mar. 1, 1919	156	Thane Lumber Co., Memphis, Tenn.	J. C. Johnson.
Do.	157	M. E. Linning Lumber Co., Cape Girardeau, Mo.	L. E. Comer.
Mar. 8, 1919	158	Goodlander-Robertson Lumber Co., Memphis, Tenn.	Mr. Fritsche.
Do.	159	Holly Ridge Lumber Co., Louisville, Ky.	E. B. Norman.
Do.	160	H. D. Glass Lumber Co., Lambert, Miss.	H. D. Glass.
Do.	161	Pioneer Lumber Co., St. Louis, Mo.	T. W. Fry.
Do.	162	Clay Lumber Co., Middleford, W. Va.	P. Carroll.
Dec. 1, 1919	163	Lieberman-Loveman & Cohn, Nashville, Tenn.	S. Lieberman.
Mar. 15, 1919	164	Southern Drainage & Lumber Co., Hunter, Ark.	
Mar. 22, 1919	165	Baxter Lumber Co., Wildville, La.	J. M. Morgan.
Mar. 29, 1919	166	White River Land & Lumber Co., Augusta, Ark.	W. M. Sale.
Do.	167	Northern Ohio Cooperative & Lumber Co., Parkin, Ark.	H. C. Colders.
Do.	168	Henry Neely Lumber Co., Jackson, Miss.	C. E. Maley.
Do.	169	Lee & Fooshee, Sparter, Tenn.	R. L. Fooshee.
Do.	170	Thos. C. Powe Lumber Co., St. Louis, Mo.	Thos. E. Powe.
Apr. 5, 1919	171	Woods Lumber Co., Memphis, Tenn.	Eugene Woods.
Do.	172	Croft Lumber Co., Alexander, W. Va.	Walter B. McClellan.
Do.	173	Varnall Lumber Co., Jackson, Tenn.	
Do.	174	Baldwin Lumber Co., Baldwin, La.	J. A. Barnett.
Do.	175	Albert N. Thompson, & Co., Memphis, Tenn.	D. F. Hener.
Do.	176	Porter Lumber Co., Chalyan, W. Va.	
Apr. 26, 1919	177	King Creed Lumber Co., New Willard, Tex.	Fortune Bright.
Do.	178	Mississippi Soft Pine Co., Canton, Miss.	Geo. C. Hamilton.
Do.	179	Campbell & Hedgers, Olyphant, Ark.	
Nov. 1, 1919	181	J. M. Jones Lumber Co., Monroe, La.	J. M. Jones.
Apr. 26, 1919	182	Gates Lumber Co., Wilmot, Ark.	F. C. Seymour.
May 10, 1919	183	S. M. Darnell Sons Co., Memphis, Tenn.	W. S. Darnell.
May 17, 1919	184	Bonair Coal & Lumber Corp., Bon Air, Tenn.	J. C. Eadie.
Do.	185	Davidson-Hicks & Green Co., Nashville, Tenn.	H. M. Green.
Do.	186	West Virginia Lumber Co., Charleston, W. Va.	J. W. James.
Do.	187	New River Lumber Co., Cincinnati, Ohio.	N. H. Hopkins.
Do.	188	Probst Lumber Co., Cincinnati, Ohio.	H. O. Coleman.
Do.	189	Andrews Manufacturing Co., Andrews, N. C.	W. P. Latham.
Do.	190	Hutton & Bourbonnais Co., Hickory, N. C.	A. B. Hutton.
Do.	191	W. B. Chapman & Dewey Lumber Co., Marked Tree, Ark.	W. B. Chapman.

