

Arnold Says Standard Oil Balked Ersatz Rubber Here

Tells Senate Group
Company Played
Into Hitler's Hands
In Hope of Monopoly

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Assistant Attorney General Thurman Arnold yesterday charged that Standard Oil, in its cartel "marriage" with I. G. Farben, German chemical trust, had frustrated the creation of an American synthetic rubber industry.

He said that Standard Oil delayed development in the United States of "buna" rubber, a German substitute to which it had the American rights, "because the Hitler government did not wish this rubber exploited here, for military reasons."

On top of this Arnold charged that Standard turned over to the German company its own discovery—an even cheaper but effective rubber substitute called "butyl." This was in 1938.

Data Withheld From Navy

In 1939, the year Hitler went to war, Arnold said, Standard Oil failed to give the same full information about butyl to "a representative of our own Navy's Bureau of Construction and Repair."

The agreement between Standard Oil and I. G. Farben was made in 1929. In September, 1939, Frank A. Howard, a Standard Oil vice president, met with I. G. Farben officials at The Hague in Holland, drew up another agreement, and reported to his firm as follows:

"We did our best to work out complete plans for a modus vivendi which would operate through the term of the war, whether or not the United States came in."

Arnold said it was "impossible to doubt that The Hague memorandum is anything but a device for a continuance of the conspiracy through out the war."

Nazis Gave Nothing

Testifying before the Senate committee investigating the war effort, Arnold said:

"At the direction of the German interests, Standard Oil refused to license independent producers in the United States for the production of synthetic rubber.

"It turned over all of its discoveries to Germany even though Germany declined to give them anything in return.

"The effect of this arrangement continued during the war and up to a time shortly before the filing of the information and decree against Standard Oil..."

The Assistant Attorney General, the Administration's "trust buster," was referring to the court action in Newark, N. J., two days ago, a consent decree against the Standard Oil Co. of New Jersey, whereby all of the German patents for synthetic rubber and gasoline were made available, royalty free, to American industry.

Three Standard Oil officials who were fined \$5000 each in Newark, were present in the caucus room of the Senate Office Building yesterday when Arnold gave his sensational account of the "marriage" of Standard Oil and I. G. Farben.

These were Walter C. Teagle, chairman of the board of Standard Oil Co. of New Jersey; W. S. Farish, president of the company, and Frank A. Howard, vice president of one of its subsidiaries.

Arnold said Standard's cartel arrangement with Germany was "the principal cause of our present shortage of synthetic rubber." He observed Standard of any unpatriotic motives, saying:

"These arrangements were not entered into with any desire to aid or assist Germany. The sole motive was an attempt on the part of Standard Oil to get a protected market and to eliminate independent competition, and finally to restrict production in world markets in order to maintain that control."