
Review by Anand Toprani, U.S. Naval War College

If ‘what’s past is prologue,’ then nowhere is that more so than in the Middle East. In July 2014, the leader of the Islamic State of Iraq and the Levant, Abu Bakr al-Baghdadi, vowed that his movement’s “blessed advance will not stop until we hit the last nail in the coffin of the Sykes-Picot conspiracy.” This reference to an obscure Anglo-French diplomatic agreement from 1916 sent political pundits (or more likely their interns) scurrying for Wikipedia. But among those conversant with the history of the modern Middle East, it is common knowledge that Britain and France drew the national borders of the region from the carcass of the Ottoman empire in 1915-1920 – that is to say, the period between the negotiations conducted by British and French diplomats Mark Sykes and François Georges-Picot in 1915-1916 and the San Remo Conference of 1920, when Britain and France divvied up their spoils from the First World War under the guise of League of Nations mandates for Iraq and Palestine (under British control) and Syria and Lebanon (under French).

What few people know about, however, is the extent to which oil influenced Anglo-French diplomatic and military maneuvering. Two things are worth bearing in mind when discussing oil in this context. First, the immense oil wealth of Iraq was, at this stage, only a dream. There was ample evidence of large deposits of oil within the Ottoman vilayet (province) of Mosul. Geologists from several countries had conducted surveys before the war, most notably at the instigation of the Deutsche Bank, whose subsidiary had received a concession in 1904, but their assessments were not unanimous. During the war, German engineers had drilled for oil but were unable to extract it in commercial quantities – that would have to wait until 1927. In other words, the French but especially the British were scrambling to control purely hypothetical reserves –


although the fact the oil was still undiscovered did not prevent the British from seizing control of Mosul several days after the Armistice of Mudros went into effect on 30 October 1918.

Second, control over any future oilfields was of little value unless the operator could find a way to export their production. This has always been the major impediment to developing Iraq’s oilfields (especially those in the north near Kirkuk), such that much of the country remains under- or unexplored to this very day. Oil from Kirkuk could reach international markets one of two ways. It could be shipped south to Basra and then exported on tankers, but this was prohibitively expensive because of the distances involved. The best option was through a 500- to 600-mile pipeline to the Mediterranean, which would save thousands of miles in transit time to Western Europe relative to oil shipped from the mouth of the Persian Gulf (3,500 miles, plus savings on Suez Canal tolls), the Caribbean (Venezuela – 1,000 miles), the Gulf of Mexico (the United States – 2,000 miles), or California (5,000 miles via the Panama Canal). Therefore, British occupation of the prospective oilfields of Iraq (Mesopotamia before 1920) would not necessarily guarantee that Britain would reap any economic benefits – the British needed the French, and vice versa, if either were to exploit Iraq’s oil.3

Luigi Scazzieri has set for himself the task of demonstrating where and how oil influenced Anglo-French wrangling over the postwar settlement in the Middle East in 1916 and 1920. Other scholars have extensively analyzed this topic from the British perspective, but Scazzieri has performed a valuable service by plumbing records of the French Foreign Ministry.4 Doing so allows him to illuminate the differences in outlook and approach between the British and the French.

According to Scazzieri, French diplomacy was “more personalised,” with negotiators receiving their instructions directly from decision-makers such as Prime Ministers Aristide Briand or George Clemenceau (29). And yet, it was also more consistent than that of the more meticulous British, since British Prime Minister David Lloyd George often seemed unaware of the specific content of British policy or prior agreements with the French and major oil companies. For instance, he vacillated between granting control of Iraq’s oil to a private or a government-owned company, which complicated negotiations with the French (36-39).

Another problem was that of compartmentalization. Negotiations over oil took place alongside those for a wider territorial settlement, and Scazzieri astutely notes that British aims in each set of negotiations contradicted one another. Specifically, the British depended upon French support in developing Iraq’s oil for the reasons mentioned above – transit-rights to the Mediterranean. The Royal Dutch/Shell oil company also had an incentive to promote Anglo-French harmony since it was courting both governments in the hope of securing a preferential stake of French oil imports and diplomatic backing from London, which would

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3 Iraq Oil Committee, “Some Notes on the Present World Oil Situation in Relation to the Iraq Oilfield and Proposed Pipeline to a Mediterranean Port,” June 1930, I.O.C. (30) 5, British National Archives, AIR 9/43.

ultimately allow Shell to absorb the upstart Anglo-Persian Oil Company (today BP), control Iraqi and Iranian oil production, and challenge Standard Oil for global commercial dominance.

Unfortunately, British negotiators on territorial issues had entirely divergent objectives. They considered Sykes-Picot a dead letter – what use did London have for a French buffer following Russia's collapse – and resented French efforts to encroach on territory that British and Indian forces had seized by force of arms. (Scazzieri does not mention that that British officials in India sometimes pursued an independent policy in the Persian Gulf, and that London did not manage to assert its authority until Colonial Secretary Winston Churchill placed the entire region under his department's jurisdiction at the Cairo Conference in 1921.5) Men such as Foreign Secretary Lord Curzon were determined to limit French influence in the region. The two sides were only able to make progress on both sets of negotiations when they linked them at the San Remo Conference. But even afterwards, much wrangling remained over the formation of the Turkish Petroleum Company (TPC – Iraq Petroleum Company after 1929); the TPC's securing of an oil concession in Iraq in 1925; the terms of a settlement with the Americans, who demanded an 'Open Door' to Iraq's oil; and the exact route of a TPC pipeline to the Mediterranean.6

One cannot blame the author for not carrying the story on to its conclusion within the scope of an article. But it is fair to ask if the article could have more thoroughly explained Anglo-French oil policy, and whether its findings materially alter our understanding of this subject. For instance, Scazzieri never clarifies for the reader's benefit what exactly Britain's oil policy was. There are hints – reducing dependence on the United States, closer ties to Shell – but the substance needs to be clearer.

