**In Flanders Fields Museum: A Crude History of the Great War**

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The story of oil and the Great War is usually told as one in which governments suddenly became aware of the importance of oil to modern warfare and responded by seeking to take control of private oil companies and oil-bearing lands across the globe—particularly lands in the Middle East. ‘Control of oil’ was achieved by imperialist expansion abroad and by greater economic regulation at home: partial nationalisation of private companies, for example. If only it had been that simple.

Few individuals get to smell crude oil as it gushes from the ground. The same might be said of the many products it contains, from heavy ship oil through gasoline to kerosene, and on to lubricants and the chemicals behind everything from film to TNT. These products powered the dreadnoughts which bottled up the German navy and shelled Gallipoli. They powered the trucks and cars carrying men and materiel to the front lines in France and Belgium, as well as the planes and shells which flew high above the battlefield. Finally, they powered new weapons—notably tanks—which many hoped would end the stalemate of trench warfare. The resulting oil dependence certainly came into focus during the Great War, but it was not a ‘lightbulb moment’.

Far from feeling in command, statesmen and diplomats felt uneasy. The war had also seen the oil industry consolidate into a handful of large companies, each with global reach. These were the world’s first multi-national companies, a phenomenon familiar to us today, but a source of both wonder and suspicion a century ago. It was difficult to understand how these companies’ interests could align with those of individual nations. Alongside the familiar ‘Powers’ (Britain, France, Italy, the United States), oil seemed to become a ‘Power’ of its own.

**From Baba Gurgur to *Bagdadbahn***

For centuries mankind had exploited and revered the ‘eternal flames’ caused by seepages of oil and gas. Baba Gurgur (‘Daddy Fire’) in Mesopotamia (Iraq) is one such natural curiosity. Rubbery pitch was extracted from shallow, hand-dug wells and used to caulk boats. Only in the second half of the nineteenth century were deep wells sunk in the Russian Caucasus (Fig. 1) and in Pennsylvania in the United States, accompanied by the refining of crude oil into kerosene, used for lighting. By 1910 it was clear that another oil product, gasoline, had beat steam and electricity to become the driving force behind the car, having already enabled the Wright brothers to achieve powered flight. Two years later, Britain’s Royal Navy began the long process of converting the fleet from coal- to oil-fired engines.

For Admiral Jacky Fisher, oil’s higher power-to-weight ratio offered greater endurance at sea, without calling at coaling stations. Like Germany, Belgium, and France, Britain owed her wealth to an industrial revolution driven by domestic supplies of coal. However, Europe’s only oilfields lay in the Carpathian Mountain range. In the absence of domestic supply, oil had to be sought abroad. In 1914, 64% of world production came from the US, with Russia (16%) a distant second, followed by Mexico (7%) and Romania (3%). American exports were controlled by John D. Rockefeller’s Standard Oil, a circumstance that many found unsettling.

Other sources were needed. In many cases, the discovery of oil provided delayed justification for expansion which even the most ardent imperialist might otherwise have struggled to explain. Though rubber provided a way to make the Dutch East Indies and Belgian Congo pay (at terrible cost), until commercial oil production began in the Caucasus and Burma (1880s), Persia and Mexico (1900s) and Venezuela (1910s), it was hard to see what exactly the Russian, British, and American empires could find to fight over.

France, Italy, and Germany were laggards. Under Kaiser Wilhelm II, Germany turned towards the Ottoman Empire in the 1890s, seeking to transform a weakness into a strength, presenting itself as a strategic partner without any territorial ambitions in the region. The decade before 1914, the famous Baghdad railway (*Bagdadbahn*) and General Liman van Sanders’s military mission saw Germany deploy its financial strength, engineering know-how, and military prowess to knit together an Ottoman Empire whose extremities (Egypt, the Balkans, Libya) had been picked away by other Powers over the previous half century.

What Germany got out of this bargain was unclear. Under a 1904 concession, Deutsche Bank secured oil rights over lands on either side of the railway line, whose course was altered to pass through the most promising areas around Mosul. Once again, oil provided a belated justification for a railway to nowhere.

**Fighting**

Further down the Tigris, in Persia (Iran), oil was struck much earlier, in 1908, conveniently close to the Persian Gulf. This concession had been granted by the Shah to a Briton, William Knox D’Arcy, in 1901. Like so many before him and since, for years D’Arcy pumped a small fortune into the ground before seeing a profit. Even after the 1908 strike, the Anglo-Persian Oil Company’s poor management slowed development. Unable to find a buyer, in 1914 D’Arcy and APOC managing director Charles Greenway pulled off a coup: by threatening to sell out to Shell, Greenway persuaded First Lord of the Admiralty Winston Churchill to give APOC an Admiralty supply contract and purchase a 51% share on behalf of the British government.

