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Economic Warfare Section
War Division
Department of Justice
Washington, D. C.

Confidential Memorandum
November 9, 1942
Re: Formosa Oil Refineries:
Three Plants sold by
Southwestern Engineering
Co. to Japanese
Submitted by: Moon Chan
Antitrust Division
Department of Justice
Los Angeles, California

MEMORANDUM

Formosa Oil Refineries Sold to Japanese by South-
western Engineering Co., Los Angeles

(Correction of Previous Estimate made for BEW by official of Southwestern Company)

The Southwestern Engineering Company sold three oil refineries to Mitsubishi for use in Formosa. Two of these were installed by Southwestern Engineering Co., and one by the Japanese. The installing engineer for Southwestern Company, Edward Carlton, now with Socal Oil Company at Huntington Beach, California, made a complete report on these refineries in the spring of this year. This report was submitted to BEW by Alvin Eichholz, former Department of Commerce employee in Los Angeles.

After the report was made, Mr. Cupp, purchasing agent for Southwestern, was informed of sales of maintenance and replacement equipment by other companies to Mitsubishi. Using this information as a basis, Mr. Cupp estimates that the three refineries are now capable of producing a total of 45,000 gallons of gasoline per day. These refineries, as originally installed, could produce only 15,000 gallons daily. At the time of installation the refineries were not equipped to produce high-octane gasoline, and it is questionable whether they are now equipped to do so.

Located near a river, the refineries are approximately 65 miles inland from a naval base. The gasoline is probably piped into the naval base from these refineries, Mr. Cupp believes.

Source

Interview with Messrs. F. H. Raykalin and Norman Cupp, Southwestern Engineering Co., 4800 Santa Fe Avenue, Los Angeles. Mr. Raykalin is personnel director and Mr. Cupp is purchasing agent for this company, which manufactures mining and petroleum equipment.