

General Atomic Seeking Removal Of Judge in Suit Against Gulf Oil

By ANTHONY J. PARISI

In a surprise move, the General Atomic Company last week petitioned the New Mexico Supreme Court to halt a case now underway in Santa Fe in which the plaintiff alleges that the Gulf Oil Corporation, one of General Atomic's owners, conspired to fix uranium prices in this country.

General Atomic asked the court to remove State District Court Judge Edwin L. Felter from the case and to stay the trial until it rules upon the company's petition. A hearing is scheduled for Wednesday morning.

This development adds yet another twist to a complex lawsuit that has, for all Gulf's and General Atomic's efforts to the contrary, managed to tie the two companies together in a defense against uranium price-fixing charges.

On the face of it, the lawsuit is simply a case of one uranium producer suing another over some joint agreements to supply nuclear fuel to several electric utilities. But through a series of favorable court rulings, the plaintiff, the United Nuclear Corporation, has managed to implicate Gulf in the proceedings.

United Nuclear has also drawn into court allegations that a foreign cartel was responsible for the sevenfold runup in uranium prices in this country from 1973 to 1975.

United Nuclear's success has put Gulf in a potentially dangerous legal position. As it now stands, the case in Santa Fe could result in findings that might leave Gulf defenseless not only in New Mexico but also in cases elsewhere in the country involving the uranium cartel.

Court Prejudice Is Alleged

General Atomic charges that this sticky position is due in part to prejudice on Judge Felter's part. That, in essence, is what the company's new petition before the State Supreme Court says.

Originally, United Nuclear sued both Gulf and General Atomic, which is a joint venture of Gulf and the Royal Dutch Shell Group. But when General Atomic moved to place the case in Federal court because it involved Gulf, United Nuclear asked that the case be dismissed. United Nuclear then filed a suit only against General Atomic.

It has been almost all downhill for the defendants since.

Before the trial started, General Atomic tried to move it into arbitration. This motion was denied. United Nuclear then obtained injunctions that prohibited General Atomic from making any further moves outside Judge Felter's court.

General Atomic appealed that injunction in the State Supreme Court. Judge Felter's ruling was upheld. The company

then went to the United States Supreme Court which overturned the decision.

With that, General Atomic field for arbitration in San Diego, its headquarters, and in other cities. But two weeks ago Judge Felter ruled that the company could no longer file for arbitration. He claimed that General Atomic had waived its right to do so by not filing sooner.

General Atomic has appealed that decision in the State Supreme Court. Nothing has come of that move yet.

Meanwhile, last fall General Atomic had asked Judge Felter to remove himself from the nonjury case because of bias. The judge had earlier accused the defendants of attempting to delay the case during the discovery process. He said he would not tolerate such "stonewalling."

Judge Felter not only dismissed that motion but also gave United Nuclear a free hand in submitting its proposed findings of fact from the discovery proceedings.

Monopoly Attempt Charged

Last month United Nuclear submitted a 214-page report summarizing its findings. They depict Gulf as attempting to corner the uranium market in the United States through its agreements with United Nuclear—agreements that Gulf supposedly knew would be impossible to fulfill because of the price runup then being planned by the uranium cartel.

United Nuclear claims that Gulf destroyed some incriminating documents and shipped others out of the country. Thus, United Nuclear says, it does not have all the evidence it needs to prove its sweeping allegations. But Judge Felter could nonetheless accept them as fact. If he does, they become fact under the law.

Spokesmen for both General Atomic and Gulf have all along denied that either company was involved in an attempt to fix uranium prices in this country. They have also insisted that they have in no way tried to hinder the discovery process.