



Natives of Saigon, French Indo-China, get their regular supply of American kerosene

Oil and War

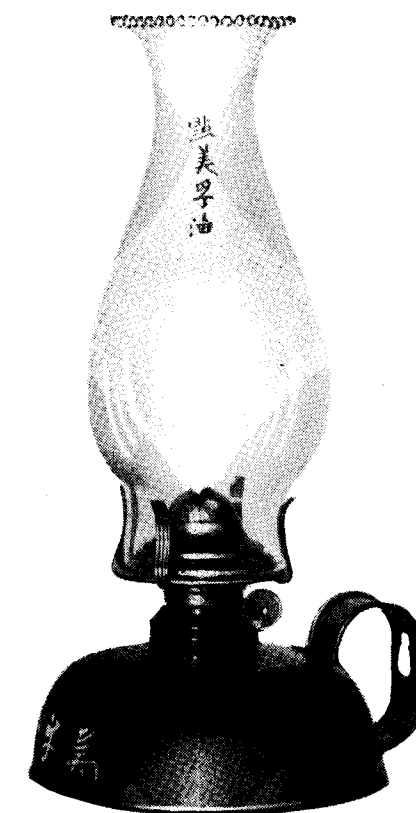
By Walter C. Teagle

PRESIDENT OF THE STANDARD OIL COMPANY
(NEW JERSEY)

as told to Donald Wilhelm

Some say foreign trade causes war. So, they urge, stop trading and avoid the danger. The case of petroleum proves it isn't so simple as that. Some countries have none. Some have more than they need. And no modern country can get along without it. Walter C. Teagle, who knows about both oil and foreign trade, tells the inside story

The American influence shows clearly in this filling station in Rome



The Mei Foo, or "Beautiful Confidence" lamp that opened a vast Chinese market for American oil

the oversupply abroad, remitting the proceeds, or else use them where they accumulate to buy other things needed here?

Everybody believes in foreign trade of that kind. Everybody understands it.

Now, of course, foreign trade is not as simple as that. The other fellow is a businessman, too. He has definite ideas of what he will buy, and how he is going to pay for it. Competing salesmen are sitting in his waiting-room with samples. If he buys from us this year, when we have a surplus, he has a right to expect us to do our best to supply him in another year when supplies may not be so generous. If the exporter wants to stay in business he must look out for the buyer as well as for himself.

If you want an illustration of the seller's obligation, one which everyone will understand, use this: Up in the White Mountains, where thousands of motorists go for vacations, it is no trick



Left: fording a river in Argentina with drilling-rig timbers. Left center: temporary storage for crude oil at Luneberg, Germany



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at all to make deliveries of oil and gasoline in the summer. But in winter there are only a few people in some of those villages isolated by snow and ice. The easy business is gone until the next season, and with it most of the suppliers. We got word a while back that a farmer had to have some zero cold-test oil to lubricate his water pump. Our men broke a road through the drifts to make this small delivery, and I venture to say that it cost us ten times the amount of the sale.

But to get back to international trade. Suppose a foreign nation puts a high duty on flour, while admitting wheat free. An American miller finds he has to build a plant over there to continue his established trade in flour. Then there occurs a shortage in our cereal crop and he has to buy wheat from the Argentine to keep his European flour mill going. The capital is owned over here. The earnings, if any are made, are brought back and distributed to Americans. The foreign operations tie into those of the owner in the United States. This is a phase of foreign trade which many of our people do not seem to understand. They fail to realize that markets secured and investments made in facilities for distribution are only a first step in the building up of our export business. Autarchy, with its tariff walls, quota restrictions, blocked credits, patent control and many other regulations, has now forced the exporter to embark on manufacturing operations abroad.

