

GE, Westinghouse Lose \$17 Million Trust Suit

NEW YORK, Aug. 31 (AP)—General Electric and Westinghouse lost a \$17 million suit today in a price-fixing conspiracy involving generators to power an Atomic Energy Commission plant in Ohio.

U.S. District Judge Wilfred Feinberg, who heard the civil case without a jury, awarded triple damages to the plaintiffs—the Ohio Valley Electric Corp. and its subsidiary, the Indiana-Kentucky Electric Corp.

Feinberg ruled they were fraudulently overcharged by \$5,624,401 for the 11 steam turbine generators they bought in 1962 to supply the AEC plant near Portsmouth, Ohio.

The case, one of some 1900 by private utilities and public power agencies all over the nation, resulted from the Government's breaking a criminal conspiracy among 29 electric manufacturers in 1960 and 1961.

With all but about 700 of the civil suits either settled out of court or prosecuted, the conspiracy had cost General Electric Co. about \$225 million and Westinghouse Electric Corp. about \$110 million before today's judgement.

The Allis-Chalmers Manufacturing Co.—a co-conspirator, but not a defendant in this case—estimated its costs from the suits at \$45 million.

In a 101-page decision based on the 5200-page record of the two-month trial which started last Feb. 16, Judge Feinberg ruled:

"Plaintiffs are entitled to judgement against defendants for an amount tripling the ... damages by them sustained, or \$7,424,373 for Ohio Valley Electric Corp., and \$9,448,830 for Indiana-Kentucky Electric Corp. for a total of \$16,873,203."

Electric utility firms of the Ohio River Valley formed the two corporations in 1962 to build and operate power facilities for the AEC plant. They installed five of the generators at the Kiser Creek Power Plant near Gallipolis, Ohio, and six at Clifty Creek Power Plant at Madison, Ind.

Feinberg ruled that a conspiracy existed from 1939 to 1959. The plaintiffs proved "that as a result of this price-fixing conspiracy they were

overcharged by defendants for each of the 11 turbine units," he added.

The defendants "concealed their activities from their customers, from the government and officers and employees of the defendants who did not participate," the judge continued.

"To achieve and preserve secrecy, the conspirators falsified their expense accounts to hide the true nature and purpose of their meetings and trips, made telephone calls at night from pay telephones rather than from their offices, destroyed notes taken at conspiratorial meetings, and instructed newcomers to the conspiracy not to divulge its existence," he said.