

# Oil

By I. Amter.

The Lausanne Conference, the murder at Lausanne of Vorovsky the representative of the Soviet Republic, the insolent note of the British Government to Soviet Russia, the Ruhr invasion, the tour of Marshall Foch to Warsaw, Prague and Bucharest, the Pan-American Conference and the presence of an American "observer" at the Lausanne Conference intrusted to protect the Chester oil concession in Turkey—these are not independent phenomena, but part of the international scrimmage after power by three imperialist groups. Though at points these groups are interrelated and, at times, when it suits their self-interests, will cooperate, they may, as a whole, be regarded as three competitive groups: the British, American and French groups. And one of the principal matters over which they are competing is Oil.

Oil is becoming the leading motive power for transportation. The United States supplies about 70 per cent of the total output. The total world production in 1922 was 759,000,000 barrels, the participation being as follows: United States 469,000,000 barrels, Mexico 169,000,000, Russia 28,000,000, Borneo 18,000,000, Persia 16,000,000. The remainder was distributed among the various countries of the world. Production however, is not keeping pace with the consumption in the principal industrial countries. The uses to which oil is being put are constantly increasing. Today it is employed for feeding automobiles, tractors, gas engines, locomotives and merchant ships, and warships in time of war.

Probably to give the American Government an excuse to carry on intrigues in order to procure more oil, geologists declare that the American oil fields will not last more than 8 to 15 years. The Turkish and Mesopotamian fields are said to be good for many years more, hence the American Government is making the greatest efforts to get a share of them. As the above figures reveal, the Mexican field is the second largest in the world. The deficit of more than 100,000,000 barrels required for the American market is supplied by Mexico, from which American producers obtained 130,000,000 barrels last year. The importance of securing a large share of the Mexican output, therefore, is obvious.

America is not the only nation requiring oil. Great Britain, and in a lesser degree, France need large supplies. Great Britain secured a mandate for Mesopotamia, which it proceeded to exercise without regard to other claims. France claimed a mandate for Anatolia. There are oil fields in South America, in Persia, Roumania, India, Galicia and Borneo, which Great Britain and France as well as Holland are trying to monopolize against American demands. As a compensation for the friendly settlement of the British debt to the United States, Great Britain was willing to make a concession to American capital, in granting cooperation in the Mesopotamian oil fields. To the naive politician it appeared as if the United States and Great Britain, therefore, would work together, and that harmony had been established between the two leading world competitors.

But two matters have arisen to stir up animosity—and these two matters are bound to have far-reaching consequences: Before retiring as Secretary of the Interior, Mr. Fall denied the Royal Dutch Shell Company, through a subsidiary in the United States, the right to take over the lease and operation of certain oil lands. Declaring that American law provided that "citizens of another country, the laws, customs, or regulations of which deny similar or like privileges to citizens or corporations of this country (America) shall not by stock ownership, stock holdings, or stock control, own any interest in any lease acquired under the provision of this act", the U.S. declared a war of retaliation against the exclusion of American producers from foreign fields.

The Royal Dutch Shell combine, a British-Dutch concern, controls about 11 per cent of the world's oil production. In 1922, the combination effected a merger of its principal subsidiaries in the United States. Through this merger, the Royal Dutch controls about 3.5 % of the oil production of the United States. The Royal Dutch controls 90 % of the 18,000,000 barrels produced annually in the Dutch East Indies. Together with the Rothschild interests, the Asiatic Petroleum Company, a distributing agency was formed which plays a leading part in the distribution of oil along the eastern routes. Thus a steamer, leaving New York for a voyage round the world, calling at 110 important ports along the Mediterranean, in India, the East Indies, Japan, the Philippines, Australia and the western coast of North America, and then returning to New York via the Panama Canal would find oil bunkering stations operated by a member of the Royal Dutch Shell group at every important port of call.

The Turkish Petroleum Company, Ltd., a British concern, is owned 50 % by the Anglo-Persian Oil Company, which is

controlled by the British Government through ownership of 65 % of its stock. This company claims all the rights to oil in Mesopotamia. The Pearson oil properties in Mexico are under control of the Royal Dutch—which is openly declared to be owned by the British Government.

This conflict of American producers with British producers, or, in other words, with the British Government, takes on even larger dimensions and is becoming a political issue of first importance. The Chester concessions in Turkey, which were granted in 1906, were recently ratified by the Angora Government, which contended that a former grant made to the French Government was not fully paid and therefore is null and void.

The Chester concession covers a grant of 10 miles on either side of a railway line that is to be built by the corporation. This land is extremely rich in oil, copper and iron. The grant conflicts, however, with the British and French claims in the Mosul oil fields, so that international complications will soon ensue. The United States Government has stated that it will support Chester in his demands. Such papers as the *Washington Post*, whose utterances may be regarded as semi-official, and the *Wall Street Journal*, think it would be insane for the Government to get involved in the Near East "quarrel", against which public sentiment took a decided stand in 1920. However, the present administration is an "oil" administration. The Chester group and the Standard Oil interests have evidently made their peace, so that the U.S. Government will take an energetic stand for the defence of the Chester interests.

The Soviet Government has given a concession to the Barnsdall Corporation and has ratified the concession given to the Sinclair Oil Corporation in Siberia. The Urquhart concession has not been confirmed. Baku is the goal of the imperialists. It is the richest oil field in the world as yet unexplored and means to its owners tremendous wealth and power. Through machinations and intrigues, manipulations and new groupings, the capitalist powers hope to get possession of Baku and thereby deprive the Soviet Government of the leading fuel at the present time.

The deadlock at the Lausanne Conference is due to the entrance of America as an active factor in the controversy in the East. Mosul, the oil pearl, is the immediate center of contention and will be bartered to that imperialist group whose political influence is best suited to nullify the stranglehold that European imperialism is attempting to get on Turkey.

This is leading to a sharp conflict between America and Great Britain, despite all protests of Anglo-Saxon "harmony" and "community of interests". The race after oil is the race for power. Even though shale deposits have been discovered in Colorado and Utah, which may supply oil equal to eight times the total output to date in the United States, or five times that of the entire world, the demand for oil cannot be satisfied. Industry depends on an adequate supply, and the navy cannot develop without it. The Chester concession has a value of \$1,000,000,000 and has tremendous potentialities.

The conflict raging in the East, which has reached a crisis in the assassination of Vorovsky and the threatening attitude of Great Britain toward Soviet Russia, has much of its origin in the oil question. Soviet Russia refuses to hand over her oil possessions to imperialist exploitation; the Mosul and Mesopotamian oil fields are claimed by British, American and French interests. The so-called "open door" is not what any nation wants: it demands a monopoly of the precious fuel. Hence the allotment of territory to American corporations will not satisfy greedy American imperialism.

Oil is back of the next war.

## The Wedding of the 2. and 2½ Internationals

By Heinrich Brandler (Berlin).

Reform socialism is bankrupt, nationally and internationally, and so is centrism. It is perfectly clear that the amalgamation of two bankrupt currents of the labor movement cannot signify any positive gain, any advance. As was the case in Germany, where the amalgamation of the Social Democratic Party with the Independent Social Democratic Party has not brought any increase in the power of action displayed by the combined parties, but has had rather a weakening and diminishing effect, so in the case of the union of the 2nd and 2½ Internationals, this will not increase the international power of action of the combination.

Reform socialism went bankrupt at the outbreak of war in 1914. In the year 1914 the revolutionary phraseology of the reform socialists revealed itself to be empty talk; despite all