Tel Aviv University The Lester and Sally Entin Faculty of Humanities The Zvi Yavetz School of Historical Studies The Department of Middle Eastern and African History

# The Oil Town of Abadan 1908-1951: State, Society, Imperialism and Oil

This Dissertation is submitted for a PhD. Degree in the University of Tel-Aviv

By

Nimrod Zagagi

This Dissertation was supervised

Ву

Professor Meir Litvak

May 2018

### Abstract

This dissertation deals in the history of the oil city of Abadan Iran between the years 1910-1951. Its main purpose is to de-center a historiography that has put too much emphasis on the urban, political, and religious elites in Tehran while ignoring the Iranian periphery and the historical and political agency of its subaltern agents. The main focus of this is on the manner by which the interplay between various players on the local, national and international level, effected the events in Abadan and Iran. Namely: the Anglo-Iranian Oil Company's relationship with its local employees and its influence over Abadan; the interplay between the various groups that inhabited Abadan's urban space; Abadan's relationship with its hinterland and, finally, the interplay between Abadan, the local government in Khuzestan and the central government in Tehran. The main claim of this study is that the effects of these various levels of interaction coupled with the unique characteristics of the city, engendered a reciprocal relationship between Abadan and Tehran had a profound impact on developments and events on the local and national levels.

Following the discovery of oil in commercial quantities in May 1908 in South Western Iran, the AIOC (Anglo-Iranian Oil Company, known as the Anglo-Persian Oil Company (APOC) till 1935), decided that in order to maximize its profits, it will refine oil in Iran and export it from there. The location AIOC chose for its refineries was the Abadan peninsula in the Southern part of the province of Arabestan (today known as Khuzestan), since the peninsula's proximity to the Persian Gulf offered the Company easy access to

i

the international market. The construction of the refineries began in 1909. At the same time, in order to house its European staff, AIOC also began building a small settlement adjacent to the refineries, thus the modern city of Abadan was born.

At the time of Abadan's establishment, Arabestan was only nominally under the control of the Iranian central government. Moreover, the province was considered to be one of the more underdeveloped and isolated areas in Iran. It was, *de-facto*, ruled by a powerful Sheikh and inhabited mainly by nomadic or semi-nomadic Arab tribes. There were no major industries in the area but for handicraft ones and the local economy was based mainly on agriculture, fishing and animal husbandry. The lack of any industry in the province and the fact the vast majority of its inhabitants were tribesmen was a major impediment to AIOC. Since the Company needed to recruit large numbers of skilled and semi-skilled artisans suitable for the oil industry, and an even larger numbers of common laborers.

To solve its artisan problem, AIOC imported Indian artisans in large numbers. The matter of recruiting and employing a large number of unskilled laborers was more challenging. Most of the Iranian laborers came from poor rural areas in Northern Khuzestan and outside of it, many of them were migrant workers looking for temporary work. Company officials found it hard to convince these laborers to stay for a long period of time under its employment, let alone abandon their traditional way of life for a foreign, urban industrial way of life with strict labor discipline. This situation was greeted with great dismay by AIOC officials who were sure that this lack of commitment by the Iranian workers was a "typical Iranian trait", a result of their "lazy nature" and "nomadic

ii

instinct" and a testament to their "inferiority". Therefore, AIOC officials decided, that if the Company wishes to establish a steady, loyal and docile workforce the Iranians had to be "civilized" or "educated" on how to live and work in a modern industrial environment. In this sense, the Abadan refinery as well as the city of Abadan itself were essential venues for the reconstruction process of these workers - A setting where they would be educated and shaped according to the needs of the Oil Company.

Abadan is, in fact, the first Company Town in the Middle East. The city, was the physical embodiment of the Company's prejudicial policy - living areas in the city were separated according to race and rank, the clubs were segregated and even medical facilities were separate for Europeans and non-Europeans. While the standard of building was high and unprecedented in the country, it was shared by few. The Company was unable to keep up with the influx of migrant laborers from all over the country, nor did it put too much effort into trying to build sufficient accommodation to house its growing worker population. While Europeans lived in bungalows and Indians in large common barracks, most of Abadan's population lived in squalid unsanitary conditions, many in makeshift homes and many others homeless. Thus a dichotomy was born between the "Formal" city which provided its residents with modern housing, adequate sanitary conditions and modern infrastructure, and the residents of the "Informal" city whose residents lived in abject poverty and squalid and unsanitary conditions.

The social order in the city including the segregation of living areas were determined according to the workplace hierarchy and the division of labor. Both the physical structure of the city and the division of labor in the refinery served an important function - to create and then reaffirm a class system which asserted the dominance of the European staff over the non-European one. This class system, was rationalized by the Company using professional and technical standards, such as experience, education and possession of certain technical skills. But, in truth, its guiding principle was a racial one. Thus, while the Indian workers were considered to be inferior to the Europeans but, superior to the Iranians, they were hired as artisans and administrative workers. Whereas the Iranian workers were considered only good enough to be hired as unskilled workers.

As long as the Iranian central government was unable to enforce its rule in the province and actual control lay in the hands of local tribal leaders, AIOC found it very easy to solicit their cooperation and hold absolute control over the extraction, production and distribution of Iranian oil. However, as the central government asserted its authority in the area in the mid 1920's, APOC was forced to adapt its *modus operandi* to a new reality, one in which it became more susceptible to Tehran's pressures. As part of its efforts to adapt to the new balance of power, AIOC and the British government abandoned their local allies and began to focus their efforts more on finding good rapport (or leverage) vis-à-vis local military and police officials as well as senior officials in Tehran. In this way, AIOC controlled who gained access to the oil operation area, as well as the flow of information in and out of the province, and could easily dispense with all those who dared oppose it.

At the same time, Abadan became an economic hub, attracting work migrants from around the country, especially from the Southern provinces. This rapid growth, exacerbated tensions between the Company and its Iranian and Indian workers as well as

iv

between the Iranian and Indian workers. As the Iranian workforce grew, it began to lead more and more demonstrations and strikes in protest of their harsh working conditions, lack of housing, low wages, and the demeaning and callous treatment they received from the Company's European supervisors. Faced with the threat of increased collective bargaining activities on the part of its Iranian workforce, particularly from the late 1920's onward, AIOC increased its efforts to manage, discipline, socialize and assimilate its Iranian workforce into a more controlled environment. Sometimes, even violently.

However, the oil Company's failed in its efforts to discipline and shape its Iranian workforce into a more docile one. The shared hardships these workers experienced as they made the transition from a rural lifestyle to an urban one, their harsh working conditions, lack of housing, and the demeaning treatment they received from the Company's European supervisors - resulted in a form of solidarity and a sense of a shared fate that forged a new common identity. In a sense, it was the breaking of the old and forming of the new – workers who came from remote rural areas to work for a modern industry leaving behind their traditional way of life and adopting a new common identity. One that was juxtaposed to their core identity (be it tribal, regional or ethnic).

All the while, events in on the national level also began to make their mark on the workers in Abadan, namely the effect of Reza Shah's authoritarian modernization and aggressive modern nationalist discourse. These processes on the local and national levels soon converged as labor unions were formed in Abadan by professional union activists that were able to fuse the worker's local grievances with the nationalist discourse. This culminated in a workers strike in 1929. Despite the fact that this strike was suppressed quickly and neutralized Abadan's labor movement for more than a decade, it signified the emergence of a reciprocal process between Tehran and Abadan. This process was able to gather momentum only after 1941 when Reza Shah was forced to abdicate and cede the crown to his son.

The collapse of Reza Shah's autocratic regime also allowed for the urban masses, among them industrial workers, to become an increasingly important factor in the political scene. Already during the war many of the limitations that existed on political activity during Reza Shah's reign were removed. But, it was only in the post war years that the urban masses, including the labor movement in Abadan, and mass political movements like the *Tudeh* and the "National Front" were able to play a prominent role in Iranian politics. As these forces strengthened, so did the reciprocal process between Tehran and Abadan. Thus, events in Abadan prodded certain responses from Tehran, AIOC and the British government. These responses, in turn, fed an increasingly hostile and anti-British sentiment in Iran which was used by the proponents of nationalization to further their cause, which further emboldened the workers in Abadan, and vice versa. This relationship culminated in two pivotal events in the history of Iran and Abadan – the nationalization of the oil industry and the ousting of AIOC's foreign staff and personnel from Abadan and the oil operations area.

# Table of Contents

Abstract	i
Transliteration	x
List of Abbreviations	xi
List of Maps and Tables	xii
Introduction	1
The Importance of Understanding Abadan's Urban Tissue	4
Circles of Reference	7
The Historical Discourse on the Iranian State during the 20th Century	11
Oil and the Iranian Oil Industry	
Structure	19
Chapter I: The Creation of a British Enclave	23
Introduction	23
Center-Periphery Relations in Iran	
The Oil Company and the Bakhtiaris - the Advent of Oil Politics into Khuzestan	
The Bakhtiari Agreement	
Reactions to the Agreement and to the Company's Activities	
Discovery of Oil	42
The establishment of the Bakhtiari Enclave	43
Expanding Operations into Arabestan	50
Conclusions	67
Chapter II: The Establishment of Abadan	
Introduction: Tehran and Arabestan after the Oil's Discovery	
The Establishment of Abadan	75
Isolating the Abadan Site	80
Recruiting the Workforce	
Division of Labor	
The Development of Living Areas	
Control of Population	108
Iran during World War I	115
APOC's Operations during WWI	117
Abadan during WWI - 'A town which had the effect of not allowing Great Britain to le	ose the
war'	120

Conclusions	. 128
Chapter III – The Birth of an Indigenous Social Class	. 131
Introduction: The 1919 agreement and its Aftermath	. 131
Iranization of the Workforce	. 137
Educating the Workforce	. 147
Abadan in the Post war Era	. 155
Abadan Becomes a Boom Town	. 159
Arabestan Becomes Khuzestan	. 166
The fate of the Arab Tribes	. 170
Shifting Alliances	. 171
Urban Development	. 177
Increasing Security and Control Measures	. 182
The Formation of an Indigenous Social Class	. 187
Aftermath of the 1929 strike and Abadan in the 1930s	. 196
Conclusions	. 205
Chapter IV: Abadan during WWII	. 208
Introduction	. 208
The Breakdown of General Order in Khuzestan and Tribal Resurgence	. 214
The Occupation of Abadan	. 218
Growth in foreign population	. 223
Social and Economic Conditions during the War	. 225
Rising Tensions	. 236
Labor activity in Khuzestan and Abadan	. 240
Conclusions	. 247
Chapter V: Nationalization of the Oil Industry and the Ousting of the British from Abadan	. 249
The Labor Movement in Abadan after World War II	. 249
Reaction of the British and Iranian Authorities to the Tudeh's Activity	. 261
The Labor Movement Goes Underground	. 268
Repercussions of the July 14 Strike and Later Developments	. 274
Housing Development	. 277
Labor-Management Relations	. 278
Iranization and Contract Labor	. 286
Tudeh Underground Activity and Workers' Militancy	. 290

Nationalization of the Oil Industry	298
April 1951 Strike	
The Ousting of the British from Abadan	
Conclusions	
Conclusions	
Bibliography	

## Transliteration

In this dissertation, I have broadly adhered to the standards of "The Journal of Iranian Studies". In the case of certain commonplace names, I have chosen to spell them as they sound phonetically in Persian. For example, *Arabestan*, Khuzestan, *Lorestan*, *Masjed Soleyman* and *Majles*. The same applies for some words, such as *Sheikh*, that are in common use in English and have become part of the vernacular. In quoted passages, I retained the spellings of names of people and places as they appear in the original text (for example, *Abbadan*).

Throughout this dissertation, I refer to the names of places and people as they were in official use at the time. For example, *Arabestan, Mohammareh* and *Reza Khan*. When those names were officially changed, I too used the new names (such as *Khorramshahr*).

All the translations from Arabic, Hebrew and Persian are my own.

## List of Abbreviations

- APOC Anglo-Persian Oil Company.
- AIOC Anglo-Iranian Oil Company.
- BOC Bakhtiari Oil Company.
- CCFTU Central Council of Federated Trade Unions.
- KUC Khuzestan United Council of the Trade Union of Workers and Toilers.
- JDC Joint Departmental Committee
- NIOC National Iranian Oil Company
- BBME HSBC British Bank of the Middle East Archive (imperial Bank of Persia records).
- BP Archive of the British Petroleum Company.
- **BNA** British National Archives.
- CZA Central Zionist Archives.
- **IISH** International Institute for Social History.
- **IOR** Indian Office Records.
- **GRDS** General Records of the Department of State, US National Archives.
- PLI The Pinhas Lavon Institute for Labour Movement Research.
- **YTA** Yad Tebenkin Research and Documentation Center of the United Kibbutz Movement.

## List of Maps and Tables

Map no.1: The operations of Mr. D'arcy and Concessions Syndicate, 1901-1909 – p. 32.

Map no.2: July 1912, showing the site of the Abadan refinery – p. 80.

**Map no.3**: Abadan in 1916 – p. 107.

Map no.4: Abadan in the early 1930s – p. 181.

Map no.5: Abadan's main residential areas in 1950 – p. 181.

**Table no.1**: APOC Staff and labor in Abadan 1910-1916 – p. 115.

**Table no.2**: AIOC Workforce 1921-1927 – p. 146.

**Table no.3**: Employment of Iranian Staff members 1932-1938 – p. 203.

Table no.4: Production and Refining 1915-1945 – p. 220.

Table no.5: Houses Built by the AIOC in Abadan – p. 226.

**Table no.6**: Contract Workers Employed by the AIOC 1945-1949 – p. 290.

## Introduction

This study focuses on the history of the oil city of Abadan Iran between the years 1910-1951. Its main purpose is to demonstrate the interplay between various levels of interaction, namely: the Oil Company's relationship with its local employees and influence over Khuzestan and, in particular over Abadan; the interplay between the various groups that inhabited Abadan's urban space; Abadan's relationship with its hinterland and, finally, the interplay between Abadan, the local government in Khuzestan and the central government in Tehran. The shared assumption connecting all of the above mentioned levels is that the state is not merely a collection of institutions that have a permanent unchanging function. Rather, that it is, as Joel Migdal defined it, a collection of organizations and social gatherings with a divergent and changing agenda. In this context, the network of relationships between state and society are of central importance since they mutually shape one another.<sup>1</sup>

At the turn of the 20<sup>th</sup> century, the province of Arabestan, as the lowlands area south west of the Zagros mountains range in the province of Khuzestan was called, was one of the most underdeveloped and isolated areas in Qajar Iran.<sup>2</sup> The majority of Arabestan's inhabitants were Arab tribes, mainly located in its central, Western and southern parts. The province's Northern and Eastern parts, were mainly made up of Lor

<sup>&</sup>lt;sup>1</sup> Joel Migdal, *State in Society: Studying How States and Societies Transform and Constitute One Another* (Cambridge: Cambridge university Press, 2004), pp. 97-134.

<sup>&</sup>lt;sup>2</sup> The Qajar dynasty ruled Iran between the years 1794-1925.

and Bakhtiari tribes. Arabestan was host to sparsely scattered nomad pastoral populations as well as to semi- sedentary and sedentary towns and villages.<sup>3</sup>

Arabestan's Southern Part, the Abadan peninsula, was similar to the rest of the province. Its center was mostly desert, but the margins of its rivers, Bahmanshir and Arvand (aka Shatt al-'Arab), were cultivated and planted with palm trees. Its inhabitants, member of the Arab tribes of the Muhaisin and Ka'ab, with a total population of about 24,000 were mostly engaged in agriculture, fishing and raising livestock to sustain their lives. There were no major industries but for handcrafted ones.<sup>4</sup> The undisputed ruler of the province was Sheikh Khaz'al (1863-1936), the Sheikh of Mohammerah (present day Khorramshahr) who was also the largest land owner in Arabestan. Khaz'al owned all the lands bordering the south western border of Ottoman Iraq and all the islands in the Shat al-'Arab between the port of Mohammerah and Basra.<sup>5</sup>

As paramount Sheikh, Khaz'al treated Arabestan as if it was his own private fiefdom.<sup>6</sup> His ability to rule almost without impunity in the province was largely the result of the weakness of the Qajar central administration and the latter's dependency on the cooperation of the tribes. Another important factor that strengthened Khaz'al's position were his good relations with the British government who regarded the area as

<sup>&</sup>lt;sup>3</sup> For a comprehensive study on the social, political and economic structure of tribal society in Khuzestan during the 19<sup>th</sup> and early 20<sup>th</sup> century, see: Mostafa Ansari, *The History of Khuzistan, 1878-1925: A Study in Provincial Autonomy and Change*, Unpublished PhD Dissertation, University of Chicago, 1974; Shahbaz Shahnavaz, *Britain and the Opening Up of South-West Persia 1880-1914: A Study in Imperialism and Economic Dependence* (London & New York: Routledge, 2005).

<sup>&</sup>lt;sup>4</sup> Military Report on Arabistan, 1924. Pp 67-68. British National Archives, WO/33/1130.

<sup>&</sup>lt;sup>5</sup> Ahmad Kasravi, *Tarikh-e Pansad Saleh Khuzestan*, (Tehran: Entesharat-e Gam, 1978), pp, 227-231. Also see: Mustafa 'Abd al-Qader a-Najar, *al-Tarikh al-Siyasi Li'imarat 'Arabestan al-'Arabiya 1897-1925*, (al-Qahira: Dar al-Ma 'aref Bimisr, 1971), pp, 136-141.

<sup>&</sup>lt;sup>6</sup> Ansari, *The History of Khuzistan*, pp 270-280; Shahnavaz, *Britain and the Opening Up of South-West* Persia, pp 61-63.

strategically important, particularly, in regards to its India policy. Once oil in commercial quantities was discovered in Khuzestan, by what came to be known as the Anglo-Iranian Oil Company (AIOC), the strategic relations between Khaz'al and the British government only strengthened.<sup>7</sup>

The immediate task facing the Oil Company upon its establishment, was the challenge of transporting oil from the wellhead to the market, both in crude and refined form. To maximize profitability, the Company decided to refine its oil within Iran. The chosen location was the Southern part of Abadan Island due to its proximity to the Persian Gulf which offered the Company convenient access to the international market. The construction of the Abadan Refinery began in October 1909 and was completed in 1912. In order to house both its staff and operations, APOC also started building a small settlement near the refineries, which eventually came to be known as the city of Abadan.

The discovery of oil in south western Iran and the subsequent establishment of the oil industry, profoundly affected the social, political and economic relations in the area. It turned a once neglected and isolated part of Iran into one of the most strategically important regions of the world. In the post-WWI era, the central government in Iran was increasingly able to challenge the authority of various tribal leaders in its remote provinces. By the late 1920s, Tehran succeeded to depose Khaz'al and establish itself in the area. By the mid-1940s, Abadan housed the largest refineries in the world. But, it was also increasingly the focus of growing controversy and opposition

<sup>&</sup>lt;sup>7</sup> The Company was incorporated on 14 April 1909, under the name Anglo-Persian Oil Company. In 1935, it changed its name to "the Anglo-Iranian Oil Company" (AIOC). In 1954 the Company changed its name once again to "British Petroleum" (BP) as it became a multinational corporate entity.

as the nationalist discourse in the country increasingly focused on the foreign-controlled Iranian oil industry.

However, the changing political circumstances in the country were not only dependent on the events that emanated from Tehran. Rather, the interplay between center and periphery and between the various players positioned within the different levels of interplay mentioned earlier, turned the city of Abadan, into the setting of a series of upheavals on the local, national and international levels. Thus, understanding the interplay between these different levels will not only help position Abadan in its proper place in the history of modern Iran but, also provide us with a better understanding of political, social and economic developments in the country.

#### The Importance of Understanding Abadan's Urban Tissue

Abadan was, in fact, the first Company Town in the Middle East. The term Company Town (or in Abadan's case, Oil Town), refers to a town or city that is owned, controlled, designed and maintained by a single Company or commercial entity – state owned or private.<sup>8</sup> Company towns are somewhat of an oddity in the urban landscape. While, ostensibly, they share many characteristics of other towns and cities, it is the driving force behind them and the circumstances of their birth that sets them apart from other towns and cities. That is because, typically, Company Towns are founded, designed and governed to serve the needs of the commercial enterprise that founded them.

<sup>&</sup>lt;sup>8</sup> See for example: Marcelo .J. Borges and Susana .B. Torres (eds.), *Company Towns: Labor, Space and Power Relations across Time and Continents*, (New York: Palgrave Macmillan, 2012); John .S. Garner (ed.), *The Company Town: Architecture and Society in the Early Industrial Age*, (Oxford: Oxford University Press, 1992).

Therefore, it can be said that Company Towns embody the physical, intellectual, and symbolic resources of the particular entity that constructs them. Similarly, Abadan embodied the physical intellectual and symbolic traditions and views of its founders.

In this case, Abadan's cultural bedrock was that of the British Empire and its colonial system of rule. Thus, living areas in the city were separated according to race and rank, the clubs were segregated and even medical facilities were separate for Europeans and non-Europeans. The city and its adjacent refinery were not only essential venues in which AIOC attempted to "civilize", "educate" and "reconstruct" its workers according to its industrial needs; but, also to create and then reaffirm a class system which asserted the dominance of the European staff over the non-European one.<sup>9</sup>

But, Abadan housed two urban formations - a spontaneous city and a Company town. The first sprang from the bottom-up - often characterized by irregular spatial structures, developed by informal urban housing often constructed by the inhabitants themselves. These cities usually lack any master plan or the involvement of designers and they are, more often than not, impoverished and destitute.<sup>10</sup> Whereas the Company

<sup>&</sup>lt;sup>9</sup> For a more in depth discussion on Abadan as an oil town or Company Town, see: Mark Crinson, "Abadan: Planning and Architecture Under the Anglo-Iranian Oil Company," *Planning Perspectives* 12 (1997): 341-359; Kaveh Ehsani, "Social Engineering and the Contradictions of Modernization in Khuzestan's Company Towns: A Look at Abadan and Masjed-Soleyman", *Internationaal Instituut voor Sociale Geschiedeni*, No. 48 (2003): 361-399; Kaveh Ehsani, *The Social History of Labor in the Iranian Oil Industry: The Built Environment and the Making of the Industrial Working Class (1908–1941)*, unpublished PhD thesis, (Leiden University, October 2014).

<sup>&</sup>lt;sup>10</sup> On spontaneous cities in the Middle East such see: Karim Hadjri and Mohamed Osmani, "The Spatial Development of Colonial and Postcolonial Algiers", in: Yasser Elsheshtawy (ed.), *Planning Middle Eastern Cities: An Urban Kaleidoscope in a Globalizing World*, (London and New York: Routledge, 2004), pp 29-58. From the same book see: Khaled Adham, "Cairo's Déjà vu: Globalization and Urban Fantasies", pp 134-168.

Town, as mentioned, is designed from the top-down, affluent, orderly and organized with better planned infrastructure.

While the standard of building in the Company Town was high and unprecedented in the country, it was shared by few. The Company was unable to keep up with the influx of migrant laborers from all over the country, nor did it put too much effort into trying to build sufficient accommodation to house its growing worker population. <sup>11</sup> As a result, while Europeans lived in bungalows and Indians in large common barracks, most of the Iranian workers lived in makeshift shelters made of sticks and bamboo, lashed loosely and roofed by palm trees. Thus, a dichotomy was born between the "Formal" city which provided its residents with modern housing, adequate sanitary conditions and modern infrastructure; and a spontaneous, "informal" city which did not offer any of these conditions.<sup>12</sup>

The city's morphology and the tension between both urban forms, was subject of various studies showing the manner by which its urban forms affected its social structure.by: Kaveh ,among others ,Of particular importance are the studies made<sup>13</sup> Ehsani, Mark Crinson, Rasmus Christian Elling and Touraj Atabaki. These scholars have

<sup>&</sup>lt;sup>11</sup>Another reason for this neglect was that during the first decade and a half of the refinery's existence, the Oil Company did not make any comprehensive plans due to its uncertainty regarding the productive capacity of the oil fields at Masjed Soleyman. See: Ronald W. Ferrier, *The History of the British Petroleum Company volume 1*, (Cambridge: Cambridge University Press, 1982), pp 430-432.

<sup>&</sup>lt;sup>12</sup> For a vivid description of the poor conditions in the "informal city" compared with the "formal" one, see: Kaveh Bayat, and Majid Tafrashi (eds.), *Khaterat-e Dowran Separi Shodeh: Khaterat va Asnad-e Yousef Eftekhari, 1299 to 1329*, (Tehran: Ferdus, 1370), pp 29-32, 117.

 <sup>&</sup>lt;sup>13</sup> See for example: Xavier de Planhol, "Abadan: morphologie et fonction du tissu urbain," *Revue Géographique de l'Est* 4 (1964), pp 338-385; Paul Vieille, Zafardokht Ardalan, and Abol-Hassan Banissadre, "Abadan: tissu urbain, attitudes et valeurs," *Revue Géographique de l'Est* 9 (1969), pp 361-378; Fredy Bemont, Les Villes De L'Iran: des Cites d'autrefois a l'urbanisme contemporain, 1969 – 269-277.

shown how manipulation of the urban environment was used by the Oil Company to engender a class system in the city (based on race) and how this manipulation was used as a means to control the city's population. In addition, they show how the Company's social engineering efforts affected social interactions in the city and even the Iranian household.<sup>14</sup>

Similarly, one of the main aspects this study concentrates on is the manner by which AIOC's quasi-colonial control over Abadan, affected all walks of life in Abadan and its hinterland. The underlying assumption this study makes is that since industrial relations were at the basis of all modes of interaction in Abadan - all instances of urban violence, mass movements, and other forms of political and collective activities, were influenced by, and took the form of, industrial-related disputes.

#### **Circles of Reference**

As stated earlier, this study focuses on the interplay between several circles of reference or levels. Throughout the period under review, various changes and developments on the local, national and international levels converge in Abadan, turning it into a nexus point of sorts.

<sup>&</sup>lt;sup>14</sup> Mark Crinson, "Abadan: Planning and Architecture under the Anglo-Iranian Oil Company"; Ehsani, "Social Engineering and the Contradictions of Modernization in Khuzestan's Company Towns: A Look at Abadan and Masjed-Soleyman"; Ehsani, *The Social History of Labor in the Iranian Oil Industry*; Rasmus Christian Elling, "On Lines and Fences: Labour, Community and Violence in an Oil City", in: Ulrike Freitag, Nelida Fuccaro, Claudia Ghrawi and Nora Lafi (eds.), *Urban Violence in the Middle East: Changing Cityscapes in the Transition from Empire to Nation State*, (New York & Oxford: Berghahn, 2015), pp 197-221; Rasmus Christian Elling, "War of Clubs: Struggle for Space and the 1946 Oil Strike in Abadan" in: Nelida Fuccaro (Ed.): *Violence and the City in the Modern Middle East*, (Stanford University Press, 2015), pp 189-210; Touraj Atabaki, " From 'Amaleh (Labor) to Kargar (Worker): Recruitment, Work Discipline and Making of the Working Class in the Persian/Iranian Oil Industry", International Labour and Working-Class History, No. 84 (Fall, 2013), pp 159-175; Mirzai Hossein (ed.), *Takvin-e Shahre Abadan*, (1388).

One important development was the growing importance of oil, after WWI, as a global strategic resource. Therefore, a global power like Britain, attributed great importance to secure its control over oil resources in order to retain its power and status. As part of this process, the British government increasingly came to view the Oil Company's operations as a British national asset.<sup>15</sup> Therefore, London increased its involvement in the oil operations area and in Iran with the purpose of strengthening its hold over oil operations in Iran, and ensuring the Company's continued activity. In its efforts to secure its interests, the British government would, depending on the strength and cooperation of the Iranian central government, encourage or forsake its local allies (such as strong tribal leaders).<sup>16</sup>

The protection of the British Empire coupled with the weakness of the Iranian central government, allowed the Oil Company to establish itself as an enclave in South Western Iran. This not only effected and warped the local government for decades but, also had a profound on the various segments of the local population. Many Iranians living in the oil operations areas, especially those in Abadan, felt, to a certain degree, as if they

<sup>&</sup>lt;sup>15</sup> Peter Avery. (ed.), *The Cambridge History of Iran*, Vol. 7 (Cambridge: Cambridge University Press, 2007 (1<sup>st</sup> edition, 1991)), pp 422-423. For its part, the Oil Company won a long-term lucrative contract from the British government. For example, during WWI, 65% of the fuel that was refined in Abadan, was purchased by the British Admiralty. Ferrier, *The History of the British Petroleum Company volume* 1, pp 247-261, 288-289.

<sup>&</sup>lt;sup>16</sup> British support of Sheikh Khaz'al and then his abandonment once the central government began to gain strength are good examples of such changes in British Policy. See: Nadereh Jalili, *Syasat-e Baritanya dar Khalij-e Fars (Barrasi Ghaeleh-ye Sheikh Khaz'al)*, (Tehran: Vezarat-e Umur-e Kharejeh, Markaz-e Chap va Entesharat, 1379), pp 31-5; Mostafa Ansari, *The History of Khuzistan, 1878-1925*, pp. 172-203, 366-80. It is important to mention that even before oil was discovered, Britain operated in a similar manner. However, once oil was discovered, British interference in the affairs of the province increased even more. See: Shahbaz Shahnavaz, *Britain and the Opening Up of South-West Persia 1880-1914*, pp 136, 142-52.

were under colonial rule. This humiliating and denigrating feeling shaped the workers' view of each other, the central government, AIOC and the British Empire.

At the same time, changes that had begun even before WWI in Iran were accelerating after it. Namely, the understanding among the leading elites in Iran that in order to save the country from disintegration, reform it and limit the ability of foreign powers to intervene in its internal affairs, the power of the central government must be strengthened. To successfully achieve this goal, Tehran had to regain its control or strengthen its hold over the provinces outside of its immediate reach. <sup>17</sup>

The rise of Reza Shah (1921-1941) and the social modernization process he initiated was a direct result of this craving for a more orderly, powerful and strong central government removed from foreign influence.Reza Shah sought to turn Iran into a <sup>18</sup> powerful state based on the secular and Western model of a nation state. In order to turn his vision into reality, he gradually created a powerful ruling mechanism. Eventually, this mechanism turned into a vast bureaucratic apparatus intended to run the country more efficiently and enforce the authority of the central government and its rules. One of

<sup>&</sup>lt;sup>17</sup> See for example: Haron Homan (ed.), *Safarnameh-ye Reza Shah Pahalavi beh Mazandarn va Khozestan* (Los Angeles: Sherkat Ketab, 2007), pp 20-21.

<sup>&</sup>lt;sup>18</sup> Despite the chaos that ruled the country, the budding of a modern state, before and during the war, was already discernible – a forming body of civil servants that had begun acquiring more modern methods of administration, the *Nazmieh* and Gendarmerie that gradually replaced tribal forces in matters of law enforcement slightly improved the central government's ability to enforce its authority, the justice system had also become more ordered and accessible and the number of modern schools (some built even before the constitutional revolution, primarily by private entrepreneurs) and their capacity also increased. See: Homa Katouzian, *State and Society in Iran: The Eclipse of the Qajars and the Rise of the Pahlavis* (London: I.B Tauris, 2006), p. 84.

the more steady and reliable sources of income that allowed Reza Shah to finance his ambitious plans were the revenues Iran derived from the oil industry.

The final issue, has its roots in the late 19<sup>th</sup> century but, came to its culmination in the late 1940s. Namely the solidification and strengthening of Iranian nationalism and the ability of new social groups to increasingly influence local and national politics in Iran. Indeed, during this period, Iranian nationalism had evolved from an idea that imagined the country's geographical borders as a homeland (*vatan*) whose territorial integrity needs to be protected from foreign intervention (with the Shah as its protector), to a modern form of nationalism inspired by Western ideas. By the post WWI period, this discourse of Iranian nationalism was produced, reproduced, and further developed by intellectuals and the Iranian press (mostly outside of Iran). Under the Pahlavi dynasty, this discourse was further incorporated, practiced by various parties and organizations and, more importantly, espoused in the state's schools. Thus all acting in an attempt to transform the Iranian society into a more homogenized one. As this nationalist discourse took root in growing segments of the Iranian society, it also empowered the masses and new social groups (like the urban working class) that, given the right circumstances were able to become an influential factor in Iranian politics.<sup>19</sup>

<sup>&</sup>lt;sup>19</sup> Meir Litvak, "the construction of Iranian national identity: An overview", in: Meir Litvak (ed.), *Constructing Nationalism in Iran: From the Qajars to the Islamic Republic*, (New York: Routledge, 2017), pp 11-16; Firoozeh, Kashani-Sabet, *Frontier Fictions: Shaping the Iranian Nation, 1804-1946*, (New Jersey: Princeton University Press, 1999); Abrahamian, Ervand, A History of Modern Iran, (UK: Cambridge University Press, 2008), pp 1-2, 97-118. For a discussion on the different paradigms of Iranian Nationalism, see: Afshin Marashi, "Paradigms of Iranian Nationalism: History, Theory, and Historiography", in: Kamran Aghaie and Afshin Marashi (eds.), Rethinking Iranian Nationalism and Modernity: Histories and Historiographies, (Austin, TX: University of Texas Press, 2013), pp 3-24.

The autocratic rule of Reza Shah managed to successfully suppress the influence of these groups. But, in the wake of Reza Shah's abdication and the weak rule of his son, particularly toward the late 1940s, the influence and power of these groups came into full effect. Two main political movements managed to capitalize and direct the power of these groups – the Communist party, *Tudeh*, and, later on, the nationalist movement, "the National Front". Both these entities reflected well the growing resentment and hatred many in the country held toward the sway AIOC and the British government held over Iran's internal affairs and their control over the nation's natural oil resources.

## The Historical Discourse on the Iranian State during the 20th Century

During the reign of the Pahlavi dynasty (1925-1979), the research dealing with the history of modern Iran focused mainly on the state and its ruling institutions. The vast majority of studies written during this period dealt, mostly, with the ruling elite, and the economic and political issues that were influenced a great deal by the powerful Pahlavi ruling mechanism and the reforms led by its two rulers. All this, without directing sufficient attention to developments and processes happening outside of Tehran, in the Iranian Periphery.<sup>20</sup> This tendency was also encouraged by the ruling dynasty itself, especially under Mohamad Reza Shah. During the latter's reign, the state's official education books emphasized the central place of the ruling dynasty had in the Iranian society.<sup>21</sup>

<sup>&</sup>lt;sup>20</sup> An exception to this case were studies conducted on peasants and landlords in Iran. For example: Ann Lambton, *Landlord and Peasant in Iran: A Study of Land Tenure and Land Revenue Administration* (UK: Oxford University Press, 1953).

<sup>&</sup>lt;sup>21</sup> Cyrus Schayegh, " 'Seeing Like a State': An Essay on the Historiography of Modern Iran", *IJMES*, Vol. 42, (2010). P. 40. For a detailed on study on the Pahlavi educational system see: David Menashri, *Education and the Making of Modern Iran* (USA: Cornell University Press, 1992).

At the epicenter of the historical research during this period, was the Iranian bureaucracy that, thanks to the reforms of both monarchs<sup>22</sup>, developed into an impressive ruling apparatus that managed to create the impression that the Iranian Pahlavi state was an omnipresent one.ratus caused many This powerful ruling appa<sup>23</sup> scholars to disregard large segments of Iranian society and depict them as passive members of society, bereft of any agency who only respond to changes and developments that emanate from the seat of power in Tehran.In essence, many <sup>24</sup> scholars claimed that the Iranian state was so powerful that it was the only prism through which changes could be understood be they political, economic or cultural. Moreover, <sup>25</sup> even Iranian nationalism was looked upon as a secondary cause, and one which was espoused solely by the Central Government in order to turn Iran into a modern and advanced state.<sup>26</sup>

<sup>&</sup>lt;sup>22</sup> In 1962, Mohammad Reza Shah initiated his own set of reforms dubbed "the White Revolution". The purpose of these reforms was to turn Iran into a strong nation state and a leading force in the Middle East. Another goal was to alter the social, economic and political traditional patterns to allow the Shah to rule independent of traditional power groups and to concentrate power in his own hands in order to solidify his personal standing and that of his dynasty. <sup>23</sup> Particularly the land reform initiated by Mohammad Reza Shah in 1962.

<sup>&</sup>lt;sup>24</sup> An excellent example is Paul Ward's book on the city of Kerman and its hinterland. In his book, ward mentions that hardly any changes were the result of local initiative. Rather, he claims that 'few changes have been generated internally in the city or towns of Kirman. Modern concepts and materials spread from Tehran, take root in the imitative minds of the urban middle class, and then diffuse to villages owned by progressive members of the urban elite.' See: Paul Ward, City and Village in Iran: Settlement and Economy in the Kirman Basin (Madison, Milwaukee, and London, 1966). P. 98.

<sup>&</sup>lt;sup>25</sup> A good example of such studies is Nikki Keddie's article on the Iranian Power Structure and social change. In this article, Keddie expresses an opinion that is typical to researchers from this period that claim the only way vast social and economic changes could be carried out was through a strong central rule. See: Nikki Keddie, "The Iranian Power Structure and Social Change 1800-1969: An Overview", IJMES, Vol. 2, no. 1 (January 1971), pp 3-20.

<sup>&</sup>lt;sup>26</sup> See for example: Amin Banani, The Modernization of Iran, 1921-1941 (USA: Stanford University Press, 1961).

The Islamic Revolution in 1979 brought about a new wave of studies, whose effects are still noticeable today (although to a lesser degree) - like those of Ervand Abrahamian, Nikki Keddie, Homa Katouzian and John Foran – all of which sought to understand the root causes of the revolution.Some of these studies focused on various <sup>27</sup> social groups that had previously received little attention (such as: low level 'Ulamaa, urban poor, farmers, workers and more).on the edmainly focustoo theyHowever, <sup>28</sup> central government's ruling apparatus and the reforms and the personality of both Monarchs. In addition, because many scholars focused on the causes of the revolution, they neglected, to a certain extent, to deal with events and developments that had happened during the first quarter of the 20<sup>th</sup> century. <sup>29</sup>

<sup>&</sup>lt;sup>27</sup> Among the more prominent studies that belong to this category, the following can be mentioned: Nikki Keddie, *Roots of revolution : an interpretive history of modern Iran* (USA: Yale university, 1981); Ervand Abrahamian, *Iran Between Two Revolutions* (New Jersey: Princeton university press, 1982); John Foran, *Fragile Resistance: Social Transformation in Iran from 1500 to the Revolution* (USA: Boulder, 1994); Eric J. Hooglund, *Land and Revolution in Iran, 1960-1980* (Austin: University of Texas Press, 1982); Parviz Daneshvar, *Revolution in Iran* (UK: Macmillan press, 1996); Homa Katouzian, *State and Society in Iran: The Eclipse of the Qajars and the Rise of the Pahlavis* (London: I.B Tauris, 2006).