Date joined.	Index No.	Name of firm.	Active man.
May 17, 1919	192	Ferguson Hardwood Co., Paducah, Ky.....	J. K. Ferguson.
May 24, 1919	193	Finkbine Lumber Co., Jackson, Miss.....	
May 31, 1919	194	J. F. McIntyre & Sons (Inc.), Pine Bluff, Ark.....	
June 21, 1919	195	Grismore Hyman Co., Memphis, Tenn.....	F. Grismore.
June 7, 1919	196	Moline Timber Co., Malvern, Ark.....	W. R. Day.
Do.....	197	Woods Mossiac Co., New Albany, Ind.....	C. F. Anderson.
June 14, 1919	198	Bayou Land & Lumber Co., Cincinnati, Ohio.....	F. K. Kahn.
Do.....	199	Lake Swayze Lumber Co., Pearsonville, La.....	J. B. Crawford.
Do.....	200	H. M. Page Log & Lumber Co., Lexington, Ky.....	
June 21, 1919	201	Hendrix Mill & Lumber Co., Mound City, Ill.....	B. L. Hendrix.
Do.....	202	Galloway-Pease Lumber Co., Chicago, Ill.....	P. R. Pease.
Do.....	203	Miller Lumber Co., Marianna, Ark.....	Mack Miller.
June 28, 1919	204	Coulson Lumber Co., Memphis, Tenn.....	Wm. N. Coulson.
Do.....	205	E. L. Hendrix Lumber Co., Oakvale, Miss.....	V. E. Porter.
Do.....	206	Edgar Lumber Co., Wesson, Ark.....	C. V. Edgar.
July 5, 1919	207	Bedna-Young Lumber Co., Jackson, Tenn.....	H. J. Schafer.
Do.....	208	Corinth Hardwood Co., Corinth, Miss.....	W. T. Young.
Do.....	209	G. W. Jones Lumber Co., Appleton, Wis.....	H. J. Thoreson.
Do.....	210	Ward Lumber Co., Chicago, Ill.....	M. De Golyer.
Apr. 7, 1919	211	Baker & Ulmer, Talco, Tex.....	
Mar. 29, 1919	212	Cape Handle Co., Cape Girardeau, Mo.....	
Jan. 17, 1920	213	H. H. Brinkman, Fordyce, Ark.....	H. H. Brinkman.
May 24, 1919	214	Deep Bayou Lumber Co., Deep Bayou, Ark.....	
Mar. 29, 1919	215	De Kalb Tie & Lumber Co., De Kalb, Tex.....	
Oct. 25, 1919	216	A. W. Cosy, Bald Knob, Ark.....	A. W. Cosy.
Mar. 29, 1919	217	Dupuy Bros., Abbeville, Miss.....	
Jan. 10, 1920	218	Strickland & Hazard, Ripley, Miss.....	G. W. Strickland.
Dec. 1, 1919	219	Beaumont Lumber Co., Beaumont, Tex.....	M. L. Womach, jr.
Mar. 29, 1919	220	G. L. Green, Newport, Ark.....	
Do.....	221	I. I. Gunn, Taylorsville, Ala.....	
Do.....	222	Hammans Lumber Co., Stuttgart, Ark.....	
Do.....	223	J. A. Harrison, Jonesboro, Ark.....	
May 24, 1919	224	Perry Hooper, Auvergne, Ark.....	
Mar. 29, 1919	225	Lynch Lumber Co., Jonesboro, Ark.....	
Do.....	226	John L. Milson, Grenada, Miss.....	
Do.....	227	R. L. Muse Lumber Co., Walnut Ridge, Ark.....	
May 24, 1919	228	Red Oak Co., Vicksburg, Miss.....	
Mar. 29, 1919	229	T. A. Thomas & Son, Curtis, Ark.....	
Do.....	230	Wagon Stock & Lumber Co., Tullahoma, Tenn.....	
Do.....	231	Walkup & Co., Hope, Ark.....	
Do.....	232	John V. Wright, Boliver, Tenn.....	
July 5, 1919	233	Talbert Lumber & Veneer Co., Cincinnati, Ohio.....	W. E. Talbert.
July 12, 1919	234	I. B. Wilcox & Co., Louisville, Ky.....	Geo. E. Wilcox, jr.
Do.....	235	Hardwood Lumber Co., Sandersville, Miss.....	
Do.....	236	J. E. Smoot & Co., Corbin, La.....	
Jan. 10, 1920	237	Henry H. Lesh Lumber Co., Jackson, Miss.....	H. H. Lesh.
July 12, 1919	238	S. M. Bradley, Morehead, Ky.....	S. M. Bradley.
Do.....	239	Clark & Boice Lumber Co., Dallas, Tex.....	F. I. Clark.
July 19, 1919	240	Bellgrade Lumber Co., Memphis, Tenn.....	John W. McClure.
Do.....	241	John W. Kitchen Lumber Co., Ashland, Ky.....	J. W. Kitchen.

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July 19, 1919	242	H. W. Darby Hardwood Lumber Co., Memphis, Tenn.....	H. W. Darby.
Do.....	243	T. A. Foley, Paris, Ill.....	T. A. Foley.
Do.....	244	Russe & Burgess, Memphis, Tenn.....	W. H. Russe.
July 26, 1919	245	A. A. Denslow, Priscilla, Miss.....	A. A. Denslow.
Jan. 1, 1920	246	William Lorimer Lumber Co., Jonesville, La.....	W. Lorimar, jr.
July 26, 1919	247	Sherrill Hardwood Lumber Co., Merryvale, La.....	C. H. Sherrill.
Do.....	248	L. D. Murrelle Lumber Co., Memphis, Tenn.....	Mr. Polk.
Do.....	249	Cromwell Hardwood Lumber Co., Montgomery, Ala.....	W. O. Cromwell.
Do.....	250	Tellico River Lumber Co., Pittsburgh, Pa.....	F. R. Babcock.
Do.....	251	Consolidated Saw Mills Co., St. Louis, Mo.....	J. A. Mayer.
Do.....	252	Wisconsin & Arkansas Lumber Co., Malvern, Ark.....	J. E. Finch.
Do.....	253	J. C. Love Lumber Co., Pine Bluff, Ark.....	J. C. Love.
Jan. 1, 1920	254	Du Bois Lumber Co., Lake, Miss.....	J. E. Welch.
Aug. 2, 1919	255	H. J. Wilson, Hazelhurst, Miss.....	H. J. Wilson.
Do.....	256	Sunflower Lumber Co., Clarksdale, Miss.....	
Do.....	257	Burroughs Ross Colville Co., McMinnville, Tenn.....	
Do.....	258	Ingram Bay Lumber Co., Lyman, Miss.....	L. Norman.
Aug. 16, 1919	259	Raven Lumber Co., Raven, Va.....	A. W. Horton.
Do.....	260	Boyd-Ryburn Lumber Co., Glade Springs, Va.....	E. J. Flautt.
Do.....	261	Churchill Milton Lumber Co., Louisville, Ky.....	T. J. Fullenlove.
Aug. 23, 1919	262	Robertson-Macdonald Lumber Co., Houston, Tex.....	C. J. Robertson.
Do.....	263	Loutre Lumber Co., Cargile, Ark.....	H. E. McCoy.
Aug. 30, 1919	264	Ferguson & Palmer Co., Memphis, Tenn.....	D. F. Palmer.
Do.....	265	Martin Wagon Co., Lufkin, Tex.....	J. W. Lessis.
Do.....	266	Tschudy Lumber Co., Kansas City, Mo.....	Jay Tschudy.
Sept. 1, 1919	267	Utley Holloway Saw Mill Co., Chicago, Ill.....	J. B. Utley.
Sept. 13, 1919	268	Mutual Lumber Co., Pittsburgh, Pa.....	A. T. Ast.
Do.....	269	Wilson Bros. Lumber Co., Pittsburgh, Pa.....	Alex Wilson.
Do.....	270	Northcutt & McCartney, Rummel, Ark.....	
Do.....	271	Crossett Lumber Co., Crossett, Ark.....	J. S. Garretson.
Do.....	272	Brinkley Lumber Co., Brinkley, Ark.....	R. J. Lockwood.
Sept. 20, 1919	273	Lowery Lumber Co., Ellisville, Miss.....	
Do.....	274	Thistlethwaite Lumber Co., Washington, La.....	John R. Thistlethwaite.
Sept. 27, 1919	275	James Bell Lumber Co., Hollandale, Miss.....	
Oct. 1, 1919	276	Anguera Timber Co., Chicago, Ill.....	
Do.....	277	C. H. Barnaby, Greencastle, Ind.....	Chas. H. Barnaby.
Oct. 11, 1919	278	F. T. Dooley Lumber Co., Memphis, Tenn.....	F. T. Dooley.
Do.....	279	Tennessee Lumber & Coal Co., Cincinnati, Ohio.....	R. W. Lucius.
Do.....	280	Sparkman Hardwood Lumber Co., St. Louis, Mo.....	
Oct. 18, 1919	281	Knapp-Key Lumber Co., Maysville, Ky.....	W. H. Key.
Do.....	282	Central Hardwood Co., Heidelberg, Miss.....	
Do.....	283	J. M. Cord Lumber Co., Chattanooga, Tenn.....	Fred Arn.
Oct. 25, 1919	284	Pittsburgh Lumber Co., Pittsburgh, Pa.....	
Do.....	285	Long-Knight Lumber Co., Indianapolis, Ind.....	W. W. Knight.
Do.....	286	S. F. Fuller & Co., Vicy, Va.....	S. F. Fuller.
Do.....	287	Cummer Lumber Co., Jacksonville, Fla.....	D. G. Coit.
Nov. 1, 1919	288	Darnell-Love Lumber Co., Leland, Miss.....	F. P. Turner.
Nov. 8, 1919	289	Poitevent & Favre Lumber Co., New Orleans, La.....	John S. Poitevent.

