



Department of Justice

FOR IMMEDIATE RELEASE
MONDAY, JANUARY 11, 1971

The Department of Justice filed a civil antitrust suit today charging Kennecott Copper Corporation, the largest domestic producer of copper, 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 United States District Court in New York City.

The suit charged that Kennecott, which has its headquarters in New York City, has since 1956 entered into arrangements with various suppliers to restrain trade by reciprocating purchases in violation of Section 1 of the Sherman Act.

The suit charged that Kennecott, New York City, has since 1956 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 Kennecott has used its purchasing power since 1956 to promote sales in an attempt to monopolize the requirements of actual and potential supplier-customers for products by the company in violation of Section 2 of the Act.

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

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Assistant Attorney General Richard W. McLaren, head of the Antitrust Division, said the consent judgment, to be in effect for 10 years, prohibits Kennecott from purchasing products or services from any supplier on the condition that such purchases will be based on Kennecott's sales to the supplier.

It also prohibits Kennecott 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.

Kennecott 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 Kennecott's sales to them.

In addition, Kennecott is prohibited from agreeing with any supplier that such supplier will buy from certain customers of Kennecott. The judgment also prohibits the firm from agreeing with any supplier that the supplier shall attempt to persuade other companies to buy from Kennecott.

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

In 1969, Kennecott had sales of more than \$1 billion and assets of more than \$1.6 billion.