<sup>&</sup>lt;sup>28</sup> See: Misagh Parsa, Social Origins of the Iranian Revolution, (USA: Rutgers university, 1989); Ali Farzamand, The State Bureaucracy, and Revolution in Modern Iran: Agrarian Reforms and Regime Politics (New York, Westport, Connecticut, London: Praeger, 1989); Farhad Kazemi, Poverty and Revolution in Iran: The Migrant poor, Urban Marginality and Politics (New York & London: New York University Press, 1980); Said Amir Arjomand, The turban for the Crown : The Islamic Revolution in Iran (New York: Oxford University Press, 1988); Hamid Dabashi, Theology of discontent : the Ideological Foundations of the Islamic Revolution in Iran (New York: New York University Press, 1993). <sup>29</sup> The exception to this rule are those studies that deal with the Soviet influenced areas of Azerbaijan and Kurdestan and the social groups living in said areas (Kurds and Azeris). However, these researchers that were mostly written in the 1980s, were deeply influenced by the cold war and the 1946 crisis. See: Amir Hassanpour, "The Nationalist Movements in Azerbaijan and Kurdistan," in John Foran (ed.) A Century of Revolution: Social Movements in Iran (Minneapolis: University of Minnesota Press, 1994), Pp. 78-105; David .B. Nissman, The Soviet Union and Iranian Azerbaijan: the Use of Nationalism for Political Penetration (Boulder, Colo.: Westview, 1987); Touraj Atabaki, Azerbaijan: Ethnicity and Autonomy in Twentieth-Century Iran (London: British Academic Press, 1993); Rouhollah K. Ramazani, "The Autonomous Republics of Azerbaijan and Kurdistan: Their Rise and Fall," in Thomas T. Hammond (ed.) The Autonomy of Communist Takeovers (New Haven: Yale University Press, 1975).

In the early 2000s, the emergence of a new wave of studies that focused on the Iranian periphery as well as that of different social groups in the periphery (like tribes), spelled a discernible change in the research of modern Iran.These studies showed that <sup>30</sup> by examining the development of social and political processes in Iran from the periphery's point of view, one uncovers the subtleties and complexities of political, social and economic processes that are not discernible through the center's point of view. For example, Stephanie Cronin, in her book, Shahs, Soldiers and Subaltern, demonstrates how, contrary to the commonly held view about Reza Shah's reign, various social groups (such as junior tribal leaders and oil workers) did try to challenge and oppose his rule. <sup>31</sup>

#### Oil and the Iranian Oil Industry

Till the early 2000s, studies about oil and the Middle Eastern Oil industry largely focused on the economic and technological aspects (for example, the challenges in producing oil products and the revenue derived from them) and on the social and political aspects that are involved in controlling oil resources. For example, books like Daniel Yegrin's, *The Prize*, about the global oil industry and those of Stephen Longrigg and Benjamin Shwadran dealing with oil in the Middle East, deal mainly with the power struggles over who control oil. In addition, they tend to focus on the efforts of Oil

<sup>&</sup>lt;sup>30</sup> See for example: Stephanie Cronin, *Tribal Politics in Iran: Rural Conflict and the New State, 1921-1941* (London: Routledge, 2007); Touraj Atabaki (ed.), *The state and the Subaltern : Modernization, Society and the State in Turkey and Iran* (London, New York: I.B. Tauris In association with The International Institute of Social History in Amsterdam, 2007); Shahbaz Shahnavaz, *Britain and the Opening Up of South-West Persia 1880-1914*; Brian Mann, "The Khuzestan Arab Movement, 1941–1946: A Case of Nationalism," in: Kamran Aghaie and Afshin Marashi (eds.), Rethinking Iranian Nationalism and Modernity: Histories and Historiographies, (Austin, TX: University of Texas Press, 2013), pp 113-136; Khazeni Arash, Tribes and Empire on the Margins of Nineteenth-Century Iran, (Seattle: University of Washington Press, 2009); . <sup>31</sup> Stephanie Cronin, *Shahs, Soldiers and Subalterns: Opposition, Protest and Rebellion in Modern Iran, 1921-1941* (UK, Basingstoke: Palgrave Macmillan, 2010).

Companies to overcome physical and technological obstacles (often portrayed as acts of heroism). However, they often ignored several important aspects, among them: the <sup>32</sup> experiences of the local oil workers and local communities that lived close to the oil industry's infrastructure, the manner with which "Company-Towns" operated, the socio-economic processes that entail obtaining oil concessions as well as those that entail extracting and producing oil. <sup>33</sup>

Similarly, the majority of studies on the Iranian oil industry, tend to ignore the effects the oil industry's operations had on the local populace and focus, instead, on the political and financial aspects of oil. For example, oil is often referred to as one of the steady incomes that allowed the ambitious modernization of the country and strengthening of the Pahlavi State. The main issues in which the vast majority of studies focus on are: Nationalization of the oil industry, the various interests of the actors in the Iranian and international scene (the great powers, politicians inside Iran and the Shah). The studies on the Iranian oil Industry can be largely divided into two groups. The first, includes studies like those of Mustafa Elm and Mustafa Fateh, dealing in the economic and political history of oil and the diplomatic-political dispute between Iran and Britain.

<sup>32</sup> Daniel Yegrin, *The Prize: The Epic Quest for Oil Money and Power* (New York, London, Toronto, Sydney, Tokyo, Singapore: Simon & Schuster, 1991); George .W. Stocking, *Middle East Oil: A Study in Political and Economic Controversy* (USA: Vanderbilt University Press, 1970); Stephen Hemsley Longrigg, *Oil in the Middle East: It's Discovery and Development* (London, New York & Toronto: Oxford University Press, 1968 3<sup>rd</sup> edition); Benjamin Shwadran, *The Middle East Oil, and the Great Powers* (New York: J. Wiley, 1973 3<sup>rd</sup> edition).

<sup>33</sup> This is a unique approach to research on oil in the Middle East, one that is also used in studies written on other oil producing areas, such as Latin America. See: Marcelo Bucheli, "Major Trends in the Historiography of the Latin American Oil Industry", *Business History Review*, 84 (Summer 2010). Pp 339-362.

The second group, consists of memoirs and biographies of key players (diplomats, <sup>34</sup> ministers, prominent politicians, etc.) particularly during the oil nationalization period in the early 1950s. <sup>35</sup>

Included in the first group are also the studies dealing with the history of the Anglo-Iranian Oil Company (known as the Anglo-Persian Oil Company till 1935). Earlier studies written about the Company, like that of Henry Longhurst, sang songs of praise to the AIOC's technological achievement and glorified its pioneering success in the face adversity (such a hostile climate, lack of modern infrastructure, cultural differences and a lack of locally available skilled and experienced workers). The Company's official <sup>36</sup> historical account written by Ronald Ferrier and James Bamberg spanning three volumes does present a more complex narrative of the its history – from its sometimes strained relationship with the British Government, through its, often patronizing, treatment of its workforce. However, its main focus is still on the technological and corporate achievements of the Company as well as the personality of its directors. An exceptions to this manner by which the Oil Company was depicted, are studies like those of Mostafa

<sup>&</sup>lt;sup>34</sup> Mostafa Fateh, *Panjah Sal Naft-e Iran*, (Tehran: Sherkat-e Sahami-e Chehr, 1956); Mostafa Elm, *Oil, Power and Principle: Iran's Oil Nationalization and Its Aftermath* (New York: Syracuse University Press, 1992). Also see: Gholam Reza Nejati, *Jonbesh Meli Shodan-e San'at-e Naft va Kudeta 28 Mordad*, (Tehran, 1365).

<sup>&</sup>lt;sup>35</sup> See for example: Farhad Diba, *Mohammad Mossadegh : political biography* (London : Croom Helm, 1986); Manucher and Roxanne Farmanfarmaian, *Blood & Oil: Inside the Shah's Iran* (New York: The Modern Library, 1999); James .A. Bill and William Roger Louis (eds.), *Mussadiq, Iranian Nationalism, and Oil* (US: University of Texas Press, 1988).

<sup>&</sup>lt;sup>36</sup> See for example: John Woolfenden Williamson, *In a Persian Oil Field: A Study in Scientific and Industrial Development* (London: Ernest Benn Limited, 1927); Laurence Lockhart, *The Record of the Anglo-Iranian Oil Company, Ltd.: Vol. I (1901-1918)*, (London: Anglo Iranian Oil Company (AIOC), 1938). An excellent example of the legend woven around the Company is found in Henry Longhurst's book, *Adventure in Oil: The story of British Petroleum* (London: Siggwick and Jackson, 1959) see pp 44-49.

Fateh and Elwell-Sutton.<sup>37</sup> The latter is an especially damming account of AIOC's policies in Iran. However, both do not offer a narrative that deals with the oil workers, the local communities and the oil towns themselves.<sup>38</sup>

It is only from the late 1990s onward, that an effort to offer a combined political, social, economic and cultural approach can be discerned in various studies.11 \The 9<sup>39</sup> terror attack and the subsequent us invasion to Iraq only emphasized the need for more elaborate explanations that deal with the relationship, influence and balance of power between oil corporations, oil countries and the civil society in these countries.This <sup>40</sup> change of approach, according to Michael Watts, stems from the realization that oil is a resource whose extraction and production produce a unique relationship that have a wide cultural effect. Watts conclusion is that oil must be treated not just as a resource that yields profit but, as an "Oil Complex" – an array of institutions and political, social and economic means that create communities as well as generate tensions.One of the <sup>41</sup> more prominent studies that demonstrate such an attitude is Robert Vitalis' "America's

<sup>40</sup> See: Timothy Mitchell, "Mcjihad: Islam in the U.S. Global Order", *Social Text*, 73, Vol. 20, No. 4 (Winter 2002). pp 1-18; Robert Vitalis, "Black Gold, White Crude", *Diplomatic History*, Vol. 26 No. 2 (2002), pp 185-213; Dobe Michael, Edward, A Long Slow Tutelage in Western Ways of Work: Industrial Education and the Containment of Nationalism in Anglo-Iranian and Aramco, 1923-1963, PhD Dissertation, (New Brunswick: University of New Jersey, 2008); Timothy Mitchell, *Carbon Democracy: Political Power in the age of oil*, (London & New York: Verso, 2013).

 <sup>&</sup>lt;sup>37</sup> Laurence Paul Elwell-Sutton, *Persian Oil: A Study in Power Politics*. London: Westport, 1955.
 <sup>38</sup> The first volume was written by Ferrier. Upon Ferrier's death, James Bamberg completed the Company's historical account. See: Ronald .W. Ferrier, *The History of British Petroleum - Volume 1: The Developing Years, 1901-1932* (UK: The Cambridge Press, 1982); James Bamberg, *The History of British Petroleum - Volume 2: The Anglo-Iranian Years, 1928 – 1954* (UK: Cambridge University Press, 1994); *British Petroleum and global oil, 1950-1975: The Challenge of Nationalism* (UK: Cambridge University Press, 2000).

<sup>&</sup>lt;sup>39</sup> A good example of such studies on other locations on the globe, see: Miguel Tinker Salas, *The Enduring Legacy: Oil, Culture, and Society in Venezuela* (Durham: Duke University Press, 2009).

<sup>&</sup>lt;sup>41</sup> Michael Watts, "Resource Curse? Governmentality, Oil and Power in the Niger Delta, Nigeria," *Geopolitics* 9, no. 1 (2004), pp 54-55.

Kingdom" that deals with al-Dharan, the "Company Town" (or Oil Town), founded by ARAMCO (Arabian American Oil Company) in Saudi Arabia.In his study, Vitalis shatters <sup>42</sup> ARAMCO's image of an enlightened Company that helped promote the local populace and instead shows its prejudicial and discriminating attitude toward its Arab workers. Vitalis, also criticizes the historians who had ignored these aspects of the Company's conduct and blames them of creating a myth by depicting ARAMCO as a benevolent oil company. <sup>43</sup>

In a related matter, the historiography of Iranian oil workers was also effected by the historical discourse on oil and on the Pahlavi state's omnipresence. More often than not, the process by which workers in the oil industry form into a distinct group, is portrayed as one framed within the narrative of modernization. Whether it's the Iranian state's increased involvement in industrial enterprises (particularly from the early 1960s), Reza Shah's reforms or the effects of the cold war and Iran's position in the global economic system.<sup>44</sup> George Lenczowski, for example, attributes the upheavals in the Iranian oil industry from its inception to the nationalization of the Iranian oil industry, mainly to the attitude of AIOC's management and to 'politically inspired unionization.' The last factor, according to Lenczowski, was crucial in labor agitation and led to the

<sup>&</sup>lt;sup>42</sup> Another study that is worth mentioning is Arbella Bet Shlimon's PhD dissertation that deals with the city of Kirkuk in Iraq. See: Arbella Bet-Shlimon, *Kirkuk, 1918-1968: Oil and the Politics of Identity in an Iraqi City*, Unpublished Phd dissertation, Harvard University, 2012.

<sup>&</sup>lt;sup>43</sup> Robert Vitalis, *America's Kingdom: Mythmaking on the Saudi Oil Frontier* (California: Stanford University Press, 2007), p. xiii.

<sup>&</sup>lt;sup>44</sup> See for example: George Lenczowski, *Oil and the State in the Middle East*, (New York: Cornell University Press, 1960); Misagh Parsa, *Social Origins of the Iranian Revolution*; Foran, *Fragile Resistance*, pp 297-363; Assaf Bayat, *Workers and Revolution in Iran: Third World Experience of Workers' Control*, (London and New Jersey: Zed Books, 1987), pp 35-51. Also see Kaveh Ehsani's analysis on the historiography of Iranian oil and the Iranian oil workers. See: Kaveh Ehsani, *The Social History of Labor in the Iranian Oil* Industry, pp. 19-29.

nationalization of the oil industry, since in the post WWII era: 'union activity was directly related to the political situation in Iran and, more particularly, to the upsurge in Communist agitation.'<sup>45</sup>

Thus, more often than not, the emergence of a wage laboring class of oil workers is attributed to external influences and poor economic conditions. This treatment of the oil workers completely ignores such factors as local circumstances that shaped their shared experiences, peer pressure and the available means of action and platform that were at the disposal of the workers. For example, the Abadan's population consisted of immigrants from various locations that developed a shared common identity. But, especially when it came to the first generation of immigrants, this common identity did not replace the original one but, was added to it. As developments on the local and national level converged, they further impacted the workers, constantly shaping their perception and awareness.

#### Structure

This study seeks to de-center a historiography that has put too much emphasis on the urban, political, and religious elites in Tehran while ignoring the historical and political agency of subaltern agents. The main claim I make in this study is that the effects of the various circles of reference previously mentioned coupled with the unique characteristics of the city, engendered a reciprocal relationship between Abadan and the Central Government. During the period under study the reciprocity between Tehran and

<sup>&</sup>lt;sup>45</sup> Lenczowski, Oil and the State in the Middle East, pp 261-266.

Abadan culminated in two pivotal events in the history of Abadan and Iran – the nationalization of the oil industry and the ousting of AIOC's foreign staff and personnel from Abadan and the oil operations area. The main questions this study attempts to answer are the following: how did the physical presence of the oil industry effect Abadan? What were the influences, interplay and developments on the various levels? And, finally, how did all these levels effect the formation of the "Abadani" oil worker class?

The first chapter demonstrates the manner by which the cultural background of the Oil Company's officials affected their encounter with the local tribal population in Khuzestan. This cultural background was a crucial factor in the way Oil Company and British Government officials attempted to re-shape the landscape and people of Khuzestan to fit the needs of the budding oil industry. The second chapter describes the establishment of Abadan and the Company's rise to prominence. Particularly, it recounts the manner by which the oil industry, particularly the refinery in Abadan, contributed to the creation of a new industrial wage laboring class in Southern Iran and its effects on demographic patterns in the Abadan peninsula. Finally, the chapter describes the origins of the Oil Company's social engineering policies and how it shaped living areas in the newly founded settlement of Abadan.

Chapter three focuses on the interwar years and shows how AIOC's mistreatment of its Indian and Iranian workforce increased tensions between the workers and between the workers and the Company's management in Abadan. At the backdrop of these local developments were the changing political circumstances in Iran in wake of WWI and the rise of Reza Shah. As a result of these development on the national level, the Oil Company became more susceptible to Tehran's pressure and was forced to revise its policy in Abadan as well as vis-à-vis the central government. This was accompanied by AIOC attempts to increase its efforts to manage, socialize and assimilate the Iranian workforce into a controlled environment. Ultimately, as Chapter three shows, the tense atmosphere in Abadan and the social engineering experiments conducted both by the Oil Company and the Pahlavi state had a tremendous influence on the Iranian workforce in Abadan. The culmination of this process was in a mass strike that while ended in failure, was pivotal to the reciprocal process between Abadan and Tehran.

Chapter four describes how the wartime hardships further radicalized oil workers in Abadan. The collapse of Reza Shah's regime created the conditions for the rise of the *Tudeh* provided the opportunity for regional forces, like the Arab tribes, to try and regain their power. During this period, the *Tudeh* also managed to expand its activity to the oil operations area, though with very limited success. Chapter five demonstrates how political conditions in the post war era allowed for the rise of the labor movement in Abadan. While the movement's public activity was short-lived, it continued its activity underground. The overt and covert activity deeply influenced the awareness and further fueled the militancy of the oil workers. The actions of the labor movement influenced and were influenced by the growing anti-British and anti-AIOC sentiment in Iran. As the public opinion became increasingly anti-AIOC it facilitated the rise of the oil nationalization movement (particularly the formation of the "National Front"). Ultimately, the increasingly reciprocal relationship between Abadan and Tehran,

21

culminated in the de-facto nationalization of the oil industry and the ousting of the British from Abadan.

## Chapter I: The Creation of a British Enclave

#### Introduction

The Iranian economy throughout the 19<sup>th</sup> century was in shambles. By and large, the Iranian industry (with the exception of the Carpet industry) remained small-scale and traditional. The economy was mainly dependent on its agricultural sector that was quite unproductive due to its obsolete and neglected infrastructure, and the primitive techniques that were used to work the land. The state of disrepair of the country's infrastructures such as roads and irrigation systems severely limited Iran's trade and production capacities. By the end of the 19<sup>th</sup> century, Iran was facing a major financial crisis. In addition to the causes mentioned above, the following further contributed to the country's economic plight: an outdated and ineffective tax system, an overblown and inefficient bureaucracy; a negative trade balance; and the constant infringement of Iranian sovereignty as a result of the Anglo-Russian rivalry (the "great game"). The latter, was particularly damaging to the Iranian economy. In the northern parts of the country, Russia's insistence that preferential trade arrangements will be provided for its merchants, hampered the trading activity of Iranian merchants. While in the southern parts of the country, Iranian trade activity was further damaged by British control over Iran's western and Southern trade routes.<sup>46</sup>

<sup>&</sup>lt;sup>46</sup> Rudolph Matthee, P, Willem M. Floor, and Patrick Clawson. *The Monetary History of Iran: From the Safavids to the Qajars*, (London: I.B. Tauris in association with the Iran Heritage Foundation, 2013), pp 243-248; Morgan Shuster .W., *The Strangling of Persia; A Story of the European Diplomacy and Oriental Intrigue That Resulted in the Denationalization of Twelve Million Mohammedans, a Personal Narrative.* (New York: The Century Co, 1912), pp 277-283, 313-315; Roxanne Farmanfarmaian, "The Politics of Concession: Reassessing the Interlinkage of Persia's Finances, British Intrigue and Qajar Negotiations, in: Farmanfarmaian, Roxanne (ed.), *War and Peace in Qajar Persia: Implications Past and Present*, (London & New York, Routledge, 2008), pp 213-228; Arthur Chester Millspaugh, *The American Task in Persia*,

Foreign dominance over Iranian markets also influenced erratic changes in production patterns from sustenance agriculture to cash crops and vice versa. These erratic changes were not the result of an overall improvement in the productive capabilities of the country. Rather, it was in lieu of the poor productive capacity of the non-farming sector. In essence, it signified commercialization without development.<sup>47</sup> The allocation of land labor and water between cash and sustenance crops, instigated a vicious circle which further destabilized the economy - increased production of cash crops tended to disrupt food supply whereby fear of scarcity of food and famine forced farmers to allocate more resources to the production of food at the expense of cash crops. The increased production of sustenance crops, depressed the price of food which, in turn, encouraged peasants to turn to once more to cash crop cultivation for higher income.<sup>48</sup>

From the late 19<sup>th</sup> century, foreign dominance over Iranian markets, in particular that of Britain, deepened Iran's trade deficit. As Iranian markets were flooded with British and Indian goods, the rate of the Qeran dropped rapidly and caused rampant inflation.<sup>49</sup> As part of its efforts to try and solve its cash flow problem, as well as to bolster confidence in the Qeran, the Iranian government turned to offering concessions to the

<sup>(</sup>New York: Century Co, 1925), pp 58-59; Ahmad Seyf, "Foreign Firms and Local Merchants in Nineteenth-Century Iran", *Middle Eastern Studies*, Vol. 36, No. 4 (October, 2000), pp 137-155; Hooshang Amirahmadi, *The Political Economy of Iran Under the Qajars: Society, Politics, Economics and Foreign Relations 1796-1926*, (London & New York: I.B. Tauris, 2012), pp 26-31, 79-82; Ahmad Seyf, "Population and Agricultural Development in Iran, 1800-1906", Middle Eastern Studies, Vol. 45, No. 3 (May, 2009), pp 447-460.

 <sup>&</sup>lt;sup>47</sup> Ahmad Seyf, "Commercialization of Agriculture: Production and Trade of Opium in Persia, 1850-1906", International Journal of Middle East Studies, Vol. 16, No. 2 (May, 1984), pp 233-250; Amirahmadi, *The Political Economy of Iran Under the Qajars*, pp 70-71.
 <sup>48</sup> Seyf, "Commercialization of Agriculture", pp 233-250

<sup>&</sup>lt;sup>49</sup> Amirahmadi, The Political Economy of Iran Under the Qajars, pp 65-75, 164-157.

highest bidder. While this policy succeeded in bolstering foreign trade and to commercialize the country's agricultural sector, it was devastating to others like the Iranian merchants. This, among other reasons, raised popular opposition to the concessions' policy and proved to be a major setback in its implementation (much like the first Reuters concession and the Tobacco concession).<sup>50</sup>

By the time Mozaffar a-Din shah (r. 1896-1907) rose to power, it seemed that Iran had little left to sell and had essentially, as Roxanne Farmanfarmaian describes it, 'sold all there was to sell. Only oil apparently remained.'<sup>51</sup> It was against this backdrop that, in 1901, the English business men, William Knox D'arcy, obtained from the Shah a concession to explore for oil (among other natural resources) in south western Iran. While, in certain aspects, the articles of the concession reflected well the lessons the Iranian state had learned from its past dealings with other concessionaires, it was still unfavorably balanced against Iran.<sup>52</sup> This concession, its various revisions and the manner by which the concessionaire took advantage of it, were the subject of a bitter struggle which lasted for the better part of the 20<sup>th</sup> century. A struggle that would have far reaching repercussions not only on the relations between the Iranian state and the British Government but, also on Iran's national identity.

<sup>&</sup>lt;sup>50</sup> Farmanfarmaian, "The Politics of Concession", pp. 217-218; Keddie, *Modern Iran: Roots and Results of Revolution*, pp 58-65.

<sup>&</sup>lt;sup>51</sup> Farmanfarmaian, "The Politics of Concession", p. 218.

<sup>&</sup>lt;sup>52</sup> For example, the Iranian government rejected the 10 percent royalties offered to her by D'Arcy's negotiator; and learning from the concession it had previously signed with a Russian syndicate, it requested 16 percent of the net profits. See: Lockhart, *The Record of the Anglo-Iranian Oil Company*, p. 10.

The beginning of the Iranian oil industry was in failure. The first oil explorations, under the D'Arcy concession, began in November 1902, at Chiah-e Sorkh (where there were known oil seepages), close to the main route between Baghdad and Tehran and South West of Qasr-e Shirin. D'Arcy's explorers encountered many difficulties owing to the bad state of the roads, tribal raids and illnesses. To make things worse, the two oil wells that had been discovered (in 1903 and 1904) did not merit further explorations due to the high cost of logistics and the relatively small quantities of oil found there (25 barrels per day in each well).<sup>53</sup> As a result of these failures, D'arcy and his oil explorers decided to try their luck in Khuzestan. Operations, however, were delayed because D'Arcy was forced to seek additional sources of funding.

Following a few failed attempts to join forces with non-British oil companies and investors, D'Arcy formed, on May 5, 1905, the "Concessions Syndicate" with the Burma Oil Company and Lord Strathcona, a wealthy self-made businessman. The British Foreign Office and the British admiralty played the part of matchmaker between the new syndicate's partners. In their bid to extract Iranian oil, the various parties involved in the establishment of the syndicate, were motivated by different interests. The Burma Oil Company, itself a colonial enterprise, wanted to make sure that its stake in the Indian oil market would not be threatened. The Foreign Office, for its part, feared that the D'Arcy concession would wind up in foreign hands, or even worse in Russian ones, and thus endanger the route to India. While the admiralty, was seeking reliable fuel supplies for its

<sup>&</sup>lt;sup>53</sup> Lockhart, *The Record of the Anglo-Iranian Oil Company*, pp 22-45.

navy. Both the admiralty and the Foreign Office, sought a patriotic and affluent British figure to head the syndicate. They found one in the form of Lord Strathcona, one of the British Empire's foremost philanthropists and businessmen and a staunch imperialist. Indeed, Strathcona himself admitted that in his decision to join the syndicate, imperial considerations outweighed commercial ones.<sup>54</sup>

The establishment of the "Concessions Syndicate" was the perfect example of the synergy that had existed between politics and commercial activity in the British Empire. The British government used private enterprises, like Lynch or the nascent "Concessions Syndicate" to influence and pressure both the Iranian government and local magnates in order to safeguard economic and strategic interests in the area. Thus, this synergy also played an important role in staving off Russian influence in Southern Iran.<sup>55</sup> This relationship mutually beneficial relationship between the British Government and private enterprises had far reaching repercussions for Iran and its inhabitants.

Initially though, the "Concessions Syndicate" was more in need of the British government's support than it could benefit it. Nor did the syndicate's operations in the early stages of explorations have much impact on the Iranian state and on the lives of most Iranians. In fact, there were very few people in the country who were aware of these operations, and even fewer who well versed in the terms of the oil concession or

<sup>&</sup>lt;sup>54</sup> T.A.B Corley, *A History of the Burmah Oil Company 1886-1924*, (London: Heinemann, 1983), pp 100-104; Ferrier, *The History of the British Petroleum Company volume 1*, pp 67-72; Lockhart, *The Record of the Anglo-Iranian Oil Company*, pp 52-57.

<sup>&</sup>lt;sup>55</sup> David McLean, *Britain and Her Buffer State: The Collapse of the Persian Empire, 1890-1914*, (London: Royal Historical Society, 1979), pp 59-72.

had any knowledge about the oil industry.<sup>56</sup> However, the lives of those living in the areas of Khuzestan where oil explorations began, were, from a very early stage, profoundly affected by the activities of the "Concessions Syndicate". In *Networks of Power*, Thomas Hughes stressed the importance of studying the history of electrical power systems because they 'embody the physical, intellectual, and symbolic resources of the society that constructs them'.<sup>57</sup> In a similar fashion, the officials of the "Concessions Syndicate" who arrived in Khuzestan, were the products of modernism, capitalism and imperialism. This particular cultural background, effected the way in which these officials perceived the landscape and its people, interacted with them and, as will be shown, deeply influenced the lives of the local population.

## Center-Periphery Relations in Iran

According to the terms of the oil concession, the oil syndicate was allowed to 'search for, obtain, exploit, develop, render suitable for trade, carry away and sell' in any tract of land that was stipulated in the concession. Generally speaking, the oil concession made the distinction between lands the Shah claimed ownership to (*Khaleseh*<sup>58</sup>) and lands claimed by private individuals. Another distinction made was between cultivated and uncultivated lands. The Syndicate had the right to purchase cultivated lands,

<sup>&</sup>lt;sup>56</sup> Fateh, Panjah Sal Naft-e Iran, pp 267-272.

<sup>&</sup>lt;sup>57</sup> Thomas Parke Hughes, *Networks of Power: Electrification in Western Society, 1880-1930*, (Baltimore, Maryland: Johns Hopkins University Press, 1983), P.2

<sup>&</sup>lt;sup>58</sup>According to Lambton, the notion of lands belonging to the crown, existed in Iran already in pre-Islamic times. Under the rule of the Qajar dynasty. *Khaleseh* lands formed an increasingly important category of land, derived mainly from earlier periods, confiscations for arrears in taxation or rebellion and forced acquisitions of lands by the crown. At the beginning of the 20<sup>th</sup> century, *Khaleseh* lands were divided into three main groups: lands from the reign of Nader Shah, Mohamad Shah and Nasser a-Din Shah. See: Lambton, *Landlord and Peasant in Persia*, pp, 25, 146-149, 238-240; Amirahmadi, *The Political Economy of Iran Under the Qajars*, pp 60-61.

privately owned or *Khaleseh*, at 'a fair and current price of the province'. More importantly, the Syndicate was entitled to receive all uncultivated *Khaleseh* lands which 'the concessionaire's engineers may deem necessary', free of charge.<sup>59</sup> According to Iranian law, all underground (or subsoil) natural resources were the property of the shah. Considering this and the fact that most lands in Khuzestan were *Khaleseh* lands, it seems that the syndicate, at least in theory, was off to a very promising start.<sup>60</sup> But, what determined the Company's ability to exploit its concession was not who claimed legal ownership to the lands rather, who controlled them *de-facto*.

In theory, Qajar Iran was governed by a patrimonial centralized administrative system in which provincial governors were appointed by the Shah to rule the provinces, maintain law and order, and to raise and collect taxes. Ironically, it was this seemingly centralized structure that perpetuated the de-centralization of power in Qajar Iran and ensured that local tribal rulers remained in power. This was because, the central government's ability to influence the provinces outside of its immediate reach was quite limited. Its weakness stemmed mainly from the following reasons: the lack of effective security forces at the shah's and local governors immediate disposal, the army's reliance on the tribes as a

<sup>&</sup>lt;sup>59</sup> See articles 1 and 3 of the D'Arcy oil concession, in: *Assurances, Undertakings and Agreements, ETC. Made by Certain Chiefs and Khans of Southern Persia with the British Government and Certain Trading Companies*, (Calcutta: Government of Indian Press, 1926), IOR, L/PS/20/CS231.

<sup>&</sup>lt;sup>60</sup> George. N. Curzon, *Persia and the Persian Question*, volume. II, 2<sup>nd</sup> edition, (London: Frank Cass, 1966), p. 513; Elwell-Sutton, *Persian Oil: A study in Power Politics*, p. 11, Ahmad Kasravi, *Tarikh-e Pansad Saleh Khuzestan*, (Tehran: Entesharat-e Gam, 1978), pp 185-186; Katayoun Shafiee, *Cracking Petroleum with Politics: Anglo-Persian Oil and the Socio-Technical Transformation of Iran 1901-1954*, PhD Dissertation, (New York University, 2010), p. 74.

military force and British and Russian intervention in the provinces under their influence.<sup>61</sup>

As a result, Qajar central rule, as well as its provincial governors, were heavily dependent on the cooperation of local magnates and the tribes' military force. Especially when it came to tax collection. Moreover, the position of governor was not necessarily given to people of merit. Rather, it was given to the highest bidder for the right to collect taxes. Since the appointed governor usually had no military forces under his direct command and his ability to both pay back his investment and profit from his acquired position largely came from tax collection, he was often dependent, even more than the central government, on the cooperation of the tribes. This often resulted in corruption, exploitation of the lower echelons of society and of further erosion of Tehran's authority.<sup>62</sup>

Thus, it was quite common that the head of a particular tribe, or a powerful local magnate, was entrusted by the local governor or even directly by Tehran, with the responsibility of collecting taxes in his territory (*tuyul*). The central government, however, was not entirely powerless vis-à-vis the tribes, and employed various methods to exert its influence on them with varying degrees of success. The main methods employed by

<sup>&</sup>lt;sup>61</sup> Richard Cottam, *Nationalism in Iran: Updated Through 1978* (Pittsburgh: University of Pittsburgh Press, 1979), 23-26, 91-98; Reza Sheikhoeslami, *The Structure of Central Authority in Qajar Iran 1871-1896*. (Atlanta, Georgia: Scholars Press, 1996), 185-199; Mary-Jo Delvecchio Good, "Social Hierarchy in Provincial Iran: The Case of Qajar Maragheh", *Iranian Studies*, Vol. 10, No. 3 (summer, 1977), pp 129-163; Vanessa Martin, *The Qajar Pact: Bargaining, Protest and the State in Nineteenth-Century Persia*, (London, New York: I.B. Tauris, 2005).

<sup>&</sup>lt;sup>62</sup> Shaul Bakhash, "Center-Periphery Relations in Nineteenth-Century Iran", *Iranian Studies*, Vol. 14, No. 1/2 (Winter-Spring, 1981), pp 29-51; Lambton, *Landlord and Peasant in Persia*, pp 178-179; Curzon Vol. I, pp 435-441; Curzon, Vol. II, pp 271-273, 326-328; Daniel .T. Potts, *Nomadism in Iran: from Antiquity to the Modern Era*, (Oxford: Oxford University Press, 2014), pp 296-301.

Tehran were: turning the tribes against each other, holding prominent members of tribal families' hostage, and granting or withholding the right to collect taxes. This last was probably the most effective tool, since it gave Tehran the power to appoint or depose tribal leaders.<sup>63</sup> However, its ability to influence the identity of a tribal leader was often limited to members of the tribal ruling family and their heirs.<sup>64</sup>

The lack of adequate roads and the existence of only rudimentary means of communications, further increased the difficulties of the central government to enforce its rule. At the turn of the 20<sup>th</sup> century Iran was still devoid of a decent road infrastructure that could connect its sparsely populated centers, which were separated by vast desserts and rugged mountainous ranges. No more than 1290 kilometers of roads existed in the country's entire territory which spanned over 1.6 million square kilometers. Nor were there any meaningful tracts of railway. As a result, up until the early 1920's, the main form of transporting goods from one place to another in Iran was by mule or camel.<sup>65</sup>

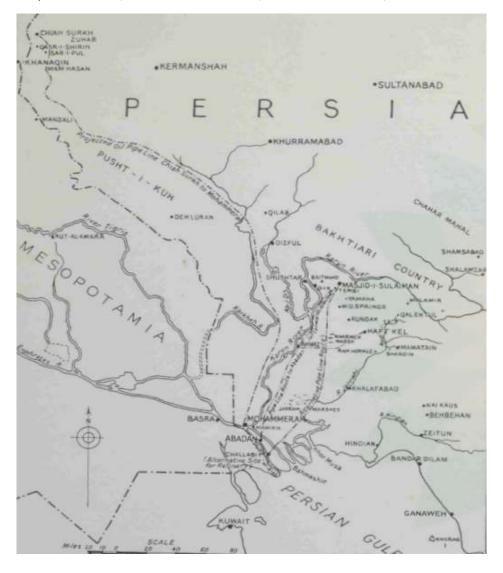
Khuzestan itself, was a fairly impoverished province, sparsely populated and, like the rest of the country, lacked any decent roads fit for transporting goods or equipment. While the Karun River and its offshoots provided reasonable routes of access for provisions and equipment for areas where oil could potentially be found, reaching these

 <sup>&</sup>lt;sup>63</sup> Ervand Abrahamian, A History of Modern Iran, (UK: Cambridge University Press, 2008), pp 31-33.
 <sup>64</sup> Curzon, Persia and the Persian Question, Vol. I, p. 436; Lambton, Landlord and Peasant in Persia, pp

<sup>137-140, 157-159.</sup> 

<sup>&</sup>lt;sup>65</sup> Patrick Clawson, "Knitting Iran Together: The Land Transport Revolution, 1920-1940", *Iranian Studies*, Vol. 26, no. 3-4 (1993), P. 235; Julian Bharier, *Economic Development in Iran 1900-1970*, (London: Oxford University Press, 1971), pp 194-217.

areas was not an easy task.<sup>66</sup> In addition, the Zagros Mountains range offered the Bakhtiari tribes living in the area almost total protection from any military incursions by the central government. This, as oil explorers were about to find out, allowed the Bakhtiari tribes to conduct their affairs in almost total independence.





<sup>&</sup>lt;sup>66</sup> Alexander Melamed, "The Geographical Pattern of Iranian Oil Development", *Economic Geography*, Vol. 35, No. 3 (July, 1959), p. 200.