Date joined.	Index No.	Name of firm.	Active man.
Nov. 8, 1919	290	Stearns Coal & Lumber Co., Stearns, Ky.....	R. W. Henderson.
Do.....	291	Russell Hardwood Lumber Co., Russell, Ky.....	W. M. Jones.
Nov. 15, 1919	292	Hogue & Logan Lumber Co., Newport, Ark.....	
Do.....	293	Norwood Lumber Co., Forney, N. C.....	S. H. Mays.
Do.....	294	New Albany Lumber Co., New Albany, Miss.....	
Do.....	295	Faxton Lumber Co., Bristol, Tenn.....	
Do.....	296	McGraw-Currans Lumber Co., Yazoo City, Miss.....	James A. McGraw.
Nov. 22, 1919	297	Case-Fowler Lumber Co., Macon, Ga.....	H. C. Fowler.
Do.....	298	Williams & Voris Lumber Co., Chattanooga, Tenn.....	Lyle Motlow.
Dec. 1, 1919	299	Memphis Land & Lumber Co., Memphis, Tenn.....	V. S. Watrons.
Dec. 13, 1919	301	Creston Hoop Co., Alexandria, La.....	
Do.....	302	Cypress Lumber Co., St. Louis, Mo.....	
Do.....	303	James Lumber Co., Tulot, Ark.....	C. A. James.
Do.....	304	Cleveland-Ocovee Lumber Co., Atlanta, Ga.....	Neal Meier.
Do.....	305	L. N. Kimerer, Paris, Tex.....	L. N. Kimerer.
Do.....	306	Louisville Point Lumber Co., Louisville, Ky.....	
Do.....	307	Johnson Bros. Lumber Co., Nashville, Tenn.....	R. L. Foshee.
Do.....	308	Lucas E. Moore Stave Co., New Orleans, La.....	
Do.....	309	Evansville Band Mill Co., Evansville, Ind.....	J. Waltman.
Do.....	310	J. W. Block Lumber Co., Corning, Ark.....	M. G. Hoffman.
Do.....	311	J. G. Knowles, Wilnot, Ark.....	J. F. Knowles.
Do.....	312	Mobile River Saw Mill Co., Mount Vernon, Ala.....	Lee Robinson.
Do.....	313	Hunt Washington & Smith, Nashville, Tenn.....	T. A. Washington.
Dec. 20, 1919	314	Bradly Lumber Co. of Arkansas, Warren, Ark.....	R. W. Fullerton.
Do.....	315	Kearns Quinn, Memphis, Tenn.....	Miss Quinn.
Do.....	316	J. H. Phillips Lumber Co., Fayetteville, Ark.....	
Dec. 27, 1919	317	L. Cowee Lumber Co., St. Louis, Mo.....	
Do.....	318	Ozan-Graysonia Lumber Co., Prescott, Ark.....	W. R. Beemis.
Do.....	319	Armovel Lumber Co., St. Louis, Mo.....	
Jan. 1, 1920	320	S. T. Alcono & Co., New Orleans, La.....	W. B. Morgan.
Do.....	321	Lamb-Gary Lumber Co., Vicksburg, Miss. (Memphis, Tenn.).....	Geo. C. Ehemann.
Do.....	322	Boice Hardwood Co., Hartford, Tenn.....	
Do.....	323	Fulleston-Powell Hardwood Lumber Co., South Bend, Ind.....	
Jan. 10, 1920	324	Bolinger Franklin Lumber Co., Zama, Miss.....	A. L. Franklin.
Do.....	325	Green River Lumber Co., Memphis, Tenn.....	
Jan. 17, 1920	326	Henry J. Davis Lumber Co., Memphis, Tenn.....	Henry J. Davis.
Do.....	327	Dickson & Shannon, Memphis, Tenn.....	
Do.....	328	Chickasaw Lumber Co., Demopolis, Ala.....	Leonard L. Shertzer.
Do.....	329	Dugger & Goshorn Co., Memphis, Tenn.....	
Do.....	330	Hatchette, H. L., Electric Mills, Miss.....	J. O. Goshorn.
Do.....	331	Hamil Clark & Son, Union City, Pa.....	L. S. Nichols.
Do.....	332	A. N. Myrism, Hollywood, Miss.....	E. Williams.
Do.....	333	The Arkansas Lumber Co., Portsmouth, Ohio.....	

