



# Department of Justice

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FOR IMMEDIATE RELEASE  
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The Department of Justice filed a civil antitrust suit today charging Reynolds Metals Company, the second largest domestic producer of aluminum, with using reciprocal purchasing arrangements with customers and suppliers 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 U.S. District Court in Alexandria, Virginia.

The suit charged that Reynolds, which has its headquarters in Richmond, has since at least 1960 entered into arrangements with various suppliers to restrain trade by reciprocating purchases in violation of Section 1 of the Sherman Act.

The complaint also charged that Reynolds has used its purchasing power since at least 1960 to promote sales in an attempt to monopolize the requirements of actual and potential supplier-customers for aluminum and other products sold by the company in violation of Section 2 of the Act.

In 1969, Reynolds had sales of more than \$1 billion and accounted for approximately 27 percent of the total primary aluminum production in the United States. That year it purchased about \$486 million in materials and services from other companies for use in its operations.

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

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

It also prohibits Reynolds 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.

Reynolds 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 Reynolds' sales to them.

In addition, Reynolds is prohibited from agreeing with any supplier that such supplier will buy from certain customers of Reynolds, or will attempt to persuade other companies to buy from Reynolds.

Reynolds is directed by the consent judgment to refrain from establishing or maintaining any office or position whose activities, programs or objectives are to promote trade relations involving reciprocal purchasing arrangements.