



Imperialism and Empire in Iraq: Britain's Informal Colony

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Abstract

This thesis explores informal Empire and illustrates how Iraq is defined as such during the interwar period, from 1919-1939. This is achieved through a study of how the British Empire interacted with Iraq. Fundamental to identifying informal Empire is understanding how imperialism takes shape. In this instance I outline definitions of informal Empire and use of case studies to show how Britain exerted control over Iraq without bringing the fledgling state into the Empire as a formal colony. Military aid was another characteristic of imperialism present in the case of Iraq. Oil is critical to this discussion as it provided motivation and was one of the primary reasons for the British presence in Iraq. The second chapter explains the economic and strategic military advantages Britain gained through controlling a supply of oil. The presence of oil advanced conversations at the heights of government as to how best to control the flow of oil. The apparatus of control is a central focus of this study. Britain sought greater, sweeping controls over every aspect of the Empire which was in-part due to the poor economic conditions facing Britain and the world after the First World War. Economisation acts as another motive. Policy makers in the government made sweeping and pervasive budget cuts across every aspect of the British government, both at home and abroad. By controlling Iraq and the oil which lay buried beneath the desert Britain could more easily control the price of oil. Military power and imperialism were invariably interconnected. Iraq was home to multiple RAF bases. The RAF was seen as crucial to a cost effective imperial defence apparatus and Iraq was uniquely placed in between the Suez Canal, the Mediterranean Sea, Turkey, India, and Persia. Geopolitically, Iraq lay within an important region in terms of trade, commerce, and defence for the Empire. As a result, Britain constructed an apparatus of control in Iraq to cement British influence over policy.

Introduction and Historiography

This thesis will show that Iraq was part of the informal British Empire. That is to say, Britain influenced policy in Iraq, and the Middle Eastern state was very much a part of the British Empire. The argument put forth in this thesis requires a level of understanding about imperial historiography. The rise or fall of the British Empire during the inter-war period and beyond has long been discussed, yet this thesis argues that Iraq represented a clear case for Britain's increased colonial activity, rather than a decrease. The consensus seems to be that Britain would never regain its pre-war position in terms of economic strength. This point is hard to argue considering the post-war strife of reconstruction and ensuing depressions. Britain's Empire experienced much turbulence as a result. There were independence movements throughout the Empire which contributed to this. Despite this, Iraq was an example of how Britain sought to control a country for material and strategic gain and was successful in doing so. Presented in this thesis is the theory of informal Empire and how it can be defined and identified. These parameters are then applied to Iraq. Motive is of the essence. Why Iraq was an important imperial imperative is explored for this purpose. The phasing out of coal and adoption of oil plays a key role in this regard. Physical evidence of a colonial footprint and how Britain planned to construct Iraq is presented as part of this argument. This will include the infrastructure which Britain planned to build, erected, and utilised in order to fulfil her imperial ambitions. This study will show infrastructure and presence was used to benefit the wider Empire. Later decline is easier to define through 'decolonisation' which occurred after 1945, and the inter-war period is oftentimes tied into this discourse as evidence of long-term decay. The issue seems to be how decline has been defined and the complexity of showing decline across a vast and interwoven Empire. Britain did relinquish some power to the Dominions and start to devolve power in India. Economic issues plagued the British Empire during the inter-war period, which was then exacerbated by the Wall Street Crash and period of economic strife in the 1930s. However, this thesis will illustrate that Britain increased its colonial activity in regions it had taken over as a result of World War One, and will complicate traditional narratives of decline in this period. Iraq is an example of this.

P.J. Cain and A.G. Hopkins have examined decline in the context of the post-war era. They discuss the problems facing Britain in the wider context of the international economy. As will be discussed later in this thesis, the British economy relied heavily on its financial sector, and 'invisible trade'. Cain and Hopkins outline the problems facing Britain

after the First World War. The war had devastated international trade, which was slow to recover and 'incomplete in the 1920s.' These problems were exacerbated by the great depression from 1929 to 1933, as well as by the 'protectionism which characterised the 1930s'. British manufactured export trade had suffered during the post-war period also, but the issue was 'compounded' by a failure to remain competitive in international markets which was partly due to the rising prominence of New York as a long-term investment hub in the 1920s. The 1930s saw both London and New York unable to invest abroad, but Britain was at an advantage due to its position within the Sterling Area, yet even then the City was constrained by emerging competitors and a lack of opportunity abroad.¹ Economically, therefore, Britain's Empire suffered decline during the inter-war period. Many of the major reasons for this were out of her control. One symptom of decline had been a failure to remain competitive which had been evident prior to 1914 and during the 1930s it became 'generally accepted' that the 'staple industries of provincial Britain would recapture no former international glories'.² Cain and Hopkins see the inter-war period as an era of decline for Britain, and in terms of exports and invisible trade this is accurate in the sense that Britain would never again see its pre-war eminence. However, what is not overtly stressed is how these conditions affected other nations also. Britain was in a weaker position than it had been prior to 1914, but did this translate to a loss of power if the other world powers also suffered heavy losses, followed by the cost of reconstruction?

From another perspective, Britain found itself in a more dominant colonial position. As John Darwin notes, many of the United Kingdom's former rivals were no longer on the board following the war. Russia and Germany had been broken, and France had experienced tremendous levels of destruction which needed to be rectified, though France was in a better position than Russia or Germany. The United States and the United Kingdom were in the best position to 'turn the making of peace to their advantage', and along with France made the largest territorial gains across the 'Middle East, Africa and the Pacific and had the most to bargain with'.³ Whilst this perhaps translated as having made the best of a bad situation other than growth, comparatively to

¹ P.J. Cain and A.G. Hopkins, *British Imperialism 1688-2015 - Third Edition* (New York: Routledge, 2016), 463.

² *Ibid*, 463.

³ John Darwin, *The Empire Project: The Rise and Fall of the British World-System 1830-1970* (New York: Cambridge University Press, 2013), 359.

other world powers Britain had come out on top. A lack of colonial competition also offered Britain leverage, as Darwin explained, due to the fact that client states could no longer play two sides against the middle, as Britain was in many ways the de-facto colonial power in many regions. Furthermore, Britain had bankrolled many of the European states during the war, which put her in a fortuitous situation and gave her influence over the post-war reconstruction era, somewhat offsetting the extensive US loans Britain had taken.⁴ Darwin does bring the British position back down to reality, in saying that this immediate position of relative strength and peace would not last. The British system was vulnerable to the social and political movements and changes during the inter-war period. Without 'draconian' levels of control, the cost of which would have been unaffordable if even attempted, the likes of Greek, Turkish, Irish, Arab, Egyptian, Persian, Afghan, Indian, and West African peoples were being exposed to new views and ideas of class and national independence.⁵ This then led to many of the aforementioned taking advantage of the instability of the post-war years through the 1920s, as distrust of London translated into demands for greater autonomy. And, as mentioned, the cost of maintaining strict control was untenable, which meant that Britain likely relinquished control to achieve peaceful relations and an affordable world system. Though a lot of these issues eased by the mid-1920s.⁶ Discussed later in the paper will be the repercussions of the gold standard and great depression, but Darwin does offer a counter to the standard post-war slump explanation by explaining that Britain did enjoy some advantages, even if they were eventually overshadowed by great problems.

The notion of British expansion during the inter-war period is common, and not at all open to interpretation. Britain did expand its Empire in the aftermath of World War One, which was in part due to the mandate system under the League of Nations. Though some historians have described Britain's victory as 'pyrrhic', meaning that so much damage had been done to their Empire that the victory was a hollow one.⁷ The British Empire 'was at its largest following' the war in terms of land mass and peoples governed. However, this status remained in contention throughout the inter-war period. As Darwin discussed the permeation of social and political ideals within the Empire, as does Philippa Levine. In her synopsis of the issues facing Britain, the rise of nationalism was one such reason for

⁴ Ibid, 359.

⁵ Ibid, 360.

⁶ Ibid, 361.

⁷ Ashley Jackson, *The British Empire: A Very Short Introduction* (Oxford: Oxford University Press, 2013) 94.

decolonisation, the foundations of which had long been in the sentiments of British colonial subjects. However, the rising democratisation in the Western imperial states led to other groups around the world questioning the notions of nationalism and legitimate versus illegitimate rule.⁸ In the Dominions there were moves away from British leadership. In the years following the war, Canada, for example, started to explore nationalistic policies and behaviours, such as signing a 'fishing rights treaty with the United States, completely bypassing Britain'.⁹ The war had also created an environment which opened up critique of Britain from the Dominion states in particular. Whether this was due to Britain relying on them in this war of hitherto unknown proportions or a rise of liberalism amongst British policy makers is not clear. However, Dominion leaders pressed for more independence during the war years, as well as pushing for greater roles in the crafting of policy. This sentiment continued after the war and ultimately culminated in the creation of the modern Commonwealth, though even with their newfound independence the colonies and dominions largely held a 'pro-Empire' sentiment.¹⁰ Therefore, the growth of territorial control was followed by a devolution of policy control.

The place of Iraq in the historiography of Empire, as a result, fits within the discussion of 'Empire in decline', but also wider imperial theory on informal Empire. Iraq represented a growth in the Empire's landmass, but by 1932 Iraq had its own native government and monarch. The issue is that this is not as simple as it sounds. On the surface it would seem that Iraq maintained its own government, was a member of the League of Nations by 1933, and was autonomous. This thesis will show that Iraq lacked independence, and that Britain maintained indirect control of Iraq and extracted their oil resources - the most valuable asset Iraq had to offer - as well as using Iraq as a military and communications way station for the broader Empire. The Dominion states which seemed to be gaining their independence also relied heavily on the British economically, during this period. This can be seen through both the Sterling Area in the 1930s and Britain's increased trade with them. The deployment of Britain's economic power, which even in the post-war period was vast when compared to her trading partners, was an important part of her power apparatus. This paper does not disagree with the idea of Empire in decline, nor that the seeds for decolonisation were sown in this period. Turbulence throughout the Empire was rife during this era. The argument this paper will put forward is that the simplistic

⁸ Philippa Levine, *The British Empire: Sunrise to Sunset* (GB: Pearson Education Ltd, 2007), 166.

⁹ *Ibid*, 172.

¹⁰ *Ibid*, 172-173

explanation of 'decline' lacks depth and an understanding of how Britain exerted control over seemingly autonomous states, especially within its informal Empire. Iraq represents a good case study of this, though examples of other nations which fell under Britain's informal Empire will also be explored and analysed for context and comparison.

This thesis will identify how Britain exerted control over states through subtle means. This will indicate that the British Empire during the inter-war period was altering how it operated. On the surface, former colonies gained greater independence and autonomy. Whilst this may have had local policy implications, Britain did not need to exercise direct rule in order to maintain control and a favourable, one-sided, relationship with its empire. Direct rule was indeed expensive and often avoided, as was the case in Iraq. However, Britain maintained the imbalance of her relationships through wielding vast economic and commercial assets and using these to her favour. In order to illustrate Britain's dominance over a state without needing direct rule, this thesis will examine the infrastructure in Iraq as a manifestation of this. Utilised chiefly by Britain, the roads and railways in Iraq served Britain more so than they did the Iraqi people. Britain built transportation infrastructure across the Middle East and throughout Iraq. This was done so for both economic and military demands, as well as communication. Examples of infrastructure in India and Malaya being built and used primarily to support British colonial pursuits will be used as an example of this also. Aerodromes housing RAF fighters and bombers in Iraq will also be used as examples of infrastructure in Iraq which served British purposes, and in the case of this thesis the sprawling imperial network these bases were a part of and contributed to. Thus, this reveals that whilst Britain lacked formal imperial rule in Iraq, the fledgling state was still very much part of the empire. The first chapter will delve into the mobilisation of financial assets to achieve its ends, and the economic vehicles Britain utilised to stifle competition and accrue leverage over her partners. The nature and face of imperialism had changed, but not slowed, in the case of Iraq. This ties the discussion of informal imperialism with the narrative of empire in decline during the inter-war period.

There are studies which more directly examine the British presence in Iraq. Eugene Rogan's *The Arabs* is an example of this. Rogan sums up the British presence in Iraq as being economic and political, as per the terms of the Anglo-Iraqi Treaty of 1922. However, Rogan does allude that the real motives behind Britain's motives in Iraq had been oil and that the political control of Iraq served that purpose. He also discusses Iraqi dependence on British military aid. This is what allowed Iraq to join the League of Nations on October

3rd, 1932. Though Iraq's status was independent, it was an 'ambiguous independence' where Britain enjoyed a level of political and military influence which was beyond what was 'compatible with true Iraqi sovereignty'.¹¹ Much of this was due to the 1930 Treaty of Preferential Alliance between Britain and Iraq, granting Britain certain privileges which, once agreed upon, led to Iraq's membership of the League. Charles Tripp's *A History of Iraq* reaches for a similar conclusion to this thesis regarding the nature of British control in Iraq. Britain held influence over Iraq from the end of the war as the Mandatory Power. Britain's interest in Iraq was ultimately imperial, seeking to gain a military foothold and reap the natural resources of the country which had been formed out of Mosul, Baghdad, and Basra. Three regions formerly under Ottoman control. Tripp also identified the treaties between Britain and Iraq during the 1920s and 1930s as conduits for British ambitions. Independence and the prestige of booming a meter of the League of Nations was waved in front of the Iraqi people in exchange for British influence. Tripp also discusses the informal elements of control over Iraq. After achieving League membership 'British influence continued, whether formally through the 1930 treaty, or informally through the many unspoken rules that governed British relations with much of the Iraqi elite'.¹²

On the issue of oil, Daniel Yergin has produced extensive work on the global oil industry, from infancy to the modern day. Yergin provides great detail on how involved British government and military officials influenced the industry before and during the inter-war period. This work looks at events from the perspective of the oil industry and companies, whilst also grappling with the accompanying political narrative.¹³

This thesis connects various discussions and debates on Iraq and imperialism and addresses a current gap in the literature by situating Iraq within the wider context of the British Empire and imperial networks. Iraq is firmly established as part of Britain's informal Empire, and evidence is provided for the causes and means of maintaining and furthering Britain's imperial ambitions. Chapter one explores imperial theory and defines informal empire, as well as different modes of control utilised by Britain. Chapter two focuses on oil and how Britain's demand for it created an interest and subsequent presence in Iraq. The final chapter discusses infrastructure in Iraq and how this supported British imperialism. British-built or funded projects in Iraq served the purpose of furthering colonial pursuits and imperial ambitions. This included civil infrastructure, which

¹¹ Eugene Rogan, *The Arabs: A History* (London: Penguin Books, 2018), 240.

¹² Charles Tripp, *A History of Iraq* (Cambridge: Cambridge University Press, 2010), 73.

¹³ Daniel Yergin, *The Prize: The Epic Quest for Oil, Money & Power* (London: Simon & Schuster Ltd, 2008).

supported the oil industry and military planning, as well as imperial communications and RAF bases in Iraq. Overall, the thesis draws out Iraq's broader role as an important part of Britain's imperial defence apparatus.

Chapter One - Imperial Theory

Defining Informal Empire

In an effort to understand the theory behind Britain's relationship with Iraq during the period being examined, it is important to understand key contextual issues at the time, as well as the nature of imperialism. Definitions of Empire can be broad. A common definition of Empire is 'a transnational political formation by which one state exerts political power and control over subordinate territory and peoples', consequently '*imperialism* is the process of extending or maintaining that control'.¹⁴ Within this interpretation of Empire are different 'modes', the two most typical 'modes' or descriptions of Empire are formal and informal. Drawing from multiple scholars in the field, Go defines formal Empire as the 'direct ruling' of new territory, referring to it as 'colonial' whereby the 'metropolitan state claims full sovereignty over subordinated territory and people'.¹⁵ Informal Empire involves 'a variety of methods besides direct territorial rule to construct a network of power encompassing nominally independent nation-states'. This is achieved using 'financial and military aid to cultivate client states, large-scale networks of military bases, sporadic military interventions... temporary military occupations, or covert operations to manipulate political outcomes in foreign countries'.¹⁶

Applying this approach, this thesis will show Iraq's place within the Empire during the inter-war period. In doing so, this thesis will provide evidence and analysis which will place Iraq firmly within the defining borders of Britain's informal Empire, and not simply existing within its sphere of influence (though this itself is an characteristic of informal Empire). A sphere of influence being the areas where a state or entity wields some form of control over policy, commerce, or social movements outside of its own borders, whether this is formal or informal. Iraq, based on Go's parameters, fulfils the criteria of what defines informal Empire. Moreover, aside from defining Iraq's status within the wider Empire, this thesis will also explain how and why this was the case. Britain, Go notes, primarily sought to build a formal Empire into the twentieth century. Direct control was their *modus operandi*. Iraq did not fall under this typical imperial approach. Perhaps due to massive costs incurred as a result of World War One, and less than favourable financial

¹⁴ Julian Go, "Global Fields and Imperial Forms : Field Theory and the British and American Empires", *Sociological Theory* 26, No.3 (September 2008): 201.

¹⁵ Ibid, 201.

¹⁶ Ibid, 201.

and political climates, Iraq was not absorbed into the formal Empire. This chapter will explain why this was the case and how Iraq was very much part of Britain's informal Empire. It will examine Britain's apparatus of control over Iraq, and also how Iraq fell under Britain's wider strategies of control on a global scale.

Methods of Control: The Sterling Area and Imperial Commerce

Julian Go theorised that the cause of Empire, what drives it, is 'structural competition', and that rather than being a nationalistic venture or the product of bankers, it has been a 'strategy for meeting the state's imperatives of geopolitical security (containment) and economic growth (capital) in the face of external threats'.¹⁷ The concept of external threats and forces brushes against contemporary theories of geopolitics in Britain during the early twentieth century, such as Sir Harold J. Mackinder's *Pivot* paper.¹⁸ Although Go's theory is grounded in historical research, it is from the sociological perspective, which is important to note. From this perspective, Go describes how this imperial theory can be applied to the British. In relation to this thesis, the inter war period very closely resembles this explanation considering the context of global depressions and the subsequent policy of Imperial Preference and creation of the Sterling Area. The timing seems to coincide with Britain's handling of Iraq. As Go theorises, 'free trade periods mean less colonialisation because states prefer open markets... when free trade declines, states respond with colonialisation in an effort to obtain and maintain privileged access to materials and markets. Imperialism is a functional alternative to open trading'.¹⁹ This mirrors the conditions of the late 1920s and beyond into the 1930s. With the Wall Street Crash, free trade was no longer the safest option. Britain responded by forming the Sterling Zone and installing a system of Imperial Preference. Historians see this as an extension of British imperialism, and the US viewed it as a 'Sterling Empire'. The US disliked the concept, their 'resentment at economic misfortune was partly aimed at London's sterling Empire, and what were seen as persistent attempts to devalue sterling against the dollar'.²⁰ America had no 'dollar Empire' with which to sell excess goods to as Britain was able to do.²¹ The Sterling Zone was a trading bloc, where free trade and low

¹⁷ Julian Go, "Capital, Containment, and Competition: The Dynamics of British Imperialism", *Social Science History* 38, No.1-2 (Spring/Summer 2014): 45.

¹⁸ Halford. J. Mackinder, "The Geographical Pivot of History (1904)", *The Geographical Journal* 170, No. 4 (July 2004): 298-321.

¹⁹ Go, "Capital, Containment", 45

²⁰ Darwin, *Empire Project*, 510.

