



Department of Justice

FOR IMMEDIATE RELEASE
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The Department of Justice filed a civil antitrust suit today charging Aluminum Company of America, the 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 Pittsburgh, Pennsylvania.

The suit charged that Alcoa, which has its headquarters in Pittsburgh, has since at least 1960 entered into arrangements with various suppliers to restrain trade through reciprocal purchasing in violation of Section 1 of the Sherman Act.

The suit also charged that Alcoa 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.

The violations, the suit said, have had the effect of foreclosing competitors of Alcoa from selling substantial quantities of goods and services to the firm's customers, and of preventing companies that do not buy from Alcoa from selling goods and services to Alcoa.

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

It also prohibits Alcoa 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.

Alcoa 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 Alcoa's sales to them.

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

Alcoa 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.

In 1969, Alcoa had total sales of more than \$1.5 billion and accounted for approximately 40 percent of the total primary aluminum production in the United States.