

Great Britain and the World Race for Oil

Mandates Awarded in Post-War Agreements Fortify Empire and France as to Future Supply

By W. P. CROZIER

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A WEEK or two ago a hot discussion broke out both here and in the United States about the world supply of oil. England was accused in no obscure terms of seeking to lay her hands on the main sources of oil (outside America) throughout the world and voices were raised in America pointing out that the United States supply was far from inexhaustible. The American case, as telegraphed to us over here, was that the United States had already consumed about 40 per cent of her native oil, that her consumption was expanding enormously and that the remaining visible supplies would last only 20 or 30 years. She must therefore cast her eye abroad betimes and protest against any attempt by other powers to establish a monopoly of the "free" oil of the world. But what is meant by "free" oil? It includes at any rate the oil resources of those countries which are not themselves independent powers but are under the tutelage, protection or domination of the Great Powers.

The American attitude is logical and sound. Liberals in England have always held that no one power or group of powers is entitled to seize or exploit the territories and resources of weaker peoples for its own exclusive benefit. Whatever may have been done in the past, this is especially true of all such territories as pass, under the post-war "mandate" system, to another power. In theory such territories are to be developed for the good of their own peoples and it will be intolerable if the mandatory power, whoever it may be, should abuse its position and exploit the "mandated" country for its own selfish benefit. One must say this without qualification; it is fundamental and applies as much to one's own country as to any other.

There is no doubt that all the great countries are turning their attention sharply to the enormous importance of oil, especially those like England which have no supply worth consideration within their own borders. The demands of the navy, of our commercial marine (the Aquitania has just been refitted for oil fuel) and of motor transport mean that a country like England must look ahead or be left behind in the race. Hence the new agreement with Rumania under which France and England are to share equally between them the exportable surplus of Rumanian oil. I do not know whether American opinion would protest against an agreement of that kind as unjust, since Rumania is an independent sovereign state and can make what arrangements she chooses, equitable or inequitable, for the disposal of her natural resources. But I would like to point out that such exclusive agreements are inevitable in the present constitution of the world. (If all the Mexican oil were nationalized, for instance, Europe could not prevent the United States and Mexico from making a mutual voluntary agreement by which the United States should take all the Mexican export of oil.)

League Might Be of Help

THERE is one way of avoiding such exclusive arrangements but, as far as I know, only one and that is to carry the machinery of the League of Nations so far as to distribute the resources of the world in the great necessary raw materials on an equitable system of rationing among the nations. It was done to some extent under the intense pressure of the war and the United States made sacrifices in order to assist in its accomplishment. It is probably a quite impracticable project today but in its default the present jealous scramble will inevitably continue. In such a scramble the United States has the advantage of the Old World in respect to Mexico. The Old World has the advantage over the United States in respect not only to Europe but to the Near and Middle East, where as a result of the war the European Powers, and above all England, have firmly planted themselves. But is it right to say "firmly"? It is partly because he has his eyes on the insecurities of the British position in Persia and Mesopotamia that Mr. Lloyd George would like to end the Russian war and thereby avert the danger which Bolshevik pressure southward into Persia has brought with it.

Dark clouds at present hang over British prospects in the Middle East. Traced to their source, they roll up partly from the interminable Russian war and partly from the troubled field of Anglo-French relations. There is no doubt as to the attitude of the British Government, or at least of Mr. Lloyd George, to the Russian war. He wants earnestly to end it and to make peace with the Bolsheviks. He wants to bring Russia back into the ring of nations, to trade with her, to draw on her great natural resources for the purpose of cutting down prices and reducing the cost of living and he is therefore willing to leave the Russians of all

CONSIDERABLE alarm has been felt in some quarters in this country over the belief that the United States, now declared to be exhausting rapidly its own oil resources, is to be "at the mercy" of British controlled development of the "free" oil spots in the East.

Oil is becoming more and more the fuel of both marine and locomotive boilers, and this fact together with the increasing number of motor cars brought considerable discussion. In this interesting and timely article Mr. Crozier reviews the steps taken by the British Empire to assure its own supply and the relation of the oil resources of the world to the deliberations that have gone on among the members of the victorious European Powers.

sorts and sizes to fight out their own quarrels and to be ruled, if they choose, even by the Bolsheviks. That is why, despite the quiet but bitter opposition of the French Government, he is meeting Mr. Krassin, the Russian Bolshevik commissary, and according to all the best information intends to go on meeting him un-

"refugees," using munitions sent to Denikin by England and refreshed by their recent respite, marched to the attack.

