

# F. D. R. AIDES OPPOSE PROBE

## ON HUGE OIL

### EXPORTS TO JAPAN

#### Tokio Still Gets 75% of Her Supply From U. S.

*(This is the first of a series of three articles on the officially sanctioned activities of American munitions makers in providing war supplies to the Axis powers as well as to Great Britain.)*

By Adam Lapin

(Sunday Worker, Washington Bureau)

WASHINGTON, D. C., June 14.—There will be an acute shortage of oil and gasoline in the Eastern United States within the next few months. Secretary of the Interior Ickes has urged gasless Sundays and less use of oil for heating homes.

But at the same time the Roosevelt administration is sanctioning the continued shipment of oil products to Japan for use in her war of invasion against the Chinese people.

The administration's attitude on war trade with Japan, and for that matter, on indirect shipments of war supplies to Germany and Italy, was made plain in testimony before the House Rules Committee on the Coffee-Gillette resolution by Assistant Secretary of State Dean Acheson and Brig. Gen. Russel L. Maxwell, Administrator of Export Control.

Senator Guy M. Gillette of Iowa and Rep. John M. Coffee of Washington have introduced a resolution for a joint House-Senate investigation of direct and indirect trade by the United States with the Axis powers.

At a time when President Roosevelt has pushed the United States to the very brink of war with the Axis, it would seem to the innocent observer that the administration would give enthusiastic support to the Coffee resolution.

#### SEEK TO BLOCK PROBE

Certainly, it would appear, that the United States government would not want nations which it has pictured as potential enemies to receive war supplies from this country. And it would seem further that the administration would want the people to know the facts about war shipments to the Axis powers.

But the truth of the matter is that the administration is actively opposed to the Coffee-Gillette resolution. Acheson and Maxwell, appearing on behalf of the administration, actually succeeded in blocking approval of the resolution by the House Rules Committee.

Two factors, which provide a most illuminating insight into administration foreign policy, are involved in the official opposition to the Coffee-Gillette resolution:

First, the administration is determined to continue shipments of oil and other war supplies to Japan as part of a general appeasement policy in the Far East which is still being carried out despite President Roosevelt's radio speeches attacking appeasement.

Second, the administration does not propose to disturb profitable business and trade relations which many American corporations still maintain with Italy and Germany as well as with Japan. There is involved, in short, a matter of dollars and cents.

The fact of the matter is that American businessmen with administration approval are continuing lucrative business relations with the Axis powers at the same time that they are sending huge shipments of war supplies to Great Britain.

America's munitions makers are playing both ends against the middle, and the administration is sanctioning this profitable two-timing.

Assistant Secretary of State Acheson testified behind closed doors when he appeared before the Rules Committee and so he spoke with unusual frankness about the administration's appeasement policy toward Japan.

#### FACTS LEAK OUT

Reliable reports which have leaked out from Rules Committee members have it that Acheson said that the stopping of shipments to Japan would be disastrous to the administration's far eastern policy and that even an investigation of this matter would be "unwise."

Acheson's testimony was an undiluted expression of the infamous appeasement policy.

Equally important is the fact that the administration's far eastern policy is at least in part designed to protect the interests of Standard Oil and of British oil companies which control a sub-

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# Roosevelt Aides Oppose Probe of Huge U.S. Oil Exports to Japan

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stantial portion of the oil supply of the Dutch East Indies.

Acheson himself represented the Ethyl Corporation, owned jointly by Standard Oil and the DuPonts, before the Supreme Court last year.

In a recent report to its employees, Standard Oil declared that it has in the conduct of its foreign business "constantly conferred with the Department of States and has endeavored to adhere strictly to the policy of our government." It is plain from Acheson's testimony that this is actually the case—that Standard Oil has been acting with the sanction and approval of the State Department.

## 75 PER CENT OF JAPAN'S OIL

And so despite a host of Presidential executive orders putting into effect a paper embargo, the United States continues to supply Japan with the vital oil and petroleum products which it must have if its planes and tanks and motorized equipment are to continue in operation against China.

It has been estimated that the United States is supplying about

75 per cent of Japan's oil requirements, including aviation gasoline. At least 300,000 to 900,000 barrels of oil are being shipped to Japan each month at the present time.

In addition to crude oil, other petroleum products such as lubricating oils and petroleum coke are also being shipped to Japan. In March, the United States exported 1,555,000 barrels of all types of petroleum products. The amount jumped from 1,279,000 barrels in February and 1,491,000 in January.

Between July 1, 1940 and March 15, 1941, Brig. General Maxwell told a House Appropriations Committee, 157,534,350 gallons of petroleum were shipped to Japan. It should be recalled that the President placed oil and petroleum products under export control in July, 1940, but this apparently was not intended to cut down shipments to Japan.

Although there has been a reduction in the amount of refined oil shipped to Japan within the past year because of increased United States military needs, the export of low grades of crude oil and aviation gasoline has increased considerably.

## EXPORTS TO JAPAN RISE

Japan got more motor fuel, of a lower grade, more lubricating oils and greases, more petroleum coke and other products in 1940 than she received in 1939 and 1938 when no export control was on the books.

Exports of certain types of motor fuel rose from a value of \$5,433,000 in 1939 to \$14,889,000 in 1940. Exports of miscellaneous lubricating oils jumped from \$1,800,000 in 1939 to \$7,483,000 in 1940. The value of petroleum coke exported skyrocketed from \$212,000 in 1938 to \$1,149,000 in 1939. Obviously the Japanese are making full use of the lower types of petroleum and oil to satisfy the needs of their huge war machine.

Brig. General Maxwell admitted that the oil being exported while of "an inferior quality" was being used by Japan and that she was getting along on it.

There is also the strong possibility that much of the oil being shipped to several of the smaller

Latin-American countries is being transported to Japan on tankers previously used for carrying oil from the United States.

These shipments to Japan have a very vital bearing on the shortage of oil for American consumers which is now said by administration officials to be impending immediately.

## ANOTHER REASON

There is, of course, no real shortage of oil in the United States. The shortage which is now hitting the eastern United States is in transportation facilities, and particularly in tankers.

This shortage in transportation facilities has been aggravated by the recent transfer of 50 tankers to Great Britain.

But it has also been aggravated by the diversion of a substantial number of tankers which are used for transporting oil to Japan as well as to Germany and Italy via the Canary Islands and Spain.

The Maritime Commission reports that 30 tankers have been transferred to the registry of Panama, Brazil, Venezuela and other Latin American countries since the start of the war in September, 1939.

As recently as March 24, Bethlehem Shipbuilding Company completed a huge 16,550-ton tanker for Petroleum Shipping Company, Ltd., which is a subsidiary of Socony-Vacuum Oil Company. Hence this ship is under Panamanian registration.

It is understood here that many of these transferred tankers are engaged in shipping oil to the Axis powers. They are thus able to avoid violation of the Neutrality Act or the opprobrium of making shipments directly in American boats.

Obviously enough these tankers could be used to alleviate the impending shortage of oil in the East—but that would be contrary to the administration's policy enunciated by Acheson.

In the next article of this series we will look into indirect shipments of Standard Oil and other companies to Italy and Germany.