

ROYAL DUTCH READY TO BATTLE STANDARD

Plans to Carry Fight to Any
Market in Which Rival Tries
to Sell Russian Oil.

'STOLEN GOODS,' IT REPEATS

New York Standard Balked Efforts
to Have Soviets Pay for Confis-
cated Properties, Airey Asserts.

The Royal Dutch-Shell group served notice yesterday, in a statement issued through its New York representative, Richard Airey, that it will carry its fight against the Standard Oil Company of New York to any country in which that company attempts to dispose of Russian oil. In language as emphatic as that in which the Standard of New York on Sunday set forth its position in the Russian oil controversy, the Royal Dutch announced its intention to continue the competitive struggle that has started in the oil markets of India and which threatens to spread elsewhere.

The Royal Dutch statement repeats the charge made by Sir Henri Deterding, its managing director, that the Standard of New York in purchasing Russian oil is trafficking in "stolen goods." Mr. Airey indicated to newspaper men in an informal discussion of the statement that the feud between his company and the Standard of New York cannot be settled so long as the latter company markets Russian oil or until the Russian Government adjusts satisfactorily the question of compensation to the owners of oil properties that were confiscated under the Soviet's "nationalization of industry" program.

Speaks for the Royal Dutch.

While Mr. Airey issued the statement over his own name, he announced that he was speaking for the Royal Dutch group, and it was understood that he was doing so under authority cabled to him by Sir Henry. The statement follows:

The Standard Oil Company of New York's statement that they are taking a loss in India of \$4,000,000 per annum, owing to substituting Russian oil for American oil, is a big penalty to pay for lack of

foresight. The negotiations which they mention as having been carried on continuously from May to December, 1926, inclusive, had two objects:

Firstly, to obtain compensation for the former owners of the Russian oil lands, which had been confiscated without compensation by the Soviet Government. Secondly, to prevent a demoralized market. If these negotiations had been successful the oil would have been shared with other companies and so insured a steady market. The question of compensation for the former owners was being seriously entertained, but the action of the Standard Oil Company of New York prevented its success as by their purchases relief was given to the Russian Soviet and they no longer had any reason to consider provision for the former owners.

So long as the Standard Oil Company of New York was marketing American oil in India things went along as usual, but with the importation of Russian oil, which is described by Sir Henri Deterding as "stolen goods," to substitute the American oil, the Royal Dutch Shell group decided to try and prevent it being marketed and will continue to do so.

I do not anticipate a price war in any other country, but this is entirely in the hands of the Standard Oil Company of New York. If they ship Russian "stolen goods" to any other country, the Royal Dutch-Shell group will fight it.

No Cause to Fight as Yet.

Mr. Airey said that up to this time the Standard of New York has been marketing only American oil in China and he saw no reason, under present circumstances, for a fight between the two organizations there. Should the Standard of New York begin using Russian oil there, however, the Royal Dutch will offer resistance, he indicated. The same course will be pursued in any other country in which the Standard of New York tries to market Russian oil.

Mr. Airey denied reports that the Royal Dutch was preparing to retaliate against the Standard of New York in its American markets. There has been no recent extension of the markets of the Royal Dutch subsidiaries in this country, he said.

The efforts to have the Russian Government compensate the former owners of the oil properties seized were frustrated by the Standard of New York, in the opinion of the Royal Dutch interests. Mr. Airey said he understood the Soviet Government at one time was willing to arrange some plan of compensation.

He said he did not know whether it was true that the Soviets, in their contracts with the Standard of New York and the Vacuum Oil Company, had agreed to set aside a portion of the proceeds of the sale of oil as a fund to be used eventually in the settlement of the claims of the former owners of oil properties in Rus-

sia. It has been reported from time to time that such an agreement was made.

Views on British Isles.

Mr. Airey said that if the Vacuum Oil Company was planning, as reported, to begin marketing gasoline in the British Isles in competition with the Royal Dutch Shell the project probably has no relation to the dispute over Russian oil.

Officials of the Standard Oil Company of New York had no statement to make yesterday in reply to that by Mr. Airey. An official who is usually the spokesman for the company declined to make any comment. He did not know whether the company would issue a statement later.

The Standard Oil Company of New Jersey remained silent yesterday in the controversy, which it originally precipitated by a statement last Summer given out by Walter C. Teagle, its President, disapproving the purchase of Russian oil and indicating agreement with the position of Sir Henri. Mr. Teagle is out of the city.

Deterding Defiant in Reply.

LONDON, Jan. 17 (AP).—The price-cutting war between the Standard Oil Company of New York and the Royal Dutch-Shell Company of Europe will continue without quarter, Sir Henri Deterding, head of the Royal Dutch-Shell, said in a statement answering declarations of the Standard Oil Company.

Sir Henri declared he had nothing further to add to his statement of six months ago criticizing the Standard for buying Soviet oil and that he would stand by his former statements.

The Financial Times said today:

"This price war, made possible only by overproduction, must continue, and though the immediate results may be disconcerting there is no reason why European interests should despair of the ultimate issue."

The paper asserted that the Stock Exchange foresaw the price war, assumed the conflict would adversely affect the Royal Dutch-Shell interests and marked down the company's shares.

A dispatch to The Daily Mail from Rangoon says that the Indo-Burma Petroleum Company has passed its interim dividend, stating its losses are due to competition with Russian oil.

The Rangoon Gazette is quoted as saying editorially that Russia stole her oil and therefore is able to undersell her competitors. The Gazette demands that the "stolen oil" be forbidden to enter India. The paper alludes disapprovingly to the connection of the Standard Oil Company of New York with Russia.

The Mail's Bombay correspondent says the Standard Oil Company has obtained a lease in Bombay for the erection of storage tanks, but it is expected that it will be six months before the company can import.