The British government’s purchase of APOC (today’s BP) was hailed as a masterstroke on Churchill’s part. In fact, this bail-out proved an embarrassment. If the British ‘sailed to victory on a sea of oil’, as foreign secretary George Nathaniel Curzon put it, it was not BP’s oil. The Admiralty discovered that what little fuel BP’s Abadan facility produced turned to jelly in cold temperatures. With Russian oil inaccessible owing to the revolution, it was the much-feared Standard Oil and the much-maligned Shell (whom Greenway said was secretly German-controlled) which kept Allied forces supplied during the war, with American and Mexican oil.

With BP focused on survival, it was left to Shell and Standard to compete for global dominance. While BP nailed its colours to a British mast, these firms changed their colours as circumstances dictated. Thanks to the break-up of Standard Oil in 1911 into a sisterhood of smaller firms and Shell’s Anglo-Dutch ownership structure, it was easy for both to hide behind foreign subsidiaries. Remarkably, while Shell had a major subsidiary producing oil within the United States, Shell’s lobbying helped delay Standard’s entry into Dutch-controlled Indonesia.

A savvy oil company like Shell could make both protectionist and free-trading policies pay. War paid even better: in four years, France’s fleet of oil-fuelled trucks, tractors, tanks, and planes exploded from 316 to 97,279. Admittedly, the war also led governments to set up oil supply agencies such as the French Comité Générale des Pétroles. Rather than being a route to nationalisation, these agencies enabled state capture by the oil firms: they were largely staffed by executives seconded from the oil industry.

Companies making so much money might have behaved nicely to each other. On the contrary, they were not above creating a phoney supply ‘crisis’, as in 1917, simply to boost market share. By exaggerating the effect of German submarines on transatlantic tankers, Shell claimed, falsely, that France would run out of oil in a matter of months. Shell persuaded the French prime minister Georges Clemenceau to lobby US president Woodrow Wilson to put pressure on Standard Oil to move four of its tankers from the Pacific to the Atlantic. For Shell, it was a matter of defending Asian oil markets against Standard Oil. But for the statesmen and generals, it was something more important.

The latter’s perspective was that of the front and the factory, measured in days’ supply of gasoline and daily output of TNT. The oil companies’ perspective was global market share. The war among these emerging oil ‘majors’ never stopped, even during the odd negotiated cease-fire. As the oil magnate Calouste Gulbenkian put it, ‘oil men are like cats: you never know listening to them whether they are fighting or making love.’ Middle Eastern oil played a central role in the shift from cut-throat competition to ‘making love’.

**Making Love**

A polyglot Ottoman-Armenian, Gulbenkian (Fig. 2) was fond of collecting idioms, including the Dutch *eendracht maakt macht* (‘unity is strength’). In the years leading up to World War I, he observed how rival concession holders prevented each other from developing their claims within the Ottoman Empire: whenever Deutsche Bank’s concession seemed to be making progress, American, British, and French ambassadors in Istanbul would pressure the Ottomans to stop. The reverse happened whenever, say, BP’s claim seemed to have the grand vizier’s favour.

Though Ottomans ranging from local sheikhs to the sultan himself had been staking their own claims for decades, none had the financing or know-how to develop their own oil production. As the brains behind the Turkish Petroleum Company (TPC), established in 1912, Gulbenkian brought rival English and German concession-holders together, ending the stalemate in the 1914 Foreign Office Agreement. Under this remarkable alliance of rivals, Shell, BP, and Deutsche Bank agreed that none of them would seek oil within the confines of ‘the Ottoman Empire in Asia’ except through TPC, their joint venture.

When one considers that the ‘Ottoman Empire in Asia’ in 1914 embraced modern-day Iraq, Saudi Arabia, and the Gulf statelets (if not Kuwait or Iran), the Agreement’s potential becomes evident. A concession was signed with the Ottomans later that year, giving TPC rights to explore the most promising Ottoman territories around Mosul. Unfortunately, the outbreak of war left both agreements dead in the water. Having entered an alliance with the empire on the very eve of the conflict, the Germans now had the field to themselves, sending their *Brennstoffkommando Arabien* (militarised oil survey) to sink the first modern oil wells in Ottoman Mesopotamia, once again around Mosul. Oil was found, but too late: it was December 1917.

Defeat in Europe ended the Kaiser’s dreams of Baghdad, and Deutsche Bank was stripped of its 25% share in TPC under the Treaty of Versailles. Amazingly, this share was offered by the British government to the French, even though France had contributed little to the war effort in the Middle East. Clemenceau’s snooty remark that ‘when I want some oil, I go to my grocer’ suggested a certain indifference to oil’s significance. Under the secret 1916 Anglo-French Sykes-Picot Agreement, oil-rich Mosul (in northern Mesopotamia/Iraq) was allocated to a future French sphere of influence. Yet Clemenceau abandoned France’s claim at the request of British premier David Lloyd George in December 1918. The achievement of French officials is therefore remarkable. Having dallied with Shell during the war, in 1920 they decided to allocate the quarter share of TPC to a new company, the Compagnie Française des Pétroles (CFP, established in 1924).

