

# Press Plays Esso Handout

By NATHAN ROBERTSON  
PM's Bureau

WASHINGTON, May. 23.—Most of the nation's newspapers yesterday played up a press agent's story picturing the Standard Oil Co. of New Jersey as a public benefactor in the development of synthetic rubber. But they almost ignored documented evidence submitted at the same time to a Senate Committee proving the contrary.

For the past three days Robert M. Hunter, special assistant to the Attorney General, has been presenting to the Senate Patents Committee detailed and conclusive evidence from Standard's own files showing that for years Standard hid from the American Government and American rubber companies the status of its butyl rubber development.

A quiet, grey-haired, mild-mannered member of the Ohio State University faculty, Hunter directed much of the Justice Dept.'s investigation of Standard's rubber deals. Knowing the evidence better than anyone else, he burned up as he listened to Standard officials pose before the Truman Committee as innocents and public benefactors. But he never got a chance to reply. The Committee was too busy with other investigations.

The Patents Committee gave Hunter his chance. It took him three days to pour into the record all the evidence he had gathered. Hunter's story pictured Standard Oil as anything but a public benefactor. Here are the highlights, completely available for the first time:

## Given to Nazis in 1938

Butyl rubber was developed by Standard and turned over to its German partners, operating under Hitler's direction, in 1938.

In 1939 the Army and Navy Munitions Board notified Standard it was vitally interested in the development of synthetic rubber, not only for tires, but for a great variety of military uses such as gas masks.

In 1940 the Board asked Standard to speed tests of butyl for use in tires. In the same year the Government began studying development of a Federally financed synthetic rubber industry as insurance against loss of the Far East supply.

Meanwhile:

In 1939, Standard hid from a Navy representative its process for making butyl rubber.

In 1940, it made a few tests of butyl in tires, as requested by the Munitions Board, but there is no evidence that it ever reported the results.

Although the tests were promising, even the rubber companies to make any more though inadequate, Standard didn't permit tests.

## Cost Figures a Secret

By 1940, Standard had estimates indicating butyl could be made for eight cents a pound, far cheaper than any other synthetic or natural rubber. Tests indicated it would make fairly good tires and was superior for many uses, including gas masks.

But the Government was never told of these cost figures, and was led to believe any synthetic rubber program needed a Government subsidy, although Standard

## An Editorial

# On Oil and Patents

The Senate Patents Committee has done a job that even the Truman Committee wouldn't do in developing the full story of how the Standard Oil Co. of New Jersey held out from America its sensational butyl rubber process.

It has placed in the record evidence from the Standard's own files, written by its own officials, contradicting virtually every point in the Standard Oil defense which the newspapers have played up.

The Committee's purpose has been to call officials of the company down here and confront them with the evidence—line by line, to refute their own denials. But now a recess is planned, which will postpone this appearance for at least three weeks.

It happens that the annual meeting of Standard Oil stockholders is scheduled for June 2. The Committee's recess will mean that the Standard officials will not have to face the music until after their re-election.

PM realizes members of the Committees have good reasons for recessing. They have been meeting almost every day for weeks and other things have piled up that need doing. But nothing needs more than the job of getting a new management for Standard Oil.

The Committee should make these officials face the evidence before they are re-elected. Then, perhaps, John D. Rockefeller, Jr., might be convinced that the company needs a new deal.

—NATHAN ROBERTSON.

knew that the rubber companies had been anxious to get started on their own.

Standard encouraged the Government to develop the buna rubber, leaving it in command of the more promising butyl situation. Meanwhile Standard would get royalties on the buna from the other companies.

Even when synthetic knowledge was pooled by all the companies after Pearl Harbor, Standard held out on its butyl secret. It didn't release the butyl patent until just before the anti-trust action.

In short, although Standard had two good synthetic rubber processes available as far back as 1940, it has done little with either of them until very recently. B. F. Goodrich has been far ahead in the development of synthetic rubber, although it was not permitted to use Standard's processes.

Hunter entitled his story of Standard's intrigue *A Pattern of Deception*.

## Blame International Cartel

The Committee concluded it's week of hearings with testimony by Alfred E. Kahn, of the Justice Dept.'s Patent Division, blaming the international monopoly on natural rubber for the German monopoly of synthetic rubber.

He also blamed the American rubber companies for permitting the international rubber cartel to hold up the price of natural rubber. Pointing out that they were getting high profits from this natural rubber monopoly themselves, he said this undoubtedly tended to make them interested in "maintenance of the status quo in the Far East."

The Truman Committee today made public testimony by officials of the tire companies telling how Standard Oil delayed them in developing synthetic rubber tires. Goodyear also blamed the Government for delays.