

# WESTERN CLARION

A Journal of  
CURRENT  
EVENTS

Official Organ of  
THE SOCIALIST PARTY OF CANADA

HISTORY  
ECONOMICS  
PHILOSOPHY

No. 835 Twice a Month

VANCOUVER, B. C., JANUARY 16th, 1921.

FIVE CENTS

## Great Britain and United States

### Economic Basis of Naval Programmes

EDITOR'S NOTE.—The following article follows upon the first on "The Coming War with America," published by us December 16, 1920.

SINCE I wrote the above article the war clouds seem to darken. Secretary Colby, of the United States Government, has taken issue with Great Britain on the mandatory powers of Britain in Mesopotamia. The United States note takes issue with the British position that mandate agreements and treaties are to be considered only by States that are members of the League of Nations. The note considers that the States as a participant and contributor to the successful conclusion of the war cannot be debarred from this discussion. Colby accepts the statement of the British Government that it has refrained from the exploitation of the petroleum resources of the mandated territories in question, and welcomes the pledges that it is far from the intention of the British Government to "establish any kind of a monopoly or preferred position in its own interest."

Mr. Colby continues: "I need hardly refer again to the fact that the government of the United States has consistently urged that it is of the utmost importance to the future peace of the world that alien territory transferred as a result of the war with the Central Powers should be held and administered in such a way as to assure equal treatment to the commerce and to the citizens of all nations." He goes on to say that the statement of Britain with reference to the mandate with a view to securing equal treatment for the commerce of all nations in the League of Nations, does not indicate a supposition on the part of Britain that the United States can be excluded from the benefits of equality of treatment.

Colby requests that the mandate be presented or communicated to the United States before their submission to the council of the League of Nations, because the U.S.A. is undoubtedly one of the Powers directly interested in its terms. Mr. Colby continues: "The fact cannot be ignored that the reported resources of Mesopotamia have interested public opinion of Great Britain, U. S. A., and other countries as a potential subject of economic strife. Because of the fact that they become the outstanding illustrations of the kind of economic question with reference to which the mandate principle was especially designed, and indeed a peculiarly critical test of the good faith of nations which have given adherence to the principle. This principle was accepted in the hope of obviating in the future these international differences that grow out of a desire for the exclusive control of the resources and markets of annexed territory."

Mr. Colby also says that the U. S. A. Government finds difficulty in reconciling the special arrangement set forth in the so-called San Remo petroleum agreement between Great Britain and France, with the British statement that the petroleum resources of Mesopotamia and freedom of action in regard thereto, will be secured to the future Arab state as yet unorganized. Colby criticizes the British Government severely on its oil dealings in Mesopotamia and the San Remo agreement, being based on the principles that the concession granted by the former Turkish Government before the war must be honored, and the U. S. A. is reluctant to assume that His Majesty's Government has already undertaken to pass judgment upon the validity of concessionary claims in the regions concerned. Colby says: "In

this connection I might observe that such information as this government has received indicated that, prior to the war, the Turkish Petroleum Co., to make specific reference, possessed in Mesopotamia no rights to petroleum, concessions or the exploitation of oil, and in view of your assurance that it is not the intention of the mandatory power to establish on its own behalf any kind of monopoly, I am at a loss to understand how to construe the provision of the San Remo agreement that any private petroleum company which may develop Mesopotamian oilfields shall be under British control."

