



Department of Justice

FOR IMMEDIATE RELEASE
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AT

The Department of Justice today filed a civil antitrust suit challenging a joint venture -- involving manufacture of plastics -- between Hercules, Incorporated of Wilmington, Delaware and Mitsui Petrochemical Industries, Ltd. of Japan.

Mitsui Petrochemical Industries (U.S.A.), Inc. of New York City, a wholly owned subsidiary of Mitsui of Japan, was also named as a defendant.

Attorney General Elliot L. Richardson said that the complaint and a proposed consent judgment -- which will become final in 30 days upon approval of the court -- were filed in U.S. District Court in Wilmington.

The suit, which charged violations of Section 1 of the Sherman Act and Section 7 of the Clayton Act, alleged that Hercules is the leading U.S. manufacturer of polypropylene, and that Mitsui is a leading Japanese producer of polypropylene and also of high density polyethylene, a related plastic.

Polypropylene is used in making plastic bottle caps, fibers, and film products. High density polyethylene is used in making bottles and tubes.

OVER

The suit alleged that the joint venture eliminated actual and potential competition between Hercules and Mitsui, that potential competition between Mitsui licensees and Hercules in the manufacture and sale of polypropylene has been eliminated, and that the public has been deprived of the benefits of unrestricted competition in the manufacture and sale of polypropylene.

The suit further alleged that Mitsui refrained from competing with Hercules in the United States in polypropylene because of Mitsui's participation in the high density polyethylene joint venture.

According to the suit, Hercules and Mitsui agreed to the joint manufacture and sale of high density polyethylene in the United States.

They also agreed to exchange patents and technology relating to the manufacture of polypropylene, and to jointly manufacture and sell polypropylene in the United States at some time in the future, the suit claimed.

Assistant Attorney General Thomas E. Kauper, in charge of the Antitrust Division, said that the proposed judgment requires Hercules and Mitsui to terminate their partnership within 90 days after entry of the decree upon terms and conditions subject to the approval of the Government or the Court.

OVER

Such terms and conditions may include the sale by one party to the other, or to a third party, of its entire interest in the partnership, or a winding up of the partnership and distribution of its assets to the partners, or sale of such assets to one or more purchasers which may include Hercules or Mitsui.

The proposed consent judgment also requires the termination of certain license agreements between Hercules and Mitsui related to the manufacture of high density polyethylene and polypropylene.

The proposed judgment permanently prohibits Hercules and Mitsui from retaining any joint interest in any manufacturer of high density polyethylene or polypropylene.

Hercules is also prohibited from agreeing with anyone to refrain from competing in any line of commerce as a condition of doing business with Hercules in some other field.

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.