

FOREIGN CLAIMS SETTLEMENT COMMISSION
OF THE UNITED STATES
WASHINGTON 25, D. C.

IN THE MATTER OF THE CLAIM OF

STANDARD-VACUUM OIL COMPANY
1000 Westchester Avenue
White Plains, New York

Claim No. SOV- 41, 789

Decision No. SOV- 2977

Under the International Claims Settlement
Act of 1949, as amended

gpo 16-79126-1

FINAL DECISION

The Commission issued its Proposed Decision on this claim on January 26, 1959 , a copy of which was duly served upon the claimant. No objections or request for a hearing having been filed within twenty days after such service and general notice of the Proposed Decision having been given by posting for thirty days, it is

ORDERED that such Proposed Decision be and the same is hereby entered as the Final Decision on this claim, and it is further

ORDERED that the award granted pursuant thereto be certified to the Secretary of the Treasury.

Washington 25, D. C.

MAR 30 1959

Whitney Hilliland

L. R. Pace

Robert L. Kunzig

COMMISSIONERS

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GPO 16-72120-1

PROPOSED DECISION

This is a claim for \$897,586.02 by Standard-Vacuum Oil Company, against the Soviet Government under Section 305(a)(2) of the International Claims Settlement Act of 1949, as amended.

Claimant asserts that the claim originally arose during the period September 2, 1919 to April 20, 1921 in favor of its predecessor Standard Oil Company of New York (hereinafter referred to as "Standard") and that the claim is based on:

- (1) Accounts Receivable. Amounts due for lubricating oil and kerosene, and freight charges thereon, sold by Standard to the Ministry of Ways and Communications for use by the Trans-Siberian Railway, in the amount of - - - - - \$ 389,354.94
- (2) Stock losses. Confiscation of kerosene at 8 points along the Trans-Siberian Railway which, according to the Statement of Claim, is valued at - - - - - \$ 508,231.08

With respect to that part of the claim based on "Accounts Receivable", the evidence discloses that between August and November 1919 Standard's representative sold and delivered to one Engr. N. V. Turba, acting as representative of Ministry of Ways and Communications of the Kolchak-Siberian Government, a quantity of lubricating oil and kerosene the price of which, together with adjusted freight charges, amounted to \$455,315.02.

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On account thereof, Standard received payment of \$65,960.08 from Colonel John F. Stevens, who, in his official capacity as President of Allied Technical Board cooperating in the operation of the Russian Railways, guaranteed payment of certain purchases made by Turba, leaving a balance of \$389,954.94 due and owing to Standard by the so-called Kolchak Government. The question presented is whether the claim for this balance is compensable under Section 305(a)(2) of the Act.

When the Soviet Government (Bolshevists) assumed power on November 7, 1917, as the result of their successful revolution against the so-called Kerensky regime, they acquired dominion over certain areas which formerly constituted the empire of the Imperial Russian Government including control of the Trans-Siberian Railroad. The Trans-Siberian Railroad was the main, if not sole artery for the transport of troops and military supplies in Siberia.

After the Soviet Government came into power, armed forces under the command of Admiral Kolchak embarked on a counter-revolutionary movement. On November 18, 1918 Kolchak assumed the title "Supreme Ruler of Russia". Before that date, intervention of the allied powers in Siberia was in full swing and as the result of their military operations, aided by Kolchak and others, organized Soviet defense beyond the Urals had, for the time being, disappeared. During the first half of 1919, Kolchak met with some success but his armed forces soon thereafter disintegrated. He later fell into the hands of the Soviets, was tried and condemned as a "traitor" and shot on February 7, 1920. His execution marked the end of the allied intervention period. From then on, the Soviet Government's dominion and control over Siberia was for all intents and purposes supreme. The United States recognized the Soviet Government de jure on November 16, 1933.

In voluntary contractual dealings of a personal nature, the unsuccessful revolutionist government cannot bind the government which it

sought to overthrow. "Revolutionists are not the agents of government, and a natural responsibility does not exist. Their acts are committed to destroy the government (in power), and no one should be held responsible for the acts of an enemy attempting his life." (Hackworth, Digest of International Law, Vol. V, page 668.)

In view of the foregoing, the Commission concludes that the claim based on accounts receivable must be and hereby is denied.

As to that part of the claim based on "Stock Losses", the Commission finds that:

- (1) Claimant and its predecessor, Standard, qualify as nationals of the United States, as defined by Section 301(2)(B) of the Act,
- (2) Prior to 1920, Standard shipped a quantity of kerosene to Siberia on consignment to its agent East Asiatic Naptha Trading Company (Nobel Bros.). Said kerosene was stored at various depots along the Trans-Siberian Railroad,
- (3) The Soviet Government refused to permit Standard to evacuate the aforementioned kerosene and took the same, without compensation, on February 16, 1920,
- (4) The cost of said kerosene to Standard, so taken by the Soviet Government, was \$223,628.24,
- (5) Standard received from their above-named agent on account thereof, the sum of \$100,000.00, and
- (6) Claimant by merger agreement succeeded to Standard's claim for the aforesaid "taking" by the Soviet Government.

Accordingly, the Commission concludes that claimant is entitled to an award in the principal amount of \$123,628.24, together with interest thereon at the rate of 6% per annum from February 16, 1920 to November 16, 1933, the date of the Litvinov Assignment (Section 301(6) of the Act), in the amount of \$101,993.30.

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On the above grounds and upon the entire record, an award is hereby made to STANDARD-VACUUM OIL COMPANY, claimant herein, in the principal

amount of One hundred twenty-three thousand six hundred twenty-eight dollars and twenty-four cents (\$123,628.24), plus interest thereon in the amount of One hundred one thousand nine hundred ninety-three dollars and thirty cents (\$101,993.30).


Payment of the award herein, in whole or in part, shall not be construed to have divested claimant herein or the Government of the United States on its behalf, of any rights against the Government of the Soviet Union, for the unpaid balance, if any, of the claim.

Dated at Washington, D. C.

JAN 26 1953

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FOR THE COMMISSION:



Joseph Stein
Director, Soviet Claims Division