



Department of Justice

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The Department of Justice today asked for an unspecified amount in damages sustained by the United States as a result of alleged antitrust law violations by nine steel companies, including three of the nation's largest -- U.S. Steel, Bethlehem, and Armco.

Attorney General William B. Saxbe said an amended complaint was filed in U.S. District Court in Houston, Texas.

The amended complaint added a second cause of action to the original complaint filed on October 15, 1973, in Houston, in which the Justice Department sought injunctive relief against alleged violations by the companies of Sections 1 and 2 of the Sherman Act.

The new action for damages was filed under Section 4A of the Clayton Act, which permits the United States, as a purchaser and user of reinforced steel bars, to seek damages sustained by the government due to the alleged unlawful actions of the defendants.

Defendants are 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.

A criminal indictment returned on August 30, 1973, is pending in the same Court. It charged 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 defendant firms operate steel mills at which reinforcing steel bars, also known as re-bars, are produced.

Re-bars are used to reinforce concrete used in the construction of highways, bridges, and buildings.

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

- raising and stabilizing prices of reinforcing steel bars;
- requiring independent fabricators in the Fort Worth-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 amended complaint, the United States contracts for and purchases buildings and other structures which contain substantial quantities of re-bars fabricated by the defendants.

In addition, the United States provides funds to state and local governments for the construction of buildings, structures, and highways containing re-bars.

Mr. Kauper said the complaint alleged that, as a result of the conspiracy, the United States had been compelled to pay significantly higher prices for construction projects than it would otherwise have paid.

Additionally, the United States had provided substantially greater funds to state and local governments than it otherwise would have provided had there been no unlawful collusion among defendant steel companies.

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

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