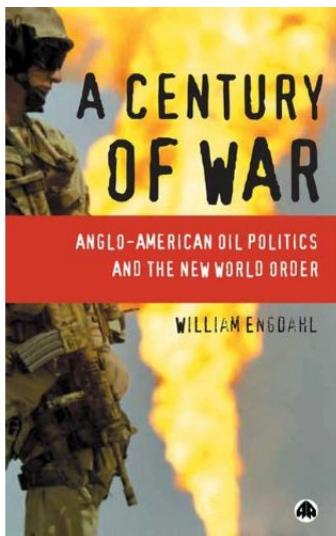


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Book Review: A Century of War – Anglo-American Oil Politics and the New World Order by William Engdahl



Many years ago I read the autobiography of R Buckminster Fuller (one of my heroes whilst at art school), who before becoming a visionary architect/engineer/designer and philosopher trained as a naval architect, a profession he later credited with equipping him with his holistic vision of the world. Not surprisingly therefore, Fuller had an abiding interest in the Royal Navy's strategic role in maintaining the British Empire. Fuller referred to the fact that in the closing decades of the 19th century the British and US governments made a pact, a pact that saw an alliance between the imperial Royal Navy's unassailable (at that time) control of the world's trade coupled to the rising industrial and financial might of the US, an alliance that would rule the planet for the next century. And this was no megalomaniac vision but a reality built upon centuries of colonial rule and the wealth looted literally from one quarter of the planet. Those guys had a plan. Making it all possible of course, was the Royal Navy and its fleet of planet-spanning 'ships of the line', the mightiest navy the world had ever seen, with which it was able to protect its trade routes, engage in its euphemistically named 'gunboat diplomacy' in order to keep the 'natives' in line and to make sure that its imperialist competitors didn't steal a reach on its ill-gotten gains.

But by the 1870s the Empire had reached its high point and England began the longest economic depression in its history, one that it was not to recover from until the 1890s. And in the meantime its European competitors, chiefly Germany, now outstripping Britain in industrial production and technological innovation, by the 1890s also had a navy to rival that of Britain's. And it is here, at the shooting end of the British Empire that we see the role of oil take centre

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stage when the advantages of oil-fired turbines revolutionised naval warfare (this in spite of the Navy's rejection of the idea some years earlier), extending the reach and speed of its biggest battleships.

This is the point at which Engdahl's story effectively begins by examining the economic competition between England and Germany largely over Germany's expansion East toward Turkey and South into Africa. East where the oil was (then in Iran) and South to the riches of Africa and onwards...dangerously close to the 'jewel' in the empire's crown, India.

The importance of guaranteeing a supply of oil (something that she didn't have as oil had not as yet been discovered in its Arab possessions in the Gulf) for Britain's navy had assumed centre stage

I should regard the concession of a port upon the Persian Gulf to Russia, by any power, as a deliberate insult to Great Britain and as a wanton rupture of the status quo, and as an international provocation to war.

Lord Curzon, 1892 (p. 20)

William Knox d'Arcy, an Australian, spent years exploring Persia (Iran) for oil.

Then, in 1901 ... In exchange for a significant sum of cash upfront, the Shah [of Persia] awarded d'Arcy a 'firman' or a royal concession giving him ... 'full powers and unlimited liberty, for a period of sixty years, to probe pierce and drill at their will the depths of Persian soil; in consequence of which all the sub-soil products sought by him without exception will remain his inalienable property'.

D'Arcy paid the equivalent of ?20,000 cash and agreed to pay the Shah a 16 per cent royalty from sales of whatever petroleum was discovered. Thus the eccentric Australian secured one of the most valuable legal documents of the day, granting him and 'all his heirs and assigns and friends' exclusive rights to tap the oil potential of Persia until 1961.

Enter a certain Sidney Reilly, "Britain's 'ace of spies'", who in 1905 was sent to Persia to track down d'Arcy and persuade him to sign over the rights to Persia's oil to a 'good Christian' company. Reilly persuaded d'Arcy to sign over the rights to the Anglo-Persian Oil Company which was in actuality, partially-owned by the British government and financed in part by the Rothschilds bank. Britain had acquired its first oil concession and kept its involvement secret.