American Oil in Foreign Markets

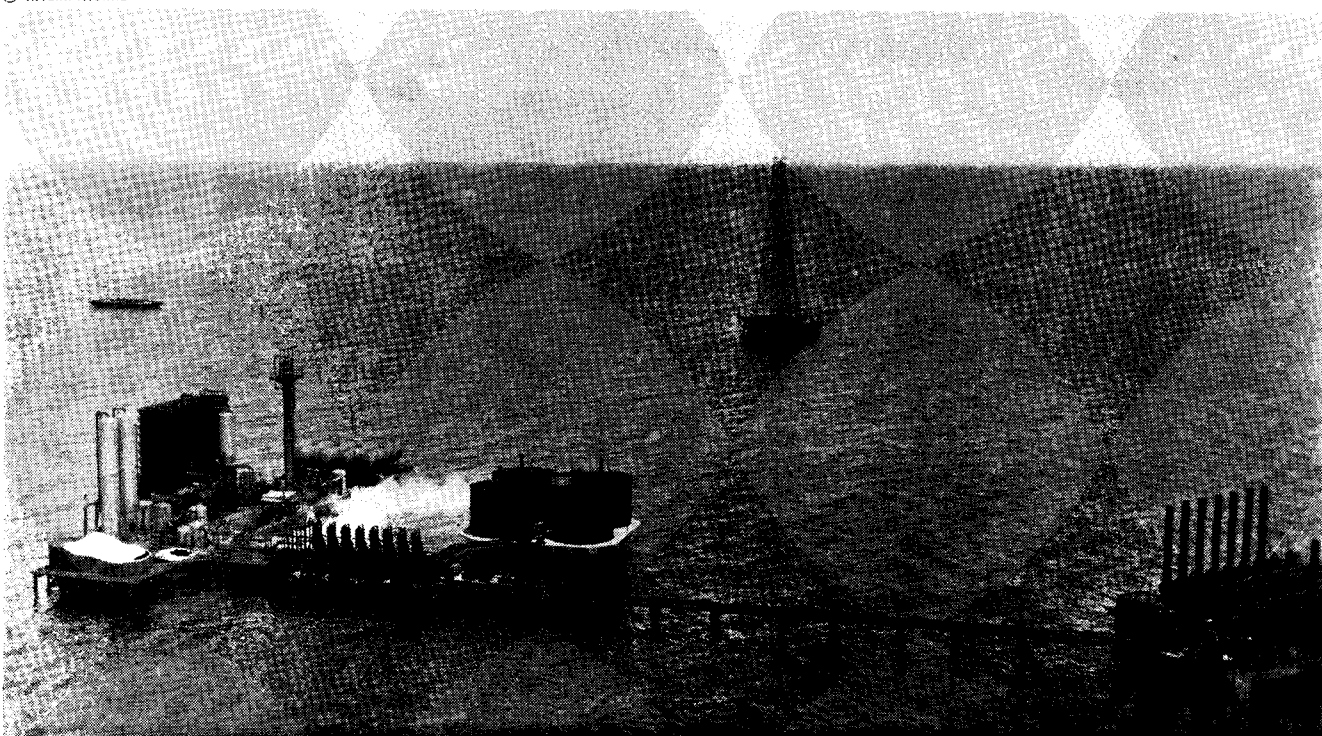
Our investments abroad, as well as shipments of goods and commodities, are part of our country's foreign trade strength. We send out materials and machinery, managers and experts, to keep these enterprises going. Such activities have been encouraged by our government as sound trade efforts. Treaties and foreign policies, such as the "Open Door" in China, have been designed to secure for America's foreign trade the same protection and rights that we have granted to foreigners trading in the United States.

Believers in autarchy deny the value of foreign trade to our national economy, and view it as a potential cause of friction which might be embarrassing to our government. They seem unable to appreciate that the only protection expected by those engaged in foreign trade is the opportunity to compete on the same terms as are granted to the nationals of other countries.

This is all preliminary to answering Collier's question, "What about the foreign oil situation and sales to Italy?" Because, if you will substitute oil for wheat in the case just cited, you have essentially the position of Standard Oil Company (N. J.) in foreign markets.

We started shipping petroleum products to Italy, in tins and barrels, more than threescore years ago. To keep this business, and to continue the service to which the Italian customers are entitled, we have had to change methods and increase investments, not once but a dozen times. Changes will continue so long as we are in business over there, or anywhere else. We take the bad with the good or quit, just as any business does.

