

# Standard Oil Denies Withholding Butyl

By NATHAN ROBERTSON

PM's Bureau

WASHINGTON, Apr. 1.—The Senate Truman Committee was prepared today to show that Standard Oil Co. of New Jersey ignored the evidence already in Government hands when it denied yesterday the charges growing out of its patent relations with the German chemical trust.

W. S. Farish, company president, escaped cross-examination on most of his testimony which denied the charges laid before the Committee last week by Assistant Attorney General Thurman Arnold.

As he took the stand, Farish released to the newspapers a 26-page, carefully worded statement, which said there was "not a shadow of foundation" for the assertion that Standard had delayed the development of synthetic rubber in this country. He insisted his company had co-operated fully with the Government.

But on the stand Farish read his statement slowly and deliberately so when the day's session had ended he had read only the first 11 pages and was just reaching the important section on rubber. As a result he got his statement across in the newspapers without challenge from the Committee on the rubber story.

On one important point, however, he was tripped up. Explaining the 1939 wartime agreement with the German trust, which Arnold characterized as a "complete plan for a *modus vivendi*" for continuing the relations between the two companies during the war, Farish said, the State Dept. had in its files here a statement showing the company's relations on patent matters.

## Information Omitted

Hugh Fulton, Committee counsel, produced the statement in question from the State Dept. files. It turned out to be a 300-word letter from Hugh Wilson, then U. S. Ambassador at Berlin, accompanied by a chart supposedly showing the relations between the two companies.

Questioned by Fulton, Farish and his colleague, Frank A. Howard, vice-president of the company, agreed that neither the statement nor the chart showed any reference to the Jasco subsidiary in which the companies had pooled their important rubber patents under the control of the Germans.

Evidence in the Committee's hands shows that when the chart was filed with the State Dept. in September, 1938, the Germans were withholding their rubber secrets from Standard in violation of their agreement, on

## Bunk . . .

*Here's a sample of the bunk W. S. Farish, president of the Standard Oil Co. of New Jersey, handed the Senate's Truman Committee yesterday when he denied charges that Standard Oil had stifled development of synthetic rubber in the U. S. A.:*

"Can anyone doubt that Standard has co-operated fully and effectively with the U. S. Army and Navy in its Butyl rubber program?"

## . . . Because

*Last week Assistant Attorney General Thurman Arnold, appearing before the Truman Committee, read this confidential memorandum by a Standard official:*

"Mr. Werkenthin of the Navy's Bureau of Construction and Repair in Washington spent the day with us here in Bayway . . . to get firsthand information on . . . synthetic rubber. Mr. Werkenthin was particularly interested in ascertaining how far we had proceeded in the development of Butyl rubber. I took Mr. Werkenthin over to see the K plant when it appeared that I could not very well steer his interest away from the process. However, 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 light hydrocarbons, and that refinery gas rather than straight butadiene is the raw material."

orders from Hitler based upon military considerations.

That this unexpected development worried the company executives was shown by an incident immediately after the session adjourned. Newspapermen crowded around Fulton to get further details on the incomplete information filed with the State Dept.

As they talked to the Committee counsel, Farish and Howard pushed their way up to the Committee table and protested against the counsel's right to talk to newspapermen outside the Committee session. The newspapermen quickly and heatedly protested Farish's interruption. It was probably the sharpest and bluntest rebuke ever given to the head of the \$2,000,000,000 oil company.

Fulton and the newspapermen told Farish he had had his chance to explain the incident on the stand and had admitted the omission of the Jasco arrangement in the report to the State Dept.

The newspapermen told him their conversations with the Committee counsel were none of his business.

Standard's answer to Arnold's charges was a curious job of building up a record on the company's side of the case without any ref-



W. S. Farish, president of Standard Oil  
Photo by Wide World

erence to the damaging documents from the company's own files placed in the record by Arnold.

It contended, for instance, that ever since January, 1939, it had been giving the Government "full information" on the company's synthetic rubber activities. But Farish ignored the evidence from the company files that some time in 1939, when a Navy representative showed interest in the secret Butyl rubber, a company man had attempted to "steer his interest away from the process."

And in denying that it had delayed development of synthetic rubber in this country, Farish talked only of the period since 1939—ignoring the many years from 1932 to 1939 when, Arnold charged, it "frustrated" other companies' efforts to develop the process."

Farish also seemed to answer his own claims in one or two cases. He submitted a memo sent to the National Defense Commission in 1940 asserting that Butyl rubber never had been tested for tire purposes. Yet two years earlier the company had turned the process over to the Germans. The reason it had never been tested was that it had never been released to the rubber companies.

## Other Discrepancies

In another document, submitted to the munitions board in 1939, Butyl was described as a "high priced" synthetic rubber, although Arnold told the Committee that Standard had estimated its cost at far less than the going price of natural rubber.

There were many other discrepancies between Farish's testimony and the evidence from the company files. The company president told the Committee that Standard had never delivered aviation gasoline to the Italian Airline "except in conformity with the policy of the (State) Department." Yet he ignored this notation in the minutes of the company's executive committee:

"Secretary Hull . . . advised that if such shipments were contemplated from the United States an export permit would be refused. However, since the shipments emanated from outside the United States, Mr. Hull said he could only express the hope that it would not be necessary for such shipments to originate from any other place in the Western Hemisphere."

Farish testified that the reason Col. J. P. Harris, of the Army Ordnance Dept., helped duPont obtain a TNT contract in 1940 was that the Army had selected duPont to make an experimental test of TNT made from Standard's synthetic toluol. He did not explain a letter in the files indicating that the contract was to be let on competitive bid.

Sen. Connally (D., Tex.), who throughout the day intervened to defend Standard identified Col. Harris as the Army's chief expert on explosives. He said he had originally come to the Army from the duPont Co