

MEMORANDUM

May 26, 1944

Sen. Kilgore

TO ALL THE MEMBERS OF THE TRUMAN COMMITTEE

The Committee has obtained a copy of a press release, prepared by the United States Steel Corporation, with respect to the acquittal of the Corporation in the criminal proceedings brought in Pittsburgh. A copy of the release is attached.

After discussion with several members of the Committee, Senator Truman requested that I inform the members of the Committee as to the facts in case any of them should have occasion at any time to discuss the Carnegie-Illinois case with persons who might not understand the true situation. Senator Truman suggested that in the next annual report of the Committee the situation could be reviewed. He was of the opinion, however, that no release in answer to the United States Steel Corporation was necessary.

The Corporation was the only defendant. A verdict was directed as to the charge that records had been destroyed, because the Judge was of the opinion that the Corporation could not be held criminally responsible unless it was established that the destruction of the records had been made by a company policy-making official. He was of the opinion that the chief metallurgist of the Plant was not a company policy-making official.

With respect to the second charge concerning the faking of inspections of steel plate and the testing of steel beneath the standard of the Government in the purchase contracts, the Corporation made no attempt to deny those facts, but instead assured that there was no criminal intent on the part of the Corporation, and that the

steel, although substandard, was not defective because there was no proof that it had failed to stand up under the uses to which it was put. The Department of Justice states that it was given no cooperation whatever by the Navy Department and Maritime Commission on this point. In addition, some of the witnesses who testified before the Committee as to the faking and forging of tests, did not testify at the trial because they claimed their constitutional privilege against self-incrimination.

Under these circumstances, the Corporation of course is entirely inaccurate in inferring that it was cleared of "unfair and unsubstantiated accusations made by the Truman Committee" because it admitted at the trial that the accusations the Truman Committee made were that records had been falsified and substandard steel furnished.

In addition, a verdict of acquittal in a criminal proceeding is not an exoneration of anyone, and merely means that the Judge was not convinced beyond a reasonable doubt that the Government had proved every point in its case.


HUGH FULTON