²¹ *Ibid*, 510.

tariffs existed within, but high tariffs were applied to those on the outside. This is similar to Go's containment theory. When Britain abandoned 'gold and adopted protection' they formed more than just a trading bloc, but a 'currency bloc... with the exception of Canada'.²² The aim was to build up sterling balances and capital in London. When applied to Iraq, the actions of Britain from 1929-1939 are more easily understood. Towards the end of the 1930s, 'a large proportion of British trade was conducted within the Sterling Area'.²³

During the years following the Wall Street Crash, Britain's economic outlook turned inwards - relying more on elements it could better control and predict. As part of the 1932 Ottawa Conference, the Empire and members of the Commonwealth adopted the economic system of 'Imperial Preference'. As part of this system, the Sterling Area was created, tying currency valuations to sterling instead of gold or the dollar, and by 1939 this included Iraq (which was neither a colony nor part of the commonwealth, though this was not a singular occurrence).²⁴ There is debate that as well as seeking economic security following a global financial crash, this system was designed to control and extend Britain's imperial reach. Cain cites Canadian economist Plumtre's observation that it was 'simply a latter day expression of financial imperialism... the maintenance and extension of London's influence and control.'²⁵ Cain suggests that part of this British strategy was to allow countries to build up sterling balances, or debt, and offered Britain the opportunity to regain some of the power it had lost as a result of World War One.²⁶ Britain bankrolled states in need of capital, which in return would create a circle of debt and leverage - financial vassalage. Britain would have controlled the "pot", so to speak. As John Darwin explains, prior to 1914 Britain was the 'undisputed centre of a global trading system, and sterling the indispensable medium for international transactions' and that 'British investment', like with trade, 'was as much international as imperial'.²⁷ Britain's financial institutions and the investments they made abroad were important elements of British imperialism. In the case of Iraq, this theory seemed to hold true when context is provided.

²² Ibid, 509.

²³ Ibid, 509.

²⁴ Raymond Mikesell, "Sterling Area Currencies of the Middle East", *Middle East Journal* 2, no. 2 (April 1948): 164.

²⁵ P.J. Cain, "Gentlemanly Imperialism at Work: The Bank of England, Canada, and the Sterling Area 1932-1936", *The Economic History Review* 49, no. 2 (May 1996): 336.

²⁶ Ibid, 338.

²⁷ Darwin, *Empire*, 509.

The importance of imperial commerce to Britain was detrimental to her own financial wellbeing and reliance on the Empire for trade had increased between 1871 and 1938. British exports 'rose from 26.8 percent to 41.3 percent, whereas the share that went to the developed countries of industrial Europe and the United States was shrinking'.²⁸ Not only was the Empire becoming more important to British trade, but some key factors which have been identified as to why this was the case are 'the density of their transport, distribution, and communication networks with Britain'.²⁹ The development of transport, distribution, and communication infrastructure in Iraq will be discussed in later chapters. Most of these exports went to the Dominion states of Australia, Canada, New Zealand, and South Africa, and they maintained an 'absolute dependence on British investment for continued development'.³⁰ The outcome of the Ottawa Agreement seemed to be the formalisation of a system which had already existed, and made greater strides towards economic unity within the bloc. Many of London's trading partners were dependent on British investments to support their own economies, which informally bound them to the Empire before the agreement. The role of Britain's economy in determining foreign policy is noteworthy.

Looking now to Iraq's place in the wider context of colonial ambition, members of the British government had maintained imperial ambitions in the arguably anti-imperialist inter war period. Influential figures, such as Lord Balfour, saw that progress could only be made if imperialism was subtle or disguised. Concerning Iraq, Balfour did 'not care under what system we keep this oil... I am quite clear it is all important for us that this oil should be available'.³¹ Although this quote was likely in reference to the Mandate System as part of the League of Nations, it offers an insight into the attitude of British statesmen during this period. Critical resources needed to be acquired and controlled. Stripping Iraq of economic independence gave Britain influence.

²⁸ Gary B. Magee, "The Importance of Being British? Imperial Factors and the Growth of British Imports, 1870-1960", *The Journal of Interdisciplinary History* Vol. 37, No.3 (Winter 2007): 342.

²⁹ Ibid, 342.

³⁰ Ibid, 342.

³¹ George E. Gruen, "The Oil Resources of Iraq: Their Role in the Policies of the Great Powers", in *The Creation of Iraq, 1914-1921*, ed. Reeva Spector Simon and Eleanor H. Tejirian (New York: Columbia University Press, 2004) 112.

Financial Aid, Financing, and Commercial Domination

Britain's approach towards government intervention shifted in the nineteenth and twentieth centuries. During the nineteenth century there was significant resistance to governmental interference in private business affairs. More so was the resistance to meddling in foreign state policy where Britain was not the formal colonial master. The government, regardless, started to take a more proactive role in matters of private enterprise. This is indicated through the rising dependence on overseas commerce and Britain's reaction to economic threats. Further, the use of loans using the Barings merchant bank to aid foreign governments is indicative of the rise of the financial services sector and increasing government intervention. These loans were characteristic of informal Empire where dominance and influence was achieved through means of financial aid. Argentina is used as an example of precedent. From the early nineteenth century and into the twentieth, Argentina was considered part of Britain's informal Empire and precedent in terms of how Britain maintained control. This was the case due to how dependent Britain was on Argentinian trade and the subsequent need to influence policy in order to maintain the status quo, which was favourable to Britain. Further evidence shows that Argentine policy makers, despite frequent instability in the region, frequently placed their relationship with Britain above all other commitments. This ties in with Iraq as similar circumstances can be identified.

Iraq was valuable to Britain due to its oil resources and geopolitical positioning. When conditions threatened the survival of the British-backed government in 1937, the Iraqi authorities sought support. Britain called upon Barings Bank to support the regime financially so as to maintain stability. The loan was requested by the Iraqi government, publicly sanctioned by British officials, and facilitated by Barings. All the while, Britain was extracting vast quantities of oil whilst the Iraqi state received very little oil or revenue themselves. Iraq was also home to multiple RAF bases which served to protect British interests in the region.

Various links have been drawn between the British government and industry, specifically the events of Achnacarry and high-ranking government or military officials taking senior industry positions within APOC and Shell.³² Within Iraq this was multi-faceted and encompassed financial services as well as the oil industry. Cain and Hopkins' discussion

³² Yergin, *The Prize*.

on the shift in Britain's economic power from industrial towards financial services, through 1850-1945, reveals a shift in how Britain operated in this period. For a century, 'services and finance had a greater impact than industry on Britain's presence overseas' and was a rapidly growing employer in London and the South-East, which coincided with the decline of industry.³³ Financial services provided much employment and was a method of control and influence, which Britain used to their advantage in Iraq to control a sovereign state. In 1937, a Cabinet document discussed the British loan to Iraq, a project which had developed since 1933. The issue of the loan was raised as a result of pressure from the Iraqi Prime Minister in response to British financing in Palestine:

*... the political consequences might be disastrous if the Loan were not obtained, and H.M. Government strongly represented to Baring Bros. the desirability of doing everything possible to facilitate the issue of the Loan without delay... Barings were now prepared to issue the Loan next week at an issue price of about 93 and at 4.5% interest. But they had represented that the success of the loan would be greatly facilitated if H.M. Government could give it a general blessing... by means of a statement, in reply to a Parliamentary Question, that it had their approval...*³⁴

The document goes on, saying that 'the Foreign Secretary stated, however, that further postponement could not be made without bringing about the fall of the Iraqi Government', suggesting a great deal relied on this government sanctioned, albeit private, loan. The Cabinet proceeded to agree that the Barings loan to Iraq was necessary and needed public blessing, in line with Palestinian policy.³⁵

To illustrate the historic use of financial tutelage as part of British imperialism, and informal Empire specifically, the case of Argentina in the nineteenth century and early twentieth century offers some interesting parallels. British policy maker Castlereagh, on the subject of taking Argentina by force in 1807, came to the 'the realisation that military occupation, administrative control and political interference in the affairs of other communities are unnecessary to the interests of Great Britain provided there exists in those communities the institutional means and the will to engage an economic and financial relationship with Great Britain, advantageous to British investors and consumers

³³ P.J. Cain and A.G. Hopkins, "Gentlemanly Capitalism and British Expansion Overseas: New Imperialism, 1850-1945", *The Economic History Review* 40, No. 1 (February, 1987): 2.

³⁴ Meeting of the Cabinet, Minutes (21 July, 1937), in CAB 23/89/2. 5.

³⁵ *Ibid*, 7 (43 of series).

of foodstuffs and raw materials'.³⁶ There was no need to invest money and manpower into a war, when the same outcome might be achieved with favourable political conditions.

Compared to Iraq there were some differences. Iraq had been occupied by the British before it was Iraq, when it had been a collection of Ottoman territories in the region previously known as Mesopotamia. Not wishing to exchange one overlord for another, the Iraqis people might have rebelled against formal British rule. Britain decided it was easier and cheaper to build a native government and ensure their own commercial interests were protected through a legal framework. This was done so from a position of strength so as to make the deals favourable. The imbalance of power was also a characteristic present in the relationship between Argentina and Britain. Further, what this shows is a long-standing precedent within the minds of British policy makers to engineer situations to their advantage when dealing with weaker states, without total domination. This is a key component of informal imperialism. Ferns outlines the methods through which Great Powers had historically achieved 'subordination of less developed communities', being the 'essential characteristic of an imperialist relationship':

*(1) conquest; (2) intervention with the object of establishing a provisional government of native peoples capable of implementing policies agreeable to the interventionist power; (3) the acceptance with varying degrees of consent by the weaker state; (4) the establishment in the weaker community of extra-territorial privileges, naval and military bases, and special areas where the commercial laws and policies of the stronger power prevail.*³⁷

Combined with Go's theory, this equation for imperialism mirrors the events in Iraq following World War One. Starting with the conquest and organising of former Ottoman territories of Mesopotamia, establishing a willing government (achieved through Feisal's coronation by British design³⁸), drawing up treaties and agreements which gave Britain consent to operate as they needed to in order to fulfil their aims in the region, and maintaining RAF bases throughout the northern half of Iraq. Another common trait between the situation in Argentina and Iraq was the apparent power vacuum left by the former power. Spain's ruling class had been toppled and replaced by Argentines. Britain

³⁶ H.S. Ferns, "Britain's Informal Empire in Argentina, 1806-1914", *Past&Present*, No. 4 (November 1953): 62-63.

³⁷ *Ibid*, 60.

³⁸ Prince Feisal was a Hashemite 'warrior' prince, and fought alongside British forces in Arabia to repel the Ottoman forces. Following the war, it was seen by notable figures, such as Gertrude Bell and T.E. Lawrence, that indigenous rule would be preferable in Mesopotamia. This led to Britain championing his coronation in Syria first, and then successfully in Iraq.

took advantage of this by forging a relationship with the new government at this crossroad. Between 1820 and 1825, the Argentine government had secured a £1,000,000 loan, which was floated in London, and a 'treaty of commerce and friendship with Great Britain' had been negotiated.³⁹

Britain and Argentina engaged in a friendly economic relationship following the ousting of a previous power, but stability was not to last. Having thrown out the Spanish, a new wave of civil conflict split the state until the unification in 1862 under General Mitre.⁴⁰ The Law of 16th November, 1863, 'guaranteed payment in sterling in London of all public bonds... a public record of all public debts was established and the public debts were declared a charge on all the public revenues'. Argentina started to repay the defaulted Loan of 1824, which 'caused capital at once to start flowing into the River Plate'. Within ten years 'at least £23,000,000 had been raised in the London market for investment in Argentina'.⁴¹ Issues of provincial xenophobia within Argentina arose between 1875-1876, which led to the forced closing of an Argentine Bank of England branch. Britain and the Bank responded by sailing gunboats up the River Plate, compelling those involved to stand down. The unrest was the result of a depression following 1873 and currency depreciation in Argentina. The moment the Bank accepted, thereby legitimising, their depreciated currency, as a deposit for damages caused by the whole affair, the currency value increased exponentially. This revealed how important Britain was to the Argentine economy, and by 1890 British investment in the region climbed to £174,000,000.⁴² The relationship was mutually beneficial so long as debts were repaid.

The ensuing Barings Crisis between 1890-1892 alarmed the London Exchange. Loans from London were starting to default, and a series of complaints to the Foreign Office seemingly led towards intervention. This displeased senior British policy makers, such as Lord Salisbury. Argentina's economy would have this issue solved by flooding the world market with Argentine products, and thus the loan and investment returns continued as normal.⁴³ Fern's conclusion was that Argentina was so heavily dependent on British investments that the entire state was mobilised to repay them. Argentina throughout this period of trade with Britain erected 'feudal castles' in former animal slaughter sites across

³⁹ Ibid, 68.

⁴⁰ Ibid, 70.

⁴¹ Ibid, 70.

⁴² Ibid, 71.

⁴³ Ibid.

the Pampas which rivalled that of the 'palaces in the Avenue Kleber', displaying great wealth and growth, thanks to British investors.⁴⁴

Britain's use of loans and investments to currie favour did not halt in 1890, as Cain and Hopkins note. Argentine president Yrigoyen, elected in 1928, had been fervently anti-foreign in his trade outlook, though later changed his views on Britain. This change was accompanied by a loan from a British bank. Britain was wary of the influence of the United States in the region and looked to maintain its pre-war relationship with Argentina.⁴⁵ A relationship which represented '42 per cent of Britain's exports to South America in 1913, 48 per cent in 1928-9, and 53 per cent in 1936-7' and by 1929 had £435m of British investments in South America, amounting to over half of what had been invested into the continent by Britain.⁴⁶ 12% of Britain's global overseas investment returns.⁴⁷ Yrigoyen, aware of Argentina's dependence on exported goods to Britain, 'agreed to buy an additional £9m worth of British manufactures, which was the equivalent of Britain's balance of trade deficit with Argentina at the time'.⁴⁸ In order to 'confirm this alliance' between the two countries, Britain had to 'allow a loan of £5m to be issued through Barings'.⁴⁹ The arrangement of this loan was kept secret from the Treasury due to the fact the Treasury had only recently 'reimposed its curb on overseas loans'.⁵⁰ The risk was seemingly worth the reward of maintaining the relationship with Argentina. Despite these measures, Britain's efforts were fruitless. Yrigoyen was released from his duties following a military coup in 1930, which led to the instalment of a pro-American leader: General Uriburi. Uriburi soon found himself disappointed with American friendship as the US entered into an 'abrupt cessation of foreign lending and by the revival of protectionism in 1930'.⁵¹ Uriburi was himself abruptly 'dispatched' and replaced by General Agustin Justo in 1930. Justo looked to the influence of landowners who had 'traditionally benefitted from the Anglo-Argentinian alliance'.⁵² Imperial preference and the Ottawa agreements had alarmed the new Argentina government, who sought to re-establish trade

⁴⁴ Ibid, 74.

⁴⁵ Cain and Hopkins, *British Imperialism*, 566.

⁴⁶ Ibid, 565.

⁴⁷ Ibid, 565.

⁴⁸ Ibid.

⁴⁹ Ibid.

⁵⁰ Ibid.

⁵¹ Ibid.

⁵² Ibid, 566-567.

with Britain. Imperial preference would scuttle their ability to fix their own economic issues. They signed the Runciman Pact in 1933 to establish a long-lasting trade agreement.⁵³ Part of the reasoning behind this controversial agreement was Argentina's currency crisis in 1931 and the collapse of the peso. Perhaps to maintain influence, or to help facilitate payments for the '20,000 British investors' who depended on Argentina, Britain solved the issue with a £11m loan, known as the 'Roca Funding Loan', which 'was raised in London by Barings in 1933'.⁵⁴ The signing of the loan facilitated signing of the Pact. This is another stark example of Britain's use of loans and financial aid to influence foreign state policy, as well as the use of Baring Bros to accommodate these transactions.

The case of Argentina allows one to contextualise events in Iraq. British loans and investments in infrastructure from Britain's share of oil concessions held Iraq in the position of beneficiary, the weaker and dependent state. In Argentina, similar circumstances allowed Britain to fill the power vacuum left by another. This was followed by financial support and trade relations. The result was that Argentina even in dire economic circumstances repaid British loans 'from the wealth of the whole community (e.g. government bonds, guaranteed railway profits and various forms of debentures)', so dependent were they on continued British capital.⁵⁵ This subtle domination portrays the almost archetypical characteristics of informal Empire, and caused the 'subordination of Argentina to Great Britain' as Fern notes. The parallels between these events and those in Iraq during the inter-war years are more muted in the latter. Iraq was not as important as Argentina had been, yet it is a useful comparison to make in the discussion of informal Empire and imperialistic behaviours. These included financial assistance/investment and treaties/agreements formalising the relationships, as well as the use of military intervention, or at least the threat of it, when necessary. The use of these tactics and methods offered Britain control, without the unnecessary burden of formal colonisation.

This suggests a clear link between imperial strategy and foreign policy in Iraq. A private loan from Barings to Iraq had been sanctioned, or rubber stamped at least, and was publicly acknowledged in the House of Commons.⁵⁶ An action requested by Barings bank

⁵³ Ibid, 567.

⁵⁴ Ibid, 567-568.

⁵⁵ Ibid, 74.

⁵⁶ Exchange between Mr. Channon and Sir J. Simon, *Hansard* HC Deb. vol. 280, 26 July 1937.

as noted in the relevant Cabinet paper.⁵⁷ The loan was supposedly vital to the survival of the Iraqi state and maintaining the status quo, similar to circumstances in Argentina. This document, in conjunction with Cain's theses on financial services and the need for Britain to control its economic environment following the 1929 Crash and subsequent Ottawa Agreement, shows Britain's position in Iraq to be more complex than pursuing oil. Or rather, in order to secure the oil, there was a complex system of control which needed to be obtained, which then in turn created a stable supply. Britain's imperial apparatus had shifted since 1850 when financial services had become the de-facto preference for international influence and imperial ambition, as well as a domestic employer. It should be emphasised that the finance industry being responsible for great numbers of employment was more of a social and domestic issue. It is not clear to what degree this influenced foreign policy. The impetus to control Iraq may have been initiated by oil, but the apparatus of control was less militant and more subtle. Bankrolling the state and forcing their government to rely on loans gave Britain leverage, and perhaps allowed Britain to operate more freely in relation to oil and the RAF presence. The relationship between Britain and Iraq was one-sided, and thus leans towards the notion of informal Empire.

Another important aspect of the Barings Bank issued loan is that the British government was involved in planning this financial package, and gave its 'blessing' in a public forum. This links to the idea of state involvement in private enterprise affairs, much like with the oil industry in Iraq. State and private interests were, at times, one and the same. The British government benefitted from state level control and access in Iraq by using private enterprise to fulfil its goals and extract resources. Private enterprise benefitted by gaining access to foreign markets and opportunities through state diplomacy and international relations. Whilst this is not a novel discovery, in the instance of Iraq it was an indication of the proliferation of British imperialism. The resources of an independent state, and a member of the League of Nations, were being taken over by private British interests (oil companies and banks alike), orchestrated by the British state. Taking into account the aspect of control as part of imperial preference, with the Ottawa Conference, this idea becomes more robust.

The loan document contains a letter from the Iraqi government, stipulating its requirements and how the loan will aid the government. Iraq intended to use the loan for

⁵⁷ Meeting of the Cabinet in CAB 23/89/2. 5.

infrastructure projects in the 'purpose of issue' section⁵⁸, similar to how Australian and South African financing was used. Economic domination was a tried and tested technique of extending Britain's informal Empire. In South America, Britain's imperial presence and influence was quite clear. Around the turn of the century, Britain had invested 'immense amounts of capital... into Latin America' which gave her such a strong position in terms of leverage in Argentina and Brazil that these states have been referred to as part of Britain's informal Empire.⁵⁹ Free trade, as Niall Ferguson notes, is another method under which Britain extended its informal Empire around the turn of the century.⁶⁰ The global financial system had placed Britain firmly at the centre prior to World War One, and 'the gold standard had become... the global monetary system... in all but name it was a sterling standard'.⁶¹ Between 1868 and 1908, the use of silver to back currencies had been reduced to 'China, Persia and a handful of Central American countries'.⁶² If, as Ferguson implies, Britain's centrality in the gold-standard system had offered her an advantage in the world, then following the decimation of financial markets in 1929 it made sense for Britain to attempt to reclaim some lost ground through the Sterling Zone.

