

WESTERN CLARION

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SEP 1923
VICTORIA, B. C.

A Journal of
CURRENT
EVENTS

Official Organ of
THE SOCIALIST PARTY OF CANADA

HISTORY
ECONOMICS
PHILOSOPHY

No. 898.

NINETEENTH YEAR.

Twice a Month

VANCOUVER, B. C., SEPTEMBER 1, 1923.

FIVE CENTS

Oil and British-American Rivalry

By G. H. MARTIN

WE are entering the oil age, and the nation which dominates the world's oil resources, will dominate the world.

The Standard Oil Company of America (S.O.C.) in 1920 had assets valued at \$3,000,000,000; and by profiteering and working men on the oilfields 12 hours a day, and seven days a week, its constituent companies have paid large dividends. In 1922 several of them gave stock bonuses of from 200 per cent. to 800 per cent. It is said, now that the S.O.C. has hitched the American Government to its cart, Standard policy has become national policy.

The Royal Dutch Shell combine (R.D.S.) relies upon the British navy to defend its farflung interests, reaching all round the world. As only 40 per cent. of its shares are "Shell," it is a foreign trust but when it decided to absorb the British "Mexican Eagle Oil Co.," in defiance of regulation 30 B.B., the British Government had to suspend its own regulation during the merger.

These two trusts, backed by the American and British Governments are the chief combatants in the struggle for the world's oil resources.

The fight for the distributive trade, has given rise to a new German word, *Petroleumverkehrsmonopolisierungsbestrebungen*.

At first France tried to exclude the trusts, but finding she was not strong enough, she opened her doors to all, hoping to benefit by competition; so through their subsidiaries the S.O.C., the R.D.S. and the Anglo-Persian Oil Co. (A.P.O.C.) scrambled for French trade. Petrol is being sold below cost in Belgium, where the A.P.O.C. started a price cutting war.

During the war, Mr. Churchill's eastern policy had placed British troops in advantageous positions for occupying oilfields in Persia, Palestine, Russia and Turkey.

Writing in the "Industrial Digest," in 1922, Mr. Paxton Hibben, F.R.G.S., said: "The Baku fields . . . and the Grosny fields . . . were good for over 10,000,000 tons of oil a year . . . It was plainly nothing to sneeze at. Nor indeed has anybody sneezed at it, quite the contrary. When the sound of the last rifle shot died away on November 11th, 1918, those with an eye to the future discerned three vast oil properties to be had for the getting, and one to be negotiated for. The three were in Mesopotamia, Persia, and Russia, and the one that could not exactly be seized, because it was in an allied country, was in Roumania."

British troops occupied the Baku oilfields, but only succeeded in holding them for a short time. Denikin captured the Grosny oilfields, the oil journals rejoiced, and Denikin was awarded the K.C.B. by Britain, but was defeated by the Bolsheviks of Archangel. British troops were sent to Archangel to push through to Koltchak, the "supreme ruler" who was utterly defeated, the British troops had to be withdrawn.

The last North West Russian Government, set up under British protection, was popularly known as the "oil government," because Mr. Lianozov, the Russian oil king, was president, and supplied half

* We are attracted by the appearance of this word. We cannot vouch for the spelling. (Ed.)

the ministers from his staff.

Mr. Vanderlip said oil was known to exist in Siberia, and American troops were sent to Siberia.

After the Russo-Japanese war, Japan was ceded the southern part of the island of Sakhalin, but the oil was in the northern portion, and in Kamchatka, both of which were occupied by Japanese troops, and three Japanese oil companies started operations.

Baron Wrangel, financed by the "Russo-French Society for the exploitation of South Russia and the Crimea" (Capital 12,000,000 francs) pushed on towards the oilfields, but was defeated before he reached them. He was not awarded the K.C.B. As the American troops had to be withdrawn, other methods were adopted. Mr. Silas Root of the S.O.C. and Mr. Bud Foster of the Maguire Petroleum Co., turned up in Caucasus as Red Cross officers; they did not get the oilfields, but Bud Foster returned to America with a jewelled knife, a present from General Wrangel.

Despite all this, the Russian oilfields remain the property of the first Workers' Republic.

