

American Petroleum Interests Gain New Oil Rights in Arabia

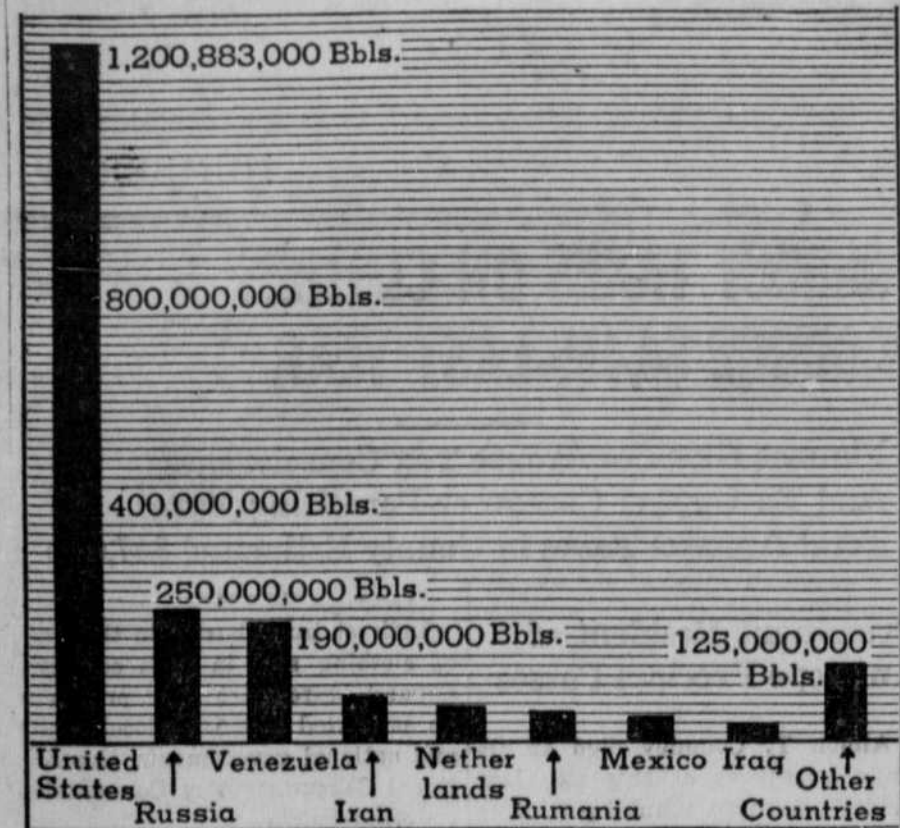


CHART ABOVE shows how the United States leads the world in the production of oil. Records show this country to be far ahead of any other nation or any combination of nations. The next largest producer, Soviet Russia, pumps one-fifth less than the 1,200,883,000 barrels of crude oil obtained here.

Saudi, Desert Nation, Grants Concessions to U. S. Company.

Prepared by National Geographic Society, Washington, D. C.—WNU Service.

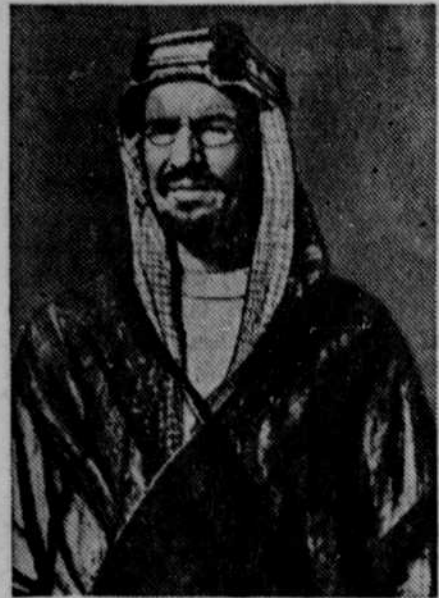
More of Arabia now has been thrown open to American oil prospectors by the petroleum concession awarded to the Standard Oil Company of California and its associates for the kingdom of Saudi Arabia.

The relatively young desert nation of Saudi Arabia is one-fourth as large as the United States, or larger than Mexico; and prospecting in one province alone has already placed the country among the leading oil-producers of the Near East.

In the native land of Mohammed and the traditional realm of the Queen of Sheba, a 40-mile pipeline now carries seaward the oil from a new kind of well that shares the esteem always accorded wells in that parched country. Terminus of the pipe line is Ras Tanura, opened this year as the first deep-water port on Arabia's Persian Gulf coast, once notorious for piracy.

