

Standard Oil Statement

Company Says Rubber Process Was Called To Government's Attention in 1939

By the Associated Press.

NEW YORK, March 28.—The text of a statement issued last night by William S. Farish, president of Standard Oil Co. (New Jersey), commenting on testimony by Assistant Attorney General Thurman Arnold before the Truman Committee in Washington follows:

The substance of Mr. Arnold's statement before the Truman Committee is that the Standard Oil Co. has hindered and delayed the production of synthetic rubber in the United States. This charge was contained in the original draft of the proposed anti-trust complaint upon which we entered negotiations with the Department of Justice. Because the charge was wholly without foundation we declined to consider any settlement unless this charge was withdrawn. The charge was withdrawn.

I have been asked to appear before the Truman Committee at a public hearing. This appearance will be next Tuesday morning, at which time I shall undertake to give the company's position in full on the questions raised in Mr. Arnold's statement.

There is one outstanding statement, however, that the press have headlined that I should like to answer without any further delay. That is that the company gave to the Nazis but not to the American and British governments information on butyl rubber.

How Research Was Conducted.

The facts on the butyl rubber development are as follows:

Butyl rubber was the outgrowth of research conducted, first cooperatively and then separately by the German I. G. Co. and Standard in an effort to find a way to vulcanize a rubber-like product called vistanex which had originated with the I. G. Standard discovered 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 raw materials for this product, which we call butyl rubber, were cheap, but it was difficult to make, and its quality was bad. In 1938, soon after Standard had discovered this product, it reported it to the I. G. in the normal way, pursuant to the research arrangement between the parties in the field of

synthetic rubber produced from oil.

The allegation that the I. G. was at that time withholding technical information from Standard on German synthetic rubber, and therefore Standard should not have lived up to its commitments is untrue. I. G. was at the same time supplying Standard with much-desired information on the production of raw materials for buna rubber from oil. The only thing I. G. was withholding was the detail of their Government-sponsored program of producing buna rubber from coal in Germany. While the butyl rubber was recognized from the beginning to have commercial possibilities, it was obviously of no value to Germany's self-sufficiency program, because the main raw material for its manufacture, isobutylene, which comes from oil refining, is not available in Germany in the necessary large quantities. If it were available, the first use for it would be to make 100 octane gasoline, which the Germans were never able to make on a large scale, for lack of the same type of raw materials. The same situation applies to Italy.

Military Implications Denied.

For the reasons stated, the disclosure of the butyl rubber at its early stage of development to the I. G. in 1938 was entirely consistent with the relationship of the parties, and could not possibly have had any political or military implications of any kind. All exchange of information was discontinued in January, 1940.

As to the allegation that Standard refused to disclose the product to the American Government, the facts are that in January, 1939, when only a few persons even considered the desirability of looking at the rubber problem in America from a military standpoint, Standard recognized the potentialities of butyl rubber in this connection, and brought it to the attention of the Army and Navy Munitions Board. We supplied samples produced in our laboratory to the Government and to several private companies at its suggestion. The report on these samples by these companies was to the effect that the product had promise but it was still of doubtful quality.

As to the allegation that butyl rubber is "cheaper and better" than any other rubber, the fact is, that while unquestionable cheaper than other synthetic rubbers, butyl is

rated at the present time as inferior to buna rubber.

At its present stage of development it is not suitable for hard service, which means it is not suitable for

most defense purposes, although the company has hopes that it will fill an increasingly large role in the present emergency in supplying passenger cars with tires.