


# OIL – AS A MEANS OF INFLUENCE IN GLOBAL RELATIONS

## PETRÓLEO – COMO MEDIO DE INFLUENCIA EN LAS RELACIONES GLOBALES

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### ABSTRACT

The current study attempts to investigate the details, conditions, and factors of the procedure of utilizing oil as a means, while some powerful politicians and governing circles, especially in Britain, getting the impression of the aim prospects of newly found political figures in Germany amongst the social-nationalists, attempted to apply them in their unattainable aims in regards with the legal characteristics of the Versailles Treaty. To meet that aim, a descriptive-analytical method is utilized and several related documents and sources are taken into account. Based on the results, the factual lack of its oil fields in the Weimar Republic and the oil supplies monopolization concerning executing a “legal mechanism for propelling Germany toward the East” facilitated controlling the Hitler regime’s foreign policy action to a particular point.

**Keywords:** oil; international politics; Versailles-Locarno system; Henry Deterding.

Revista de Investigaciones Universidad del Quindío,  
34(S2), 6-12; 2022.

ISSN: 1794-631X e-ISSN: 2500-5782

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## RESUMEN

El estudio actual intenta investigar los detalles, las condiciones y los factores del procedimiento de utilización del petróleo como medio, mientras que algunos políticos poderosos y círculos gobernantes, especialmente en Gran Bretaña, tienen la impresión de las perspectivas de objetivos de las figuras políticas recién encontradas en Alemania entre los socialnacionalistas, intentaron aplicarlas en sus objetivos inalcanzables respecto a las características jurídicas del Tratado de Versalles. Para cumplir con ese objetivo, se utiliza un método descriptivo-analítico y se toman en cuenta varios documentos y fuentes relacionados. En base a los resultados, la falta de hecho de sus yacimientos petrolíferos en la República de Weimar y la monopolización del suministro de petróleo en torno a la ejecución de un “mecanismo legal para impulsar a Alemania hacia el Este” facilitó controlar la acción de política exterior del régimen de Hitler en un punto determinado.

**Palabras clave:** petróleo; Política internacional; sistema Versalles-Locarno; Henry Deterding.

## INTRODUCTION

All kinds of evolutions associated with technical advancement and with the military arena have gotten a symbol of the latter quarter of the nineteenth century and the initial quarter of the twentieth century. One has been the substantial role of the sources of commodity, the most substantial of which has been energy and, most importantly, oil (Ali et al., 2019).

The dominant part of oil in the contemporary era is undeniable. Oil and its products, including paraffin, gasoline, and diesel, are the core of internal combustion engines, involved in almost every area, especially in the military applications. Providing aviation and tanks merely did a timid appearance throughout the WW1, it got evident to the majority over the course of the 1920s that the next war could be a “machinery battle”. Having access to oil reservoirs implies for their transportation and possession of oil reserves got a must for participants in probable hostilities (Aloui et al., 2018; Andriessen, 2019).

The significance of accessing oil fields was clearly perceived by some influential individuals given the fact that for unknown causes, having access to oil fields was totally denied for Germany, which previously was afflicted with a huge defeat in WW1. That was reflected, amongst other stuff, in the Treaty of Versailles tallied the outcomes of the Conference of Paris Peace. The reality that Germany possessed nearly no oil sources of its own generated, amongst other stuff, circumstances for it to get a key element in global politics shall revanchist sentiments grow there, and hence, actors owing oil fields were capable of turning them into a superior means of global relations (Scholvin & Wigell, 2018).

Following the time Hitler rose to power in Germany in 1933, Western thinker and governing circles commenced quite a advanced political game in which oil was utilized along with the monetary factors. Amongst other elements, materials made accessible to researchers in the early period of 2000s facilitated arguing that it showed up as a tool in a diplomatic game intended to create the technical circumstances for propelling Germany eastwards from the outset of 1933 to 1935. It incorporated several European nations under the system of Versailles-Locarno (Ali et al., 2019).

The current study mainly aims to investigate the conditions, particulars, and factors of the procedure, while some powerful politicians and ruling circles, such as those in Britain, utilized oil as means when realizing the aimed prospect of brand-new National Socialist political figures in Germany, and made an attempt to utilize the legal characteristics of the Versailles Treaty for their nearly unattainable aims. especially, the Weimar Republic's complete lack of its oil fields as well as the monopolization of oil resources regarding the execution of the "legal mechanism to push Germany eastwards".

