



# Department of Justice

~~Attorney General~~  
*Complete  
File*

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FRIDAY, JANUARY 28, 1972

The Department of Justice filed a civil antitrust suit today charging W.R. Grace & Co. -- one of the largest producers of chemicals in the nation -- with entering into reciprocal purchasing arrangements with its customers and suppliers.

Attorney General John N. Mitchell said the complaint and a proposed consent judgment, which would become final in 30 days, upon approval by the court, were filed together in the U.S. District Court for the Southern District of New York.

The suit charged that Grace, which is headquartered in New York City, has violated Section 1 of the Sherman Act by entering into arrangements to purchase goods and services from its suppliers on the understanding that such suppliers would purchase goods and services from Grace.

It is also charged that Grace has used its purchasing power to promote sales in an attempt to monopolize the requirements of its actual and potential supplier-customers for chemicals and other products which it sells, in violation of Section 2 of the Sherman Act.

Grace is alleged to have engaged in these violations since at least 1962.

In 1970, Grace had total sales and operating revenues of over \$1.9 billion. It purchased approximately \$425 million in goods and services in 1969. A substantial amount of the purchases made by Grace are from corporations which buy the type of products which Grace produces.

The suit alleges that the effect of Grace's reciprocal purchasing arrangements has been to foreclose competitors of Grace from selling substantial quantities of goods and services to its customers and to prevent potential suppliers of the type of goods and services purchased by Grace from selling to the defendant.

Assistant Attorney General Richard W. McLaren, in charge of the Antitrust Division, said the proposed consent judgment would be in effect for 10 years.

He said it would:

-- prohibit Grace from purchasing products or services from any supplier on the condition that such supplier buy products or services from Grace;

-- prohibit Grace from indicating to any actual or potential supplier or contractor that it will give preference in its purchasing decisions to such supplier or contractor based on Grace's sales to that supplier or contractor;

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-- prohibit Grace from maintaining statistical compilations which compare sales to and purchases from particular suppliers or groups of suppliers;

-- prohibit Grace from agreeing with any supplier that such supplier will purchase goods or services from certain of Grace's customers in order to reciprocate for purchases made by Grace from such supplier.

Grace is directed by the proposed judgment to refrain from establishing or maintaining any office or position whose activities, programs or objectives are directed toward promoting trade relations involving reciprocal purchasing arrangements.