



Department of Justice

FOR IMMEDIATE RELEASE
TUESDAY, JANUARY 23, 1973

AT

The Department of Justice filed a civil antitrust suit today charging Crane Company of New York City with using reciprocal purchasing arrangements with its customers and suppliers in violation of the Sherman Act.

Attorney General Richard G. Kleindienst said the complaint and a proposed consent judgment -- which will become final in 30 days upon approval by the court -- were filed in U.S. District Court in Manhattan.

Crane is a diversified manufacturing corporation engaged in the production of a wide variety of plumbing and other fluid control and treatment products.

Crane also owns a majority of the stock of CF&I Steel Corporation, (formerly Colorado Fuel & Iron Corporation) a manufacturer and fabricator of steel products based in Denver, Colorado.

In 1970, the company had total sales, including those of CF&I Steel Corporation, of approximately \$680 million, and operated production and distribution facilities in about 38 states and 8 foreign countries.

OVER

The suit charged that since at least 1959 Crane has violated Section 1 of the Sherman Act by entering into arrangements to purchase products and services from its suppliers upon the understanding such suppliers would purchase products and services from Crane.

The suit also charged that Crane has used its purchasing power since at least 1959 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, Crane's reciprocal purchasing arrangements have had the effect of foreclosing its competitors from selling substantial amounts of goods and services to its suppliers.

The complaint also charged that the arrangements had the effect of preventing other suppliers of goods and services required by Crane from selling such goods and services to the company.

Assistant Attorney General Thomas E. Kauper, in charge of the Antitrust Division, said the proposed judgment would be in effect for 10 years.

He said it would prohibit Crane and its subsidiary, CF&I Steel Corporation, from:

-- using its purchases to aid, influence or promote its sales to suppliers;

OVER

- 3 -

-- purchasing or selling goods or services on the condition or understanding that purchases by it from any supplier will be based or conditioned upon its sales to such supplier;

-- communicating to anyone that its sales to any firm are a factor in any decision to purchase from that firm;

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

-- assigning any trade relations function or duty to any employee.

The judgment also orders Crane to disregard its sales to any supplier as a factor in its purchasing decisions.

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.