## **MATERIALS AND METHODS**

A descriptive-analytical method is used to meet the study's aim. It could be recommendable to go over Soviet intelligence files from the Russian State Archive of Political and Social History and information from their archives placed in the Russian History Institute of the Academy of Sciences of Russia. Data and information from that state publications as data and documents over the Foreign Policy of Soviet, Akten zur Deutschen Auswärtigen Politik, documents regarding the Foreign Policy of Britain, USA's Foreign relations, and so forth. would be of tremendous assistance. A contributing role should be made by diaries of immediate participants in the incidents, and memoirs. Data of previously published research outcomes can significantly contribute to attaining notable outcomes. (Aloui et al., 2018; Scholvin & Wigell, 2018).

The instant momentum for their appearance shall be deemed a memo by Minister O. Chamberlain, "British Policy on the European Situation", drafted in the February of 1925 in the drawers of the Foreign Office of Britain. Amongst other elements, that comprised a fascinating route concerning Russia: "Europe is now split into 3 major parts, namely the vanquished, Russia, and the victors. The Russia's issue, which keeps the most dire lingering hazard, could merely be posed as an issue; it seems unlikely to anticipate what implications for the prospective European stabilization the fall of Russia will bring. On the one hand, It seems quite true that the impression of insecurity sensed by the organization of a new Western Europe is substantial because of Russia's disappearance as a power accountable for the European states' concert. This, the Russian federation isn't a stability factor; it seems in actuality to be the most hazardous surprise and unknowns; and a 'security policy' should be generated a part of Russia, or maybe even due to Russia" (Martirosyan, 2008; Andriessen, 2019).

## **RESULTS AND DISCUSSION**

It seems as an execution of the notion that the emergence of the Locarno documents of 1925, along with their global legal mechanism for propelling Germany toward east, shall be taken into account. Its core was, other than other factors, that the western borders of Germany (with France primarily) were resolved in them at *treaty* level and ensured by the European nations' guarantee managed by England. Having said that, the *arbitration treaties* level was gotten ready for the eastern borders (Especially with Czechoslovakia and Poland), and the aforesaid European assurance didn't apply to them. The arbitration treaties brought up substantial space for political manoeuvres for their authors in the eastern (read Soviet) direction.

After the outcomes of WW1 had been appeared in the ultimate documents of the Conference of Paris Peace, and most significantly in the Versailles Treaty, Germany saw itself deprived of its own oil production sources (Aloui et al., 2018). Simultaneously, amongst the victorious nations, Britain had the most desirable situation concerning this indicator, since it had one of the biggest refining monopoly and oil-producing giants, Royal Dutch Shell managed by Henry Deterding.

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At initial sight, that reality might appear inconsequential and insignificant. In fact, throughout the Weimar Republic, it made no publicity, since till 1933, deliveries of oil to Germany were conducted by the Soviet-German joint venture Derunaft (oil supplies) and Derop (paraffin and gasoline products), which nearly met the need for oil resources there. Nonetheless, on March 3<sup>rd</sup>, 1933, Moscow got an emergent wire from the Soviet Embassy in Berlin, stating: “We got data concerning an inspiration of arson of the Reichstag by Deterding wishing to raise the dispute with communism and the Soviet Union, to emit Derop, and to execute his oil monopoly in Germany (Scholvin & Wigell, 2018; Cavanna, 2020).

A profound research in that arena recommends a rather more in-depth cover of the behind-the-scenes actions conducted by a particular section of the British governing circles. While Japan and Germany raised a threat to the *abroad possessions* of the Britain, which by 1930 focused 59 percent of British abroad investment, defending them grew a main worry of British diplomacy (Chipaike & Knowledge, 2018; Rapeti et al., 2020). Looking objectively, it was the German expansion reorientation in an eastern, in other words, Soviet, direction that grew a big priority of the British political leadership (Chipaike & Knowledge, 2018).

partly, this tendency seems to be clear in the foreign policy of England, as it was realized by contemporaries. Toward the end of 1935, US Secretary of the Interior H. Ickes stated: “based on the President, there remains a reciprocal comprehending between Japan and Germany, resulting in a common game against Russia (Cavanna, 2020).

