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Big Mystery

Search at

Standard Oil

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By William Moore

Senate investigators, acting on a tip, have obtained subpoenas and searched the Standard Oil Co. of California headquarters here in a tense, fruitless quest for a mysterious document. The Chronicle has learned from company sources.

What the investigators were hunting during a week-long visit late last month was, according to these sources, a highly damaging document that would show that Standard officials within the past two years encouraged Saudi Arabia to raise the price of crude oil.

"They did not find any such document," a Standard spokesman said, adding that no such document ever existed. The government investigators reached the

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same conclusion.

Top Standard executives reportedly believe that someone in their company thoroughly familiar with its operations—possibly a foreign intelligence agent—forged the document in question. Copies of the document came into the possession of the Senate subcommittee on multinational corporations.

The two investigators from the sub-committee, one Standard source said, told company representatives they, too, believed the document was bogus after they conducted an extensive search of files and took depositions from all officials whose names were on the document.

These included the purported author of the memo and a number of people who were supposed to have received it. All denied ever seeing the document.

A Standard source said company officials felt it was

an excellent forgery because it conformed precisely to the firm's memo-writing style.

These officials, according to another source who asked not to be identified, also believe it was written by someone highly placed in the firm, creating a who-done-it mystery that has deeply shaken the company's higher echelons. Standard's official spokesman declined to comment on this.

A spokesman for the Senate subcommittee refused to confirm or comment on any aspect of the investigation.

The document was originally sent to nationally syndicated columnist Jack Anderson.

Anderson told The Chronicle he referred to it, without citing Standard by name, in a column last January, reporting it revealed that the Arabian American Oil Co., of which Standard is a partner, favored a Saudi price increase because it would boost Aramco's own "rate of return."

Anderson said he still thinks the document is genuine and said it was leaked to him by a "very high level, reliable source" at Standard.

The columnist said he gave a copy of the material to the Senate investigators and informed them that they could find the originals at Standard.

The company's official spokesman said the Senate probers were given "full cooperation" and complete access to company files during their unprecedented search.

Another Standard source declared: "The company had no choice. The charges were so serious—the company was being accused of sabotaging the U.S. economy in the document by suggesting a Saudi price increase.

"They had to open up the files to show it was a fake document, meanwhile risking the exposure of a lot of other confidential documents."

The investigators, the source said, inspected a huge array of files and departed with copies of many documents. One secretary said she worked a 70-hour week primarily Xeroxing copies of material requested

by the investigators.

The source said there were a number of irregularities in the copy of the faked document they were looking for, including references to company actions that had not taken place.

This source said some top executives believe the KGB, Soviet secret police, may have an operative in the firm who forged the document and leaked it to Anderson.

The source said this was one theory because the leaked material appeared calculated to drive a wedge between the U.S. and Saudi Arabia, a development the source said might serve some foreign interests well.

In addition, the source said, it appeared that whoever leaked the material wanted Senate investigators to inspect other documents at Standard headquarters.

Columnist Anderson, insisting the material was bonafide, offered a different theory: "My source was somebody with a conscience who put the interests of the U.S. ahead of the interests of Standard Oil."