

UNITED STATES DISTRICT COURT  
DISTRICT OF MINNESOTA

UNITED STATES OF AMERICA,	)	
	)	
Plaintiff,	)	
	)	Civil Action No. 4-78-357
v.	)	
	)	Antitrust Equitable
BRITISH COLUMBIA FOREST	)	Relief Sought (15
PRODUCTS, LTD., THE MEAD	)	U.S.C. §18)
CORPORATION, and NORANDA	)	
MINES, LTD.,	)	
	)	Filed: August 17, 1978
Defendants.	)	

COMPLAINT

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COMPLAINT

The United States of America, plaintiff herein, by its attorneys acting under the direction of the Attorney General of the United States, brings this civil action to obtain equitable relief against the defendants named herein and complains and alleges as follows:

I

JURISDICTION AND VENUE

1. This complaint is filed and this action is instituted under Section 15 of the Clayton Act, as amended (15 U.S.C. § 25), in order to prevent and restrain violation by the defendants, as hereinafter alleged, of Section 7 of the said Act (15 U.S.C. § 18).
2. Each of the corporate defendants transacts business or is found within the District of Minnesota.

DEFENDANTS

3. British Columbia Forest Products, Ltd. (hereinafter "BCFP") is made a defendant herein. It is a corporation organized and existing under the laws of the Province of British Columbia, Canada, and maintains its principal place of business in Vancouver, British Columbia. BCFP is engaged in the production of pulp, newsprint, lumber and plywood. In 1976, BCFP had assets of \$406 million and total sales of \$392 million, of which \$165 million were in the United States.

4. The Mead Corporation (hereinafter "Mead") is made a defendant herein. It is a corporation organized and existing under the laws of the State of Ohio and maintains its principal place of business in Dayton, Ohio. Mead is engaged in the production of pulp, paper, paperboard, packaging and packaging material. In 1976, Mead had assets of \$1.2 billion and total sales of \$1.6 billion. Mead owns or controls 28.5 percent of the stock of BCFP.

5. Noranda Mines, Ltd. (hereinafter "Noranda") is made a defendant herein. It is a corporation organized and existing under the laws of the Province of Ontario, Canada, and maintains its principal place of business in Toronto, Ontario. Noranda is engaged in the mining, smelting and refining of metals and the manufacture of various metal and plastic products. Through its subsidiaries, Noranda also is engaged in the production of

pulp, paper, paperboard and lumber. In 1976, Noranda had assets of \$2 billion and total sales of \$1.2 billion of which over \$80 million were in the United States. Noranda owns or controls 28.5 percent of the stock of BCFP.

### III

#### TRADE AND COMMERCE

6. Coated groundwood paper, a type of printing paper, is used in the publication of magazines, other periodicals, and books. It is also used in commercial printing and for converting purposes. Magazines and other periodicals accounted for about 80% of the coated groundwood paper consumed in the United States in 1976.

7. In 1976, approximately 2.2 million tons of coated groundwood paper, having a dollar value of approximately \$1 billion, were sold in the United States.

8. There are currently 12 domestic producers of coated groundwood paper. The top four producers in 1976 accounted for 53% of the market, the top eight 80.4%.

9. Mead, through its wholly-owned subsidiary Escanaba Paper Company (hereinafter "Escanaba"), produces coated groundwood paper at Escanaba, Michigan. In 1976, Mead sold 109,000 tons of coated groundwood paper having a dollar value of \$48 million.

10. Through Fraser Companies, Ltd. (hereinafter

"Fraser"), a 55% owned subsidiary of Northwood Mills, a wholly-owned Noranda subsidiary, Noranda produces coated groundwood paper. Fraser produces coated groundwood paper at its mill in Madawaska, Maine. In 1976, Fraser sold 83,000 tons of coated groundwood paper having a dollar value of \$35 million.

11. Blandin Paper Company (hereinafter "Blandin") produces coated groundwood paper at its mill in Grand Rapids, Minnesota. In 1976, Blandin sold 259,000 tons of coated groundwood paper having a dollar value of \$105 million.

12. Blandin, Mead and Noranda are competitors in the production and sale of coated groundwood paper. Blandin is the fourth largest producer of coated groundwood paper, accounting for 11.6% of the market. Mead, through Escanaba, is the seventh largest producer, accounting for 4.9% of the market. Noranda, through Fraser, is the twelfth largest producer, accounting for 3.7% of the market. The combined market share of these three firms is thus in excess of 20%.

13. Substantial quantities of coated groundwood paper produced by Mead, Noranda, and Blandin are regularly sold and shipped in interstate commerce. BCFP also regularly ships and sells substantial quantities of pulp and paper products in interstate commerce.

VIOLATION ALLEGED

14. On or about August 31, 1977, BCFP acquired all of the common stock of Blandin for approximately \$75,000,000, and assumed about \$45,000,000 of its long term debt.

15. The effect of this acquisition may be substantially to lessen competition or to tend to create a monopoly in the production and sale of coated ground-wood paper in the United States, in violation of Section 7 of the Clayton Act, in the following ways:

- (a) Actual and potential competition between and among Mead, Blandin, and Noranda in the production and sale of coated groundwood paper may be substantially lessened;
- (b) Competition generally in the production and sale of coated groundwood paper may be substantially lessened; and
- (c) Concentration in the production and sale of coated groundwood paper may be substantially increased.

PRAYER

WHEREFORE, plaintiff prays:

1. That the acquisition of the outstanding common stock of Blandin by BCFP be adjudged and decreed to be in violation of Section 7 of the Clayton Act.

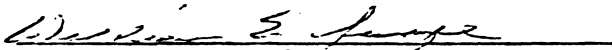
2. That BCFP be required to divest itself of all common stock of Blandin, or, in the alternative, that Mead and Noranda be required to divest themselves of their respective stock in BCFP.

3. That the plaintiff have such other and further relief as the Court may deem just and proper.

4. That the plaintiff recover the cost of this suit.

  
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Dated: