

Rubber Secret Offered U. S. in '39--Farish

Standard Oil Chief Denies Arnold Charge Of Curb on Product

NEW YORK, March 27 (N. Y. News). — William S. Farish, president of the Standard Oil Company of New Jersey, declared tonight that his company offered its synthetic rubber formula to the United States Government and private American concerns in 1939.

A year previously, Farish said, the process had been reported to the German firm of I. G. Farbenindustrie "in the normal way, pursuant to the research arrangement" between the two companies in the field of synthetic rubber production from oil.

Denies Arnold's Charge

Farish declared that the charge by Assistant Attorney General Thurman Arnold that Standard had delayed production of synthetic rubber in the United States was "without foundation."

Farish said the final product, "butyl rubber," was the "outgrowth of research conducted, first co-operatively and then separately by the German IG Company and Standard.

Standard discovered, Farish said, that by adding a minute percentage of another ingredient and changing the process, there could be produced "a true rubber, capable of being vulcanized."

"The disclosure of the butyl rubber to the IG in 1938 was entirely consistent with the relationship of the parties and could not possibly have political or military implications of any kind. Exchange of information was discontinued in January, 1940."

Calls Butyl Inferior

Butyl rubber is unquestionably cheaper than other rubber, Farish said, "but inferior to buna rubber." He said the company hopes "it will fill an increasingly large role in supplying passenger cars with tires."

He said that in 1939, "when only a few persons considered looking at the rubber problem from a military standpoint, Standard brought butyl to the attention of the Army and Navy Munitions Board."

Truman Hurls 'Treason' Charges at Standard Oil

"Treason" charges were hurled at the Standard Oil Company of New Jersey yesterday by Senator Harry S. Truman (D.), of Missouri, chairman of the Senate committee investigating the war effort, in connection with the Standard-German I. C. Farben cartel on synthetic rubber.

Truman's sensational charge came after Assistant Attorney General Thurman W. Arnold testified on the relations between the New Jersey company and the great German dye and chemical trust.

Arnold Makes Charges

Arnold also charged that almost at the same time Germany opened the blitzkrieg on Poland, Standard Oil was "at least considering a closer relationship between it and the Japanese-Mitsui firm."

Standard not only helped its German cartel partner in the prewar design of facilities for making aviation gasoline, Arnold alleged, but actually supplied large quantities of this vital war fuel to an Italian airline months

after the start of the European war.

"Even after we were in the war," declared Truman, "Standard Oil of New Jersey was putting forth every effort of which it was capable to protect the control of the German government over a vital war material.

"Yes, It Is Treason"

"As Patrick Henry said, if that is treason—and it certainly is treason—then make the most of it. Yes; it is treason. You cannot translate it any other way."

Truman said his committee would give Standard officials a chance to answer the charges next week, adding "They are going to have hard sledding if they try to squirm out of it."

Referring to the consent decree against the New Jersey company and six affiliates filed two days ago which provided for fines totaling \$50,000 and the opening up of thousands of secret patents and processes, Truman asked Arnold why he "let them off so easy."

The Assistant Attorney General pointed out that Standard was due to lose millions in royalties on its patents, and that the decree "would be a substantial contribution to the war program and would do something to removing this existing cartel arrangement."

Dealings With Japan

Earlier Arnold told the Senators of an attempt by the oil company to secure closer relationship with the Japanese Mitsui firm in order to assure "re-establishment after any interruptions" in trade caused by a U.S.-Jap break.

Arnold also charged that Standard Oil of New Jersey had helped in the development of an aviation gasoline plant for a German associate and had termed it "a definite contribution to the German self-sufficiency program."

A memorandum produced by Arnold from Frank A. Howard, Standard Oil official in charge of negotiations with the German cartel, particularly inspired the Truman wrath. Dated The Hague, October 12, 1939, it read, in part:

"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 U. S. came in."

Nazis Have Rubber

Truman broke in to say that as a result of the cartel agreements "Germany has no rubber shortage today, while the United States has to pinch to supply its armed forces." He pointed out that because of the delay that tires could not be produced with synthetic rubber for civilian uses before 1945.

Arnold proposed that changes should be made in the patent laws that would "stop a repetition of the cartel system in America," which he stated, the war, if it went on long enough, would break up temporarily.

He recommended Government subsidy of research so that improvements in basic processes would be available to all; the registration of all patent license agreements and agreements with foreign industries with full explanation of their purposes, and the implementing of an investigating agency to enforce the Sherman Anti-Trust Law.