<sup>&</sup>lt;sup>67</sup> The map is taken from the back of the cover page in: Lockhart, *The Record of the Anglo-Iranian Oil Company, Ltd.: Vol. I (1901-1918).* 

## The Oil Company and the Bakhtiaris - the Advent of Oil Politics into Khuzestan

On the eve of the twentieth century, the majority of the Bakhtiari population were pastoral nomads. Only a few tribes, whose livelihood depended on agriculture, led a semi-sedentary and full sedentary lifestyle. Years of bitter rivalry between the three main factions of the ruling families, resulted in a division of power between the *Ilkani* and *Haji Ilkhani* factions. According to this division, the eldest member of the two families would be appointed as *Ilkhani* (leader of the tribe) and the eldest man of the other family would be *Ilbegi* (second to the *Ilkhani*). Both ruling families shared all incomes of the tribe, including the Bakhtiari Road tolls. This dual power structure was also formally recognized by the Iranian and British governments. For example, the Shah granted the *Ilkhani* and *Ilbegi* a concession for building roads in their territory, and the British government negotiated with them on behalf of the Lynch Company who built the road.<sup>68</sup>

Toward the end of Muzaffar al-Din Shah's reign, the waning power of the Qajar state further tipped the scales of power from the Iranian center in favor of its periphery and strengthened the Bakhtiaris' independence. By the time George Bernard Reynolds, the Concession Syndicate's resourceful chief geologist and director of operations, first met the Bakhtiari Khans, in early April 1904, he was in for a surprise. Reynolds, presented the Khans with a copy of the concession in Persian and his letters of introduction, thinking these would suffice to begin oil explorations in their territory. However, he soon found

<sup>&</sup>lt;sup>68</sup> Ghaffar PoorBakhtiar, "Ilkhani ya Hajilkhani: Nabard-e Khanevadegi Qodrat Dar Jam'eh-ye Bakhtiar", *Faslnameh-ye Tarikh*, 3<sup>rd</sup> Year, No. 9 (summer, 2008 (1387)), pp 9-42. Arash Khazeni, *Tribes and Empire on the Margins of Nineteenth-Century Iran*, pp 99-111; Javad Karandish, *State and Tribes in Persia 1919-1925: A Case Study on Political Role of the Great Tribes in Southern Persia*, PhD Dissertation, (Free Universitat Berlin, 2011), pp 55-57; Gene Garthwaite .R., *Khans and Shahs: A History of the Bakhtiyari Tribe in Iran*, (London and New York: I.B. Tauris, 2009), pp 8-11.

out that it would take more than a document signed by the Shah to gain access into the area. Not only did the senior Khans refuse to acknowledge the concession, they rejected the notion that the state has the right to determine who is given access to their territory and how to utilize it. In fact, the Bakhtiaris refused to accommodate any of the Company's requests without entering directly with it into some sort of partnership.<sup>69</sup>

The concept of dealing separately with the local tribes was not strange to Reynolds. He already knew from his previous explorations in Qasr-e Shirin, that 'the authority of the Shah was held in low esteem' among the local tribes.<sup>70</sup> However, the Bakhtiaris' refusal to lease any part of their country without receiving a percentage of the profits both surprised and angered him. In his rage, wrote back to the company's directors in London that: 'It would appear expedient to explain to these chiefs that the surface of the ground is theirs but that which is under the surface is the property of His Imperial Majesty the Shah and it is this last that his Imperial Majesty has disposed of in granting the concession to you and that they are in duty bound to render you all the assistance needed to carry out your work and all idea of partnership must be dispelled.<sup>71</sup>

But the Bakhtiaris could not be intimidated. Like other tribes in Iran, they viewed their territory as their own collective property. The fact that the majority of lands in Khuzestan were considered state lands was immaterial to them. Their tribal lands were an integral part of their identity, tradition and way of life. A way of life which consisted of

<sup>&</sup>lt;sup>69</sup> Fateh, Panjah Sal Naft-e Iran, P. 260.

<sup>&</sup>lt;sup>70</sup> Lockhart, *The Record of the Anglo-Iranian Oil Company*, p. 20.

<sup>&</sup>lt;sup>71</sup> Lockhart, ibid, p. 44.

a year round migration from one grazing land or pasture land to another. From their winter quarters (*Qeshlaq*) in Khuzestan to their summer quarters (*Yeylaq*) in ChaharMahal.<sup>72</sup> Moreover, this collective tribal property was governed, internally, by a complex system of ownership whereby each tribe had their own designated tract of land. Within these designated tribal territories, there were even families that owned lands. The sale or transference of such tracts of land, was documented and their borders clearly defined in a title document (*Benchaqi*).<sup>73</sup>

The crux of the dispute with the Company, lay in the fact that each side held conflicting notions of ownership. For the Bakhtiaris, the Shah's claim to ownership only meant that he had the right to demand tax or tribute from them. But, the Company's officials, whose notion of property was derived out of the tenants of modern capitalism, believed land ownership to be an exclusive right one has over a certain tract of land. This, rather than a system of possession whereby each tract of land has multiple claimants only to the revenue derived from it.<sup>74</sup> In addition, the Oil Syndicate also tried to make the claim that all uncultivated or fallow lands, including tribal pastures, were considered

<sup>&</sup>lt;sup>72</sup> Bahram AmirAhmadian, "Sakhtar-e Sonati, Edari va Modiriyati-ye II-e Bakhtiari va Karkardha-ye An", *Faslnameh-ye Motale'at-e Meli*, 19, 5<sup>th</sup> Year, No. 3, (2004 (1383)); Leonard .M. Helfgott, "Tribalism as a Socioeconomic Formation in Iranian History", *Iranian Studies*, Vol. 10, no. 1/2 (Winter-Spring, 1977), p. 42.

<sup>&</sup>lt;sup>73</sup> Asghar Karimi, "Nezam-e Malekiyat-e Arzi dar II-e Bakhtiari," *Honar va Mardom*, no. 189/190 (1978), pp. 70-80.

<sup>&</sup>lt;sup>74</sup> Katayoun, *Cracking Petroleum with Politics*, p. 67-68. These contradictory notions of ownership were not unique to European thought. For example, prior to the *Tanzimat*, land use patterns in Transjordan were based on tribal membership, or measured in terms of productive activities or spaces, such as the amount of space that could be ploughed by a team of oxen or land necessary to support livestock. Once the Land code of 1858 was decreed and Ottoman subjects were required to register their use of land with the state, a new notion of ownership clashed with the old one. Now, space and land were parceled out into divisible, bounded, and abstract spatial units, and then registered to individuals. See: Lynda Carroll, "Building Farmsteads in the Desert: Capitalism, Colonialism, and the Transformation of Rural Landscapes in Late Ottoman Period Transjordan", in: Croucher, Sarah .K. and Weiss Linda (eds.), *The Archaeology of Capitalism in Colonial Contexts*, (New York: Spring, 2011), pp 105-120.

wasteland and thus, according to the terms of the concession, should be ceded free of charge.<sup>75</sup>

This last notion was not only an attempt by the company to gain as much territory as it can without paying for it. It was influenced by a certain notion of entitlement and prejudice, shared by many Europeans, particularly the British, concerning other non-European countries and their populations. By the end of the 19<sup>th</sup> century, the prevalent thought among many European nations was that their technological, military, industrial and economic capabilities and wealth were proof that theirs was a superior civilization. Thus, the ability to gauge the worth of a nation's civilization was in its ability to master its natural resources and utilize them to suit its needs. This way, scientific, and particularly technological skills became the "objective" criteria by which other non-European nations were classified and divided between a false dichotomy of "civilized" and "uncivilized".<sup>76</sup> This classification was often cited by British officials, as the pretext justifying the Empire's hegemony over other non-European nations.<sup>77</sup>

It was certainly the way many British officials gauged Iran. Lord Curzon, one of the more influential figures on British policy in Iran, exemplified this view in his book "Persia and the Persian Question". Curzon, lists the 'apathy of the people and the neglect of the government' as one of the major reasons for Iran's inability to transform its natural

<sup>&</sup>lt;sup>75</sup> Khazeni, Tribes and Empire on the Margins of Nineteenth-Century Iran, p. 125.

<sup>&</sup>lt;sup>76</sup> Ania Loomba, *Colonialism/Post Colonialism*, (London & New York: Routledge, 2000), pp 62-63; Michael Adas, *Machines as the Measure of Men: Science, Technology, and Ideologies of Western Dominance*, (Ithaca: Cornell University Press, 1989), p. 134; Robert .L. Nelson, "Emptiness in the Colonial Gaze: Labor Property and Nature", *International Labor and Working Class History*, No. 79 (spring, 2011), pp 161-174.

<sup>&</sup>lt;sup>77</sup> Adas *Machines as the Measure of Men*, pp. 146-147.

resources 'into gold.'<sup>78</sup> The Oil syndicate's officials in Khuzestan were of a very similar mindset. This was hardly surprising as many of them, like Reynolds<sup>79</sup>, were products of the British Colonial system or were previously employed by colonial commercial enterprises like the Burma Oil Company.

The lack of modern industries and modern forms of cultivation were enough indication for Oil Company officials to blame the undeveloped state of the province on the 'avarice' and 'apathy' of the tribes.<sup>80</sup> In the same manner with which European colonialists cast the population and landscape they colonized into the role of "wild" and "wilderness", the Company's officials envisioned Khuzestan and its population.<sup>81</sup> Thus, the province's vast tracts of lands, some serving as tribal winter quarters, which lacked any markings identified with modern ownership (such as fences) or cultivation – were classified as "wilderness", barren wastelands, free for the taking.

## The Bakhtiari Agreement

Faced with the Bakhtiari Khans' uncompromising attitude, Reynolds, reluctantly, entered into negotiations with them. Since the Company had no inroads into Khuzestan nor knowledge about the Bakhtiaris, they sought the assistance of the British government. The task was given to John Preece, the British consul in Esfahan (who also brokered the Bakhtiari road concession in 1895). On November 15, 1905 the "Concessions Syndicate" and the Bakhtiari Khans reached an agreement. According to

<sup>&</sup>lt;sup>78</sup> Curzon, Persia and the Persian Question, Vol. II, p. 527.

<sup>&</sup>lt;sup>79</sup> Reynolds, served as an engineer in British India's public works department in Sumatra before being hired by D'Arcy. See: Ferrier, *The History of the British Petroleum Company volume 1*, p. 54.

<sup>&</sup>lt;sup>80</sup> Katayoun, *Cracking Petroleum with Politics*, p. 74.

<sup>&</sup>lt;sup>81</sup> Stephen .A. Mrozowski, "Colonization and the commodification of nature", *International Journal of Historical Archaeology*, Vol. 3, No. 3 (September, 1999), pp 153-154.

the agreement, in exchange for permission to conduct oil operations in their territory the Company would pay the Khans the sum of 2,000 Pounds annually. Should oil in sufficient quantities be found, this sum would increase to 3,000 Pounds. In addition, the Khans would establish a commercial company that would receive three per cent of the Oil Company's shares.<sup>82</sup>

Ironically, while the Oil Company used the concession as the legal basis for its agreement with the Bakhtiaris, at the same time, it violated the terms of the concession and further undermed the authority of the central government. For example, according to the agreement, should a dispute arise, the role of final arbitrator would be played by British government officials (such as the political resident on Bushehr or in the Mohammerah consulate). Thereby, not only giving the oil company an advantage but, also completely excluding the Central Government from the process.<sup>83</sup> In addition, in order to cater to the Bakhtiaris' perennial fear of Tehran's encroachment, local Iranian government officials were also excluded from any position of influence. Both sides agreed (with the support of the British Government) that the position of the *Karqozar*<sup>84</sup>

<sup>&</sup>lt;sup>82</sup> Agreement between the D'Arcy Syndicate and the Bakhtiari Khans, November 15, 1905, in: Assurances, Undertakings and Agreements, ETC. Made by Certain Chiefs and Khans of Southern Persia with the British Government and Certain Trading Companies, (Calcutta: Government of Indian Press, 1926), IOR, L/PS/20/CS231.

<sup>&</sup>lt;sup>83</sup> See for example articles 3&5 in: Agreement between the D'Arcy Syndicate and the Bakhtiari Khans, November 15, 1905, in: Assurances, Undertakings and Agreements, ETC. Made by Certain Chiefs and Khans of Southern Persia with the British Government and Certain Trading Companies, (Calcutta: Government of Indian Press, 1926), IOR, L/PS/20/CS231.

<sup>&</sup>lt;sup>84</sup> In response to changes in Iranian foreign relations and the expansion of commercial activity in the wake of such treaties as Turkmanchai (1828) and the Anglo-Iranian treaty of 1841, a network of agents of the Ministry of Foreign Affairs, called *Kargozars* was established. The *Kargozari* as an institute independent of the local authorities, emerged only in the 1860's and was fully operative by the 1870s and 1880s. While officially, the primary function of the *Kargozar* was to arbitrate in disputes between foreigners and locals, he often fulfilled a whole host of tasks which were not part of his official mandate. From Tehran's point of view, the *Kargozar*'s job was to maintain order (particularly in border areas), supervise and control the foreigners in his area, as well as impede foreign acquisition of Iranian property.

will be filled by the *Ilkhani*.<sup>85</sup> Thus, completely eliminating the central government's ability to monitor and influence operations on the ground.

Finally, clause 6 of the agreement stated that, once the oil concession expires, all of the oil industries' materials, buildings and apparatuses would be turned over to the custody of the Bakhtiari Khans. This, was in direct contradiction with the terms of the concession which stated that once the concession expires: 'all materials, buildings and apparatuses then used by the Company for the exploitation of its industry shall become the property of the said government [i.e. the Iranian government]'.<sup>86</sup> Perhaps more importantly, this clause could potentially turn the Bakhtiaris' de-facto control over lands they lease to the Company into a de-jure one.

# Reactions to the Agreement and to the Company's Activities

From its outset, the Bakhtiari agreement was controversial. Once the Iranian

Government learned of its existence it refused to acknowledge it, stating that it is 'only

For a detailed discussion on the *Kargozari*'s role functions in the interplay between Iranians, foreigners, foreign governments and the Iranian government, see Vanessa Martin and Morteza Nouraei's three part study on the *Kargozar*: "The Role of the Karguzar in the Foreign Relations of State and Society of Iran from the mid-nineteenth century to 1921. Part I: Diplomatic Relations", *Journal of the Royal Asiatic Society*, Vol. 15, No. 3 (November 2005), pp 261-777; "Part II: The Karguzar and Security, the Trade Routes of Iran and Foreign Subjects 1900-1921", *Journal of the Royal Asiatic Society*, Vol. 16, No. 1 (April 2006), pp 29-41; "Part III: The Karguzar and Disputes over Foreign Trade", *Journal of the Royal Asiatic Society*, Vol. 16, No. 2 (July 2006), pp 151-163. Also see: Gad Gilbar, "Resistance to Economic Penetration: The "Karguzar" and Foreign Firms in Qajar Iran", *IJMES*, Vol. 43, no. 1, (February, 2011), pp 5-23.

<sup>&</sup>lt;sup>85</sup> Notes on the Bakhtiari agreement of November 15<sup>th</sup>, 1905, October 20, 1906. in: Assurances, Undertakings and Agreements, ETC. Made by Certain Chiefs and Khans of Southern Persia with the British Government and Certain Trading Companies, (Calcutta: Government of Indian Press, 1926), IOR, L/PS/20/CS231.

<sup>&</sup>lt;sup>86</sup> See Article 15 of the concession in: Assurances, Undertakings and Agreements, ETC. Made by Certain Chiefs and Khans of Southern Persia with the British Government and Certain Trading Companies, (Calcutta: Government of Indian Press, 1926), IOR, L/PS/20/CS231.

bound by terms of concession as D'arcy should first have referred the matter to them.'<sup>87</sup> Furthermore, Tehran claimed the Khans did not have any right to receive a share of the oil profits, let alone sell or lease state lands to the Company.<sup>88</sup> But, despite these protests, explorations began in the Masjed Soleyman area in the Bakhtiari Mountains in January 1906 (the agreement itself remained a red flag for subsequent Iranian governments, till it was finally annulled by Reza Khan in 1924).<sup>89</sup>

Meanwhile, Company officials in Khuzestan were dealing with growing security problems. Safeguarding oil operations and the lives of the Company's officials was a major challenge from the beginning of explorations in Khuzestan. Company officials, found that, at times, travelling the roads of Khuzestan or conducting surveys and other activities was a hazardous task due to marauding tribes.<sup>90</sup> Well aware that the Iranian government was unable to provide for the security of its operations and officials, the Company, made sure that as part of their agreement with the Bakhtiari Khans, they would provide guards to secure oil operations. But, the agreement was not well received by some of the Junior Khans and tribesmen who felt left out. As a result, there were instances of thefts, robberies and even sabotage.<sup>91</sup>

<sup>&</sup>lt;sup>87</sup> See telegram titled: *Refusal of Persian Government to Recognize Agreement Between the D'Arcy Syndicate and the Bakhtiaris*, January 12, 1906 in: *Assurances, Undertakings and Agreements, ETC. Made by Certain Chiefs and Khans of Southern Persia with the British Government and Certain Trading Companies*, (Calcutta: Government of Indian Press, 1926), IOR, L/PS/20/CS231.

<sup>&</sup>lt;sup>88</sup> Cronin, Tribal Politics in Iran, p. 137.

<sup>&</sup>lt;sup>89</sup> Melamed, "The Geographical Pattern of Iranian Oil Development", p. 200,

<sup>&</sup>lt;sup>90</sup> Lockhart, *The Record of the Anglo-Iranian Oil Company*, p 69; Arnold .T. Wilson, *SW Persia; A Political Officer's Diary 1907-1914*, (London: Oxford University Press, 1941), p. 72.

<sup>&</sup>lt;sup>91</sup> Kaveh Ehsani, The Social History of Labor in the Iranian Oil Industry, p.44; Lockhart, The Record of the Anglo-Iranian Oil Company, 76-83.

In addition, Tehran tried to pressure the Khans into revising or annulling their agreement with the Company. As part of these attempts, Samasam al-Salataneh, the *Ilkhani*, was replaced by Tehran. In addition, he, along with other senior Khans, were held hostage in Tehran.<sup>92</sup> These steps increased the already tense relations between the rival Bakhtiari clans which in turn effected the security of the oil operations. Now, disruption of oil activities became part of the internal power struggle between the senior Khans.<sup>93</sup> This chaotic situation prevailed throughout 1907, and was further effected by the upheavals of the constitutional revolution.

As instances of theft, sabotage, and even assault against the Company's staff (in some cases, even tribesmen who were employed by the Company were attacked) and its installations increased, it became clear that the attacks were not just the result of intertribal political battles. There was also growing resentment toward the presence of the oil company. This resentment was also shared by some of the senior Khans. Sardar-e As'ad, who had replaced Samsam UI-Saltaneh as *ilkhani*, was one of the more prominent critics of the agreement. Once appointed as *llkhani*, he denounced the Bakhtiari agreement he was pressured by the other senior Khans to sign six months earlier. He also claimed that he and other signatories were not aware of the possible implications for the Bakhtiaris.<sup>94</sup> This claim was somewhat affirmed by Preece who admitted that not only

<sup>&</sup>lt;sup>92</sup> Ghaffar PoorBakhtiar, "Bakhtiariha, Naft va Dowlat-e Engelis", *Faslnameh-ye Motale'at-e Tarikhi*, No. 20 (2008 (1387)), pp 89-90.

<sup>&</sup>lt;sup>93</sup> Lockhart, ibid, pp. 89-91

<sup>&</sup>lt;sup>94</sup> Ferrier, The History of the British Petroleum Company volume 1, pp 77-78, 80-81.

had the Bakhtiari Khans settled for 'next to nothing', but, they also possessed 'but the very crudest ideas of Companies, shares, and such like things.'<sup>95</sup>

For their part, the Company and the British government viewed these actions as those of "wild tribes", who were unable to govern their passion and greed. In late 1907, as a result of the general state of insecurity, a detachment of Indian Cavalry commanded by Arnold Talbot Wilson<sup>96</sup>, was sent to secure oil operations at Maidan-e Naftun, near Masjed Soleyman.<sup>97</sup> This show of force was part of Reynolds' no-compromise policy against the Bakhtiari khans. A policy that received the full support of Lorimer, the British Vice-Consul at Ahwaz. Reynolds and Lorimer soon employed other steps (such as withholding pay from the Khans, or punishing tribes that had acted against the company) as part of this policy, with the ultimate aim of forcing the Khans to uphold their end of the guarding agreement.<sup>98</sup>

#### Discovery of Oil

On May 26, 1908, oil in commercial quantities was finally struck in Maidan-e Naftun. This discovery came at the nick of time for the Syndicate, that was just about ready to give up its explorations in Masjed Soleyman, if not the entire operation altogether.<sup>99</sup> By this time, the Iranian Government's presence was so inconsequential that D'arcy asked

<sup>96</sup> Wilson was destined to have a long relationship with the company and its officials. First as acting consul in Mohammerah (1909-11), then as British Commissioner for the Turco-Persian Frontier Commission (1913-14); and eventually, as an employee of the company. He served as joint General manager Mohammerah for APOC's local agents, Strick Scott & Co (1921), and then as general manager for APOC in Mohammerah (1923-24), and finally as the director of Middle Eastern Operations (till 1932).

<sup>&</sup>lt;sup>95</sup> Khazeni, *Tribes and Empire on the Margins of Nineteenth-Century Iran*, p. 122; PoorBakhtiar, "Bakhtiariha, Naft va Dowlat-e Engelis", p. 86.

<sup>&</sup>lt;sup>97</sup> Wilson, SW Persia; A Political Officer's Diary, pp 17-19, 53.

<sup>&</sup>lt;sup>98</sup> Khazeni, *Tribes and Empire on the Margins of Nineteenth-Century Iran*. pp. 141-145, 129-139; PoorBakhtiar, "Bakhtiariha, Naft va Dowlat-e Engelis", pp 89-94.

<sup>&</sup>lt;sup>99</sup> Ferrier, The History of the British Petroleum Company volume 1, p. 91.

Preece whether, according to the Oil Concession, the Company was even obligated to inform Tehran that oil in sufficient quantities had been found. Preece, toeing the careful line of the British Government, thought it best to inform the Iranian government, which he subsequently did.<sup>100</sup>

It is doubtful whether there was much that Tehran could do even if Preece had not informed it of the discovery. The continuing power struggle between the Shah and the constitutionalists, as well as the struggles between the various factions in the *Majles*; brought the already ineffective central system of rule in the country to a virtual standstill. A month after oil was struck, on June 23 1908, this bitter struggle culminated in Mohammad Ali Shah's coup (aided by Russia and Britain) which included the bombing of the *Majles* by the Cossack Brigade and the subsequent arrest of the constitutionalists who were besieged in the building.

# The establishment of the Bakhtiari Enclave

For the Company and the British government, the growing chaos in the country made relations with the Bakhtiari Khans and other tribal leaders, even more important. Particularly, now that oil in sufficient quantities was found in the province and the Bakhtiaris rose to prominence on the national political scene.<sup>101</sup> For the Khans, the wish to drive out the Indian guard as well as the prospect of wealth that would fill their coffers, were good enough reasons to bury the hatchet.<sup>102</sup> By July 1909, trust was

<sup>&</sup>lt;sup>100</sup> Lockhart, *The Record of the Anglo-Iranian Oil Company*, p. 103.

<sup>&</sup>lt;sup>101</sup> By mid-1911, many prominent positions in the Iranian government were held by senior Bakhtiari khans. See: Garthwaite, *Khans and Shahs*, pp 121-125.

<sup>&</sup>lt;sup>102</sup> Khazeni, Tribes and Empire on the Margins of Nineteenth-Century Iran, pp. 149-150; Cronin, Tribal Politics in Iran, pp 135-141.

restored and the British government withdrew the Indian detachment and Bakhtiari guardsmen took over all guarding responsibilities.<sup>103</sup>

Almost immediately after word had reached London that oil was struck, negotiations between the oil syndicate's partners began for the establishment of a new Company (as was stipulated in the oil concession). During the first few months, Burma Oil's board of directors was hesitant to approve the establishment of a new company. Once well no. 3 was struck in September 1908 and its output was estimated to exceed that of the first two oil wells, the board was convinced that conditions were met for the establishment of the "big company".<sup>104</sup> Thus, on April 14<sup>th</sup>, 1909, the Anglo-Persian Oil Company (hereafter – APOC) was incorporated with a capital of 2 million Pounds, making it the third largest oil company at the time, after Shell and Burma Oil. The importance of the event did not escape Wilson, by then the British Consul at Mohammerah, who described APOC's establishment as 'the most important and far-reaching event affecting British interests that has happened in Arabistan [sic] since the opening of the Karun in 1888.'<sup>105</sup>

The task facing the newly founded Company was daunting. The budget was tight, and, despite its success in finding oil in the area, there was no real certainty that other oil wells would be found that could sustain the Company commercially in the long run. This skepticism was also shared by senior British officials who thought, even before oil was

<sup>&</sup>lt;sup>103</sup> Elwell-Sutton, *Persian Oil: A study in Power Politics*, p. 21.

<sup>&</sup>lt;sup>104</sup> Corley, A History of the Burmah Oil Company, p. 140.

<sup>&</sup>lt;sup>105</sup> Administration Report of his Britannic Majesty's Consulate for Arabistan, Mohammerah for the Year 1909, IOR, R/15/1/710.

struck, that the entire enterprise was hopeless.<sup>106</sup> Further reasons for concern were the physical conditions in the area of operations. There were no suitable roads into the oil field at Maidan-e Naftun. To reach it, one had to climb a winding track that followed the Tembi River and was prone to floods. Indeed, once oil was found, the task of laying down the pipeline proved to be no less challenging, as the tanks and pipes at Tembi had to be placed on top of steep hills (whose height ranged from approximately 183 and 244 meters, crossing mountain ranges as high as 396 meters). All the while having to transport pipes and other materials via winding and narrow mule tracks.<sup>107</sup>

In January 1910, APOC launched its ambitious project of constructing some 220 kilometers of pipeline to transport the oil from the fields of Masjid Soleyman to the Abadan peninsula where the refineries were being built. This was in addition to the erection of other important oil installations such as pumping houses, oil tanks and a communications' infrastructure. The pipeline was laid as nearly as possible to the Karun River in order to facilitate delivery of construction material. But, due to the soil's salinity, the pipes could not be buried for fear of corrosion and were placed, instead, on supports above ground.<sup>108</sup>

The expansion of operations meant that new tracts of land would have to be acquired for the expanding pipeline and installations. Subsequently, the Company and the Bakhtiari Khans entered into negotiations which culminated in the signing of a series

<sup>&</sup>lt;sup>106</sup> Ferrier, *The History of the British Petroleum Company volume* 1, p. 75, 115; H.M. McIntyre, "the First Persian Pipe-Line", *The Naft*, VI. II, No. 6 (November, 1926). BP, 175262

 <sup>&</sup>lt;sup>107</sup> H.M. McIntyre, "the First Persian Pipe-Line", *-The Naft*, Vl. II, No. 6 (November, 1926). BP, 175262
 <sup>108</sup> On the pipeline's route see: Melamed, "The Geographical Pattern of Iranian Oil Development", p. 201

of contracts. On April 8, 1909, in order to consummate the relationship between the sides, the "Bakhtiari Oil Company" (BOC) was established. The method of payment between APOC and the BOC was as follows: APOC would sell the BOC oil below cost price and the BOC would in turn resell the oil back to APOC at normal price. The Khans received three per cent of the BOC's profits and the remaining 97 per cent would go to APOC. The important aspect of this agreement was less the method of payment and more the source from which the funds to the Bakhtiaris was allocated. APOC essentially took advantage of the vague wording of the oil concession and the weakness of the Iranian government, and deducted the Khans' three percent from the central government's royalty payments (a practice that went on till 1920).<sup>109</sup>

Moreover, the agreement conferred upon the Bakhtiari Oil Company, and by extension on the Khans themselves, 'all rights and the privileges granted by the concession so far as the same relates to the Bakhtiari country.' In exchange, the BOC was to 'assume all the engagements and liabilities of the concessionaire and of the other three parties to the agreement [all the parties involved in the concession syndicate] in so far as the Bakhtiari country was concerned.'<sup>110</sup>

Now that the Bakhtiari Khans' authority as stated in the contract, was effectively on par with the central government, it was much easier for APOC to convert state or private lands in the Bakhtiari Oil Company's territory into concessionary property.

<sup>&</sup>lt;sup>109</sup> Cronin, *Tribal Politics in Iran*, p. 136; Elwell-Sutton, , *Persian Oil: A study in Power Politics*, pp. 19-21, 29

<sup>&</sup>lt;sup>110</sup> Lockhart, *The Record of the Anglo-Iranian Oil Company*, p. 121.

Essentially, the purpose of this agreement was, as Shafiee Katayoun described it, to establish 'alternate forms of property agreements that overlooked the articles of the concession.'<sup>111</sup> The agreements signed with the BOC defined the territory in which oil operations took place as APOC's private property (for the duration of the concession). In addition, the Khans agreed that along the course of the pipeline until the border of their territory to the South, no tribe will have the right to 'enter, to cultivate or to graze their flocks and cattle within these boundaries' (in this case it referred to the territory stretching from Maidan-e Naftun along the pipeline's course until the border of the Bakhtiari territory).<sup>112</sup> Moreover, the contract also made sure that no previous or future rival claims to the Company's territory could be made as its inhabitants do not have, 'any right to lodge complaint, to interfere, to prevent (i.e. exercise of rights) or to claim ownerships.'<sup>113</sup>

Thus, the Company with the help of the senior Khans effectively dispossessed other Bakhtiari tribesmen from their territory and livelihood. A good example is that of the Qiri Sadats. Traditionally, the Qiri Sadats had extracted crude oil in the Masjed Soleyman area and produced tar from it. On the 1st of October, 1906, they reached an agreement with Reynolds whereby in exchange for abandoning their oil industry and

<sup>&</sup>lt;sup>111</sup> Katayoun, Cracking Petroleum with Politics, p. 88.

<sup>&</sup>lt;sup>112</sup> See Land Agreement between the Oil Company and the Bakhtiari Khans Dated 16<sup>th</sup> May 1911, in: Assurances, Undertakings and Agreements, ETC. Made by Certain Chiefs and Khans of Southern Persia with the British Government and Certain Trading Companies, (Calcutta: Government of Indian Press, 1926), IOR, L/PS/20/CS231.

<sup>&</sup>lt;sup>113</sup> See Land Agreement between the Oil Company and the Bakhtiari Khans Dated 16<sup>th</sup> May 1911, in: Assurances, Undertakings and Agreements, ETC. Made by Certain Chiefs and Khans of Southern Persia with the British Government and Certain Trading Companies, (Calcutta: Government of Indian Press, 1926), IOR, L/PS/20/CS231.

territory, they would receive a yearly payment of 350 Tumans as well as a yearly supply of crude oil and bitumen equivalent to the amount they extracted there.<sup>114</sup>

However, in early 1911, the Qiri Sadats claimed the Bakhtiari Khans had leased their property to APOC without their consent. They even turned to the *Kargozar* and the *Majles* and presented a document proving they were the true owners of the territory and not the Bakhtiari Khans.<sup>115</sup> The Qiri Sadats were not the only ones who tried to oppose the Company and the Khans. Other tribes refused to evacuate their lands and interfered with the works on the ground. In addition, there was growing criticism on the conduct of the senior Khans on the part of rank and file tribesmen as well as other junior khans. Opposition turned to distrust once it was discovered that the senior Khans failed to allot alternate lands to those evacuated and also pocketed the compensation the Company paid them to give other tribes for their loss of crops. By early 1911, Dr. Young, APOC's chief medical officer and one of its chief negotiators with the Bakhtiaris, expressed his concern from this growing rift between the senior Khans and their tribesmen, calling the former absentee landlords, who were detached from their own people and oblivious to what was happening on the ground.<sup>116</sup>

<sup>114</sup> Lockhart, *The Record of the Anglo-Iranian Oil Company*, p. 69; Maryam, Esmaili, "Khanevadeh <<Sadat Qiri>> cheh Kasani Boodand?", *Mash'al: Nushrieh-ye Karkonan-e San'at-e Naft-e Iran*, NO. 772, (Bahman, 1394 (January/February, 2016)),p. 37; *Agreement between William W.K. D'Arcy and the Kili Sayyeds Dated 1st October, 1906*, in: *Assurances, Undertakings and Agreements, ETC. Made by Certain Chiefs and Khans of Southern Persia with the British Government and Certain Trading Companies*, (Calcutta: Government of Indian Press, 1926), IOR, L/PS/20/CS231.

<sup>&</sup>lt;sup>115</sup> See Dr. Young's report from January 12, 1911, titled: *Bakhtiari Affairs: (a) The Land Problem.*, BP, 71691; Ehsani, *The Social History of Labor in the Iranian Oil Industry*, p. 121 <sup>116</sup> *Bakhtiari Affairs: (a) The Land Problem*, BP, 71691.

Young, did not place the blame solely on the Khans' conduct. He also criticized the initial agreement the Company had signed with them. According to Young, while it was impossible to foresee the scope of operations in the days of explorations, the agreement wrongly assumed that the Khans were the sole owners of the property. In addition, Young criticized the language of the agreement describing it as being vague concerning some issues (such as the distinction between uncultivated and cultivated lands).<sup>117</sup>

Despite this growing opposition, in May 1911, the Khans signed an additional agreement with the Company, whereby they acknowledged that any additional claims by the Qiri Sadats were null and void and the responsibility of dealing with such an issue, should it arise, lies solely with them.<sup>118</sup> On the same month, they informed all tribesmen who live in the vicinity of the Company's operations that they are not 'allowed or permitted to live in the lands which we have sold to the Oil Company on behalf of the great Khans' families in general; you have no right either to graze your flocks in their grazing fields.' This order was followed by a warning that anyone trespassing into the Company's area and causes damage to the Company's installations and infrastructure, will be liable to severe punishments.<sup>119</sup>

<sup>&</sup>lt;sup>117</sup> Bakhtiari Affairs: (a) The Land Problem, BP, 71691.

<sup>&</sup>lt;sup>118</sup> Undertaking Made by the Bakhtyiari Khans Regarding the Kili Sayyeds, in: Assurances, Undertakings and Agreements, ETC. Made by Certain Chiefs and Khans of Southern Persia with the British Government and Certain Trading Companies, (Calcutta: Government of Indian Press, 1926), IOR, L/PS/20/CS231.
<sup>119</sup> The Bakhtiari Khans' Orders to their Tribesmen Regarding the Oil Company's Employees, in: Assurances, Undertakings and Agreements, ETC. Made by Certain Chiefs and Khans of Southern Persia with the British Government and Certain Trading Companies, (Calcutta: Government of Indian Press, 1926), IOR, L/PS/20/CS231.

By early 1912, when the pipeline and the refinery in Abadan were in advanced stages of construction, it was clear that the oil industry had already wreaked havoc on Bakhtiari society, causing irreparable damage to its very fabric. Over the next decade or so, the senior khans benefited from the agreements they signed with APOC, turning them into wealthy landlords. But, they did so at the expense of the junior Khans and the rank and file tribesmen.<sup>120</sup> The tribes whose winter pastures lay in the vicinity of the oil fields were soon forced to adapt to a radically transformed environment. No-entry zone, oil derricks and pipelines now filled their landscape. Where tribes used to herd their flocks and pitch their tents, were tribal guards policing the area and keeping away other tribesmen as laborers also hampered the ability of many tribes to effectively cultivate and tend to their flocks. Particularly, as the numbers of those who preferred to remain employed by APOC during the seasonal migration to the summer pastures grew.<sup>121</sup>

## Expanding Operations into Arabestan

Concomitant with the drafting of the pipeline scheme, the Company began looking for a suitable site to build its refinery. As early as June 1908, Company engineers considered the Abadan peninsula, at the southern end of Arabestan, as a suitable site. The location had two major advantages. The first, was convenient access to the international markets via the Persian Gulf. The second, was easy access to the Karun

<sup>&</sup>lt;sup>120</sup> Cronin, Tribal Politics in Iran, pp 73-79.

<sup>&</sup>lt;sup>121</sup> Touraj Arabaki, "From 'Amaleh (Labor) to Kargar (Worker): Recruitment, Work Discipline and Making of the Working Class in the Persian/Iranian Oil Industry", *International Labour and Working-Class History*, No. 84 (fall, 2013), pp 159-175; Khazeni, *Tribes and Empire on the Margins of Nineteenth-Century Iran*, p. 112.

River which allowed to transfer stores and goods up the river to the operations' area, while avoiding the difficulties involved in land transport. Several locations in the peninsula were considered as possible locations, until, finally, a strip of land lying south of the town of Mohammerah (present day Khorramshahr), between the rivers Bahmanshir and Arvand (the Shatt al-Arab) and two Arab villages, Braim and Bawardeh was deemed the most suitable.<sup>122</sup>

Arabestan, as the lowlands area to the west and South of the Zagros Mountains range was called, was named so after the dominance of its Arab tribal society. While some historians claim that Arabs had arrived in the area following the Muslim conquest of Iran somewhere around 641 AD<sup>123</sup>, others have claimed that Arab presence pre-dated this event.<sup>124</sup> Either way, it is only from the Safavid era, in wake of an influx of Arab migration into the area, that the use of the term "Arabestan" came to denote the area and that the title of governor or *Vali* of Arabestan had come into use.<sup>125</sup>

By the late 19<sup>th</sup> century, the majority of Arabestan's inhabitants were Arab tribespeople, mainly located in its central, Western and southern parts. Like the rest of Khuzestan, Arabestan's population was host to nomad pastoralists, and other tribes and inhabitants sparsely scattered and divided into semi sedentary and full sedentary centers

<sup>&</sup>lt;sup>122</sup> Abadan Refinery Siting, June 12, 1927, BP, 71439.

<sup>&</sup>lt;sup>123</sup> Curzon, *Persia and the Persian Question*, Vol. II p. 321; Percy Sykes, *Persia*, (Oxford: Clarendon Press, 1922), P. 42

<sup>&</sup>lt;sup>124</sup> See for example: Ann Lambton, "Ilat", *Encyclopedia of Islam, Second Edition*, (Brill Online); Al-Hilo
'Ali Ni'mat, *Al-Ahwaz: "Arabistan" fi Adwarha al-Tarikhiya*, Vol. 2, (Baghdad: Dar al-Basri), p. 25.
<sup>125</sup> Svat Soucek, "Arabistan or Khuzistan", *Iranian Studies*, Vol. 17, No. 2/3 (Spring-Summer, 1984), pp
203-204; The renowned geographer, Yaqut al-Hamawi (1179-1229), in his seminal work *Kitab Mu'jam al-buldan*, written between the years 1224-1228, refers to the area as Khuzestan. See: Yaqut al-Hamawi, *Mu'jam al-buldan*, Vol. 2, (Beirut: Dar Sader, 1977), pp 404-405; Willem Floor, "The Rise and Fall of the Banu Ka'b: A Borderer State in Southern Khuzestan", *Iran*, Vol. 44 (2006), pp 279-280.

and communities (town as well as village dwellers). While its southern parts were mostly inhabited by Arab tribes, in the Northern parts, which included the area of the towns of Dezful and Shushtar, the population was mainly made up of Lor tribes. The surrounding areas of both towns was the focus of constant dispute between Arab and Lor tribes, including the Bakhtiaris which used it as their winter quarters. The eastern parts of the province, such as the Ramhormuz area were predominantly Bakhtiari areas.<sup>126</sup>

Persian and Arabic were the spoken languages in the province. The more South one would travel, the more Arabic he would hear (conversely, the more East one would go the more Persian he would hear), especially, outside the settled areas. However, the Arab tribes were also influenced by the non-Arab tribes that lived in close proximity to them and adopted certain customs, style of dress and spoke in Arabic rife with Persian words.<sup>127</sup> The economic structure of the province, much like that of the rest of the country, relied almost solely on agriculture and its related activities.<sup>128</sup>

Much like the Bakhtiaris, the Arab tribes or tribal confederations, by power of tradition, held on to a specific tracts of land. These lands were divided among the various sections of the tribe that cultivated them. The nature of land tenure varied according to various factors such as the size of the tribe, the soil, source of water supply and the kind of crop that was cultivated - the latter two, were the more important factors. The

 <sup>&</sup>lt;sup>126</sup> Shahbaz Shahnavaz, Britain and the Opening of South-West Persia 1880-1914, pp 122-123.
 <sup>127</sup> Shahnavaz, ibid, p. 123; Austen Henry Layard, Early Adventures in Persia, Susiana, and Babylonia, Including a Residence among the Bakhtiyari and Other Wild Tribes Before the Discovery of Nineveh, (London: J. Murray, 1887), Vol.2, pp 79-80.

