



# Department of Justice

FOR IMMEDIATE RELEASE  
MONDAY, MAY 15, 1972

The Department of Justice filed a civil antitrust suit today challenging the merger of Ideal Corporation of Brooklyn, New York, into Parker-Hannifin Corporation of Cleveland, Ohio.

At the time of the merger on December 31, 1971, both firms were leading manufacturers and sellers of a variety of automotive replacement parts to warehouse distributors and mass merchandisers, referred to in the complaint as the automotive aftermarket.

Acting Attorney General Richard G. Kleindienst said the suit, charging that the merger violated Section 7 of the Clayton Act, was filed in the United States District Court in Cleveland.

The suit charged that:

-- the merger eliminated actual competition between Parker-Hannifin and Ideal in the manufacture and sale of tire hardware, consisting of various types of tire valves, gauges, and pneumatic equipment;

-- Prior to the merger Ideal and Parker-Hannifin were direct competitors in the tire hardware market and ranked as the fifth and sixth leading manufacturers of tire hardware products;

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-- the merger eliminated potential competition between Parker-Hannifin and Ideal in the manufacture and sale of a specialized kind of automotive hose fastener known as worm drive clamps;

-- as a result of marketing advantages derived from the merger, Ideal's leading market position in the manufacture and sale of worm drive clamps may be entrenched;

-- Ideal's competitors may be foreclosed from selling worm drive clamps to various customers;

-- barriers to entry in the manufacture and sale of worm drive clamps will be increased,

-- Parker-Hannifin had earlier considered purchasing two smaller manufacturers of worm drive clamps, and it would likely have acquired a smaller manufacturer of worm drive clamps if it had not merged with Ideal.

Acting Assistant Attorney General Walker B. Comegys, in charge of the Antitrust Division, said that both the tire hardware and worm drive clamp markets are concentrated, and that Ideal, prior to the merger, was the leading manufacturer of worm drive clamps, accounting for about 49 percent of that market.

The suit asked that Parker-Hannifin be ordered to divest itself of Ideal.

The suit also asked that Parker-Hannifin be enjoined from taking any action which would impair the independent and viable existence or operation of Ideal.

In 1970, Parker-Hannifin had total sales of \$211 million and ranked as the 432nd largest U.S. industrial corporation. In the same year Ideal had total sales of about \$27 million.