



# Department of Justice

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The Department of Justice filed a civil antitrust suit today challenging the acquisition of Byron Jackson, Inc. of Long Beach, California -- the nation's leading manufacturer of oil field handling tools -- by Hughes Tool Co. of Houston, Texas.

Attorney General William B. Saxbe said the suit, charging that the proposed acquisition will violate Section 7 of the Clayton Act, was filed in U.S. District Court in Los Angeles, California.

The proposed acquisition has been approved by the boards of directors of both Hughes Tool Co. and Borg-Warner Corp., the parent company of Byron Jackson, Inc., which was also named a defendant. The shareholders of Hughes Tool Co. will meet next Wednesday to vote on final approval of the acquisition.

Acting Assistant Attorney General Bruce B. Wilson, in charge of the Antitrust Division, said the acquisition would eliminate potential competition in the sale of oil field handling tools throughout the United States and Byron Jackson's dominant position in that industry will be entrenched.

The suit said the handling tools market is highly concentrated, with the four leading manufacturers accounting for about 75 percent of total sales.

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In 1973, Byron Jackson had about 40 percent of that market with handling tools sales of \$4.9 million and total sales of \$57.5 million.

The suit said Hughes, with 1973 sales of \$121.8 million, is dominant in related areas of the oil well drilling equipment market and has the ability and incentive to become a manufacturer of handling tools.

The suit seeks to have the acquisition declared unlawful and enjoined.

Oil field handling tools are complicated pieces of equipment used to assemble and disassemble various sections of oil well drill pipe and casing during drilling.

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