



## Department of Justice

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FOR IMMEDIATE RELEASE  
WEDNESDAY, APRIL 12, 1972

The Department of Justice filed a civil antitrust suit today charging a Pennsylvania metal products manufacturer, H. K. Porter Company, Inc., with using reciprocal purchasing arrangements with customers and suppliers in violation of the Sherman Act.

Acting Attorney General Richard G. Kleindienst said the complaint and a proposed judgment -- which will become final in 30 days upon approval by the court -- were filed in the U.S. District Court in Pittsburgh, Pennsylvania, where Porter maintains its home office.

Porter is a diversified corporation engaged in the production of a wide variety of steel and metal products, refractory materials, machine tools, electrical equipment and automotive products.

The suit charged that Porter has violated Section 1 of the Sherman Act since at least 1956 by entering into arrangements to purchase goods and services from its suppliers on the understanding that such suppliers would purchase goods and services from Porter.

The suit also charged that Porter has used its purchasing power since at least 1956 to promote sales in an attempt to monopolize the requirements of its actual and potential suppliers for the types of products sold by the company in violation of Section 2 of the Act.

According to the complaint, Porter's reciprocal purchasing arrangements have had the effect of foreclosing Porter's competitors from selling substantial quantities of goods and services to its suppliers.

The complaint also charges that the arrangements had the effect of preventing other suppliers of such goods and services from selling in substantial quantities to Porter.

Acting Assistant Attorney General Walker B. Comegys, in charge of the Antitrust Division, said the proposed judgment would be in effect for 10 years.

He said it would prohibit Porter from:

-- purchasing or selling products or services to any customer or supplier upon the understanding that Porter's purchases of products or services from such customer or supplier will be conditioned upon Porter's sales to such customer or supplier;

-- communicating to any customer, supplier or contractor that Porter's sales to any such person is a factor in its purchasing decisions;

-- discussing with any supplier or contractor the relationship of purchases and sales between them or from comparing statistical data to further such a relationship;

-- maintaining statistical compilations that compare sales to and purchases from suppliers;

-- agreeing with any supplier that the supplier will buy from certain customers of Porter, or will attempt to persuade other companies to buy from Porter.

Porter is also directed by the proposed 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 1970, Porter had total sales of approximately \$279 million, and operated production and distribution facilities in approximately 20 states and seven foreign countries.

Comments to the Department of Justice and the Court regarding the proposed judgment are invited from members of the public during the 30-day waiting period prior to the judgment becoming final.