Tariffs and Trade: Economic Protectionism

This fits with Go's theory of using free trade or colonialism depending on the conditions at any given time. The notion of this being used as 'the best means of restoring Britain's international trade position and, more importantly, of salvaging a world role for sterling' was identified by the Treasury and the Bank of England.⁶³ Britain was again at the centre of a global economic system as the currency leader. Furthermore, the idea that free trade previously offered Britain a form of hegemony buttresses this argument. The Imperial Preference system closely resembled more open trade within a bloc of states which had their currencies tied to Sterling, which was controlled by London. However, it was not necessarily a free-trade bloc devoid of all tariffs. It was a preferential tariff system. The system was based on discriminatory tariffs, preferential towards nations under Britain's umbrella: dominions, protectorates, and colonies. The quasi-independent White Dominion states, to protect their own industries, applied tariffs to trade with Britain which were

⁵⁸ Barings Bank loan document copy, 'Kingdom of Iraq Secured Sterling Loan', from *The Baring Archive Ltd* (London, 27 July 1937), 3.

⁵⁹ Niall Ferguson, *Empire: How Britain Made the Modern World* (London: Penguin Books, 2004) 244.

⁶⁰ *Ibid*, 245.

⁶¹ *Ibid*. 247

⁶² *Ibid*, 247.

⁶³ Cain and Hopkins, *Gentlemanly Imperialism*, 337.

higher than anticipated.⁶⁴ This indicates the lighter hand which characterised British imperialism during this period. As a bloc, trade was conducted more freely within which averted a broader economic crisis member states. This shielded them from high tariff policies outside, which resulted from economic fallout in the 1930s.⁶⁵ Furthermore, Britain commanded 'one-third of world trade', a vast commercial network.⁶⁶ This implies that those within the bloc had few options outside of the British system if they had sought alternatives.

Another perspective on the introduction of imperial preference in 1932 and the Sterling Area is that Britain had trended towards this economic plan since 1919. Though there are numerous explanations as to the reason for the introduction of tariffs throughout the post-war period, it could be interpreted as the result of growing protectionist sentiment throughout the 1920s, culminating in the Ottawa Agreement amidst the economic slump.⁶⁷ One example was the Safeguarding of Industries Act 1921, which was designed to 'shelter' key industries from international competition, as well as 'dumping' (stock or resource dumping into markets can reduce their overall price in a globalised economy - a tactic used to gain a greater foothold in the market or reduce the market share of the competition) and exchange depreciation.⁶⁸ What is striking about these reforms in the 1920s is how Britain used them to remain strong or dominant. One could infer that the tariffs implemented immediately following the war were protective, and indicative that Britain was in favour of free trade when it suited them, and introduced tariffs when markets shifted. By 1925, 'tariff reform was clearly compromised' when the 'international economic order gradually restored under the gold standard', though the protectionist movement was not dead in the water 'it lacked galvanising force' during a time of relative economic stability in contrast to the years prior.⁶⁹ The difference between these earlier tariffs and protectionist policies and the introduction of imperial preference during the 1930s is their pervasiveness. Whilst the Safeguarding of Industries Act was supposedly

⁶⁴ Darwin, *The Empire*, 436.

⁶⁵ *Ibid*, 437.

⁶⁶ *ibid*, 438.

⁶⁷ W. R. Garside, "Party Politics, Political Economy and British Protectionism, 1919-1932", *History* 83, No. 269 (January 1998): 47-49.

⁶⁸ *Ibid*, 49.

⁶⁹ *Ibid*, 51.

limited, 'with a clear and limited purpose'⁷⁰, the 1932 Ottawa Conference initiated broad, sweeping tariffs across the Empire and Sterling Area.

Escalation is seen in later policies, perhaps in response to greater threats, perceived or genuine. States like Iraq played a role in this economic planning. Free trade had suited Britain's position prior to 1914, but in 1915 the allies introduced tariffs. After 1918, tariffs remained in place with a strong protectionist movement during the recovery and reparations period. When in 1925 the conditions had steadied, Britain returned to free trade. After the 1929 crash and subsequent hardships, Britain fell back onto wartime protectionist economic policies and extended them beyond recognition into the 'sterling Empire' from 1932. The key notion illustrated here is that Britain exercised its assets to maintain, or re-take, control during times of need. This applies to Iraq as Britain made use of every advantage it had in order for this policy to work. Britain's vast imperial network is what allowed imperial preference to work on such a large scale, and in an age of globalised trade. Iraq was by no means the largest asset in the Empire's sphere of influence, nor the most important, but it played a role within the larger scheme.

Analysing Britain's position in Iraq from a different perspective, the post-war period had not been kind to their economy. The pre-war levels of income from 'invisible' trade had helped tip Britain's overall income balance in their favour. Invisible trade is the revenue gained from services as opposed to physical goods.⁷¹ After the war, Britain's income from overseas investments started to diminish and this balance started to tip out of favour.⁷² High imports and low exports exacerbated the issue, though this does not explain the full extent of Britain's problems. One can look at Iraq during the 1930s as a case study of how Britain attempted to recover its position. Where the White Dominions were able to place tariffs on Britain, weaker nations such as Iraq could not. Iraq was an infant state which owed its existence to Britain. Britain had aided in making Feisal the king, ended rebellions, and offered much needed military aid. The loan from Barings in the late 1930s was detrimental to the survival of the Iraqi government. The League had also made Britain the Mandatory Power in Iraq until they became a member state. In terms of a balance of power, Iraq had little to no leverage. As one of the smaller oil producers, Britain relied on imports from America and the Netherlands. As well as defence implications, this had

⁷⁰ Ibid, 49.

⁷¹ C.E. Carrington, "Between the Commonwealth and Europe", *International Affairs (Royal Institute of International Affairs 1944-)* 38, No. 4 (October 1962): 449-459.

⁷² Darwin, *The Empire*, 438.

financial ramifications, especially during the tumultuous economic environment of the 1930s with widespread tariffs. Iraq was an example of how Britain could take advantage of a smaller state and rely on oil that was tariff free, which contributed in favour of their imports versus exports issue. When analysed in conjunction with Britain's pre-war success within the financial sector, the Sterling Area, and the Barings loan to Iraq in the late 1930s, Iraq was an example of imperialism and Britain's attempts to claw back a position which had been lost to the war. A position which continued to dwindle throughout the 1930s, though Britain never lost the top spot as the 'pivot of the world economy'.⁷³

Competition and The Wider World

Expanding on the competitive aspect of Empire, and how Britain was fending off external threats during the inter-war period, this next segment will analyse Britain's response to rising competition in East Asia. Expanding on Go's theory on the subject of Empire and competition, Ampiah describes Britain's anti-Japanese Imperialist methods from an economic aspect. From 1932-1935, Britain deployed 'duties' (tariffs) and quotas to offset Japan's expansionism. The British deployed these measures due to their own 'economic difficulties during the inter-war period'.⁷⁴ The similarities with the 1921 Safeguarding of Industries Act are tangible, if not identical. These actions were an effort to stem Japan's expansion in the Far East, triggered by a rapid expansion of Japanese imports to the colonies during the late 1920s, continually rising until 1934.

Regardless of the market size, capitalist states never 'voluntarily relinquish their control over a market' if that market offers profit or prestige and they will not abandon long-term interests.⁷⁵ This synopsis of capitalist competition bears parallels to Britain's inter-war relationship with Iraq. In terms of the oil production in Iraq, Britain was in a position to take control of a market that would otherwise have simply been taken by another competitor. France had taken control of neighbouring Syria. This idea extended to the aeronautics industry as well. Britain's Cabinet, in 1934, had argued that selling 200 plane engines to Germany was justifiable because 'other countries would supply the engines required', even after highlighting their potential use in small German military fighters.⁷⁶

⁷³ Ibid, 438.

⁷⁴ Kweku Ampiah, "British Commercial Policies against Japanese Expansionism in East and West Africa, 1932-1935", *The International Journal of African Historical Studies* 23, No. 4 (1990): 620.

⁷⁵ Ibid.

⁷⁶ Meeting of the Cabinet: Minutes, 28 February 1934, CAB-23-78-7. 2.

When the defence of the realm might have been at stake, industrial competition was considered above principle in some circumstances. In terms of prestige and status, Britain had already shown themselves to be actors in the region through their involvement with Palestine, Trans-Jordan, Iran (Persia), Egypt, and Aden. Maintaining control over, and a presence in, Iraq made sense as part of prestige and imperial competition. Where finance and domination of markets is concerned, Britain was long considered the banker of the world. Providing Iraq with essential loans played a role in maintaining that position. At the very least, it prevented a third party financier from aiding Iraq and reducing Britain's influence.

The premise of the Ottawa Conference and imperial preference was to stifle global competition. Stepping back from free-trade and regressing to protectionism and tariffs could be translated in two ways. Firstly, this insular step was to protect against adverse trading conditions which started with the Wall Street Crash and exacerbated into the early 1930s. Secondly, these measures were Britain's efforts to hamper the competition, such as with Japan. Considering the rise of the United States, the incumbent world power, one can better understand the situation in Iraq in the wider context of imperial competition.

Oil - Control and Competition

Oil and its implications in the discussion of Iraq will be examined more deeply later on. However, oil should be discussed in the context of competition and control. Drawing on the theme of control which seems to be an overriding aspect of Britain's economic and imperial approach, control over oil in Iraq played a role in the realm of imperial competition. During the relatively early years of the oil industry, and that of oil-fuelled naval fleets, the liquid fuel had been instrumental in propelling the United States to new heights of power. Accounting for 'almost two-thirds of world oil production in 1920', the US was the dominant oil producer.⁷⁷ Though mostly servicing a thriving domestic market, this source of fuel offered the US an opportunity to extend its naval capabilities across the Pacific, burning more efficiently than its counterpart, coal. Previous to oil, the US Navy imported coal from Wales and Appalachia, its own native supplies were unsuitable for naval purposes. Discovering the vast oil fields of California allowed the US to produce its

⁷⁷ David S. Painter, "Oil and the American Century", *The Journal of American History* 99, No. 1 (June 2012): 25.

own fuel source for Pacific naval forces.⁷⁸ The US now controlled its own fuel supply and relied less on imports.

In direct contrast, the United Kingdom had lost its grip on the dominant naval fuel source. Britain had relied on its own native coal for fuel, and now depended on imported oil. If Californian oil was responsible for America's dominant naval presence in the Pacific, then Iraqi oil was perhaps responsible for Britain's continued naval hegemony in the Mediterranean. By 1940, the entire fuel requirements of His Majesty's Mediterranean Naval Fleet were fulfilled by Iraqi oil and could supply 5 per cent of Britain's domestic demands.⁷⁹ Demand for oil was low in Britain's domestic markets, and accounted for only '10 percent of energy consumption in Western Europe and Japan before World War Two'.⁸⁰ Whilst oil was not adopted en masse, the trend was certainly starting to turn in favour of oil. Western Europe and Japan relied on oil for military equipment and transportation.⁸¹ In terms of Britain's global dominance, relying on her capacity to transport goods and maintain a show of force across the world using a large navy, oil was of paramount importance. Mass importation increased the risk of tariffs, currency depreciation, and a competitive market.

Rivals in the oil industry were often closer neighbours than the Americans. The Netherlands had a vast oil enterprise. A simplistic theory is that a state which controls a resource dictates the terms under which it is traded and sold. A paper by Roy Licklider goes into detail on oil sanctions and the economic-weaponisation of oil. Though it is looking primarily at the 1970s OPEC oil crisis, the author draws from 1914 onwards as groundwork. The theory is that a resource can be used when the *actor* implements sanctions against the *target* in order to gain some leverage over the *target* state to influence their behaviour.⁸² In the 1930s, oil had not yet become the primary fuel source, it was rarely used outside of transport and military use, with the US being an exception due to their domestic market. Despite producing massive quantities of oil, the US did not dictate world affairs due to a relatively low oil demand. The trend towards mass oil adoption was surely not news to British policy makers. They were aware of its importance

⁷⁸ Ibid, 25.

⁷⁹ James Barr, *A Line in the Sand* (London: Simon & Schuster, 2011), 164.

⁸⁰ Painter, *Oil*, 25.

⁸¹ Ibid.

⁸² Roy Licklider, "The Power of Oil: The Arab Oil Weapon, and the Netherlands, the United Kingdom, Canada, Japan, and the United States", *International Studies Quarterly* 32, No. 2 (June 1988): 208.

and the need to control it as a vital commodity, referring back to Balfour's quote about securing Iraqi fields. Licklider theorised that 'perhaps the most important theoretical issue of international politics is how one state can influence another'.⁸³ To maintain the balance of power, Britain recognised its need to gain a foothold in the oil market in order to remain competitive. The importance of oil to naval supremacy was an established idea prior to the First World War. Winston Churchill, as First Lord of the Admiralty in 1911, 'established the Royal Commission on Oil Supplies', which after examining the advantages of oil came to the conclusion that it was more effective than coal.⁸⁴ The outcome of this was the transformation of the British fleet to oil burning, which 'gave the British Navy a distinct advantage over Germany in World War I'.⁸⁵ Shaffer summarises Britain's pursuit of oil in a functional manner:

*'... the Royal Commission showed that the technical objections to oil were groundless, it still had to deal with the problem of security of supply. Britain had ample coal but no oil. Unless secure oil supplies were obtained, the British fleet could be rendered inoperative in a conflict.'*⁸⁶

Though Shell would seem the 'natural supplier', there were strong objections from members of the Commission and individuals in Parliament as it was unclear if Shell could be controlled and reliable during times of war - Churchill always saw Shell as a Dutch company.⁸⁷ A lack of control over Shell was the 'fundamental' fear, as it was a private Dutch company, with British interests owning only 40 percent - though considerable, were not controlling - of the shares (a US tycoon, Rockefeller, had tried to buy the company in the early twentieth century).⁸⁸ Foreign private companies outside the purview of British policy makers were perhaps seen as unreliable, with ownership and control pandering to the highest bidder. Fluid ownership of a vital fuel source did not make for reliable war planning, and in the years leading up to 1914 this was an issue. Britain then sought oil positions in Persia. Through government intervention, Burmah Oil bankrolled William D'Arcy to start prospecting Persia in 1901. Failure to find oil almost led to his bankruptcy. Burmah Oil bailed him out and in 1905 founded the 'Concessions Syndicate to handle its Persian venture'. When Persian oil was found in 1908, the syndicate 'formed the Anglo-

⁸³ Ibid, 205

⁸⁴ Edward Harry Shaffer, "Canada's Oil and Imperialism", *International Journal of Political Economy* 35, No. 2 (Summer 2006): 55.

⁸⁵ Ibid.

⁸⁶ Ibid.

⁸⁷ Ibid.

⁸⁸ Ibid.

Persian Oil Company'. Persia was not in the British Empire, but well within Britain's 'sphere of influence and could be defended from bases in India... the British had already sent a gunboat and a detachment of Bengal Lancers to Persia to protect the company's properties against attacks by marauding tribesmen'.⁸⁹ APOC was under the control of British interests and within the Empire's sphere of influence, and thus was perceived as 'the ideal company to supply the Royal Navy'.⁹⁰

Prior to World War One, Britain aggressively pursued oil reserves under her control. The war provided another opportunity in Arabia. Maintaining a firm grip on oil supplies within its sphere of influence can be interpreted in two ways. Firstly, Britain would be able to fuel its Navy and military without depending on foreign actors which can hold back supplies or raise the price of oil at their discretion - in times of war, this could be devastating. Secondly, British policy makers could have seen an opportunity to restrict their competition abroad. If Britain did not take advantage of the resources within its own sphere of influence, another nation might well have done so.

Iraq posed a very similar situation to that of Persia. Iraq fell well within Britain's sphere of influence, and military reinforcements were always nearby in India, which was viable due to advancements in flight technology. Britain had the opportunity to take control of a territory which was known to hold oil. Having recently fought a war where oil was of key importance to naval activities, it was irresponsible not to pursue control over Iraq when the opportunity arose. What is clear is the relationship between control and Empire. In this instance it was how Britain maintained control within its informal Empire and why it was necessary to do so. The next chapter looks more closely at the oil industry and examines the motivation for a British presence in Iraq.

⁸⁹ Ibid, 56

⁹⁰ Ibid.

Chapter Two - Oil

A factor which greatly influenced Britain's relationship with Iraq during the inter-war period was the presence of oil in the region. The typical and most convincing argument for Britain's initial sudden and intense foray into oil was the naval arms race with Germany, prior to World War One. The Royal Navy was the 'embodiment of Britain's imperial power' and Winston Churchill championed the transformation of the fleet from coal to oil.⁹¹ This decision was made to maintain naval hegemony and British prestige. However, this would leave Britain vulnerable. Wales had been a reliable and safe source of coal for the navy, but Britain depended on less secure oil sources such as Persia. Persia was a geopolitical arena which saw Russia and Britain compete for influence. Oil-based technology would provide greater speed and efficiency which was worth the risk due to the strategic gain it offered. Churchill theorised that Britain would have to base its 'naval supremacy upon oil' and dedicated himself to securing and achieving this objective. As Daniel Yergin notes, since the eve of World War One, oil has meant mastery of the seas.⁹²

Government Intervention

Having been a major combat objective during the First World War, Britain and her allies had secured access to the potentially vast and untapped oil resources of Iraq.⁹³ Having succeeded in placing an obedient ruler as King of Iraq, by 1921 Britain was in a position to explore Iraqi oil fields.

Prior to 1914, Iraq had been targeted by Western Powers as a site for oil extraction. Initially, the European rush was spearheaded by Deutsche Bank. The British responded in kind with a "rival" group sponsored by William Knox D'Arcy, which 'merged into the Anglo-Persian Oil Company'.⁹⁴ In 1912 a 'new major player' entered into the competition which was 'the Turkish Petroleum Company', though it was anything but Turkish.⁹⁵ The major shareholders in this venture were 'Deutsche Bank (25%), and Royal Dutch/Shell (25%), with a controlling 50% held by the Turkish National Bank', despite the name this was actually a 'British backed and controlled venture'.⁹⁶ The British government also

⁹¹ Yergin, *The Prize*, xiv.

⁹² Yergin, *The Prize*, xiv.

⁹³ V. H. Rothwell, "Mesopotamia in British War Aims, 1914-1918", *The Historical Journal* 13, No. 2 (June 1970).

⁹⁴ Gruen, "The Creation", 112.

⁹⁵ Ibid.

⁹⁶ Ibid.

owned 40% of Shell. During the war, which obscured many pre-war agreements made about Arabia with Turkey, securing the oil fields had become a primary ambition in the Middle East.

Lord Balfour in 1918, serving as Foreign Secretary, declared to the Dominion Prime Ministers that 'Britain must be the guiding spirit in Mesopotamia, as it would provide the one natural resource the British Empire lacked'.⁹⁷ The League of Nations provided adequate cover for British imperialism in the region. Vice-Admiral Sir Edmond Slade, who had been courted by the oil industry since before the war, was a fervent supporter of securing oil fields in Mesopotamia, as well as making safe the existing infrastructure in bordering Persia. Having investigated the Persian oilfields on behalf of the Admiralty in 1913, he was appointed a 'senior adviser on petroleum matters' and became the 'chairman of the Admiralty standing committee on liquid fuel'⁹⁸ He was also a director and board member of APOC.⁹⁹ Slade was not a singular case. Shell had been actively attempting to recruit Admiral Fisher to their own board in 1907. Obtaining members of the Admiralty, and the influence over fuel policy which accompanied them, provided greater diplomatic access to the oil companies.¹⁰⁰ Slade's link to APOC and the Admiralty was an issue for the British government. His attitude was wholly imperialistic. Britain was to conquer in order to acquire the resources they lacked. In the twentieth century it was not ideal rhetoric for a government to endorse. Lord Balfour had already considered this. His idea was to ensure British control over the future of Iraqi oil fields and the League offered an opportunity to do this in such a way that would appease American sentiments. The US was a powerful ally and had spoken out against imperialism in the Middle East. As a growing power in the world it was within British interests to maintain a good relationship. Regardless, Britain officially acquired Mosul "after the Armistice with Turkey was signed at Mudros on October 30, 1918".¹⁰¹ British policy makers and senior members of the admiralty were adamant that Britain should control the oil resources of the Middle East.

⁹⁷ Ibid, 115-116.

⁹⁸ Gareth Jones, "The British Government and the Oil Companies 1912-1924: The Search for an Oil Policy", *The Historical Journal* 20, No. 3 (September 1977): 658.

⁹⁹ Jones, "The British", 658.

¹⁰⁰ Ibid.

¹⁰¹ Gruen, "The Creation", 115-116.

Naval Implications, Demand, and Cost

Pursuit of an oil-fuelled navy was critical for two reasons. Government records show that the first 'flotilla of ocean-going destroyers wholly dependent upon oil was created in 1909, which was followed by more oil-fuelled flotillas being produced in the subsequent years.¹⁰² Hybrid fuel ships had also been created and established as key parts of the British naval fleet. Coal burning battleships and cruisers were retrofitted with oil burning engines to 'enable them to realise their full power'.¹⁰³ The demand for fuel was a key aspect in the motivation behind informal imperialism in Iraq, but there is also an economic argument to be acknowledged.

There was an argument within an oil fuel report to Cabinet that the relation between oil-fuelled ships and speed was in some instances a hindrance. Though this report was published in 1913, the demand for fuel grew ever greater, and it serves as a foundation for future policy. New technologies regardless of their benefits would need time to adjust. Naval military doctrine did not change overnight. The Royal Navy categorised ships and seemed to build naval doctrine around them. In the cabinet document there is reference to speed-ships and 'ordinary' ships. The ordinary ships were 'line' ships that would maintain the same speed as the majority of the fleet. Faster ships, which were invariably oil-fuelled, would serve to function as interceptors, for example. 'Torpedo-boat destroyers' are referenced specifically in this case.¹⁰⁴ Within the navy there was a 'fast division' which bore specific functions different to that of the more standard-speed ships. This was based on the relativity of speed in relation to the enemy's main fleet and that of the British main fleet. Essentially, to raise the general speed of the entire navy would undermine the entire functionality of faster ships which would then require the building of even faster fast ships. The cost of this would have perhaps inhibited the navy's capabilities, or simply been too expensive. That Britain designed its own fleet based on the capabilities of the enemy fleet is revealing. Britain and Germany did not have to reach the zenith of naval technology that was possible at that time. In numerous sections of the Cabinet report there are statements saying Britain could increase the speed of its ships overall, but this would have implications with docking and be, essentially, an expensive waste of time. Britain need only build ships which rivalled those of her foes. This

¹⁰² Report on Oil Fuel Supply for HM Navy, 16 June 1913, in CAB 37-115-39. 1.

¹⁰³ Ibid.

¹⁰⁴ Ibid, 2.

influenced oil demands to an extent, as, one assumes, the faster and larger the ships the greater the oil expenditure. In not seeking the absolute limits of oil-based naval technology, this could be seen as Britain's attempt to limit its exposure to its own shortfalls in the oil industry. However, the author of the report also states that they 'found that no difficulty had been experienced in buying all the oil that was needed...supply, storage, and distribution had not hitherto presented any serious difficulties other than for transport of the oil'.¹⁰⁵ Though that had been during peacetime.

The price of oil was 'practically' the same as coal once you mitigated the reduced requirement for 'stoking' and the 'increased energy of the fuel, ton for ton'.¹⁰⁶ Further, the report showed that Britain only had a partial dependence on oil. Coal was still very much in use, which included use in ships of war that simultaneously ran on oil. Where 'big ships' were concerned, 'oil is only required when an exceptional speed has to be reached' and ordinary speeds can be 'effectively realised with coal'.¹⁰⁷ This was the case with hybrid fuel ships. Oil, then, was used in specific circumstances as a complete replacement for coal. The larger battleships were quite capable of carrying out their core functions with coal for the most part. Oil only ships were generally designed with speed in mind and carried out specific tasks, and perhaps played a lesser overall role than the slower ships of the line. The report said that using coal was preferential in ships of the line: 'it is therefore possible to use coal as their main motive power, and this, it must be admitted, is convenient on other grounds'. This is then followed by a table showing the oil-fuel consumption of the oil-burning fleet in peacetime, from 1911 to 1913, and estimates for 1914. Consumption of oil was increasing. From this one can infer two things. Firstly, that oil fuel was not yet used to its fullest potential, which was a conscious decision to reduce shipbuilding costs and not undermine the functions of the existing fleet. Secondly, that oil was certainly a more efficient and better fuel source in almost every factor except in its availability, which made coal-powered ships a necessity and in some instances a preference. However, if oil had been as plentiful as coal it is likely that the British would have exponentially increased investment into oil-burning ships. Despite claims in the report that oil was relatively cheap and easy to acquire, this contradicts other Cabinet reports which clearly outline that in times of war, when access to fuel

¹⁰⁵ Ibid, 1.

¹⁰⁶ Ibid.

¹⁰⁷ Ibid, 2-3.

mattered a lot more, there was scepticism about whether Britain could rely on existing suppliers which led directly to Britain's pursuit of its own oil supplies, such as with APOC.

Britain did not lack the ability to create faster, more efficient, oil-fuelled flotillas. Instead, British policy makers and war planners may have foreseen the widespread dependence on oil, which had hitherto remained outside of direct British control in any vast quantities, as a detrimental vulnerability. Britain struggled to maximise the potential of its fleet due to the realities of needing to import oil from external elements.

Whilst in 1913 it seemed that oil-based vessels were not necessarily going to change the tides of war on their own, this report clearly states the advantages of oil and the investment in oil-fuel naval technology. Moreover, there is a clear phasing out of coal-only ships whilst previously coal-based ships were being retrofitted with oil-burning engines to maintain their viability in war. How this is relevant to Iraq during the inter-war period is the steady growth in demand for oil and subsequent securing of oil fields with it. During peacetime the navy's oil requirements were substantial. Ships built and those being built from 1911 to 1912 had an annual peacetime consumption of oil amounting to 200,000 tons.¹⁰⁸ Those built and being built between 1912 to 1913 added another 140,000 tons to this number. Those built or being built from 1913 to 1914 added a further 72,000 tons to Britain's peacetime consumption of oil.¹⁰⁹

That coal was 'convenient on other grounds' when compared to oil was due to the difficulties and added variables of oil imports and purchases. That coal was still used at times to the detriment of speed and naval capability may have been due to the supply and cost of oil imports on an increasingly larger scale. This was identified as an issue prior to the war. The report to Cabinet following the above figures of oil consumption said that 'side by side with these a number of adverse factors have appeared... greatest of all has been the upward movement of prices'.¹¹⁰ The cost of transportation had been rising since 1911 and looked set to rise further into 1914. Further, a key attribute to this issue was identified as there being a small number of wealthy individuals controlling the market.¹¹¹ Surmised, there was a lack of competition and with that there was no impetus

¹⁰⁸ Ibid, 3.

¹⁰⁹ Ibid, 3.

¹¹⁰ Ibid, 3.

¹¹¹ Ibid, 3.

for oil companies to price their product competitively. However, the rise in oil prices was seen as natural due to a combination of demand and scarcity.¹¹²

The foundations for the Sykes-Picot agreement and subsequent oil exploration and imperialism in Iraq is thus quite clearly identified. The report outlines the situation facing Britain. The United States had at this point in time already secured 'large interests in their natural oil fields' and the Germany Admiralty had itself 'effective command of a part of the Roumanian supply, which can reach them in war time by a land route, under their full control or influence, to supplement home supplies of tar oil and oil from Galician wells'.¹¹³ The British Admiralty, on the other hand, had no such access and still relied upon annual contracts for oil supplies instead of having any significant control over large oil sources.¹¹⁴ The document goes on to state that this left the British government and the Royal Navy in a position to be 'mercilessly fleeced at every purchase' as well as running the risk of 'not being able to secure on any particular occasion supplies of a fuel which will be as vital to the Navy as ammunition itself'.¹¹⁵ The very purpose of the Royal Navy, its entire reason for existing, was threatened. The inability to fuel ships would make them very expensive buoys. During times of war it was threat enough that oil might be too expensive to import. Worse still was the prospect of having access to oil denied entirely. With the United States and Germany having made strides to secure their own oil supplies which could be relied upon during times of war, it was then vital for Britain to achieve the same - to reiterate Lord Balfour's comments about achieving this immediately following the war.

Expenditure Cuts

As well as the strategic component, the cost of oil was an important factor for British policy makers. This was made plain in the report from 1913. Following the war, adverse economic conditions led to a series of government cuts. The defence budget did not escape what came to be referred to as the Geddes Axe, a series of sweeping cuts across public expenditure in Britain and beyond. On the one hand, the Geddes Committee and subsequent cuts were symptomatic of the Conservative Government's need to curb spending so as to appeal to their middle-class voter base.¹¹⁶ This enters into the

¹¹² Ibid, 3.

¹¹³ Ibid, 4.

¹¹⁴ Ibid, 4.

¹¹⁵ Ibid, 4.

¹¹⁶ M.J. Daunton, "How to Pay for the War: State, Society and Taxation in Britain, 1917-24", *The English Historical Review* 111, No. 443 (September 1996): 908.

argument that domestic policy was the drive towards reduced spending, and ergo pursuit of cheap oil. Cheaper oil being that which Britain could control. However, the pursuit of oil in Iraq could also be seen from a defence perspective. Britain could not achieve its full naval potential without knowing it could depend on a stable supply in times of war. The reaction of cuts across the board, however they were justified, do show Britain's need to curb spending and economise, which adds to the argument as to why Iraqi oil was sought.

A slew of government documents and correspondence shows evidence of the need for the British Empire to economise following the First World War. In India, for example, devolution was being explored on multiple levels. A collection of correspondents between policy makers in 1923 shows the decision making on economising the forces in India. Militarily there was a drive to reduce both the number of 'White' British personnel, as well as eliminating the Indian Territorials entirely.¹¹⁷ These drastic measures were considered due to adverse economic conditions in India and due to the current spending ratio of 'nearly 50% of the central revenues of India... spent upon defence'.¹¹⁸ The numbers which were mentioned in the early discussions were '5 British infantry battalions and 3 cavalry regiments' to be cut.¹¹⁹ Other cuts were proposed to military infrastructure in an effort to reduce expenditure. Eliminating entire units was not pursued, but transfers from 'colours' to 'reserves' units were more seriously considered as well as transfers out of India.¹²⁰ Further discussion shows evidence that policy makers were acutely aware of the technological advances made recently and that the 'Air Force, armoured cars and machine guns, is equal to anything we may have to encounter', with the inference being that these would also make up for a reduction of infantry and cavalry.¹²¹ There is mention of a potential attack from Afghanistan on Indian territory, which links to the geopolitical relevance of Iraq in this thesis given the involvement of RAF assets based in Iraq during the Afghanistan crisis in the late 1920s. The Afghanistan situation in relation to the RAF stationed in Iraq is discussed later in this thesis. Finally, on 14th December, 1923, The Earl of Derby wrote to Viscount Peel to celebrate an amicable arrangement of troop reductions

¹¹⁷ The Viscount Peel to 17th Earl of Derby, 11 January 1923, *in* WO 137 - War Office: Edward, 17th Earl of Derby, Secretary of State for War: Private Office Papers, India: Reduction of the Forces WO 137/3. 1-2.

¹¹⁸ *Ibid*, 1.

¹¹⁹ *Ibid*, 5.

¹²⁰ *Ibid*, Derby to Peel, 2 March 1923, 8-9.

¹²¹ *Ibid*, Peel to Derby, 2 May 1923, 11.

in India, and with it a balancing of the budget.¹²² The reduction of expenditure in India was indicative of the overall economy of Empire which was undertaken during the 1920s. Specific mention of the economy afforded through recent leaps in military technology aids the argument of the RAF's position in Iraq during the inter-war period as being important geopolitically and for imperial defence. The reduction of costs in India also indicated the general need to economise across the Empire. The cost of oil importation was an issue for Britain, and Iraq was part of that solution as well as in imperial defence.

Defence cuts were not exclusive to India. During a meeting the Chancellor of the Exchequer, albeit prior to the 'Geddes Axe', in 1919 was adamant that the Air Ministry reduce the number of motor cars used by their headquarters. Sir. Geddes was, however, present and serving as the President of the Board of Trade. Winston Churchill was present also. The Chief of the Air Staff responded by saying that 'the number of motors used by the staff of the Air Ministry was being reduced rapidly'.¹²³ Spending cuts were made in what seem very minor and relatively inconsequential areas, indicating the pervasive nature of the post-war budget cuts.

In 1921, the Board of Trade and Foreign Office discussed cutbacks in order to align their budgets with the 'policy of reduction of expenditure'.¹²⁴ These cuts represented reductions across the Empire, or 'General and Levant Consular Services'. Planned reductions for the following year saw the Consular and Levant Consular Services reduced by 19.5%, based on estimates of spending in 1921.¹²⁵ Similarly, there was a proposal for further reductions of the 'cost of the Far Eastern and Consular Services' by 13%.¹²⁶ The Treasury had also requested suggestions as to whether the Foreign Office could facilitate a further 20% reduction should the need arise - the execution of this proposal meant significant operational changes, the result of which was that 'British interests would cease to be represented on a large number of important areas'.¹²⁷ These proposals represent a very real need to economise. The Foreign Office was clear that these cuts would spell the 'definite and avowed abandonment of policy which has been deliberately adopted and

¹²² Ibid, Derby to Peel, 14 December 1923, 25.

¹²³ Meeting of the Cabinet: War Cabinet and Cabinet: Minutes. Pay of the Royal Air Force; First Report of Committee on National Expenditure: Official Cars, *in* CAB-23-10-29, 19 June 1919.

¹²⁴ Reduction of Expenditure on the Consular Service, Board of Trade and Foreign Office, Advisory Committee to the Department of Overseas Trade, *in* BT 90-17-21, 1921.

¹²⁵ Ibid, 1.

¹²⁶ Ibid.

¹²⁷ Ibid, 1-2.

publicly announced in recent years'.¹²⁸ One can infer from this that the British government was considering major set-backs in foreign policy, as well as potentially losing public trust by making u-turns on recently implemented policies in order to reduce expenditure.

The question of why defence cuts were necessary is not clearcut. On the one hand there is a general consensus that the years following 1919 were not economically stable. The League of Nations was determined to reduce armaments worldwide and eventually for demilitarisation - an organisation which Britain was a part of. There were domestic elements in Britain which were against increased defence spending as late as 1933, even challenging air defence which was cheaper and more economic than conventional forces.¹²⁹ Having mobilised massive resources during the First World War, some of the subsequent budget cuts were perhaps just a return to peace-time defence spending. Regardless of the reason behind these cuts, the clear objective was to reduce government expenditure. In order to maintain a sufficiently fuelled navy whilst keeping spending low, there was a need to control oil supplies as not to incur importation costs which prior to the war had been rapidly rising. The oil fields of Iraq may have been a key part of this strategy.

Global Oil Industry

Having an understanding of the oil industry, both before and after the war, allows insight into Britain's decisions concerning Iraq. More specifically, which countries owned what share of global oil production from the turn of the twentieth century until 1939. The intention is to show Britain as being on the back foot where oil production was concerned and the need to rectify this so as to remain competitive.

Not long before the outbreak of war in 1914, the United States began converting its own fleet to oil, which allowed 'ships to attain a greater speed and range' and enabled an 'easier refuelling process'.¹³⁰ With this leap in technology, following in the footsteps of Britain and Germany in the pre-war arms race, the United States was in a unique position to capitalise on her geographic fortunes. America held vast oil resources. Five of the seven largest and most influential oil companies in the world at the turn of the century (and for some time following) were American owned. These were Standard Oil of New

¹²⁸ Ibid, 2.

¹²⁹ Meeting of the Cabinet, Conclusion Former Reference: CC 68 (33) War Cabinet and Cabinet: Minutes. Reduction and Limitation of Armament. *in* CAB-23-77-19, 6th December, 1933. 333.

¹³⁰ Painter, "Oil", 24.

Jersey (Exxon), Standard Oil of California (Chevron), the Texas Oil Company (Texaco), Socony (Mobil), and Gulf. The two remaining were the British Anglo-Iranian Oil Company (later renamed British Petroleum, or BP) and Royal Dutch-Shell, with 60%-40% ownership between Dutch and British shareholders respectively. These seven companies comprised the Seven Sisters, who together controlled most of the world's oil supply and maintained close ties, often engaging in joint ventures.¹³¹ By 1920 America produced 'almost two-thirds of world oil production' and during the war had provided the Entente with over 80% of oil requirements, which included naval fleets, tanks, airplanes, submarines and general motorised transportation.¹³²

From a British perspective, this was a threat. A vital fuel source which was capable of winning wars - and which an imperial competitor produced enough within its own borders to sustain four major powers during a world war - was not under their direct control. Large American oil companies were more numerous than their British counterparts and the country itself held a plentiful supply. The balance of world power was threatened. Despite growing global competition America maintained its hegemony in this industry and by 1940 'accounted for over two-thirds of world production'.¹³³ If Churchill was correct that mastery of oil meant mastery of the waves, and with them the world, Britain was in a precarious position during the inter-war period. As the First World War had shown, oil and resources could determine the outcome of modern wars. Britain needed to control its own supply to secure its own future. Relying on America was both a position of weakness and a potential vulnerability in any future conflict. Britain had long depended on its own native coal to fuel its navy. Without native supplies Britain needed to look elsewhere and Iraq was part of this solution.

On the precipice of war, the first major development in British oil came in 1914 when the British government purchased shares in the Anglo-Persian Oil Company. This made the government the controlling shareholder after purchasing 51% of the company stock. This decision was due to both an ever strengthening German Navy, as well as Winston Churchill's pleas to his peers that the Royal Navy should adopt oil as its primary fuel source.¹³⁴ This was not only important for the future of oil but also a landmark decision

¹³¹ Ibid.

¹³² Ibid, 25.

¹³³ Ibid, 26.

¹³⁴ Marian Jack, "The Purchase of the British Government's Shares in the British Petroleum Company 1912-1914", *Past & Present*, No. 39 (April 1968): 140.

made by the government to be so involved in private business affairs. Much like the case in Argentina during the eighteenth century, British policy makers had seldom involved the government in matters of business prior to 1914, much less acquired shares of a company. It could be argued that before this point in time Britain's naval power had never depended on a fuel source not entirely under British control. When technology had leapt from sail to steam, coal had been readily available within the country - notably in Wales - and Britain had been in the midst of an arms race in 1914. This deal had been instigated partly by the Anglo-Iranian Oil Company. Already wholly British owned, it had felt threatened by outside commercial competition. Most worrying to them were the Royal Dutch-Shell group. They had promised to the government competitively priced oil supplies for their navy and Indian railways from a purely British venture. In return, the company wanted diplomatic assistance to 'avert a "flank attack" from foreign interests seeking oil concessions in neighbouring Mesopotamia and, of course, an injection of much needed cash.¹³⁵ The British government also recognised the rise of Anglo-Dutch Shell in the region as a threat to Anglo-Persian Oil and to the 'British Empire itself' due to Shell comprising a 60-40 ownership in favour of Dutch investors, despite being domiciled in London and maintaining a British majority board.¹³⁶ Another key reason why at this juncture the British government did not trust Shell - a company which saw itself as British, but which the British saw as Dutch - is that it believed the Dutch company to be heavily influence by Germany.¹³⁷ At the time Britain was obviously wary of depending on a company for a vital fuel source which was within Germany's grasp. The other company that threatened Anglo-Persian Oil's position in the Middle-East was the Turkish Petroleum Company, with 50% owned by Britain, but the other 50% was owned equally by Shell and Deutsche Bank.¹³⁸ In the eyes of British policy makers this was a company controlled by Britain and Germany. In times of war this would become an unknown and risky variable. Britain could not guarantee control over it. Though this may seem like a battle of semantics, in times of war this was unlikely to be a viable option for Britain to depend wholly on as a dependable oil supplier. Fully British-controlled companies offered less risk.

¹³⁵ Ibid, 141.

¹³⁶ Ibid, 142.

¹³⁷ Ibid, 143.

¹³⁸ Ibid, 141-142.

This understanding of Britain's introduction to the oil industry allows for an understanding of future decisions. Whilst other British oil companies existed (or at least registered in Britain) their existence did not guarantee reliability. Much like the D'Arcy company, later Anglo-Persian Oil (and later still, BP), oil businesses might take years to find, drill, and fund their exploits. Well-established and functioning oil companies, with reliable supply routes and a steady output, were perhaps hard to come by in this infancy stage of the oil industry. However, the existing companies were relied upon to fuel state navies. Companies like the Burmah Oil Company had been incorporated since 1902, and were registered in Britain (Aberdeen in this case).¹³⁹ However, all evidence, or lack thereof, shows the British government paid little attention to them. This may be due to their being inadequate in supply quantities, or simply that they had not found any oil yet and were in exploratory phases. Likely still is that certain regions of the world were not in Britain's sphere of influence to a sufficient degree, even if the company was controllable. Infrastructure was likely a part of this discussion. Even if oil had been found in the jungles of Burma there may not have existed sufficient transport routes to ship it abroad. Regardless, there were a handful of companies Britain could depend on. This offers a good explanation as to why the Triple Entente had relied so heavily on US oil during World War One. To maintain its independence after the war, Britain sought to control its own oil supply routes and companies, as well as controlling the countries these companies operated in to an extent.

Global Oil Production Figures

Looking at the raw statistics of global oil production, the position Britain found herself in during the early twentieth century is clear to see, and far from favourable. Arguably the first critical event in the development of the oil industry was World War One as it was a test of mass industrialised warfare, as well as multiple oil-fuelled vehicles - ships, tanks, and airplanes. This next segment will draw from B.R. Mitchell's *International Historical Statistics* series.¹⁴⁰

¹³⁹ Companies House, Registration Records of Burmah Castrol PLC (1902), Copy of Approved Incorporation, 15th May 1902.

¹⁴⁰ B. R. Mitchell, *International Historical Statistics: Europe, 1750-1988* (Stockton Press: New York, 1992). B. R. Mitchell, *International Historical Statistics: Africa, Asia, & Oceania 1750-2000* (4th ed. Palgrave Macmillan: Houndmills, Basingstoke, 2003).

Oil Production Figures (Metric Tons)	1913	1914	1918	1919
Argentina	—	—	199,000	172,000
Austria	1,100,000	—	—	—
Canada	30,000	28,000	40,000	31,000
Germany	100,000	100,000	—	—
India (Including Burma)	1,057,000	987,000	1,067,000	1,164,000
Indonesia	1,526,000	1,569,000	1,764,000	2,160,000
Iran	250,000	395,000	1,000,000	875,000
Japan	259,000	365,000	340,000	326,000
Russia	10,300,000	9,200,000	4,100,000	4,400,000
The Netherlands	0	0	0	0
United Kingdom	0	0	0	0
United States	33,435,000	35,450,000	52,099,000	52,099,000

Britain produced none of its own crude oil prior or during World War One. Throughout the war Canada Produced 181,000 metric tons of crude oil, from 1914 up to and including 1919.

Other areas of the Empire, and those regions which lay under British rule, had significantly greater production of crude oil during this same period. India produced 6.5 million metric tons of crude oil during the war, the greatest supply of oil under Britain's control at the time. Another country of note was Iran, where APOC was operating, which produced just shy of 4.3 million metric tons of crude oil during the war.

The other European contenders were the Netherlands and Russia. Russia could produce oil within its own territory. This amounted to 45,000,000 metric tons from 1914 to 1919. Germany and Hungary, even Turkey, produced little to no crude oil. The Netherlands produced a considerable amount of crude oil within its Empire. Indonesia, under Dutch

control, had a relatively mature oil operation. One of the largest crude oil producers in the world, and likely the largest in East Asia (surpassing India and Japan), Indonesia was a substantial asset to the Netherlands, and by implication Shell and British interests within the company. Indonesia had been producing well over one-million metric tons of oil per year since 1905, and during the course of the war this amounted to over 10.5 million metric tons.

The United States was in a league of its own and had been domestically producing oil since at least 1860. It had been producing over 10 million metric tons of crude oil per year since 1902. A decade before the war, the United States was producing more crude oil each year than Indonesia could from 1914-1919. Throughout the duration of the war, the United States was able to produce 257,283,000 metric tons of oil for processing into petroleum, and other products. The United States was the dominant supplier of oil, maintaining her position as the single highest producer for decades to follow.

The implications of these figures to Britain meant an unprecedented change in her status and security, militarily and financially. If the dominant naval technology was oil-fuelled fleets then Britain was woefully lacking in a resource vital to its own hegemony. The Royal Navy had been, and continued to be, the most powerful fleet in existence before the war. Partly this was out of necessity as it was required to protect and defend shipping routes and overseas territories where conventional ground armies would never realistically be able to defend. A constant presence was necessary and Britain ensured coaling stations were available the world over for the Navy. Coal being now usurped by oil, Britain could no longer stock its stations with reliable domestic supplies. Oil needed to be secured and provided to the navy just as coal had been and just as reliably. Attaining a pre-war position was very much on agenda of British policy makers.

Though rarely referred to as such, 'oil cartels' seemed to exist early on in the oil industry, though the term cartel may not have been in common usage. The term means a federation or entity which consists of multiple organisation - the Oil and Petroleum Exporting Countries (OPEC) may be an appropriate modern day comparison. Multiple ventures formed the investor base of TPC (later IPC) which is corroborated by multiple sources: 'Royal Dutch/Shell, Anglo-Persian, and the French would each receive 23.75 percent of the oil, as would the Near East Company, which was created at this time to

hold the interests of the American companies'.¹⁴¹ Having all of these companies operate under one name may have served to streamline oil extraction rather than having four separate companies fight over land rights in Iraq. This would have been a gamble at the time as oil had only been struck the year before near Kirkuk. Instead, they operated as one single entity and divided the spoils amongst them equally. These companies, and others like them, agreed on how best to carve up the oil industry around the globe. As Daniel Yergin notes, a group of men representing the oil industry's major players met in Achnacarry for a month in the summer of 1928 to discuss the future of the industry, and how best to manage it. However, this 'peace conference' became necessary following the turmoil within the oil market during the 1920s, which included a 'vicious price war' and threatened the stability of global markets.¹⁴² The meeting at Achnacarry was also instigated by the British government.¹⁴³ As a party with vested interest, financially and politically, Britain was keen to stabilise and, perhaps, as best they could, control the oil industry.

Looking at oil production statistics provided by the British government in February 1938 'there has been an increase in imports between 1920 and 1936 of over 230 per cent. Between 1920 and 1925 the increase was 83 per cent.; between 1925 and 1930, 49 per cent.; and between 1930 and 1936, 22 per cent.'¹⁴⁴ Whilst fuel imports into Great Britain continued to rise, the price of oil was lower than pre-war levels, though one might assume this was due to increased oil production worldwide as the industry matured. Further, Iraq produced, in the 1937 provisional estimates, 2.1 million tonnes of oil, whereas the broader British Empire only produced 2.7 million tonnes. Assuming Britain received one quarter of Iraqi oil production as per the ownership shares of IPC, Iraq produced almost a quarter of what the entire British Empire produced for Britain - the majority of Britain's oil imports came from the Dutch East Indies.¹⁴⁵ However, other figures indicate that this was what Iraq produced solely for Britain, as Iraq produced almost 4.3 million metric tons of crude oil in 1937, according to a different statistic.¹⁴⁶ Therefore, the 2.1 million tonnes mentioned previously might have been Britain's share of Iraqi oil that year. This indicates a

¹⁴¹ Yergin, *The Prize*, 188.

¹⁴² *Ibid*, 244.

¹⁴³ *Ibid*.

¹⁴⁴ Report of the Sub-Committee of the Committee of Imperial Defence on the Production of Oil from Coal, CAB 24/274/19 3 February 1938. 8.

¹⁴⁵ *Ibid*, Appendix 1, 55.

¹⁴⁶ Mitchell, *International Historical*, (2003), 362.

heavy reliance on Iraq. It seems from this report that Britain had been lacking control over its rising fuel demand. Whilst Britain could easily import fuel in peace-time, the issue was defending and maintaining fuel supplies during times of war or international diplomacy breakdowns. The price wars during the 1920s illustrated that peacetime oil import prices were open to turbulence. For example, if Britain had a dispute with the Dutch government, then the oil supplied by Dutch territories to Britain would give the Dutch leverage over the British government. This would be a position of weakness. Britain's dependence on Iraqi oil is made clear when the percentages of imported versus produced oil fuel are presented.

'From Coal to Oil'

To understand the race for oil exploration and exploitation during the post-war era, it is important to understand the role of coal before World War One. It was the precursor to oil and its increased usage walked hand-in-hand with the rise of the British Empire through the nineteenth and early twentieth centuries. During the decades preceding the war, sometimes referred to as the 'Age of Coal', Britain was in a fortuitous situation. At the turn of the twentieth century, the economic implications of coal on the British economy were profound. Statistics taken at the time showed that the rise of coal production and use domestically within the United Kingdom had trebled from 1850 to 1900.¹⁴⁷ In 1850, it was estimated that coal production within the United Kingdom was 56 million tons which had a value of 1.4 million pounds - equating to 2% of Britain's total exports that year. In 1900 225.2 million tons of coal had been produced, valued at 48.3 million pounds - equating to 16.6% of the entire value of British exports that year.¹⁴⁸ The United Kingdom had been fortunate during the 'Age of Coal' to possess both a global Empire and well-placed coal mines, which led to coal being of significant importance to British overseas trade - coal amounted to 10.43% of British exports in 1913.¹⁴⁹ The placement of coal mines in the United Kingdom was another factor benefiting Britain as the vast majority of British mines had easy access to the sea. Not only this, but the British coal supply was seemingly 'inexhaustible' with supply able to meet requirements regardless of the steep, and decades long, increase in demand. Another reason for the rise of the coaling industry, aside from supplying her European partners with millions of tons of coal per year in the

¹⁴⁷ D. A. Thomas, "The Growth and Direction of Our Foreign Trade in Coal During the Last Half Century", *Journal of the Royal Statistical Society* 66, No. 3 (September 1903): 440.

¹⁴⁸ *Ibid*, 440.

¹⁴⁹ Max E. Fletcher, "From Coal to Oil in British Shipping", *The Journal of Transport History* 3, No. 1 (February 1975): 2.

years preceding World War One, was the change in shipping technology from sail to steam.¹⁵⁰ This shift in technology led to an intensified importance being placed on coal as it powered Britain's merchant and navy fleets. From this came the necessary introduction of coaling stations, of which 181 had been 'strategically distributed thought the world' by the end of World War One, with even foreign coaling stations relying on the British stations for their own supply.¹⁵¹ This was an indication of Britain's leadership in that arena. These stations serviced the steam fleets which had been established in the nineteenth century. Though referring back to Britain's coal exports, a large amount of coal, supplied from the colonies also, was sent to coaling stations to supply British shipping demands.¹⁵² A large proportion of all British coal was exported, from 1850-1913, primarily to fulfil the demands of British steamships with some estimates indicating that around the turn of the century amounted to almost half of all export destinations.¹⁵³ At that time there were concerns that British coal exports might have indicated that Britain was fuelling its own competitor industries. However, of nine major competitors only Italy bought 93.56% of her own demands from the UK, followed by Spain at 41.57%, with the next largest importer, France, measured against their own respective national coal demands, importing 16.41% - America, for example, took only 1% of her own national consumption from Britain in 1900.¹⁵⁴

Britain had enjoyed a strong coal position pre-war, and this helped fuel her overseas trade. Furthermore, Britain was entirely dependent on its own supply of coal, and had no need to import from other nations. Not only was Britain self-sufficient in this regard, she provided coal exports to other nations, including her own commercial and colonial competitors. With British commerce being of global importance, this meant that Britain also fuelled the merchant ships which accounted for such a large percentage of global trade. Britain, and to some extent the world, was dependent on British fuel. Whilst one cannot necessarily directly link the two, there is some correlation to note that this era was arguably the time when the British Empire was at its height. Coal must have played a role in carving out Britain's global hegemony to a degree. This is why the question of oil after World War One is of interest in the subject of Iraq. However, as previously discussed, oil was not yet the dominant fuel source during the inter-war years - its uses were generally

¹⁵⁰ Ibid, 3.

¹⁵¹ Ibid.

¹⁵² Ibid.

¹⁵³ Ibid.

¹⁵⁴ Thomas, "The Growth", 469.

niche, even if important, and the largest domestic market was the United States. No such sign of rapid domestic adoption was seen in continental Europe. There was a transition between the world going from using coal to using oil, and it took decades after the first war for this to occur.

During the inter-war years the coal industry started to fail in some aspects. This instability in the industry provides context as to why oil was adopted more broadly and why it would rise in prominence. Aside from the technological superiority of oil burning engines and the efficiency of oil over coal, there was another issue during the inter-war period which persisted. This issue may have been identified as another reason for the push to oil as a more reliable fuel source. One of the major issues with coal as a fuel source was its inconsistency.¹⁵⁵ The coal mines of the United Kingdom varied dramatically in quality, and the quality dictated its commercial properties. This meant that certain industries could only use specific types of coal. Durham produced coking coal of a high quality which was important for use in the steel industry, whilst the coal which was produced around Cardiff was exported for use overseas for bunkering and shipping purposes.¹⁵⁶ The various coal fields, mines, and pits which produced lesser quality coal with no clear advantage for another industry was simply bought by electrical generation stations which was burned off to produce steam energy. These stations could burn any quality of coal without their own output being affected. Another issue was that coal fields in the United Kingdom would either produce for the domestic market or the overseas exports market, creating a 'divergence of interest' across the industry.¹⁵⁷ Though divergence was not an issue specific to the inter-war period, it was likely a factor which offered oil an advantage during that time. The issues of divergence and regionalism were exacerbated during this period due to the industry becoming more political.¹⁵⁸ This is the 'commonest information' to be found about the coal industry during this period. However, it was an important one. From this can be inferred that the coal industry lacked universality, there was no common direction and no agreed upon consensus on how best to utilise this resource. In researching this subject, rarely, if at all, has the subject of oil quality been brought into the discussion. Crude oil was crude oil. Refineries were able to take the raw oil and refine it into different products which then had different markets. Oil companies did not have to

¹⁵⁵ W. H. B. Court, "Problems of the British Coal Industry Between the Wars", *The Economic History Review* 15, No. 1/2 (1945): 2.

¹⁵⁶ *Ibid.*, 2

¹⁵⁷ *Ibid.*

¹⁵⁸ *Ibid.*

rely so much on one particular industry and therefore the process was streamlined and multiple companies could work together (such as with IPC) on the same oil wells. Further, this likely created a standardised system of extraction, transportation, refining, and shipping, which assumedly was more efficient than the coal production process.

Coal and oil were also in very different stages of their lifecycles. Coal had been the proprietary fuel in the nineteenth century and the British coal industry peaked in 1913 in terms of production and output, reaching 287 million tons of export coal, half of Europe's output in that year.¹⁵⁹ Oil had been extracted and used during the nineteenth century also, but it was very much an infant industry in 1913 compared to coal, having also replaced it as the proprietary naval fuel. Tremendous success from 1850 until the outbreak of war had led to mass complacency about the coal industry, from colliery managers to investors, and Britain had faced little competition in this sector. Coal in general had a monopoly on fuel sources from the age of industrialisation.¹⁶⁰ This may have also led to a lack of innovation in comparison to the oil sector which was relatively new and full of potential in 1913, rather than peaking. Coal had also been extremely labour intensive and each coal face required a large number of workers. This was partly due to a complete lack of technological advancements, though there were mechanic lifts for coal and men, the act of separating coal from stone was done by hand.¹⁶¹

Post-War Coal Problems

During the mid 1920s the coal industry was under greater threat still. Britain's massive pre-war coal exporting market was heavily dented by the return to the gold standard in 1925.¹⁶² This led to the international export market being entirely unprofitable. With the combination of unions and the size of the labour force involved in coal extraction 71% of all costs went on labour, with any meaningful strides in mechanisation many years away.¹⁶³ In a bid to counter the unaffordable labour costs, owners decided not to renew their commitment to the National Wage Agreement again in 1925 as they had from 1921 to 1924. This allowed them to reduce costs amidst diminishing profits.¹⁶⁴ The British government was all too aware of the issues it faced during the inter-war period with the

¹⁵⁹ Ibid, 3.

¹⁶⁰ Ibid.

¹⁶¹ Ibid.

¹⁶² Ibid, 9.

¹⁶³ Ibid.

¹⁶⁴ Ibid.

coal industry. A report circulated Cabinet outlining the issues, which seemed to outline the labour force - the Miners' Federation - dispute over wages against the owners - Mining Association - in 1925.¹⁶⁵ Cited as a cause for the dispute was the aforementioned withdrawal from the 1924 National Wages Agreement of June 1924, which was to be terminated on 31 July 1925.¹⁶⁶

However, the labour intensive nature of mining meant that the workers were able to use their numbers to hold a General Strike, which started in May 1926. Before the strike, but after 1925 wage reduction and ensuing turbulence, the government took drastic action to rectify the situation before it deteriorated into something far more serious. In an effort to prevent a coal stoppage the British government initiated a subvention, or subsidy, with the coal industry.¹⁶⁷ The ramifications of a coal stoppage were predicted to have been devastating. Britain would no longer have been a key competitor in the international coal trade, thereby weakening her position.¹⁶⁸ More specifically, the paper circulated justified, or explained, government intervention in this instance based on the idea that any stoppage in coal production would lead international markets to simply turn to 'foreign pits' as alternatives. The outcome of this would have been a 'national calamity' as the already struggling industry would have lost a large proportion of its overseas trade. Domestically, the additional industries which would have suffered were identified chiefly as steel and shipbuilding, which were also 'in the throes of crisis', not to mention mass unemployment across multiple sectors and the social issues which would arise as a result.¹⁶⁹ The coal industry during the interwar years continued to get hit with issues that were sometimes irreversibly damaging, leading to a reduction in output and the slow decay of a once pinnacle British industry. Despite many of the major issues occurring in the 1920s, there were some good years for the coal industry. However, output in '1936-37 was still on average nearly 16% below that of the three years from 1911-1913' before the war.¹⁷⁰

¹⁶⁵ Report by a Court of Inquiry concerning the Coal Mining Industry Dispute, 1925. *in* CAB-24-174-71.

¹⁶⁶ *Ibid*, 2.

¹⁶⁷ The Dispute in the Coal Mining Industry, quoting *The Statist London*, 8 August 1925. *in* CAB 24/174/96. August 11 1925. 1.

¹⁶⁸ *Ibid*, 1.

¹⁶⁹ *Ibid*, 1.

¹⁷⁰ Court, "Problems of", 10.

