

Standard Oil Told to Produce Axis Contracts

By Philip G. Reed

International News Service Staff Writer

The Senate Truman Committee last night was revealed to have asked Standard Oil Co. of New Jersey to produce the disputed contracts which the firm claims forced them to continue delivery of gasoline to an Axis airline in South America contrary to United States foreign policy.

Hugh A. Fulton, counsel for the special committee investigating the war effort, said that the request had been dispatched by mail immediately after Friday's hearing and that it would be closely followed up if the documents were not forthcoming.

Standard officials were said by Assistant Secretary of State A. A. Berle to have used the contracts as an excuse for continuing shipments of gasoline and oil to the Condor Airline against the wishes of the State Department.

William LaVarre, chief of the Commerce Department's Latin American Division, asserted flatly that no contract with Condor existed.

It was also recalled that minutes of a Standard Oil directors' meeting given the committee earlier by Assistant Attorney General Thurman Arnold stated that "no contract existed" between Standard and Lati, the transatlantic leg of the Axis air transport system of which Condor was a part.

Berle and LaVarre said that Condor and Lati were actually one company with the supplies of one available to the other.

Fulton said the committee expected this week to wind up its investigation of the synthetic rubber industry. Disclosures of Standard's fueling of Axis planes in South America developed after the company officials testified in defense of a trade tieup with I. G. Farbenindustrie, German chemical and dye trust, which was also alleged to have hampered development of synthetic rubber in the United States.

Secretary of Commerce Jesse Jones will be called first among numerous Government experts when hearings are resumed Tuesday. Jones is in charge of the Government's 500-million-dollar plant construction program designed to turn out 700,000 tons of synthetic rubber annually by the end of 1943.

Fulton said it was likely that Jones and other technical experts would be questioned closely on the use of butyl, Standard's own synthetic rubber discovery, which was only released for free use by the Government ten days ago under a consent decree settling a Federal antitrust suit against the company.

Fulton was inclined to be skeptical of statements by Standard officials that butyl was inferior to buna and butadiene, the two synthetic rubbers developed by Standard's erstwhile German partner. The Government program is now built around buna-s, patents for which were made available after Pearl Harbor.

Senator Truman (Democrat), of Missouri, chairman of the committee, who expressed himself as "outraged" over the Standard Oil disclosures, said yesterday that he was convinced "international cartels" such as the one existing between Standard and Farben had blocked production not only of synthetic rubber but magnesium and aluminum in the war effort. The whole system of international cartels should be broken up, Truman declared.