



Department of Justice

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The Department of Justice today filed separate civil antitrust suits against three of the nation's largest distributors of nickel to the electroplating industry.

The suits charge that each of the defendant companies has tied the purchase of electroplating materials which it sells to the sale of nickel to its customers.

Attorney General John N. Mitchell said the three suits were filed together in the U.S. District Court in Manhattan.

Electroplating materials include acids, salts and other chemical compounds, as well as the tanks and related equipment, used in the electroplating process.

Named as defendants in the suits were: Kewanee Oil Company, Bryn Mawr, Pennsylvania; M & T Chemicals, Inc., New York City; and The Udylite Corp., Warren, Michigan.

The suits charge that, since at least 1966, each of the defendants has violated Section 1 of the Sherman Act and Section 3 of the Clayton Act by selling nickel to its customers on the condition that its customers purchase electroplating materials from the defendant.

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Assistant Attorney General Richard W. McLaren, in charge of the Antitrust Division, said that the effect of these purchasing agreements has been to restrain the defendants' nickel customers from purchasing electroplating materials from suppliers other than the defendants.

The agreements also impair the ability of suppliers of electroplating materials to compete in the sale of such materials to the defendants' nickel customers, he said.

Nickel is used in the electroplating process to help make the metal being plated onto the surface stick to the surface.

There is no practical substitute for nickel in the electroplating process.

Electroplating firms are unusually dependent on distributors of nickel because of periodic shortages which occur in the supply of nickel available for electroplating purposes.

The defendants have combined annual sales of nickel and electroplating materials worth approximately \$32 million and \$16 million, respectively.

The suits ask that each defendant be permanently enjoined from conditioning the sale of any product or service on the purchase of any other product or service by its customers.

The suits also seek permanent injunctions against all three barring them from discriminating or allocating any product or service among its customers on the basis of purchases of other goods or services by such customers.