The issues facing the coal industry at this juncture in time may have created further urgency in the pursuit of coal. Oil had the capacity to replace coal in many areas of British industry. In 1927 a tremendous oil field was discovered by the British backed venture IPC. With the ongoing coal crisis, the ability to spread risk across another potentially plentiful and potent fuel source was likely of immediate importance for the government, adding to the value of retaining control over Iraq. From the clear technological advantages offered by oil to the growing difficulties in the coal industry, Britain was left with few options but to pursue the oil fields of Mesopotamia. Oil offered the British navy the opportunity to upgrade its fleet in terms of speed and efficiency. The issue was that prior to 1914 Britain did not have any substantial oil resources under its influence. This meant that coal was still required to fuel the navy until Britain had control over enough oil so as to sustain naval operations without the heavy cost of importation and transportation fees. The Iraqi oil fields would also solve the issue of Britain having to buy from vendors who could take advantage of their situation. The Empire had need to economise following the First World War. There was also pressure to reduce armaments spending by the League of Nations, though whether defence expenditure was used as a determinant of reducing armaments is unclear. Britain was at a strategic disadvantage concerning oil. Despite a growing dependence on it for military purposes, Britain was one of the minor players in the oil industry when compared to the likes of the United States. Given Britain's status as an island nation, a strong navy with a reliable fuel source was essential.

Chapter Three - Colonial Footprint of the British Empire

This chapter explores the colonial footprint of Britain in Iraq during the inter-war years. British built and funded infrastructure in Iraq adds to the informal Empire theory as it represents the physical manifestation of imperialism. Despite not being a colony of the British Empire there were substantial infrastructure projects in Iraq which directly benefitted Britain. These included industrial infrastructure which supported the oil industry, as well as military apparatus to support imperial defence aims. Ampiah and Go both identify these as aspects of imperialism that were sometimes characterised as 'aid'. The oil-related infrastructure, such as pipelines, were an evolution of British ambition in the region from motive to action. The RAF bases located primarily in the Northern half of Iraq served multiple functions. These ranged from defending against Turkish incursions, maintaining the security of the oil fields, and supported imperial possessions in the wider region. Roads and railways served to support both commerce and imperial defence, and this chapter will illustrate these with examples of their uses in Iraq and how they have been used historically for imperial purposes.

Relating this section directly to the existing historiography is also key to note. The "decline of Empire" is often associated with Britain in this period, though evidence in this chapter would suggest a sprawling empire with new territories and an expansionist attitude. Whilst it is undeniable that the post-war period presented challenges to the Empire as a whole, evidence to the contrary is available. Though Britain did not possess Iraq as a formal colony, it played a major role in her imperial ambitions. The Middle East became ever more important over time, which indicates that a British presence there might have strengthened Britain's position in the global arena, rather than it being diminished.

Ownership and Infrastructure

The League of Nations Council agreed to including Mosul, with its rich oil reserves, as part of Iraq.¹⁷¹ The Mandate was implemented in 1925. This then led to the details of oil concessions in Iraq and how they were structured, as well as the infrastructure to support them. Bordered with Persia, Britain may have had ulterior motives when securing the oil fields in Iraq. Initial pipeline planning laid out routes from Iraq, across Arabia, to the Mediterranean. Securing Iraq gave Britain access to the oil pipelines and supply routes.

¹⁷¹ Gruen, "The Creation", 121.

APOC had secured oil fields on the border of Persia and Iraq and it is not a leap to assume that Britain was also considering transferring oil from its Persian fields to the Mediterranean through Iraq. Until very late in 1927 most decisions made were done so without any major oil fields having been struck.

On 11th March, 1929, a Cabinet memorandum discussed plans for oil pipelines and railway links in Iraq. One would assume these essential to the oil itself, being able to transfer it from the middle of Arabia to the Mediterranean, where it could then be dispersed using tankers. The Cabinet memo outlined much the same. On the subject of Iraqi oil concessions, the Turkish Petroleum Company (later the Iraq Petroleum Company) had struck oil and intended on designating its area of operations, with plans now to contract railways, roads, and pipelines to the Mediterranean. However, just as TPC was about to request from the King of Iraq an extension on regional designation deadlines, another company intervened. A British venture, named the British Oil Development Company (BOD), threw their hat into the ring and started a competing application with the Iraqi government:

The new Company held out various inducements to the Iraq Government and, in particular, gave some rather vague assurances as to their willingness to promote the construction of a trans-desert railway from Baghdad to the Mediterranean... One effect of the intervention of the British Oil Development was to stimulate the Turkish Petroleum Company into making counter-offers on their own account, and to compel them to interest themselves in their turn in the question of the railway.¹⁷²

Important to note here is the railways and pipelines mentioned. Later, the memo discussed the British preference for pipeline and rail final destinations. Two ports were in discussion. The British controlled Haifa, in Palestine (Haifa being in modern day Israel), and the French controlled Syrian port. The route into Palestine would also travel through Trans-Jordan, ruled by Ibn Saud, the Iraqi King Feisal's brother. This meant that Iraq also had a strong inclination for the Haifa route, as opposed to the French-Syrian route, which suited imperial defence specifications also.

A map (**Figure 1**) was circulated by the Committee of Imperial Defence in 1933.¹⁷³ It showed the share of oil territory between BOD and IPC (Iraq Petroleum Company,

¹⁷² The Oil Position in Iraq, 11 March 1929 in CAB-24-202-23, 1929. 313.

¹⁷³ 'Map of Iraq Showing the Oil Concessions of the Anglo Persian Oil Company (A.P.O.C.), the Iraq Petroleum Company (I.P.C.) and British Oil Development Company (B.O.D.) and Proposed Pipe Lines of the I.P.C.' [31r] (1/2), 59. (Image in appendix, page 79)

formerly the Turkish Petroleum Company), as well as APOC. The BOD looked to control, or hoped to control, half of the oil development in Iraq. It illustrated the proposed oil pipelines and railways from Iraq to the Mediterranean, and was made on 17th July 1933. Whilst there are lines which go through to the Syrian ports, a major pipeline stretched from IPC oil territory, close to APOC oil fields, through BOD territory, and ended in Haifa. From the map alone, it would look like access from British oil companies BOD and APOC, as well as part British owned IPC, stretched the length of Arabia to Haifa, which would have fulfilled Britain's aims to control a portion of oil production and distribution in the Middle East. These were proposed lines, but it looks as though in the early 1930s long-term planning had begun to portray Britain's imminent control over a major fuel asset. Further, Britain's previous plans may have started to bear fruit at this time. Churchill, with the assistance of T.E. Lawrence, had secured Abdullah I bin Al-Hussein and Feisal in Trans-Jordan and Iraq, respectively, as kings in Arabia. This had, seemingly, led to Feisal's preference for oil infrastructure to reach the port of British controlled Haifa, instead of French controlled Syrian ports.

The BOD was a British venture, as far as the British government was concerned in 1928. However, BOD was a joint British and Italian venture, with capital from German and Swiss investors. B.O.D had acquired vast oil rights in Iraq by 20 April, 1932, whereby it had officially taken lease of all land West of the River Tigris (which the map shows to run almost directly down the centre of Iraq) for 75 years. Control of the company 'passed to Mosul Oil Fields, Ltd., a corporation set up by Italian, British, and German interests for the purpose of acquiring BOD's shares'.¹⁷⁴ A US Senate committee reports shows that IPC, troubled by the concessions held by Mosul Oil Fields Ltd. then set up Mosul Holdings Ltd. 'to acquire the shares of Mosul Oil Fields, Ltd' and had effectively bought all of the shares by 1937. IPC then changed the name of Mosul Holdings Ltd. to the Mosul Petroleum Company Ltd., which was wholly owned by IPC - IPC now had ownership of the 75 year lease the company formerly known as B.O.D had West of the Tigris.¹⁷⁵ For all intents and purposes, IPC had total and complete control of Iraqi oil, bar APOC's relatively small territories of control along the Persian border.

Industrial Infrastructure

¹⁷⁴ The International Petroleum Cartel: Staff Report to the Federal Trade Commission, August 22, 1952 (reprinted 1975), 85.

¹⁷⁵ Ibid.

The timing of when the Haifa-Baghdad railway discussions started to increase and move towards action within the British Cabinet seem to culminate with two other events: the achievement of relative peace in Iraq, and the tapping of commercial volumes of oil. This was around 1928. Though never realised, the planning and justification for the railway reveals the colonial attitude towards Iraq. Though other railway lines were built in Iraq which serviced imperial needs, this particular line was, at the time, deemed very important to greater imperial aims. For reasons detailed below, the ambition for a railway from Haifa to Baghdad simply lost steam and seemed unimportant as other events transpired in the 1930s.

When oil was struck in late 1927 by a geological expedition, the British government soon after started to discuss the foundations for a Baghdad to Haifa railway. The Cabinet then started to increase discussions on the 'proposed' Baghdad-Haifa railway and pipeline in early 1928.¹⁷⁶ The two projects were often spoken about simultaneously. The Prime Minister, on 28th February 1928, said to the Cabinet that 'circumstances now rendered it desirable to investigate further the question of the Baghdad-Haifa Railway'.¹⁷⁷ The planning for and future of this project would be placed into the hands of a committee. Four months prior to the Cabinet meeting, activity in Iraq indicated, through a stunning display, the presence of oil. Six miles north west of Kirkuk, workers at a drilling site named 'Baba Gurgur' witnessed, at 3am on the 15th November, 1927, 'a great roar... followed by a powerful gusher that reached fifty feet...'.¹⁷⁸ Having resulted in the countryside being 'drenched with oil', the well was finally capped with the help of 'seven-hundred' local tribesmen.¹⁷⁹ And with a 'roar' the all-important question had been answered of what value lay in the spoils of victory following World War One: 'there were petroleum resources in Iraq'.¹⁸⁰ Prior to the parliamentary recess in 1928, the Cabinet were pressed on the matter of the railway, and asked to prepare for questions on the progress.¹⁸¹

¹⁷⁶ Meeting of the Cabinet: Conclusion Former Reference: CC 12 (28), February 28th 1928. *in* CAB 23-57-12, 1928.

¹⁷⁷ *Ibid*, 3.

¹⁷⁸ Yergin, *The Prize*, 187-188.

¹⁷⁹ *Ibid*, 188.

¹⁸⁰ *Ibid*.

¹⁸¹ Meeting of the Cabinet: Conclusion Former Reference: CC 42 (28) August 1st, 1928. *in* CAB 23-58-12, 1928. 4.

A series of treaties seemed to coincide, rather timely, with Britain's decision to move forward with the railway. Following a series of Turkish incursions, a treaty was drawn up between Great Britain, Iraq, and Turkey. The treaty, written in 1926, and signed in 1927, defined details on border disputes or 'the settlement of the frontier'.¹⁸² Aside from the obvious benefits of establishing firm border agreements, disputes of which would assumedly threaten oil rights in the future, one article stands out atop the rest. Chapter III, Article 14, stated that Iraq 'shall pay to the Turkish Government for a period of twenty-five years from the coming into force of the present Treaty 10 per cent on all royalties which it shall receive... from the Turkish Petroleum Company under article 10 of its concession of 14th March, 1925'.¹⁸³ Another Treaty, signed December 14th 1927 between Great Britain and Iraq (exactly two months following the Baba Gurgur oil discovery), shed more light on Britain's plans to go ahead with the railway. The treaty was quite simplistic, outlining that Iraq agreed to play by the rules and adhere to international laws as well as respecting the nationals of other states. The opening article states that Britain 'recognises Iraq as an independent sovereign State'.¹⁸⁴ The inference being, one can assume, is that breaking any other article of the treaty would nullify this article. Further, that 'observing friendly relations towards one another', as written in article 2, and the reiteration of Iraq's previous agreement to respect the 'rights and interests of foreigners' within Iraqi territory, in article 3, were in relation to business or commerce.¹⁸⁵ Ergo, respecting the foreign oil interests in Iraq.

Britain's planning of the railway, in these initial stages, could be interpreted as being predicated on these three points. Firstly, the discovery of oil in commercial quantities in 1927. Secondly, that the conflict between Turkey and Iraq had come to an end and border disputes were settled, even if reliant upon Iraq's payment of oil concessions to Turkey. Thirdly, Iraq's entire existence as an independent state relied on its being compliant to international laws and Britain's interests in the region. Together, these add to the argument of infrastructure being for imperial purposes. Britain had secured Iraq's borders, found oil, and Iraq's future was dependent on obedience to Britain and the international

¹⁸² Treaty Series No. 18 (1927). Treaty between the United Kingdom and Iraq and Turkey regarding the settlement of the frontier between Turkey and Iraq together with notes exchanged. Angora, June 5, 1926, ProQuest Parliament Papers.

¹⁸³ Ibid, 8-9.

¹⁸⁴ 'Iraq Treaty Between the United Kingdom and Iraq' signed in London, December 14, 1927. ProQuest Parliament Papers.

¹⁸⁵ Ibid, 3-4.

community - of which TPC's stakeholders also belonged. Britain had formally secured the oil, and could, in 1928, commence planning on its extraction and increased commercial activity, as well as the potential of increased defence benefits of the rail line.

Due to the rise of fascism in Europe, and with it closer friendship with France, the plans for the Haifa-Baghdad Railway were dropped. The expense to Britain would have been great, and France proposed a line which connected Mosul and Baghdad to Europe through Turkey instead.¹⁸⁶ With Anglo-Turkish and French-Turkish relations having eased by 1934 this was not something Britain objected to, and Iraq itself was eager to open up a route from Persia, through Iraq, to Turkey and Europe to maximise her own trading potential. Politically, this new line seemed the best option for Britain, as 'the old wounds which aggravated Anglo-French and Anglo-Turkish relations had to a considerable extent been healed' - these bonds had been made stronger due to 'the rise of a fascist bloc in Europe' in 1935.¹⁸⁷ By 1940, the Berlin-Baghdad railway had been completed, with lines from Istanbul into the heart of Europe having been active for some years before this in the late 1930s (though even this was built in part to service German foreign policy, a hangover from the reign of Kaiser Wilhelm II and continued under Adolf Hitler).¹⁸⁸ The extension of the line to Mosul was also essential to the oil industry. The BOD had 'struck oil south of Mosul' and needed to ship personnel and equipment. Further, BOD had already been permitted to construct a network of railways and pipelines in order to connect its infrastructure due to its 1932 concession with the Iraqi government, with the stipulation that Iraq be permitted to use them in case of emergency.¹⁸⁹

Wider British imperial interests had not been ignored, however. The BOD had signed an agreement with the Iraqi government which allowed them to construct a railway from Baiji, Via Mosul, to the French railhead at Tell Kotchek. Its main purpose, in the view of BOD, was 'to convey oil to the port of Alexandretta' which was 'at the same time of great potential significance for the development of British communications in the Middle East and for the economic prosperity of Iraq'.¹⁹⁰ Due in part to cost, as well as a change in the political environment, Britain felt it no longer necessary to build a railway from Haifa to

¹⁸⁶ Morton B. Stratton, "British Railways and Motor Roads in the Middle East, 1930-1940", *Economic Geography* 20, No. 3 (July 1944): 201.

¹⁸⁷ Ibid.

¹⁸⁸ William D. Middleton, "The Middle East from Berlin to Baghdad: The Bosphorus Crossing", *Railroad History*, No. 204 (Summer 2011): 41.

¹⁸⁹ Stratton, "British Railways", 201.

¹⁹⁰ Ibid.

Baghdad. Instead, Britain worked with her partners to attain the same benefits in what was most likely a less expensive venture. The final hurdle in order to appease Britain was the transfer of ownership of Iraq Railways to the Iraqi government 'in return for a payment of £400,000 to Great Britain and the constitution of a Board of Management two of whose five members should be British subjects during the next twenty years'.¹⁹¹ Though the railway was not completed until 1940, with the Iraqi Prime Minister inaugurating it on November 20, 1936, this was not to be the final link to Europe. In 1938, Iraq Railways, with two-thirds of the board being British, announced a '£17,500,000 development designed to provide a seven-day service between London and Karachi'.¹⁹² Due to an issue of silt along the proposed route through Shatt-al-Arab, another route was proposed by Sir John Ward, 'Director General of the Iraq Railways and port director at Basra, proposed extending the railway from Baghdad to Basra on to Fat on the Persian Gulf and the building of a new port there'.¹⁹³ A fleet of steamers was planned to link Fao to Karachi, the route was also supposed to reduce travel time to India by two weeks which would turn Iraq into the 'land junction as well as the air junction for travel to India'. The article from which much of this information comes was published in 1944, and at that point in time the plans as they had been were not yet realised, due to war in Europe.

Part of the issue during this era was that of distractions. Britain and France, two of the major imperial operators in the Middle East, were experiencing the rise of fascism across Europe. Whilst it is of no doubt that Iraq and the Middle East were important, the prospect of another European war was perhaps a more pressing issue. Many of the plans of governments, and companies alike, in Iraq were possibly secondary to other projects and policies. What is clear is the intention of Britain in Iraq. Railways were being built, even if some of those planned never saw actualisation, and a network of lines were built with the main purpose of servicing the needs of oil companies. Companies which were owned and operated by Britain and her imperialist allies. Not only that, but Britain had maintained significant influence in the Iraq Railways company after the exchange of ownership to Iraq. What this indicates is that almost any large project undertaken by that company for twenty years was somewhat dictated by British interests.

¹⁹¹ Ibid.

¹⁹² Ibid, 202.

¹⁹³ Ibid.

Roads

By 1938, plans for the Haifa-Baghdad road were still under discussion by British policy makers. Part of the issue with this infrastructure project lay in bureaucracy. Funding was an issue which hampered development, and as negotiations with private companies had not been fruitful, other arrangements had to be made. The British government sought to fund construction themselves, though there were disputes about which department should relinquish a portion of their budget. A Cabinet document, 16th March, 1938, goes into some detail on the proceedings of this matter. In reference to a previous Cabinet meeting, the document stated that the 'Minister for Co-ordination of Defence recalled' that the decision to construct this road had been 'in favour' of said project.¹⁹⁴ The Secretary of State for War had enquired in the earlier meeting on the construction timeline of the road, to which the Minister replied that due to the 'high importance attached to the road by his colleagues... he was prepared to make a recommendation to the Cabinet that it should be proceeded with forthwith' as to a decision to when construction would begin.¹⁹⁵ However, the Minister had learned from the Treasury that the Colonial Office would need to re-allocate some of their budget for the project, but that the 'expenditure would have to be deducted from the amounts available to the Defence Departments', and each Defence Department would then need to 'confer as to the quota which each was to bear'. The Minister then said that this decision to re-allocate funding among the Defence Departments in order to fund this project was not in keeping with the attitude of the Cabinet as to the importance of this road. The Minister continued, stating that the indecisiveness of the Cabinet regarding funding was 'hardly consistent with the fact that the Cabinet's approval had been based on the importance of the road':

... not only for strategical reasons set forth in the report before the committee of Imperial Defence, but as a great Imperial project calculated to consolidate and strengthen our position throughout the Middle East, and to improve not only our military, but also our commercial communications...¹⁹⁶

The Chancellor of the Exchequer then commented, explaining that 'the road would never have been approved, if not for the military arguments in its favour... earlier and less ambitious provisions had been based on grounds of defence' and that 'the idea of putting the road on the Colonial Vote was solely as a camouflage'. Further discussions then arose

¹⁹⁴ Meeting of the Cabinet, 16th March, 1938, in CAB-23-93-1, 1938. 16.

¹⁹⁵ Ibid, 16.

¹⁹⁶ Ibid, 16-17

about the fact that the Colonial Office had first proposed this infrastructure project, and it was to be made by a commercial company, but that only when the military benefits of this road were mentioned did the project start to gain momentum. Then, 'finally... it had been lifted out from its purely military aspects into the form of a great Imperial Project'.¹⁹⁷ Funding was approved during the meeting, with the cost borne by Colonial Office departments, but that the full cost of £100,000 should be regarded as 'aid expenditure' and will be taken from the Defence Departments.