II.

THE JURISDICTION.

This bill of complaint is brought to prevent the said defendants from further engaging in and carrying out, at Memphis in this district, and throughout the United States, a combination and conspiracy in restraint of trade and commerce in hardwood lumber among the several States, in violation of the Act of Congress of July 2, 1890 (26 Stat. 209), entitled "An Act to protect trade and commerce against unlawful restraints and monopolies," and against the public policy of the United States.

III.

THE COMMODITY.

Hardwood lumber manufactured from the following woods: red gum, black gum, tupelo gum, white oak, red oak, ash, hackberry, cottonwood, elm, hard maple, soft maple, hickory, pecan, willow, sycamore, beech, walnut, yellow cypress, tidewater cypress, poplar, chestnut, basswood, buckeye, butternut, and cherry, and from other woods, is an important building and manufacturing material, used throughout the United States in the manufacture of sashes, doors, flooring, mill work, furniture, musical instruments, automobile bodies, boxes, railroad cars, street cars, rig timbers for oil fields, switch ties, and for numerous other purposes.

IV.

THE INTERSTATE COMMERCE WHICH WAS RESTRAINED.

The defendant companies comprise the most important manufacturers of hardwood lumber in the United States, and they have been engaged for a long time, in the States and at the places indicated above in connection with their names, in cutting down trees of the foregoing varieties; in converting the same into logs; in removing such logs to saw-mills and lumber factories; in manufacturing the same into lumber; and in selling and shipping such lumber, throughout the United States, in interstate commerce, to the manufacturers of sashes, doors, flooring, mill work, furniture, musical instruments, automobile bodies, boxes, railroad cars, street cars, switch ties, and rig timbers for oil fields, and to other manufacturers, and to wholesale dealers and retail dealers for purposes of resale.

At the beginning of the year 1919 the defendant companies were still demanding for their said lumber approximately the same prices as had prevailed before the signing of the armistice in the war with Germany; and the aforesaid manufacturers and wholesale and retail dealers were buying such lumber from the defendants only in small quantities, for purposes of immediate necessity, in the belief that the prices demanded were too high; and they were intending to largely increase their purchases of such lumber from the defendants in interstate commerce as soon as the prices therefor should be reduced, by competition amongst the defendants, to more reasonable levels.

V.

THE CONSPIRACY IN RESTRAINT OF INTERSTATE COMMERCE.

Thereupon, in January, 1919, and continuously thereafter to the present time, the defendant companies and the individual defendants unlawfully combined and conspired together, in restraint of the above-described interstate commerce in hardwood lumber manufactured by them, to maintain the prices demanded by them in said month of January, 1919, for their said lumber, as illustrated in the annexed Exhibit A (the Sales Report of January 25, 1919), and to double or treble such prices, as illustrated in the annexed Exhibit B (the Sales Report of January 31, 1920), in violation of the said Act of Congress, and against the public policy of the United States, by suppressing competition in prices amongst the defendants; by substituting therefor cooperation and agreements having the purpose and effect of maintaining and increasing prices as aforesaid; and by the following means in particular:

VI.

THE MEANS OF ACCOMPLISHING THE CONSPIRACY.

1. Joining together as members of the so-called "Open Competition Plan" under the slogan "Cooperation, not competition, is the life of trade" (Sales Report January 25, 1919); and providing and financially supporting, at Memphis in this district, an extensive suite of offices, a numerous clerical force, and the defendant F. R. Gadd as a so-called

"Manager of Statistics," for the successful operation of such plan or scheme.

2. Dividing the defendants as participants in such scheme into four geographical groups; holding a meeting each month of all those in each such group; and printing and distributing amongst the defendants the following recommendation to make oral agreements at such meetings to eliminate competition amongst those defendants who had been competing:

If evil practices have got a strong hold in the section of the country where you are operating, you can't eliminate it by adopting similar practices in the conduct of your business with the hope of teaching the other fellow a lesson, but if you should happen to meet your competitor at an association meeting and the proposition should be discussed, merely as a matter of business policy, and everybody agreed that it was a poor game, taken from any angle, why, then results would be accomplished and no bones broken in the process, either. (Sales Report February 15, 1919.)

meaning by "evil practices" the practice of competing in prices so as to secure business.

