

U. S. Far East Oil Property Sabotaged to Thwart Japs

Scorched Earth Policy Completely Wrecked It, Farish Tells Congress

By VIRGINIA PASLEY 4/3/42

A stark picture of the scorched earth policy was revealed here yesterday when W. L. Farish, president of the Standard Oil Company of New Jersey, told the Senate committee

investigating the rubber shortage how his company's employes in the Far East deliberately sabotaged its properties in the face of the Japanese advance.

"Our investments in the Dutch East Indies—Sumatra especially—which brought in 45,000 barrels a day, were destroyed by our own men according to previously prepared plans," Farish stated. "This was on the order, of course, of the Dutch government in line with the scorched earth policy."

"Completely Destroyed"

Farish explained that Standard owned half and the Dutch half of the Far Eastern company but that there were four American managers who had carried out the orders and informed him by cable of the fact.

"Not only the refineries but the pipe lines and the oil wells were destroyed," Farish added. "They left the tubing in the wells and pumped them full of cement. Our properties are thoroughly and completely destroyed."

The American managers, Farish said, escaped to Java and from there made their way to Australia "where they have joined General MacArthur's forces."

Divided Loyalty Charged

The revelation was prompted by a question from Senator Connally (D.), of Texas, chairman of the Foreign Relations Committee, and came after a heated debate between Senator O'Mahoney (D.), of Wyoming, and Frank A. Howard, Standard Oil vice president.

This was in connection with the discussion of Standard's position with regard to patent rights especially for synthetic rubber as a result of the agreement with the German I. G. Farbenindustrie.

"Your difficulty," declared O'Mahoney, "is that you are bound by two loyalties; one a loyalty to I. G. and its world cartel, and the other to the United States and its world policy. I am sure that your loyalty to the United States will prevail."

"Statement Is Unfair"

"I don't agree with your conclusion," Howard replied. "I think your statement is unfair."

O'Mahoney drew from Howard the fact that under its agreements made with I. G. Farben in 1929 to clear up the situation between them for the war period, Standard had agreed to make up after the war any financial inequalities that accrued to the German company. Howard reiterated that:

"Contracts of this type are not abrogated, but only suspended during a war between the parties' governments."

He added that under the consent decree which makes all the

joint patents royalty free for the war period, there will be no accrual to the German company.

At the opening of the third day of testimony the investigation to determine whether or not Standard Oil's cartel arrangements delayed the production of synthetic rubber in this country, Chairman Truman (D.), of Missouri, charged that the oil officials' testimony had been "incomplete."

"Their explanation is incomplete and that is a kind word," Truman told reporters. "They said that they will uncover everything and they will. We will make them uncover everything."

Reminded by reporters at the end of the unusually lengthy session that he had characterized Standard Oil dealings with the German company as treasonable Chairman Truman snapped a reply:

"Their testimony has not changed my opinion a bit."

Denies Shortage Blame

In an addition to his prepared statement, read at the conclusion of the afternoon session, Farish disclaimed any responsibility for delaying synthetic rubber.

"We didn't delay the rubber program," he stated. "That is clear. If an explanation for lack of rubber must be found, look to Japan. It took Pearl Harbor and the fall of Singapore to bring home to the people the rubber shortage in which we now find ourselves. Whatever the cause, the fact is we need rubber. The job before us is to get it. We have done and shall continue to do our best in co-operation with the Government to keep America on wheels."

Farish proposed also that the Government organize an industry large enough to take care of not only military needs but of essential civilian needs.

"Surprise Witnesses" Today

"The disappearance of the automobile," he pointed out, threatens to destroy the value of homes and upset the lives of families.

"The only limitation in expanding the supply of synthetic rubber for civilian use is shortage of prefabricated steel and other construction materials for the necessary plants.

"No other country can create a synthetic rubber industry as speedily or as effectively as the United States.

"None of us knows how long the war will last, but it is important that civilian automobiles should outlast the war."

Farish will return to the committee hearing today, bringing with him "two surprise witnesses," thus postponing Secretary of Commerce Jones' testimony for the third time.