What can be inferred from this is a surface level reason to fund the project, and then the real reason to fund the road. Outwardly, British policy makers did not want to be seen building military infrastructure across the Middle East. As the purpose for this road was primarily for military use, and imperial prestige, funding had to be taken from those related departments, but spent from the balance sheets of the Colonial Office. An important aspect of this document to note is the language used in relation to the road, such as 'great Imperial project' and 'strengthen our position'. This road was planned to be part of British imperial infrastructure, designed to advance imperialist aims, adding to the imperial footprint in the Middle East and, of course, Iraq. What this document alludes to is the mindset of policy makers and how infrastructure was viewed. It could be inferred from this document that roads, and rail, had been identified as catalysts of imperialism which enhanced Britain's position in the world. Militarily and commercially the benefits of transport infrastructure might seem obvious. However, the mention of a 'great Imperial project' points towards far more grandiose and idealistic ambitions. The military implications of the road were later discussed following World War Two, in 1946. On the subject of maintenance, a Cabinet committee discussed repairing stretches of the road across Transjordan. This stretch of the road was seen as inconsequential, and had minimal uses or interest beyond its proximity to the Haifa-Baghdad oil pipeline. Whilst this point was agreed upon in the meeting, further discussion of the importance of the greater road in relation to the 'northeast frontiers of Iraq' and its 'strategic value' somewhat changed the direction of opinion towards finding a way to fund maintenance in Iraq, if not Transjordan. The ultimate verdict on the Transjordan stretch of road was that 'in peace there will only be a limited requirement for the road'.¹⁹⁸ However, the world following World War Two was a very different place when compared to the inter-war years. Alas, it shows further evidence that the Haifa-Baghdad road, and transport links in general, were

¹⁹⁷ Ibid, 17.

¹⁹⁸ Chiefs of Staff Committee: Minutes of 149th Meeting, 7th October, 1946, in CAB-79-52-9. 6-7.

primarily used for military application and with it British hegemony in the Middle East, or at least the ambition to achieve it.

In terms of demand for the railway, the desire to build a Haifa-Baghdad line was not only the desire of British interests. The proposed route 'promised very real advantages to the Arab Government in Iraq'. Following Iran's decision to curtail trade with Iraq and use their own Caspian and Persian Gulf ports, Iraq faced a steep decline in 'transit trade'. It was decided that 'the best remedy for Iraq's dilemma seemed to be the Haifa-Baghdad railway'. As an added boon, there was a view that this might also encourage Persian trade through Iraq. Surmised, the proposed rail plans, funded through oil concessions, would have increased Iraq's trade and economy.¹⁹⁹ The association between imperialism and economic expansion has long been considered, as well as notions of 'public good' - positive outcomes for supplicant/client states - and part of this idea is that imperialism 'can transform the economies of supplicants'.²⁰⁰ As a characteristic of imperialism, British investment in Iraqi infrastructure to serve their own needs also benefitted Iraq to some extent. Whether this was considered by the British or was simply a convenient by-product is not clear. The British may have acted as they pleased either way. However, it was most likely in their best interests to work with the Iraqi government where possible, potentially taking the form of mutually-beneficial infrastructure projects in order to maintain good relations. As with Argentina, where maintaining a good relationship was preferable.

Iraq had not been the only territory ripe for resource extraction during the inter-war years. Other railway lines had been planned and constructed, as part of the same extended network, to transport goods from elsewhere. Other examples of rail and transport infrastructure as catalysts for imperialism provide context and support for this interpretation of the situation in Iraq. The period between 1909-1940 in British Malaya bears resemblance to the situation in Iraq. The rich tin deposits throughout Malaya were of importance to Britain, and infrastructure was built to support this industry. Between being economically engaged with Britain and subsequent colonisation, 'the extension of British rule to the western Malay States was followed by large scale development of their tin resources'.²⁰¹ The new administrations in the Malay states, assumedly by British

¹⁹⁹ Stratton, "British Railways", 189-203.

²⁰⁰ Kris James Mitchener & Marc Wiedenmier, "Empire, Public Goods, and the Roosevelt Corollary", *The Journal of Economic History* 65, No. 3 (September 2005): 658.

²⁰¹ Amarjit Kaur, "Road or Rail? Competition in Colonial Malaya 1909-1940", *Journal of the Malaysian Branch of the Royal Asiatic Society* 53, No. 2 (1980): 45.

design, were 'geared towards the creation of a favourable environment for private enterprise through the provision of ancillary services, such as a good system of transport and communications... rivers formed the main highways upon which the tin ore was transported to the coastal points'.²⁰² The limitations of the river-based transportation of goods posed issues to the new influx of British business, and following British rule over the region 'led to the development of railroads in Malaya'. Another striking similarity between Malaya and Iraq is that the funding for these railways was raised via revenues from the tin mined in-country - the first of these 'were constructed connecting the inland mining centres to the ports'.²⁰³ Much like British aims to fund Iraqi infrastructure through oil revenues, as rubber became the most profitable plantation crop in Malaya from 1903, so was the 'pattern of transport facilities' determined in order to service the distribution of rubber plantations in the Western regions of Malaya, which found their way to the port of Singapore - a British controlled port.²⁰⁴ Investments in rail made up the bulk of British investments into infrastructure in the region. One key reason for this was that 'railway construction ensured that the ruling authority, responsible both for the conception and realisation of railway development, would have some measure of control over the railways'.²⁰⁵

In India, the construction of a network of railways during British rule has also been seen as a colonial pursuit, rather than being constructed for the benefit of the colony/subject state. That is to say that they served colonial needs, rather than benefitted the wider Indian economy. There is disagreement between two academic fields as to the effectiveness of railways in terms of social savings, 'while economists find large social savings from railways, historians remain skeptical arguing that railways were developed to benefit colonial interests and did not lead to rapid economic growth'.²⁰⁶ This could be due to the British government taking control of India more directly, after the Indian Mutiny in 1857, when the East India Company ceded control of India to the British state.²⁰⁷ In 1858, the British government, in an effort to garner overseas trade, started to promote investment in 'mining and manufacturing' as well as public infrastructure, 'especially

²⁰² Ibid.

²⁰³ Ibid.

²⁰⁴ Ibid, 46.

²⁰⁵ Ibid, 46.

²⁰⁶ Dan Bogart and Latika Chaudhary, "Engines of Growth: The Productivity Advance of Indian Railways, 1874-1912", *The Journal of Economic History* 73, No. 2 (June 2013): 340.

²⁰⁷ Cain & Hopkins, *British Imperialism*, 308.

railways', which marked an 'increasingly economic character' of British rule in the region.²⁰⁸ That railways were part of Britain's strategy to increase revenue in India is revealing of the imperialistic application of railways within the formal Empire. With Bogart and Chaudhary's synopsis of the nature of British rail, it can be assumed that the use of rail within India was predominantly to provide revenue for Britain, through the extraction of mined resources, or the easy transportation of manufactured goods from across the vast country to viable ports. However, this exchange of goods went both ways. Throughout the latter half of the nineteenth century, goods from Britain to India also increased from '8 per cent in the early 1870s to about 13 per cent in the early 1880s', and this remained stable until 1814.²⁰⁹ Even with Britain's global trading network, Indian trade 'made India her most important market in the Empire' - 85% of India's imports were from Britain during the 1890s, and remained at 60% until 1914.²¹⁰

Other evidence to support this argument that the railways did little to support the native Indian economy is that key resources being traded within the country did not benefit India. Grains, for example, had supposedly experienced a price convergence as a result of interconnectivity and a 'unified goods market' between 1861 to 1920.²¹¹ Previous arguments indicated that the British Indian rail system was largely responsible by creating a standardised transportation system, which reduced transport costs, and meant that supplies of grain (or any other commodity, one would assume) from any region of India started to converge in price, as the cost and availability also converged.²¹² However, recent literature disagrees not with the overall theory, but that British built/owned/invested rail played as large a role as has been previously suggested. This is due to the rail networks being designed for the 'economic benefits to Britain' which would establish a 'dependable supply of cheap food and other basic commodities'.²¹³ There were also military considerations for the placement of rail routes, which had a far lesser impact on the Indian economy. This is not to say that all of the railways benefited Britain solely. Statistics show that in 1910 railways serviced significant portions of the Indian market, suggesting that not all of the lines serviced only Britain's economy. It could be argued,

²⁰⁸ Ibid, 309

²⁰⁹ Ibid, 311.

²¹⁰ Ibid, 311-312

²¹¹ Tahir Andrabi and Michael Kuehlwein, "Railways and Price Convergence in British India", *The Journal of Economic History* 70, No. 2 (June 2010): 351.

²¹² Ibid.

²¹³ Ibid, 355.

considering India's importation of British goods, that growing the Indian economy would serve British interests. The railways contributed 20% of the reasons behind India's decline in domestic price dispersion, which is significant, but not the overriding positive force the railways have been assumed to be - despite having the same volume of tracks, which was 30,000 miles, as Germany and Russia by 1910.²¹⁴

This thesis is not supposing that the railways built under British rule were entirely responsible for increased British trade with India, nor that they did not serve any positive purposes to the native Indian markets. It is clear, however, that the construction and use of railways in India during British rule were most surely catalysts of imperialism - designed and structured not to benefit India, but to line the pockets of her colonial masters and forward imperial motivations in the region.

Similarities can also be seen in Britain's pre-war policies towards Persia and Iraq. Seen as a 'buffer state', Persia was seen in both a geopolitically strategic perspective as well as economic, which is shown by the Anglo-Russian Convention of 1907 whereby each state reserved spheres of influence, in the south and north respectively - this was in part to reduce Britain's potential defence costs in Persia in the face of Russian expansionism and the threat of imperial Germany increasing.²¹⁵ Through the latter half of the nineteenth century and early twentieth century, Britain's defensive and economic interests in the Gulf were also increasing. At the behest of Admiralty figures, Britain's support of the failing D'Arcy company in 1908, subsequent name change to Anglo-Persian Oil company in 1909 and full government control in 1914, either spurred on or happened in conjunction with increased interest in developing inland railways within Persia.²¹⁶ Arrangements with Russia had stifled plans for British rail developments in the region until 1910, when the relevant agreement expired. The Foreign Office subsequently 'helped put together the Persian Railways Syndicate, a consortium consisting of British oil interests in Persia, the Imperial Bank, the Persian Transport Company, Indian shipping interests, and investment trusts in London'. Britain took advantage of an opportunity to promote their own 'strategic and commercial interests' in their sphere of influence within Persia, though construction would not occur with the proliferation of other events in 1914.²¹⁷ Regardless of whether or not construction occurred, it was seemingly only halted due to more immediate threats to

²¹⁴ Ibid, 351-352.

²¹⁵ Cain & Hopkins, *British Imperialism*, 383.

²¹⁶ Ibid, 384.

²¹⁷ Ibid.

Britain, and the following years of devastating conflict. Following the war, Iraq was perhaps more desirable as a destination for oil mining. The case of the rail syndicate in Persia is indicative of how the British Empire operated in the Middle East, and the use of railways, or infrastructure more broadly, put to benefit areas within the formal Empire or spheres of influence. Conjoined with the military benefits of rail and road systems, that Britain was competing with Russia in the Middle East region further indicates the imperial nature of infrastructure projects.

Communications Infrastructure

Other forms of infrastructure, such as communication, were also of importance in Iraq during the inter-war years. Communication was of great significance to the Empire and falls under the idea of the Empire as being a series of connections or webs.²¹⁸ Price notes that through recent developments in research ‘scholars have become interested in analysing the mass media in a transnational context, as an agent of globalisation rather than as a catalyst of nationalism’.²¹⁹ British interests in Iraq offer this theory substance, and vice versa. Iraq’s place within the Empire’s sphere can also be identified as a Middle-East ‘corridor’. Prior to the discovery of oil in any large quantities, ‘it was communications that formed the essence of Britain’s interest in the Middle-East’, which comprised of ‘a Cairo-Baghdad air mail, trans-desert motor services, a planned desert railway and a valuable oil pipeline’.²²⁰ Many historians ‘often acknowledge the importance of route-building to Empire’ (if at the expense of local inhabitants).²²¹ In terms of the network communications which were built during the early twentieth century, and ‘imperial networks’ more broadly, scholars have referred to these as an apparatus of control and ‘point out how such networks were used to help sustain pervasive, hierarchical, and oppressive structures of imperial and settler dominance’.²²² The Empire benefited from being under this umbrella, but it was not necessarily a positive force for the native inhabitants. The trend towards state sponsored mass broadcasting across the Empire can be seen with the introduction of the British Broadcasting Company in 1922, and the

²¹⁸ Richard Price, “One Big Thing: Britain, Its Empire, and Their Imperial Culture”, *Journal of British Studies* 45, No. 3 (July 2006): 602-627; Simon J. Potter, “Webs, Networks, and Systems: Globalization and the Mass Media in the Nineteenth and Twentieth Century British Empire”, *Journal of British Studies* 46, No. 3 (July 2007): 621-646.

²¹⁹ Price, “One Big”, 623.

²²⁰ Robert S. G. Fletcher, “Running the Corridor: Nomadic Societies and Imperial Rule in the Inter-war Syrian Desert”, *Past & Present*, No. 220 (August 2013): 185.

²²¹ *Ibid*, 186.

²²² Potter, “Webs, Network”, 638.

creation of its successor in 1926: The British Broadcasting Corporation (BBC).²²³ Though the British state instigated mass communications on some level, Potter draws attention to the undeniable drive from private communications companies in creating these early networks. This adds further context to the creation of road, rail, and air travel in Iraq and across the Middle East. Aside from providing logistic support for the transportation of goods or people, much of the Iraqi infrastructure built during this period added to the Empire's communication infrastructure which could have served other means.

The RAF in Iraq and the Influence of Military Power

Having explored the infrastructure in the country, which was primarily built to support British imperial pursuits, the discussion of how this was protected and defended bears relevance to the discussion. A state of such importance to Britain for reasons of finance and communication was unlikely to be left undefended. The British government formally bound their military to Iraq with the 1930 Treaty of Alliance under articles 1 (foreign policy cooperation) and 5 (mutual defence agreement).²²⁴ RAF assets deployed in Iraq did not exist only to defend the commercial and industrial ambitions of Britain. Due to its geographical location the same defence apparatus was utilised to protect other British interests in the Middle East and South Asian regions.

The following will explore Britain's use of military force in Iraq by comparing the presence of RAF bases in Iraq to the historic uses of the Royal Navy. One aspect of the 'old' style of imperial force was the use of 'gunboat diplomacy', and making use of superior naval assets (which weaker states had no recourse to defend against). For example, 'Gunboat diplomacy' has been a term used to describe US naval and diplomatic tactics in the Caribbean and Central America, among 'other instruments of informal imperialism' and is not specific to Britain.²²⁵ Other examples can be found in East Asia. Nineteenth and eighteenth-century China can be seen as an arena for imperial competition.²²⁶ Outside influence had been achieved through control of the finance sector, which 'curtailed the political independence of the central government'.²²⁷ There are some circumstances

²²³ Ibid, 639.

²²⁴ Treaty of Alliance between the United Kingdom and Iraq, 30th June 1930. ProQuest Parliamentary Papers.

²²⁵ Dane Kennedy, "Essay and Reflection: On the American Empire from a British Imperial Perspective", *The International History Review* 29, no.1 (March 2007): 97.

²²⁶ Cain & Hopkins, *British Imperialism*, 392.

²²⁷ Ibid.

which offer some comparison between the situation in Iraq during the twentieth century, and China in the nineteenth. One example is the economic and resource characteristic in China. Opium was an important resource which China had, and that Britain, as well as India, required.²²⁸ Secondly, is that Britain had no desire to formally control Chinese territory and turn any area of it into a colony, at least that is not why the 1839 or the 1858 wars were fought. The outcome of the wars in China were designed to unlock the Chinese market at 'low-cost' to the Empire, but 'Britain had no territorial designs on China: on the contrary, in exchange for concessions centred on the Treaty Ports, Britain acquired a commitment to support the government in Peking' - it was thought by the British that this would be the best way to ensure stability and 'orderly commerce'.²²⁹ This approach bears resemblance to the situation in nineteenth-century Argentina, and later in Iraq. Much like in Iraq, but for different reasons (or at least different circumstances), Britain sought to reap the economic advantages of influencing Chinese policy, without the expense of 'ownership', or formal colonisation. An aspect of informal Empire which is consistently present across multiple examples is the idea that it was less expensive than formal Empire, hence part of its allure. The use of the RAF in Iraq is a good example of this and potentially a contemporary alternative to gun boats in the twentieth century.

The RAF was used as a modern equivalent, or alternative, of naval power in the twentieth century. In order to better understand the nature of RAF presence in Iraq during the inter-war period, it is important to have a working understanding of how Britain has used 'gunboat diplomacy' in the past to draw parallels and make comparisons. In other words, an overwhelming display of force. Recent literature on this subject, from a military perspective, has explored the subject.²³⁰ The notion that displays of naval power were (and still is) a form of diplomacy, or 'naval diplomacy', is not a recent discovery, though there is not a large body of work discussing what constitutes it or an agreed upon formula for it. Oliver Cromwell 'famously declared that "a man-o'-war is the best ambassador"', with modern day equivalents being images of US aircraft carriers printed onto clothing with the phrase '90,000 tons of diplomacy' accompanying as the tagline.²³¹ One definition of 'naval diplomacy', which suits this thesis and seems to fit with the evidence which will be later discussed, is 'the exertion of influence on international affairs through naval

²²⁸ Ibid, 394.

²²⁹ Ibid.

²³⁰ Commander Kevin Rowlands, "Decided Preponderance at Sea: Naval Diplomacy in Strategic Thought", *Naval War College Review* 65, No. 4 (Autumn 2012): 89.

²³¹ Ibid.

power when not at war'.²³² Britain had this tactic in China and Argentina. In both circumstances, Britain had not been looking for conflict and had not been actively involved in a war with either party. Both could be seen as within Britain's sphere of influence, as well as part of the harder to define 'informal Empire'. In Argentina, Britain had needed only to deploy a gunship on the coast to settle a civil dispute which was had been hurting her own investments. In China the motive was the same. China, unlike Argentina, had yet to open up fully to foreign trade during the nineteenth century and the British had designs on 'unlocking' the economy for their own benefit. The similarity in both circumstances had been Britain's unwavering dominance of the seas, and the use of superior naval might, embodied through a gunship, or man-o'-war, to influence another state's policy.

The factors which this thesis has not been able to illustrate is exactly why this was the case. More specifically, what compelled a state to alter its foreign policy in the presence of overwhelming force. One might assume there is a psychological aspect. The sight of a giant warship, fully manned and armed with powerful cannons and armaments, half a mile off the coast would be objectively 'scary', or alarming. It could have been comparable to a floating fortress. However, was this same disarming affect possible with aircraft?

Britain being in control of Iraq, militarily, offered her advantages. Prior to 1932, protection of the state, and its oil supply, was under Britain's purview as a Mandatory Power and in her commercial interest. Imperial forces maintained a significant military presence in the desert state. The use of air assets in particular were of great importance to the security of Britain following the war. The Middle East in particular was an area where this asset could be deployed to a great degree of efficiency and effectiveness.

Formed in 1918, the RAF was initially formed to maintain pressure on the European front against Germany and the Central Powers.²³³ The RAF was found to be effective in India and the Middle East, granting an alternative to ground assaults, which could 'accomplish security operations more economically in both lives and money than conventional ground and naval operations'.²³⁴ In the Middle East region in particular, air control 'helped Britain

²³² Ibid, 90.

²³³ Elmer B. Scovill, "The RAF and the Desert Frontiers of Iraq, 1919-1930", *Aerospace Historian* 22, No. 2 (Summer 1975): 84.