3. Printing and distributing, through the said "Manager of Statistics," amongst the defendants, the following reports compiled from information furnished by each defendant to the said "Manager of Statistics":

(a) Monthly "Stock Reports" such as the annexed Exhibit C, showing the normal stock, the entire actual stock, and the unsold actual

stock; of each defendant company, and of all the defendant companies in the aggregate; and

(b) Monthly "Production Reports" such as the annexed Exhibit D, showing the normal monthly production, the actual monthly production, and the estimated future production, of each defendant company, and of all the defendant companies in the aggregate; and

(c) Weekly "Sales Reports" such as the annexed Exhibits A and B, showing separately each actual sale of hardwood lumber made by each defendant company, giving the name of the selling company, the kind and amount of lumber sold, the destination, and the selling price;

so as to furnish continuously to each defendant full information as to stock on hand, sold and unsold, as to production, present and future, and as to actual sales and prices, of each and every other defendant; and so as thereby to incite and enable the defendants to further maintain and enhance their prices.

4. Printing and distributing amongst the defendants the following recommendation to discuss prices at their monthly meetings, and to depend in that respect on one another:

Open Competition means not only open prices, but open discussion. Under this plan the members meet monthly at community meetings. The spirit of cooperation developed at these meetings has been of prime importance, not only in the success of the Open Competition Plan, but in the success of other Association activities. Before the organiza-

tion of this plan, while some of the members knew some of the other members, in a majority of cases they were competing with each other, even when neighbors without a personal acquaintance. As a result of these meetings, these men have become very well acquainted and they have learned that they can safely depend upon their fellow manufacturers to a much greater extent than they thought would be possible without serious loss. (Sales Report February 3, 1919.)

and orally discussing at such meetings the above-described "Stock Reports," "Production Reports," and "Sales Reports," so as to produce at each such meeting a mutual exchange of oral statements of approval for high prices reported in the "Sales Reports," as an assurance that the defendants would further sustain such prices by charging prices as high as, or higher than, such prices; and mutually exchanging each month, through the said "Manager of Statistics," in connection with the "Production Reports," written predictions by the several defendants to the effect that high prices reported in the "Sales Reports" would continue to be maintained and enhanced, so as to furnish further assurance that the action of each defendant in maintaining and enhancing such prices would be supported by like action on the part of others.

5. Printing and distributing amongst the defendants the following exposition of the theory of each defendant independently and without agreement

observing as a guide prices reported as received by other defendants:

The theoretical proposition at the basis of the Open Competition plan is that,

Knowledge regarding prices actually made is all that is necessary to keep prices at reasonably stable and normal levels.

The Open Competition plan is a central clearing house for information on prices, trade statistics and practices. By keeping all members fully and quickly informed of what the others *have done*, the work of the plan results in a certain uniformity of trade practice. There is no agreement to follow the practice of others, altho members do naturally follow their most intelligent competitors, *if they know what these competitors have been actually doing.* (Sales Report March 22, 1919.)

and the following statements of defendants showing how the theory worked in practice to enhance prices:

The Open Competition plan of the American Hardwood Manufacturers' Association has arrived, it is an unqualified success and any member or any manufacturer who does not think so is simply overlooking the most important of our several association activities. The information contained in the Open Competition sales report has made for every member during the past thirty days a profit that will pay their association dues for the next five years.

The best boosters of the plan are the members themselves. If you have not already

told of your experience with the plan, do so at once, as it is our desire to compile the information in booklet form for distribution. It will greatly aid in our membership campaign. Tangible results are convincing always.

Read the following excerpts from letters written by members:

"The open price plan is the best educating system that has ever been introduced to lumber manufacturers and in our opinion should be used by every hardwood manufacturer."

"Any lumber manufacturer who does not belong to the Open Competition plan is working hardship on his sales department and losing money for himself."

"The feature that stands out above everything else is the fact that this report shows the man who made the sale. Price does not mean much without knowing who made the sale."

"We were [in]credulous about this for a long time but finally decided to join. We are now convinced that it has been of great service to us, especially during the last few months where we have been kept posted about the prices."

"Now it is a pleasure to sell because we know what we are doing and have information at our finger tips that enables us to know these things before the other fellow does."

"We believe we have profited from \$500.00 to \$1,000.00 during the past 30 days by being correctly informed relative to the prices stock is really being sold at."

"We joined the association simply because of this feature. If it were abolished our

interest in the association would immediately cease."

"The very first report which we received under this plan enabled us to increase our price \$6.00 per thousand on a special item in oak."

"At a recent Memphis meeting it developed our company was carrying an unusually large stock in thoroughly dry Red Gum and seemed to be the only one among those present who had it. Within two weeks from date of this meeting where it developed there was a big shortage of Red Gum items, we found a most unusual demand at prices we had not hoped for."

"By watching the reports we have been able to close out our dry stock at from \$1.00 to \$3.00 above the general quotations."

"We were a little hard to persuade to come into the plan, now, that we are in and have seen the inside workings of it, we do not see how we could get along without it."

"Every time we attend one of the meetings we get some good out of it."

"The Open Competition plan is worth every cent and more than its cost and we would not be without it under any consideration."

"The plan is particularly advantageous to a firm who have been out of the market for some little time on account of lack of stocks, etc., and then find themselves with some lumber in shipping condition."

"The plan has done more to stabilize prices than any other one thing."

"Since we became members we have been selling our lumber at several dollars per thousand more than formerly."

"Any manufacturer who is trying to do without the help of the association is making a wonderful mistake."

"We find the weekly report of sales a very positive index of the trend of the market on all grades of lumber." (Sales Report, June 7, 1919.)

