



Department of Justice

FILE

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The Department of Justice today filed a civil antitrust suit against two ready mix concrete companies and a bank in Hapeville, Georgia, charging that they have conspired to use the concrete companies' purchasing power to induce suppliers to use the bank's services in violation of the Sherman Act.

Attorney General John N. Mitchell said the complaint and a proposed consent judgment, which may become final in 30 days, were filed together in the U.S. District Court in Atlanta, Georgia.

Jackson's Atlanta Ready Mix Concrete Company, Inc., Jackson's East Point Ready Mix Concrete Company, Inc., and Citizens Bank of Hapeville were named as defendants in the suit.

They were charged with violating Section 1 of the Sherman Act by conspiring to use reciprocity.

The suit charged that the two Jackson concrete companies agreed to use their purchasing power to coerce and persuade certain of their actual and potential suppliers to maintain demand deposits with Citizens Bank of Hapeville or to purchase savings certificates or certificates of deposit from the bank.

OVER

The suit also charged that the conspiracy was successful in establishing the reciprocal purchasing arrangements which it was designed to create.

The defendants are alleged to have engaged in these violations since at least June of 1970.

The suit alleges that the effect of the conspiracy and the reciprocal purchasing arrangements which resulted from the conspiracy has been to foreclose suppliers of the type of goods and services purchased by the Jackson concrete companies from selling substantial quantities of such goods to the concrete companies.

Assistant Attorney General Richard W. McLaren, in charge of the Antitrust Division, said the proposed judgment:

-- would prohibit the defendants from purchasing goods or services from any actual or potential supplier on the understanding or condition that the supplier would use the services of the Citizens Bank of Hapeville;

-- would prohibit the defendants from indicating to any supplier that preference in purchasing by a defendant will be based upon the supplier's use of services of the Citizens Bank of Hapeville;

-- would prohibit the defendants from discussing with a supplier or customer the relationship between purchases by any defendant from such supplier or customer and the use of the services of the Citizens Bank of Hapeville by such supplier or customer.

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During fiscal 1970, the two Jackson concrete companies made total purchases of about \$3.3 million. Substantially all of the concrete companies' purchases are from companies that are potential users of the services provided by the Citizens Bank of Hapeville.