<sup>&</sup>lt;sup>128</sup> Julian Bharier, *Economic Development in Iran*, pp 3-7.

principal crop raised by the tribes was dates which were grown along the margins of the rivers.<sup>129</sup>

Prior to the opening up of the Karun River for trade in 1888, most of the lands in the province were *Khaleseh*, which the tribes themselves treated as their own collective property. The bulk of these lands were divided between five major Arab tribal configurations or confederacies ruled by 5 different paramount sheikhs: The Ka'b of Falahiyeh (present day Shadegan), Ka'b of Mohammerah (present day Khorramshahr), al-Kathir (ruled the area between Dezful and Shushtar in the northern part of Arabestan), the al-Khamis (inhabited the Ramhormuz area) and the tribes in the Hoveizah area (most notable of which are the Bani Torof and Bani Lam).<sup>130</sup>

One of the most significant events in Arabestan, prior to the arrival of the oil company, was the opening of the Karun River for free international trade in 1888. The opening of the river for trade was promoted by the British so that it could secure their hold over Southern Iran, commercially and politically. Commercially, the Shushtar-Esfahan route, was shorter, safer and cheaper than the Bushehr - Esfahan route which was in use up until then. In addition, the Karun route provided the British with easier access and the opportunity to develop the fertile lands north of Dezful. Politically, by gaining access to the Karun, the British gained more inroads to Southern Iran, particularly

 <sup>&</sup>lt;sup>129</sup> Mostafa Ansari, *The History of Khuzistan, 1878-1925*, p. 247; Yusuf 'Azizi Bani Taraf, *al-Qabail wa al-'Ashair al-'Arabiya fi Khuzistan*, Translated to Arabic by: Jaber, Ahmed, (Beirut: Dar al-Kanuz al-'Arabiya, 1996); Al-Hilo 'Ali Ni'mat, *Al-Ahwaz Qabailha wa Usaruha: Mash Dimughrafi lil-Insan al-'Arabi 'ala Ard 'Arabistan*, Vol. 4, (Najaf: Matba'at al-Gharī al-Hadithah, 1970).
 <sup>130</sup> Kasravi, *Tarikh-e Pansad Saleh Khuzestan*, pp 185-186.

into Arabestan, further securing their hold on the area both against Russian encroachment. Moreover, it allowed them to better secure the maritime route to India.

For the local residents, the opening of the Karun, created favorable socioeconomic conditions - linking an internal maritime route to the Persian Gulf, brought about a commercial revival to Arabestan as the volume of its domestic, as well as international, trade grew. By 1905, the port of Mohammerah became the most important center for domestic trade in Arabestan along with the port of Naseri (Ahwaz).<sup>131</sup> Foreign trade was carried out almost exclusively through Mohammerah. The main articles of export were dates that were primarily shipped to India, the United States and the UK. Other articles of export included: wool, gum, oil-seeds and opium. By 1905-6, the annual worth of exports doubled that of 1890 reaching 100,000 Pounds.<sup>132</sup> Imports also increased by more than 50 percent compared to 1890 and reached an annual worth of 225,000 pounds.<sup>133</sup>

This economic revival also affected trends in the province's demographics. Since there was no general census held in the province during the Qajar era, it is very difficult to estimate the actual growth in Arabestan's population. In 1869/70, a census of the towns and villages was conducted by the governor (upon the order of Nasser al-Din Shah). According to this survey, the number of residents in Khuzestan was estimated at

<sup>&</sup>lt;sup>131</sup> John Gordon Lorimer, *Gazetteer of the Persian Gulf, Oman, and Central Arabia*, vol. 2 (Calcutta: Superintendent Government Printing, 1908), pp 131-133.

 <sup>&</sup>lt;sup>132</sup> Lorimer, ibid, pp 129-130; Shahnavaz, *Britain and the Opening of South-West Persia 1880*-1914, p. 87.
 <sup>133</sup> The main items of import were: cotton goods, sugar, metal and metal goods, thread and twist, tea, silk and wood for making date boxes – mainly imported from British India and other parts of the British Empire as well as several other European countries. See: Lorimer, pp 130-131.

91,490.<sup>134</sup> However, given the fact that the majority of the province's population were predominantly nomadic, constantly shifting in large numbers as they travelled to and from their winter and summer quarters, this survey can only be considered as a partial one. Shahbaz Shahnavaz, compiled the various sources pertaining to this issue and reached the conclusion that in the early 1880s, the province's population was probably somewhere between 160,000-180,000 out of which 130,000-140,000 were Arabs.<sup>135</sup>

In wake of the opening of the Karun there was a wave of migration to the province both from within the borders of Iran as well as outside of it. From within Iran, many came from adjacent provinces such as Fars which, during the 1890s, had experienced economic difficulties partly due to scarcity of food and the diversion of the Bushehr-Esfahan-Tehran trade route to the Mohammerah-Esfahan-Tehran one.<sup>136</sup> Others came from Ottoman Iraq and, in considerable numbers from Bahrein. The main destination of these immigrants were the urban areas, particularly, towns like Ahwaz and Mohammerah which were located along the Karun's main trade route. For instance, Ahwaz and Mohammerah's population increased, respectively, from 420 and 3,000 in 1882 to around 3,000 and 12,000 in 1909.<sup>137</sup> Lorimer, estimated that by 1903 there were approximately 348,680 inhabitants in Arabestan.<sup>138</sup> This estimate seems to be in close

<sup>&</sup>lt;sup>134</sup> Kasravi, Tarikh-e Pansad Saleh Khuzestan, pp 188-195.

<sup>&</sup>lt;sup>135</sup> Shahnavaz, Britain and the Opening of South-West Persia, pp 120-121.

 <sup>&</sup>lt;sup>136</sup> "Fars iv. History in the Qajar and Pahlavi Periods", *Encyclopedia Iranica*, Online Edition, 2012, available at: <u>http://www.iranicaonline.org/articles/fars-iv</u>; Shahvanz, ibid, p. 123
 <sup>137</sup> Shahnavaz, *Britain and the Opening of South-West Persia*, p. 123.

<sup>&</sup>lt;sup>128</sup> Shannavaz, Britain and the Opening of South-West Persia, p. 125.

<sup>&</sup>lt;sup>138</sup> Lorimer, Gazetteer of the Persian Gulf, Oman, and Central Arabia, vol. 2, pp 123-124.

proximity to that of Mostafa Ansari's that Arabestan's population grew from an estimated 200,000 in 1890, to 400,000 in 1916 and remained stable till 1925.<sup>139</sup>

The rise in the volume of trade in wake of the opening of the Karun, increased the cultivation of cash crops, which, in turn, brought about a gradual shift away from nomadic pastoralism to settled and semi-settled agriculture.<sup>140</sup> In 1905/6, out of an estimated number of 348,680 inhabitants in Arabestan, only 119,980 were identified as full time nomads.<sup>141</sup> It seems that the sedentary trend was more prevalent in Northern Arabestan (roughly in the areas of Dezful and Shushtar and East of Ahwaz), while in the Southern parts of the province, according to Lorimer, out of the 204,180 inhabitants, 105,500 were considered settled.<sup>142</sup>

However, even those tribes who were considered settled, were semi nomadic. For example, the Muhaisin tribe in the Abadan Peninsula that numbered around 12,000 people, cultivated dates near Mohammerah, which was their chief town. But, they also grew cereals on the banks of the Karun as far as Wais (North East of Ahwaz). In November, they would leave Mohammerah and migrate to their lands near the banks of the Karun. In February, after having sown the crops, they returned to Mohammerah to fertilize their date trees and in May they would return again to the Karun to reap wheat and barley. In June or July they would go back to Mohammerah and harvest their dates.<sup>143</sup>

<sup>&</sup>lt;sup>139</sup> Ansari, The History of Khuzistan, 1878-1925, p. 264.

<sup>&</sup>lt;sup>140</sup> Ansari, ibid, p. 264.

<sup>&</sup>lt;sup>141</sup> Lorimer, Gazetteer of the Persian Gulf, Oman, and Central Arabia, vol. 2, pp 123-124.

<sup>&</sup>lt;sup>142</sup> Lorimer, ibid, p. 160.

<sup>&</sup>lt;sup>143</sup> John Gordon Lorimer, *Gazetteer of the Persian Gulf. Vol. II. Geographical and Statistical*, (Calcutta: Superintendent Government Printing, 1908), pp. 1252-1253.

## Tribal Power and Sheikh Khaz'al

However profound were the effects of the opening of the Karun on nomadic practices and patterns, they did not undermine the foundations of tribal society. Nor did they undermine the Arab tribal elite's dominance over the affairs of Arabestan. In essence, the tribe remained the defining political, economic and social unit. In fact, from the late 1890s, and even more so during the first two decades of the 20<sup>th</sup> century, tribal dominance over the affairs of the province grew. This was largely thanks to Sheikh Khaz'al (1863-1936) who succeeded to turn Arabestan into his own private fiefdom. His independent status was such that by early 1908, officials in Tehran viewed him as 'a semi-independent feudal prince'.<sup>144</sup>

The same financial crisis that prompted the Iranian government to offer concessions (and allowed D'arcy to obtain his oil concession), provided Khaz'al with the opportunity to take control or dominate the bulk of Arabestan's *Khaleseh* lands. In the late 1890s in order to improve its cash flow situation, the Iranian Central Government began to sell *Khaleseh* lands to private hands.<sup>145</sup> The commercial possibilities that emerged after the opening of the Karun turned the lands in Arabestan into a good investment opportunity which attracted buyers from outside the province. But, in its haste to "make a quick buck", Tehran opted to sell the land in bulk for a single cash payment. This automatically excluded the actual cultivators of the lands from entering

<sup>&</sup>lt;sup>144</sup> See section G in: *Memorandum Respecting British Interests in the Persian Gulf*, March 12/02/1908, BNA, FO/416/35.

<sup>&</sup>lt;sup>145</sup> Gad Gilbar, "The Opening Up of Qajar Iran: Some Economic and Social Aspects", *Bulletin of the School of Oriental and African Studies*, University of London, Vol. 49, No. 1 (1986), pp 80-83.

the sale. Thereby excluding those who would have greater incentive to develop the lands, and ultimately increase the central government's income (from taxes and the sale of the land).<sup>146</sup>

Instead, a class of absentee landlords was created in Arabestan. Many of these landlords were more interested in generating immediate profit than developing their lands. Since they could not directly collect taxes from lands utilized by tribes, they leased them to tribal Sheikhs to act as their tax farmers, thereby giving the latter de-facto control over the territory. The primary beneficiary of this policy was Khaz'al who was entrusted with the lands of Nezam al-Saltanah, the former governor of Arabestan and Fars (1887-1891 and 1895-1897) – who was also one of the largest landowners in the province.<sup>147</sup> While the customary rights of the cultivators were not affected, the real losers here were the weaker and junior tribal Sheikhs that lost their intermediary role as tax farmers to Khaz'al and were now dependent on his good graces.<sup>148</sup>

Tehran's ability to influence what went on in Arabestan was further undermined by the encroachment of the British. Over the years, the British government, maintained a careful balance between the sheikh and the central government. On the one hand, the Sheikh's ability to maintain order in Arabestan and its border areas was important to British commercial and strategic interests. On the other hand, Britain was careful to

<sup>&</sup>lt;sup>146</sup> Ansari, *The History of Khuzistan, 1878-1925*, pp 259-260.

<sup>&</sup>lt;sup>147</sup> The lands of Nezam as well as those of Mushir al-Dowleh were in the Jarahi area and the Sheikh payed 14,000 Tumans annually as the amount of the farm taxing. See: Lorimer, *Gazetteer of the Persian Gulf, Oman, and Central Arabia*, Vol. 2, P. 163. In the early 1920's, Khaz'al purchased these lands from Nezam's heirs. See memorandum regarding Khaz'al's assets dated 01/11/1925, BP, 48005. <sup>148</sup> Ansari. Ibid. p. 260.

preserve the territorial integrity of Iran and use it as a buffer state against Russian encroachment into the Persian Gulf area.<sup>149</sup>

This self-contradictory balancing act had a devastating effect on the ability of the already weak Qajar state to influence its remote provinces. A good example is its attempt to implement the customs reform in Arabestan. Until 1903, Sheikh Khaz'al controlled the customs administration through his capacity as tax farmer for the government (in exchange for an annual sum decided at *nowrooz*). As part of this understanding, he and his headman received tax exemptions on a wide variety of exports and imports.<sup>150</sup> The establishment of the Belgian controlled customs administration in 1903, threatened Khaz'al's privileges and autonomous status.<sup>151</sup>

It also was perceived by the British as a threat to their interests in the area, since they feared the Customs in Mohammerah was among those held as collateral by the Russian government in exchange for a loan given to Tehran.<sup>152</sup> In order to prevent this double threat, the British government provided Khaz'al with assurances that it would provide him assistance against other foreign powers as well as vis-à-vis Tehran - as long as he acts in accordance with British advice.<sup>153</sup> Ultimately, thanks to British pressure and also because of its desperate need to secure his cooperation with the customs reform,

<sup>&</sup>lt;sup>149</sup> See section IV of the *Supplementary Memorandum Respecting British Interests in the Persian Gulf*, March 18/03/1908, BNA, FO/416/35.

<sup>&</sup>lt;sup>150</sup> The main articles of import which were exempt were tea, coffee, arms and ammunitions. The main items of exports were commodities such as dates, dried fruits and wool which were also tax exempt. <sup>151</sup>Arnold .T. Wilson, *Persia: Précis-Relations with the Tribes and Sheikhs of Arabistan*, March 06, 1911,

BNA, FO/881/10059X.

<sup>&</sup>lt;sup>152</sup> John Gordon Lorimer, *Gazetteer of the Persian Gulf, Oman, and Central Arabia, vol. I, Part II Historical*, (Calcutta: Superintendent Government Printing, 1908), pp 2612-2614.

<sup>&</sup>lt;sup>153</sup> See section IV of the Supplementary Memorandum Respecting British Interests in the Persian Gulf, March 18/03/1908, BNA, FO/416/35

Tehran exempted the Sheikh and his tribe from any future increase in taxation. More importantly, he was awarded by the Shah three *farmans,* recognizing his and his tribes' exclusive rights to the districts under his control (mainly to farm taxes).<sup>154</sup> These lands were awarded to Khazal as 'perpetual property' providing he would not sell them to foreigners.<sup>155</sup> The most important of the three *farmans,* as it would turn out, was the one for the Abadan Peninsula.

The decision to grant Khaz'al the *farmans* also reduced the chances of conflict between Tehran and the tribes over land tenure and from this point on, conflicts over land in Mohammerah, Abadan and Fallahieh (present day Shadegan) were between the Sheikh and his cultivators.<sup>156</sup> But, it also meant that Tehran had in fact ceded control over the bulk of its remaining *Khaleseh* lands in the province (by 1911, Khaz'al managed to extend his holdings outside of Iran and was the largest holder of cultivated lands in the Basra district).<sup>157</sup>

Once the Anglo-Russian treaty was concluded (signed on August 31, 1907) it alleviated many British concerns regarding the protection its assets and interests in Iran and the Persian Gulf. As a result, the British government was less keen on undermining the *modus vivendi* that existed between Khaz'al and Tehran. Therefore, the assurances given to the latter were not reiterated. This policy, however, soon changed in the wake of the growing chaos in the country since British policy makers feared for Iran's territorial

<sup>&</sup>lt;sup>154</sup> Wilson, *Persia: Précis-Relations with the Tribes and Sheikhs of Arabistan*, March 06, 1911, BNA, FO/881/10059X.

<sup>&</sup>lt;sup>155</sup> Lorimer, *Gazetteer of the Persian Gulf, Oman, and Central Arabia*, Vol. 2, pp 162-163.
<sup>156</sup> Ansari, *The History of Khuzistan, 1878-1925*, pp 261-263.

<sup>&</sup>lt;sup>157</sup> Wilson, *Persia: Précis-Relations with the Tribes and Sheikhs of Arabistan*, March 06, 1911, BNA, FO/881/10059X.

integrity and for British interests in southern Iran.<sup>158</sup> Moreover, the British were growing increasingly concerned from the threat of German and Ottoman incursions.<sup>159</sup> But above all, it was the establishment of APOC that had the most dramatic effect on British policy in the area and ultimately tipped the scales in Khaz'al's favor.

#### The Abadan Land Agreement

By 1909, Khaz'al was described by the British Consulate at Mohammerah as a 'ruler of a nation within a nation.'<sup>160</sup> By this time, the province was only nominally, under the authority of the governor. His authority was unfelt south of the Dezful and Shushtar regions and he was unable to enter the rest of Arabestan's territory without Khazal's permission. The governor did not even have the authority to summon the sheikh to his presence. It is no surprise then that Khaz'al was formally recognized as the governorgeneral of Arabestan during the absence of the Governor.<sup>161</sup>

Given this state of affairs, Company officials were certain that the central government was unable to fulfill article 14 of the concession that stipulated that Tehran was responsible for providing security measures for the Company's operations.<sup>162</sup> The civil

<sup>&</sup>lt;sup>158</sup> Percy Cox to the Government of India, *Inclosure 2 in no. 168*, March 22, 1908. BNA, FO/416/36. <sup>159</sup> In Britain, critics of the Anglo-Russian agreement even claimed that as a result of this agreement, Germany was not deterred but, intimated into upgrading its naval force, thereby turning into a much bigger threat on British interest. Mansour Bonakdarian, *Britain and the Iranian Constitutional Revolution of 1906-1911*, (Syracuse University Press, 2006), pp 96-97.

<sup>&</sup>lt;sup>160</sup> Arabistan Consulate Administration Report, 1909, IOR, R/15/1/710

<sup>&</sup>lt;sup>161</sup> Inclosure 3 in no. 68, Consul-General of Arabestan to Major Cox, June 06, 1908. BNA, FO/424/219. <sup>162</sup> See articles 14 of the D'Arcy oil concession, in: Assurances, Undertakings and Agreements, ETC. Made by Certain Chiefs and Khans of Southern Persia with the British Government and Certain Trading Companies, (Calcutta: Government of Indian Press, 1926), IOR, L/PS/20/CS231.

war and chaos that raged on in the country, only strengthened the Company's conviction that it was well within its rights to strike individual agreements with local tribal leaders.<sup>163</sup>

Indeed, British officials cited the 'hopeless impotence of the Central Government' as sufficient reason to be skeptical about Tehran's ability to effect any change in the area. Writing to Edward Grey, the British Foreign Secretary, Charles Murray Marling, former British Ambassador to Tehran (1905-1907), crystalized the British view at the time stating that 'there seems to be little prospect that any Administration is likely to be found in Persia, for many years to come, strong enough to attempt to attack the present position of the semi-independent tributary tribes.'<sup>164</sup>

Marling's statement was not just merely an assessment based on realpolitik but, also one based on the notion that non-western civilizations were not developed enough for modern methods of government, and were thus unstable by nature. As Arnold Wilson wrote to his father in wake of the bombardment of the *Majles*: 'Parliaments are not for the East'... and 'they will never take root in this soil or anywhere East of Suez – indeed I sometimes doubt if they will ever take root East of the English Channel and the North Sea.'<sup>165</sup>

It is no wonder then, that once oil was found, Khaz'al quickly transformed from an important ally of the British Empire to a strategic one - at the expense of the central government in Tehran. Once the Company's engineers expressed their interest in the

<sup>&</sup>lt;sup>163</sup> Ferrier, *The History of the British Petroleum Company volume* 1, pp, 114-122.

<sup>&</sup>lt;sup>164</sup> Charles Marling to Edward Grey, *Inclosure no. 168*, April 23, 1908, BNA, FO/416/36.
<sup>165</sup> Wilson, *SW Persia*, p. 44.

Abadan peninsula, the British government of India was quick to realize that 'the views of His Majesty's Government as to the assurances to be given to the Sheikh of Mohammerah, and the conditions thereof, may be affected by the knowledge that we may shortly need Sheikh's goodwill and co-operation in this connection [using the Abadan peninsula for the oil company's operations].'<sup>166</sup>

When it came to negotiating with Khaz'al, APOC was in need, once again, of British government assistance. This time the government's support was crucial. Unlike the Bakhtiari Khans, the Sheikh also sought to gain political capital from the British, mainly in the form of renewed assurances. The Sheikh realized that no matter who rules Tehran, he would come under unwanted scrutiny once he leases lands in Abadan to the Company. This attention, he rightly feared, would eventually lead Tehran to try and fully assert its control over Arabestan. For this reason he conditioned his cooperation with APOC on receiving assurances from the British Government.<sup>167</sup>

There is no doubt that the upheavals and chaos of the civil war in Iran forced the company to strike individual agreements with tribal leaders. Ronald Ferrier, goes as far to claim that the Oil Company's dependency on the services of British Government officials in its negotiations with the tribal Khans and other local tribal leaders came at a great cost. Since, according to Ferrier, it proved to be a 'handicap' that would haunt the Company in

 <sup>&</sup>lt;sup>166</sup> Government of India to Viscount Morley, *Inclosure in no.219*, July 27, 1908, BNA, FO/416/37
 <sup>167</sup> Intelligence Centre Iraq, *Short History of the Sheikhdom of Mohammerah*, November 16, 1946, BNA, WO/106/5974.

future years, because it 'suffered from too close an assumed identification of the Company's interests with those of the British and not the Persian Government.'<sup>168</sup>

While this last claim has some truth to it, British support of the Company was just the opposite of a handicap. It was an effective leverage which the Company often used in its dealings with local players as well as Tehran. One that it also used to try and deceive Khaz'al. Before negotiations between the Sheikh and APOC began, Reynolds and other Company officials, feared Khaz'al would make exaggerated monetary demands. Once more the colonial gaze was at play as Company officials were certain that "greed" and "laziness" of the local "primitive" tribal society drove them to exaggerate prices.<sup>169</sup> According to this view, the "nature and the use of primitive methods of cultivation" (or as Reynold put it, 'Apathy') prevented the Arab tribes from properly cultivating their land. By this logic then, since they were unable to fully develop the true potential of their lands, they compensate for this inability by demanding exorbitant prices.<sup>170</sup>

Therefore Company officials suggested to Cox, the Political Resident in the Persian Gulf, that he pretend he was negotiating on behalf of an unnamed party. Cox, however, refused. The risk that his deception would be revealed was too great, especially, in light of the uncertainty of APOC's future prospects.<sup>171</sup> Cox therefore tried to reassure the Company telling it that it 'must face the necessity of negotiating frankly with the Shaikh,

<sup>&</sup>lt;sup>168</sup> Ferrier, *The History of the British Petroleum Company volume* 1, p.7.

<sup>&</sup>lt;sup>169</sup> Major L.B.H Haworth to the Political Resident in Bushehr, April 25, 1914, IOR, L/PS/10/144/1; George Thompson, "Abadan in its Early Days", *The Naft*, Vol. VII, No. 4 (July 1931), BP, 176326.

<sup>&</sup>lt;sup>170</sup> Ferrier, ibid, p. 123; Ehsani, *The Social History of Labor in the Iranian Oil Industry*, p. 136.

<sup>&</sup>lt;sup>171</sup> Persia Annual Report 1909, p. 34, BNA, FO/416/111.

relying on their representative's adroitness and our diplomatic assistance when the time comes, to secure terms as near fair market rates as possible'.<sup>172</sup>

Thus, in May 1909, the British government sent Colonel Percy Cox to prevent the Sheikh from demanding 'an exorbitant price' from the Company.<sup>173</sup> Soon the full extent of the mutually beneficial relationship between APOC and the British Government was unfolded as APOC financed a loan of 10,000 Pounds from the British government to Khaz'al to carry out irrigation works near Ahwaz.<sup>174</sup> The Company's loan prevented Khaz'al from selling the contract to a non-British company and thus protected British economic interests in the area.<sup>175</sup>

On July 6, Cox delivered Khaz'al the assurance of the British government that: 'whatever change may take place in the form of the Government of Persia - whether it be Royalist or Nationalist, His Majesty's government will be prepared to afford you the support necessary for obtaining a satisfactory solution in the event of any encroachment by the Persian Government on your jurisdiction and recognised rights on your property in Persia.' This assurance was granted to the sheikh and his male descendants so long as he or they shall not fail to observe their 'obligations towards the Central Government' and act according to the advice of the British Government.<sup>176</sup>

<sup>&</sup>lt;sup>172</sup> Lockhart, *The Record of the Anglo-Iranian Oil Company*, p.112, also see: Barclay to Grey, *no. 485*, BNA, March 24, 1909, FO/416/39.

<sup>&</sup>lt;sup>173</sup> Barclay to Grey, *No. 437*, BNA, March 17, 1909, FO/416/39; Grey to Barclay, *No. 498*, BNA, March 25, 1909, FO/416/39.

<sup>&</sup>lt;sup>174</sup> APOC to Foreign Office, *no. 309*, April 28, 1909, BNA, FO/416/40.; Grey to Barclay, *no. 371*, May 06, 1909, BNA, FO/416/40.

<sup>&</sup>lt;sup>175</sup> Persia Annual Report 1909, pp 29-31, BNA, FO/416/111. <sup>176</sup> Ibid.

The agreement between APOC and Khaz'al was signed on July 15<sup>th</sup>, 1909. In exchange for an annual sum of 650 pounds, the Sheikh leased the Company an area of 2,000 square yards on the Shatt al-Arab, between the Arab villages of Braim on the North West and Bawarda on the South East. Another strip of land was leased to connect the company's area to the Bahmanshir River. In addition, Khaz'al agreed to provide lands, free of charge, to lay a pipeline, as well as other uncultivated lands the Company may require for its operations. Like the Bakhtiari agreement, Khaz'al was to receive all the Company's installations and buildings once the concession expires.<sup>177</sup>

This agreement shared common features with the Bakhtiari agreement – mainly the almost complete disregard to the central government's authority and the dispossession of tribes from their territories. But, it also contained articles that were indicative of Khaz'al's astuteness and fears of the future repercussion that the Company's operations might have on his rule. Per his request, the Company agreed not to bring guards and watchmen from other places which were 'at enmity with the Shaikh'. More importantly, APOC was forbidden from interfering in tribal affairs including hiring tribesmen as laborers for its operations without the Sheikh's consent. Finally, the coffer containing the guards pay (funded by APOC) was to be under Khaz'al's control.<sup>178</sup>

However, while this prohibition on hiring laborers from among the tribes allowed Khaz'al and the tribal elite to preserve its power, it would eventually play a part in

<sup>&</sup>lt;sup>177</sup> Agreement between Shaikh Khaz'al ibn Haji Jabir Khan, Sardar Arfa and Anglo-Persian Oil Company, signed July 16th, 1909, BP, 100497.

<sup>&</sup>lt;sup>178</sup> Agreement between Shaikh Khaz'al ibn Haji Jabir Khan, Sardar Arfa and Anglo-Persian Oil Company, signed July 16th, 1909, BP, 100497.

unsettling of the demographic balance in the Abadan Peninsula to the detriment of the Arab tribes.

#### Conclusions

The Abadan agreement and the subsequent ones signed with Khaz'al and the Bakhtiari Khans, allowed the Company to create a territorial continuity from its operations in the Bakhtiaris' territory into Arabestan and all the way to the Shatt al-Arab. Indeed, what started with an insistence that only verbal agreements be made with local tribes in Qasr-e Shirin<sup>179</sup>, ended with signing contracts and agreements with Bakhtiari Khans and Arab Sheikhs, which were in direct violation of the oil concession.

The central government's weakness and the strength of the local tribes may have forced the oil company to reach separate agreements with local magnates, but they also provided it with an opportunity to fully enforce its will over the area. Essentially, these contracts were tools used by the company to turn lands into concessional commodity, to be obtained and utilized to fit its needs.

While the company demanded complete adherence from the parties with which it signed agreements, it did not hold itself to the same standard. Once it had determined that one of its counterparts had violated his contract, it immediately took what seemed to be "disciplinary" actions. Thus, when the Oil Company determined that the central government was unable to govern its provinces and forced it to reach separate agreements with the tribes, it decided that Tehran would suffer the financial

<sup>179</sup> Lockhart, The Record of the Anglo-Iranian Oil Company, Ltd, p. 20

consequences. Therefore, the Bakhtiari Khans' three percent share of the profits, were deducted from the royalties that were to be paid to the Iranian treasury. In a similar fashion, the Bakhtiaris sovereignty was impeded once Reynolds and Lorimer decided to replace their guards with Indian soldiers.

Essentially, by lending their support to the Company, the British government, contrary to its official policy vis-à-vis Iran, showed that potential capital profits derived from oil outweighed the territorial integrity of Iran. The fact that the contracts signed with the tribes were in direct violation of the oil concession, was inconsequential to both company and British government officials. In their view, this was a direct result of the unstable nature of the Iranian regime and its inability to control its provinces. As such, when the time would come, these contracts, could be retracted and reinterpreted as provisional measures.<sup>180</sup>

Until such time, the company, with the help of tribal guards and backed by the might of the British Government, was free to act, unimpeded by the protests of the weak Qajar government. But, it was not enough to take control over the lands of the indigenous tribes, it was also necessary for these lands to be re-imagined and shaped by the colonial gaze. It was a process in which ideologies of race and organization of space developed in a remarkable synergy. Like the "wilderness" which British settler colonies considered as a 'positive empty space' – positive in the sense that it could be reshaped and reconfigured

<sup>&</sup>lt;sup>180</sup> Wilson himself admitted that a permanent agreement between all parties involved was impossible to achieve since: 'everything is as provisional as the Shah's rule itself'. See: Wilson, *SW Persia*, p. 101. This attitude toward contracts with the local tribes was not unique to Wilson or the Oil Company, it was a common practice among British settler colonists. See: Veracini Lorenzo, "The Imagined Geographies of Settler Colonialism", in: Tracey Banivanua Mar & Penelope Edmonds (eds.), *Making Settler Colonial Space: Perspectives on Race Place and Identities*, (US: Palgrave Macmillan, 2010), p. 187.

to suit the colonists' needs. <sup>181</sup> In a similar fashion the establishment of the oil industry rearranged physical spaces and peoples in order to modify the "barren wasteland" of south western to fit the oil company's needs.

No-entry zones, fences, oil rigs, modern buildings, pipelines, pump houses, roads, bellowing flames, telephone and telegraph lines, guards - a myriad of other manifestations of the company's acquisitions soon dotted the landscape. All these came together to create a separate extraterritorial geographical locality. In essence, the oil Company carved itself a territorial unit, an enclave, in which it engulfed entire populations under its direct control. The city of Abadan, as will be further shown, was a microcosmus of this enclave.

<sup>&</sup>lt;sup>181</sup> Tracey Banivanua Mar and Penelope Edmonds, "Introduction: Making Space in Settler Colonies", in: Banivanua Mar Tracey & Edmonds Penelope (eds.), *Making Settler Colonial Space: Perspectives on Race Place and Identities*, (US: Palgrave Macmillan, 2010), P. 9.

## Chapter II: The Establishment of Abadan

#### Introduction: Tehran and Arabestan after the Oil's Discovery

In early march 1908, the *Majles* received reports that Indian cavalrymen had crossed the border into Arabestan and that Cossack forces had crossed Iran's Northern border. In wake of these reports, Hassan Taqizadeh, the representative for Tabriz, wondered what use is there of the *Majles* and the government if they cannot prevent foreign forces from entering Iran freely.<sup>1</sup> Indeed, the state's porous borders and its inability to control its provinces were often discusses in the country's newly formed body of representatives (October 7, 1906 – June 23, 1908). The state's inability to supervise the Oil Company's activity was also brought up during these discussions. Of particular concern was the reports that had reached the *Majles* that the Company was employing a large number of non-Iranian laborers.<sup>2</sup>

Three months after Taqizadeh's criticism, the *Majles* was bombarded by the Shah's forces, ushering in a period of chaos known in Iranian historiography as "*Estebdad-e Saghir*".<sup>3</sup> When the second *Majles* (15/11/1909 – 25/12/1911) finally convened, eighteen months later, it voiced similar concerns regarding the lack of government authority in Arabestan and APOC's unsupervised activities. Arabestan was represented by three elected representatives in the *Majles* - Sheikh Mohammad 'Ali Behjat from Dezful, Mirza

<sup>&</sup>lt;sup>1</sup> *Rooznameh-e Rasmi-ye Keshvar-e Shahanshahi*, 1<sup>st</sup> term session 228, March 04, 1908 (Muḥarram 5, 1326).

<sup>&</sup>lt;sup>2</sup> Rooznameh-e Rasmi-ye Keshvar-e Shahanshahi, 1<sup>st</sup> term session 30, January 20, 1907 (Dhū al-Ḥijjah 5, 1326).

<sup>&</sup>lt;sup>3</sup> "The lesser autocracy"- the name given in Iranian historiography to the period between the bombing of the majles building in June 1908 to the occupation of Tehran by the constitutionalists a year later.

Imanallah Khan Hajj 'Iz ol-Mamalek and Aqa Sayyid Baqer Adib.<sup>4</sup> Of the three, Behjat was the most vociferous in his criticism, constantly confronting the government's representatives. His criticism centered mainly on the weakness of the local government in the province, its inability to collect taxes and the freedom of action that both Khaz'al and the Oil Company enjoyed.<sup>5</sup>

While a special committee was formed by the *Majles* to try and find a solution for the state's inability to control provinces such as Arabestan and Lorestan, its very establishment was met with skepticism, as some of the representatives were concerned that it would only provide the government with an excuse to delay action. As one representative put it: 'the minister of interior knows that Arabestan needs a government and a *Nazmieh* and *Amnieh*<sup>6</sup>, the minister of war knows that reinforcements and an army need to be sent there, the minister of justice knows that a head of judiciary needs to be sent there and the treasury minister knows that a treasury official needs to be sent there.'<sup>7</sup>

All the while, APOC took advantage of the turmoil in Iran to establish its presence on the ground. Particularly, during the "*Estebdad-e Saghir*". The Company was also aided by the relative independence with which the local consulate could act. Much like other remote consulates in Iran, the Mohammerah consulate was given a substantial amount

<sup>&</sup>lt;sup>4</sup> Ashinayi ba Tarikh-e Majales Qanungozari Dar Iran: Dowreh-ye Aval ta Dowreh-ye Shanzdahom (1285-1328) (Introduction to Legislative Parliaments in Iran: 1<sup>st</sup> term to 16<sup>th</sup> term), (Tehran: Markaz-e Pajusheshhaye Majles Showra-ye Eslami, 1387(2005)), p. 42

<sup>&</sup>lt;sup>5</sup> Rooznameh-e Rasmi-ye Keshvar-e Shahanshahi, 2<sup>nd</sup> term sessions: 98, 132, 135, 180, 187, 196,

<sup>&</sup>lt;sup>6</sup> Police and rural police (gendarmerie) forces.

<sup>&</sup>lt;sup>7</sup> *Rooznameh-e Rasmi-ye Keshvar-e Shahanshahi*, 2<sup>nd</sup> term session 198, January 16, 1911 (Muharram 15, 1329)

of leeway and with as little "red tape" involved in running British affairs in the area.<sup>8</sup> This allowed APOC to act with complete disregard not only to Tehran's authority but also toward local Iranian commercial enterprises. For example, once the Company realized that Naseri shipping, the only company licensed by Tehran to sail the upper part of the Karun, had no suitable barges for transporting its pipes, it imported its own barges. On the advice of the British Minister in Tehran and with Khaz'al's support, APOC sailed its barges on the upper Karun. Thus, ignoring Tehran's objections and violating Naseri's commercial monopoly.<sup>9</sup>

Indeed, the British government allowed APOC to act first and worry about Tehran's permission later. As early as January, 1909, Reynolds discussed with APOC management the need for the Company to have its own telegraph and telephone lines connecting the oil fields to the refinery on Abadan Island.<sup>10</sup> While there was already a telegraph line in Arabestan, APOC and other foreign companies operating in the area considered it to be unreliable. The main problem was that the line was poorly maintained and, unlike the Ottoman telegraph lines that were mounted on Iron poles, the Iranian one was mounted on wooden ones that were often damaged and, occasionally, stolen by tribesmen.<sup>11</sup>

The Foreign Office advised the Company not to discuss the matter with the Iranian Government and hinted that if it desires to proceed with the project, then: 'His Majesty's

<sup>&</sup>lt;sup>8</sup> Wilson, *SW Persia*, p. 101.

<sup>&</sup>lt;sup>9</sup> Mohammad Hassan Nia, "Barrasi Asnadi az Sherkat-e Naft Iran va Engelis", *Faslnameh-e Payam-e Baharestan*, Second Year, no. 8 (Summer, 1389); Lockhart, *The Record of the Anglo-Iranian Oil Company, Ltd.: Vol. I (1901-1918)*, pp 107, 164-165,

<sup>&</sup>lt;sup>10</sup> Lockhart, ibid. p. 107

<sup>&</sup>lt;sup>11</sup> Ibid; Administration Report of His Britannic Majesty's Consulate for Arabistan, Mohammerah, for the Year 1909, IOR, R/15/1/710.

Government will, if necessary, use their good offices in support of the Syndicate's contention, that Article 2 of their concession entitles them to build a telegraph and telephone line along the pipeline for use only in the ordinary course of their business.'<sup>12</sup>

Work on the telephone line between the oil operations and Abadan began without notifying the Iranian Government nor seeking its permission. Once the Iranian government found out about the works, it objected claiming that the Company's actions were in violation of the oil concession. By October 1910, the weak Iranian Government, desperate for finances, accepted both the telephone lines as well as the barges as *fait accompli* in return for a loan from the British Government.<sup>13</sup>

Thus, with the British government doing all of its "heavy lifting" vis-à-vis the Iranian government, APOC did not feel the need to appoint its own representative to Tehran. Instead, the Company preferred to use the mediating services of Brown, the deputy manager and inspector of the imperial bank of Persia.<sup>14</sup> Only in the early 1920's, once the central government began to slowly regain its influence over Arabestan, that an official Company representative was appointed to Tehran.<sup>15</sup>

By early 1911, the Company was known for its ruthlessness in Arabestan. In Late February 1911, the British consulate in Ahwaz reported that Arab tribes near Vais (aka

<sup>&</sup>lt;sup>12</sup> Lockhart, *The Record of the Anglo-Iranian Oil Company*, p. 107; Article two of the oil concession Stipulates that the Company is allowed to construct and maintain, in addition to the oil industry's installations, 'other works of arrangement that may be necessary'. See the D'Arcy oil concession, in: *Assurances, Undertakings and Agreements, ETC. Made by Certain Chiefs and Khans of Southern Persia with the British Government and Certain Trading Companies*, (Calcutta: Government of Indian Press, 1926), IOR, L/PS/20/CS231.