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Right Center: Arabs building a pipe line on the banks of the Jordan. Left: a gasoline recovery plant on stilts in Venezuela



ILLUSTRATED BY
GEORGE HOWE

Gentleman Rider

Explaining Duncan Carr, who didn't care whether he broke his neck, and a woman who knew why

By Edward Shenton

The memory of her asleep returned to him with an agonizing clarity

"The Chesterton Cup, about four miles over timber in a fair hunting country. Four-year-olds and over. Amateur riders..." —Hunt Meet Program

ONLY five horses were running when the second round of the course began. They came down the long green slope to the post-and-rail jump in the hollow, Ricky Vincent's chestnut gelding Avenger still six or seven lengths in the lead.

Duncan Carr gathered the big gray under him with a firm hand. "Stead-ah," he said in his Virginia drawl. The footing was soft on the low ground. The gray came into the fence easily, separate from the other horses, not excited or anxious. "Come ovah," Duncan said sharply. He felt the powerful quarters drive; the horse jumped smoothly, like a great cat, barely clearing the pale skinned wood of the top rail, wasting no effort. Duncan noted that Ricky had not eased for the jump; the distance between them had increased. He let the gray have his head over the quarter-mile uphill to the next fence.

It was hidden from view by a conical mound and a white fence circling its base marked the inside of the course. There were a lot of people on the grassy hillock and a course judge in a scarlet coat and silk hat motionless on a tall

ruddy hunter. Vincent was already at the turn, riding so close to the fence that his boot seemed to brush the rail, horse and rider leaning in toward the fence with the speed of their effort.

"He's goin' awful fast," Duncan thought. "He's settin' a terrible pace."

The field had been spread in the first mile by the fury of young Vincent's riding, with two horses down at the third jump, another hopelessly distanced after a refusal, and the fourth running out, his rider hanging from his neck until he threw him and continued running, the empty stirrups bouncing and jerking, down a slope into a patch of woodland.

The fence rose up before Duncan and he let the gray take it, leaning well forward as they came down without a break in the stride, the way a wise old horse comes away from a fence as though he were floating. Behind him, Duncan heard the sharp "tock-tock" as the hoofs of one of the following horses rapped the top rail and then the soft drumming of pursuit resumed.

DUNCAN could recall the girl as clearly as though he were back on the clubhouse veranda.

"I wanted specially to meet you," she had said, standing there gazing up at him, appearing very young, her eyes wide and curiously pale, like opals, her

full lips slightly parted, her hair, the color of honey, smooth and glinting in the light from the window beyond.

He had not been able to answer, for at that moment the sudden, completely unexpected resurrection of the past had begun, like the confused awakening from an unreal sleep where he had existed in bitter loneliness.

It had nothing to do with the words. Plenty of girls had made the same remark to him on the verandas of hunt clubs from the Carolinas to Connecticut, because he was engaged in an occupation that was quite obviously picturesque, dangerous and romantic. Not even the girl herself had been directly responsible for the tumult of awareness and longing that had swept through him leaving him shaken and bewildered. It had been something subtle springing from her youth and a certain intensity that had evoked with poignant reality the image of Rhoda. She had been like that when he had first known her, at the time of their marriage, in the years of happiness they had had together before everything went wrong in a way he had never understood. Then, after Rhoda had left him and gotten her divorce, he had fallen into that curious drugged indifference where nothing had any meaning at all. . . .

Duncan knew he was rating the gray

perfectly. The horse was still eager to run, fighting the bit, not viciously but the way a spirited horse will in a race when he is enjoying it and wants to go out in front and run for the sheer wild pleasure of running.

VINCENT'S lead had been cut to six lengths as they took the fence, leaping through the shadow into the bright sunlight. The course went across a meadow in a wide easy curve marked by flags until it reached the highway edging the lovely five-thousand-acre farm where the meet was held. Here parallel fences, to keep the horses from over-running, possibly out onto the road, formed a kind of short track with a bad, almost right-angle turn and a jump as they came out from between the fences. It was dangerous, particularly when the horses were beginning to tire. The riders all hated it. There was always a crowd as close to the fence as it could get, mostly outsiders who came, not for the delight of watching the horses jump, but to see the falls.

Duncan continued to hold the gray in, feeling the comfortable satisfaction of a horse strong and alert under him in contrast to that terrible sensation when you approach a fence uncertain of your mount's ability to take it. When the fence

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