

# Standard Oil Denies Ersatz Rubber Here Was Stifled

## Deal With German Trust Hastened Production, Farish Tells Senate Inquiry

### Newhall Is Rubber Czar

ARTHUR B. NEWHALL appointed "dictator" over rubber, natural and synthetic, in United States. Page 4.

### 'No Apologies'

By Windsor Booth  
Post Staff Writer

Standard Oil and the German Dye Trust, I. G. Farbenindustrie pooled their synthetic rubber discoveries before war was declared, with the result that development of synthetic rubber in the United States has been hastened, W. S. Farish, president of the Standard Oil Co. (New Jersey), told the Senate Defense Investigating Committee yesterday.

"Standard has no apologies to make for the part it has played and is now playing in the development of synthetic rubber," Farish said, alluding to charges made by Assistant Attorney General Thurman Arnold that the company "stifled" production of a rubber substitute.

"It brought to this country from Germany the I. G. buna rubber invention, now being used in the Government rubber program. Should this program be supplemented by petroleum-butyl rubber, it will be because Standard, through its experience gained in working with stanex, another I. G. (German) invention, succeeded in developing the butyl formula."

#### Cooperation in research

Farish said butyl rubber was the outgrowth of research conducted first cooperatively and then separately by the German company and Standard Oil.

"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," he said.

He emphasized that Standard's disclosure of the butyl formula to the Germans in 1938 "could not possibly have had any political or military implications of any kind." All exchange of information about the product was discontinued in January, 1940.

#### Denies Helping Japanese

Farish spent most of his time before the committee denying charges brought by Arnold that Standard Oil of New Jersey has carried on business with the Axis

He denied:

1. That as late as 1939, Standard Oil tried to "appease" Japan and continue doing business there without the knowledge of the State Department. He revealed that Standard Oil never did give the Japanese the 100-octane gasoline formula.

2. That after the fall of France, Standard Oil assisted German interests to establish hydrogenation plants in occupied France.

3. That the company made shipments to Italian and German airlines in Brazil, contrary to the wishes of the State Department.

4. That the company retarded "ersatz" rubber development.

He admitted that Standard helped its German subsidiary build a plant at Hamburg for the production of aviation gasoline "because we were not at war and we could not have done otherwise." He admitted that Standard made a deal to sell its Hungarian properties for 24 million dollars in gold, but was stopped by the State Department after the gold reached Lisbon; and he admitted that Standard made an agreement in 1939 with I. G. Farben to conserve the latter's interests while the war lasted.

"I wish to assert with conviction," Farish said, "that whether the several contracts made with the I. G. did or did not fall within the borders set by the patent statutes or the Sherman Act, they did inure greatly to the advance of American industry and more than any other one thing have made possible our present war activities in aviation gasoline, toluol and explosives and in synthetic rubber."

#### Hindrance Denied

Farish pictured his company as being a leader in developing synthetic rubber, and as having asked repeatedly for Government support which it was unable to obtain on a large scale until after the sneak attack on Pearl Harbor.

"Any charges that the Standard Oil Co. or any of its officers have been in the slightest respect disloyal to the United States is unwarranted and untrue, Farish said. "I repel all such insinuations with all the vigor at my command. I do so with indignation and resentment."

The committee will resume the hearing this morning at 10:30. Farish will again take the stand to answer questions about synthetic rubber.