<sup>&</sup>lt;sup>13</sup> Lockhart, ibid, pp 107, 164-165,

<sup>&</sup>lt;sup>14</sup> Lockart, ibid, p. 199.

<sup>&</sup>lt;sup>15</sup> Fateh, Panjah Sal Naft-e Iran p. 427.

Wais, located North East of Ahwaz) sought compensation in advance for damages to their crops, once pipeline will run through their area. The main reason the tribes wanted to reach an early settlement with the Company was their fear that, 'the Company, being in the position of "possession is 9 points of the law" will fix a compensation, which does not cover the actual damage done to the crops.'<sup>16</sup>

Given the weakness of the Iranian state, it is highly unlikely that the government would have been able to regain control over Arabestan. Especially, since the Iranian treasury didn't have the means to pay its officials in Arabestan. Not that this would have mattered since officials appointed by Tehran could not exercise their authority in the territories under Khaz'al's control (i.e. south of the Shushtar and Shush area). No wonder then that Tehran struggled to find able candidates that were willing to take on senior posts in Arabestan (including to the position of governor).<sup>17</sup>

The notable Iranian historian Ahmad Kasravi who was sent in 1923 to re-establish the department of justice ('*Adlieh*) in Ahwaz, describes thus the state of affairs in Arabestan in the years prior to his arrival: 'Governors coming from Tehran to Shushtar had no choice but to crawl around this small town and squander their day. They did not make the slightest move to harm the Sheikh but, sought his protection, lest they provide agitators with an excuse to drive them away.'<sup>18</sup> Kasravi further mentions that when he arrived, he found that departments or services that posed no threat to Khaz'al or those

<sup>&</sup>lt;sup>16</sup> British Consulate in Ahwaz to the Mohammerah Consulate, February 24, 1911, BNA, FO/460/3,

<sup>&</sup>lt;sup>17</sup> See for example: Administration Report for the Arabistan Consulate, for the Year 1911, IOR, R/15/1/711

<sup>&</sup>lt;sup>18</sup> Ahmad Kasravi, Dah sal Dar 'Adlieh, (Tehran, 1323 (1944)), P. 57

he could benefit from (such as the telegraph department), were located within his territory. Other departments, like the '*Adlieh*, Gendarmerie, and the governance remained in Shushtar.<sup>19</sup>

Real power lay in the hands of the Sheikh's appointed officials or those officials who sought his favors. Other officials like the customs director and the *Kargozar* who were not under the authority of the local government, also found it more "prudent" to cooperate (and were often rewarded for their cooperation) with the Sheikh and the British government.<sup>20</sup> Those who tried to oppose him or the British government, were replaced and, sometimes, even assassinated.<sup>21</sup> Indeed, by 1914, the British Consulate in Arabestan, described the *Kargozar's* position as 'sinecure as all business is done with the Sheikh and Haji Rais [Khaz'al's trusted confidant and advisor] or the Deputy Governor [who was none other than Khaz'al's eldest son].<sup>22</sup>

#### The Establishment of Abadan

Unfortunately, when it comes to the first two decades of its existence, there are not many documents or other sources of information that can provide us with an insight into

<sup>&</sup>lt;sup>19</sup> Kasravi, Dah sal Dar 'Adlieh, p. 57

<sup>&</sup>lt;sup>20</sup> It was not uncommon that the worth of an Iranian official was measured by the degree of his "friendliness" to British or Europeans in the area. For example, a correspondent from the English newspaper (published in India), "the Pioneer", who had spent several months in Mohammerah, reported that the *Kargozar*, '*happens to be particularly friendly and agreeable to Europeans*'. See: "Mohammerah and the Persian Gulf'. *Journal of the Royal Society of Arts*, Vol. 62, No. 3200 (March 20, 1914), P. 400. In addition, it was common practice for the British Government or British subjects to pay, at times, the *Kargozar* fees for his services, thereby holding some manner of influence over him. See: Martin and Nouraei, "The Role of the Kargozar in Foreign Relations of State and Society of Iran from the mid nineteenth century to 1921. Part 1: Diplomatic Relations", pp 269-270.

<sup>&</sup>lt;sup>21</sup> See for example: Administration Report of His Britannic Majesty's Consulate for Arabistan, Mohammerah, for the Year 1909, IOR, R/15/1/710. Annual Report 1911, BNA, FO/416/111; Also see letter by Lamb to Dr. Young dated April 27, 1911, BP, 71691; Kasravi, p. 57.

the lives of the Iranians living and working in Abadan. It is a regretful truth that, in many cases, the voices of those who are at the bottom of the societal food chain are often brought only through the prism of others or can only be gleaned through snippets of information. While in recent years more and more academic publications helped shed some light over this period of Abadan's history, they all had to deal with the same dearth of materials. The little information obtained from archival documents provide only a glimpse into the lives of the Company's European staff, and even less about the lives of the rest of the Company's workforce, especially the Iranian one.

The Iranian workforce was made up mainly of local and non-local tribesmen whose number often fluctuated. The exact composition of the workforce is also hard to ascertain as in the Company's reports, they were often all lumped together under the category of "Persian." In some cases, a distinction between "Persians" and "Arabs" appears in the Company's records. But, perhaps intentionally, without any distinction between Arabs who were Iranian subjects and those who were Ottoman ones.<sup>23</sup> Moreover, the Company employed a large number of contract workers through local sheikhs (or through the Khans at Masjed Soleyman). The living and working conditions of these workers, their social interactions and life circumstances, are even more obscure than the rest of the unskilled workforce. Thus, reconstructing the experiences, social activities and inter-community relations between the various communities that made up

<sup>&</sup>lt;sup>23</sup> The first reference I could find that may give some indication is from a document from 1923 which states in parenthesis next to the figure denoting the number of Arab workers that '*most Arabs are Persian subjects.*' See: correspondence between British Resident in Bushehr to the Government of India, January 02, 1923, BNA, FO/371/7819.

Abadan's population in its early days is mostly a work of conjecture - carefully derived from putting together the bits and pieces of information that are available.

At the time oil was struck in Masjed Soleyman, the Abadan peninsula was mainly inhabited by Arab tribes, the majority of whom were members of the Muhaisin and Ka'b Tribes. The peninsula itself was enclosed by the Karun on the North, by the Shatt al-Arab on the West and by the Persian Gulf on the south. Its length is about 64 kilometers and its width varies from 18 kilometers in the middle to 19 kilometers near its southern end. The center of the island was mostly desert but the margins of its rivers were cultivated and planted with dates.<sup>24</sup> While some of the tribes, like the Sheikh's tribe, the Muhaisin, would seasonally migrate to lands outside the peninsula, the majority of the population was sedentary.<sup>25</sup> Lorimer, estimated the peninsula's population at a little under than 24,000, mostly dealing in agriculture, fishing and raising livestock to sustain their lives. There were no major industries but for handcrafted ones (mattresses, shoes).<sup>26</sup>

In early December 1908, Andrew Campbell, the works' manager of Burma Oil's refinery in Rangoon, was sent to Arabestan to search for a suitable place to build a refinery. After much debate, the choice was narrowed down to two locations, both of them located in the Abadan Peninsula. The first was Challabi (roughly 24 kilometers downstream from the eventual site) and the second, between Braim and Bawarda villages. While Campbell preferred the Challabi site, Reynolds, as well as Wilson,

 <sup>&</sup>lt;sup>24</sup> Air Headquarters Iraq, *Military Report on Arabistan*, 1924, BNA, WO/33/1130, pp 67-68.
 <sup>25</sup> Willem Floor, "The Early Beginnings of Modern Abadan", *Abadan: Retold*,

http://www.abadan.wiki/en/the-early-beginnings-of-modern-abadan/#post-48-endnote-3<sup>26</sup> Lorimer, *Gazetteer of the Persian Gulf, Oman, and Central Arabia*, vol. 2, p. 1256.

preferred the Braim-Bawarda site.<sup>27</sup> Partly, because it was located on uncultivated lands. Wilson, briefly entertained the idea of a third site called Manikh, near the junction of the Bahmanshir and Karun Rivers. The location, according to Wilson was advantageous because 'it is near Mohammerah, much pleasanter than the Abbadan [sic] site for Europeans and probably cooler.'<sup>28</sup> However, the Manikh site, as it turned out, was not suitable for berthing sea going vessels.<sup>29</sup>

Eventually, the site between the villages of Braim and Bawarda was chosen because of its fairly comfortable approaches to the site, access to deep water suitable for shipment by oil tanker, and proximity to Mohammerah where there was a post and telegraph office as well as the consulate. <sup>30</sup> Once the land lease agreement with Khaz'al was signed in mid-July, arrangements were made to begin sending the materials and supplies needed to build the various oil installations. The Burma Oil Company supplied the relevant technical know-how, work methods as well as the necessary technical staff. In October 1909, R.R Davidson, the Company's first manager at Abadan, a 28 years old marine engineer, was the first to arrive on the intended site. A few months after his arrival, he was joined by a number of other European experienced technical and administrative staff from the Burma Oil Company. <sup>31</sup>

<sup>&</sup>lt;sup>27</sup> Lockhart, *The Record of the Anglo-Iranian Oil Company*, pp 110-111

<sup>&</sup>lt;sup>28</sup> Wilson to Cox, Suggested Alternative Site B, May 10, 1909, BNA, FO/460/3

<sup>&</sup>lt;sup>29</sup> See Lieutenant A. Willock's letter to the Political Resident in the Persian Gulf (Cox) from May 25, 1909, BNA, FO/460/3.

<sup>&</sup>lt;sup>30</sup> Lockhart, ibid, pp. 107-111.

<sup>&</sup>lt;sup>31</sup> He was joined by four other Europeans who were sent there from the Rangoon refinery (J.H.M Young (superintending engineer), D.R. Porteous (Storekeeper), Norman Ramsay (Works Manager) and R. Pitkethly (Assistant Works Manager). See: George Thompson, "Abadan in its Early days", *The Naft*, Vol. VII, No. 4 (July, 1931), BP, 176326; T.A.B Corley, *A History of the Burmah Oil Company*, pp 183-184, 194

As Davidson soon found out, conditions at Abadan were quite challenging. He himself described the location as a land of 'sunshine, mud and flies' - when it rained, the island which was fairly flat, particularly its southern part, was prone to flooding. During the summer, temperatures could rise well above 30 degrees Celsius.<sup>32</sup> All the necessary materials needed for building, such as, sand, stone or lime were nowhere to be found. Additional problems soon surfaced as the docking facilities were found inadequate, which, in turn, complicated importing building materials. During the winter of 1909/1910, work began on building brick kilns. However, Abadan's climate proved a worthy adversary as the intense heat caused many of the bricks to crack in the process of drying. Therefore, APOC was forced to import the majority of its bricks from Basra and Karachi.<sup>33</sup> Once the building of the first jetty was complete (aptly named jetty number one) in early 1911 as well as a light railway, transporting and handling of building material was made easier.<sup>34</sup>

During the 18 months that followed the completion of the jetty and the light railway, the pace with which operations advanced was impressive and the following buildings and installations were completed: a power station, a shop, stores, general offices and laboratory, a treatment plant, water filtration plant, crude and refined oil storage and pumping plants, an oil line system that ran throughout the refinery, water mains and pumping plant and a repair shed.<sup>35</sup> In July 1912, the power plant was up and running

<sup>&</sup>lt;sup>32</sup> Longhurst, Adventure in Oil, p. 45

<sup>&</sup>lt;sup>33</sup> Lockhart, *The Record of the Anglo-Iranian Oil Company*, p. 172.

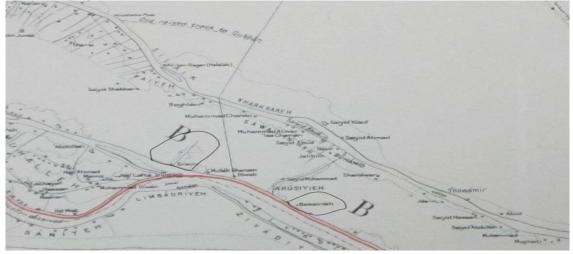
<sup>&</sup>lt;sup>34</sup> Thompson, "Abadan in its Early days"; Lockhart p. 173.

<sup>&</sup>lt;sup>35</sup> Longhurst, Adventure in Oil, pp 47-48.

providing various amenities such as electric lights, fans and ice. Finally, on August 1912,

the refinery was up and running, albeit a year behind schedule.<sup>36</sup>

# Map no.2: July 1912, showing the site of the Abadan refinery (the villages of Braim (right) and Bawarda (left) are encircled).<sup>37</sup>



# Isolating the Abadan Site

On November 18 1909, Less than a month after he arrived in the area, Davidson (at the time the only European staff member on site), fell victim to an attempted robbery. While Davidson was sleeping in his tent near the village of Braim, the Arab watchman assigned to protect him, was shot at and narrowly missed by one of four robbers (apparently all were Arab tribesmen).<sup>38</sup> This incident alarmed Company officials who realized they must make batter arrangements to secure the site. Especially, since the pace of operations near Braim was increasing daily and a shipment of goods was already scheduled to arrive. Therefore, Wilson, the acting consul for Arabestan, had Khaz'al assign a detail of nine guards overseen by a headsman to safeguard the Company's

<sup>&</sup>lt;sup>36</sup> Thompson, "Abadan in its Early days."

<sup>&</sup>lt;sup>37</sup> MFQ/1/523, BNA.

<sup>&</sup>lt;sup>38</sup> Lloyd, Scott and Co. to Wilson, November 18, 1909, BNA, FO/460/03.

property.<sup>39</sup> In addition, other security measures were added. In March 1910, brick pillars were erected (with Khaz'al's approval) along the boundaries of the Company's property.<sup>40</sup> Once these boundaries were marked, work began on erecting an unclimbable fence that would encircle the entire site protecting it from robbers and preventing unauthorized persons from entering it.<sup>41</sup>

Company officials in Abadan, also identified the site's waterfront as a potential security threat. In late June 1910, John Black, one of APOC's managing agents in Mohammerah, consulted with Wilson, on whether the Company was allowed to erect side fences below the low water mark into the river in order to 'prevent natives wading round the fences.'<sup>42</sup> The problem was, that completely closing off the shoreline, would violate the Company's agreement with the Sheikh that 'public rights of way must remain.'<sup>43</sup> Wilson, was certain that, according to the agreement, the Company must leave along its foreshore a way of passage for the locals towing boats along the shoreline. Despite this, he wrote to Black that, in his opinion, the Company should fence off the area completely in order to protect itself from threats that *Bellums* [Balam] passing by the river front may pose.<sup>44</sup>

<sup>&</sup>lt;sup>39</sup> Wilson to Lloyd, Scott and Co., November 20, 1909, BNA, FO/460/03.

<sup>&</sup>lt;sup>40</sup> Wilson to Lloyd, Scott and Co., March 1, 1910, BNA, FO/460/03.

<sup>&</sup>lt;sup>41</sup> It is unclear when work on the fence was completed, but it seems that by late 1911, the entire perimeter of the Abadan site was encircled with a steal fence. See: "Al-Mabani' al-Hadithah fi Braim", *Lughat al-Arab*, No. 5, November 1, 1911.

<sup>&</sup>lt;sup>42</sup> John Black to Wilson, June 29, 1910, BNA, FO/460/3.

<sup>&</sup>lt;sup>43</sup> Agreement Between Shaikh Khaz'al ibn Haji Jabir Khan, Sardar Arfa and Anglo-Persian Oil Company, signed July 16th, 1909, BP, 100497.

<sup>&</sup>lt;sup>44</sup> Wilson to Lloyd, Scott and Co., June 30, 1910, BNA, FO/460/03.

Officials in Abadan, heeded Wilson's advice, and closed off the passage to local boats near their shoreline. Ironically, Wilson himself fell victim to the Company's stringent noentry policy. On September 13 1910, after disembarking off the consulate steam launch near the village of Braim, Wilson was refused entry by Ramsay, the works manager. Claiming that the acting consul did not possess the proper permit (despite the fact that, as part of his job, Wilson frequently visited the site), Ramsay refused to let Wilson proceed and inspect the site. In addition, he took exception to the fact that Wilson was carrying a camera with him. Eventually, Wilson was only allowed to circle round the enclosure with an escort.<sup>45</sup>

This incident with Wilson, while in itself was probably the result of the actions of an overzealous official, demonstrates well not only APOC's stringent security measures but, also, its fear, to the point of paranoia, of any unwanted scrutiny of its actions. It was a policy that shrouded the oil operations in a veil of secrecy meant to prevent Tehran from obtaining information about the Company's activities and its dealings with its local allies. As part of this policy, Iranian officials (like the *Kargozar*), were denied entry altogether or their entry was purposely delayed till the Company was able to conceal any evidence of violations or the nature of its local dealings with local magnates.<sup>46</sup>

As early as July 1909, the Sheikh, distrustful of the new regime in Tehran and its intentions toward him, asked the Company to keep the Abadan agreement and its particulars secret from the central government. However, this was hard to keep as a

<sup>&</sup>lt;sup>45</sup> Wilson to Cox, *No. 998 of 1910*, September 13, 1910, BNA, FO/460/3.

<sup>&</sup>lt;sup>46</sup> See for example, Lamb's letter to Dr. Young dated April 27, 1911, BP, 71691.

secret, especially once its existence was reported by the Indian press (without the particulars). Once Tehran found out, it demanded to receive a copy of the agreement. Khaz'al, however, despite repeated requests from officials in Tehran, including Sardar-e As'ad, the Minister of Interior (who was also a bitter enemy of Khaz'al), refused to comply.<sup>47</sup> In May 1910, almost a year after its signing, Khaz'al sent a copy of the agreement to Tehran.<sup>48</sup> Once it was examined by officials in Tehran, it caused quite a commotion. Sardar-e As'ad claimed that the sheikh had no authority to sign individual agreements with the Company since the lands of the peninsula were state property.<sup>49</sup> Ultimately, the Iranian Minister of Interior was warned by Winston Churchill, the home secretary, not to interfere with the Company's interests.<sup>50</sup>

As a result of the veil of secrecy that shrouded oil operations and in light of its growing apprehension of APOC's activity, Tehran tried desperately to gain more information on what went on in the oil industry. Particularly, about the number of foreigners the Company employed as unskilled workers. The central government was also finding it difficult to obtain any information from its local officials in Arabestan. Already in February 1910, the foreign minister, Seqat al-Molk berated the local *kargozar* that despite his repeated requests he had failed to send any report on the Company's progress and activity. It appears, that the *Kargozar's* failure to relay any information about Abadan, went on for months. According to the Foreign Minister, The lack of

<sup>&</sup>lt;sup>47</sup> Wilson to Lloyd, Scott and co., June 30, 1910; Wilson to Walpole, October 24, 1910, BNA, FO/460/03.

<sup>&</sup>lt;sup>48</sup> Lockhart, *The Record of the Anglo-Iranian Oil* Company, p. 171.

<sup>&</sup>lt;sup>49</sup> Marling to Edward Grey, *No. 194*, April 28, 1910, BNA, FO/416/44.

<sup>&</sup>lt;sup>50</sup> Marling to Edward Grey, *No.* 507, May 14, 1910, BNA, FO/416/44.

information on APOC's activates placed the Ministry's officials in an awkward position since they were unable to provide any information about what goes on at Abadan.<sup>51</sup> It is quite likely that the *Kargozar* was rewarded by the Sheikh and perhaps the British consul for not sending his reports to Teheran. This was also the assessment in Tehran. By January 1911, *Majles* members demanded that a 'reliable' *Kargozar* be appointed to the area so that the Company's operations would be better supervised.<sup>52</sup>

Across the river, in neighboring Iraq, the mysterious new settlement was also a cause for suspicion and curiosity. Reports about the electric lighting in Abadan that was 'making the night seem as if it was daytime', appeared in the Baghdad based newspaper, "Lughat al-Arab", along with a glossary of terms pertaining to the new industry.<sup>53</sup> The newspaper even went as far as sending one of its reporters to try and infiltrate Abadan to provide its inquisitive readers with more information. The reporter recounted to the newspaper's readers the difficulties he encountered in his attempts. He described the strict security arrangements and mentioned that only APOC staff members, and others holding permits from the Company's managing agents, were able to gain entrance into Abadan.<sup>54</sup>

The shroud of secrecy regarding Abadan coupled with the company's suspicious conduct continued to raise suspicions in Tehran. These suspicions were further fed by various reports about the new industry's unfamiliar materials, equipment, buildings and

<sup>51</sup> Iranian Foreign Ministry to Kargozar, February, 06, 19102 (Muharram 25th, 1328), BNA, FO/460/3.
 <sup>52</sup> Rooznameh-e Rasmi-ye Keshvar-e Shahanshahi, 2<sup>nd</sup> term session 196, 10/01/1911. As Gad Gilbar showed, Tehran expected the Kargozar, among his other functions, to impede foreign economic penetration into the country. See: Gilbar, "Resistance to Penetration: The Karguzar and Foreign Firms in Qajar Iran".
 <sup>53</sup> "Sur'at 'Omran 'Abadan", Lughat al-Arab, No.1, June 1, 1912

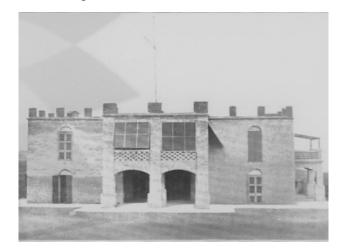
other installations. Thus, for example, the arrival of a shipment of pipes in size and make never before seen in Iran, aroused the suspicion of local officials who reported back to Tehran that the Company was in possession of heavy guns.<sup>55</sup> By mid-1912, the rumors that the Company was importing guns had taken root and a new rumor about a fort that the Company was building on the island began to circulate. This "fort" was in fact, "bungalow no. 1" - the first building to house the Company's European staff and offices. The building's architecture inspired by colonial designs, coupled with the suspicion surrounding the Company's actions seemed to have been the cause of the erroneous report to Tehran.<sup>56</sup>

Having failed to obtain information through its local officials, the Iranian government turned to other avenues. Between 1911 and 1912 the Belgian customs director, apparently by order from Tehran, attempted to turn the customs surveillance post inside Abadan's perimeter, into a post office and customs post. Thus, the customs post could monitor the Company's imports and place tax on them (as well as attempt to compete with the British-run postal service in Arabestan). APOC, however, objected vehemently, claiming that this kind of action cannot be undertaken on their 'private property' without permission. Moreover, the Company, stated that given 'the inflammable nature' of their products, allowing non-essential personnel into their territory would endanger the safety of the workers and its operations. Finally, APOC officials threatened they would block the road leading to the post office and referred the

<sup>&</sup>lt;sup>55</sup> H.M. McIntyre, "The First Persian Pipe-Line".

<sup>&</sup>lt;sup>56</sup> Persia Annual Report 1910, February 28, 1911, BNA, FO/416/111.

matter to the British ambassador in Tehran.<sup>57</sup> Eventually, these combined efforts managed to thwart the attempt to "infiltrate" the Company's area. Thus, unhindered by external influences, APOC continued to act freely within the boundaries of its territory.



No. 1 Bungalow, aka "the Castle"<sup>58</sup>

#### **Recruiting the Workforce**

Recruiting labor for the Iranian oil industry was a challenge from the very beginning. There were hardly any trained artisans in the area whose services the Company could employ. This problem was not unique to the oil industry, even Khaz'al and the local *Kargozar* were forced to hire artisans like bricklayers and masons from Basra.<sup>59</sup> In light of this situation, Indian<sup>60</sup> and Burmese skilled workers, employees of the Burma oil Company at the refinery in Rangoon, were brought in and formed the nucleus of the various necessary skilled and semi-skilled classes of artisans. Shortly after, other foreign

<sup>&</sup>lt;sup>57</sup> Administration Report for the Arabistan Consulate, for the Year 1912, R/15/1/711, IOR; in the same file, also see: Administration Report for the Arabistan Consulate, for the Year 1913.

<sup>&</sup>lt;sup>58</sup> Thompson, "Abadan in its early days".

<sup>&</sup>lt;sup>59</sup> Lockhart, *The Record of the Anglo-Iranian Oil Company*, p. 146.

<sup>&</sup>lt;sup>60</sup> Many of the Indian workers were Chittagonian Sunni Muslims, originally from Bengal, who had joined the Burma oil Company in the 1890's. See: Touraj Atabaki, "Far from Home, But at Home: Indian Migrant Workers in the Iranian Oil Industry", *Studies in History*, Vol. 31, no. 1 (2015). p. 6.

artisans and administrative staff workers were recruited, most of them Indian (others came from such places as China, Portugal, and Armenia).<sup>61</sup>

To recruit local unskilled labor, the Company employed various methods. One method, already in use during the period of exploration, was using work-gangs led by a headsman or a *Sarkar* (an abridged form of *Sar-e Kargar* – head worker). In fact, by the time work on the refinery began, this method was so prevalent that it was already a part of the tribal economic system. The *Sarkar* was also part of the recruiting mechanism and received bonuses for each new worker hired.<sup>62</sup> In addition, the workers would also pay a commission to the *Sarkar* and the latter would pay the head of his village who would in turn pay tribute to the head of the tribe.<sup>63</sup>

While using contract workers allowed the Company to recruit laborers quickly and *en masse*, it was not without its disadvantages. The number of workers in each work-gang would often fluctuate. At times, this would force the Company to hire several contractors to carry out the same job (this was one of the causes for delays in building housing for the European staff). Moreover, the use of contract labor proved to be quite costly. It was not uncommon for each contractor to demand more money than was originally allotted for building. As a result, by late 1914, the Company realized it had to add to allot a larger sum to its future cost assessments.<sup>64</sup>

<sup>&</sup>lt;sup>61</sup> Longhurst, Adventure in Oil, p. 46; Thompson, "Abadan in its Early days"; Atabaki, ibid, p. 6.

<sup>&</sup>lt;sup>62</sup> Atabaki, "From 'Amaleh (Labor) to Kargar (Worker)", p. 167.

<sup>&</sup>lt;sup>63</sup> Wilson, SW Persia, P. 53; Willem Floor, Labour Unions, Law and Conditions in Iran (1900-1941),

Occasional Papers Series, no. 26. (Durham: University of Durham, 1985), p. 28. <sup>64</sup> R.G. Neilson to Messrs Strick Scot & Co., November 25, 1914, BP, 72610.

APOC also found that directly employing the local population to work as unskilled laborers was quite a feat. Both Bakhtiari and Arab tribesmen and villagers were not in a hurry to leave their crops and flocks, and their traditional way of life in favor of a modern industry led by a foreigners.<sup>65</sup> Moreover, many of the workers would enlist or leave the Company's employment depending on the migratory or agricultural season. As a result, the number of unskilled workers would often fluctuate, sometimes on a daily basis, earning them the epithet, 'floating population', from Company and British government officials.<sup>66</sup>

While the Bakhtiari Khans assisted Company officials to recruit their local tribesmen as laborers, at Abadan, they did not enjoy the same cooperation from Khaz'al.<sup>67</sup> For one thing, the relationship between the Bakhtiaris and Company officials, already established in the period of explorations, was far more intimate than with Khaz'al. While the Company administrators dealt directly with the Bakhtiari Khans (particularly Dr. Young, the Company's medical officer later turned administrator), when it came to Khaz'al, APOC chose to use the intermediary services of Messrs. Lloyd Scott & Co, a managing firm (as was the custom with many British overseas enterprises). Indeed, APOC's decision to administer its affairs through an intermediary was met with doubt by the ever cautious Khaz'al. He was not the only one. Wilson and Cox, were also of the opinion that APOC

<sup>&</sup>lt;sup>65</sup> Persia Annual Report 1910, February, 28, 1911, BNA, FO/416/111; Ferrier, The History of the British Petroleum Company volume 1, 275; Lockhart, p. 146.

<sup>&</sup>lt;sup>66</sup> Letter written by Colonel R.L. Kennion, May 21, 1915, BP, 71754; Lamb to Captain L.B.H. Haworth, March 29, 1911, BNA, FO/460/3; Atabaki, Sheikh Noori, and Moteqadi, "San'at-e Naft va Tahavol-e Jam'iyati dar Manateq-e NaftKhiz Janub-e Iran", *Tahqiqat Tarikh-e 'Ejtemai*, Third Year, No. 2 (Fall/Winter, 1392), pp 124-125.

<sup>&</sup>lt;sup>67</sup> Atabaki, Sheikh Noori and Moteqadi, ibid, p. 125.

should run its affairs directly in the area. Wilson claimed that while this method seemed to fit conditions in colonial India, it was not suited to Arabestan.<sup>68</sup>

Once the managing firm began its work, it was evident that Wilson was right. The attitude of the agents toward Khaz'al and other local officials in the area only caused unnecessary tensions.<sup>69</sup> At one point, Cox became convinced that the high-handed manner with which the Company's agents treated Custom officials, was creating unnecessary friction between APOC and the Arabestan customs administration. Particularly, on the question of which of the Company's articles of import were tax exempt. This, in Cox's opinion, could have proved to be quite harmful for APOC, because it was heavily dependent on imports not only for its operations but also for personnel consumption.<sup>70</sup> Resentment toward the Agents' conduct was also expressed by some of APOC's senior field personal who viewed them as no more than 'damned clerks.'<sup>71</sup> As a result of these frictions, during the first few years, the mediation services of both Wilson and Cox were often required to allay Khaz'al's suspicions while ensuring that APOC receives the support it needs on the ground.

One area of concern which Khaz'al often complained to Wilson and Cox about was APOC's hiring policy.<sup>72</sup> Officials at Abadan would, at times, employ the tribal guards

<sup>&</sup>lt;sup>68</sup> Wilson, *SW Persia*, p. 100

<sup>69</sup> Ibid.

<sup>&</sup>lt;sup>70</sup> Lockhart, *The Record of the Anglo-Iranian Oil Company*, pp 147-148.

<sup>&</sup>lt;sup>71</sup> Longhurst, *Adventure in Oil*, p. 42. This feeling was quite a natural among those who might be called "men of action" versus an administrative staff. A similar manner of resentment and contempt was prevalent among the American drillers of the Burma oil Company to the Company's managing agents. See: Corley, *A History of the Burmah Oil Company*, pp 155-156.

<sup>&</sup>lt;sup>72</sup> Lamb to Captain L.B.H. Haworth, March 29, 1911, BNA, FO/460/3.

as "Tindals" (a foremen of sorts) or "coolies" (as Company officials referred to them – using terms borrowed from colonial lingua).<sup>73</sup> These method of hiring tribal guards to carry out functions beyond their agreed scope of activity, was cause of concern for Khaz'al who feared that the additional pay would undermine his authority among the guards.<sup>74</sup> Moreover, Khaz'al constantly complained about the number of his tribesmen that the Company employed as unskilled workers. Especially, during the date harvest season.<sup>75</sup> It is highly probable that many of the Arab laborers employed by the Company were landless peasants, usually employed in the Sheikh's date palm groves. These peasants, like many of their contemporaries throughout Iran, lived like serfs. Many of them were rendered landless as a result of the onerous taxes leveled by Khaz'al.<sup>76</sup>

During the early stages of the Abadan site, Arab laborers from Arabestan, along with Arab workers from Ottoman Iraq, were the majority of the unskilled workforce.<sup>77</sup> But, as the Company's need for unskilled workers grew it was faced with quite a conundrum. On the one hand the Sheikh constantly limited the number of local tribesmen they could employ and in the other hand, he also demanded that the Company refrain from recruiting workers from territories under the control of elements hostile to him, in

<sup>&</sup>lt;sup>73</sup> The use of these colonial terms is another proof of the manner by which the colonial gaze influenced the perception of British as well as APOC officials. On the origin and meanings of the term "Tindal", see: C. Burnell and Henry Yule, *Hobson-Jobson: a Glossary of Colloquial Anglo-Indian Words and Phrases and of Kindred Terms, Etymological, Historical, Geographical and Discursive*, (London: John Murray, 1903), p. 923.

<sup>&</sup>lt;sup>74</sup> Letter to Black (apparently from Wilson), May 04, 1910, BNA, FO/460/3.

<sup>&</sup>lt;sup>75</sup> Wilson to Cox, September 15, 1910; Lamb to Captain L.B.H. Haworth, March 29, 1911, BNA, FO/460/3.

<sup>&</sup>lt;sup>76</sup> Ansari, *The History of Khuzistan, 1878-1925*, pp 249-254.

<sup>&</sup>lt;sup>77</sup> For example, in March 1911, it was reported that there were approximately 573 Iranians in Abadan and that the vast majority of them were Arabs. See Lamb to Captain L.B.H. Haworth, March 29, 1911, BNA, FO/460/03.

particular the Bakhtiaris.<sup>78</sup> Finally, the wages offered by APOC were relatively low and thus not attractive enough to draw workers from other areas (apart from a dozen or so Kurds and others from Bushehr).<sup>79</sup>

At first, Company officials avoided, as best they could, from recruiting Lors from the northern part of the province since they were considered 'subjects of the Bakhtiari Khans'. Therefore, unskilled workers from India were also recruited.<sup>80</sup> Since the Company was permitted to import only foreign skilled workers and artisans, it intentionally misrepresented the number of non-Iranian unskilled workers it employed. Fortunately for APOC, its problems were made easy after work migrants started to make their way to Abadan from the northern parts of the province and from the adjacent provinces. Between the years 1911-1914, Iran was beset by droughts, pests and bad crops bringing about a state of famine in such areas as Esfahan, Lorestan, Qazvin, Estarabad and Kordestan.<sup>81</sup> Peasants from the South, struggling to make a living under the exorbitant demands of their landlords, now sought additional or alternative forms of livelihood.<sup>82</sup> The relative safety in the company's area, steady work and wages turned the oil fields and Abadan into a popular destination for work migrants - similar to the fishing industry

<sup>79</sup> APOC to Wilson, November 03, 1909; Lamb to Captain L.B.H. Haworth, March 29, 1911, BNA, FO/460/03; *Administration Report for the Arabistan Consulate, for the Year 1911*, IOR, R/15/1/711.

<sup>&</sup>lt;sup>78</sup> Lamb to Captain L.B.H. Haworth, March 29, 1911, BNA, FO/460/3.

<sup>&</sup>lt;sup>80</sup> Lamb to Captain L.B.H. Haworth, March 29, 1911, BNA, FO/460/03.

<sup>&</sup>lt;sup>81</sup> Atabaki, Sheikh Noori and Moteqadi, "San'at-e Naft va Tahavol-e Jam'iyati dar Manateq-e NaftKhiz Janub-e Iran", p. 127.

<sup>&</sup>lt;sup>82</sup> Charles Issawi, *The Economic History of Iran 1800-1914*, (Chicago and London: university of Chicago Press, 1971), p. 49; Abdolali Lahsaeizadeh, *Jame'eh Shenasi-e Abadan*, (Shiraz: Kianmehr, 2004), pp. 433-434.

on the Caspian, various industries in Southern Russia (among them, of course, the oil industry in Baku) and the sugar refineries in Kahrizak.<sup>83</sup>

During these early stages of the Iranian oil industry, worker migration shared similar characteristics with worker migration to southern Russia. Meaning that those that came to work for the Company did so strictly on a seasonal basis.<sup>84</sup> For example, according to Charles Issawi, the majority of the workers from villages around Esfahan who came to work for the oil industry, did not severe their ties with their respective villages. Despite the fact that many of them were landless, they migrated alone, leaving their families behind in the village.<sup>85</sup> In addition, bad roads and insecurity meant that the majority of workers migrated to areas relatively close to them.

However, APOC was still facing a workforce that fluctuated on a seasonal basis. Despite this, even at these early stages, a trend could be discerned in Abadan – the stake of the local Arabs from among the unskilled workforce was gradually decreasing. By 1914, out of a total of 1,809 Iranian workers at Abadan, roughly 1,200 of them were Lors.<sup>86</sup> I could find no record that mentioned whether the majority of these Lors came from within the borders of Khuzestan (including Arabestan), or from outside the province. Given the unsafe roads leading to the province and the fact that by the mid 1920's the majority of workers were mainly Lors from Shushtar, it is highly probable that

<sup>&</sup>lt;sup>83</sup> Issawi, ibid, pp. 49-50; Lockhart, *The Record of the Anglo-Iranian Oil Company*, p. 172; Thompson,
"Abadan in its Early days"; Atabaki, Sheikh Noori and Moteqadi, ibid, pp 128-129; Hassan Hakimian,
"Wage Labor and Migration: Persian Workers in Southern Russia, 1880-1914", *Journal of Middle Eastern Studies*, No. 17, pp 443-462.

<sup>&</sup>lt;sup>84</sup> Hakimian, ibid, pp, 447-450.

<sup>&</sup>lt;sup>85</sup> Issawi, ibid, p. 49.

<sup>&</sup>lt;sup>86</sup> No. 639 of 1914, April, 25, 1914, IOR, L/PS/10/144/1.

the same trend existed in earlier years.<sup>87</sup> Thus, implying that perhaps at some point Khaz'al was less adamant or let down his guard regarding the areas from which the APOC imported its workers from.

## **Division of Labor**

Ostensibly, APOC's division of labor at Abadan had all the markings of a modern industrial factory system including: a management structure, administration, technical grades and classes, a work process divided into various divisions and a labor force that was concentrated in one location.<sup>88</sup> In reality, however, the ethnicity of the worker determined his place in the Company's hierarchy. The belief that various ethnic groups were inherently predisposed to perform certain types of works, was not one unique to APOC officials. It was quite a common practice throughout the British Empire in the Burma Oil Company as well as, for example, in the maritime and railway industries. It was also a common practice in the oil fields of Baku (and one that would be later on adopted by Aramco<sup>89</sup>) where, like in Iran, most of the Iranians were employed as unskilled laborers.<sup>90</sup>

The perception that was shared by officials in the above mentioned oil industries, was that the ethnicity of oil the workers, determined his ability to perform certain tasks in such a way that it directly influenced the efficiency of the oil production process. For

<sup>87</sup> Military Report on Arabistan, BNA, WO-33-1130, p. 79

<sup>&</sup>lt;sup>88</sup> For a general review on the historical development of division of labor and its typology, see Assef Bayat, *Work, Politics, and Power: an International Perspective on Workers' Control and Self-management*, (New York: Monthly Review Press, 1991), pp 180-184.

<sup>&</sup>lt;sup>89</sup> See Robert Vitalis' *America's Kingdom* for example.