Land of Thirst.

The Saudi Arabia concession gives United States oil interests two stakes in the petroleum-rich region where Asia, Europe and Africa meet. The Standard Oil Company of California and the Texas corporation have added the Saudi Arabia territory to their holdings in the Bahrain islands, 20 miles off the Arabian coast, which had been a historic center for pearl-fishing before the discovery of oil seven years ago. Rights to the rich oil fields of the Near East are held by the British in Iran, the French in Syria, the British in Kuwait. In Iraq the rights are held jointly by



KING IBN SAUD is the fierce and fearless ruler of Saudi Arabia, desert country, which has just made new oil concessions to American companies. Rumor has it that the king's desire to deal with American "Bib Business" caused him to turn down an offer for twice as much money from Japanese oil interests.

the British and Dutch, with minority votes from French and American companies.

Oil is opening a new era for Saudi Arabia, where lack of water has kept untraveled an unknown region surpassed in mystery only by the unexplored areas of Antarctica. Although one man in every seven—the Moslem fraction of the world's population—aspire to visit the country, few dare to do more than skirt a desert expanse that is second in size to the Sahara.

Country Is Dry and Hot. The rough rectangle of Arabia has a lofty central plateau, or Nejd—high, dry, and hot. Bands of desert border the plateau, rocky in the north, sandy in the south. Saudi Arabia crosses the peninsula from the Red sea to the Persian gulf, excluding a fringe of smaller semi-independent states on the north and south. A land of no perennial riv-

ers and little rain, Saudi Arabia must find its moisture through wells and springs.

Perhaps less than one-fifth of the country is cultivated by patient fellahin who shelter their citrus trees and pomegranates behind wind-breaks of tamarisk trees, or carry water to patches of egg-plants, onions, melons, and carrots. The Bedouins drive their flocks of sheep, herds of camels and horses through the land in the wake of rain, traveling by night to escape the sun's heat and navigating the barren steppe or desert as the sailor navigates a trackless sea.

An independent kingdom of 25 years' growth, Saudi Arabia has extended the authority of a powerful inland dynasty from coast to coast over 80 per cent of the arid peninsula which natives call "The Island of the Arabs." Since 1913 when Ibn Saud ejected the Turks, he has pushed his realm outward in every direction, capturing Mecca in 1924. He now rules some 800,000 square miles, nearly 10 times the size of Great Britain. Today a dozen nations, including the United States, have accredited diplomatic representatives to the desert state.

European War Has Echo Near U. S. Frontiers

Colonies Furnish Supplies Needed on Battlefronts.

Prepared by National Geographic Society, Washington, D. C.—WNU Service.

Martial law in Bermuda, a mobilization act passed in British Guiana, war emergency regulations in Jamaica, Canadian shipping taken over by the navy, and a training course for Canadian fishermen's submarine patrol—these are among the reminders that Europe's war condition is not confined to Europe.

European colonies and dominions bring Europe's war to the very border of the United States on the Canadian frontier. Other war measures are no farther away than the Bahamas, 75 miles off the coast of Florida, or Bermuda, five hours from New York by air, or Jamaica, 600 miles northeast of the Panama canal. France, as represented by Clipperton island, lies due south of New Mexico (about 1,500 miles away). The Netherlands, mobilized although neutral, has an island group some 700 miles east of the Panama canal, and less than twice as far from Miami. Together, Great Britain, France, and the Netherlands have almost 14,000,000 subjects in the New World where their colonies and dominions aggregate more than 4,000,000 square miles.

Great Britain Leads. Great Britain, thanks mainly to Canada—her largest dominion—controls 94 per cent of this land and 98 per cent of the people. Her New World holdings constitute 30 per cent of the entire British empire.

In the South Atlantic in 1914 British and German fleets fought the Battle of Falkland islands off the coast of Argentina, for control of the group of 100 bleak little sheep-pasture islands which Great Britain had occupied as recently as 1833. Bermuda in the North Atlantic is headquarters for the America and West Indies squadron of the British navy.

Most of the European footholds in the Western hemisphere are remnants of much larger empires held early in the colonizing era. French Guiana and its associated inland territory of Inini in the northern portion of South America are the oldest members of the French colonial family, having been occupied in 1626. Barbados in the Caribbean sea has been British since 1627. Netherlands took their section of Guiana in 1667.

