



CADMAN, JOHN

CADMAN, Sir John (b. Silverdale, Staffordshire, England, 7 September 1877, d. Bletchley, Buckinghamshire, 31 May 1941), named first Baron Cadman of Silverdale in 1937, director and later chairman of the Anglo-Persian Oil Company (APOC) during the reign of Reżā Shah (1344-60 = 1304-20 Š./1925-41). Cadman studied mining engineering at Durham University; his interest in oil was inspired by a stay in the British colony of Trinidad (1904-08), where he participated in development of a petroleum industry. He returned to England as a member of the Royal Commission on Mines in 1908, the year in which oil was first struck in Persia, at Masjed-e Solaymān. Also in that year he was appointed professor of mining and petroleum technology at Birmingham University, where he served until 1920 and established the department of petroleum technology. During World War I Cadman conducted experiments with poison gas (phosgene) on behalf of the Ministry of Munitions and thus helped to develop England's chemical warfare industry.

In 1913 Winston Churchill, then First Lord of the Admiralty, appointed him to the Admiralty Fuel Commission, which was charged with converting the British fleet from coal to oil. In this capacity Cadman made his first visit to Iran. On the recommendation of the commission the British government acquired 51 percent of the shares in APOC (Rowland, pp. 60-61), which had been formed on 14 April 1909, and the authority to appoint two directors with restricted veto rights (Ferrier, 1982, I, pp. 645-46). When a serious military fuel shortage arose in 1917 Cadman was appointed director of the British Petroleum Executive. At his instigation the Inter-Allied Petroleum Council was



established on May, 1918, to coordinate supplies for the Allied forces; he served as chairman. In recognition of his services during the war he was honored with the Order of Companions of the Most Distinguished Order of St. Michael and St. George in 1916 and was made knight commander of the order in 1918.

Cadman served as technical adviser to a half-dozen government departments at the same time that he was a shareholder in APOC, with which those departments did business; in 1918 he thus became the target of a press campaign in what came to be known as “the great “dope” scandal.” After a government tribunal of inquiry he was cleared of wrongdoing in July, 1919.

Cadman was an adviser to the British delegation to the peace conference at Versailles. His primary interest was in achieving a direct pipeline between the Mesopotamian oilfields and the Mediterranean. He favored an arrangement with France to lay what later became the Trans-Arabian Pipeline (TAP-line) through French-dominated Syria. An agreement was reached between the British and French governments on 18 April 1919; though immediately repudiated, it became the basis for the Treaty of San Remo, signed on 24 April 1920, under which France was to receive 25 percent of the Turkish Petroleum Company (renamed Iraq Petroleum Company in 1929), previously held by the Deutsche Bank (par. 7 of San Remo Agreement; Foreign Relations of the United States, 1920, pp. 655-58).

Cadman resigned from government service in 1921 to become technical adviser to APOC. During two visits to the United States in 1920 and 1921 he arranged a compromise with American oil interests led by the Standard Oil Company of New Jersey, under which they acquired shares in the D’Arcy Exploration Company, a subsidiary of APOC. Cadman became a director of the company in 1922. On 23 March 1923 he was elected a director of APOC, in 1925 vice-chairman, and on 27 March 1927, after his return from a meeting with the newly crowned Reżā Shah, chairman, a position he held until his death (Šayk-al-Eslāmī). It was largely owing to his drive and managerial skills that over nearly thirty years the initially improvisational operational policy of the company gradually yielded to planning.

In 1924 and 1926 Cadman undertook extensive consultations in Iran aimed at reorganizing local APOC activities and placing them under a single chief administrator with clearly defined responsibilities. In the meantime opposition to the D’Arcy Concession and the royalty terms under which Iran



received only 16 percent of net profits had been gaining ground in Tehran. It came to a head in 1931, when extreme fluctuations in the oil market brought the annual payment down to a fifth of that reached in the preceding years. Furthermore, the shah and his advisers viewed the flow of cash transactions between APOC and its subsidiaries as a clever device designed to deprive Iran of its full share. Protracted negotiations between the firm and the Iranian government between 1924 and 1931, many conducted personally by Cadman and Rezā Shah, failed to produce agreement. The government unilaterally canceled the concession on 27 November 1932 (text of cancellation in League of Nations, Official Journal, 13 Dec. 1932, 2301). APOC threatened to refer the dispute to the Permanent Court of International Justice and later to the Council of the League of Nations. At meetings of the League in Geneva and Paris, attended by Cadman, both sides agreed through the mediation of the Czech foreign minister, Eduard Beneš, to renew direct negotiations.

The British delegation led by Cadman arrived in Tehran on 3 April 1933. The main differences involved the duration of a proposed new concession, the area to be allotted for drilling, and the manner of payment to the Iranian government. The final agreement, which resulted mainly from Cadman's negotiating skills, was signed on 29 April 1933. It stipulated that the British concession be extended for sixty years to 1993, that a minimum annual royalty of 750,000 pounds sterling be paid to Iran, and that the area of the concession be limited to 100,000 squares miles (for the text of the agreement see Hurewitz, pp. 188-96). Ratified on 28 May 1933, by the Majles, the concession was eventually revoked on 1 May 1951.

Cadman, who always pursued an international oil policy, combined his chairmanship of APOC with that of the Iraq Petroleum Company, and he was also a director of the Suez Canal Company. He was a member of the House of Lords and served on many government committees, including the Prime Minister's Economic Advisory Council, the Government Industrial Transference Board, the Lord President's Advisory Council for Scientific and Industrial Research, the Safety in Mines Board, the Fuel Research Board, the Committee of Inquiry into Civil Aviation, and the Coal Advisory Committee.



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