



Department of Justice

file

FOR IMMEDIATE RELEASE
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The Department of Justice filed a civil antitrust suit today to block the merger of Marathon Enterprises, Inc., East Rutherford, New Jersey and Sabrett Food Products Corp., Jersey City, New Jersey, two of the largest manufacturers of frankfurters sold to delicatessens and street vendors in the New York metropolitan area.

Attorney General Richard G. Kleindienst said that the suit, which alleges that the merger will violate Section 7 of the Clayton Act, was filed in U. S. District Court in Newark.

The suit alleged that competition in the manufacture and sale of all-beef casing frankfurters in the New York metropolitan area will be impaired and that the merged firm will achieve a position of dominance in that market, where its prospective market share would approximate 31 percent of sales.

All-beef casing frankfurters are frankfurters formed inside an edible natural casing and which comply with "all-beef" labeling requirements. They are served by most street vendors, frankfurter stands, and delicatessens.

Assistant Attorney General Thomas E. Kauper, in charge of the Antitrust Division, said that Marathon and Sabrett were respectively, the second and third largest manufacturers of all-beef casing frankfurters in the New York metropolitan area in 1971.

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During that year total sales of all-beef casing frankfurters in the New York metropolitan area were approximately \$23 million. According to the complaint, Marathon and Sabrett accounted for approximately 19 and 12 percent of such sales, respectively.

The complaint asked that the merger be declared illegal and that, pending final adjudication, a preliminary injunction be issued preventing Marathon and Sabrett from taking any further action to complete their merger agreement.