

*Dec 30, 1971*

The Department of Justice filed a civil damage suit today against seven major manufacturers of gypsum building products to recover overcharges to the federal government resulting from a price-fixing conspiracy among the firms between 1960 and 1968.

Attorney General John N. Mitchell said the suit was filed in the United States District Court in San Francisco, California.

Named as defendants in the suit were United States Gypsum Company of Chicago, Illinois; National Gypsum Company of Buffalo, New York; Kaiser Gypsum Company, Inc. of Oakland, California; The Flintkote Company of White Plains, New York; Fibreboard Corporation of San Francisco, California; The Celotex Corporation of Tampa, Florida; and Georgia-Pacific Corporation of Portland, Oregon.

The suit charged that the defendants combined and conspired, from sometime prior to 1960 through at least January 1, 1968, to raise, fix, maintain and stabilize the prices of gypsum wallboard and plaster commonly used in the construction of walls and ceilings, in violation of Section 1 of the Sherman Act.

Assistant Attorney General Richard W. McLaren, head of the Antitrust Division, said that the federal government is a direct purchaser of gypsum wallboard and plaster for use

in the construction, repairing and renovation of federally owned buildings.

In addition, he said, the federal government purchases and contracts for the construction of buildings which contain gypsum wallboard and plaster, and provides funds to state and local governments for the purchase of these products and for the purchase or construction of buildings containing these products.

As a result of the price-fixing conspiracy, according to the complaint, the federal government has been required to pay substantially higher prices for gypsum wallboard and plaster and for buildings containing these products than it would otherwise have paid.

The complaint further stated that the price-fixing conspiracy required the federal government to provide greater funds to state and local governments for the purchase of gypsum wallboard and plaster and for the purchase or construction of buildings containing these products.

The suit asked that the defendants be held to have violated Section 1 of the Sherman Act, and seeks recovery of damages to the federal government in a presently undetermined amount.

The defendants are all multi-plant manufacturers of gypsum wallboard and plaster, and account for about 90 percent of the total annual sales of such products in the United States.