Westinghouse Official Named in Antitrust Suit Enters No Contest Plea

Trial Averted as He Changes Plea From Innocent; No Date Set For Sentencing Firms, Aides

By a WALL STREET JOURNAL Staff Reporter

PHILADELPHIA—Trial of a Westinghouse Electric Corp. official on criminal antitrust charges of price fixing and bid rigging was averted when the defendant, W. C. Rowland of Philadelphia, changed his plea from innocent to no defense.

The new plea was entered in the court of U. S. District Judge J. Cullen Ganey. Mr. Rowland is vice president in charge of Westinghouse's steam division, which makes turbine-generator units for the production of electrical power.

Mr. Rowland had been scheduled to go on trial in Federal court here today. He was the only defendant who had insisted on a trial following a mass re-arraignment here December 8 when 29 electrical equipment companies and 44 other officials of 18 of the companies avoided trial by pleading guilty or no defense. For most of the defendants the action involved changes from innocent pleas.

The defendants had been charged in 20 indictments returned by Federal grand juries here in a broad Government inquiry into marketing and pricing practices of the makers of heavy gear for the generation, transmission and distribution of electrical power.

Date for sentencing of Mr. Rowland and the other defendants has not been set by the court. For any one case in which a defendant is charged, the law provides maximum penalties of a $50,000 fine or a year in jail, or both, for individuals, and a $50,000 fine for companies. The corporate defendants also are exposed, potentially, to triple damage suits from customers other than Federal Government agencies, which can sue for single damages.

Mr. Rowland was indicted in a case concerning sales of the giant turbine-generators. Three other individual defendants in the case were allowed by the court last month to plead no defense. They are W. S. Ginn, vice president and general manager of General Electric Co.'s turbine division; C. I. Mauntel, sales manager of Westinghouse's steam division and subordinate of Mr. Rowland; and W. E. Saupe, general manager of G.E.'s large steam turbine-generator department. Three corporate defendants in the case, G.E., Westinghouse, and Allis-Chalmers Manufacturing Co., have entered guilty pleas.

In the turbine case, the defendants were charged with conspiring to fix and maintain prices, including detailed agreements on a series of price increases in 1957 and 1958. They also were charged with submitting noncompetitive, collusive and rigged bids on turbine-generator units sold to electric utilities and Federal, state, and local governmental agencies.

California to Seek Damages

By a WALL STREET JOURNAL Staff Reporter

SACRAMENTO—California will take court action against major electrical supply companies, seeking triple damages for price fixing, Stanley Mosk, attorney general, said.

Companies involved are some of the many which pleaded guilty or no contest in Philadelphia recently to Federal charges of fixing prices on equipment sold to government agencies. These included General Electric Co., Westinghouse Electric Corp., and Allis Chalmers Corp.

Mr. Mosk said it is too early to say which companies the state would name to recover losses allegedly suffered by either the state or public utility districts and municipalities within the state as a result of the price fixing. On a nationwide basis, he quoted a "Federal figure" of $2 billion lost by customers, but he declined to say how much California and its divisions will seek.

Washington State, New York, Wisconsin, and Massachusetts, among other states, also are understood to be investigating the possibility of filing damage suits.

California will either file suit in a Federal court for losses and damages or will attempt to prove the companies guilty of price fixing under California antitrust laws in a state court. Both Federal and state law allow the plaintiff to seek triple damages if the defendant is found guilty.

Mr. Mosk said that under state law the attorney general's office technically can represent only the municipalities and the public utility districts which requested such aid, but that almost all concerned were joining in one action against the companies.

Air Control Products

AIR CONTROL PRODUCTS, INC., and subsidiaries report for the quarter ended October 31:

	1960	1959
Earned per share	$.15	$.06
Net sales and other income	7,154,909	8,543,315
Net income after taxes	187,854	471,322
Common shares	1,256,454	1,256,454

The company's fiscal year ends July 31.

Champion Paper's Net In Fiscal '61 May Fall Below $1.66 a Share

Company Earned $2.08 a Share In Fiscal 1960; Official Sees No Threat to Usual Dividend

By a WALL STREET JOURNAL Staff Reporter

HAMILTON, Ohio—Earnings of Champion Paper & Fibre Co. in the fiscal year ending March 31 may fall below a year ago, but the company's dividend rates are in no danger, Karl R. Bendetsen, president, said in an interview.