<sup>&</sup>lt;sup>90</sup> Arthur Beeby Thompson, *The Oil Fields of Russia and the Russian Petroleum Industry*, (London: Crosby Lockwood and Son, 1904), pp, 375-376; Corley, *A History of the Burmah Oil Company*, pp 149-150.

example, the Burma Oil Company preferred to hire Indians rather than Burmese to work in the refinery at Rangoon because they felt the latter were 'too easy-going to respond well to strict factory discipline'.<sup>91</sup> Similarly, Mostafa Fateh mentions that one of the reasons that APOC preferred to hire Indians, was that they considered them to be obedient.<sup>92</sup> The correlation between the two cases is not surprising since APOC adopted Burma Oil's ethnically divided system of labor. As such, Europeans occupied the senior administrative, managerial and supervisory positions. While the vast majority of the artisans and skilled workers were foreigners, mostly Indians, and Iranians were employed mainly as unskilled workers.

As early as May 1909 the Iranian Oil Commissioner, Sadeq al-Saltaneh, requested the Company to provide information on all the non-Iranians it employed. APOC, however, did not readily cooperate and dragged the matter on for the better part of a year. Once it provided him with the information, the Iranian oil commissioner complained about the high number of non-Iranian unskilled workers the Company employed. The crisis was serious enough that even the British Foreign Office, while sympathetic to APOC's recruitment challenges, berated the Company for violating the terms of the concession and urged it to make an effort to hire Iranians where they can.<sup>93</sup> Finally, Greenway, APOC's managing director, fearing possible repercussions, instructed the Company's agents that: 'In discussing with Persian officials on this question it is of course not desirable to lay too much stress upon the incompetency of Persian workers, because this they will not

<sup>&</sup>lt;sup>91</sup> Corley, A History of the Burmah Oil Company, p. 149.

<sup>&</sup>lt;sup>92</sup> Fateh, Panjah Sal Naft-e Iran, p. 428.

<sup>&</sup>lt;sup>93</sup> Lockhart, *The Record of the Anglo-Iranian Oil Company*, pp 145-147.

of course admit, but rather upon their insufficiency as proved by the fact that aliens [craftsmen and artisans from Basra as well as Armenian customs agents] have to be employed by the Shaikh, the Kargozar, and the Customs Administration.'<sup>94</sup> In other words, Greenway instructed APOC's agents to hide the fact that the Company thought Iranians were unfit as workers.

There's no doubt that there was a serious dearth of local skilled and semi-skilled artisans. Particularly those who possessed the relevant set of skills required by APOC for its operations. However, the "incompetence" referred to by APOC's managing director, was not just the result of an honest assessment based upon the Iranian workers' skills but, also, as mentioned, based on their race. In Abadan, the local Arab tribesmen, were thought to be inferior to other non-Arab Iranians working for the Company. Perhaps the difficulties Khaz'al mounted on top of the tribesmen own reluctance to work for the Company, contributed to this negative image. Either way, from a very early stage, APOC sought to replace them with others.<sup>95</sup> Wilson himself was of the opinion that the local Arabs were the 'less hard working than any other in Persia.<sup>96</sup>

George Thompson, one of APOC's first staff employees sent from Burma Oil Company to Abadan around 1909, characterized the local Arab workers as having 'inferior quality'. He further claimed that they were, physically, less adapt to work in the industry and welcomed the non-Arab work migrants that arrived at Abadan stating that

<sup>&</sup>lt;sup>94</sup> Lockhart, ibid, pp. 145-147. The quote appears in page 147.

<sup>&</sup>lt;sup>95</sup> APOC Mohammerah to Wilson, November 03, 1909, BNA, FO/460/03.

<sup>&</sup>lt;sup>96</sup> Lockhart, *The Record of the Anglo-Iranian Oil Company*, p.146.

they: 'were very welcome, for they were much more robust than the local inhabitants and therefore much better fitted for the heavy work required in erecting the Refinery Plant.'<sup>97</sup> Ironically, in the Russian oil industry the physique of the Iranian workers was deemed less suitable. Arthur Beeby Thompson, one of the first consulting engineers in the petroleum field, found the Iranian workers to be 'quite unfit for work of a laborious nature, and although they can endure a wonderful amount of exposure, they are physically useless for heavy duties, and quickly succumb under excessive tasks.'<sup>98</sup>

Thus, the image of the non-Arab Iranian workers in Abadan was only slightly better since they were considered to be good enough only to carry out manual labor. Indeed, "Lughat al-Arab"'s reporter while recounting his attempts to infiltrate into Abadan, mentioned that he eventually succeeded entering Abadan by pretending to be a common laborer since any 'illiterate man who does not read and write well' was permitted to enter.<sup>99</sup>

## The Development of Living Areas

Perceval Landon, Perhaps the first western reporter to visit APOC's operations in Iran, published, in September 1909, an article depicting the Company as the harbinger of western civilization to south western Iran. In his enthusiasm, he predicted that Abadan, in five years' time, would 'become a prosaic settlement, paved and tin-roofed, the home of men seeking both the welfare of the world and their own profits by one of the most

<sup>&</sup>lt;sup>97</sup> Thompson, "Abadan in its Early Days".

<sup>&</sup>lt;sup>98</sup> Arthur Beeby Thompson, *The Oil Fields of Russia*, p. 376.

<sup>&</sup>lt;sup>99</sup>" Sur'at Omran 'Abadan", Lughat al-Arab, No.1, June 1, 1912.

disfiguring and evil-smelling processes known to modern science.<sup>100</sup> He failed to mention that this prediction was relevant only for a particular segment of Abadan's population.

In the pre-war years APOC encountered serious difficulties refining its raw oil and was struggling to produce oil products of reasonable quality. In fact, until 1913, Abadan turned out such low-grade quality fuels that the Company failed to meet its contracts, plunging it into dire financial straits.<sup>101</sup>As a result, until the outbreak of WWI, APOC focused its entire efforts to solve its refining problem and develop its physical infrastructure (namely the pipeline and the refinery). This meant that it refrained from investing in the leisure and accommodation of its European staff.

The Europeans living and working at Abadan must have felt, to a certain degree, as if they were in a colonial outpost. They resided in a compound encircled by a fence and secured by tribal guards in a region ruled by powerful tribal confederations. Weather conditions were harsh and if that wasn't enough, the danger of an outbreak of a deadly epidemic or disease was always present. All this in a tract of land that was almost devoid of any of the markings they associated with a modern civilized country. It was the stuff from which tales of heroism and adventure were made of and it was also how reporters, like Landon and others who visited the oil operations, recounted APOC's activities. Thus, the image of the pioneering British Enterprise whose benevolent actions were bringing

<sup>&</sup>lt;sup>100</sup> Perceval Landon, "Through Persia to a New Oil Field", *World's Work*, Vol. XVIII (September, 1909), p.12053.

<sup>&</sup>lt;sup>101</sup> Ferrier, *The History of the British Petroleum Company volume 1*, pp 191 – 194, 275.

civilization and modernity to this primitive part of the world was born.<sup>102</sup> It was an image that APOC would cultivate meticulously for decades.

But, myths and legends aside, everyday life in Abadan and *Fields*, as the operations areas outside of Abadan was collectively referred to, was far from glamorous. Until the building of the main refinery plant was completed, in late 1912, no material or labor could be spared for building social venues for the European staff. The work routine in Abadan was also quite grueling – from Mondays to Fridays, 6am to 5:30 pm and from 6 am to 3 pm on Saturdays, and it was not uncommon that the work continued on Sunday.<sup>103</sup> This grueling work schedule allowed little time or energy for any pastime activity.<sup>104</sup>

As Kaveh Ehsani has shown, these strenuous living and working conditions would often produce, among the European workers, bouts of discontent, heavy drinking and even depression. In addition, since APOC adopted Burma Oil's "no-spouses" policy, deeming Abadan an unfit environment for a 'white woman', those with wives had to endure long periods apart. For those bachelors among the European staff, much like those working for the Burma Oil, the lack of female companionship must have contributed to their loneliness, boredom and the prevailing state of malaise.<sup>105</sup> It is important to note that manner by which many of APOC's foreign staff dealt with their

<sup>&</sup>lt;sup>102</sup> This Image is depicted in various books that on the Company's activities. In addition to BP's official history written by Ferrier and completed by Bamberg, the following studies can also be added: Williamson, *In A Persian Oil Field*; Longhurst, *Adventure in Oil*; Daniel Yegrin, *The Prize*, (NY, London, Toronto, Sydney, Tokyo and Singapore: Simon & Schuster, 1991).

<sup>&</sup>lt;sup>103</sup> Thompson, "Abadan in its Early Days"; Longhurst, Adventure in Oil, p. 48

<sup>&</sup>lt;sup>104</sup> Thompson, "Abadan in its Early Days.

<sup>&</sup>lt;sup>105</sup> Longhurst, Adventure in Oil, p. 48; Corley, A History of the Burmah Oil Company, p. 157.

living and working conditions was not unique. Other westerners working for such enterprises as the Burma Oil Company and the imperial bank of Persia reacted in a similar manner.<sup>106</sup>

Senior Company officials in Glasgow considered the situation in Abadan to be so delicate that they were mindful not to introduce any person or element that might undermine the wellbeing of the small community.<sup>107</sup> Still, compared to the *Fields* area, staff morale at Abadan was higher. The European community at Abadan, while small, was larger than those in the rest of the oil operations area - In late 1911 there were roughly 20 Europeans in Abadan, and by January 1915, the number more than doubled.<sup>108</sup> In addition, the European population in Abadan was pretty much homogenous – all British, most of them Scottish. As opposed to Abadan, the western population at *Fields*, at least in the early stages of oil operations, was less homogenous. The drillers, for example, were mostly Canadians while other staff members were British. Another advantage that existed for those in Abadan was the small European community living in Mohammerah with its social club that had tennis and badminton courts and a billiard room.<sup>109</sup>

<sup>&</sup>lt;sup>106</sup> Medical Report on the Late George Bernard MacCaffrey, 19/10/1914, BP, 72610; Ehsani, The Social History of Labor in the Iranian Oil Industry, pp 244-245. Those working in the Fields area, had to endure these conditions well into the mid 1920's. See: Cooper A.R.C, "A Visit to the Anglo-Persian Oil Fields", Journal of the Royal Central Asian Society, Vol. 13, No. 2 (1926) p. 154; Corley, A History of the Burmah Oil Company, pp 158-161.

<sup>&</sup>lt;sup>107</sup> Lockhart, *The Record of the Anglo-Iranian Oil Company* p. 173; Corley, *A History of the Burmah Oil Company*, p. 160.

<sup>&</sup>lt;sup>108</sup> Administration Report for the Arabistan Consulate, for the Year 1911, IOA, R/15/1/711; Memorandum Regarding Anglo-Persian Oil Company's (ltd.) Refinery at Abadan, January 20, 1915, BP, 72610.

<sup>&</sup>lt;sup>109</sup> The state of the facilities seemed to have been quite unimpressive, at least in British standards. One British visitor described the club there as 'the average up-country Indian club.' See: "Mohammerah and the Persian Gulf", *Journal of the Royal Society of Arts*, p. 400.

In addition to the social problems, the work at Abadan as well as in the oil fields was dangerous. In the oil fields for example, driller teams had to contend with poisonous gasses that were released along with the oil, sometimes without warning.<sup>110</sup> But, the biggest threat to the lives of the workforce both in Abadan and at *Fields* was contracting an illness or disease. The scorching heat, lack of clean drinking water and vermin often resulted in outbreaks of illnesses and diseases such as typhoid, the plague, smallpox and cholera.<sup>111</sup>

Fear for the lives of the European staff was one of the main reasons that Wilson objected that the Company build its refinery near the bank of the Bahmanshir river. Since, according to him, it was: 'highly irrigated, damp, mosquito ridden, and unhealthy. It would be a most unsuitable site for European dwellings, which should be placed as far as possible from stagnant pools, preferably in the centre of the Island, toward the Shatt-al-Arab bank.'<sup>112</sup> Therefore, from a very early stage the prevention of outbreaks of diseases, was deemed essential.<sup>113</sup> The lives of a number of the Company's workers and staff members were claimed by various diseases and epidemics. Moreover, the outbreak

<sup>111</sup> See for example: Social and Municipal Development Carried out by the Anglo-Persian Oil Company, Limited in Abadan and the South Persian Oilfields, 30/10/1946, L/PS/12/3490A, IOR; Administration Report for the Arabistan Consulate for the Year 1912, R/15/711; Administration Report for the Arabistan Consulate, for the Year 1916. IOR; R/15/712; Longhurst, Adventure in Oil, p. 41.

<sup>&</sup>lt;sup>110</sup> According to one of the earliest reports from the oil fields, 'Foxes, jackals, hens, chickens and even cows have repeatedly been found dead in the morning round the derrick.' See: Landon, "Through Persia to a New Oilfield", p. 12053.

<sup>&</sup>lt;sup>112</sup> Wilson to Cox, *Memorandum on the Braim-Bawairda Site Preferred by the Oil Company for a Refinery*, May 10, 1909, BNA, FO/460/3.

<sup>&</sup>lt;sup>113</sup> Already in mid-19<sup>th</sup> century England, British reformers reached the conclusion that prevention, rather than treatment, was a more efficient policy to deal with diseases like Cholera and tuberculosis that wreaked havoc in Britain's towns throughout the 19<sup>th</sup> century. See: David Mclean, *Public Health and Politics in the Age of Reform: Cholera, the State and the Royal Navy in Victorian Britain*, (London: I.B. Tauris, 2006), pp 1-11.

of a disease or epidemic also caused setbacks. For example, an outbreak of cholera in the summer of 1911, considerably slowed the pace of the building of the refineries.<sup>114</sup>

APOC officials consistently promoted various schemes in order to improve the quality of water as well as the sanitary conditions and tried to force its workforce to adopt stricter measures of hygiene. It was perhaps the single most important issue next to the development of the industry's infrastructure, and one that had a pivotal part in shaping of Abadan's urban tissue (see chapter three). Recurrent outbreaks of diseases were not only a source of discontent and fear among the Company's European staff but, also deterred prospective APOC recruits (and would continue to do so even after WWI).<sup>115</sup> Indeed, diseases and epidemics continued to be a menace well into the 1930's as outbreaks of cholera, the plague and smallpox continued to occur on a frequent basis.<sup>116</sup>

But, mosquitos, vermin and polluted water sources were not the only source of contamination Company officials feared of. Migrant populations were also seen as a threat. Human mobility was a phenomena that various expanding imperial states had to contend with from the late 19<sup>th</sup> century, one they viewed as both a threat and a necessity. The expansion of capitalism into Asia's frontier zones depended on the regular supply of migrant labor from the heartland of India and China. Thus, Indian migrant workers were branded both as potential vectors of disease and as political subjects

 <sup>&</sup>lt;sup>114</sup> Administration Report for the Arabistan Consulate, for the Year 1911, IOA, R/15/1/711
 <sup>115</sup> Lockhart p. 153; Ehsani, The Social History of Labor in the Iranian Oil Industry, pp 247-248.
 <sup>116</sup> See for example: Social and Municipal Development Carried out by the Anglo-Persian Oil Company, Limited in Abadan and the South Persian Oilfields, 30/10/1946, L/PS/12/3490A, IOR; Longhurst, Adventure in Oil, p.41.

whose bodies and capacities had to be cultivated, protected, and enhanced to make them more productive workers and more useful citizens.<sup>117</sup>

Similarly, migrant tribes and migrant workers, whether Iranian, Indian or Arabs from Iraq were all seen as threats. Those coming from Iraq, Bombay (Mumbai) and Karachi (where APOC recruited its Indian workers) were considered greater threats since diseases like the plague and cholera were considered to be endemic in those areas.<sup>118</sup> Moreover, the entire Persian Gulf area itself was seen by the British Government as a possible conduit for spreading diseases into the West.<sup>119</sup> In an attempt to prevent the spread of diseases into the Persian Gulf area and the oil operations area, all those coming to work for the Company from outside of Iran- especially from India, European and non-European would first be placed into Quarantine stations.<sup>120</sup>

There were five quarantine stations spread across the Persian Gulf – Bushehr, Mohammerah, Bandar Abbas, Lengeh and Jask. From 1896, British officials managed these stations on behalf of the Iranian Government (until 1928 when Reza Shah regained control over the country's borders).<sup>121</sup> Those coming in to the oil operations area would

<sup>&</sup>lt;sup>117</sup> Sunil .S. Amrith, ""Contagion of the Depot"; The Government of Indian Emigration", Imperial in: Robert Packham and David M. Pomfret (eds.): *Imperial Contagions: Medicine, Hygiene, and Cultures of Planning in Asia*, (Hong Kong: Hong Kong University Press, 2013), pp. 151-152.

<sup>&</sup>lt;sup>118</sup> A.R. Neligan, "Public Health in Persia, 1914-24. Part 2", *The Lancet*, 207, no. 5352 (March 27, 1926). P. 690; Atabaki," Far from Home, But at Home", p. 7.

<sup>&</sup>lt;sup>119</sup> Neligan, ibid, p. 690.

<sup>&</sup>lt;sup>120</sup> Quarantine as a preventive policy, was already practiced since the 1870's. It was originally developed to prevent the spread of epidemics by pilgrims returning from the *Haj*. By the beginning of the early 20<sup>th</sup> century, a consensus was reached among medical professionals and officials in colonial India that Quarantine alongside the provision of fresh water, were among the most important preventive measures needed to be taken to prevent the outbreak of diseases like cholera. See: Mark Harrison, *Public Health in British India: Anglo-Indian Preventive Medicine 1859-1914*, (Cambridge: Cambridge University Press, 1994), p. 115.

<sup>&</sup>lt;sup>121</sup> Quarantine Control in the Persian Gulf, August 09, 1928, IOR, L/PS/18/B394; Lorimer, Gazetteer of the Persian Gulf, Oman, and Central Arabia, vol. I, Part II Historical, pp 2547-2551; Willem Floor, Public

usually be placed into quarantine for a period of five days.<sup>122</sup> Inside the Mohammerah Quarantine station, Europeans and non-Europeans were segregated.<sup>123</sup> But, it seems that Europeans were considered an unlikely source of disease as typically, they were confined to shorter periods of time and only subjected to a cursory examination.<sup>124</sup>

Dealing with the threat of disease coming via the waterways was just part of the problem. Precautions had to be taken inside the oil operations area. APOC also attempted to introduce its local workers to various sanitary precautions, such as drinking purified water or the use of disinfectants. But, in many cases, these attempts were met with suspicion on the part of the Iranian workers (who were often uninitiated in sanitary safety measures).<sup>125</sup> This form of mutual misperception and distrust between Iranian workers and APOC's British officials would persevere for many years. Manuchehr Farmanfarmaian, an Iranian aristocrat and one of the prominent figures of the Iranian oil industry under Pahlavi rule, described a similar misperception he encountered during in his visit to Abadan in 1945: 'The habits of the "natives" - eating food with their hands, for example - disgusted the British officials. Not only were the British blissfully unaware that their own customs - eating with a fork that had at one point been in someone else's mouth - were in turn considered unclean and uncouth by the Persians, but they failed to

Health in Qajar Iran, (Washington: Mage Publishers, 2004), pp 210-211; A.R. Neligan, "Public Health in Persia, 1914-24. Part 1", *The Lancet* 207, no. 5351 (March 20, 1926). pp 637-638.

<sup>&</sup>lt;sup>122</sup> Floor, ibid, pp 210-211; Lorimer, ibid, p. 2547.

<sup>&</sup>lt;sup>123</sup> See document dated March 01, 1923, IOR, L/PS/11/235.

<sup>&</sup>lt;sup>124</sup> Floor, ibid, pp 210-211.

<sup>&</sup>lt;sup>125</sup> Lockhart, *The Record of the Anglo-Iranian Oil Company*, pp 103, 174.

see that fresh water for the workers to wash their hands before and after their meals was therefore critical.'<sup>126</sup>

Fear of contracting diseases from the local population, led some to take extreme measures. For example, a few of the Canadian drillers at Masjed Soleyman, refused to eat the local produce and preferred to rely solely on imported canned goods than risk the 'dirty native food.' <sup>127</sup> But, more importantly, Fears of contagion further fed the European staff's anxieties of racial purity and brought them to restrict their contact as much as they could with the locals.<sup>128</sup> This restriction was particularly noticeable in the separation of living areas in Abadan.

In Abadan, the European staff lived in the North western part of the site, known as "Braim" after the name of the nearby village. At least some of the village's inhabitants were evicted once APOC began its operations in the area.<sup>129</sup> The refinery, served as a physical barrier between the European staff's living area and the rest of the workforce. Separating living areas also served another purpose - according to Abadan's work manager, it was also used as a 'disciplinary' measure.<sup>130</sup> Meaning, it was a way in which the Company's hierarchy and social order, could be kept and reaffirmed even outside the work at the refinery.

<sup>&</sup>lt;sup>126</sup> Farmanfarmaian, Blood & Oil, p. 185.

<sup>&</sup>lt;sup>127</sup> Wilson who tells this story in his book, ridiculed this aversion of the Canadian drillers to avoid eating the local food. See: Wilson, *SW Persia*, pp 32-33.

<sup>&</sup>lt;sup>128</sup> In the settler colonies of the "New World", Australia, South Africa and Southeast Asia, the ideology of white supremacy and fear of contagious aliens also cultivated a close relationship. See: Amrith, "Contagion of the Depot", p. 151.

<sup>&</sup>lt;sup>129</sup> Ehsani, The Social History of Labor in the Iranian Oil Industry, pp 300, 338.

<sup>&</sup>lt;sup>130</sup> Abadan Works Manager to Walpole, *Lighthouse Depot*, 29 May, 1915, BP, 71754.

The first building in Abadan that housed the small contingent of European staff members was no more than a tin structure lined with wood. It was later on replaced by a Bungalow with a 'chandle' roof (a roof constructed of closely positioned poles and overlaid with mats made from date tree leaves and covered with earth). The upper part of this building served as quarters of the senior European staff, while the ground floor served as offices and infirmary.<sup>131</sup> In early 1911, Charles Greenway, APOC's managing director along with Hamilton, one of the Company's board members, visited Abadan. While there, the two held a discussion with the European staff about the architecture of their residential quarters, offices and clubs. Eventually, mainly out of budget considerations, it was agreed that since a country style of building was cheaper than costly iron framework buildings of European style, this should be the style adopted for Abadan and the rest of the oil operations area.<sup>132</sup> By the beginning of WWI, there were three additional bungalows housing the junior European staff.<sup>133</sup>

The rest of the non-European workforce, however, had to settle for provisional shelters such as tents and mat huts.<sup>134</sup> By the end of WWI the Indian clerks and artisans were housed in parallel long and round barracks. Each barrack was divided by wall portions into a number of units. This living area was to the South East of the refinery and just north of one of the indigenous villages. During the early years this area was dubbed

<sup>&</sup>lt;sup>131</sup> Administration Report for the Arabistan Consulate, for the Year 1911, IOA, R/15/1/711; Thompson, "Abadan in its Early Days".

<sup>&</sup>lt;sup>132</sup> Lockhart, *The Record of the Anglo-Iranian Oil Company*, p. 173.

<sup>&</sup>lt;sup>133</sup> Thompson, "Abadan in its early days".

<sup>&</sup>lt;sup>134</sup> Fateh, Panjah Sal Naft-e Iran, p. 428.

"Coolie Lane", its name was later changed to "Sikh-Lane", to suit the origin of the majority of its inhabitants, and finally was renamed "Indian Lane".<sup>135</sup>

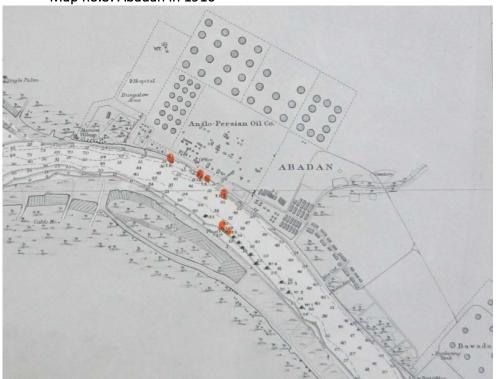
As opposed to the majority of the Indian artisans, the Iranian workers continued to live in sunbaked huts and makeshift shelters made of loosely lashed sticks or bamboo, roofed with palm leaves. The majority of them were concentrated to the East of the refinery and downstream from the "Coolie lines" outside the limits of APOC's leased territory. Company officials referred to this area as "the Sheikh's village" (later on the name changed to"Abadan Town"), denoting not only the physical boundaries of the Company's area but also where APOC believed the limits of its responsibility lay. As a result, the area developed in an *ad hoc* manner, as the dwellings that housed the new Iranian laborers enveloped both of the indigenous villages that pre-existed the refinery.

Since these dwellings simply sprang up without any guiding principle of urban planning or supervision, living areas became highly congested, lacking any access to clean water nor any infrastructure or solution to deal with wastage. As a result of these unhygienic conditions, these areas became hotbeds for epidemics and diseases. The fact that the Bazaar was also located inside this congested area, only made things worse as the squalid conditions affected the quality of the wares sold there.<sup>137</sup>

<sup>&</sup>lt;sup>135</sup> Atabaki, "Far from Home, But at Home", p. 18; Thompson, "Abadan in its early days."

 <sup>&</sup>lt;sup>136</sup> Abadan Town Planning Report, November 17, 1924, BP, 68723; Neligan, "Public Health in Persia,
 1914-24. Part 2", p. 690; Land Agreement between APOC and the Sheikh, December, 07, 1914, BP, 100497
 <sup>137</sup> Abadan Town Planning Report, November 17, 1924, BP, 68723; Neligan, "Public Health in Persia,
 1914-24. Part 2", p. 690

By mid-1915, when the Company sought additional locations to house its Indian foremen, Neilson, the works manager, did not even consider the area claiming 'there is no suitable site for their quarters in the village as the sanitary arrangements there and the odours are very strong especially at certain seasons of the year.'<sup>138</sup> The haphazard manner in which living areas sprang up in Abadan went on during and after WWI. The names given to these new living areas or neighborhoods, as Ehsani mentions: 'were informally named after the temporary industrial refuse used to erect shelters, such as Kaqaz Abad (Made of Paper), Halabi Abad (made of Tin Drums), or Hassir Abad (Made of Reeds), Chador Abad (Made of Tents).'<sup>139</sup>



Map no.3: Abadan in 1916<sup>140</sup>

 <sup>&</sup>lt;sup>138</sup> Abadan Works Manager to Walpole, *Lighthouse Depot*, 29 May, 1915, BP, 71754.
 <sup>139</sup> Ehsani, *The Record of the Anglo-Iranian Oil Company*, p. 247.

<sup>&</sup>lt;sup>140</sup> MPKK/1/17, BNA.

## **Control of Population**

In June 1910, in reply to a letter from Wilson in which he, once more, expressed his concerns about the conduct of APOC's managing agents, John Black, one of APOC's managing agents, replied, quite angrily: 'that we should become unpopular, by endeavoring to introduce business methods into a district where they have hitherto been unknown, is inevitable, and pioneering work is always difficult. It is significant that the thousands of Asiatic employees of our connected firms throughout the East, once attuned to our methods, seldom desire to leave us, and, with H.B.M's consul supporting and backing our efforts, we hope finally to attune local employees to our methods too. With his condemnation, instead of approval, our task is harder.'<sup>141</sup>

Black's reply, while arrogant (indeed, because of his attitude and incompetence he was eventually replaced.<sup>142</sup>), clearly showed the way in which APOC's representatives perceived the Company's activities in the area. Since the local inhabitants were already cast into the role of "wild savages", then the "pioneers" working to establish the oil industry would be the harbingers of civility and modernity into a place that had none. It was a belief that many Company officials as late as the early 1950s.<sup>143</sup>

This sentiment was also shared by many British officials. For example, in late 1913, Wilson reported that 'now in places where no European save an occasional consul was ever seen, employees of the oil company can not only travel freely but look forward to a

<sup>&</sup>lt;sup>141</sup> John Black to Wilson, June 06, 1910, BNA, FO/460/3.

<sup>&</sup>lt;sup>142</sup> Ferrier, The History of the British Petroleum Company volume 1, pp 137-141.

<sup>&</sup>lt;sup>143</sup> Elwell-Sutton, Persian Oil: A study in Power Politics, p. 94.

welcome. Tribesmen who used to stone or shoot at me a few miles from the oilfields are becoming skilled mechanics. We are witnessing here a new industrial revolution which is quietly transforming this part of Persia.'<sup>144</sup>

The process of "attunement" Black was referring to was APOC's attempts to instill an industrial work routine in their skilled and unskilled workforce as well as to retain a large number of them throughout the year. In a similar process to the one described by E.P. Thompson, APOC used various measures to form among the workers new labor habits and impose a 'new time-discipline.'<sup>145</sup> Among the methods used were: paying wages on fortnightly basis instead of a daily one that was common in the area; requiring that workers give one month's notice prior to their leaving; withholding pay for leaving the Company's employment earlier than agreed.<sup>146</sup> It seems, that violence was also used in some instances.<sup>147</sup> In order to accustom the local workforce to work according to "modern time measurement", the work schedule was changed from a 7-day working week from sunrise to sunset to a 6-day working week with shifts lasting 9-12 hours a day (depending on the season). A whistle was used to mark the changing of shifts.<sup>148</sup>

In other words, the Company was trying to shape its workers to fit its needs. Instilling a work routine and discipline was only one part of the "attunement process".

<sup>&</sup>lt;sup>144</sup> Longhurst, Adventure in Oil, p. 49.

<sup>&</sup>lt;sup>145</sup> Edward Palmer Thompson, "Work-Discipline, and Industrial Capitalism", *Past & Present*, No. 38 (December, 1967), pp 56-97.

 <sup>&</sup>lt;sup>146</sup> Atabaki, "From 'Amaleh (Labor) to Kargar (Worker)", pp 168-169; Khazeni, Tribes and Empire on the Margins of Nineteenth-Century, p 128; Persian Employees Agreements, September 09, 1915. BP, 72610
 <sup>147</sup> Wilson, was himself critical of the rough manner with which the Company handled its local workers. See: Ferrier, The History of the British Petroleum Company volume 1, p. 137.

<sup>&</sup>lt;sup>148</sup> Atabaki, "From 'Amaleh (Labor) to Kargar (Worker)", p. 170.

The Company also needed to develop the means to enforce discipline and order to safeguard its operations. For example, control over the movement of workers was also deemed necessary to prevent accidents. According to a report by Arabestan consulate: 'their [APOC's] full control over the movements of the public within their limits should be maintained owing to the danger which might arise from smoking, or the careless striking of lights.'<sup>149</sup>

Therefore, Company officials soon realized that the small detail supplied by Khaz'al was not able to handle the task of both policing and securing the enclosure day and night.<sup>150</sup> Partly because some of the guards moonlighted as "coolies" during the day, they would sleep through their shifts at night.<sup>151</sup> Moreover, at times, guards were late to arrive or slow to intervene when acts of violence occurred. This was particularly noticeable when it came to policing their own tribesmen. For example, in a brawl that broke out between local Arab workers and Arab workers from Basra, not only did the Sheikh's guardsmen not separate both sides, they egged on their own tribesmen against those from across the border.<sup>152</sup> Just prior to the outbreak of WWI, the number of guards had reached close to a hundred. This number was doubled once it became clear that the hostilities of war were imminent.<sup>153</sup>

Maintaining control over an ethnically diversified workforce such as the one in Abadan proved to be quite a challenge. The situation where different social groups were

<sup>&</sup>lt;sup>149</sup> Administration Report for the Arabistan Consulate, for the Year 1913, IOR, R/15/1/711.

<sup>&</sup>lt;sup>150</sup> Office Note, May 24, 1910, BNA, FO/460/03.

<sup>&</sup>lt;sup>151</sup> APOC Mohammerah to Wilson, *Guards at Abadan*, July 21, 1910, BNA, FO/460/03.

<sup>&</sup>lt;sup>152</sup> John Black to Wilson, July 23, 1910, BNA, FO/460/03.

<sup>&</sup>lt;sup>153</sup> See memo in Lockhart's notes dated November 19, 1935, BP, 71439.

cramped into an unsanitary and ill administered settlement was not a recipe for a stable and peaceful environment. Since '*Adlieh* officials had no authority in Arabestan, the only semblance of a rule of law was that of Khaz'al and his representatives. In Abadan, Sheikh Musa, Khaz'al's representative and the guards' headsman acted as both enforcer and judge. His "verdicts", often resulted in incarceration and public thrashings.<sup>154</sup> As living conditions in the Sheikh's village became harsher, violent instances became more frequent. In this tense environment, even an unfortunate accident could lead to widespread riots. On February, 1914, a vehicle driven by an Indian worker accidently hit a Lor worker. The incident rapidly developed into a full scale riot as hundreds of Lor employees demanded the blood of the driver. While the driver managed to escape, the riot was only quelled after reinforcements were called in and the ringleaders were arrested.<sup>155</sup> By mid-1915, the lawlessness in the Sheikh's village was so serious that Neilson, the works manager, admitted that it is often required to 'exercise autocratic powers' there.<sup>156</sup>

Moreover, the outbreak of violent incidents was also seen by APOC officials as a threat to the Company's public image. The riot between the Lor and Indian workers, for example, was reported by the newspaper "the Near East" and caused the Company much embarrassment. Worried that the Compnay's carefully constructed public image might be harmed, APOC's managing director, H.E. Nichols, urged the Company's agents to discover the name of the anonymous reporter, 'as it is most desirable that on occasions

<sup>&</sup>lt;sup>154</sup> Abadan Police, May 29, 1915, BP, 71754.

<sup>&</sup>lt;sup>155</sup> No. 639 0f 1914, April 15, 1914, IOR, L/PS/10/144/1.

<sup>&</sup>lt;sup>156</sup> Abadan Works Manager to Walpole, *Lighthouse Depot*, 29 May, 1915, BP, 71754.

we should be in a position to censor any information not fitted for public consumption and particularly so where the version of any incident may be incorrect or unduly exaggerated.' But that was not enough, APOC wanted to make sure its public image remains intact. Therefore, the editor of the newspaper was contacted with and agreed that in the future he would submit the Company any article dealing with it prior to its publication.<sup>157</sup>

As previously mentioned, APOC officials were unhappy with the performance of the Arab guardsmen. The problem was that they were the only force with executive authority in the area, at least, when it came to policing the Iranian population. In addition, since they represented the Sheikh's authority in Abadan, retaining their services was a way for the Company to keep him accountable for maintaining peace and order.<sup>158</sup> Since Abadan was turning into a complex place to operate in, Company officials were wary not to introduce any unstable elements. For example, APOC refrained from hiring watchmen from Tal Kaif (also spelled Tel Keppe, a town in Northern Iraq inhabited by Chaldean Christians), fearing that introducing Christian women (who will accompany the watchmen) to Abadan would be a potential source of disturbance.<sup>159</sup>

Still, APOC officials were mistrustful of the "lazy nature" of the Arab guards and were careful not to station them in the more sensitive areas of the refinery.<sup>160</sup> Already in mid-1910, the Company decided it needed a security force it could completely rely upon,

<sup>&</sup>lt;sup>157</sup> No. 184, May 1, 1914, BP, 70284.

<sup>&</sup>lt;sup>158</sup> Abadan Police, May 28, 1915, BP, 71754.

<sup>&</sup>lt;sup>159</sup> John Black to Wilson, June 06, 1910, BNA, FO/460/03.

<sup>&</sup>lt;sup>160</sup> Abadan Police, May 29, 1915, BP, 71754.

one that would be under its direct control. This security force, made up mainly of Kurds, was tasked with guarding the more strategic areas of the refinery and also acted as a quasi-police force charged with preventing thefts and peace keeping. These guards carried batons and wore badges but had no executive powers – therefore the culprits they apprehended were handed over to the Arab guard.<sup>161</sup> Soon a rivalry developed between the two security forces which, at times, even resulted in violence.<sup>162</sup> In order to diffuse the tensions between the forces, they were assigned to different sections of the refinery and would cooperate only in times of emergency.<sup>163</sup>

As the number of skilled and unskilled Indian workers employed by the Company increased, so did the tensions grow between Hindus and Indian Muslims, Iranian and Indian workers and between the Indian workers and the Arab guards. While APOC was quite comfortable letting the Sheikh's headman enforce order and dispatch his own brand of justice on the Iranian workforce, the Indian workforce presented a more complex issue. Because the Indians were British subjects they were considered *ex-Juris* in Iran. As such, they were outside the executive powers of the guards (who did not even have the authority to incarcerate them).<sup>164</sup>

By 1914, there were a little over 1,000 clerical and manual Indian workers. As the number of the Indian population increased, the guards as well as the Company's officials were finding it harder and harder to control them. A particularly serious problem was the

<sup>&</sup>lt;sup>161</sup> Abadan Police, May 29, 1915, BP, 71754.

<sup>&</sup>lt;sup>162</sup> See letter addressed to Walpole, August 05, 1915, BP, 71754.

<sup>&</sup>lt;sup>163</sup> Abadan Police, June 04, 1915, BP, 71754.

<sup>&</sup>lt;sup>164</sup> See for example, *Abadan Guard*, September 08, 1915, BP, 71754; letter addressed to Walpole dated August 05, 1915, BP, 71754.

high alcohol consumption and gambling habits of a large number of the Indian workforce in the village (which would at times turn violent). It seems that, much like the European staff, the Indian workforce turned to alcohol and gambling as means to escape the harsh reality of Abadan. By April 1914, the problem became so acute that Khaz'al complained to both APOC and British government officials about it.<sup>165</sup>

In mid-1914, in an attempt to solve the problem of judicial jurisdiction, the British government, now the major stakeholder in the Company, brought the Company's Indian workforce under the "Persian Coast and Island order of 1907". The order which was an appendix of the Anglo-Russian Convention of 1907, was originally intended to provide British subjects the protection and aid of the consul by registering at the consulate. But, it also provided the consuls judiciary power over citizens of the British Empire in foreign countries.<sup>166</sup> The foreign office hoped that bringing the Company's Indian workers under the fold of British colonial law, would have 'a sobering affect' on them.<sup>167</sup> Once this legal framework was laid down, officials at Abadan began planning the creation of an Indian security force, along the lines of the one that the Burma Oil Company used.<sup>168</sup> But, delays in implementation and the outbreak of the hostilities of war, postponed its establishment.

<sup>&</sup>lt;sup>165</sup> No. 639 0f 1914, April 15, 1914, IOR, L/PS/10/144/1; British Foreign Office to APOC Vice President, August 08, 1914, BP, 72610.

<sup>&</sup>lt;sup>166</sup> British Foreign Office to APOC Vice Chairman, dated October 3, 1914, BP, 72610; *No. 1 of 1914* [Official announcement of the order], October 30, 1914, BP, 72610; Atabaki, "Far from Home, But at Home", pp 9-10.

