



Department of Justice

FOR IMMEDIATE RELEASE
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The Department of Justice filed a civil antitrust suit today charging Grow Chemical Corporation, a New York City paint and coatings manufacturer, with using reciprocal purchasing arrangements with its customers and suppliers in violation of the Sherman Act.

Attorney General William B. Saxbe said the complaint and a proposed judgment, which will become final in 30 days upon approval by the Court, were filed in the U.S. District Court in Manhattan.

Grow is engaged in the production and sale of a wide variety of paint, coatings, solvents, adhesives, sealants, plastic tubing, industrial cleaning materials and other chemicals. In 1971 Grow had total sales of approximately \$60 million.

The suit charged that since at least 1968 Grow has violated Section I of the Sherman Act by entering into arrangements to purchase products and services from its suppliers upon the understanding they would purchase coatings from Grow.

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The suit also charged that Grow has used its purchasing power since at least 1968 to promote sales in an attempt to monopolize the requirements of its actual and potential suppliers for the kind of coatings provided by the company in violation of Section 2 of the Act.

According to the complaint, Grow's reciprocal purchasing arrangements have had the effect of foreclosing its competitors from selling substantial amounts of coatings to its suppliers.

The complaint also charged that the arrangements had the effect of foreclosing other suppliers of goods required by Grow from selling such goods 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.

The proposed judgment would prohibit Grow from:

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

- purchasing or selling products, 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 its purchasing decisions;

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

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

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The judgment also orders Grow 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.

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