



Department of Justice

FOR IMMEDIATE RELEASE
THURSDAY, MAY 18, 1972

The Department of Justice today charged General Electric Company with engaging in anticompetitive practices by using reciprocal purchasing arrangements with customers and suppliers since at least 1965.

Acting Attorney General Richard G. Kleindienst said the civil suit was filed in the U. S. District Court in Auburn, New York.

The suit charged that GE has restrained trade, a violation of Section 1 of the Sherman Act, by reciprocating purchases with its supplier-customers. The company is the nation's largest manufacturer of electrical equipment and related products.

Acting Assistant Attorney General Walker B. Comegys, in charge of the Antitrust Division, said that GE's reciprocal purchasing arrangements have had the effect of foreclosing its competitors from selling substantial quantities of goods to GE's customers, and preventing potential suppliers from selling goods and services to GE.

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The complaint asks that GE be enjoined from entering into or continuing any reciprocal purchasing arrangements, from communicating to suppliers that they will receive preference if they purchase from GE, from compiling statistics which compare its purchases from companies with its sales to such companies, and from communicating such statistics to suppliers and customers.

The complaint also asks the court to order GE to abolish any duties or functions assigned to any of its officials or employees which relate to reciprocal purchasing, and to notify each of its suppliers and customers that it will not enter into reciprocal purchasing arrangements.

GE's total sales in 1970 were about \$8.7 billion, making it the fourth largest industrial company in the United States.