<sup>&</sup>lt;sup>167</sup> British Foreign Office to APOC Vice Chairman, October 03, 1914, BP, 72610.
<sup>168</sup> Abadan Police, May 28, 1915, BP, 71754.

Year	Iranians	Indians	Others	European	Total
1910	471	80	76	5	632
1911	587	277	56	12*	932
1912	1,396	508	75	16	1,995
1913	1,827	865	111	22	2,825
1914	1,809	1,028	135	37	3,009
1915	1,290	895	67	47	2,299
1916	1,137	1,202	50	53	2,442

Table no.1: APOC Staff and labor in Abadan 1910-1916<sup>169</sup>

### Iran during World War I

Despite declaring its neutrality once WWI broke out, Iran's sovereignty was repeatedly violated by the warring nations. As a result, the authority of the already dysfunctional Central Government was completely undermined. This, together with its failing economy, brought Iran into a virtual state of disintegration. No longer able to collect taxes or pay its tax collectors, Tehran found it was unable to maintain the gendarmerie and other security forces. As a result, a vicious cycle developed – the government's inability to provide security in the roads and towns, further hindered trade across the country and its ability to collect taxes. This, in turn, further depleted the country's income and its ability to govern its territory. In addition, as a result of the invading armies' habit of confiscating food supplies and draft animals, the price of staple foods soared. The severe food shortages further undermined the general state of security and lawlessness increased on the roads while bread riots broke out in various

<sup>&</sup>lt;sup>169</sup> Ferrier, The History of the British Petroleum Company volume 1, p. 276.

<sup>\*</sup> According to contemporary sources, in late 1911 there were close to 20 Europeans in Abadan. See: *Administration Report for the Arabistan Consulate, for the Year 1911*, IOR, R/15/1/711.

urban centers across the country.<sup>170</sup> The toll on the Iranian people was harsh as in certain areas in the country near famine conditions existed.<sup>171</sup>

In Southern Iran, insecurity in urban areas as well as on the roads made it increasingly harder for the British to protect their interests. Especially, in light of repeated tribal revolts, agitations instigated by German agents (the most famous of which was Wilhelm Wassmuss) and the incursions of the Ottoman army. In order to deal with the general state of chaos and insecurity and to safeguard oil operations, the British government decided to establish "the South Persia Rifles" - a local security force, led by British and Indian officers and under the command of Sir Percy Sykes.<sup>172</sup> In the oil operations area, APOC relied for protection on British troops stationed in Mesopotamia, as well as on its alliances with the local tribal leaders.

The outbreak of the war, had the dramatic effect of severing the few vestiges of power the central government had in the Arabestan. As the campaign in Mesopotamia progressed, not only was the lion's share of Iran's oil dedicated to supporting the war effort but, also Arabestan's food supplies. In 1916, the British Army took over Northern

<sup>&</sup>lt;sup>170</sup> Soheila Torabi, "Negahi beh Vaz'iyat-e Arzagh dar Iran dar Sal-haye Jang-e Jahani-e Avval", *Ganjineh Asnad*, no. 3/4 (1991), pp 24–33; Amir Afkhami, "Compromised Constitutions: The Iranian Experience with the 1918 Influenza Pandemic," *Bulletin of the History of Medicine*, Vol. 77, No. 2, (summer, 2003) pp 367-392; Homa Katouzian, "Constitutionalism and Chaos", In: *State and Society in Iran: The Eclipse of the Qajars and the Emergence of the Pahlavis*, (London & New York: I.B. Tauris, 2006), pp 69-76; Martin and Nouraei, "Part II: The Karguzar and Security, the Trade Routes of Iran and Foreign Subjects 1900-1921", pp 30-35.

<sup>&</sup>lt;sup>171</sup> Afkhami, ibid, pp 383-384; Monireh, Razi, *Polis-e Jonoub-e Iran*, (Tehran: Markaz-e Asnad-e Enqelabe Eslami, 2002) pp 36-40. There's much controversy surrounding the number of people who had died as a result of food shortages during the war. For a good overview of this controversy see Willem Floor's criticism of Mohammad Majd Gholi's book on the famine in Iran. See: Willem Floor, "Review: The Great Famine and Genocide in Persia, 1917-1919 by Mohammad Gholi Majd", *Iranian Studies*, Vol. 38, No.1 (March, 2005), pp 192-196.

<sup>&</sup>lt;sup>172</sup> Floreeda Safiri, *The South Persian Rifles*, PhD Dissertation, (Edinburgh: University of Edinburgh, 1976), pp 31-85; Razi, *Polis-e Jonoub-e Iran*, pp 98-105.; Percy Sykes, *Persia*, pp 161-170.

Arabestan and confiscated its agricultural produce to provide sustenance for its troops in the province and in Iraq.<sup>173</sup> Political officers were appointed to run the affairs of Dezful and Shushtar, and an Indian battalion stationed between these towns to maintain the peace.<sup>174</sup> In addition, subsidies were paid to the local tribes and the head of each section was made responsible for guarding his own tribal territory (a tactic later used by the Reza Shah in order to weaken large tribal confederacies).<sup>175</sup> These actions by the British effectively cut all remaining political, economic and administrative ties with Tehran.

In addition, Khaz'al, like many other tribal leaders, took advantage of the chaos created by the war and stopped paying his annual taxes on the grounds that he incurred extraordinary military expenses.<sup>176</sup> APOC, used a similar pretext to discontinue its royalty payments. In January 1915, the Company made its first royalty payment to the Iranian government (9,903 pounds). But, once Tehran refused to compensate it for damages its pipeline sustained as a result of sabotage, APOC discontinued its royalty payments for the duration of the war.<sup>177</sup>

## APOC's Operations during WWI

In 1913, in the wake of the British Admiralty's decision to convert its fleet to oilpowered ships (instead of coal), the British government became APOC's majority shareholder (the agreement with the Admiralty was signed on May 20<sup>th</sup> 1914).<sup>178</sup> By the

<sup>&</sup>lt;sup>173</sup> Ansari, The History of Khuzistan, 1878-1925, pp 293-299.

<sup>&</sup>lt;sup>174</sup> Another outcome of the British takeover of the administration of these towns was that the power of the local notables was neutralized. Ansari, ibid, pp 293-297.

<sup>&</sup>lt;sup>175</sup> Ansari, *The History of Khuzistan, 1878-1925*, pp 293-297.

<sup>&</sup>lt;sup>176</sup> Ansari, ibid, p. 275.

<sup>&</sup>lt;sup>177</sup> Lockhart, *The Record of the Anglo-Iranian Oil Company*, pp 278-279.

<sup>&</sup>lt;sup>178</sup> Ferrier, The History of the British Petroleum Company volume 1, p. 190.

outbreak of the war, the quality of Abadan's petrochemical products had improved as did its standing in the international market. APOC's importance and stature further grew after a memorandum that was drawn up in August 1916 by the Board of Trade acknowledged, for the first time, Britain's need to take steps to secure its national oil supplies.<sup>179</sup>

Throughout the war, the British government remained the Company's most important customer. Between the years 1915 to 1919, the Admiralty bought 65 percent of Abadan's product output.<sup>180</sup> Increased production and profits derived from the sales of its products, allowed APOC to secure its independent status and step out of Burma Oil's shadow and strike a path of its own.<sup>181</sup> This resurgence also directly affected Abadan as the Company needed to expand its operations and territory. On December 7, 1914, the Company signed with the Sheikh a new lease agreement adding 695 acres to tis territory, thus doubling it. In 1918, a third lease agreement was concluded with the Sheikh leasing an additional 1,091 acres.<sup>182</sup>

During the early stages of the war, oil operations suffered repeated setbacks due to tribal attacks, many of them political rivals of Khaz'al. The majority of the attacks occurred during 1915 and targeted the company's installations, particularly its pipeline and communications array. The most damaging attack occurred on February 1915 when the pipeline (approximately 7 kilometers north east of Ahwaz) was sabotaged. Due to the

<sup>&</sup>lt;sup>179</sup> Ferrier, ibid, pp 243-247; *The Future Control of Oil Supplies*, August 1916, BNA, ADM1/8537/240.

<sup>&</sup>lt;sup>180</sup> Ferrier, *The History of the British Petroleum Company volume 1*, pp 288-289.
<sup>181</sup> Corley, *A History of the Burmah Oil Company*, pp 185-189.

<sup>&</sup>lt;sup>167</sup> Corley, A History of the Burman Oli Company, pp 185-

<sup>&</sup>lt;sup>182</sup> Ferrier, ibid, p. 275.

insecure state of the region, the damage caused by the attack could only be fixed in mid-June. As a result, large quantities of oil had to be burnt since all storage facilities at *Fields* area were at full capacity.<sup>183</sup> As the British Army's military campaign spread to Mesopotamia, Abadan became part of the war effort. Part of the Company's operations were dedicated to the assembly of 12 gun boats (fly class), fitting of engines and boilers in tugs and building large barges in various sizes.<sup>184</sup> In addition, British military authorities in Basra requisitioned practically all of the Company's road and river transports.<sup>185</sup> Moreover, shortages of materials and equipment caused repeated delays to the refinery's extension works (such as the benches, jetties, treatment plant, and storage).<sup>186</sup>

In spite of these setbacks and difficulties, APOC managed to recover its operations and even succeeded in increasing the refinery's output. Once the new pipeline from *Fields* to Ahwaz was finally completed in June 1916, Abadan's oil throughput increased from 30,000 to 50,000 tons a month. In January 1917 after another pipeline was laid, output increased to nearly 63,000 tons a month.<sup>187</sup> In addition, the profits gained during war allowed APOC to purchase the BP Company, a marketing arm of the German "Europäische Petroleum Union" in Britain (classified as an enemy concern after the war broke out). The Company utilized BP's vast and developed marketing infrastructure to expand sales and distribution. Thus, by the end of WWI, APOC was completely

<sup>&</sup>lt;sup>183</sup> Administration Report for the Ahwaz Vice-Consulate, for the Year 1915, IOR, R/15/1/712.

<sup>&</sup>lt;sup>184</sup> Thompson, "Abadan in its Early Days".

<sup>&</sup>lt;sup>185</sup> Lockhart, *The Record of the Anglo-Iranian Oil Company*, p. 250.

<sup>&</sup>lt;sup>186</sup> Lockhart, ibid, p. 265.

<sup>187</sup> Ibid.

independent in terms of production, marketing and was able to assert its place in the international markets.188

# Abadan during WWI - 'A town which had the effect of not allowing Great Britain to lose the war'189

Towards the end of September 1914, in anticipation of war with the Ottoman Empire, General Sir Edward Barrow, military secretary at the India Office, wrote a memo entitled "the Role of India in a Turkish war". In this memo, Barrow listed the main reasons in favor of occupying Basra, among them was that 'It would effectually protect the oil installation at Abadan.'<sup>190</sup> By the time this memo was written, the British admiralty was already heavily dependent on Iranian oil.<sup>191</sup> Thus, the defense of Abadan became part of a larger plan linked to several government departments concerned with the invasion of Mesopotamia.

The period till the break of open hostilities between Ottoman Iraq and the allies, in early November, was marked with high tensions. During September and October 1914, Khaz'al received many letters and messages from Subhi Bey, the Vali of Basra, trying to convince him to join the Ottoman side. When convincing didn't seem to work, threats were also issued. But, Khaz'al threw in his lot with the British, supplying reinforcements

<sup>&</sup>lt;sup>188</sup> Ferrier, The History of the British Petroleum Company volume 1, p 294; Longhurst, Adventure in Oil, p. 58.

<sup>&</sup>lt;sup>189</sup> Habl al-Matin, September 06, 1927, BP, 70236.

<sup>&</sup>lt;sup>190</sup> The memo itself is quoted in a study compiled by the British General Staff Army Headquarters in India, see: Critical Study of the Campaign in Mesopotamia up to April 1917, (Calcutta: Government of India Press, 1925), IOR, L/MIL/17/15/72/1. <sup>191</sup> Ibid.

and intelligence on enemy movement (the Company's telephone and wireless were used to transmit any pertinent information to the British forces).<sup>192</sup>

Once the Ottoman army amassed troops and took up positions, opposite the refinery, Khaz'al reinforced his forces in Abadan and Mohammerah.<sup>193</sup> On November 8<sup>th</sup>, the 6th Puna Division 2 mountain batteries and sappers commanded by Brigadier-General Walter Delamain, disembarked approximately 3 kilometers above the oil works and almost 15 kilometers South of Mohammerah and camped there.<sup>194</sup> On November 11th, the British camp was attacked by Ottoman forces. But, having been previously warned by Khaz'al, the British troops were prepared and succeeded in repelling the Ottoman forces. Basra was captured by the 22nd of November and On December 8th, the *Vali* and commander of the Turkish forces, Colonel Subhi Bey, surrendered after the battle of Qurna.<sup>195</sup>

Despite the fact that hostilities in Abadan's vicinity ended quickly, during the early stages of the war, APOC struggled to recruit workers, skilled and unskilled alike, as well as retain those who were already in its service. In addition, the extra duties thrust upon the Company as part of the war effort further exacerbated the labor shortage problem at Abadan as APOC was forced to divert unskilled and skilled labor and staff from their work in the refinery.<sup>196</sup> The effects of the general state of insecurity in the province and its proximity to the war zone served as effective deterrents. Furthermore, food shortages

<sup>&</sup>lt;sup>192</sup> Administration Report for the Arabistan Consulate, for the Year 1914, IOR, R/15/1/711; Thompson, "Abadan in its Early Days".

<sup>&</sup>lt;sup>193</sup> Ibid.

<sup>&</sup>lt;sup>194</sup> General Staff Army Headquarters in India, *Critical Study of the Campaign in Mesopotamia up to April* 1917, (Calcutta: Government of India Press, 1925), IOR, L/MIL/17/15/72/1, p. 6.

<sup>&</sup>lt;sup>195</sup> General Staff Army Headquarters in India, ibid, pp 7-10

<sup>&</sup>lt;sup>196</sup> Thompson, "Abadan in its Early Days".

caused by droughts and confiscation of crops and draft animals by the British Army in Northern Arabestan further deteriorated the situation.<sup>197</sup>

To make things worse, the occupation of Basra created a rival labor market in neighboring Iraq. After Basra's occupation by British forces, the city became the base of operations for the British expeditionary force in Mesopotamia. The civil administration of the city was modelled on the lines of an Indian province and many of its administrators were drawn from the Indian Civil Service.<sup>198</sup> But, the new administration in Basra was finding it hard to recruit local labor in sufficient quantities. Prior to the war, British influence among the tribes was confined mainly to the urban hinterlands of Baghdad and Basra, with very little contact with those tribes in the rural regions. Therefore, the newly formed British administration had a very finite pool of laborers to draw upon. The lack of a centralized recruitment process, allowed local labor contractors to play the administration's various departments one against another bringing about a rise in wage rates. By late 1915, labor shortage was so acute that both British and Indian troops were employed for months on end constructing flood defenses in wake of floods that occurred in the spring of 1915.<sup>199</sup>

The siege of al-Kut that began in late 1915 (lasted till the surrender of the British forces in late April 1916), brought another surge in demand for labor in support of the war effort. In order to compensate for both the lack of local labor as well as the growing

<sup>&</sup>lt;sup>197</sup> APOC Mohammerah to Wilson, March 20, 1917, BP, 68779; Atabaki, "Far from Home, But at Home", p 11; Ehsani, *The Social History of Labor in the Iranian Oil Industry*, pp 242-243.

<sup>&</sup>lt;sup>198</sup> Kristian Coates Ulrichsen, *The Logistics and Politics of the British Campaigns in the Middle East, 1914-*22, (UK: Palgrave Macmillan, 2011), pp 90, 94-95.

<sup>&</sup>lt;sup>199</sup> Ulrichsen, ibid, pp 110, 129-130.

needs of the Mesopotamian campaign, Britain relied heavily on Indian labor. Soon India became the principal supply base for the campaign in terms of combatants, noncombatants as well as food and fodder. This was evident in the number of Indians recruited for the war effort – out of 1.3 million Indian combatants and non-combatants who were part of Britain's war efforts, some 588,717 went to Mesopotamia. Of these, 293,152, nearly half, were non-combatants recruited into the British army's labor corps.<sup>200</sup>

In light of its growing dependence on Indian workers, and faced with the British army's growing need for labor, APOC found itself at a disadvantage. The Company was unable to compete with the wages and favorable working conditions offered by the British administration in Iraq.<sup>201</sup> Conditions in Abadan only worsened as the war progressed. The food shortages caused by the war brought about an increase in the cost of living. By mid-1915 the soaring prices in the Bazaar forced the Company to try to regulate them. APOC also issued threats of banishment and threatened with other sanctions bazaar shopkeepers that wanted to raise prices. But, the Company's attempts to prevent prices from soaring, failed. Shopkeepers threatened to close down their stalls and they also, apparently, bribed the official Khaz'al appointed to supervise the prices in the bazaar.<sup>202</sup>

<sup>&</sup>lt;sup>200</sup> Radhika Singha, "Finding Labor from India for the War in Iraq- The Jail Porter and Labor Corps, 1916-1920", *Comparative Studies in Society and History*, Vol. 49, No. 2 (April, 2007), p. 412.
<sup>201</sup> Thompson, "Abadan in its Early Days".

<sup>&</sup>lt;sup>202</sup> Letter addressed to Walpole, June 08, 1915; June 11, 1915, BP, 71754.

By April 1916, sailors who wanted to disembark at Abadan to buy food in the bazaar were barred from entering it and were, instead, directed to Basra. It seems that the frequent visits, depleted food supplies in the Abadan bazaar, causing an additional increase in prices (especially in the only stall that sold meat).<sup>203</sup> To make things worse, in mid-1916, the value of the Rupee (the currency with which the Company paid its wages) decreased following a shortage of Qerans, the main currency in use in the province. As a result, the Rupee's purchasing value in the bazaar declined. APOC attempted to regulate prices by enforcing a fixed exchange rate similar to that of Mohammerah, but, failed, as it encountered, once more, opposition from Bazaar shopkeepers.<sup>204</sup>

While the European Staff was less dependent on products sold in the bazaar since they imported most of their foodstuffs and clothing, they too were affected by the rising cost of living and shortage of food.<sup>205</sup> Some, managed to accumulate debts at the bazaar. Following a particular incident involving a complaint of an Indian shopkeeper regarding unsettled debts of two of Company employees, Abadan's works manager issued a notice to the Bazaar merchants, warning them that the Company will no longer handle complaints involving credit debts of Company employees.<sup>206</sup>

The Indian skilled and unskilled workforce and some members of the Indian clerical staff were particularly unhappy with the situation in the city. Many tried to get out of their contracts (usually they signed a three year contract) or refused to extend them in

<sup>&</sup>lt;sup>203</sup> April 18, 1916, BP, 71754.

<sup>&</sup>lt;sup>204</sup> Labour, May 16, 1916, BP, 71754.

<sup>&</sup>lt;sup>205</sup> Letter addressed to Colonel Kennion, December 10, 1915, BP, 71754.

<sup>&</sup>lt;sup>206</sup> Kennion to Thompson, No. 199 Of 1916, February 15, 1916; Letter of Ali Shah Hindi, February 14,

<sup>1916;</sup> Thompson's to Kennion, February 17, 1916 and the notice to the bazaar attached to it, BP, 71754.

the hopes of finding higher paid jobs in Iraq.<sup>207</sup> APOC attempted to deter the former by fining them.<sup>208</sup> Others, like several Sikh fitters, wrote back home warning friends and relatives not to come work for the Company, citing the rise in the cost of living, the troubles caused by the war and coercive methods used by the company to retain their services.<sup>209</sup> On top of all these problems, APOC vehicles travelling on the road between Mohammerah and Abadan fell victim to repeated attacks.<sup>210</sup>

As tensions rose in the settlement, policing and maintaining order among the workforce, particularly the Indian one, was turning into an acute problem. Once hostilities began, a detachment of Indian soldiers was assigned to Abadan and helped APOC safeguard its installations as well as police the Indian workforce.<sup>211</sup> But, violent incidents continued to occur and, at times, with deadly results. For example, on January 16 1916, a clash at Abadan village between some "Pathans" and "Chittagonians" resulted in two deaths of and in the injury of many others.<sup>212</sup> A short time after this incident, Basra Authorities sent a detachment of fifty Indian policemen (*Sepoys*) to Abadan to maintain order among the Indian population. Once the situation calmed, the detachment was withdrawn and in its stead, two head Constables and twenty Constables under an inspector were stationed in Abadan. The police force was later reinforced with ten

<sup>&</sup>lt;sup>207</sup> Letter addressed to Wilson, February 10, 1916, BP, 68779; *Labour*, May 16, 1916, BP, 71754; April 04, 1917, BP, 68779.

<sup>&</sup>lt;sup>208</sup> Persian Employee Agreements, September 09, 1915, BP, 72610.

<sup>&</sup>lt;sup>209</sup> Labour, May 12, 1916, BP, 71754.

<sup>&</sup>lt;sup>210</sup> See for example: Arabestan Consul to Works Manager, February 15, 1916. BP, 71754.

<sup>&</sup>lt;sup>211</sup> Critical Study of the Campaign in Mesopotamia up to April 1917, IOR, L/MIL/17/15/72/1; Abadan Guard, September 08, 1915, BP, 71754.

<sup>&</sup>lt;sup>212</sup> "Pathan" was an ethnonym used for the Pashtun people. "Chittagonian" referred to Indians from the southeastern area of what later became known as Bangladesh.

additional Constables.<sup>213</sup> In June 1916, in wake of additional incidents, and under the threat of the impending withdrawal of the detachment assigned to Abadan, APOC officials decided it was time to establish a proper police force to maintain order among the British and British Indian subjects.<sup>214</sup>

In wake of the tense situation and the harsh conditions that existed in Abadan, APOC attempted to appease its skilled and administrative Indian workers by providing them with certain amenities. For example, Indian foreman as well as clerks who were in high demand during the war, were provided with tennis courts and equipment. In addition, as previously mentioned, the Indian workforce was provided with housing. Still, APOC was unable to compete with the wages and working conditions in Iraq and was losing many of its skilled and unskilled workers. Once news about the low wages and harsh conditions at Abadan reached Indian, APOC found it increasingly difficult to recruit workers from there. The Company was not the only one struggling. As news of the dangers and hardships in Iraq reached India, British authorities also found it increasingly difficult to find recruits willing to make the journey to Basra. Even the Indian labor corps sent to Mesopotamia had to be bolstered by "Jail corps".<sup>215</sup>

As shortage of labor was becoming more acute, APOC appealed to the British government claiming that: 'if they continued to take away labour from Abadan, it would

<sup>&</sup>lt;sup>213</sup> Administration Report for the Arabistan Consulate, for the Year 1916, IOR, R/15/1/712

 <sup>&</sup>lt;sup>214</sup> See letter to Thompson dated February 17, 1916; E.G. Gregson [Commissioner of Police in Basra 1916] to APOC Works Manager, May 04, 1916, BP, 71754; *No. 477*, October 17, 1923, IOR, L\PS\11\235
 <sup>215</sup> Singha, "Finding Labor from India for the War in Iraq- The Jail Porter and Labor Corps, 1916-1920". pp 412-445.

be impossible to carry on.' <sup>216</sup> The Company also requested that the British Government of India, suspend the "Indian Emigration Act" that prevented unskilled laborers from going to Iran, among other locations. But their request was denied.<sup>217</sup> In March 1917, following the occupation of Baghdad, hundreds of the Company's unskilled workers in Abadan, many of them Arabs, abruptly left the Company's employment to seek better paying jobs in Iraq. In response, the Company appealed to Wilson, then Deputy Chief Political Officer at Basra, and asked whether a detachment of the Army's Indian labor Corp could be sent to Abadan, mentioning they need urgently a work force at least 300 strong and in the future 800.<sup>218</sup> In October 1917, an emergency order was issued compelling laborers who were originally brought in by the Company to the area and left to find employment for the military in Iraq, to return work for the Company.<sup>219</sup>

In February 1918, the British Government of India finally agreed to suspend the Indian Emigration Act (in addition to other wartime ordinances) in favor of the Company. Thus, APOC was allowed to import skilled and unskilled Indian laborers "as a war measure." In addition, it allowed the Company to register even the unskilled workers coming under this measure as skilled labor, thus bypassing the concession.<sup>220</sup> Using these measures APOC was able, according to one estimate, to recruit Indian workers (skilled and unskilled) at a rate of 1,000 men annually.<sup>221</sup> By January 1921, approximately 77

<sup>&</sup>lt;sup>216</sup> Thompson, "Abadan in its Early Days".

<sup>&</sup>lt;sup>217</sup> Singha, ibid, p. 419; Stefan Tetzlaff, *Entangled Boundaries: British India and the Persian Gulf Region During the Transition from Empire to Nation States, c. 1880-1935*, M.A. Thesis, (Berlin: Humboldt-Universität zu Berlin, 2009), pp 71-72.

<sup>&</sup>lt;sup>218</sup> APOC Mohammerah to Wilson, March 20, 1917, BP, 68779.

<sup>&</sup>lt;sup>219</sup> Tetzlaff, *Entangled Boundaries*, p. 71.

<sup>&</sup>lt;sup>220</sup> Singha, "Finding Labor from India for the War in Iraq", p. 419; Tetzlaff, ibid, pp 71-72.

<sup>&</sup>lt;sup>221</sup> Singha, ibid, p. 419.

percent of the Company's Indian workforce was working at Abadan. These constituted roughly 44 percent of the workforce at Abadan (an estimated 8,725 workers).<sup>222</sup>

### Conclusions

Contrary to the Burma Oil Company, APOC operated under the terms of a concession and in a territory that was not part of the British Empire. However, the Company was able to make good use of local and international conditions to not only to become a local power foci but, also an imperial asset. When WWI broke out, APOC had a working refinery and pipeline and the necessary infrastructure. It was able to serve the war effort and play an increasingly important role in the world market. By the end of the war, the oil industry in southern Iran replaced the Indo-European telegraph line, Britain's most precious interest in Iran since the mid-1860s, in terms of importance.<sup>223</sup> The collapse of the Iranian state along with the British occupation of Basra and northern Arabestan, greatly benefitted the Company since it brought the oil operations area, and Abadan with it, under the direct control of the British Empire.

As opposed to its growing prosperity, APOC's contribution to the local and national economy was quite small. On the national level, APOC withheld royalty payments from the struggling Iranian government. Thus, depriving it from receiving steady funds (although nominally small) at a time it was struggling to make any revenue at all. Locally, while the Company injected considerable amounts of money into the local economy in

<sup>&</sup>lt;sup>222</sup> Economic Report No. 8: Statement Showing Relative Proportion of Indian and Persian Labour Employed by The Anglo-Persian Oil Company, Limited, March 11, 1922, IOR, L/PS/11/224.

<sup>&</sup>lt;sup>223</sup> Dennis wright, *The English Amongst the Persian: Imperial Lives in Nineteenth-Century Iran*, (London & New York: I.B. Tauris, 2001), pp 128-138.

the form of wage and salary payments, it relied mostly on imported goods and hardly bought local produce. In addition, while Iranian currency was in regular use in places like Shushtar in northern Arabestan, in the rest of the province, Indian Rupee was increasingly becoming the prevailing currency.<sup>224</sup>

The Company's social impact on southern Iran was much more significant. The establishment of the oil industry, particularly the refinery at Abadan, effected, in a short amount of time, employments patterns in Southern Iran. While small in numbers, especially compared to the oil industry at Baku at the time, the migration of workers to the oil operations area marked the birth of a new industrial wage laboring class in Southern Iran. <sup>225</sup> Meanwhile, in the oil refinery in Abadan, a gradual trend was also noticeable - the stake of the non-Arab workers was gradually on the rise while that of the Arab workers was declining. By the outbreak of WWI Arab workers were already a minority at the refinery.

Through its pioneering activities in the area, APOC introduced methods of industry and other technological innovations never before seen in Iran. But, it also imported a prejudicial system of labor, class and administration. Inside APOC's territory, Iranians were not sought out to fill administrative, staff or even skilled positions. Rather, they were destined and disciplined only to fill only the role of the unskilled manual laborers. Thereby proving the falsehood of APOC's claim to be the benevolent harbinger of

<sup>&</sup>lt;sup>224</sup> Melamed, "The Geographical Pattern of Iranian Oil Development", p. 205.

<sup>&</sup>lt;sup>225</sup> About the migration of Iranian workers to Russian and their stake in the Oil industry at Baku, see: Hakimian, "Wage Labor and Migration: Persian Workers in Southern Russia, 1880-1914", pp 447-457.

civilization and modernity.<sup>226</sup> And perhaps, the falsehood of the claim that modernity is a sure path to prosperity, Welfare and progress. In addition, much like other colonial cities, race became a characteristic of the stratification in the oil operations area.<sup>227</sup> In the small industrial settlement of Abadan, the division of labor was means through which this stratification was engineered, and used to segregate living areas in the settlement.

The Competition the Company faced with the British administration in Basra over laborers, revealed, just how bad conditions in Abadan were. It also revealed the dissonance between APOC's growing standing in the international market, and its inability to control its diverse and growing population. During the first decade it was the Indian workforce that proved more challenging. APOC's increasing dependency on its Indian labor forced it to devote considerable efforts to retain, control and police its growing Indian population. The tensions with the Indian workforce only worsened after the war. But, the haphazard manner in which the Sheikh's village developed, political changes in the national level and APOC's complete disregard to the quality lives of its Iranian employees - would have much more serious repercussions.

 <sup>&</sup>lt;sup>226</sup> Especially considering the fact that in the late 1940's, 85 percent of the Company's Iranian workers were still considered illiterate. See: Shwadran, *The Middle East, Oil and the Great Powers*, p. 139.
 <sup>227</sup> Anthony King, *Urbanism, Colonialism, and the World Economy: Cultural and Spatial Foundations of the World Urban System*, (London and New York: Routledge, 1990), pp 31-43.

# Chapter III – The Birth of an Indigenous Social Class

#### Introduction: The 1919 agreement and its Aftermath

The 1917 revolution that left Russia in turmoil and the defeat of Germany and the Ottoman Empire in the Great War, had left Britain in a unique position of power and influence in Iran. Indeed, Financially, Iran was, more than ever, dependent on the British subsidies to run its administration. Moreover, Tehran was also heavily dependent on the support of the British military to maintain law and order in various areas of the country.<sup>1</sup> Seeing Iran's weakness as an opportunity, George Curzon, the British foreign minister, attempted to strengthen Britain's hold over the Country. Using a combination of pressures and bribes, he persuaded the Iranian Prime Minister, Vosuq al-Dowleh, to sign on August 9, 1919 a secret agreement to this affect. Per the agreement, infamously known as the "1919 agreement", Britain would supply Iran with expert advisers to help reform its government and army and further develop the country's transportation and communications infrastructure. In addition, Britain was to supply the equipment for the army and provide loans to the Iranian government to fund the reforms.<sup>2</sup>

The true purpose of the agreement was to give Britain indirect but full control over Iranian affairs for the coming years, effectively turning the country into a British protectorate. Thus, the British Foreign Minister had hoped that by stabilizing Iran and making it overly dependent on the British, he'd be able to guard Britain's oil interests as

<sup>&</sup>lt;sup>1</sup> Katouzian, "The Campaign for the 1919 Agreement", in: In: *State and Society in Iran: The Eclipse of the Qajars and the Emergence of the Pahlavis*, pp 88-108; Houshang Sabahi, *British Policy in Persia 1918-1925*, (London: Frank Cass, 1990), pp 11-56.

<sup>&</sup>lt;sup>2</sup> Katouzian, ibid; Keddie, Modern Iran: Roots and Results of Revolution, p. 76.

well as protect the path to India and the Persian Gulf against the growing Bolshevik threat.<sup>3</sup> All the while, Curzon pursued an aggressive policy aimed also to prevent any rival power from gaining a political or economic foothold in the country.<sup>4</sup> From 1919 to 1921 relations between Iran and Britain were dominated by the politics of this agreement. Despite the fact that the agreement was never ratified by the *Majles*, Curzon had acted as if it was already in effect. Thus, British advisers, such as Armitage Smith and General George Dickson, were brought in to reform the treasury and the army respectively. Additional British officers were also brought to reform other branches of government and administration.<sup>5</sup>

But, no sooner had word of the agreement got out, it was met with fierce criticism on the part of France, the US as well as opposition from Russia. It was even met with opposition from within the British government. Particularly, the treasury, War Office and the government of India that were pressed for funds in the post-war era and refused to commit the necessary funds and troops Curzon demanded.<sup>6</sup> The February 1921 coup<sup>7</sup> and the Russian-Iranian treaty that renounced all Iranian debts to Russia and voided all Tsarist agreements (including the 1907 Anglo-Russian agreement), spelled the end of the

<sup>&</sup>lt;sup>3</sup> Sabahi, *British Policy in Persia 1918-1925*, pp 62-64; Abrahamian, *A History of Modern Iran*, p. 61. Shwadran, *The Middle East, Oil and the Great Powers*, p. 21.

<sup>&</sup>lt;sup>4</sup> Sabahi, ibid, pp 103-130; Katouzian, "The Campaign for the 1919 Agreement" and "The Campaign against the 1919 Agreement", in: *State and Society in Iran: The Eclipse of the Qajars and the Emergence of the Pahlavis*, (NY & London: I.B. Tauris, 2006), pp 88-163.

<sup>&</sup>lt;sup>5</sup> Keddie, Modern Iran: Roots and Results of Revolution, pp 76-77.

<sup>&</sup>lt;sup>6</sup> Sabahi, ibid, Chapters 1-2 and 6.

<sup>&</sup>lt;sup>7</sup> The coup, led by Sayyid Zia and Reza Khan, was in response to foreign intervention in Iranian affairs in the post war era, particularly that of Britain. Sayyid Zia's government lasted only three months before he was replaced by Ahmad Qavam with the help of Reza Khan. The latter, was the true beneficiary of the Coup as it allowed him to gradually become the strongest man in Iran. See: Michael .P. Zirinsky, "Imperial Power and Dictatorship: Britain and the Rise of Reza Shah, 1921-1926", *IJMES*, Vol. 24, no. 4 (November, 1992), pp 639-663.

1919 agreement. By December of 1921, the last traces of the agreement, as well as Britain's wartime vestiges of power, including the "South Persia Rifles", were gone.<sup>8</sup>

Britain's failure to implement the agreement was an unmitigated disaster for its prestige and standing in Iran. It demonstrated Curzon's failure to appreciate the growing nationalist sentiment in Iran that fueled the vehement opposition to the agreement. Moreover, Curzon's failure signified the demise of Britain's pre-war "old-diplomacy" and made way for a more engaging one that also acknowledged the fact that Britain, still reeling from the war, was limited in its ability to influence Iran militarily and financially. In essence, the proponents of this policy increasingly favored supporting a strong central government led by Reza Khan.<sup>9</sup>

The utter chaos and near disintegration condition the Iranian state was in during the Great War, had caused many in Iran, more than anything, to aspire for order and stability. The two major impediments cited by many of the country's nationalists as hindering the restoration of order and achieving progress, were the tribes and the meddling of foreign powers.<sup>10</sup> Thus, in the mind of Iran's nationalists, the notion of a unified strong Iran, could only be achieved through centralization (this already a prominent theme in 19<sup>th</sup> century Qajar writings). Considering the weak (and in some areas non-existent) state of

<sup>&</sup>lt;sup>8</sup> Nance .F. Kittner, *Issues in Anglo-Persian Diplomatic Relations, 1921*-1933, PhD Dissertation, (University of London, 1980), p.63.

<sup>&</sup>lt;sup>9</sup> Sabahi, *British Policy in Persia 1918-1925*, pp 155-158. It seems that while the British government was not involved in the planning and execution of the coup, unbeknownst to it, British army officer like General Ironside, acted independently and helped facilitate Reza Khan's rise to prominence. See: Zirinsky, "Imperial Power and Dictatorship", pp 645-647.

<sup>&</sup>lt;sup>10</sup> Cottam, Nationalism in Iran, p. 58; Firoozeh Kashani-Sabet, Frontier Fictions: Shaping the Iranian Nation, 1804-1946, (New Jersey: Princeton University Press, 1999), pp 150-157.

the country's security forces, the task facing the country was daunting. One, made even more formidable considering the fact that in the early 1920's, almost 80 percent of Iranians were living in rural areas.<sup>11</sup>

The yearning for order and control served as the backdrop for Reza Khan's to rise to power. For many intellectuals and other members of the Iranian elite, the commander of the Cossack brigade seemed to be the proverbial "man on the horse" that could steer the Iranian nation to its salvation.<sup>12</sup> Between the years 1921-1925, Reza Khan gradually established himself as the real power behind the scenes, first as commander-in-chief of the armed forces, then as war minister, and finally as premier. In his bid for power, he made and unmade ministers and premiers, and struck alliances with traditional as well as modern elites. During these years, Reza Khan was able to carefully construct his image as the champion of Iranian nationalism and as the only one strong enough to unite the country and march it off into a better future.<sup>13</sup>

As Reza khan was beginning his ascension to power, the 4<sup>th</sup> *Majles* convened on June 22 1921, after a hiatus that lasted over 5 years. The mood in the Iranian House of Representatives reflected well the prevalent nationalist sentiment. Many of the debates dealt with issues concerning the need to focused on gain control over the provinces and

<sup>&</sup>lt;sup>11</sup> According to Julian Bharier in 1910 roughly 25% of Iran's population were nomads (approximately 2.65 million out of an estimated population of 10.58 million). See: Julian Bharier, "The Growth of Towns and Villages in Iran 1900-1966", *Middle Eastern Studies*, Vol. 8, No. 8 (January, 1972), p.52Also see: Mostafa Taqvi, "Siyasat-e 'Ashaeri Reza Shah, Ba Takid Bar Tahavolt-e Siyasi-ye Manteqeh-ye Kohgiluyeh va Boyer-Ahmad", *Tarikh-e Mo'aser-e Iran*, No. 4 (Winter, 1376), p.78.

<sup>&</sup>lt;sup>12</sup> See for example: Ali Ansari, *The Politics of Nationalism in Modern Iran*, (UK: Cambridge University Press, 2012), pp 65-67.

