

The following group includes an account of the struggle for oil in Arabia, an estimate of the strengths of Italy and Great Britain, a report of Spanish and Portuguese uneasiness, a prophecy of financial ruin for Italy, a survey of the law governing the Suez Canal, and a description of the Canal zone to-day.

ROME'S Road to EMPIRE

WAR CLOUDS
OVER THE MEDITERRANEAN

I. OIL IN THE ARABIAN DESERT

By W. N. EWER

From the *Daily Herald*, London Labor Daily

PRINCE FAISAL of Arabia and Fuad Bey Hamza, his father's Foreign Minister, have gone home. Their visit was a great success. Relations between the British Empire and Saudi Arabia are very cordial. But there has been no settlement of a very troublesome dispute. King Ibn Saud and the British Government are, and have for some time been, at loggerheads over the ownership of some hundreds of square miles of sandy desert—completely barren, uninhabited except for the occasional visits of nomadic tribes. Nevertheless, the Arabian King is

very stubborn in his claim that this desert patch is in his dominions. And the British Government is equally stubborn in its claim that the patch rightly belongs to the British-protected princes, whose tiny 'states' lie dotted along the Trucial Coast of the Persian Gulf.

Why should there be any quarrel over such an undesirable freehold property, across which no one has ever troubled to mark out a boundary? Why has it become as coveted as Naboth's vineyard? The answer is to be found in a single syllable—oil.

We are not quarreling over the sands of the desert. We are quarreling over the oilfield that may—or may not—lie beneath. There is oil across the Gulf in Southern Persia. There is oil in Kuwait at the head of the Gulf. There is oil in the Bahrein Islands, a little way up the coast. Likely enough, the geologists say, there is oil under the desert lands of Hasa and under the desert lands behind the Trucial Coast. Anyway, the chances are good enough for big oil companies to be very interested, for governments to be very interested.

For Ibn Saud, profitable oilfields, yielding in royalties a substantial revenue to his treasury, bringing foreign money into the country, would change the whole financial face of things. His desert kingdom is very, very poor. The King's revenue, the government resources, the external trade of Saudi Arabia, all depend almost wholly on the Mecca pilgrimage—a precarious enough source. The prospect of oil in the eastern part of his dominion, where the Arabian deserts come down to the Persian Gulf, was therefore a splendid one for Ibn Saud.

But here, as everywhere else round the fringes of his kingdom, he found himself in contact with the British Empire. There is not in all the Gulf any British territory. But all along its shores there has been, since the eighteenth century, a sometimes vague, sometimes very definite assertion of a British protectorate over the scattered coast villages and principalities, which never knew any effective overlordship either from Turk or Persian. It was in chase of pirates that the British warships first came up the Gulf in 1775, or thereabouts. But it was fear of Napoleon and his possible designs on

India that brought the first treaty with the Sultan of Masqat and the first British fort on Arabian shores. Through the nineteenth century fear of the French, fear of the Russians, fear of the Germans kept British and Indian diplomacy very busy in the Gulf.

Kuwait, the Bahrein Islands, Oman all became definitely British protectorates. Who remembers now that in 1898 we came pretty near to war with France because a French consul in a gunboat turned up at Masqat to arrange about a coal depot for the French navy? In between Bahrein and Oman, the little piratical villages were forced to abandon their ancestral trade and to take instead to pearl fishing. The 'Pirate Coast' became the 'Trucial Coast' under British protection and control.

Had there been no word of oil, this arrangement might have gone on quite happily. Ibn Saud, having made himself lord of Arabia, had no reason to be worried if the British chose to police the Gulf and to ensure the good behavior of the one-time pirates. If he had his grievance against the British, it was on the other side.

Up at the top of the Red Sea lies the port of Aqaba. It and the railway station of Maan had been recognized as part of the Hejaz. But when Ibn Saud conquered the Hejaz and drove King Hussein into exile, the British, though professedly neutral, had nipped in, occupied Aqaba and Maan and annexed them to Transjordan.

That Ibn Saud has neither forgotten nor forgiven. He shrugged his shoulders, knowing he could do nothing. But he still maintains that legally Aqaba and Maan are his, the British occupation lawless and forcible. Also,

all the rolling stock of the Hejaz Railway, which runs down to Medina, was taken. Ibn Saud's one and only railway is useless. He has neither engines nor trucks. Nor can he afford to buy them abroad.