REPERCUSSION Europe Adopts War Fashions To Maintain Normal Routine



FOR GENTLEMEN—Anthony Eden, cabinet member, carries his gas mask in knapsack, like every other Londoner.



FOR MADAME—A pretty Parisienne studies her 1939 gas mask in the store mirror. How's the effect, lady?



FOR POLICE—London police, attired in steel helmets, become "sandwich men" during air raid scares.



FOR TELEPHONES—Guarded conversation is the rule in London, where public 'phone booths are sandbagged.



FOR WAITRESSES—This London lass ties her gas mask around her waist.



FOR STREETS—White lines along London curbing guide traffic during blackouts.



FOR DINING—Arrow points to convenient gas masks within reach of diners at this Paris restaurant.



FOR HOSPITALS—Here is harbor entrance to Ramsgate, England's new subterranean hospital.



FOR SWIMMING—Even at the ole swimmin' hole these young Britishers must carry their gas masks.



FOR HOUSING—An English couple turns their underground air raid shelter into a rock garden upstairs.



NATIONAL AFFAIRS

Reviewed by **CARTER FIELD**

Arnold's trust-busting complicates profiteering problem . . . United States facing big decline in exports . . . Little attention is being given to the problem of imports . . . American ships barred, under neutrality act, from trading with British ports.

WASHINGTON.—Thurman W. Arnold, and his trust-busting proclivities, are a problem not only for business men worried about what to do in the war emergency, but to certain other officials of the government. The whole question revolves around the fixing of prices.

The government as a whole, from President Roosevelt down, is determined that there shall not be profiteering, either at the expense of the belligerents or of the American consumers. There is no disagreement about that, and, to be fair about it, there is no important dissent by most of the manufacturers and retailers represented in Washington through their trade groups.

The business men say that they cannot control rise in cost of the raw materials, or of labor, but they have no desire to push prices higher than these two elements of expense require. They are remembering the deflation that followed the last war.

But when it comes to how to prevent unreasonable advances in cost, Old Man Worry walks in the door.

There are two obvious ways to accomplish it. One would be by government price fixing, as was done, in part, by the Lever act in the last war. Chief objection to this, strangely enough, comes not from the business men involved, though they don't like government price fixing, but from the government. Few on the government side who remember how the Lever act worked last time would be willing to risk it again.

Would Permit Business to Reach Price Agreements

The other solution would be to permit business itself to reach price agreements in its various lines. That appeals to the business men, naturally. It also appeals to some of the administration executives, especially in the department of commerce.

But not to Mr. Arnold. In fact, the department of justice is waving the big stick on anti-trust prosecutions as never before, threatening to prosecute all and sundry. Arnold gets a lot of publicity for his speeches and his gestures against "combinations in restraint of trade." There is perfectly good legal precedent in high court decisions that it is just as contrary to the letter and spirit of the anti-trust laws for competitors to agree to reduce prices as it is for them to agree to raise prices.

There is more logic in this, incidentally, than sounds possible if one is thinking only about the problem which now confronts the government—the prevention of profiteering. But when the law was framed its designers also had another practice in mind which was, at that time, very much in the public mind with regard to the alleged practices of the wicked monopolies.

The problem remains, however, how to regulate without anyone doing the regulating, and especially not the folks regulated!

United States Facing Big Decline in Exports

Our European competitors for South American trade have left American manufacturers a market crying for wares, but without much of the wherewithal to pay for them. And the European market for many of our products has dried up because of the war.

Take the automobile makers, for example. They find that their market in Scandinavia, which was pretty good, has disappeared, to all practical purposes, because of the shortage of gasoline. Rigorous restrictions on the use of gasoline have played havoc with practically every corner of Europe, with Australia, South Africa and many other parts of the world. It is not a question of world shortage of gasoline, or of war demands for this precious fluid. It is purely, so far, a question of ships to carry the gasoline to would-be purchasers.

The worst phase of this is that there is no silver lining to the cloud. There is no prospect of the world having enough shipping again until after the war is over, and perhaps for some little time after that. Ships are being destroyed at a prodigious rate.

Britain hopes to surmount this difficulty by convoys, but it is a real optimist who figures that there will be convoys to get gasoline to Sweden, Norway and Denmark. It would not suit the purposes of the British-French high command to have an ample supply of gasoline so close to Germany anyhow. Some of it might trickle through in response to German demands.

Besides, there is real fear, though

the submarine extermination battle may go well, that bombing planes will also be a menace to shipping, neutral as well as vessels flying belligerent flags.