²³⁴ Ibid.

maintain security throughout vast areas at minimum expense'.²³⁵ Though World War One had ended, the Turkish threat remained during the inter-war years, threatening to undo the work done by Britain to secure vital assets in the former region of Mesopotamia. Though the allies had 'made peace with the Turkish Sultan in 1920', the establishment of the Turkish Republic under Turkish Nationalist Mustafa Kemal in 1923 gave rise to a state which no longer accepted or acknowledged international treaties and agreements concerning Britain's possession of Mosul - a dispute which would last until 1926.²³⁶ Propaganda from the new Turkish regime and their efforts to cause civil unrest and uprising, especially amongst the Kurdish peoples, had led to a bleak security outlook, causing Feisal to admit that Iraq's future hinged on British military presence.²³⁷

In providing context for RAF bases in Iraq being part of a wider imperial defence network, discussions were had on the effectiveness they would have in the region within government. Concerning the reinforcements available to India, should air support be required, a Parliament report from the House of Commons clearly stated that British air assets based in Iraq could arrive within two days. These planes were based out of Hinaidi aerodrome, near Baghdad, according to the report printed in 1929.²³⁸ Expanding on this use of RAF assets based in Iraq, a situation arose in Afghanistan which caused instability in the region. Bolshevik Russia instigated political unrest within Afghanistan in early 1928. The invasion of India by Afghanistan had been identified as a potential threat a few years prior in 1923 during the discussions concerning military cuts in India.²³⁹ In a memorandum, circulated by the Secretary of State for India, the Cabinet was made aware of Afghanistan's request for British subsidy payments that same year.²⁴⁰ However, the Russians were also vying for favour in Afghanistan, and Britain's denial of financial aid would cause the Afghans to fall 'entirely into [the] arms of Russia'. The document expresses how important Afghanistan was, partly due to its proximity to India:

On the one hand, a definitely friendly Afghanistan is a primary condition of British strategical plans for the defence of India; on the other hand, it is agreed that the worst position...would be to have to defend India on her frontier faced by an

²³⁵ Ibid.

²³⁶ Ibid.85

²³⁷ Ibid.

²³⁸ East India (military). Report on the air operations in Afghanistan between December 12th, 1928, and February 25th, 1929. *in* Command Papers, (September, 1929) ProQuest Parliamentary Papers, 9-10.

²³⁹ Viscount Peel to Lord Derby, 11.

²⁴⁰ Relations with Afghanistan, 8 February 1928, *in* CAB 24-192-34,1928. 19.

Afghanistan which Russia by peaceful means had reduced to a protectorate and developed for war... suggestions for an offensive and defensive alliance, or other measures based on co-operation against Russia, should be rejected... we regard our troubled relationship with Russia as merely a passing phase, that sooner or later we shall be friends again...²⁴¹

Later, in December of that same year, Afghan rebels began their assault, reaching Kabul by 14th December. The British Legation, on the 17th, requested a 'reconnaissance aeroplane', and on the 21st were evacuated from Kabul.²⁴² Due to the proximity of the Hinaidi aerodrome, it was felt that Iraq-based RAF planes were necessary to reinforce the security efforts in the region. On the 22nd December, 'it was obvious that evacuation by air on a large scale would have to be resorted to' and British forces in Iraq were asked to send 'two more Victorias'.²⁴³ The 'Hinaidi Heavy Transport machine' was also transported from Iraq to assist - all aircraft flew from Baghdad.²⁴⁴ RAF forces in Iraq were responsible for a large proportion of aircraft used in the operation, with Victorias flown regularly from Baghdad until February, 1929.²⁴⁵ Communication was of vital importance to the protection of the Legation, and a wireless transmitter was dropped via aircraft on 19th December, which was also done so to reduce strain on the reconnaissance machines. After a series of successful evacuations during these months of Afghan civil conflict, the report concluded that, under the 'Use of Air Power Imperially' section, the 'outstanding feature of these operations is the fact that India was able successfully to draw upon Imperial Air resources in Iraq to perform a task upon her own frontiers'.²⁴⁶ Iraq was also able to bolster its own forces, after having sent a large number of aircraft to aid India in this Afghan conflict, to 'supplement the temporary air deficiency in her Air Force by drawing upon the Middle East Command. The mission was a purely peaceful one, yet it provided the first opportunity in history for the mutual co-operation of different Air Commands of the Empire'.²⁴⁷ The report hailed the use of this multi Air Command operation as having solved an impossible problem.

²⁴¹ Ibid, 6-7.

²⁴² East India (military). Report on the air operations in Afghanistan between December 12th, 1928, and February 25th, 1929. *in* Command Papers, (September, 1928) ProQuest Parliamentary Papers, 6-7.

²⁴³ Ibid, 10.

²⁴⁴ Ibid, 9.

²⁴⁵ Ibid, 11.

²⁴⁶ Ibid, 24.

²⁴⁷ Ibid.

This report reveals that Iraq was used as a staging ground for imperial defence, using a network of combined forces, as the report outlines, from India, Iraq, and Egypt. This is important in characterising the purpose of British air bases in Iraq. They were part of a larger imperial defence network, and Iraq's location meant it could be used to bolster key imperial assets when needed, such as the Indian frontier. The same report also mentioned the incredible 'economical aspects of the employment of air power', combined with the use of wireless, enabled 'a force to be assembled and rapidly withdrawn on the most economic basis'.²⁴⁸ The inference being that alternative strategies for extraction would have been more dangerous, more expensive, and slower - and time had not been on the side of Britain in this instance. Further, India had not been supplied with sufficient aircraft, making it necessary to call upon Iraq to supplement her own forces almost entirely, as India had but one heavy machine, and Iraq bore many.

In comparing how the use of twentieth-century aircraft might have been comparable to the gunboat diplomacy of previous centuries, the following example might go some way in providing evidence of this with the element of force. The RAF had not only been useful in instances of Afghan rebellions. Partly due to cost, the Royal Air Force was being used regularly to replace ground forces around the world. The Under Secretary for Air, Montague, was recorded as part of an Defence spending and budgets committee, explaining how the RAF had recently been used and its current state in Iraq:

It must be remembered... that Air Forces are being increasingly employed in substitution for ground forces, and that thereby considerable economies have been effected... the success and economy achieved by the use of air power for defence in Iraq and, if I may quote a more recent instance, we have the case of Aden, where an air squadron has been provided for the last two years with a strength of 12 machines and a total complement of 200 men in replacement of one British and one Indian battalion of infantry with a total strength of about 1,600 combatants.

Towards the end of last year, the Royal Air Force rendered signal service in dealing with two rebellious tribes, subjects of Ibn Saud the King of Nejd, whose leaders, accompanied by their followers, after an unsuccessful rebellion against that monarch, took refuge in Koweit and in Iraq... the High Commissioner authorised air action on a limited scale, the immediate result of which was the unconditional surrender of both tribes as required - some 7,000 people - to the Air Force commander. I may say that in this case the dropping of bombs as a

²⁴⁸ Ibid 25.

*warning proved sufficient, and there were no casualties to the rebels or on our own side.*²⁴⁹

These Hansard records suggested the effectiveness of the RAF, relative to its cost, as well as its use as an alternative to armed ground assaults. This is attributed to the successful surrender of 7,000 tribesmen through the threat of bombing and warning shots, in 1929. Further, the same Commons transcript goes on to reveal the cost of forces in Iraq:

*Just before I went to the Air Ministry we were actually spending on the garrison in Iraq more than £20,000,000 a year. We substituted air control, and that amount has been reduced to £1,500,000 a year. We have withdrawn between 20 and 30 Imperial battalions and have actually reduced our Air Force in that time from eight squadrons to four squadrons.*²⁵⁰

Whilst the context of this quote is in scrutiny of defence spending and budget justifications, Hoare describes the cost and presence of RAF forces in Iraq. Though the force numbers had dropped, this is an insignificant detail as to why they were stationed in Iraq. Given that this report was written after the 1929 Wall Street Crash, one could assume that cost-cutting was essential amidst the financial issues affecting the British economy at the time. Even still, a significant air force was present, even if fewer in terms of manpower than the previous number of troops. Context, however, is key. By this point in time, Britain and Iraq had already fought against rebellion and Iraqi incursions - control was in hand, and large numbers of troops were no longer a necessity, as well as being an expensive burden. The effectiveness of even a relatively small air presence was displayed by Montague. As we have established, reducing expenditure is a key characteristic of informal Empire.

Whilst this is not a direct comparison to the use of gunboat diplomacy in the River Plate or China, there are some translatable comparisons. That 7,000 tribesmen willingly surrendered, after witnessing warning shots from British bombers based in Iraq, is testament to this. Referring back to the situation in Argentina, it is unlikely that a single warship would have been sufficient to subdue a nation in the midst of civil strife. The likely logic was that the Argentines involved realised that the damage done by that warship would have been catastrophic, but would not have wiped them out. Another reasonable assumption is that the British showed a clear display of supremacy. Even if

²⁴⁹ Under Secretary for Air, Mr. Montague, *Hansard*. 5th Series on Air Estimates 1929-1930, House of Commons Hansard, Volume 236, Page Column 1877-2056 Preamble, Tuesday, 18th March, 1930.

²⁵⁰ *Ibid*, Sir Samuel Hoare to Montague, page column 1940-1953.

that one warship had not been able to subdue a nation, clearly the Argentine people were looking at evidence of a superior military power, themselves bearing no reasonable counter force. This second assumption fits more aptly with Britain's use of the RAF in the 1920s. The tribesmen were land based and carried small arms. Their potential enemy, though war had not been declared, could field flying bombing machines. The risk was perhaps simply not worth the reward. In laymen's terms, it is the equivalent of flaunting a very large stick at the enemy. The threat of unrivalled force was enough to dissuade further insurrection.

The case of the RAF in Iraq was not simply to dissuade further Turkish invasions from the North, nor nomads in the desert, but also to protect imperial assets. Another example of how the use of naval power and air power were sometimes walking a very similar line is shown in 1924. Due to the threat of brigandage on the Yangtze River, a report to the Cabinet proposed commissioning 'two gunboats for the protection of shipping', within an area which was seen as the 'British sphere of influence'.²⁵¹ Much like in Iraq and Argentina, this informal part of the Empire represented 'considerable development of British interests'.²⁵² Similar still to the events in Argentina was that this was also in response to North-South Chinese civil unrest, and not anti-British actions (though brigandage was occurring, it was not a state sponsored action). Britain was not at war with either party but used military power to influence policy or protect British interests. This is a characteristic of 'gunboat diplomacy' which was identified earlier in the chapter. What the RAF and Royal Navy represent in these instances is the 'long arm' of imperialism. Britain was able to strike wherever and whenever it needed to protect its interests outside of her own borders. Oftentimes this included taking advantage of superior technology, as with Iraq and Argentina, or sheer military might.

²⁵¹ Memorandum by the Foreign Office respecting the Yang-Tsze River. Proposed Building of Two Gunboats for Protection of Shipping, July 1924, *in* CAB 24-167-66, 1.

²⁵² *Ibid*, 1.

Conclusion

To conclude, this thesis defined informal empire and imperial modes of control, and then demonstrated how these applied to Iraq during the 1920s and 1930s. Some of the theory was grounded in the work of academics. This thesis then analysed previous events which illustrated Britain's exertion of control in other examples of informal imperialism, such as in Argentina. This analysed how the British empire influenced other states which were important to the empire as a whole, but not formal colonies. The same tactics were exercised in Iraq through financial aid and military support, a legal framework of treaties, and the sterling area. The crux of this argument is control. Specifically, how Britain achieved long term control and influence over another state. Further evidence was presented to show how and why controlling networks were important, and what part Iraq played as part of them, not just how Britain controlled Iraq. The need for Britain to achieve greater control across the empire was a response to growing competition in international markets, as well as economic crises. These crises included the Wall Street Crash and the subsequent depression in the 1930s. International competition in terms of commerce and oil showed that Iraq played a role in Britain's broader plans to retain control. Loans were often pivotal in Britain's efforts to control a foreign state. Britain exerted control through financial aid and legal frameworks in Iraq, such as with the Barings loan in 1937, and the Mutual Alliance Agreement of 1930. Britain also gained control by installing a loyal leadership in Iraq through political lobbying. Iraq was part of the informal empire and itself controlled, but was also part of a wider network and apparatus of global control. This was done for the purpose of stabilisation and the maintenance of the British World Order. Imperial competition also dictated the British presence in Iraq. If they did not control Iraq another power would, or Turkey would retake it.

Oil was a primary motivator for the British presence in Iraq. With the First World War hailing the age of oil-fuelled ships, planes, and armoured vehicles, oil became a necessary resource in defending the realm. Britain had been reliant on coal for the better part of a century, and controlled it in every aspect from the Welsh coalface to supply routes, and beyond. Oil was not available on the British mainland, and therefore had to be sourced from areas abroad which Britain did not control. This was expensive and put Britain at a strategic disadvantage as the Navy was fast becoming fully oil-fuelled. In order to rectify this, Britain took control of Iraq and the oil there. Britain could import oil during peacetime and wartime (the recent war had illustrated this) but this put Britain at

the mercy of foreign states and companies who could charge whatever price they wanted. Economically this was a threat. In order to curb importation and transportation costs, Britain needed to control a supply of oil as it had done with coal, from the well to the tanker, and beyond. On the world stage Britain was behind in crude oil production. To become commercially competitive Britain gained a foothold in the industry and attempted to claim the position it once enjoyed with coal. The coal industry also suffered and was hampered by fundamental issues within the industry. As coal became less important, as did oil become more prominent.

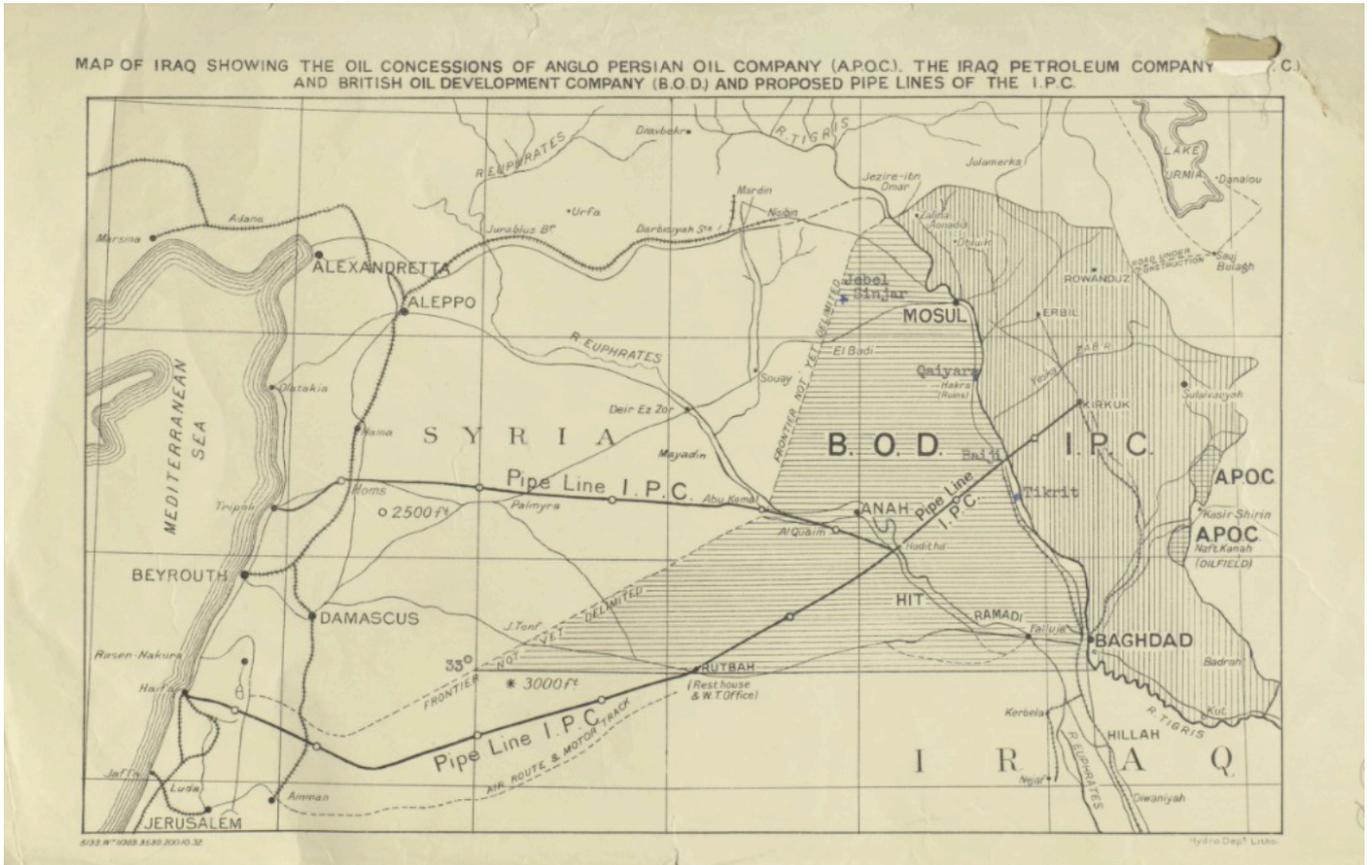
The physical presence of British imperialism in Iraq shows the culmination of the British control apparatus. Maintaining RAF bases in Iraq was an indication of the unique and privileged relationship Britain had with the state. Furthermore, the assets Britain stationed there were used as part of a wider imperial defence network. This added to the imperialist argument, revealing the true nature of RAF deployment. RAF airplanes travelled over great distances to engage in missions beyond Iraq itself. The events in Afghanistan were a testament to this. The widespread reduction of spending across the empire further illustrated why the RAF was deployed instead of other forces. Part of the informal empire argument is the idea of it being less expensive and resource exhaustive than formal colonialism. The RAF was cheaper than conventional forces and could complete missions across the empire from bases in Iraq at a fraction of the cost. The RAF was also used in lieu of the Navy. Gunboat diplomacy was discussed as the extension of imperial power. The RAF in Iraq can be compared to this and shown as an aerial alternative. Roads and railways were archetypically characteristic of British imperialism. In India and Malaya, roads and railways were shown to benefit the British Empire primarily. This was shown through their main function to be the extraction of resources from these countries, as well as military considerations. The roads and railways in Iraq serviced the oil industry, as well as being critical to British military planning. They were seen as great imperial projects, rather than a force for Iraqi development. Communication was a method used by the British government to maintain close ties with the Empire. Iraq's aerodromes, roads, and railways were the 'desert corridor' for British communications and played into the theory of an imperial 'web' or network. Iraq was subsequently absorbed into this network and was an important hub for imperial communication. Though Iraq was not the most important part of the British empire, it did play an important role in wider imperial networks and schemes, and provided Britain with an important resource. Iraq was valuable, and the British Empire engulfed it as a result.

The British Empire having been in decline following World War One is an existing narrative in the historiography of British history. Decolonisation is often associated with the period following the Second World War, but the inter-war years exposed weaknesses in the empire - not in small part due to the heavy cost of the First World War. Whilst this thesis does not cover the mass extent of British activity globally, it does examine features of imperialism which indicate the depth and complexity of the apparatus of control utilised by Britain. Though recent literature has drawn attention to the nuance of imperialism during this period, this spotlight on Iraq stands as an example of British colonial activity thriving during the inter-war years and could perhaps infer that these methods of control were used elsewhere across the empire, both formal and informal. As mentioned in the introduction, this case study infers that the methods of imperialism deployed by Britain were changing and adapting, though the end result remained the same.

This study has contextualised Iraq as part of a vast Empire. While Iraq was certainly not the most important asset within the British Empire, the evidence presented here suggests that it played a key role in broader imperial networks and policies. British hegemony was achieved through a combination of finance, military power, and landmass. In this sense, Iraq is an important case study. Britain financially dominated Iraq and economic aid provided Britain with influence, as well as benefiting the Empire with access to oil and transportation infrastructure. Iraq also became a member of the Sterling Area – a vast trading bloc centred around Britain, created in response to economic crises. Iraq served as an important commercial and imperial communications route from the Mediterranean through to India and East Asia. Militarily, Britain defended her interests in Iraq with the RAF presence. The real value in Iraq was that it extended Britain's RAF capabilities and the ability to exert military power over greater regions, while reducing defence costs. As a result, Iraq was an integral aspect of the imperial defence network. Control over this landmass ensured that this was possible. Rather than discussing Britain's relationship with Iraq in isolation, this study's unique contribution is to bring together and situate Iraq's position within wider imperial theories, policies and networks.

Appendices

Figure 1:



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