Despite the fact that USA didn’t hold as extensive intelligence apparatus prior to WW1 as it does nowadays, Roosevelt nonetheless appears to have good understanding of London’s behind-the-scenes politics then, given the fact that he stated this phrase aloud amongst his co-workers. Overall, there was nothing shocking about it, because without considering the British benefits protection in their colonies, the British governing circles have conventionally paid great attention to continental Europe (Dauvergne, 2018).

With the passing of time, the terms “‘World Island’ (Eurasia) and Heartland’ (Russian Western Siberia) were presented and the situation was recommended: those governing Eastern Europe has dominance over the “Heartland”, those governing the “Heartland” has dominance over the “World Island”, those governing the “World Island” has dominance over the globe. The statement said by F. Roosevelt in December 1935, might have revealed that by the 1930s, McKinder’s ideological-theoretical constructs had been admitted by the British governing circles (Reeves, 2018; Scholvin & Wigell, 2018).

Over the 1933 Summer, ‘a man of secrets’ Maurice Hankey, the Cabinet secretary and the imperial defence committee secretary, paid a visit to Germany and, on the way back, provided ‘Notes on Hitler’s foreign policy in practice and theory’ to the state. Those marked the probable perspective for the execution of the foreign policy of the Nazis regarding British strategic benefits (Reeves, 2018). That implied that the Führer’s eastern schemes were in line with the foreign policy arithmetic of the British financial oligarchy: Hitler was getting his ‘lebensraum’ in the east and restating his claims over the property of the British imperial. To hide the reality of collaboration with the German Nazis from the global community, British intelligence by Baron W. de Ropp set out a hidden communication channel with A. Rosenberg. That famous “second channel” performed well till the start of WW2<sup>2</sup>. Most significantly, the Anglo-German communications didn’t break the Versailles-Locarno system

integrity and the hierarchy set in European politics, which was most clearly revealed in the “Pact of Four” project (Martorelli, 2020).

There exist other proof over the severeness of the Polish leadership’s aims toward the “eastern” direction then. For instance, the ambassador of America in Moscow V. Bullitt stated over the July 1934 to the US State Secretary C. Hell that Piłsudski was anticipating a war of Soviet-Japanese and desired to maintain his hands free in the east “to regenerate the previous magnificence of Poland there” (Martorelli, 2020). Overall, the report of an American diplomat truly demonstrated the core of the political circumstances in Eastern Europe. Nonetheless, he underrated the Polish marshal: he wasn’t anticipating the war of Soviet-Japanese kind, however, was gearing up the vital conditions for it along with Führer to the best of his capacity.

Berlin wasn’t in a situation to admit the Japanese general’s suggestion then, as it was entirely reliant upon the *import of oil*. The majority of the world’s oil production, and also its action on the global market, was under control of American and British concerns (Martorelli, 2020; Reeves, 2018). Lack of a strategic oil reserve, the Führer, for his all venom for Bolshevik Moscow, couldn’t protect any militaristic desires. It needed budgets, the political desire, and willpower of official London, and, above all else, time. The needed lubricants and fuel couldn’t be guaranteed till the summer and spring of 1935.

Following the Marseilles assassination of the French Foreign Minister L. Bartoux on 9 October 1934, one of the major fans of the system of collective security in Europe, the nearing war ambiance got nearly palpable. In the circles of diplomacy, they began to converse regarding its inevitability. especially, E. Phipps, the Berlin’s British Ambassador, frequently stated in autumn 1934 and also spring 1935 his most profound uncertainties concerning keeping peace in Europe. The probability of German hostility was deemed in a treaty. On October 18<sup>th</sup>, 1934, a Hearst News Agency representative in London, W. Hillman, gave out data with the American ambassador in Berlin, W. Dodd, that Britain concluded a British-Dutch pact. On the basis of the last one, the Netherlands’s eastern border might be deemed as the eastern border of England should Germany invade the English and France army, while advancing towards Germany, entered Antwerp. In exchange for the compromise by the Netherlands, England assumed to protect the Dutch possessions in the Far East from Japan (Linets et al., 2021).