He has had, then, his troubles with his big neighbor. But they were all more or less settled for practical purposes by the Treaty of Jeddah, which the King and Sir Gilbert Clayton signed in 1927. It fixed the boundaries of Saudi Arabia, Iraq, Transjordan, and Kuwait. The Treaty expired last year and now runs on, subject to six months' notice. Both sides want it renewed for a good long period. And now comes up the oil question.

There is also a little matter of emergency-landing facilities for British airliners on the Arabian shore of the Gulf. But that is not very vexing. The oil is the real trouble.

II

Right back in 1922 Ibn Saud gave a concession to a British group to prospect for oil in Hasa. The same group got the concession for Bahrein. But they decided it was valueless. They sold the Bahrein rights to an American group and let the Hasa concession lapse. The Americans sold the Bahrein rights to Standard Oil of California. And, to the chagrin of the British oil companies, Standard proved that Bahrein was a good proposition.

Negotiations began again for Hasa. The Iraq Petroleum Company and Standard of California bid against each other. The Standard offer was infinitely better. Ibn Saud closed with it and made a deal that gives Standard of California the right to bore for oil in all his territory from Kuwait to

Oman. By carelessness and underbidding the whole of what might be a very valuable oilfield had been allowed to go to the Americans.

Only one bit of it might still be saved—the area lying at the back of the Trucial Coast. Two steps were needed. First, the rulers of the tiny village-states were induced to sign treaties by which they agreed not to grant oil concessions to anybody without the permission and approval of the British Government. Second, Ibn Saud was notified that the British Government regarded the territory of these states as extending some fifty miles inland. In support of the claim Anglo-Turkish treaties of 1913 and 1914 were adduced.

The King was furious. The treaties, he retorted, had never been ratified. And, in any case, the Sultan had neither right nor power to sign away territory which he, Ibn Saud, had already conquered from the Turks. The territory of the coastal states, he claimed, was strictly limited to the coast itself and the narrow strip of settled land behind each village. All the desert hinterland, only entered by tribesmen owing him allegiance, was his.

The tribesmen, said the British, were not really under Ibn Saud's control at all. Anyway, the fact that they occasionally rode across the ground did not give them rights over it. That was a principle already agreed with regard to the northern boundaries. And there the matter, after several months of negotiation, still rests.

Before the big oil interests began to cast covetous and rival eyes on this bit of sand, nobody knew or cared who 'owned' it. Now it has become the subject of a grave international dis-

pute. Fortunately, everybody is, at the moment, being sane enough. Ibn Saud knows that he cannot afford to quarrel with Great Britain. The British Government realizes that it would be madness to make of Ibn Saud a bitter and relentless enemy. Negotiation has been going on quietly and calmly. But so far nothing has come of it, though each side has made quite considerable concessions from its original claim.

And in their hearts the Arabs are as bitter as Naboth. Ibn Saud, having for the second time seen for himself the wealth and power of the British Empire, has gone home wondering why such an Empire with such resources should grudge to his poor country an asset that for the one means little or nothing, for the other means, probably enough, the whole difference between penury and prosperity.

II. BETWEEN SUEZ AND GIBRALTAR

By SEVERNS

Translated from the *Münchener Neueste Nachrichten*, Munich National-Socialist Daily

'WE AGAINST the world, and the world against us; peace only with England'—this was once a popular saying in Spain in the days when that nation was still strong. Spain's attempt to overthrow the rising England was in vain. The same saying, though in the opposite sense, has been the dominant leitmotif of Sardinian policy ever since the unification of the Italian kingdom—indeed, before. Ties with England were then regarded as the best possible guarantee of a peaceful and independent development of Italy: the situation was very clear to the Italians. In the nineteenth century, England was the undisputed master of the Mediterranean, and, as is not the case to-day, nothing could happen there against her wishes.

But England also had a strong interest in the strengthening of Italy. One must not forget that Mediterranean politics in the nineteenth century were dominated by frequent clashes between France and England. France constantly sought to get the Sea for

herself, and England repeatedly defeated this attempt. Moreover, England always had the good fortune to come away from each conflict with new conquests.

England was therefore bound to welcome the gradual development of Italy into a Mediterranean Power whose interests conflicted with France's and who, weak as she was, served at least to ward off France while seeking eventually to take her place. England could always be certain of Italy's support.

But England never needed to avail herself of Italy. Until the War their relations were as follows: Italy by its geographical position and its economic structure seemed predestined to be a satellite of England in world political conflicts. The English Mediterranean fleet could swiftly inflict dangerous wounds on the exposed body of Italy, with its great coastal cities. Ultimately, it could threaten Italy with a blockade, especially if Italy at the same time engaged in a conflict with

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