

FOR IMMEDIATE RELEASE  
Thursday, September 1, 1949

DEPARTMENT OF JUSTICE

Attorney General J. Howard McGrath announced today that a Federal Grand Jury at Los Angeles, California, returned an indictment charging six corporations and four individuals with violating the Sherman Antitrust Law by fixing prices on medical x-ray film sold in the Southern California area.

The following corporations and individuals were named as defendants in the indictment:

General Electric X-Ray Corporation  
Milwaukee, Wisconsin

Keleket X-Ray Sales Company of Los Angeles  
Los Angeles, California

Kelley-Koett Manufacturing Company  
Cincinnati, Ohio

R. L. Scherer Company  
Los Angeles, California

Western Surgical Supply Company  
Los Angeles, California

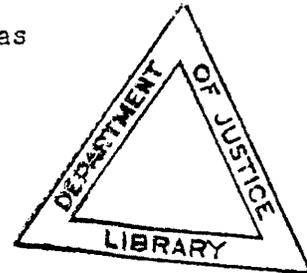
Westinghouse Electric Corporation  
Pittsburgh, Pennsylvania

Henry N. Beets - doing business as  
Henry N. Beets Company  
2611 W. 7th Street, Los Angeles, California

Geoffrey Grayston, formerly doing business as  
Grayston X-Ray Supply  
2745 Ardmore Road, San Marino, California

Alfred G. Magnuson, doing business as  
Magnuson X-Ray Company  
1814 W. 9th Street, Los Angeles, California

F. Clair Morgan, doing business as  
F. Clair Morgan Company  
1831 W. 9th Street, Los Angeles, California



The indictment charges the defendants with having entered into a conspiracy to fix the prices at which medical x-ray film was sold to hospitals, doctors, roentgenologists, x-ray laboratories, clinics, and other users in the Southern California area.

Approximately \$4,000,000 worth of medical x-ray film is sold annually in the Southern California area. The defendants are also charged with having rotated and fixed prices on bids submitted for the Los Angeles County Hospital business during the period 1946 to 1948. The purchases of medical x-ray film by the county hospital amount to approximately \$100,000 per year.

announcing the return of the indictment by the Los Angeles Federal Grand Jury, the Attorney General said:

"This is another in a series of cases brought by the Department of Justice to eliminate restraints of trade in a field vital to public health. Illegal conspiracies of the type here charged increase the cost of medical services to the public and increase the operating cost of public health service."

Herbert A. Bergson, Assistant Attorney General in charge of the Antitrust Division said:

"The Department's program against restraints operating in the field of public purchasing has already disclosed that governmental agencies have been forced to purchase their requirements of many products essential to the public's health and welfare in a market devoid of price competition.

The prosecution of conspiracies such as the one here charged is expected to eliminate artificial marketing restraints and thereby permit a reduction of costs for products required by the public and by governmental institutions."

The case was presented to the Grand Jury by William C. Dixon, Chief of California Offices of the antitrust Division, W. Alan Thody, Special Assistant to the Attorney General, and Special Attorneys Phillip Kraus and Daniel A. Schiffer. The case is under the general supervision of Marcus A. Hollabaugh, Chief of the Special Litigation Section of the Antitrust Division.