

# Rockefellers Own Controlling Interest in Standard of N. J.

## Report Shows They Have Power to Oust Officials Who Dealt With Nazis

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WASHINGTON, Mar. 31.—The Rockefeller family was shown by the Temporary National Economic Committee (TNEC) to have an "effective working control" of the Standard Oil Co. of New Jersey, whose relations with the Hitler chemical trust have been described by Sen. Harry S. Truman (D., Mo.) as "treasonable."

(This does not preclude other stockholders from taking action, however. "Effective working control" presupposes that few small holders will bother to attend meetings.)

The TNEC reported last year that the Rockefeller family had "direct and indirect holdings" of 20.2 per cent of the company's total stock, although it had "no visible direct representation in the management" of the \$2,000,000,000 concern.

"Members of the Rockefeller family owned 8.7 per cent" (of the company stock), the TNEC reported, "with a market value of \$105,000,000, and family foundations held an additional 4.8 per cent valued at \$58,000,000.

"The combined block aggregating 13.5 per cent of the common stock represented by far the largest holding and in view of the wide distribution of the majority of the stock should carry with it an amount of influence equivalent to working control. Furthermore, Standard Oil Co. (Indiana) owned 6.7 per cent of the Standard Oil Co. (New Jersey), bringing direct and indirect holdings of the Rockefeller family to 20.2 per cent."

### Harkness Share

The next biggest block of Standard Oil of New Jersey stock is held, the report showed, by the Harkness family, having 4.3 per cent.

The Rockefeller family's interest in Standard Oil of New Jersey is bigger, the report showed, than its holdings in Standard Oil of Indiana. In 1929 it won a battle for control of Standard of Indiana with a block of 11.4 per cent of the stock.

The battle for control of Standard Oil of Indiana developed out of the Teapot Dome case.

John D. Rockefeller, Jr., was shown by the TNEC to be the biggest single stockholder in Standard Oil of New Jersey, with 6.45 per cent. He also had provided trusts for four other members of the family, with 150,000 shares, or a little more than half of one per cent each. They were:

¶ Mrs. Abbe Rockefeller Miltom (his daughter).

¶ Mrs. Abbe Aldrich Rockefeller (his wife).

¶ John D. Rockefeller 3d (his son, now in the Army).

¶ Nelson Aldrich Rockefeller (his son, now Co-ordinator of Inter-American Affairs).

Officers of Standard Oil of New Jersey get a chance today to answer the "treason" charges before the Truman Investigating Committee. Called to the stand were W. S. Farish, president of the company, and Frank A. Howard, vice-president, who handled most of the negotiations with the German chemical trust.

The Committee was to get a chance today to question the company about its refusal

to turn over to the Government its prize patent for Butyl rubber which it developed in 1938 and turned over to Hitler at that time.

While the company has been denying the charges, evidence filed with the Committee by Thurman Arnold, Assistant Attorney General, indicates that it was working much more co-operatively with the Germans than with the U. S. Government.

### To S. O. Stockholders:

## This Is What You Can Do

The 136,355 stockholders who own the Standard Oil Co. of New Jersey are pretty well hog-tied but there is action they can take beyond protesting against their company's conduct in giving its synthetic rubber secrets to Germany while denying them to the U. S. A.

The corporate statutes of New Jersey (under which Standard is incorporated) are tough on stockholders and gentle toward management. But New Jersey lawyers, familiar with their state's laws, have this advice to give the army of men and women who hold Jersey Standard shares:

¶ Don't return your proxies when Standard notifies you of its annual meeting at Flemington, N. J., set for the first week in June.

¶ Organize your own proxy committee, appoint a secretary, send the proxies to him and let him cast them to oust the present management.

¶ Remember that if enough of you get together you will have a chance to control the company.

Here are the New Jersey regulations governing removal of officers guilty of mismanagement, misfeasance, fraud or other such reprehensible conduct:

¶ It takes a two-thirds vote of each class of stockholders to vote any change in the corporation setup.

¶ The alternative is that the board of directors might pass a resolution to remove the officers or any officer and then put it to a vote of the stockholders.

A single stockholder might go into the Court of Equity and ask for relief from mismanagement, misfeasance or fraud, but the burden would rest upon him to prove it. Thereafter the court, if convenient, might order that the offenses cease.

New Jersey attorneys say that in flagrant cases the court might even move to "neutralize" the function of offending officers but they doubt that any New Jersey court would go so far as to order any officer removed on any ground short of criminal charges.

The attorneys admit that there is little chance of defeating the concentrated power within the company but they feel that action by stockholders would have a salutary effect upon any future deals Teagle, Farish & Co. might dream up.