



Department of Justice

FOR IMMEDIATE RELEASE
TUESDAY, DECEMBER 8, 1970

The Department of Justice filed today a civil antitrust suit to require Asiatic Petroleum Corporation of New York City to divest itself of the fuel oil business it acquired from C. H. Sprague & Son Company of Boston.

Attorney General John N. Mitchell said the suit was filed in the United States District Court in Boston, Massachusetts.

The suit charged that Asiatic's acquisition of the New England fuel oil business of C. H. Sprague on June 9, 1969, violated Section 7 of the Clayton Act by eliminating competition between the companies in the fuel oil business. Asiatic is a Delaware corporation and one of the Royal Dutch/Shell group of companies.

The complaint also charged that the acquisition foreclosed fuel oil suppliers from a substantial share of the market, foreclosed fuel oil purchasers from a source of supply, and increased concentration in the marketing of fuel oil in the New England states.

Assistant Attorney General Richard W. McLaren, in charge of the Antitrust Division, said that prior to the acquisition Asiatic was a major supplier of residual fuel oil to New England deepwater terminal operators and Sprague was the largest independent deepwater terminal operator in that area.

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Sprague also sold residual, or heavy grade, fuel oil and distillate, or light grade, fuel oil to jobbers, retailers, and consumers located throughout the New England area.

As a result of the acquisition, the complaint said, Asiatic, which controlled 12.4 percent of sales of residual fuel oil to wholesalers in New England, now controls 11 percent of sales to retailers as well. The complaint also alleged that the acquisition eliminated Sprague as an independent competitor of Shell, an Asiatic affiliate, in the sale of distillate fuel in New Hampshire.

The complaint asked that the acquisition be declared unlawful, that the defendants be ordered to rescind the purchase agreements and leases, and to take all appropriate action for the complete restoration of Sprague as a substantial independent marketer of fuel oil.

The complaint also asked that, pending final adjudication of the merits, the court issue a preliminary injunction enjoining the defendants from further consolidating or intermingling the business operations and assets of the acquired business with those of Asiatic, and from selling or disposing of any of Sprague's operations or assets.

As of December 31, 1968, Asiatic had total assets of \$110,294,083, and Sprague had total assets of \$29,989,570. In 1968, Asiatic had total revenues of \$365,629,327 and net profit of \$1,053,745, and Sprague had total revenues of \$40,337,221 and net profit of \$2,248,552.