



# Department of Justice

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FOR IMMEDIATE RELEASE  
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The Department of Justice filed a civil antitrust suit today challenging the acquisition by Texaco Inc. of almost half of the service stations owned or leased by Douglas Oil Company of California in the western United States.

Acting Attorney General Richard G. Kleindienst said the suit was filed in the U.S. District Court in Los Angeles.

The suit charged that the acquisition of 222 Douglas service stations by Texaco, which occurred in two stages in January and October of 1971, violated Section 7 of the Clayton Act by eliminating actual and potential competition between the two companies in the retail marketing of gasoline in the Pacific Coast area (California, Oregon, Washington, and Nevada), in California and other western markets.

Walker B. Comegys, Acting Assistant Attorney General, Antitrust Division, said that at the time of the acquisition, Texaco, a major nationwide oil company, was the sixth largest marketer of gasoline in the Pacific Coast area with about 8.3 percent of all sales.

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He noted that Douglas, one of the largest marketers of independent brand gasoline in the West, accounted for about 2.8 percent of all gasoline sales.

In addition to eliminating competition between the two companies, the suit alleges that the effect of the acquisition will be to reduce the price competition in the sale of gasoline provided by independent brand marketers such as Douglas.

The suit asks that the acquisition be declared unlawful and that the acquisition agreements be rescinded.

The suit also seeks to enjoin Texaco, for a period of ten years, from acquiring the stock or assets of any company engaged in the refining, distribution or marketing of gasoline in the Pacific Coast area.

In 1970, Texaco sold approximately 987 million gallons of gasoline through more than 2800 branded retail outlets in the Pacific Coast area.

During the same year, Douglas sold approximately 329 million gallons of gasoline through about 465 branded retail outlets in that area.