



Department of Justice

FOR IMMEDIATE RELEASE
MONDAY, FEBRUARY 28, 1972

The Department of Justice filed a civil antitrust suit today charging Martin Marietta Corporation 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 -- which will become final in 30 days upon approval by the court -- were filed together in the United States District Court in Baltimore, Maryland, where Martin Marietta maintains its home office.

Martin Marietta is a diversified corporation producing cement, construction products, chemicals and aluminium and aerospace products.

The suit charged that Martin Marietta has violated Section 1 of the Sherman Act since at least 1960 by entering into arrangements to purchase goods and services from its suppliers on the understanding that such suppliers would purchase goods and services from Martin Marietta.

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

According to the complaint, Martin Marietta's reciprocal purchasing arrangements have had the effect of foreclosing Martin Marietta's competitors from selling substantial quantities of goods and services to its customers, and of preventing companies that do not buy from Martin Marietta from selling goods and services to it.

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 Martin Marietta from:

- purchasing products or services from any supplier on the condition that such supplier make purchases from Martin Marietta;
- 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;
- communicating to actual or potential suppliers or contractors that preference will be given in purchasing products or services from them based on Martin Marietta's sales to them; and

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

Martin Marietta 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, Martin Marietta had total sales of more than \$940 million and operated production and sales facilities in 38 states, in Canada and in 17 other foreign countries.