

BOLLES et al. v. PERRY COUNTY.

(Circuit Court of Appeals, Seventh Circuit. February 24, 1899.)

No. 549.

MUNICIPAL BONDS—DEFENSES—BONA FIDE HOLDERS.

Where county bonds contain no recital that they were issued in accordance with the requirements of a statute, compliance with which was essential to their validity, the fact that the bonds were registered under the provisions of such statute, and a certificate to that effect indorsed thereon, does not preclude the county from showing that the statute was not complied with in their issuance, even as against innocent holders.

In Error to the Circuit Court of the United States for the Southern District of Illinois.

Geo. A. Sanders, for plaintiffs in error.

Samuel P. Wheeler, for defendant in error.

Before WOODS, JENKINS, and GROSSCUP, Circuit Judges.

PER CURIAM. This action was brought to recover the amount of bonds issued in the name of Perry county, Ill., to the Belleville & Southern Illinois Railroad Company or bearer, in discharge of a subscription made in the name of the county to the capital stock of the railroad company. The case is governed in all respects by the decision of the supreme court in Citizens' Savings & Loan Ass'n v. Perry Co., 156 U. S. 692, 15 Sup. Ct. 547, where coupons from the same series of bonds were declared invalid. It is urged, but we cannot see, that that decision is inconsistent with the later opinions of the supreme court in City of Evansville v. Dennett, 161 U. S. 434, 16 Sup. Ct. 613, and Graves v. Saline Co., 161 U. S. 359, 16 Sup. Ct. 526, and of this court in Wesson v. Saline Co., 34 U. S. App. 680, 20 C. C. A. 229, and 73 Fed. 917. In those cases the recitals in the bonds showed compliance with all statutes relating to the subject, while the recital in the bonds in suit contains no reference to the act of April 16, 1869; and that compliance with that act was necessary, and is not shown by, or to be inferred from, the registration or certificate of registration of the bonds, was decided in German Sav. Bank v. Franklin Co., 128 U. S. 526, 539, 9 Sup. Ct. 159, and reaffirmed in Citizens' Savings & Loan Ass'n v. Perry Co., supra. The judgment below is affirmed.

CRAVENS v. CARTER-CRUME CO.

(Circuit Court of Appeals, Sixth Circuit. March 7, 1899.)

No. 555.

1. TRIAL—OBJECTIONS TO EVIDENCE—SUFFICIENCY.

Error cannot be assigned upon the action of the court in receiving documents in evidence, where no ground for their exclusion is stated in the objection made.

2. MONOPOLIES—COMBINATION TO RESTRICT PRODUCTION—VALIDITY OF CONTRACTS.

At a convention of manufacturers of wooden ware, in which 80 per cent. of the production of the country was represented, a combination

was formed for the purpose of restricting the production of wooden dishes throughout the country, and keeping up the price thereof. To this end it was expected and intended that all the factories would be brought under the control of a central organization, which was to regulate the prices. The articles to which the combination related were such as are in common use. *Held*, that a contract made in pursuance of such combination, by which a manufacturer was guaranteed a certain sum as dividends on his stock in the central company, in consideration of the closing of his factory for a year, was contrary to public policy, and therefore unlawful, and would not be enforced by the courts.

In Error to the Circuit Court of the United States for the Southern District of Ohio.

Charles Cravens, plaintiff in error, a citizen of Indiana, doing business at Paducah, Ky., under the name of Charles Cravens & Co., brought this action against the Carter-Crume Company, a West Virginia corporation, the National Mercantile Company, an Ohio corporation, and the Crume & Sefton Manufacturing Company, another West Virginia corporation, to recover the sum of \$9,000, which he claimed had inured to him under the guaranty of the Carter-Crume Company that the dividends upon certain stock, sold to him by contract between the National Mercantile Company and himself, should amount to the sum of \$9,000 for the year then next ensuing. The National Mercantile Company demurred to the petition, and, the demurrer being sustained, the case was dismissed as to that company. The Crume & Sefton Manufacturing Company dropped out of the case by consent of parties. The Carter-Crume Company answered the petition, and the plaintiff replied. As no question arose upon the pleadings, and none of the errors assigned has relation thereto, it is unnecessary to give any detailed statement thereof. The only questions involved are such as arose upon the trial of the case, and they are based entirely upon the testimony. The facts as they appeared upon the trial were substantially these:

The plaintiff, Cravens, was, and for some time had been, engaged in manufacturing wooden dishes and dish machines at Paducah, Ky., at the time of the making of the contract of guaranty, which was on the 28th day of August, 1896. At that time there were also a number of parties engaged in the same kind of business at various other places scattered throughout the United States, principally in the northern portion thereof. One of these was the Carter-Crume Company, which, by its charter, was required to establish its principal office at Niagara Falls, N. Y. The president and secretary kept their offices at that place, but the vice president and manager had offices at Dayton, Ohio. Another of such manufacturers was the Crume & Sefton Manufacturing Company, the locality of whose principal office is not stated, but it appears to have been doing business at Dayton, Ohio. The National Mercantile Company was an Ohio corporation, having its principal office at Dayton, the majority of the stock in which was owned by parties largely interested in the other two companies just mentioned. William E. Crume, of the Carter-Crume Company, and John C. Crume, of the Crume & Sefton Company, were charter members thereof. William E. Crume was the secretary, and appears to have been largely influential in the direction of the management of the National Mercantile Company. He was also vice president of the Carter-Crume Company, and managed its affairs at Dayton, Ohio. The business for which the National Mercantile Company was incorporated is thus set forth in the third article of incorporation: "Said corporation is formed for the purpose of buying and selling and dealing in wooden ware and grocers' novelties." It was not a manufacturer. This corporation appears to have been formed for the purpose of creating a common controlling head, into connection with which the various manufacturers of wooden dishes throughout the country should, as far as possible, be brought, whereby the output and sale of their manufactures should be controlled in respect to quantity and price. The plaintiff, Cravens, after some preliminary negotiations with the parties representing the corporations doing business at Dayton, as above stated, went there on the date above mentioned, August 28, 1896, for the purpose of meeting and conferring with those parties and others