And here Engdahl again highlights the importance of Germany's move eastward because, restricted by Britain's control of the sea lanes, Germany cut a deal with the Ottoman Empire to build a railway from Berlin to Baghdad, and open up the Middle East to its products, a deal that the Brits could not in theory anyway, prevent. And in fact because of the sheer cost of the project, Germany actually sought British investment in the rail line, without success, right up until the outbreak of war in 1914. Britain revealed its concern about the potential competition from Germany, especially over oil and again the Suez Canal and the route to India, an issue

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highlighted by R.G.D. Laftan, a senior British military advisor who realised that if the railway were built

If "Berlin-Baghdad" were achieved, a huge block of territory producing every kind of economic wealth, and unassailable by sea-power would be united under German authority ... "Russia would be cut off by this barrier from her western friends, Great Britain and France".

It's worth recalling that

"Hegel remarks somewhere that all facts and personages of great importance in world history occur, as it were, twice. He forgot to add: the first time as tragedy, the second as farce."

Karl Marx, The 18th Brumaire of Louis Bonaparte

By 1912 oil was discovered in what is now Iraq and in the area that the Berlin-Baghdad railway would pass close to and it was proposed that a link be built that would connect the railway to the oil-producing area "making Germany independent in its petroleum requirements" (p. 28). Unfortunately, WWI intervened.

In 1913 the British government (again secretly) purchased a majority shareholding in the Anglo-Persian Oil company (now called British Petroleum) and from this point on "oil was at the core of British strategic interest" (p. 28). Engdahl makes it clear that if Britain could deny its competitors access to oil it could assure its continued pre-eminence as a world power and was even prepared to risk world war and toward this end created a secret military alliance with France and Russia that ensured that should Germany invade either Russia or France would inevitably involve Britain.

One cannot underestimate the Machiavellian nature of British dealings with its 'allies' as well as its enemies, dealings echoed a century later by the US. Take for example, the way the Brits manipulated France and grabbed Egypt, confronting each other in the unlikely location of Fashoda on the Nile, a mosquito-infested place with virtually no significance except for its location roughly midway between Egypt and the Indian Ocean. France had a plan to unify Saharan Africa from the West to the East and again, it collided head-on with British interests and as Engdahl puts it "Britain was stealing Egypt from under the eyes of France" first by feigning to 'protect' French interests in Egypt and second by reneging on yet another 'agreement'.

By the time war broke out in 1914 not only was oil of obvious strategic significance, it also lubricated the relationship between Britain and the US, largely because Britain was virtually bankrupt and this is where the story gets really interesting for its here, at the intersection of war and US and British capital that Engdahl unpacks the forces that were to determine the course of the rest of the 20th century.

By the end of the war, with Germany broken and no longer competition for Britain, the scene is set for what was to become on the one hand, the ascendancy of the 'American century' and the cementing of the Anglo-American alliance, an alliance based on two interlinked players, banking and oil. But as events subsequently proved, the alliance was also riven with competition over

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control of oil with the battle between Royal Dutch Shell/British Petroleum and Rockefeller's Standard Oil virtually global in scope. Engdahl makes the point that for a period Britain owned or had exclusive concessions to oil in

...the United States, Russia, Mexico, the Dutch East Indies, Rumania, Egypt, Venezuela, Trinidad, India, Ceylon, the Malay States, North and South China, Siam, the Straits Settlements, and the Philippines. (quoting Sir Edward Mackay Edgar in 1919, p. 64).

But in order for Britain to prosecute its war with Germany it was necessary to borrow a vast sum of money and with Britain's 'gold standard' (based on the former dominance of the pound) in ruins, there was only one source, the US. Enter the Morgan Bank, appointed as sole agent for all loans made to the Allied forces and for the subsequent reparations forced upon Germany following its defeat in 1918, for which it earned a 2 per cent commission. The sums are staggering even by today's standards amounting according to John Foster Dulles who was "a key participant in the Versailles talks"

\$12,500,000,000 at 5% interest. Britain, France and the other Entente countries, in turn, were owed by Germany, according to the Versailles demands, the sum of \$33,000,000,000.

In total, the sum owed the US and the Entente powers by Germany was 132 billion gold marks, an amount that was impossible for the Germans to pay given that its colonies, foreign investments and its industrial base had been confiscated and divided up between the victors, with the lion's share going to Britain. But then this was the entire point of the Versailles Treaty, to make sure that Germany would never again be competition for the British Empire.