So the American auto makers are figuring on foregoing all foreign markets where the trouble with selling new cars is that there is nothing to put into their gas tanks.

South America Is Also A Discouraging Market

But that is only part of the bad export picture for the motor companies. There is no gasoline shortage in South America. At any rate it would be comparatively easy to supply any of the South American countries with oil. Tugs and barges could do the trick if necessary. But South America is almost as discouraging a market at the moment as Europe.

The trouble there is exchange. Most of the countries south of the Rio Grande were caught by the outbreak of the war with a lot of bad debts from Germany. The Nazis had been taking their exports, in considerable volume, paying for them with blocked marks—marks which could be spent only in Germany.

It is not just a question of losing the money, temporarily or permanently. One has to see why Latin America was willing to indulge in this form of barter to realize how serious it is now. The reason was that the countries to the south of us did not have the cash to pay for goods they were buying from Germany. They had to pay for them with exports. The United States was just as good a place for them to buy, if they had had the money. But they didn't, and their credit in this country was very poor because of those defaulted bonds and their own restrictions on exchange.

Now they are worse off than they were before, having parted with huge amounts of exports for which they have received no payment, their normal export markets cut off so far as central Europe is concerned, Britain buying only necessities. Then there is great difficulty in increasing exports to the United States to pay for what they want. An increase of United States imports of Latin-American products would solve the problem.

Little Attention Is Given To Problem of Imports

So much attention is being given to the alleged war possibilities of the neutrality battle in the senate, and so much oratory is centered on the export of arms, that very little attention is being given to imports. Yet imports are of the essence so far as American trade and American business are concerned.

Before the first world war the United States exported more than she imported. That was sound, then, because the United States actually owed money, and the excess of exports over imports paid the interest on that debt. (This was mostly in the form of foreign holdings of United States stocks and bonds, but it works out the same way.)

Today the world owes the United States, even if one eliminates the debts that we suspect will never be paid. So the United States, to maintain a sound equilibrium, should import a little more than it exports, so that the foreigners can pay us the interest, at least, on the debt they owe us.

That is part of the picture. The idea of building up a United States merchant marine is another part. Many people under the pressure of more exciting events regard these two as academic. But there is a third phase. How are we going to get imports that we actually need brought to us.

By its mandatory provisions preventing American ships from carrying cargo to belligerents, the pending bill virtually hands over to foreign shipping all transport to French and British territory. This means not only exports but imports as well.

Bars American Ships From Trading With British Ports

Curiously enough, the original agreement provided that British ships should haul half the cotton and half the rubber. This was changed, later, at the request of the British, so that now the agreement provides that all the cotton is to be hauled in British ships, and all the rubber in United States bottoms.

But the neutrality act would bar United States ships from trading with the British ports in the East from which the rubber is exported!

Moreover, the bill has plenty of teeth, if no change is made to recognize these practical conditions. For instance, an American ship stopping at Singapore for rubber, or Sidney for wool, would make her owners liable to a fine of \$50,000, not to mention imprisonment for up to five years!

The tragic part of it all is that in recent years, after decades of stupid bungling and terrific waste of money and effort, the United States had really been building up a good merchant marine. Moreover, many additional ships are under construction or contract. Regardless of how trade with Latin America is developed—remembering that of course all British and French possessions in that part of the world would be barred to our ships by this bill if enacted in its present form—it will not be sufficient to maintain the present, and building, United States merchant marine if our ships are to be barred from the rest of the world.

(Bell Syndicate—WNU Service.)

Ask Me Another

A General Quiz

- Does a ship made of steel weigh more or less than one of wood of the same size?
- From what did Lake Erie get its name?
- How recently were bows and arrows used in warfare?
- If a bullet is shot through a board, which gets through first, the bullet or the hole?
- What is the greatest degree of longitude a place may have?
- What American republic is governed by Negroes?

The Answers

- One of steel weighs 1/3 less.
- From the Erie or Cat tribe of Indians, which once dwelt along the south shore.
- Bows and arrows were used as recently as in the Napoleonic wars. When Napoleon invaded Russia the latter's armies included Tartars who used bows and arrows and were dead shots up to 100 yards.
- The hole.
- The greatest degree is 180.
- Haiti.

Dr. Pierce's Pleasant Pellets made of May Apple are effective in removing accumulated body waste.—Adv.

Incurring Censure Those who raise envy will easily incur censure.—Churchill.

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