

The reference and background

1. On 3 May 1990 the Department of Trade and Industry sent to the MMC the following reference:

Whereas it appears to the Secretary of State that it is or may be the fact that merger situations qualifying for investigation, as defined in section 64(8) of the Fair Trading Act 1973 ('the Act') have been created in that:

- (a) enterprises carried on by or under the control of Lake & Elliot Industries Limited have within the six months preceding the date of this reference ceased to be distinct from enterprises carried on by or under the control of William Cook plc (incorporated in the United Kingdom);
- (b) enterprises carried on by or under the control of Lloyds (Burton) Limited have within that time ceased to be distinct from enterprises carried on by or under the control of William Cook plc;
- (c) enterprises carried on by or under the control of Australian National Industries Limited have within that time ceased to be distinct from enterprises carried on by or under the control of William Cook plc; and
- (d) as a result, in each case, the condition specified in section 64(2) of the Act prevails, or does so to a greater extent, with respect to the supply in the United Kingdom of steel castings:

Now, therefore, the Secretary of State in exercise of his powers under sections 64, 68(4) and 69(2) of the Act hereby refers these matters to the Monopolies and Mergers Commission for investigation and report within a period ending on 3 August 1990.

In relation to the question whether a merger situation qualifying for investigation has been created, the Commission shall exclude from consideration one of paragraphs (a) and (b) of section 64(1) of the Act if they find the other satisfied.

3 May 1990

(Signed) CATHERINE BELL
*An Assistant Secretary of the
Department of Trade and Industry*

2. The composition of the group of members responsible for the present investigation and report is indicated in the list of members in the preface.

3. Notices inviting interested parties to submit evidence to the MMC were placed in the Financial Times, Metal Bulletin and The Economist.

4. In addition we sought evidence and views from trades unions, trade associations, manufacturers and users of steels castings and a number of other interested parties. Written evidence was received from many of these parties and we held hearings with six of them.

5. We received written submissions from Cook, Lake & Elliot, Triplex Lloyd and ANI and held one hearing with Cook and each of the other mentioned parties. Members of the group, accompanied by staff, visited a number of Cook plants throughout England and the Armadale works in Scotland.

6. Some of the evidence received during the course of our inquiry was of a commercially confidential nature and our report contains only such information as we consider necessary for a proper understanding of our conclusions.

7. We should like to thank all those who helped in our inquiry, and particularly Cook.