Unable to afford to take its own state share, the French government ensured that shares in CFP were spread among a number of companies, preventing any one from taking control. CFP was little more than a holding company, repeatedly failing to develop sources of oil elsewhere. Yet the surprise post-war allocation of a quarter share in Middle Eastern oil production allowed the French to stay in the oil game. Eventually, after another world war, CFP would finally spread its wings, becoming the oil giant we know as Total. It had been a very close-run thing.

America’s Standard Oil was not going to stand by and let Britain and France divide the oily spoils of war between themselves. In 1920 it launched the ‘oil war’: a public relations campaign which conjured up a British oil ‘octopus’ intent on world domination, in defiance of what Americans referred to as ‘the open door’: the freedom to invest one’s capital anywhere in the world. The State Department lapped it up, putting diplomatic pressure on London, which in turn pressured BP to let the Americans into both TPC as well as a new venture set up to exploit northern Iran.

Having achieved its aims, the ‘oil war’ ended: Standard’s revenge for the equally artificial ‘oil crisis’ of 1917. Working out the terms under which Standard would participate in TPC took much longer. Negotiations at Lausanne in 1922–3 delayed matters, raising the possibility that the Americans might find a way to Mosul’s oil in collaboration with the new Turkish regime. Many Turks had visions of the blessings that oil-inspired American investment would bring the infant Republic: railways, factories, and high-rise buildings (Fig. 3). It was not the last oil-fuelled vision to prove illusory.

Only in 1928 would the Red Line Agreement be reached, named after the line delineating the vast area within which TPC partners agreed to collaborate (Fig. 4). TPC had struck oil 100 miles southeast of Mosul the previous October. By adopting a ‘go slow’ policy on the construction of pipelines necessary to bring the region’s oil on stream (Mosul’s oil finally reached TPC’s Mediterranean terminal at Haifa in 1934), the TPC partners protected their global markets from ‘oversupply’. For Iraq and its neighbours, the TPC cartel kept much-needed income from royalties low. Rather than a partnership, many within Iraq saw the relationship as exploitative. ‘We wish Iraq to benefit from its resources’, noted the Bagdad newspaper *İstiklâl* in 1923, ‘the exploitation of such deposits should leave no ground for foreign interference in the administration of our country.’ Distrust of TPC led Ibn Saud to award the concession for his newly established kingdom of Saudi Arabia to an all-American company in 1933; American oil executives ensured that the United States would in time become a firm Saudi ally.

**Dream or Nightmare?**

The oil of the Middle East did little to power the war effort: only after the second world war did the axis of world oil production shift from the Gulf of Mexico to the Persian Gulf. The rapid consolidation of the oil industry during the Great War and its manipulation of host states nonetheless set the terms by which Middle Eastern oil entered world markets. These terms were far removed from the anti-imperialist Fourteen Points advanced by Wilson at the conflict’s end. Thanks to Henri Deterding, Walter Teagle, and John Cadman, the leaders of giants we know as Shell, ExxonMobil, and BP the fate of the Middle East lay as much in the hands of oil executives and shareholders as it did in those of presidents and statesmen.

Culturally the Great War saw ‘oil’ emerge as a symbol with conflicting meanings: for some, ‘oil’ meant power; for others, exploitation. In 1923 Britain ruled Iraq under a League of Nations mandate, yet many within Britain would have shared *İstiklâl* ‘s sense of being exploited (as consumers) by the same oil companies’ price fixing. Whether conceived as a ‘spider’, an ‘octopus’ or something else entirely, by 1923 it was evident that ‘oil’ was detached from familiar structures of empire and the state. Yet ‘oil’ also shaped that political order. The resulting conspiracy theories, apocalyptic visions, and moral exhaustion have not left us: indeed, we might say they define the post-truth world we live in today.

**Further Reading**

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**Legend**

Fig. 1. A ‘gusher’ near Grozny in the Russian Caucasus, 1895 (Courtesy Calouste Gulbenkian Foundation)

Fig. 2. Charles Joseph Watelet, *Calouste Gulbenkian* (1912)*,* oil on canvas (Courtesy Calouste Gulbenkian Foundation)

Fig. 3. ‘Dream’, *Akbaba* cartoon of 1923

Fig. 4. The 1928 Red Line Agreement (Tim Aspden, courtesy *History Today,* originally published in volume 68, issue 1, January 2018)