

OIL INTERESTS PLAN WORLD CONFERENCE

Meeting to Be Held Here at an
Early Date to Discuss a
Proration Agreement.

NEED FOR RESTRICTION SEEN

International Accord Sought by
American Producers to Avert
New Fight for Business.

An international oil conference is to be called shortly by American interests in an effort to bring the world's largest producers together in an agreement that will prevent further overproduction. This plan, in which most of the large producing interests of this country are participating, follows the recent settlement of the quarrel between the Standard Oil Company of New York and the Royal Dutch Shell interests in Europe growing out of the former company's purchase of Russian oil products.

With that troublesome quarrel adjusted, American oil interests are seeking to avert another fight that might disturb the world markets. An effort will be made to have representatives of the Royal Dutch, the Anglo-Persian Oil Company, which is controlled by the British Government; the Turkish Petroleum Corporation, which is developing the Mosul fields, and other foreign companies meet in New York with officials of the most important American companies to discuss a world-wide proration agreement such as has been applied successfully in solving the problem of excessive production in the prolific fields of Oklahoma and Texas.

Officials of the large Standard Oil companies and of the bigger independent oil companies in this country are interested in the plan. The Royal Dutch Shell interests, it has been indicated, will cooperate wholeheartedly. The British-controlled companies are also expected to take part.

Need of World-Wide Restriction.

The need of a world-wide curtailment plan has been brought home to the large petroleum companies by the rapid development of oil properties in the Western part of the United States, in Venezuela, Colombia and in the Mosul territory of Mesopotamia. The last-named field is being developed through the joint efforts of four international groups, American, British, French and Belgian. Five American companies, the Standard of New Jersey, the Standard of New York, the Pan-American Petroleum and Transport Company, the Gulf Oil Corporation and the Atlantic Refining Company, hold a 25 per cent. share in the project.

Venezuela, Colombia and Mosul now are the oil-producing territories which promise to bring on another race for production such as developed in the United States about a year and a half ago and resulted in a severe unsettlement of the balance between output and demand. Venezuela has become the second largest oil producing country in the world, outstripping both Russia and

Mexico and taking rank next to the United States. The Colombian oil production has been growing by leaps and bounds for some time. Mosul is still an unknown factor, but the few wells that have been brought in have demonstrated that it has great potentialities. The American situation is well in hand as a result of the various curtailment agreements, but there is no restriction on output in Venezuela, Colombia, Mexico, Russia, Persia, Rumania or the Mosul field, which is in the Kingdom of Iraq.

A. C. Debenham, a representative of the Royal Dutch interests, came to this country some months ago in an effort to bring about an agreement to limit production in Venezuela. Because his companies and the Standard of New York were engaged at that time in a violent quarrel over the latter's trade relations with the Soviet Government, nothing came of the effort.

International Accord Sought.

Now that the differences of the Royal Dutch and of the Standard of New York have been adjusted, American oil interests have taken the lead in bringing about an international accord on the subject of oil conservation and supply. The date of the meeting will be announced shortly. Until the details are worked out the executives behind

the movement prefer not to have their names announced.

It was pointed out yesterday that the position of the American oil industry has not improved greatly as a result of the curbs put on production in certain areas. There was, on May 31, about 610,000,000 barrels of oil in storage in this country. The cost of carrying this is about 25 cents a barrel. The American oil companies have not made a great deal of progress in liquidating their huge inventories.

With these supplies of oil on hand, which are costing huge sums to carry, the American companies are now threatened with a new competitive struggle for the markets of this country. The Standard of New Jersey has invaded the Pennsylvania territory heretofore regarded as the exclusive marketing area of the Atlantic Refining Company. There is talk of the Standard of New Jersey and Atlantic Refining coming into New York State, in which the Standard of New York long has been the principal marketer. The Royal Dutch Shell has arranged to market its gasoline in New England and oil interests understand the plan of that organization is to establish a country-wide marketing system.

The plan for a conference of the principal producers of the world is designed to bring about a stabilized situation that will prevent the general fight for business that is now threatened.