



Department of Justice

FOR IMMEDIATE RELEASE
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The Department of Justice filed a civil antitrust suit today challenging the acquisition of the Hayes Company Division of Genesco, Inc., Greensboro, North Carolina, by Blue Bell, Inc., Nashville, Tennessee.

At the time of the acquisition in July 1972 Blue Bell and Genesco's Hayes Company Division were respectively the second and fourth largest manufacturers and sellers of industrial rental garments to industrial laundries.

Attorney General Richard G. Kleindienst said the suit, alleging a violation of Section 7 of the Clayton Act, was filed in the United States District Court in Nashville, Tennessee.

According to the complaint, industrial rental garments include work shirts, work pants, work jackets, coveralls, shop coats, and executive slacks. They are designed to withstand numerous launderings and are made for and sold to industrial laundries, which rent such garments to industrial and commercial accounts for their employees' use.

Assistant Attorney General Thomas E. Kauper, in charge of the Antitrust Division, said the complaint alleged that the acquisition:

--eliminated actual and potential competition between Blue Bell and Genesco in the sale of industrial rental garments;

--substantially lessened competition in the sale
of industrial rental garments generally; and
--substantially increased concentration in the
production and sale of industrial rental garments.

In 1971 total sales of industrial rental garments to
industrial laundries not owned or controlled by manufacturers
of such garments were approximately \$113 million.

According to the complaint, Blue Bell and Genesco with
sales of approximately \$25 million and \$12 million accounted
for approximately 23 and 11 percent of such sales, respec-
tively.

The suit asks that Blue Bell be required to divest
the acquired assets either by sale to a third party or by
returning them to Genesco, in which event Genesco would
be required to receive back and operate the assets and to
return to Blue Bell the money it received for them.