As oil dominates international politics, it occupied a prominent place at the Peace Conference. Russian delegates were allowed to attend the Genoa and "Genoa moved to the Hague" conferences as the Russian oilfields were the chief bone of contention. America decided not to take part, but two S.O.C. representatives arrived, so did Mr. Pierpont Morgan; and Colonel Boyle went for the Shell interests and was followed by their chairman. The Federation of British Industries had two representatives; Mr. P. W. Robson was sent by the Agricultural Machinery Manufacturers, and of course Mr. Leslie Urquhart of the "Russo-Asiatic Consolidated," the "good friend" of Admiral Koltchak, was there; but of the workers, only those of Russia were represented. So much for bourgeois democracy.

The British, French, Belgian companies which had pre-war concessions in Russia, tried to form a united front against the Russians, but the R.D.S. started buying up shares in the Russian companies for a mere song from the impoverished shareholders; the S.O.C. sent a representative to negotiate in Moscow; the "American Barnsdall Corporation" is now working a new field for the Russian Government, the Lucey Rex interests are supplying oil field machinery, and the Sinclair interests have obtained concessions in Sakhalin and Kamchatka.

At the time of the Versailles Conference, the Ruthenes, being a small nation, demanded their independence; but an international oil committee under the chairmanship of Mr. Charles Perkins became very active, and insisted that East and West Galicia could not be separated, as this would form an economic boundary between some of the oil wells and the refineries; so the Ruthenes were given to the Poles.

French finance became dominant in the Polish oil industry, which however did not prosper, partly because some of the companies were formed to sell shares rather than to produce oil, and even dry boreholes were sold to unwary foreigners.

A cry was raised in America, that Britain was trying to obtain control of the world's oil resources.

The British Government held a controlling share in the enterprising Anglo-Persian Oil Co., and it was accused of entering the oil industry under the name "Royal Dutch Shell." American suspicions were increased by the activities of the "British Controlled Oilfields Ltd," which was floated in Canada in 1919, with a capital of \$40,000,000, and started obtaining concessions over huge tracts of land, chiefly in South America; and the vice-president, Sid Edgar Mackay predicted that in ten years time the Americans will spend something like one thousand million dollars for oil controlled by Britain. The American Government set up an enquiry, and President Wilson's oil report stated, that the British Government was excluding aliens from oilfields in the British Empire and trying to obtain control of oilfields in foreign countries. The British Government denied having any monopolistic intentions, sold the blocks of shares it held in the R.D.S., which it said were only purchased to stabilize the exchange, and maintained that its interest in the A.P.O.C. was to secure a supply of oil for the navy. Then foreign secretaries Curzon and Colby exchanged stiff notes, and a diplomatic struggle began, in which forged documents purporting to be signed by Queen Victoria and Lord Salisbury played a part.

There is no oil in Armenia and Britain, France and America all refused the mandate; there is oil in Mesopotamia, Britain obtained the mandate and much trouble.

Sir John Cadman tells us, that "American suspicions of our policy in Mesopotamia found a practical outcome in Central and South America, where British oil concessions began to be blocked or cancelled." France had been promised a zone of influence in Turkey which included the Mosul oilfields, but in the annex to the Sykes-Picot agreement, it was stated that, "all British pre-war concessions should be integrally respected." At San Remo Mr. Lloyd George explained to the French, that the "Turkish Petroleum Co." had a pre-war concession for the oil, so the French were given the Deutsche Bank's interest of 25%, the R.D.S. had 25% and the A.P.O.C. 50%.

Then Sir Charles Greenway, the chairman of the A.P.O.C., said he regarded Mr. Lloyd George as the "greatest of all our British Premiers." The San Remo agreement was the first international agreement to be signed by two oil experts, Sir John Cadman and P. Berthelot.

The R.D.S. wanted to co-operate with the French Government in the management of any petroleum interests which might be reserved for France by the Peace Treaty. Emir Feisul was pushing the troops under General Gouraud towards the Syrian coast, when Lord Curzon said, "Sign the agreement with the Royal Dutch and you shall have Syria"; M. Millerand accepted; Feisul was removed to Mesopotamia and set up as king of Iraq, while the Greeks kept Kemal and his army busy.

America found that she too, had a pre-war concession, obtained by Rear Admiral Colby M. Chester—to build railways in Turkey and exploit the minerals on either side of the line.

One line passed through the Mosul oilfields, so

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