However, rivalry between the US and Britain was to take centre stage in the struggle over the control of oil resources. The British ruling class, the masters of subterfuge and double-dealing, were able until WWII to outwit the US over Middle East's oil and even challenged the US over oil resources in the Caribbean and South America, a struggle they eventually lost. Their student was learning to outwit the teacher.

The core of the book reveals the pivotal role played by the Wall Street/London financial axis that determined how the world of the 20th century developed, whether it was the competition between rival capitalist powers or the control of the vital resources needed to power the entire process. So for example, whenever it looked like there might some kind of challenge posed to the Anglo-American alliance such as that of Germany in the 1920s or Italy in the 1970s, 'convenient' assassinations of key players would occur, or 'exposés' that scuppered deals that would have endangered USUK hegemony.

Throughout the 1920s and 1930s, the masters of the 'Great Game' as the rule of British Empire was so named, was dictated by oil and even though the by the post-WWII period, it was the de facto American Empire calling the shots, the alliance formed between the two remained solid, dictated by the seven great oil cartels and a handful of international banking corporations that between them were to control events including the inevitable slide into yet another war, again determined by oil, without which modern industrial capitalism was nothing.

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Fast forward a century and we find a world almost entirely shaped by that imperialist vision notwithstanding the rather large obstacle placed in its path by the Bolshevik Revolution, an obstacle that delayed and indeed fundamentally altered how that vision played itself out.

It is I think, difficult to envisage a complex world being ruled by a handful of (mostly old) white men, who from their exclusive clubs, boardrooms and civil service offices in Whitehall and Pennsylvania Avenue, plot and scheme the future of humanity, but Engdahl's book reveals that this is exactly what happened (and continues to do so). One might ask how come? Surely their power is not absolute? And of course it isn't but- at any given historical time, particular forces dominate above all others and for the past century it has been oil and banking (together with military might to enforce their rule), an unholy alliance if there ever was one. Backed by the two most powerful states on the planet, they have been able to control resources and countries on a global scale.

Engdahl's book traces the relationship between the two revealing as it does the mechanisms of one (fading) empire setting the stage as it were, for the emergence of another and in so doing lay bare the key institutions that determine (or try to) events and their consequences.

I have one reservation about a Century of War as the danger of Engdahl's approach is to minimise the role of the opposition to the rule of capital but then without understanding how these ruthless characters operate, organising opposition is little short of useless. Notwithstanding this, the central thrust of the book is awesome for it attempts to reveal how these forces operate, whether through secret pacts, the use of economic power and where necessary the application of force to ensure the continued rule of capital. Sceptics will of course cry conspiracy but then if the definition of a conspiracy is of a group of individuals (numbering no more than perhaps five hundred powerful men) engaged in a secret criminal act then surely this exactly describes how the key events of the past century came to pass. Engdahl describes the workings of the institutions they created whether the Royal Institute for International Affairs (or Chatham House) and its US cousin, The Council for Foreign Relations, both set up in the early days of the 20th century to formulate policy for imperialism as well as coordinate the activities of the major players. The central role of the Bank of England and Morgan Bank in manipulating the flow of capital in order to control (and subdue) rival capitalist powers.

Most illuminating is just how little has actually changed over the past century with essentially the same forces at work today albeit that the wolves are disguised as a different species of sheep. Most important of all is the fact that since the end of the Soviet Union, these forces are revealed for what they are and have always been, for just as a century ago, events were shaped by competition between rival imperialist powers, with the removal of the socialist bloc, it would appear we are back to 'business as usual', at least that's the 'vision'.

There is much, much more to this book than I have written of here, not the least of which is Engdahl's succinct portrayal of these powerful men, whether dressed in Armani suits or evening dress, presenting themselves to the world as important and honorable personages when in reality they are no more than an hereditary Mafia, who slaughter on a grand scale in the pursuit of nothing more honorable than filthy lucre.

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For anyone who wants to understand how the world of today came to be, then this is the book to read, especially given the knee-jerk reactions of the mass media who are all too quick to condemn with patronising bleats about the 'conspiracists' anyone who cries 'it's all about oil!' when talking of Iraq. Refer them to this essential history of the role of oil in the shaping of our world. I cannot recommend it too highly.

[A Century of War – Anglo-American Oil Politics and the New World Order by William Engdahl. Pluto Books, London 2004.](#)

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