



# Department of Justice

FOR IMMEDIATE RELEASE  
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The Department of Justice today filed a civil antitrust suit against The Cleveland Trust Company to require it to divest itself of stock interests in certain major manufacturers of automatic machine tools and to eliminate its interlocking directorships in such companies.

Attorney General John N. Mitchell said the suit was filed in United States District Court in Cleveland, Ohio, where The Cleveland Trust Company has its headquarters.

According to the complaint, Cleveland Trust has substantial stock holdings in Acme-Cleveland Corporation, Pneumo-Dynamics Corporation, Warner & Swasey Company, and White Consolidated Industries, Inc., all major manufacturers of automatic machine tools. The suit alleges that the bank's influence in such companies through its stock interests may substantially lessen competition in the manufacture and sale of automatic screw machines, which are machine tools for working various metals, in violation of Section 7 of the Clayton Act.

The suit also charges that The Cleveland Trust Company, acting through its agents, has been and is now a director of Pneumo-Dynamics, Warner & Swasey, and White Consolidated, in violation of Section 8 of the Clayton Act. George Karch, chairman and chief executive officer of The Cleveland Trust Company, is

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a director of Warner & Swasey. Allan K. Shaw, senior vice president of Cleveland Trust, is a director of Pneumo-Dynamics and White Consolidated.

The complaint asks that Cleveland Trust's stock acquisitions in the above named competing corporations be declared illegal and that Cleveland Trust be required to divest its stock interests in all but one of such corporations. The complaint also asks that Cleveland Trust's representation on the boards of directors of Pneumo-Dynamics, Warner & Swasey, and White Consolidated be declared unlawful; that the bank be directed to order its agents to resign from directorships in all but one of such companies; and that the bank, its officers, directors, and agents be enjoined from serving as a director of any two or more competing companies engaged in interstate commerce, whose capital, surplus, and undivided profits aggregate more than \$1 million.

Assistant Attorney General Richard W. McLaren, head of the Antitrust Division, said that Cleveland Trust is the 16th largest bank in the United States in terms of trust assets and accounts for about 50 per cent of the total trust assets in the Cleveland metropolitan area. Acme-Cleveland, with total automatic screw machine sales of over \$20 million a year, is third largest in such sales in the United States. Pneumo-Dynamics, with automatic screw machine sales of over \$17 million, is fourth largest in

total automatic screw machine sales. Warner & Swasey with over \$36 million in sales, is the largest in automatic screw machines in the United States, and White Consolidated, with over \$9 million in sales, is seventh largest.