

Third Open Letter to John D. Rockefeller, Jr.

PM 4/7/42

Dear Mr. Rockefeller:

Not all the Standard Oil patents we need to win the war are covered by the consent decree into which Teagle, Farish and Howard have entered.

For these other patents we remain dependent on the good will and good faith of Teagle, Farish and Howard.

The patents made available by the consent decree are worth little without the know-how to put them into production.

For this know-how we are dependent also on the good will and good faith of Teagle, Farish and Howard.

Thurman Arnold told the Senate Truman Committee that we could not expect the proper development of synthetic rubber unless these patents are really open to anyone and the know-how is really given to everyone and the Government is constantly vigilant to see to it that there is no resumption of this cartel arrangement."

If Arnold, who negotiated this consent decree, speaks of the need for making sure that the patents are "really open to anyone" and the know-how "really given to everyone," the consent decree must have its loopholes.

If Arnold still believes constant vigilance necessary, he must lack confidence in Teagle, Farish and Howard.

There are quarters in which Teagle, Farish and Howard deserve confidence.

Teagle, Farish and Howard deserve the confidence of the Nazi Government and of its Italian and Japanese allies.

They do not deserve ours.

Neither do they deserve the confidence of our Russian and British allies, much less that of the Chinese.

Teagle, Farish and Howard managed to subdue any qualms they may have felt about the aid their practices gave to the Nazi war machine.

But when they formed an international patent-pool to control the extraction of oil from coal by hydrogenation, there was a clause in the agreement prohibiting the use of these patents by the Soviet Union, unless it chose to become an economic vassal and produce synthetic oil for export under the directions of the international oil trust.

The Soviet Union is not the only country to which they denied the benefits of patents for the making of oil from coal.

Teagle, Farish and Howard joined with their German partners in I. G. Farben to force England's Imperial Chemicals to restrict production of oil from coal in Great Britain and "to persuade the British Government that it was inadvisable to erect hydrogenation facilities in England for the production of synthetic fuel."

No doubt, German armies moving on the Caucasus and Japanese navies operating in the Indies remember this with gratitude as they fight to shut off Russian and British sources of natural oil.

No doubt, the Germans, Japanese and Italians are equally grateful as they remember the favoritism Teagle, Farish and How-

ard showed the Axis in the case of butyl rubber.

There is no need to enter at this time into the question of whether or not Standard Oil was willing to make the butyl process available to the U. S. Army and Navy. The Army and Navy do not manufacture rubber.

The undisputed fact is that Standard Oil had made information on butyl available to the Reich and its allies before making it available to our own country and its own allies.

When an Italian company wrote to Standard Oil in December, 1940, for information on butyl, it was referred to I.G. for the facts it needed.

When a British company wrote to Standard Oil in May, 1941, for information on butyl, and samples of this new synthetic rubber, Standard refused to supply either.

Teagle, Farish and Howard may be surprised at the attacks upon them. In their own eyes, they are as patriotic as the rest of us.

If they tried to stop England from making synthetic oil, it was for good business reasons: they sell oil to the British.

If they tried to keep competitors from obtaining their butyl patent, it was for good business reasons: they wanted to keep the patent and the profits to be made on it to themselves.

If they trickled to I.G., the Nazi chemical trust, it was for good business reasons: they didn't want I.G. to flood world markets with

synthetic oils competing with Standard's natural oil.

In their eyes, the only thing wrong with them is that they acted like good business men.

And that is precisely what is wrong with them now.

Men who subordinated all considerations of patriotism and humanity to "good business," to the restriction of output and the maintenance of monopoly, cannot be expected to change the habits of a lifetime and make an all-out effort.

Men who continued, though it was for good business reasons, to be the economic allies of the Axis for months after the war began cannot feel as deeply about the menace of Fascism as the rest of us; and a total war cannot be won under the leadership of the half-hearted.

Can we, in the light of their record, depend upon the good will and good faith of Teagle, Farish and Howard? Can we depend upon them to forget about the maintenance of Standard Oil's monopoly and think only of the U. S. A.'s safety? Do we want to risk our country and our children on the gamble?

You must decide and decide quickly, Mr. Rockefeller, whether you choose to leave Standard Oil and its vital patents in the hands of Teagle, Farish and Howard.

Your answer will decide whether it is safe to leave those same resources in yours.

-I. F. STONE.