Mr. George is no doubt accurate in saying that he had no responsibility for the offensive and that when it began the British Military Mission with Wrangel was at once withdrawn. Probably he is extremely annoyed, as he has cause to be, for it prolongs the chaos and confusion in Russia which it is one of the principal aims of his policy at last to bring to an end. And he has a very strong and special reason for desiring a complete and solid peace with the Bolsheviks. He is keenly interested in the Middle East and now for the first time the Bolsheviks, by their invasion of Northern Persia, are showing that they can really be a menace to the British position in the Middle East, and consequently to the British and Allied exploitation of the natural resources of that great region. When one says natural resources one means oil.

British and French Deal

IT IS admitted that the European governments are at the present moment much concerned with the oil resources of the Middle East. The British Government has long had an interest in the oil wells of Southern Persia. It is not that which has recently roused criticism but rather the exploitation of the oil in Mesopotamia and here I would like to state the exact facts as they are known.

The San Remo Conference granted the "mandate" for Mesopotamia to England.

Mesopotamia for this purpose includes Basra, Bagdad and Mosul in the north.

Under the secret Anglo-French treaty of 1916 England agreed that Mosul should lie within the French "zone." France has now given Mosul over to the English "mandate."

There is oil in Mosul and England has agreed to give France 25 per cent of the Mosul oil.

This reads like a barefaced deal between two powers in goods which do not belong to them. What right has England to appropriate to herself or transfer to France the oil or anything else in Mosul or any other mandatory area? The case, however, is not so simple as this. Before 1916 England had herself made an agreement with Turkey (like the present exclusive Anglo-French agreement with Rumania) under which she was to have the right of exploiting the Mosul oil. When the secret treaty of 1916 was made, England took the precaution of informing France that this bargain with Turkey remained valid and that although France would have Mosul, England would have its oil. It is perhaps not wonderful that France has now found this a rather barren deal and has given up Mosul to England in return for a quarter of its oil.

Cannot Protest and Ignore League

I MEDIATELY that American opinion will admit on the one hand that all this is not the same as simply to seize a mandatory area and appropriate its resources; the exclusive agreement with Turkey undoubtedly came before the war. But I imagine that American opinion will say also that this is only another instance of the method by which the Imperialistic European Powers use their privileged position to screw concessions out of the weaker countries and to monopolize their resources while denying benefit to the nations which have the misfortune to be remote and powerless.

That would be a true indictment, but how does the United States propose to remedy the inequity? It certainly cannot be done by standing rigidly aloof from participation in world politics; for of course these questions of world resources in raw materials are questions of politics also and the two cannot be dissociated. Take Mesopotamia. It is a "mandatory" area under the League of Nations. The League is responsible for its just administration. Any member of the League can bring up its administration for consideration and inquiry; the mandatory power can be made to report to the League and to render an account of its stewardship. Why, the League of Nations is above all others the body which can take an interest in the equitable distribution of the resources of the world. It is the very body by which the United States, if it chooses, can keep a watchful eye on these questions and protect its own interests and those of any other countries that are menaced. It is logical and just for the United States or any other country to protest against the resources of the great open territories of the world being cornered and exploited by one or other of the greater powers. But it would not be logical for the United States, while so protesting, to ignore and reject the very machinery by which such a protest can most readily and justly be made effective.

AN AMERICAN VIEW



THE CHAMPION ABSORBER

—Bronstrup, in the San Francisco Chronicle.

til he has reached an agreement and securely established commercial relations with Russia.

To disturb Mr. George's plans, came first the Polish war and then the attack made on the Bolsheviks by General Wrangel advancing from his base in the Crimea. Wrangel's offensive was most unfortunate for the British Government. For the British Government tried to mediate between Wrangel and the Bolsheviks after the collapse of Denikin and to secure good terms for his army of refugees, threatening the Bolsheviks that unless they spared Wrangel the British fleet in the Black Sea would openly fight on his side. But suddenly, when it was seen that the Poles were fighting victoriously and might even have a chance of overthrowing the Bolsheviks, Wrangel and his army of