He said a slowdown in the white paper industry lately, plus recent price declines in some paper products, indicate that the company's second half earnings will fall short of the 83 cents a common share of the first half. This would put Champion's earnings below $1.66 a common share in the current fiscal year, compared with $2.08 in the 1960 year. It earned $1.84 in the 1959 fiscal year.

"We will not do as well as last year, but we will make significantly more than our common dividend," Mr. Bendetsen said. The dividend rate on Champion's common stock is $1.20 annually. He said the lower earnings would pose no threat to that rate.

Champion has launched a program of cost reduction and of product line analysis aimed at removing unprofitable products. Mr. Bendetsen said the cost reduction program will begin to show results early in the next fiscal year and is scheduled to reach an annual rate of $10 million in company-wide savings by a year from now.

Among the reductions have been elimination of the company's fleet of five airplanes, which he said would save $400,000 annually. A moratorium on new hiring has been declared and the company is reducing personnel, providing released employes with severance pay and retirement benefits.

Rockwell Mfg. Says Net And Sales Fell in '60, Sees Record '61 Totals

By a WALL STREET JOURNAL Staff Reporter

PITTSBURGH—Rockwell Manufacturing Co. net income in 1960 declined to about $4.5 million, or $2.25 a share, from the 1959 record level of $9.7 million, or $2.81 a share, W. F. Rockwell, Jr., president, estimated in a year-end statement. He predicted both earnings and sales in 1961 would exceed the 1959 record results.

Mr. Rockwell stuck by earlier estimates that 1960 sales were $317 million, off from the 1959 high of $322.7 million.

Mr. Rockwell said 1961 would be a near record year for the company even without considering Porter-Cable Machine Co. operations, which are expected to contribute some $15 million in sales this year. Rockwell Manufacturing, a producer of power tools, meters, and valves, acquired Porter-Cable, a manufacturer of portable power tools, last month for an exchange of stock.

Superior Oil Co.

SUPERIOR OIL CO. and subsidiaries report for the quarter ended November 30:

	1960	1959
Earned per share	$19.32	$6.72
Gross operating income	33,342,307	a 28,286,388
Net income	5,620,633	2,021,660
Capital shares	422,900	422,344

a Revised by company.
The company's fiscal year ends August 31.

Howard Keck, president of Superior Oil Co., said in a report to stockholders the rise in first fiscal quarter earnings and gross income from a year earlier was due primarily to increased crude oil production in Venezuela. The company produced 10,381,240 barrels of crude in the three months ended November 30 against 7,086,899 in the comparable period a year earlier.

Superior sells its Venezuelan crude to U.S. and European oil companies who refine it, S. H. Durkee, treasurer, said. Superior thus avoids U.S. oil import restrictions, as companies purchasing the crude bring it in to the U.S. under their own quotas, Mr. Durkee said.

Associated Testing Sees Net, Sales Up Sharply in Fiscal '61

NEW YORK—Net income of Associated Testing Laboratories Inc. should rise above a year-earlier $247,000 on sales exceeding $2 million in the fiscal year ending May 31.

That report was made to the New York Society of Security Analysts by William Tinsley, president, and Bernard Nowack, chairman of the Wayne, N.J., company.

Associated Testing does environmental testing of missile rocket and aircraft components, subjecting them to the simulated conditions of operation. It also produces test equipment. The company has laboratories in Wayne and its new one in a record $456,000 from $446,000.

[illegible] part of the company's volume comes from testing and the rest from the sale of its equipment. Current backlog is $1.8 million, about three times higher than that of a year ago, Mr. Tinsley said.

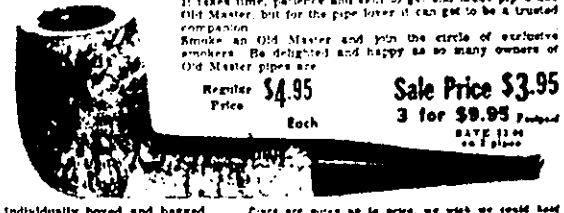
Net income in the six months ended November 30 rose to $48,000 or 30 cents a share on 446,000 shares outstanding from $11,000 or 7 cents a share on 300,000 shares outstanding a year before, the executives reported. Sales rose to a record $456,000 from $446,000.

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STATEMENT OF CONDITION

December 31, 1960

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Earned per share	$.14	$.36
Net sales and other income	7,154,389	5,543,515
Net income after taxes	182,024	471,227
Common shares	1,326,656	1,326,656

The company's fiscal year ends July 31.

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Company Earned $2.08 In Fiscal 1960; Off No Threat to Usual

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