



Department of Justice

FOR IMMEDIATE RELEASE
MONDAY, MAY 18, 1970

The Department of Justice today filed a civil suit to block the proposed acquisition of Weldaloy Products Company of Warren, Michigan, by P.R. Mallory and Company, Inc., of Indianapolis, Indiana, as illegal under the antitrust laws.

Attorney General John N. Mitchell said the suit was filed in the U. S. District Court at Detroit, Michigan.

Assistant Attorney General Richard W. McLaren, head of the Antitrust Division, said Mallory's acquisition of Weldaloy would violate Section 7 of the Clayton Act by eliminating actual competition between them and by lessening competition generally in the sale of resistance welding alloy products throughout the United States.

On February 19, 1970, Mallory and Weldaloy entered into an agreement providing for the acquisition of Weldaloy by Mallory, which was approved by their shareholders on March 11.

Mallory, one of the 500 largest industrial corporations in the United States, manufactures and sells a wide range of electrical and electronic systems and

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devices, including resistance welding alloy products. Resistance welding alloy products are attachments and accessories for resistance welding machines, such as electrodes, adapters, holders, and welding wheels.

The suit said Weldaloy sold approximately \$2.9 million of such products in 1968, accounting for approximately 29 percent -- the largest share -- of the total market.

Mallory, the suit said, sold approximately \$2.5 million of such products in 1968, or approximately 25 percent -- the second largest share -- of the market.

The suit asked the court to declare the merger agreement between Mallory and Weldaloy in violation of Section 7 of the Clayton Act and to enjoin them from pursuing any plan or agreement to merge.