

SUPREME COURT OF THE UNITED STATES

United States v. Southern Pacific Railroad Co.; Southern Pacific Railroad Co. v. United States

223 U.S. 565 (1912) · No. Nos. 128, 129 · Decided February 26, 1912

SUMMARY

The Supreme Court addressed competing federal railroad land grants involving the Southern Pacific Railroad and the forfeited Atlantic and Pacific Railroad grant. It held that eligibility for indemnity lands is generally determined when the railroad exercises its selection power, and that lands within the relevant limits were not excluded merely because they might previously have been subject to a paramount claim. The Court also declined to treat an earlier decree concerning a distinct branch-line grant as conclusive against the Southern Pacific’s later claim under its main-line grant, reversing in part and affirming in part.

CASE DETAILS

COURT	Supreme Court of the United States
WRITING FOR THE COURT	Justice Holmes
JURISDICTION	Federal
DECIDED	February 26, 1912
DOCKET	Nos. 128, 129
DISPOSITION	other
PROCEDURAL POSTURE	The United States brought a bill to quiet title, cancel patents, and obtain an accounting concerning lands claimed under competing railroad land grants. Both parties appealed judgments of the Circuit Court and the Circuit Court of Appeals for the Ninth Circuit.
PRECEDENTIAL VALUE	Published U.S. Supreme Court opinion and binding precedent.
PARTIES	United States, Southern Pacific Railroad Company v. Southern Pacific Railroad Company, United States

TOPICS

- title disputes
- quiet title
- real estate
- statutory interpretation
- appellate procedure

PRACTICE AREAS

QUESTIONS PRESENTED

1. Whether lands within the primary limits of the Atlantic and Pacific Railroad Company's grant could be selected as indemnity lands by Southern Pacific under its Main Line Grant after the Atlantic and Pacific grant was forfeited.
2. Whether an earlier decree involving Southern Pacific's branch-line grant barred, as res judicata, Southern Pacific's later selections under its distinct Main Line Grant.
3. Whether the United States was equitably barred from relying on the earlier decree after taking the position in the earlier litigation that rights under the Main Line Grant were not at issue.

HOLDINGS

1. An indemnity grant looks to future conditions, and the lands a railroad may select are determined by the state of the lands at the time of selection. Accordingly, Southern Pacific could select qualifying lands within the primary limits of the forfeited Atlantic and Pacific grant under its Main Line Grant.
2. The Court did not decide the full scope of res judicata concerning possible future sources of title under a different grant, but held that the United States could not equitably rely on the earlier decree because its position in the earlier litigation was inconsistent with that reliance.

KEY QUOTATIONS

“An indemnity grant, like the residuary clause in a will, contemplates the uncertain and looks to the future.”
(570)

“What a railroad is to be indemnified for may be fixed as of the moment of the grant, but what it may elect when its right to indemnity is determined depends on the state of the lands selected at the moment of choice.”
(570-571)

“It follows that as the present decision was in favor of the United States with regard to the last-mentioned lands it must be reversed, (No. 129), and that otherwise (No. 128) it stands affirmed.” (572)

FACTUAL BACKGROUND

The Southern Pacific Railroad Company held an indemnity grant under the Main Line Grant enacted July 27, 1866. Lands within that indemnity area also fell within the primary limits of an Atlantic and Pacific Railroad grant, which was later forfeited; Southern Pacific then selected the disputed parcels as indemnity lands. Some of the parcels were also within the indemnity limits of Southern Pacific's separate branch-line grant and had been included in an earlier decree concerning that grant.

PROCEDURAL HISTORY

The lower courts held that the condition of the lands at the time of selection determined the Southern Pacific's right to select them under its Main Line Grant, subject to an exception concerning lands also covered by the railroad's branch-line grant. The United States appealed the main ruling in No. 128, and Southern Pacific

appealed the ruling concerning the excepted lands in No. 129. The Supreme Court affirmed as to No. 128 and reversed as to No. 129.

DISPOSITION

other

CASES CITED

- Southern Pacific Railroad Co. v. United States, 183 U.S. 519
- Southern Pacific Railroad Co. v. United States, 168 U.S. 1
- Southern Pacific Railroad Co. v. United States, 189 U.S. 447, 452
- Ryan v. Railroad Company, 99 U.S. 382
- Dowell v. Applegate, 152 U.S. 327
- United States v. California and Oregon Land Co., 192 U.S. 355, 358