Till the fall of 1934, the military and technical collaboration of Polish and Japanese had already gained substantial momentum. On the November 11th, the Japan embassy’s Polish Counsellor in Warsaw, B. Podolski, stated to Deputy People’s Commissar B.S. Stomonyakov that “the metallurgical industry and Polish military had Japanese orders”, and the General Staff Japanese was maintaining broad supervision on the Soviet Union from the Poland Baltic and States (Libman & Obydenkova, 2018). mainly because of the action of the Polish Commercial Attaché in Tokyo Trawiński<sup>6</sup>, Poland was set to create 100,000 rifles for Japan and also sold it a license to generate the P-7 fighter jet (Johnston, 2019).

The problem of the reserve of tactical oil for the Führer was organizationally solved at that point. US Consul in Erhardt, Hamburg, informed Ambassador Dodd of the scheme of the Economic Ministry of Reich, provided in the July of 1934 to global concerns (Shell, Standard Anglo-Persian Oil organization, Oil) to send to Germany 1 million tonnes of oil products on credit which was worth nearly \$250 million. The American diplomat defined the generation of this famous national reserve “as a last resort or, in another word, in the case of war” (Libman & Obydenkova, 2018). The Western

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diplomat's testimony is quite precious as it exposed the factual causes behind the oil deal, in other words, readiness for war, in which the Western oil concerns and Nazis were at stake. The trasference of oil was supposed to occur in the span of four months of payment.

The latter got available following November first 1934, while an Anglo-German settlement was made in Berlin, providing Germany with the vital budgets (Donohue, 2018). Shortly, it got clear that Sir Henry Deterding, manager of the Anglo-Dutch oil company Royal Dutch Shell, aimed at coming and paying Hitler a visit.

As a consequence, the oil element could be deemed as a special yet quire efficient means in global politics utilized between 1925 and 1935. Germany left almost without its oil reserves following WWI, had to send oil (crude) from overseas till 1933. Having said that, following completing the Locarno settlements it got obvious that alteration would shortly follow. Over the course of the conference of Locarno, there existed seemingly more oilers compared to politicians in the hotels (Scholvin & Wigell, 2018; Destradi & Plagemann, 2019; Libman & Obydenkova, 2018; Linets et al., 2021).

As it was recognized later, there remained a cause for that. While the political circumstance altered following the National Socialists rising to power in the outset of 1933, that means was ,masterfully employed by the business circles of Britain and, specifically, by Sir Henry Deterding, the biggest oil monopolist head"Royal Dutch Shell". In the initial stage, throughout the year 1933, rival organizations, Derunefit and Derop, were ruled out of the German market. In the next stage, nonetheless, British banks supplied Germany with the required budgets to guarantee those supplies and over the course of 1935 this oil was transferred.

## CONCLUSION

In conclusion, it can be summarized that:

1. Especially, there remained published official record of de Ropp's statement with the manager of foreign policy bureau of NSDAP A.Rosenberg occurring on 16th August 1939 (Johnston, 2019).
2. The West-European powers' political project claimed over the course of March 1933, supported the generation of that famous Four Powers Directorate: Germany, England, Italy, and France, which was to perform as a Europe's political destinies arbiter. Aside from other factors, it was aimed, in the scope of the Versailles-Locarno system, to amend Germany's eastern borders in a peaceful manner, involving at the cost of the Slavic nations, based on the Article 19 of the League of Nations Charter, hence propelling Germany eastward.
3. The severeness of anti-Soviet German-Polish aims was demonstrated by the preparedness of the behind-the-scene demiurge to provide them with a monetary loan worth nearly 500 million dollars, one-third of that was aimed for Poland (Donohue, 2018; Linets et al., 2021).
4. To put it another way, the oil bought by Hitler from Romania, for instance, could merely be transferred to Germany through a rolling stock in possession of the British oil cartel. hence, through skilfully utilization of financial leverage, Downing Street was capable of manipulating the Third Reich's foreign policy to a huge poin (Libman & Obydenkova, 2018; Scholvin & Wigell, 2018).
6. Ambassador Dodd made this entry on 8 November 1934 (Destradi & Plagemann, 2019).

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