Starting in 1916, Britain began pursuing a policy of energy independence from the United States. There were two elements to London's strategy. The first was securing control of the Persian Gulf, specifically Iraq, and cementing British predominance in Iran. The second element was creating an 'all-British' major oil company capable of developing imperial resources and reducing the control foreign firms had over Britain's oil supply, particularly that of the Royal Navy. Between 1916 and 1924, a shifting alliance of interests within the British Government and the Shell and Burmah oil companies sought to engineer British control over the Shell Group, control of which was split 60/40 between the Royal Dutch Petroleum and Shell Transport & Trading companies.7 This is well-trod ground, and its absence in Scazzieri's narrative is problematic, because Shell was only willing to go along with London's efforts to establish British control of the group if it gained a significant share of Iraq's oil.

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7 McBeth, British Oil Policy, 15-55.
Another problematic aspect of Scazzieri’s piece is its treatment of French policy. Contrary to his claims, there are a number of studies of French petroleum policy during this period besides that of Andre Nouschi. The most telling absence is the work of Edward Peter Fitzgerald, who published an article on the role of oil in the Sykes-Picot Agreement several years ago and demolished the myth that Clemenceau surrendered French control of Mosul in December 1918. Fitzgerald proved that the line demarcating the British and French spheres of interest left the most promising areas for oil exploration under British control. But even if France had controlled the whole of Mosul, it was still bound to grant the British equal commercial opportunity. And since the French had no oil company capable of developing Iraq’s oil independently, the British (and Americans) would have eventually established their ascendance one way or the other.

Scazzieri does not always wrestle with the implications of the books he cites. Take, for example, the work of the political scientist Gregory Nowell. Nowell utilized the concept of transnational structuring as his theoretical framework – basically an extreme form of corporatism – and his book was based on extensive research in French public and private archives. It offered a bracing alternative to the prevailing realist-mercantilist perspective that stressed the predominance of the French Government in formulating oil policy. Nowell exposed the myth, but which Scazzieri repeats, that the French only appreciated the strategic value of petroleum in late-1917 as a result of tanker losses to U-boat attacks. In fact, the entire crisis was “fictitious” – Shell had been spreading alarmist reports about the decline in French petroleum stocks to embarrass Standard Oil, and the “crisis” ended after the Americans diverted a handful of tankers.

Nowell also demonstrated the oil companies were not passive bystanders to Anglo-French negotiations – arguably, their role was just as significant as that of the British and French governments. For instance, in late-1919, at the same time Shell was negotiating with London to gain an equal share of the TPC as its rival BP, it was also colluding with Paris to establish an import monopoly and take control the shares in the TPC allocated to France, thereby giving it majority control over Iraq’s oil. Once Standard Oil got wind of French intentions, it retaliated by launching an oil embargo against France between September 1919 and March 1920. Let us be clear here – a private firm basically committed an act of war against France. Even more extraordinary, Paris caved in once Shell proved incapable of replacing the lost supplies. None of this appears in Scazzieri’s narrative, yet it is essential in explaining the shape of the final oil settlement at San Remo.

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10 Nowell, Oil Cartel, 94ff (quotations from 108).

11 Nowell, Oil Cartel, 135-141.
some of Nowell’s conclusions are either exaggerated or unsubstantiated, Scaglazzi should have engaged with his arguments more closely.

Ultimately, it seems fair to ask whether the editors and reviewers of *Diplomacy & Statecraft* should have provided Scaglazzi with more substantive guidance regarding the secondary literature. They also should have caught factual errors such as Scaglazzi’s claim that one of the driving factors behind the increase in Britain’s wartime oil consumption was higher naval demand for diesel fuel. Unfortunately, neither of the sources Scaglazzi cites substantiates this claim. One is a secondary source that only mentions fuel-oil consumption. The other are the minutes of an Imperial War Conference from July 1918, when both the Minister responsible for petroleum policy coordination (Walter Long) and the government’s chief oil adviser (John Cadman) urged the Royal Navy to press ahead with constructing ships propelled by diesel-fueled internal-combustion (i.e., reciprocating) engines rather than steam turbines that burned fuel oil because of the gains in efficiency. In fact, the shift from burning residual fuel oil to naval distillate (diesel) did not take place until after the Second World War. Moreover, while diesel-powered internal-combustion engines are effective at propelling submarines and small craft, they remain impractical for larger surface ships.

Again, Scaglazzi has rendered a service by shedding additional light on the conduct of French oil diplomacy. But while his linguistic skill and multi-archival research is commendable, the article’s claim to originality – that it “fills the gap, offering a transnational perspective” – appears unjustified (26).

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12 See pg. 42, n. 31.