Lord Rothermere's "Sunday Pictorial," 13/6/20, pointed out Britain was spending £50,000,000 a year in Mesopotamia and Persia, looking after somebody's oil wells there. Therefore the U. S. A. must be dubious. The Turkish Petroleum Co. mentioned was founded March, 1914. On the 24th June, 1914, the British ambassador at Constantinople, Sir Lucas Malet, secured from the Sultan of Turkey a concession in favor of a group of British financiers, who called themselves the Turkish Petroleum Co., to own and work all the oil in the vilayets of Mosul and Bagdad. Twenty-five per cent. of the capital subscribed went to Germany; the remaining 75 per cent. remained in British hands. The war came. Germany defeated, the British financiers intended to appropriate the 25 per cent. German capital, but by some error Mosul was handed to France by the Peace Treaty, and in December, 1918, Lloyd George politely told Clemenceau that the British company held the shares, and therefore the zone of Mosul should be transferred to an "Arab zone under English influence." ("Morning Post," 12/6/20). The French agreed, but stipulated that they get this 25 per cent. German capital as their share of the war swag. An agreement was announced, between Walter Long and M. Henri Beranger, of France, whereby French capitalists were to get 25 per cent. and British capitalists 75 per cent. of the output of oil. Mr. Lloyd George, the greatest mob trickster on the political stage, told the house that the Arab State is to get the oil, but qualifies himself, "The whole of that will belong to the Arab State, subject to any arrangements made before the war with Turkey." That means 25 per cent. French and 75 per cent. British output. How much do you think the Arabs get? The London "Times," 20th May, 1920, said: "The whole atmosphere of our proceedings in Mesopotamia and Persia appears to savour more of syndicates than sense."

The "New Age" (London), tells us the question of oil was dealt with at Spa, last April, and that one named Zakaroff, a Greek, naturalized in France and resident in England, has an entente with the Anglo-Persian Oil Company, in which the disposal of the oil I have already mentioned was agreed upon. The "New Age" mentions the "Times" as saying this "will provide competition in an industry in which it is badly needed." The "New Age" then says: "When we recall the facts that the American Standard Oil Company has hitherto had a virtual monopoly of the world's oil supply, that it recently opened a branch in France in anticipation of the present 'entente,' that some of its directors have been complaining that their government was not backing them up as the European governments were backing up the European capitalists, that a new president and policy were due in America, that the Standard Oil Company is one of the world's

great powers, and much more therefore the power behind the American government, the sum of the premises can be easily calculated; it is the beginning of war. How soon the war commercially declared may take to materialize in a more familiar form we are not prepared to predict; but short of miracles, the time cannot be long." After asking what the pacifists think about it the "New Age" says: "Our pacifists must love war in their hearts to be indifferent to the signs of its approach; is it because it gives them an unaccustomed thrill of Galilean martyrdom; with prospects at the same time of personal immunity from harm? And those millions who believe that a war between England and America about oil is impossible, unthinkable, merely because they are too idle or cowardly to think of what is not only possible but probable, are they too subconsciously waiting for the next thrill?"

Whatever the explanation, Sir Basil Zaharoff is not the man to fail to look facts in the face. The need for oil is likely to be imperative, and either the European group or the American group will have it, even if the white world should have to fight to the death about it."

Since the "New Age" wrote this a new President has been elected in the States, and the American plan to burst up organized labor looks as if it was the beginning to break any chance of the workers of Canada and the States making a united stand against such a war. I have said that this Sir Basil Zaharoff is a Greek, naturalized in France and residing in England. I also find he was granted, a few weeks ago, the degree of D. C. L. at Oxford University, and created an oil syndicate with a capital of 100,000,000 francs. He is said to have subscribed to the purchase of coalition newspapers and the election fund of Lloyd George in 1918. What the answer of Britain to the Colby note will be I do not pretend to know, but America is making a demand for a share in the swag, and oil being the key product in industry today, America's claim, which may be justified from her support in winning the war, will be enforced on the grounds of economic necessity, and America is determined to have as much oil as the other powers, cost what it may. The merchant marine and foreign trade of America is being pushed for the disposal of the surplus wealth, which is the only alternative the capitalists have to stave off unemployment, and yet it fails. The trustification of the world's industry proceeds apace. It was announced from Paris that an arrangement has been arrived at between German, French and American interests having for its object the exclusion of British industry from the reconstruction of Europe. The parties concerned are Schneider-Creusot interests in France, and the Steel the Stinnes and the Tyssens group in Germany, the Corporation and National Bank in the United States. Both these are linked up with the Standard Oil Company. It is also stated that since the armistice, French steel interests have invested heavily in German iron and steel enterprises and acquired considerable Spanish and Italian interests during the war. A new balance of power is being formed in Europe. The secret military agreement between France and Belgium has eliminated a neutral Belgium, so the scrap of paper no longer exists. She is bound hand and foot to France's military machine, and Antwerp, the dagger pointed at the heart of England, is

(Continued on Page 8)