6. Printing and distributing amongst the defendants the following argument against low prices, on the ground of a shortage of lumber disclosed by the "Stock Reports":

The Report of Stocks on hand sold and unsold as of February 1st, 1919, develops a situation that we believe is unparalleled in hardwood lumber industry. In no single month within our recollection has there been such a large and general decrease in stocks on hand as shown by this Report.

On January 1st the total stock of hardwoods on hand and unsold was 550,000,000 feet, on February 1st it was 460,000,000 feet—a decrease during the month of January of 90,000,000 feet, or 16.6 per cent of the total. These figures are comparable, the result having been obtained from reports made by the same mills in each instance.

The chief factors contributing to this situation are curtailed production and increased volume of sales.

* * * * *

At this rate, it will not be long before there is a famine of hardwood lumber. We hear a great deal about the waiting attitude of the buyer with the expectation of price recession, but with such conditions as are above recited, it is difficult to understand why holders of hardwood lumber need worry as to the future. The buyer may wait too long—in fact, he has waited too long, as present conditions surrounding production and stocks holds out no temptation to move stocks by means of concessions. Stocks are so low that in some cases the holders are not disposed even to offer what they have. With stocks low and ill-assorted, and with no prospect for restoring them to even last year's meager quantities, the outlook for strong prices on all hardwoods could not be better. (Sales Report March 1, 1919.)

and the following explanation of how the disclosure of such shortage in the "Stock Reports" prevented prices from being lowered:

During this crisis there is no question but that the information as to production and supply which has been available to the producers through the medium of the associations has been of very marked assistance and value. If a manufacturer knows just how much of any one item there is in the country and how much is being produced, it does not take a very keen insight into economic conditions for him to realize what is the best thing for him to do.

For instance, at the recent meeting of the Open Competition Plan of the American Hardwood Manufacturers' Association in Memphis the fact was developed that the production of mills embraced in that group of manufacturers is at the present time only fifty-six per cent of normal; and that practically the same situation exists throughout the hardwood producing territory. It was also shown that stocks at mills are only about three-quarters of normal, the number of mills having any over-supply at all being practically negligible. (Sales Report March 8, 1919.)

and the following argument for still higher prices upon the ground of the shortage thus disclosed:

Reliable statistics gathered by this Association indicate that stocks on hand at present are only about sixty per cent of normal. Certainly consumers of hardwood have not been informed as fully with respect to this situation as they might have been. The Southern Lumberman says: "As a matter of fact, very likely no considerable percentage of the hardwood producers themselves, even those who know a shortage exists, realize that this shortage is acute." Naturally the situation ought to have an important bearing on the plans of every hardwood lumberman if the facts were better understood; offers of business now at shaded prices would get scant consideration, and there would not only be no good reason to cut prices but there would be every reason why they should be held at reasonably profit-making levels.

Everybody agrees that the future is bright for lumber and that the hardwood trade need have no misgivings as to the future. When these good times come, stocks will be found far too little to supply the demand, and it isn't possible to replenish stocks over night. Manufacturers naturally are not going to sell very far ahead at the present level of prices, as all conditions indicate a firm market for the balance of the year, with prices moving upward and with a strong demand for every foot of lumber that the mills can possibly produce. (Sales Report, March 29, 1919.)

and the following argument for cooperation in order to secure the higher prices:

The keynote to modern business success is mutual confidence and cooperation. Cooperative Competition, not Cut-throat Competition. Cooperation is a matter of business because it pays, because it enables you to get the best price for your product, because you come into closer personal contact with the market. (Sales Report April 12, 1919.)

and the following further argument for the higher prices on the ground of the shortage of stocks and the elimination of competition:

If ever there was a time when rich rewards awaited the producer of hardwood lumber—now is that time. There are glorious opportunities ahead.

A general survey of stock conditions as shown by the April 1st, 1919, stock report, indicates that the stock on hand is 110,000,000

feet less than on hand January 1st, 1919, which would indicate that dry stocks have been moving out rapidly.

Production during the month of April was a little less than 60 per cent of normal, and the estimated production for the next sixty days is 70 per cent of normal, weather conditions having improved during the past month. Stocks are now less than 75 per cent of normal, badly broken, and some items practically exhausted.

We now have what is called the "scarcity demand." In other words, the demand is far in excess of the supply. We no longer hear about the waiting attitude of the buyer with the expectation of price recession. The buyer now realizes that he has waited too long, and so great is the haste to secure requirements that orders are being placed by wire. Prices are no longer an obstacle, and the main desire of the buyer is to get the stocks. Supply and demand must necessarily govern prices. The demand is with us, the supply inadequate, therefore, values must increase, as our competition in hardwoods is only among ourselves. (Sales Report April 26, 1919.)

7. Reprinting, approving, and distributing amongst the defendants the following statement emphasizing the advance of prices following the shortage of lumber, and urging defendants *against increasing production by night work*, as "killing the goose that laid the golden egg" and as "criminal folly":

"Lumber Manufacturers should not overlook the fact that they are about to be con-

fronted with a magnificent opportunity to kill a goose which is just now industriously engaged in producing golden eggs. The market is strong, particularly in the hardwood end of the business, and it is strong because of just one thing: the operation of the law of supply and demand. The buyers have found that the waiting game is a losing game, and have suddenly begun to buy the lumber they have been needing for so long. During the past year there has been comparatively little lumber produced; stocks at mills were nowhere very large; and the result was that within the twinkling of an eye, once the buying started, the demand exceeded the supply.

