



Department of Justice

Book

FOR IMMEDIATE RELEASE
TUESDAY, MAY 18, 1971

The Department of Justice filed a civil antitrust suit today to require Leggett & Platt, Inc., of Carthage, Missouri, to divest itself of two bed spring manufacturers which it acquired in 1968 and 1969.

Attorney General John N. Mitchell said the suit was filed in the U.S. District Court in Cincinnati.

The suit charges that Leggett & Platt's acquisitions of Motor City Spring Company of Detroit, Michigan on March 31, 1968 and J. R. Greeno Company of Cincinnati, Ohio on January 2, 1969 violated Section 7 of the Clayton Act.

The suit charged that the acquisitions may substantially lessen competition in the manufacture and sale of steel coil innersprings and box springs in the area east of the Rocky Mountains; by eliminating actual and potential competition among the companies' by enhancing Leggett & Platt's marketing advantage over its competitors, and by increasing the levels of market concentration.

Innersprings and box springs are used by bedding manufacturers in the production of upholstered mattresses and finished box springs which are generally sold as a bedding ensemble.

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Assistant Attorney General Richard W. McLaren, head of the Antitrust Division, said that Legget & Platt is the leading manufacturer of innersprings and box springs east of the Rocky Mountains and one of the few such manufacturers with a sufficient number of production and warehousing facilities to economically serve that entire marketing area.

Prior to their acquisition by Leggett & Platt, Motor City and Greeno were leading manufacturers of innersprings and box springs in the States of Michigan and Ohio, McLaren said.

As a result of the acquisitions, Leggett & Platt's share of the innerspring market east of the Rocky Mountains was increased from 15.4 percent to 21.9 percent, and its share of the box spring market east of the Rocky Mountains was increased from 17.2 percent to 28.6 percent. In 1969, Leggett & Platt had innerspring sales of \$9.1 million and box spring sales of \$7.7 million in the area east of the Rocky Mountains.

The complaint asked that the acquisitions be declared unlawful, and that Leggett & Platt be required to divest all of the assets and interests acquired from Motor City and Greeno.