URGES US TO JOIN WORLD OIL CARTEL

Royal Dutch Shell Official Would Have United States Confine Share to Export Regulation.

FOR FIVE-YEAR AGREEMENT

Article Suggests Cooperation by All Other Countries With Excess Foreign Shipments.

Advocating a world program to end the overproduction of petroleum, J. B. A. Kessler, joint managing director of the Royal Dutch Shell group of companies, proposes that the United States, because of the anti-trust laws of this country, participate in the suggested international cartel as a limited partner. He would have the United States confine its interest to the regulation of exports.

Mr. Kessler's views are outlined in the March issue of World Petroleum. He recalls that in October, 1931, he offered a suggestion looking to an international conference of oil producers to consider a "plan of rationalization based upon an all-around reduction of output." The plan was endorsed by the Rumanian Oil Industrialists, who proposed that the American Petroleum Institute call a conference. The invitation was declined for the reason, it is understood, that the American oil interests feared an agreement to curtail production might be in conflict with the anti-trust laws.

Proposes Export Agreement.

Under an amendment to the original plan, Mr. Kessler suggests that the oil interests in the United States enter into an agreement that for five years their exports shall not exceed imports by more than a specified amount. His idea is that other countries, including Russia, Venezuela, Persia, Rumania, Mexico and smaller producing areas, would enter into a compact under which the oil interests in each country could determine the quantity of petroleum products to be exported. Each group would pay into a central fund a tax of say 8 cents a barrel on the agreed production quota and would withdraw from the fund a stipulated sum, say 40 cents, for each barrel short of the fixed quota.

Mr. Kessler's statement continues:

"As it is not at all unlikely that world consumption will continue to drop for a certain period, this first call on the export markets is a great advantage to the United States, and in order to prevent the possibility that the United States, after making use of this advantage, might cancel the arrangement as soon as world consumption went up again, it is clear that the United States oil industry should undertake not to cancel the agreement for a period of, say, five years.

"For the purpose of cooperating with the rest of the world under this plan the United States oil industry should revive the now dormant export petroleum association and vest in it the necessary authority to represent the United States oil industry as one cooperating unit under this plan.

"It is proposed that all other oil-producing countries whose exports are larger than their imports shall cooperate under the plan.

Would Include Russia.

"In my original plan I left Soviet Russia out for several reasons. Many of the comments on my scheme received from various quarters express the opinion that without Soviet Russia it could not work satisfactorily. I therefore now propose that Russia shall take its place with the other producing countries cooperating under the scheme.

"From the part which the United States oil industry would take in this plan, as mentioned above, it is clear that the world's oil markets, excluding the United States home market, are affected by United States production to the extent of the excess of United States exports over imports, i. e., 6,000,000 barrels of gasoline plus 2,000,000 barrels of kerosene plus 2,500,000 barrels of other products equal 10,500,000 barrels of products per quarter, or 42,000,000 barrels per annum.

"The total quantity of oil produced affecting the world market outside the United States would therefore be the sum of the above 'declared minima,' i. e., 468,000,000 barrels per annum plus the excess of United States exports over imports—42,000,000 barrels per annum—equal 510,000,000 barrels per annum."

ACCORD ON COPPER STILL IN ABEYANCE

But Negotiations Will Continue—Price of Metal for Export Reduced.

Conferences of representatives of the leading copper companies on a plan for stabilizing their industry were continued yesterday without an agreement being reached. Although they have agreed on a curtailment in output to 20 per cent of capacity, they have been unable to reach an accord on new rules for Copper Exporters, Inc.

Several representatives of foreign copper companies are scheduled to sail tonight on the Majestic. If an agreement is not reached today, it was believed likely that Copper Exporters will continue to function temporarily under its old rules and that negotiations looking to the establishment of new regulations will be carried on by cable. The representatives who are to sail tonight are Fernand Pisart, managing director of the Katanga Mine of Belgian Congo; Sir Auckland Geddes, chairman of the Rhokana Corporation and the Rio Tinto Company of Rhodesia, and Arthur D. Storke, managing director of the Roan Antelope Copper Mines of Rhodesia.

The price of copper for export was reduced yesterday three-eighths cent a pound to 6¼ cents a pound on special offerings provided for under Copper Exporters' rules. The domestic price was unchanged at 6 cents a pound.

BUSINESS NOTES.

The Dry Goods Alliance, 20 West Thirty-third Street, will hold the following meetings next week: On Wednesday, buyers of notions, and on Thursday, toilet goods.

Mrs. Zula South of Birmingham, Ala., was awarded first prize of $500 in the national shoe design contest, sponsored by the Kid Leather Tanners of America, at the Hotel Astor last night. Prizes were also awarded to eleven other contestants.

The Reuss Studio, Inc., silk designing, formerly of 29 West Thirty-fifth Street, will formally open its new headquarters today at 1,450 Broadway.

Business records and new incorporations on Page 26.