



Department of Justice

FILE

FOR IMMEDIATE RELEASE
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The Department of Justice today filed a civil antitrust suit to prevent the acquisition of Glamorgan Pipe & Foundry Company of Lynchburg, Virginia, by Amsted Industries, Inc. of Chicago, Illinois.

Attorney General John N. Mitchell said the suit asked for a temporary restraining order and preliminary injunction blocking consummation of the acquisition, which was scheduled to occur on Thursday, December 30, until a final determination of the suit.

The suit, filed in the U.S. District Court in Chicago, also asked for a permanent injunction against any form of merger or consolidation of the two firms.

The suit charged that the proposed acquisition would violate Section 7 of the Clayton Act by eliminating actual and potential competition between Amsted and Glamorgan and by increasing concentration in the manufacture and sale of cast iron pressure pipe used in the construction of water mains and storm sewers.

According to the complaint, the proposed acquisition would have these effects in the United States as a whole, in a four state midwest area, and in a five state mid-Atlantic area.

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Assistant Attorney General Richard W. McLaren, head of the Antitrust Division, said that there are only nine companies engaged in the manufacture of cast iron pressure pipe in the United States. The four leading producers, McLaren said, accounted for about 71 percent of total industry sales in 1970.

Last year, Amsted and Glamorgan, with approximately 11 percent and 4 percent of total industry sales, ranked fourth and eighth, respectively, among the nation's producers of cast iron pressure pipe. After its proposed acquisition of Glamorgan, Amsted would rank third.

According to the complaint, the two firms made substantial sales of cast iron pressure pipe to customers located in many of the same states. Common marketing areas for the two firms include the midwest area of Illinois, Indiana, Michigan and Wisconsin, and the mid-Atlantic area of Delaware, New York, Maryland, New Jersey and Pennsylvania, where it is charged that the proposed acquisition will also result in an elimination of actual and potential competition and an increase in market concentration.

In 1970, Amsted's sales of cast iron pressure pipe amounted to approximately \$28 million. Glamorgan's sales of cast iron pressure pipe for the same year amounted to \$8 million.