

FARBEN UNION WITH FORD CO

Alliance Seen as Mutually Beneficial as Both Sell to Same Clients

From THE WALL STREET JOURNAL Berlin Bureau

BERLIN—H. F. Albert, former Reich minister and now legal representative for Ford in Germany, as well as a director of the Ford Motor A. G., told a Dow-Jones correspondent that recent abandonment of the public issue of Ford shares and their sale to I. G. Farbenindustrie was dictated by the Ford policy of interesting the citizens of every country where Ford cars are produced or assembled in the development of the enterprise.

"In all European countries concerned," he said, "it had been found almost impossible to prevent the shares offered from finding their way onto the Curb Market in New York, and in Germany this problem was greater than ever, because of Germany's lack of capital. By turning over the shares to shareholders of the I. G. Farben we could make certain that 40% of the capital of 15,000,000 marks would remain in German hands."

Asked what are the relations between Ford and Farben, Dr. Albert replied:

"Farben has recently been producing articles in which Ford is very highly interested. I may mention the light metal alloys, which are as hard as the best steel and weigh only a third as much, artificial leather and synthetic gasoline.

"It is well worth while for Ford to be on friendly relations with a company which turns out these products as well as varnish and celluloid. Thus, Edsel Ford joined the board of the American I. G. Chemical Corp. But Farben has also much to gain by development of the automobile in Europe, and thus Bosch became a member of the German Ford Co. board.

"There is a second link between the two concerns. They have the same clients, for the farmer who buys a Ford tractor is also buyer of nitrogenous fertilizer, of which Farben is the biggest producer. Cooperation in the agricultural market is in the interest of both companies."

Dr. Albert stated that in the past four months Ford had greatly enlarged its Berlin assembly plant and is turning out between 50 and 60 cars daily against orders already booked. He believes the German market capable of big development, and says there is room enough for both German and foreign makes.

Ford tractors will not be assembled in Germany, but in Cork, Ireland, and shipped thence, but German industry will receive increasing orders not only from the Berlin plant but from those in Cork, and also in Detroit. In respect of every part of the Ford car, investigation is being made into the advantages of importing or manufacturing in Germany. Dr. Albert estimates 70% of the sale price of the Ford car remains already in Germany, representing German material, customs, taxes and wages. Ford has also been shipping Bosch magnetos to Cork and celluloid to Detroit.