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**The Oil Monopoly Stays in the News—
Great American Oil Companies Play
a Prominent Part in International Re-
lations—Wars and Neutrality Laws
Annoy Them Little**

SPEECH
OF

HON. JOHN M. COFFEE

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 1, 1941

Mr. COFFEE of Washington. Mr. Speaker, the activities of the American oil monopoly in selling their products throughout the world, have too often been overlooked by the American public. In this connection, some recent newspaper articles should prove of interest. In the Washington Post of March 20, 1941, Senator JOSEPH C. O'MAHONEY, of Wyoming was quoted in connection with a speech he delivered at a dinner meeting of the Washington, D. C., branch of the American Association of University Women. Among other things, the Senator discussed certain integral aspects of the oil monopoly and their operations in world trade. I quote:

[From the Washington Post of March 20, 1941]

SENATOR O'MAHONEY ASSAILS AIR LINE IN
SPEECH HERE

Charging that the Pan American Air Transport Co., "a creature of the State of Delaware, is doing what the Constitution prohibits the State which created it from doing," Senator JOSEPH C. O'MAHONEY, of Wyoming, declared last night that "the modern phenomenon of big government seen simultaneously in Europe and America is a result primarily of big business."

Addressing the dinner meeting of the Washington branch of the American Association of University Women at the clubhouse last night, he said that the Senate Committee on Appropriations is now considering the opposition of the Pan American Air Transport Co. to the appropriation of \$1,250,000 for the establishment of a competing air service across the Atlantic Ocean.

"Pan American has entered into a contract with the Government of Portugal," he said, "by which it has bound that Government not to grant landing rights to any other American company. The Constitution of the United States provides that no State shall enter into any contract with any other State or with any foreign power without the consent of Congress.

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"Pan American has subsidiary corporations in at least 18 or 20 foreign countries, and no agency of the Federal Government has as yet been consulted about the terms of any one of these contracts.

"The War Department and the State Department are today gravely concerned over the problem of oil going to the Axis Powers," he said. "Socony Vacuum Oil Co. has a subsidiary corporation in Hamburg, Germany. The Dutch Shell Oil Co., which through one of its subsidiaries, the Shell Oil Co., delivers and sells gasoline in Washington, is now under the control of Herr Hitler. It has vast oil resources in the Dutch West Indies.

"The Standard Oil Co. of California, which has been shipping oil to Japan from California, and the Texas Oil Co. both own oil deposits in the Bahrain Islands in the Persian Gulf and in nearby Saudi Arabia. An embargo by the American Government on the exportation of California oil to Japan would not touch either of these Asiatic sources of oil supply," he pointed out.

Mr. Speaker, in the Washington Times-Herald of March 15, 1941, there is a very arresting story concerning the operations of major oil companies in connection with international trade. While we have been told by prominent Government officials and students of international affairs that we have been embargoing the export of high-grade oil to Japan, the facts disclose that we have actually increased our shipments thereof to Nippon. In a subsequent speech, Mr. Speaker, I shall implement this statement with statistical data, having secured it with some trouble and the expenditure of a great deal of effort in the isolated files of Government bureaus. It is an amazing and disturbing fact that we are permitting oil companies operating in the United States to grow increasingly fat upon the annual profits they derive from the sale of very valuable lubricating oil and high-octane gasoline to the Japanese. Actually boycotting the aggressors and thereby assisting the democracies is not the general practice of this country, though we are told that it is. Of what avail is it to loan vast sums of money to the Republic of China while we permit, directly and indirectly, shipment to Japan of 100 octane fuel? To me it is outrageous and cause for an investigation by Congress. Who and what are the mysterious forces at work which are subverting and preventing effective quarantining of aggressor nations? How is it that these great oil companies are so potent in international relations that they can overcome the established and declared attitude of the United States Government in requiring licensing of exports of ma-

tériel of war? The article speaks for itself:

[From the Washington Times-Herald of March 15, 1941]

**UNITED STATES FIRMS DEFEY CURB ON OIL FOR
JAPANESE WAR MACHINE—EMBARGO THREAT
BOOSTS FLOW TO ORIENT; HEAVY DIVERSION
TO GERMANY REVEALED**

(By Pat Frank)

Military circles expressed fears yesterday that even if all categories of oil for Japan were embargoed, big American oil companies with fields outside the United States would continue to supply the Axis partner with huge quantities of fuel.

These fears were expressed, despite administration efforts to curb the flow of strategic petroleum products to Nippon and recent indications by President Roosevelt that the country's wide-open policy in regard to oil might be changed, although he has never said when such a change might occur.

UNITED STATES FIRMS INVOLVED

It was pointed out in military circles that if such an embargo came about, sales from foreign fields would be made outside the jurisdiction of Gen. Russel L. Maxwell's export control division.

"When we shut off new categories of fuel to Japan, watch that trade be shifted to the Bahrain Islands," an oil man told this correspondent.

In these islands and in near-by Saudi Arabia the Texas Co. and the Standard Oil Co. of California, the two companies with tremendous interests in the Far East, have opened up immense oil reserves. Together they own the Bahrain Petroleum Co., Ltd., formed for the express purpose of supplying eastern and southern Asia.

OIL STILL FLOWING

Japan with its war machine poised to strike at the Dutch East Indies, Singapore, and even the United States itself, is still obtaining hundreds of thousands of barrels of American oil.

The export-control division set up by Presidential order and military proclamation has succeeded in shutting off the flow of 100-octane aviation gasoline from the United States to Japan. But other fuels—including the oil that powers Japan's battleships—are being sluttled across in increasing quantities.

And Japan still gets its aviation gasoline. It gets some in American tankers from Venezuela, Mexico, and the far-off Bahrain Islands. It gets some from the frightened Dutch East Indies. And it makes some with an American process now in the hands of Germany.

HUGE EXPORT IN JANUARY

In the month of January—the latest month for which figures are available at the Bureau of Foreign and Domestic Commerce—the United States sent 647,708 barrels of gas and distilled fuel oil to Japan. This was away over the monthly average for 1940, which was 425,515 barrels. To naval officers this is significant, for it's the kind of oil that operates Japan's fleet.