



# Department of Justice

FOR IMMEDIATE RELEASE  
TUESDAY, AUGUST 4, 1981

AT  
202-633-2016

The Department of Justice today filed a civil antitrust suit challenging the proposed acquisition of Conoco, Inc. of Stamford, Connecticut by E.I. du Pont de Nemours & Co., Inc. of Wilmington, Delaware.

Attorney General William French Smith said the suit and a proposed consent decree that would, when approved by the court, terminate the suit, were filed simultaneously in the U. S. District Court for the District of Columbia. The Department also announced that it was terminating the Hart-Scott-Rodino waiting period as to Du Pont's proposed acquisition of Conoco. The termination of the waiting period removes the obligation on Du Pont to delay the merger.

According to William F. Baxter, Assistant Attorney General in charge of the Antitrust Division, the complaint alleges that the proposed acquisition would violate Section 7 of the Clayton Act by substantially lessening competition in the production and sale of acrylonitrile and nylon and acrylic fibers.

The complaint states that Conoco and Monsanto Company have an agreement to produce jointly certain basic petrochemicals and the crude oil feedstocks from which these chemicals are made. These petrochemicals are used in the production of acrylonitrile and nylon and acrylic fibers. By

(MORE)

virtue of the acquisition, Du Pont would succeed to Conoco's interest in the joint venture.

The complaint further states that Du Pont and Monsanto are the two largest producers of acrylonitrile and nylon and acrylic fibers, with the top four firms accounting for 100, 88, and 94.5 percent of the respective markets in 1980. Acquisition of Conoco's interest in the joint venture would enable Du Pont to obtain competitively sensitive information and opportunities to affect Monsanto's production of acrylonitrile and nylon and acrylic fibers, the complaint said. The acquisition would also create opportunities for the exchange of information.

The proposed consent decree would require Du Pont to purchase Monsanto's interest in the joint venture. The decree further provides that Du Pont will not attempt to influence the operation of or acquire sensitive information concerning the joint venture prior to its acquisition of Monsanto's interest. Until the purchase by Du Pont of Monsanto's interest in the joint venture, Du Pont will be subject to a hold separate order that would require that Conoco be maintained as a separate subsidiary and that Conoco's joint venture operations be insulated from Du Pont.

In accordance with the Antitrust Procedures and Penalties Act of 1974, a competitive impact statement regarding the proposed

(MORE)

decree has been filed with the court. Copies of this statement and of the proposed decree are available on request in the Legal Procedure Unit, Room 7416, Department of Justice, Washington, D.C. 20530. They are also available for inspection in the Office of the Clerk of the United States District Court for the District of Columbia.

Comments to the Department and to the court regarding the decree are invited from members of the public within the statutory 60-day time period. They should be directed to Roger B. Andewelt, Assistant Chief, Intellectual Property Section, Antitrust Division (SAFE-704), United States Department of Justice, Washington, D.C. 20530.

# # #