Within the past three weeks the hardwood market has experienced the most sudden and spectacular improvement it has known for a mighty long time. There is no more haggling over prices. The buyer's principal question these days is: Have you got the lumber and how soon can you ship it? Orders by telegraph are the usual thing. Not only is the demand extremely active, but it looks even more active on account of the acute shortage of stocks. It has been accurately estimated that there is 110,000,000 feet less of dry lumber in the country to-day than there was January 1; and a lot of the lumber on sticks at mills has been sold and is only waiting shipment.

As a result of this situation, everything is looking rosy. The demand is active, prices are strengthening—what more could the lumber manufacturer want? But at the risk of

being accused of being a gloom spreader, we feel constrained to offer what we consider as a timely warning. Although the country unquestionably faces an unprecedented era of prosperity, and although the demand for lumber—supported by the imminent improvement in the building situation—should continue apace, it should always be borne in mind that the maximum productive capacity of the sawmills of this country is much in excess of any demand the country has ever known.

In other words, the danger which we see lurking in the future for the lumber industry—and a grave danger it is—is overproduction. When the demand for lumber is keen and the prices are good, it is necessarily a strong temptation to the sawmill man to put on a night shift at the mill and an extra logging crew in the woods, and keep turning out lumber twenty-four hours out of the day. The desire to cash in while the cashing in is good is natural and easy to understand; but every sawmill man who contemplates putting on a night shift should stop long enough to reflect on the past history of the lumber business. If he does indulge in such reflection, the chances are that he will reconsider any ideas he may have had along that line.

Overproduction has always been the curse of the lumber industry in America. It has caused more trouble and hardship than any other one factor. It would be criminal folly, therefore, for the lumber manufacturers to indulge themselves in any such form of commercial suicide. Most of the more progressive

manufacturers these days are members of some association or associations which distribute information relative to the supply and demand; and the manufacturer who does not digest that information and profit by it is an enemy to himself and to the industry.

The lumbermen have gone through some hard sledding in the past. Now the pendulum is swinging the other way, and it appears that they have within their grasp an era of steady prosperity for some time to come. They can either reach forward and seize their opportunity, or they can cast it aside by the policy of overproduction. Which shall it be? It's up to the sawmill men themselves to decide?"—Southern Lumberman.

Are we guilty? If so, the warning is timely. (Sales Report May 17, 1919.)

and the following argument that prices would continue to advance *so long as the shortage of lumber was maintained*:

The manufacturers are unable to meet the demand because of the scarcity of hardwood lumber. Mill yards are practically devoid of dry stocks, while the demand continues to increase. Prices on numerous items have advanced several times during the month and are changing so frequently that it is difficult to say exactly what current prices are. Production during the month of April was sixty-five per cent of normal and a careful estimate of production for the months of May and June does not indicate any material increase during those months. Continuous and excessive rain-

fall throughout the entire Southern Hardwood Territory has made logging practically impossible and mills that had expected to reach a full production at an early date now find themselves without a supply of logs.

* * * * *

We face a period of unprecedented demand for our product. Stocks are small, and orders easy to secure. The tendency of the market is upward and will undoubtedly continue to advance so long as sales and production bear their present relation to each other. (Sales Report May 24, 1919.)

and the following arguments that the shortage still continued and therefore prevailing high prices could still be maintained:

The entire hardwood market continues exceptionally strong. As a matter of fact, we have never witnessed a time when the industry was so closely sold up as at present. Heavy buying continues and reserve stocks at the mills are exhausted. Former top prices are really nominal to-day. Advances are named almost daily. With cost of manufacture mounting as wages and supplies go still higher, expectations of price declines are steadily diminishing, and there is a rush to secure supplies in anticipation of additional advances. (Sales Report June 28, 1919.)

Unsold stocks at mills on September 1st were 31 per cent of normal, which is equivalent to an average of less than two months' production. We urge you to read and analyze the Stock Report for September 1st. It is

the most detailed and complete statistical publication issued by any Lumber Association. Read the Recapitulation and Summary, and you will see that stocks in some woods have decreased over 50 per cent since January 1st. The decrease would have been much greater if the same number of members had reported stocks on January 1st as on September 1st. This report contains information that is invaluable to all members, information that could not be purchased at any price except through the Association, and information that explains why lumber prices have advanced.

Those who have been looking for lower prices overlook the very important factors: That production continues below normal at a time of the year when mills should be piling up lumber if they are ever going to be able to do it; that unsold stocks at mills are 70 per cent below normal; that the industry faces a serious car shortage; that possible labor troubles may intensify the situation; that the export demand has just started, and that the railroads are not buying, although in need of material of all kinds. With these conditions prevailing, there is nothing in the situation that should encourage anyone to hope for a drop in quotations. (Sales Report September 20, 1919.)

and the following statement suggesting that the above-described combination and conspiracy to maintain and enhance prices would not be prosecuted:

It is encouraging to note that Secretary Redfield, in addressing the Chamber of Com-

merce of the United States recently, deplored the suspicious attitude of the public toward business, and said that the Sherman law and any other law designed to prevent the restraint of trade should not be invoked to prevent the promotion of trade by cooperative methods. Let us hope that the same light will dawn on other Government authorities and that they will realize that the Sherman law, designed to prevent the restraint of trade, is, itself, one of the greatest restrainers of trade and that it should be repealed. (Sales Report August 16, 1919.)

VII.

THE IMMEDIATE MENACE OF CONTINUING THE CONSPIRACY.

The above-described and similar means are still being employed, and are about to be further employed by the defendants, at Memphis in this district, and elsewhere, in accomplishment of their said unlawful combination and conspiracy to maintain the prices of hardwood lumber at, and enhance them beyond, the present abnormally high levels illustrated in Exhibit B, in restraint of interstate commerce in such lumber.

