

Rubber Data Hidden From Our Navy, Oil Chief Admits

Farish Refuses To Deny Charges By O'Mahoney Of Blocking Plant

700,000 Tons a Year

JESSE JONES announces contracts have been signed for 700,000 tons of synthetic rubber annually. Page 7.

'No Compromising Pacts'

By Windsor Booth
Post Staff Writer

Bald, perspiring W. S. Farish, president of the Standard Oil Co. (N. J.), admitted yesterday to the Truman Defense Investigating Committee that his company concealed from the Navy its processes for making synthetic rubber.

Nor did Farish deny charges by Senator O'Mahoney (Democrat), of Wyoming, that Standard Oil of New Jersey declined to help its sister company—Standard of Indiana—set up a synthetic rubber plant in O'Mahoney's own city of Casper, Wyo. O'Mahoney said Standard of Indiana had all the facilities for making synthetic rubber in Casper, but lacked the "know how"—processes controlled by Standard of New Jersey.

The hearing was marked by sharp clashes between Farish and committee members, Farish and the committee's counsel, Hugh Fulton, and between senatorial members themselves. Farish appeared fatigued after two grueling days of testimony, but he answered every question in his soft Mississippi drawl.

Willing to Stay on Stand

He complained there had not been sufficient time to prepare adequate answers to some of the questions asked him. He volunteered to stay on the stand until the committee was convinced:

1. That Standard of New Jersey has not retarded the synthetic rubber industry but has advanced it through research.
2. That his company has not formed an international cartel to control petroleum products vital to the war effort.
3. That the company has entered into no compromising agreements with the Germans and the Japanese.

Farish and F. A. Howard, vice president of Standard of New Jersey, when confronted with memoranda from the company's own files, admitted they withheld full information from the Navy on the butyl rubber process, although they were exchanging details with I. G. Farbenindustrie, the German chemical giant, until as late as January, 1940.

Butyl Process Concealed

Howard, after a heated cross-examination by Committee Counsel Hugh Fulton, agreed that I. G. Farben gave Standard no important

Farish Admits Concealing Data

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information on buna rubber after 1931, and he said that I. G. in 1940 refused to help Standard build synthetic rubber here, despite the fact that Germany and the United States were still at peace.

Such information from I. G.'s experience in building functioning rubber factories would have saved Standard thousands of dollars and would have hastened synthetic rubber production in the United States, Howard said.

Senator O'Mahoney drew the admission from President Farish that Standard concealed its butyl rubber process from Theodore A. Werkenthein, a Navy chemist sent by the Navy to inspect Standard's New Jersey synthetic rubber factory in 1939, when he read a note written allegedly by a company official.

"I took Mr. Werkenthein over to the "K" plant when it appeared that I could not very well steer his interest away from the process," the memorandum read. "I am quite certain that he left with no picture of the operations other than that a considerable amount of distillation and refrigeration is involved in the handling of the light hydrocarbons, and that refinery gas rather than straight butadiene is the raw material."

After reading it, O'Mahoney said, "I can very well understand why Standard Oil of New Jersey allowed itself to be trapped in the position of knowingly diverting the attention of a Navy representative."

Objects to Conclusions

Farish agreed that the memorandum was correct, but he objected vigorously to O'Mahoney's conclusion that Standard allowed itself to be trapped.

"Mr. Werkenthein was there on the invitation of the company," Farish said, and he expressed the belief that the government was interested only in the use, and not the production, of butyl rubber.

Farish said that all of Standard's information about petroleum-butyl rubber came from laboratory pilot units capable of producing half a ton of the synthetic a week. It was not until March 14, 1941, that Standard's engineers were ready to design a commercial unit that would operate satisfactorily.

"From that time forward," he said, "our progress was rapid. The first appropriation from our board of \$2,500,000 was made last June 11, and this original program was increased by a second appropriation of two million dollars on October 27. By the time of Pearl Harbor we had under construction 7300 tons a year of butyl rubber capacity with an estimated investment cost of \$4,500,000."

Standard stock instead of being consigned directly to the consumers, so that the Axis lines could obtain only small amounts that would be quickly used up.

The result of this policy, State Department sources said yesterday, was that after the Japanese attack on Pearl Harbor, both the Lati and Condor air lines were compelled to suspend operations and the personnel of their organizations was disbanded and placed under control by the Brazilian authorities.

Since Pearl Harbor, Farish said, Standard has been given a quota of 40,000 tons of butyl rubber but the plant, financed largely by the Reconstruction Finance Corporation, has not yet entered production.

Senator Herring (Democrat), of Iowa, a committee member, defended Standard Oil and its officials after yesterday's hearing. He said he thought the company ought to be permitted to help beat Hitler and the Japanese, "then put the company officials in jail if necessary."

Herring said he was convinced by the Farish testimony that "if Standard hadn't obtained the basic patents from I. G. Farben, we wouldn't have toluol, the base for TNT today. I think Mr. Farish will show that his organization was only carrying out the same practices that were engaged in by the big business corporations of America."

Senator Burton (Republican), of Ohio, another committee member, said he believed the investigation will result in the immediate release of synthetic rubber processes for the use of any company that can make it.

The hearing continues this morning at 10:30 with a Farish on the stand.

State Department

Reveals Cooperation

Supporting the testimony of W. S. Farish, president of the Standard Oil Co. of New Jersey, before a Senate investigating committee Tuesday, in which he denied that Standard had made shipments of gasoline to Italian and German air lines in Brazil "contrary to the wishes of the State Department," State Department sources disclosed yesterday that Standard had cooperated in moves which led to the closing down of the Axis air lines and their substitution by American planes.

The State Department, it was learned, requested of the Standard Oil Co. of New Jersey, during 1941 that supplies of gasoline to the Lati Air Line, operating a service between Italy and Brazil, and to the Condor Line, a German controlled line, which was furnishing a large part of the internal communications in Brazil, be delivered only from