



Department of Justice

FOR IMMEDIATE RELEASE
MONDAY, JUNE 1, 1970

The Department of Justice today filed a civil antitrust suit against Inland Steel Company, Chicago, Illinois, charging the use of reciprocal purchase arrangements with suppliers and customers in violation of the Sherman Act.

Attorney General John N. Mitchell said the complaint and a proposed consent judgment, to become final in 30 days, were filed together in the United States District Court in Chicago, Illinois.

Mr. Mitchell said the complaint charged that Inland Steel has since 1957 entered into combinations with various suppliers to restrain trade by reciprocating purchases in violation of Section 1 of the Act.

The complaint also charged that Inland Steel has used its purchasing power since 1957 to promote sales in an attempt to monopolize the requirements of actual and potential supplier-customers for steel and steel products, as well as other products sold by Inland Steel, in violation of Section 2 of the Act.

The violations, the suit alleged, have had the effect of foreclosing competitors of Inland Steel from selling substantial quantities of goods and services to the firm's customers, and of preventing suppliers from selling goods and services to Inland Steel.

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Walker B. Comegys, Acting Assistant Attorney General, Antitrust Division, said the consent judgment, to be in effect for 10 years, prohibits Inland Steel from purchasing products or services from any supplier on the condition that such purchases will be based on Inland Steel's sales to the supplier.

It also prohibits Inland Steel from discussing with any supplier or contractor the relationship of purchases and sales between them or from comparing statistical data to further such a relationship. The firm is further prohibited from maintaining statistical compilations that compare sales to and purchases from suppliers.

Inland Steel is also prohibited from communicating to actual or potential suppliers or contractors that preference will be given in purchasing products or services from them based on Inland Steel's sales to them.

In addition, Inland Steel is prohibited from causing particular suppliers to buy from certain of its customers in order to reciprocate for purchases by Inland Steel from such suppliers or to cause particular suppliers to persuade other companies to buy from Inland Steel in order to reciprocate for purchases made by Inland Steel from those suppliers.

Inland Steel is directed by the consent judgment to abolish certain offices which have performed the duties of its former

Trade Relations Division and through which it has conducted its trade relations program, and to refrain from establishing any other offices to promote trade relations involving reciprocal purchasing arrangements.

Notice is to be given by Inland Steel to its suppliers that its personnel are prohibited by the consent judgment from purchasing or selling goods and services or soliciting bids for capital expenditures based on Inland Steel's purchases, and are prohibited from entering into any agreement or understanding to that effect.

Inland Steel is the seventh largest steel producer in the nation, and the sixth largest in terms of assets and sales. In 1968, total shipments of steel mill products by Inland Steel amounted to 4,764,000 tons, or 5.2 percent of the total shipments of the steel industry.

For 1968, Inland Steel's total sales of products amounted to \$1,073,720,000, while its total purchases of products and services and expenditures for plant and equipment amounted to \$697,765,000.