The defendants are intending, in further compliance with the above-quoted recommendation of February 15, 1919, to make further oral agreements at their next regular monthly meetings at Cincinnati, Ohio, on the Second Tuesday of the month, at New Orleans, Louisiana, on the second Thursday of the month, at Memphis, in this district, on the second Friday of the month, and at Little Rock, Arkansas, on the third Thursday of the month, to eliminate such compe-

tition as may still persist amongst them; they are now actively engaged in compiling, printing, and distributing, through their said "Manager of Statistics," at Memphis in this district, the next issues of the above-described monthly "Stock Reports," monthly "Production Reports," and weekly "Sales Reports," so as thereby to incite and enable the defendants to further maintain and enhance their prices; they are also intending, in compliance with the above-quoted recommendation of February 3, 1919, to discuss the prices reported in the "Sales Reports," at their said approaching meetings, so as to produce a mutual interchange of oral statements of approval for high prices so reported, as an assurance of further sustaining such prices by charging prices as high as, or higher than, such prices; they are also about to mutually exchange, through their said "Manager of Statistics," in the form of mimeographed copies, their written predictions for the coming months to the effect that high prices so reported in the "Sales Reports" will continue to be maintained and enhanced, so as to furnish further assurance that the action of each defendant in maintaining and enhancing such prices will be supported by like action on the part of others; and they are also intending to continue, and add to, the above-quoted series of printed statements, explanations, and arguments, inciting the defendants to maintain and enhance their prices—all to the end that they may fulfill their said unlawful combination and conspiracy.

Unless this Court shall promptly issue its preliminary injunction restraining the defendants until final hearing from further carrying out by such means, or otherwise, their said unlawful combination and conspiracy, the further unlawful maintenance and enhancement of the present abnormally high prices by such means pending such final hearing will constitute an irreparable public injury in that such prices will be transmitted to and paid by the public without possibility of restitution; and, especially, in that numerous essential industries will be induced by such abnormal prices to largely curtail their purchases of such lumber in interstate commerce, and thus to largely curtail their production of articles made from such lumber at this critical period when decrease of production is a menace and increase of production is vital to the economic welfare of the United States.

VIII.

THE PRAYER.

Wherefore petitioner prays:

1. That writs of subpoena issue, directed to each and every of the defendants, commanding them to appear herein and answer, but not under oath (answer under oath being hereby expressly waived), the allegations contained in this bill of complaint, and to abide by and perform such orders and decrees as the Court may make in the premises.

2. That the Court order this cause to be heard on the application of the plaintiff hereby made for a preliminary injunction, after ten days' notice to the

defendants, on a day certain to be designated by the Court; and that the Court upon such application and hearing issue its preliminary injunction against the defendants, and all other persons whose names are unknown to the plaintiff unlawfully combining and conspiring with them as aforesaid, and all other persons whomsoever, commanding and enjoining them pending the final hearing of this cause—

(a) Not to make any further oral agreements at their next regular monthly meetings at Cincinnati, Ohio, on the second Tuesday of the month, at New Orleans, Louisiana, on the second Thursday of the month, at Memphis, in this district, on the second Friday of the month, and at Little Rock, Arkansas, on the third Thursday of the month or at any other time or place, to eliminate such competition as may still persist amongst them;

(b) Not to take any further steps in compiling, printing, or distributing, through their said "Manager of Statistics," or otherwise, at Memphis, in this district, or elsewhere, the next issues of the above-described monthly "Stock Reports," monthly "Production Reports," or weekly "Sales Reports," or any other issues of any such or similar reports;

(c) Not to discuss prices which have been charged, or are to be charged, by the defendants, or by any other persons, for hardwood lumber, at any of the coming association meetings of the defendants;

(d) Not to exchange, through their said "Manager of Statistics," or otherwise, written predictions to the effect that high prices for

hardwood lumber will continue to be maintained and enhanced;

(e) Not to distribute, through the said "Manager of Statistics," or otherwise, any further written or printed statements, explanations, or arguments, inciting the defendants to maintain and enhance their prices for hardwood lumber;

(f) To forthwith take appropriate action as members and officers of the above-described association to abandon, and to effectively announce the abandonment of, all efforts whatsoever by or through such association having the purpose or tendency to maintain or enhance the prices of hardwood lumber; and

(g) Not to do any further act or thing whatsoever having the purpose or tendency to continue in effect or to further the above-described conspiracy to maintain and enhance the prices of hardwood lumber.

3. That the Court upon final hearing of this suit decree and adjudge that the defendants have engaged in a combination and conspiracy to maintain and enhance their prices for hardwood lumber as above described, in violation of the Act of Congress of July 2, 1890, entitled "An Act to protect trade and commerce against unlawful restraints and monopolies," and against the public policy of the United States; and that the Court thereupon issue its permanent injunction against the defendants and all persons unlawfully combining and conspiring with them, in all respects as specified in paragraph 2 of this prayer.

4. That plaintiff have such other, further, and general relief as the nature of the case may require and the Court may deem proper in the premises.

W. D. KYSER,

United States Attorney,

Western District of Tennessee.

A. MITCHELL PALMER,

Attorney General.

C. B. AMES,

Assistant to the Attorney General.

HENRY S. MITCHELL,

Special Assistant to the Attorney General.

FEBRUARY, 1920.

STATE OF _____ }
COUNTY OF _____ } ss.

_____ being first duly sworn, on oath states that he has read the foregoing bill and knows the contents thereof, and that he firmly believes the allegations contained therein are true.

Subscribed and sworn to before me this _____
day of _____, 1920.