



Department of Justice

FOR IMMEDIATE RELEASE
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AT

The Department of Justice today filed a civil antitrust suit against nine steel companies, including three of the nation's largest -- U. S. Steel, Bethlehem, and Armco -- on charges of violating antitrust laws in connection with the sale of reinforcing steel bars in Texas.

Attorney General Elliot L. Richardson said that the suit, which alleged violations of Sections 1 and 2 of the Sherman Act, was filed in U. S. District Court in Houston.

A criminal action based on an indictment returned on August 30, 1973 is pending in the same Court. It charges the same nine steel companies and nine of their officials with the same violations of the antitrust laws as are alleged in the civil suit.

The civil action permits the Justice Department to seek injunctive relief against the companies which it cannot do in the criminal action.

Named as defendants in the civil suit were Armco Steel Corporation, Middletown, Ohio; Bethlehem Steel Corporation, Bethlehem, Pennsylvania; Border Steel Rolling Mills, Inc., El Paso, Texas; The Ceco Corporation, Chicago, Illinois; Laclede Steel Company, St. Louis, Missouri; Schindler Brothers Steel, Sealy, Texas; Structural Metals, Inc., San Antonio, Texas; Texas Steel Company, Fort Worth, Texas; and United States Steel Corporation, Pittsburgh, Pennsylvania.

OVER

The defendant firms operate steel mills at which reinforcing steel bars, also known as re-bars, are produced. These steel bars are used by the companies in fabricating bar materials and are also sold to independent fabricators. Re-bars are used to reinforce concrete used in the construction of highways, bridges, buildings and other structures.

Assistant Attorney General Thomas E. Kauper, in charge of the Antitrust Division, said the complaint alleged that the defendants combined and conspired to restrain trade and to monopolize from 1969 to at least 1972 in violation of Sections 1 and 2 of the Sherman Act by:

- raising and stabilizing prices of reinforcing steel bars;

- requiring independent fabricators in the Dallas and Houston areas to limit their bid submissions for the supply of re-bar materials to construction projects requiring no more than a specified tonnage of steel bars; and

- allocating certain construction contracts among themselves in accordance with their respective shares of the market for re-bar materials in the state of Texas.

According to the complaint, the conspiracy among the defendants has had the effect of increasing the price of re-bar materials in Texas and of eliminating competition between the mills and the independent fabricators in the Houston and Dallas-Fort Worth areas.

Sales of re-bar materials in the state of Texas by the defendants amount to more than \$20 million annually.

OVER

The suit asked that the combination and conspiracy entered into by the defendants be declared illegal in violation of Sections 1 and 2 of the Sherman Act.

The Justice Department also sought to have the defendants enjoined from renewing the conspiracy or engaging in any other practices having a similar purpose or effect.