<sup>&</sup>lt;sup>13</sup> Ansari, ibid, pp 65-78; Zirinsky, "Imperial Power and Dictatorship", pp 647-649; Abrahamian, *A History* of *Modern Iran*, pp 65-66.

subjugate tribal leaders to Tehran's authority (or at least collect their arrears in taxes), and finally, on the need to curtail foreign interference in the country. As part of these discussions, Arabestan's name was evoked numerous times mainly in the following contexts: Khaz'al's arrears and his independent status; British activity in the area (for example its control over the telegraph communications array); APOC's unsupervised activity; and the collaboration of government officials with Khaz'al and the British.<sup>14</sup>

Despite the fact that very few in Tehran were well versed on the particular details concerning Arabestan and its inhabitants, many acknowledged its importance.<sup>15</sup> Indeed, Reza Khan and the Iranian government perceived the state of affairs in Arabestan as the antithesis to the new government's main tenant - order through centralization. Especially, since the steady income from the oil revenues, although small in absolute terms, was imperative for the fledgling Iranian economy. As such, Tehran believed that in order to prevent the country from disintegrating, it was crucial to achieve some form of supervision and influence over the foreign controlled oil industry and to subjugate the semi-autonomous Khaz'al whose secessionist tendencies were well known.<sup>16</sup> Moreover, Reza Khan also saw great importance in enforcing Iranian sovereignty along the border with Iraq.<sup>17</sup>

<sup>&</sup>lt;sup>14</sup> See for example: *Mozakerat Majles Showra-ye Meli*, 4<sup>th</sup> Term, Sessions 15, 73, 83, 84.and 126. Also see: Hadi Hashemian, "Dowreh-ye Chaharom Majles Sohwra-ye Meli", *Faslnmameh-ye Payam-e Baharestan*, First year, no. 3 (spring, 1388).

<sup>&</sup>lt;sup>15</sup> When Sheikh Bahadur Khan Ibn Sheikh Jabir Khan, the head of the tribal escort to Tehran for the coronation of Reza Shah, returned to Abadan, he expressed his surprise as to how little people there knew about the province. See: *Security Report May 1926*, BP, 70236. <sup>16</sup> *Cable from Teheran to London*, October 3, 1924, BP, 72271.

<sup>&</sup>lt;sup>17</sup> Haron Homan (ed.), Safarnameh-ye Reza Shah Pahalavi beh Mazandarn va Khuzestan, p. 20.

However, between the years 1921-1923, although Tehran had shown improvement in its ability to govern, it was still not strong enough to deal with the tribes in the southern parts of the country (militarily and politically).<sup>18</sup> Moreover, the central government's initial strategy that focused on simultaneously dispatching small forces to quell down several tribal unrests, had failed. In place of this failed strategy, the government conducted large scale military operations, concentrating on one area at a time.<sup>19</sup> While this strategy succeeded in gaining control over various territories, it came at a cost - Tehran could only handle one campaign at a time. Thus, for the better part of this period the Iranian army was occupied with quelling down the rebellions in the Northern provinces.

Despite this, the new regime in Tehran was adamant to gain a foothold in Arabestan in any conceivable way. One such way was to use Khaz'al's arrears in tax payments to gain some influence over him. The Negotiations between the Tehran and the Sheikh to settle his debt began on July 1921 and dragged on for three years without result.<sup>20</sup> In the process of Tehran's attempts to gain a foothold into Arabestan, it also targeted APOC and Abadan.

<sup>&</sup>lt;sup>18</sup> Especially, when it faced with an alliance formed between various tribal confederations in Southern Iran in late 1922. See: Ansari, *The History of Khuzistan*, pp 336-337.

<sup>&</sup>lt;sup>19</sup> Cronin, *Tribal Politics in Iran*, pp 22-31. For a vivid description of the difficulties the Iranian state faced in its fight against the tribes, see: Hassan, Arfa, *Under Five Shahs*, (London: John Murray, 1964), pp 114-142.

<sup>&</sup>lt;sup>20</sup> For a good summary of the negotiations between both sides as well as the British attempts at mediating, see: Ansari, *The History of Khuzestan*, 320-348.

## Iranization of the Workforce

Increasingly after the war, APOC came to be under harsh criticism from many in Iran who came to regard it as an extension of British Imperialism, or as Elwell-Sutton described it, 'the epitome of foreign intervention.'<sup>21</sup> The criticism leveled against the Company often revolved around three main issues: (1) that APOC was not paying the Iranian government its fair share of profits derived from Iran's oil, (2) the Company was not doing enough for the welfare of its workers and the local population in the oil operations area, (3) and, finally that APOC was not employing a sufficient number of Iranians.<sup>22</sup> APOC's officials to this criticism can be described as condescending and short blind – usually claiming the criticism leveled against it was biased, ungrateful and completely disregarded APOC's "modernizing" and "civilizing" effect and the major role the Company played in stabilizing the Iranian regime in the post-war era (through royalties). In fact, APOC officials were certain that the Company's negative image in Iran was less the result of its conduct, and mainly the result of Iranian anti-British propaganda and the agitation efforts of Bolshevik elements.<sup>23</sup>

The Company's response was not surprising, since even before the war it was highly sensitive to its public image (as its response to the report that appeared in "the Near East" (see Chapter two) has shown). However, as APOC became increasingly fearful in the post war years to the effect that the politics of nationalism might have on its operations,

<sup>&</sup>lt;sup>21</sup> Elwell-Sutton, *Persian Oil: A study in Power Politics*, p. 67.

<sup>&</sup>lt;sup>22</sup> See for example: H.E. Nichols to APOC Board of Directors, *Persia*, January 19, 1926, BP, 96465.

<sup>&</sup>lt;sup>23</sup> See for example: "Company Meetings: Anglo-Persian Oil Company Progress of Operations", *the Times*, December 12, 1922.

this sensitivity turned into obsession. Indeed, after the war, APOC consistently berated newspaper editors and reporters, inside and outside of Iran, who criticized its policies in Iran. in its quest to preserve its image, it did not hesitate to turn to senior Iranian and British Officials (for example the high commissioner of Palestine) to complain about negative newspaper reports and demand them to better supervise the local press.<sup>24</sup>

All the while, the Company was pressured by the Iranian central government that was increasingly asserting its authority in the country, to Iranisize its workforce. On February 2, 1922, Farid al-Saltaneh, the Iranian Oil Commissioner, complained to the Iranian Ministry of Public Works about the Company's hiring policy. The Commissioner, took particular offense to APOC's abuse of the concession by hiring non-Iranians *en masse* as common laborers (mainly from Indian and China).<sup>25</sup> While hardly new, this complaint came at a time when APOC was facing mounting opposition from its Indian workforce. In the years after the war, the British Government of India received a growing number of complaints and reports about the Company's misconduct toward its Indian workers and their harsh living and working conditions.<sup>26</sup>

As a result of the rapid expansion of its operations after the war, the Company increased the stake of the Indians it employed and was highly dependent on Indian labor.

<sup>&</sup>lt;sup>24</sup> See for example: "Company Meetings: Anglo-Persian Oil Company Progress of Operations", *The Times*, December 12, 1922; APOC to Sir John Chancellor, High Commissioner of Palestine, June 7, 1929, BP, 59010; Cadman to Teymourtash, 22/04/1931 in: Yaqub Ajand and others (eds.), *Naft Dar Dowreh-ye Reza Shah: Asnadi az Tajdidnazar dar Emteyaznameh-ye Darsi (Qarardad-e 1933)*, (Tehran: Vezarat-e Farhang va ershad-e Eslami, Sazman-e Chap va Entesharat, 1378), p. 255

<sup>&</sup>lt;sup>25</sup> Farid al-Saltaneh to the Ministry of Public Works, February 02, 1922 (Jumadi al-Thani 4, 1340), *Naft dar Dowreh-ye Reza Shah*, pp 15-16.

<sup>&</sup>lt;sup>26</sup> Conditions of Indian Employees of the Anglo-Persian Oil Company in Persia, March 15, 1922, BNA, FO/371/7819; See Enclosures:. II, III, IV, V, VI of Serial No. 34, January-March, 1922, BNA, FO/371/7819; Tetzlaff, Entangled Boundaries, pp 72-73.

For example, in early 1921, the Indian workforce made up approximately 44 percent of the workers in Abadan.<sup>27</sup> Indians were by then the majority of clerks, foremen and artisans. The Indian workers managed to take advantage of this dependency and pressure APOC to improve their conditions.

In May 1920, Indian workers went on strike and petitioned Abadan's Works manager for an 80 percent wage increase. After negotiations, mediated by the British consul in Mohammerah, the workers agreed to accept a mere 20 percent pay rise. In October, however, Indian workers took advantage of the arrival Mr. Nichols, one of the Company's directors, and again went on strike. This time, they presented additional demands such as: reduction in work hours, overtime payment, improved sanitary conditions and an end to the use of physical violence by the staff members. Eventually, the Company gave them a pay rise amounting to the original 80 percent demanded in May.<sup>28</sup> The following day Iranian workers, taking a page out of the Indian workers' book, also went on strike in the General Manager's office (they essentially took *bast* there) demanding a similar increase in pay. APOC agreed to increase their wages and other subsidies, which on aggregate was the equivalent of a 50 percent rise.<sup>29</sup>

It is worth mentioning that these were not the first labor-related disturbances in Abadan. In 1914, workers rioted after APOC officials refused to provide financial support

<sup>&</sup>lt;sup>27</sup> Economic Report No. 8: Statement Showing Relative Proportion of Indian and Persian Labour Employed by The Anglo-Persian Oil Company, Limited, March 11, 1922, IOR, L/PS/11/224.

<sup>&</sup>lt;sup>28</sup> Willem Floor, *Labour Unions, Law and Conditions in Iran (1900–1941)*, (Durham, UK: University of Durham, Occasional Papers Series No. 26, 1985), p. 28.

<sup>&</sup>lt;sup>29</sup> Administrative Report of the Arabistan Consulate for the Year 1921, IOR, R/15/1/713.

for the families of two workers who had been killed in a work accident. <sup>30</sup> However, there are no other known incidents similar to this one throughout the war - perhaps the war time exigencies and the fact that the workforce was relatively small, kept discontent to a minimum. Or at least, at a level the Company could contain.

Both Ronald Ferrier and Willem Floor imply that the October 1920 Indian workers strike was inspired by the Amritsar Massacre that took place on April 13, 1919.<sup>31</sup> It is true that the Company did fear the growing nationalist and anti-colonial sentiment of its Indian workers. However, considering the fact that 18 months separate both incidents, it is, as Michael Dobe states, quite a bit of a stretch to make a direct causal link between them.<sup>32</sup> Moreover, as Touraj Atabaki rightly mentions, such an interpretation diminishes the effect of the terrible living and working conditions that had existed in the oil industry in Iran.<sup>33</sup>

While APOC raised the wages of its Indian workers in response to the various strikes during 1920, it hardly addressed any of the other issues raised by them. The fact that the Company failed to address the majority of their demands, only made the frustration and anger of many of the Indian workers grow. As tensions were rising between the Company and its Indian workforce, articles supporting the workers' claims were published in the Indian press. One such article, written by Mudliar, an Indian clerk working in Masjed

<sup>&</sup>lt;sup>30</sup> Floor, Labour Unions, Law and Conditions in Iran (1900–1941), p. 28.

<sup>&</sup>lt;sup>31</sup> Ferrier, *The History of the British Petroleum Company volume 1*, p. 432; Floor, ibid, p. 28. On April 13, 1919, British troops fired into a large crowd of Indians in Amritsar, killing hundreds of them. The incident is considered to be a turning point in Indo-British relations.

<sup>&</sup>lt;sup>32</sup> Dobe, A Long Slow Tutelage in Western Ways of Work, p. 29.

<sup>&</sup>lt;sup>33</sup> Atabaki, "Far from Home, but at Home", p. 23.

Soleyman, was widely distributed by several newspapers in India. Mudliar, listed a host of grievances among them: the humiliating and, at times even violent, conduct of the European staff toward the workers; lack of accommodation; congested living quarters; failure to provide ice and coal in the Summer and Winter; rough treatment of non-European patients in the Company's medical facilities; and incompatible wages with the high cost of living.<sup>34</sup> British officials worried that Mudliar's published account could be detrimental to APOC's recruiting efforts in India, especially, since the Company's public image in India was already quite negative. Therefore, the government of India instructed Peel, the Consul in Ahwaz, to carry out an official enquiry into the matter.<sup>35</sup>

As part of his inquiry into the subject, Peel met with Mudliar, during their conversation, the clerk told Peel that: 'the Company promotes hatred among the Indian Classes and the Europeans have a racial attitude in their dealings with Indians.'<sup>36</sup> Peel, however, rejected this and other claims made by Mudliar, suggesting that the latter was mounting a press campaign to pressure APOC to grant greater concessions to the Indian clerks.<sup>37</sup>

On March 14th, 1922<sup>38</sup>, Indian workers in Abadan again went on strike. They were also joined by parts of the Iranian workforce. By now, Company officials had come to

<sup>&</sup>lt;sup>34</sup> Conditions of Indian Employees of the Anglo-Persian Oil Company in Persia, March 15, 1922, BNA, FO/371/7819; See Enclosures:. II, III, IV, V, VI of Serial No. 34, January-March, 1922, BNA, FO/371/7819 <sup>35</sup> Conditions of Indian Employees of the Anglo-Persian Oil Company in Persia, March 15, 1922, BNA, FO/371/7819; Report by His Britannic Majesty's Consul, Ahwaz, BNA, FO/371/7819. <sup>36</sup> Report by His Britannic Majesty's Consul, Ahwaz, BNA, FO/371/7819.

<sup>&</sup>lt;sup>37</sup> Conditions of Indian Employees of the Anglo-Persian Oil Company in Persia, March 15, 1922, BNA, FO/371/7819; Report by His Britannic Majesty's Consul, Ahwaz, BNA, FO/371/7819.

<sup>&</sup>lt;sup>38</sup> According to Ferrier, the strike took place in May the same year. See: Ferrier, *The History of the British* Petroleum Company volume 1, p. 432.

believe that the repeated labor disputes with the Indian workforce were the actions of 'seditionist agents' from among the Indian workforce.<sup>39</sup> Therefore, APOC refused to negotiate and decided, once the Indian workers refused to go back to work, to repatriate approximately 2,000 of them. The Iranian workers who took part in the strike were left at the mercy of the Sheikh's guards.<sup>40</sup> The decision to repatriate such a significant part of the skilled workforce, left the refinery seriously undermanned.<sup>41</sup> To fill in some of the ranks, APOC decided to gradually replace them with Iranians in order to reduce its dependency on Indian workers (this decision, however, did not apply to Indian clerical staff, orderlies, process staff and cooks, on whom the Company was still dependent upon).<sup>42</sup>

The Company's decision to increase its efforts and train more Iranians as skilled workers was also parts of its public image campaign. It presented the decision to replace the Indian workers with Iranians as part of a long term policy aimed at incorporating Iranians in various fields of work such as: geology, surveying, draughtsman ship, chemistry, engineering and more.<sup>43</sup>

<sup>40</sup>*Administration Report for the Mohammerah Vice-Consulate for the Year 1922*, IOR, R/15/1/713. <sup>41</sup> A similar decision to repatriate Indian workers was adopted by the Burma Oil Company less than a year after APOC. Indian workers in Burma went on repeated strikes due to sub-standard living and working conditions. Much like APOC, Burma Oil's managers decided to train the local Burmese to take their place. See: Corley, A History of the Burmah Oil Company, p. 151.

<sup>&</sup>lt;sup>39</sup> "Company Meetings: Anglo-Persian Oil Company Progress of Operations", *the Times*, December 12, 1922; Floor, *Labour Unions, Law and Conditions in Iran*, pp 31-32; Ferrier, *History of British Petroleum*, p. 432.

<sup>&</sup>lt;sup>42</sup> Ferrier, ibid, p. 433.

<sup>&</sup>lt;sup>43</sup> "Company Meetings: Anglo-Persian Oil Company Progress of Operations", *the Times*, December 12, 1922.

One thing is certain, the decision to repatriate such a significant number of Indian workers severely hampered their collective bargaining ability. In 1924, when Indian workers in Abadan went on strike again, they were quickly suppressed without any apparent gains or setbacks to the Company's operations.<sup>44</sup> On November 4 1924, following a tour of the company's apprentice workshops in Ahwaz, John Cadman, the Company's managing director, remarked in his diary that: 'although the training of Persians, Arabs and Armenians is still in its infancy, Indian artisans already realise that the company is no longer entirely dependent upon them to get the work done, a fact which has very considerably improved both the work and demeanor of those Indians whom it is still necessary to employ.'<sup>45</sup>

However, the Company's success in weakening the bargaining position of the Indian workers was not the result of a determined Iranization effort. Initially, in order to tackle the dominance of the Indian workers, APOC hired non-Indian foreign workers (see table no.2). While some progress was made in replacing Indian artisans with Iranian ones, it was mostly in non-technical fields like masons and carpenters (for example, by April 1924, out of 147 carpenters in Abadan, 126 were Iranian), or less essential semi-technical jobs such as telephone operators.<sup>46</sup> The replacement of skilled Indian workers (such as boiler makers and electricians) and clerks with Iranian ones, was progressing very slowly. Particularly, when it came to more senior supervisory and technical positions (like

<sup>&</sup>lt;sup>44</sup> Ferrier, *The History of the British Petroleum Company volume 1*, p. 433.

<sup>&</sup>lt;sup>45</sup> Visit to Persia - Secret Diary (Cadman's Diary), November 4, 1924 entry, BP, 72549(002).

<sup>&</sup>lt;sup>46</sup> Anglo-Persian Oil Company Limited Annual Report April 1923 - March 1924, BP, 54364; APOC to Mirza Eissa Khan, April 25, 1924, BP, 54530.

foremen, engineers and assistant engineers). Positions, that Company officials believed Iranians were not able to perform.

Therefore, when it came to the clerks, foremen and skilled workers, the Company was still heavily dependent on Indians.<sup>47</sup> In February 1925, Indians still made up roughly 75 percent of clerks and foremen, while Iranians made up a mere nine percent. By this time, skilled Iranian workers made up approximately 41 percent of the skilled workforce. The stake of the Indians was, however, 48 percent. The only category in which Iranians were the majority was that of the unskilled workers where their stake 91 percent (Indians made up 7 percent).<sup>48</sup>

Gradually, as Tehran's influence grew, APOC began investing considerable resources and efforts to fend off critics and engender positive press to reform its public image. In its quest to improve its public image, the Company used various means such as: establishing a public relations office, producing propaganda films, issuing a Company magazine (the "A.P.O.C Magazine", later its name was changed to the "Naft Magazine") and engaging opinion makers (such as journalists, scientists and politicians). In order to prove its commitment to the modernizing efforts of the Iranian Government, APOC invested large amounts of money in the province's infrastructure (such as the Khorramabad-Dezful, Abadan-Mohammerah and Mohammerah-Ahwaz roads) and carried out other public works.<sup>49</sup> The purpose of these efforts was not only to neutralize criticism but, also to

<sup>&</sup>lt;sup>47</sup> Anglo-Persian Oil Company Limited Annual Report April 1923 - March 1924, BP, 54364; Visit to Persia - Secret Diary (Cadman's Diary), October 28, 1924 entry, BP, 72549 (001).

<sup>&</sup>lt;sup>48</sup> Abadan Refinery Monthly Report, February 28, 1925, BP, 5483.

<sup>&</sup>lt;sup>49</sup> Suggested Gift to the Persian Nation, December 23, 1925, BP, 68281; Anglo-Persian Oil Company Limited Annual Report April 1923 - March 1924, April 1, 1923, BP, 54364; Administration Report for the

bolster APOC's image as a modern benevolent industrial enterprise that had managed to turn a barren wasteland into a virtual modern oasis and its "wild" inhabitants into productive workers and civilians.<sup>50</sup>

In order to provide the Iranian authorities with "proof" that it was earnest in its Iranization efforts, APOC changed the format of the reports it gave Tehran access to, deliberately blurring the lines between vocation and ethnicity.<sup>51</sup> For example, until 1925, the section in the refinery's monthly reports dealing with the workforce was divided into three categories of nationalities – 'Persians', 'Indians' and 'other nationalities' - these were then subdivided into work categories – 'clerks, Foreman etc', 'skilled labor' and 'unskilled labor'. <sup>52</sup> Beginning in the March 1925 report, the only categories detailing the division of labor that appeared were: 'Persians', 'Indians' and 'Other Nationalities'.<sup>53</sup> Thus, the Company was able to show that, nominally, the number of Iranians it hired was on the rise while, as the same time hide the fact that the majority of them were employed as unskilled workers.

Mohammerah Vice-Consulate for the Year 1923, IOR, R/15/1/713; Ehsani, The Social History of Labor in the Iranian Oil Industry, p. 370.

<sup>&</sup>lt;sup>50</sup> Ehsani, ibid, pp 259-270; Dobe, *A Long Slow Tutelage in Western Ways of Work*, pp 47-48; Mona Damluji, "The Oil City in Focus: The Cinematic Spaces of Abadan in the Anglo-Iranian Oil Company's Persian Story", *Comparative Studies of South Asia, Africa and the Middle East*, Vol. 33, No. 1 (2013), pp 75-88.

<sup>&</sup>lt;sup>51</sup> Dobe, ibid, p. 36.

<sup>&</sup>lt;sup>52</sup> See monthly refinery reports in the following files in the BP: 5483 and 5482.

<sup>&</sup>lt;sup>53</sup> See monthly refinery reports that appear in the following files from BP: 5483 and 5484.

Year	Iranian Workers	Indian Workers (% out of total workforce <sup>54</sup> )	Other Nationalities	Europeans <sup>55</sup>
1921 (January) <sup>56</sup>	4,909	3,816 (43%)	?	99
1922 (December) <sup>57</sup>	5,935	2,312 (28%)	154	100
1924 (November) <sup>58</sup>	6,189	2,719 (28%)	577	303
1925 (December) <sup>59</sup>	6,796	2,585 (27%)	311	402
1926 (December) <sup>60</sup>	9,304	2,018 (17%)	405	428
1927	10,071	2,062 (15%)	1,273	527

Thus, Iranization, at least as APOC preferred to interpret it, was progressing satisfactorily. By the late 1920's the Company succeeded in acquiring a workforce that was predominantly non-seasonal (though the demand for unskilled labor remained high for many years). By this time, Iranians were regularly trained by Indian engineers to become: fitters, turners, molders, blacksmiths, carpenters, armature winders, general repair electricians, boiler makers, welders and instrument makers. In wake of the 1929 strike (as will be further discussed), notable progress was made as the Company was forced to accelerate its Iranization efforts at the expense of its Indian workforce. By 1930

<sup>&</sup>lt;sup>54</sup> The numbers were all rounded up for convenience.

<sup>&</sup>lt;sup>55</sup> All data regarding the number on the Europeans in the oil industry was taken from: Ferrier, *The History* of the British Petroleum Company volume 1, p. 659.

<sup>&</sup>lt;sup>56</sup> Statement Showing Relative Proportion of Indian and Persian Labour Employed by the Anglo-Persian Oil Company, Limited, January 1, 1921, BNA, FO/371/7819.

<sup>&</sup>lt;sup>57</sup> "Company Meetings: Anglo-Persian Oil Company Progress of Operations", *the Times*, December 12, 1922.

<sup>&</sup>lt;sup>58</sup> Abadan Refinery Monthly Report November 1924, BP, 5483.

<sup>&</sup>lt;sup>59</sup> Abadan Refinery Monthly Report December 1925, BP, 5483.

<sup>&</sup>lt;sup>60</sup> Abadan Refinery Monthly Report December 1926, BP, 5484.

the majority of skilled labor in Abadan were Iranians. But, Indians still surpassed Iranians when it came to clerks.<sup>61</sup> While there were more Iranian foremen than Indian, the former represented only less than 1 percent of the Iranian workforce while about 7 percent of the Indian workforce were foremen. Moreover, very few Iranians held senior staff positions.<sup>62</sup>

## Educating the Workforce

Between the years 1921-1925, APOC underwent a structural and conceptual shift. This shift, led by managers like Arnold Wilson, took a more efficient and modern approach toward the way the Company managed its workforce and operations in Iran. It included, among other things, replacing the external agents' firm that handled all of APOC's affairs in Iran, with managers directly employed by the Company.<sup>63</sup>

The more crucial change in the Company's operations was rooted in the development of work standards for modern industries. Increasingly after the war, workers in modern developing industries, like the oil industry, were required, in addition to other technical expertise and skills, to possess varying degrees of literacy skills (even limited ones that would allow them, for example, to read gauges and warning signs).<sup>64</sup> Acquiring a large, stable, disciplined and able workforce, became a pressing issue for APOC, particularly from the mid 1920's. While already in 1916, the Company had established a technical

<sup>&</sup>lt;sup>61</sup> Bamberg, The History of the British Petroleum Company Volume 2, p. 85.

<sup>&</sup>lt;sup>62</sup> Bamberg, ibid, pp 84-86.

<sup>&</sup>lt;sup>63</sup> Administration Report for the Mohammerah Vice-Consulate for the Year 1923, R/15/1/713, IOR; Dobe, A Long Slow Tutelage in Western Ways of Work, p. 31; Ferrier, The History of the British Petroleum Company Volume 1, pp 306-309; Ehsani, The Social History of Labor in the Iranian Oil Industry, pp 212-215.

<sup>&</sup>lt;sup>64</sup> Dobe, A Long Slow Tutelage in Western Ways of Work, pp 29-42.

school in Ahwaz to train skilled adult workers, the growing demand for workers and the higher level of worker proficiency required in the post war period, called for a more comprehensive investment in education.<sup>65</sup>

Another problem was creating a cadre of experienced workers that would be resistant to the ebbs and flows of seasonal migrations. As mentioned in chapter two, even before the war, the Company had exerted great efforts in order to "educate" its workers on how to live and work in a modern industrial environment. The purpose of this effort was done mainly to convince migrant and seasonal workers to remain in Abadan (and in the *Fields* area), or at the very least, return once the harvest season was over.<sup>66</sup> Since after the war recruitment was still largely on a seasonal basis, it meant that those who successfully graduated from the Company's workshops would often disappear just as they garnered enough experience and training that turned them into more efficient workers.<sup>67</sup>

To tackle this problem, between the years 1922-1925, APOC developed a new grading system for skilled workers and opened additional training workshops for adults. In addition, apprenticeship programs were opened in Ahwaz, Abadan, Masjed Soleyman and Esfahan.<sup>68</sup> These programs were designed to train, test and grade local boys aged 12-

<sup>&</sup>lt;sup>65</sup> Ehsani, The Social History of Labor in the Iranian Oil Industry, p. 271.

<sup>&</sup>lt;sup>66</sup> For an in depth look into the transition these laborers underwent, see: Touraj Atabaki, "From 'Amaleh (Labor) to Kargar (Worker)", pp 159-175.

<sup>&</sup>lt;sup>67</sup> Williamson, In a Persian Oil Field, pp 147-149.

<sup>&</sup>lt;sup>68</sup> The fact that a workshop was opened in the latter location is not surprising since the Company recruited many artisans from this area in addition to unskilled workers.

18, as fitters, drivers, firemen mechanics, pump men, turners and electricians.<sup>69</sup> Seeing as the majority of those trained by the Company were illiterate - Persian, English and arithmetic classes were also included as part of the training program.<sup>70</sup> The training was long. Usually, it included a preliminary period lasting a few weeks during which the abilities of potential candidates were gauged. Those who were deemed suitable, would go through a period of general training lasting 6-12 months. The graduates of the general training program would then be divided to various departments as first grade artisans and begin their particular training. After approximately a year, these artisans would return to the workshops to undergo further training in order to obtain a higher rate of pay and so forth.<sup>71</sup>

Company officials hoped that this grading system would create an experienced and professional workforce as well as a stable one. For example, the long training and qualification for tests forced workers, who wanted to attain higher pay grades, to remain in the Company's employment for long periods of time. In addition, in order to encourage qualified seasonal workers to return, APOC provided them with a certificate proving their level of proficiency which allowed them to return and work for the company under similar terms.<sup>72</sup> But, despite the relative success of these schemes, APOC,

L/PS/12/3490A; Williamson, *In a Persian Oil Field*, p. 145; Ehsani, *The Social History of Labor in the Iranian Oil Industry*, p. 277; Dobe, *A Long Slow Tutelage in Western Ways of Work*, pp 33-34. <sup>70</sup> Williamson, ibid, p. 147.

<sup>&</sup>lt;sup>69</sup> Acting Political Resident in the Persian Gulf to the Foreign Secretary of the Government of India, May 2, 1921, IOR, R/15/1/387; *Visit to Persia - Secret Diary* (Cadman's Diary), November 4, 1924 entry, BP, 72549(002); *Social and Municipal Development Carried out by the Anglo-Iranian Oil Company, Limited in Abadan and the South Persian Oilfields*, Undated (probably 1946), IOR,

<sup>&</sup>lt;sup>71</sup> Visit to Persia - Secret Diary (Cadman's Diary), November 4, 1924 entry, BP, 72549(002).

<sup>&</sup>lt;sup>72</sup> Williamson, In a Persian Oil Field, p. 161.

sought a more comprehensive solution to its workforce problem. One that would force it to become directly involved with the Iranian school system.

In the wake of the promulgation of the education act of 1906 (along with establishment of the Ministry of Education (*Vezarat-e 'Ulum va Ma'arif*), education in Iran became compulsory up to the sixth grade for both boys and girls. Despite this, in the early 1920's, modern education in the country was virtuously non-existent, vastly underdeveloped and lacked any uniformity. Nor did the state really supervise the schools. Most of the schools were no more than a *Maktab* where pupils would acquire a basic knowledge of the Qur'an, Persian and Arabic.<sup>73</sup>

In 1922, when Arthur Millspaugh, arrived in Iran to assume the position of Financial adviser to the government, roughly two million people lived in cities and towns which had schools (according to Bharier, the urban population numbered roughly 2.42 million out of a total 11.52 million<sup>74</sup>). According to Millspaugh, out of this urban population, there were only 91,190 students (17,192 of these were girls) divided between 1851, state, private, foreign, independent, religious and government subsidized schools.<sup>75</sup> Menashri, paints an even gloomier picture. According to his data, in 1922/3, out of an

<sup>&</sup>lt;sup>73</sup> Abrahamian, *A History of Modern Iran*, p. 84; Rudi Matthee, "Transforming Dangerous Nomads into Useful Artisans, Technicians, Agriculturalists, Education in the Reza Shah Period", in: Stephanie Cronin (ed.), *The Making of Modern Iran*, (London: Routledge, 2003), p. 130; Afshin Marashi, *Nationalizing Iran: Culture, Power and the State 1870-1940*, (Seattle and London: University of Washington Press, 2008), pp 87-89. For more on educational efforts under the Qajars between the years 1906-1921, see: Menashri, *Education and the Making of Modern Iran*, pp 77-85.

<sup>&</sup>lt;sup>74</sup> Bharier,"The Growth of Towns and Villages in Iran, 1900-66", p. 55.

<sup>&</sup>lt;sup>75</sup> Millspaugh, *The American Task in Persia*, p. 106.

estimated population of 9.5 million, students in elementary and secondary schools constituted only 0.47 percent of the total population (44,819).<sup>76</sup>

When Reza Khan began his ascent to power following the 1921 coup d'état, one of the pillars of his vision for the creation of a modern Iran, was a complete reform of the educational system along modern lines. One of his first acts as minister of war was to establish a school to train officials for the ministry of justice and a military academy. In addition, a uniform educational program was drafted for elementary schools (six years). The curriculum included Persian, Basic Arabic (eliminated in 1930 from the elementary level and added to the secondary level), history, arithmetic, religious instruction and physical education. Following Reza Shah's coronation, the state's control over all matters related to education, increased, culminating in 1934 with the establishment of the Tehran University.<sup>77</sup> The issue of education in provinces, particularly the remote ones that were dominated by tribes, was of great importance to the central government. Mainly because the educational system served as a means to promote Tehran's own brand of nationalism and engender a unified Iranian identity and country.<sup>78</sup>

However, like many other of Reza Shah's reforms, education took second place to building up the country's military prowess and the creation of a unified strong modern

<sup>77</sup> Matthee, "Transforming Dangerous Nomads into Useful Artisans, Technicians, Agriculturalists, Education in the Reza Shah Period", pp 128-148; Abrahamian, *A History of Modern Iran*, p. 84; Menashri, ibid, pp 120-124; Marashi, *Nationalizing Iran: Culture, Power and the State 1870-1940*, pp 89-109.
 <sup>78</sup> Mozakerat Majles Showra-ye Meli, 5th Term Session 225, December 3, 1925 (Azar 12, 1304); 5th Term Session 239, January 17, 1926 (Dey 27, 1304); 5th Term Session 252, February 2, 1926 (Bahman 21, 1304); Sanad Shomareh-ye 108/5, January 17, 1937, in: Reza Mokhtari Esfahani and others (eds.), *Asnadi az Anjomanha-ye Baladi, Tejari va Asnaf, Jeld-e Aval*, (Tehran: Khaneh-ye Ketab, 1392), p. 393; Menashri, ibid, pp. 95-96.

<sup>&</sup>lt;sup>76</sup> Menashri, *Education and the Making of Modern Iran*, p. 121.

central state. Therefore, from its inception, the education reform lacked sufficient resources. Moreover, it also suffered from overlapping jurisdictions of government ministries and a see-saw policy that constantly shifted its focus between elementary and secondary education. The latter, was due to the fact that Reza Shah's reforms were "reforms from above". That is, they were meant to achieve political goals first and effect deeper change later (in this case the immediate goal was to mold patriotic and loyal citizens).<sup>79</sup> In addition, a major impediment to both the expansion of the educational system as well as to the quality of education was a serious shortage of qualified teachers. In the 1930s, a comprehensive plan was put forward to elevate the level of teaching in elementary schools and to help develop and expand higher learning institutions in the country.<sup>80</sup> But, despite this impressive undertaking, at the time of Reza Shah's abdication, a mere total of one percent of Iran's entire population attended elementary schools.<sup>81</sup>

While APOC already invested funds in schools in Arabestan before the war, its real investment in education began in the post-war years. The Company subsidized state schools in Mohammerah (established in 1910 by Khaz'al) and Ahwaz, and established others in Shushtar (1923-1924), Masjed Soleyman and Abadan (late 1926).<sup>82</sup> Pupils in these schools were provided with uniforms and books and underwent regular medical examinations. Lessons were taught according to the curriculum of the Iranian ministry of

<sup>&</sup>lt;sup>79</sup> Menashri, *Education and the Making of Modern Iran*, pp. 91-95, 111-113.

<sup>&</sup>lt;sup>80</sup> Menashri, ibid, pp 113-115; Mathee, "Transforming Dangerous Nomads into Useful Artisans, Technicians, Agriculturalists, Education in the Reza Shah Period", p. 146.

<sup>&</sup>lt;sup>81</sup> Matthee, ibid, page 146.

<sup>&</sup>lt;sup>82</sup> Administration Report for the Arabistan Consulate, for the Year 1913, IOR, R/15/1/711; Anglo-Persian Oil Company Limited Annual Report April 1923 - March 1924, BP, 54364; Williamson, In A Persian Oil Field, pp 150-153.

education with added Arabic and English lessons.<sup>83</sup> Much like the Iranian state, the Company also saw importance in disciplining the body through physical education and sports activities. Thus, allowing "unruly tribesmen" to turn into industrial workers (or in the case of the Iranian state - soldiers and productive citizens).<sup>84</sup> Moreover, after APOC officials noticed that those returning from military service were in better physique than others, the Company objected to exempt its workers from military service, providing their period of service would not coincide with their industrial training.<sup>85</sup>

Given the sensitivities involved, APOC was careful to toe Tehran's line when it came to the schools it sponsored. The fact that the Shah allowed a British Company to become so intimately involved in the education of Iranians, was indicative of his willingness to compromise between his nationalist, at times anti-British ideology, and his aspirations to modernize the Iranian educational system.<sup>86</sup> In fact, Reza Shah, who particularly valued the merits of vocational training, was quite comfortable allowing the Oil Company to bear the full brunt of its industrial educational efforts.<sup>87</sup> Indeed, Tehran constantly tried to force the Company to increase its share of the funding, while the latter made repeated

<sup>&</sup>lt;sup>83</sup> See for example: *A Six Monthly Report on the Company's Ferdausi School of Abadan*, May 5, 1927, BP, 70236.

<sup>&</sup>lt;sup>84</sup> Sivan Balslev, Javanmard, Fokoli, BoyScout: Changing Masculinities in Modernizing Iran, Circa 1870-1940, PhD Dissertation, (Tel-Aviv: Tel-Aviv University, 2015), pp 305-347; Cyrus Schayegh, "Sport, Health, and the Iranian Middle Class in the 1920s and 1930s," Iranian Studies, Vol. 35, no. 4 (Autumn, 2002), 341-369; Dobe, A Long Slow Tutelage in Western Ways of Work, pp 45-46; Ehsani, The Social History of Labor in the Iranian Oil Industry, p. 277.

<sup>&</sup>lt;sup>85</sup> Memorandum on the Training and Replacement Plan Referred in Mr. Elkington's GM/1250 Dated 24th October 1933 to Mr. Fraser, November 07, 1933. BP, 52889.

<sup>&</sup>lt;sup>86</sup> Mathee, "Transforming Dangerous Nomads into Useful Artisans, Technicians, Agriculturalists, Education in the Reza Shah Period", p. 146.

<sup>&</sup>lt;sup>87</sup> Instead, the Iranian state concentrated its efforts on railway engineering and providing the relevant education to the posts and telegraph office. See: Zahra Sadeqi, *Siyasatha-ye San'ari dar Dowran-e Reza Shah, 1304-1320*, (Tehran: Entesharat-e Khojasteh, 1387), pp 128-129; Menashri, *Education and the Making of Modern Iran*, pp 115-116.

attempts to get Tehran to do the same. Eventually, APOC continued to fund more schools even after 1940, when the Iranian government took over all foreign operated schools in the country.<sup>88</sup>

APOC's educational scheme, like any comprehensive reform of its magnitude, was not without its impediments. Progress, particularly in Abadan, was considered by Company officials to be slow and unsatisfactory. Some of the students at the schools in Abadan knew only Arabic and had a hard time adjusting to learning in Persian. Others, would not stay for the full school day since their fathers would pull them out to work. Due to shortage of teachers, students of various ages were taught together.<sup>89</sup> Another problem was the quality of the teachers. The Company struggled to recruit able teachers who were willing to come work in such a remote area of Iran.<sup>90</sup> In *Fields*, in July 1927, the Company noticed that pupil enrollment figures for the new school year had been very disappointing. One of the reasons cited by Company officials, was that many boys were able to earn a good living as guards, Masons, assistants, servants and more. This, prompted the Company to eventually forbid the employment of boys.<sup>91</sup>

Once APOC accelerated its Iranization efforts in wake of the 1929 strike, it also increased its investment in education. In 1939 the Company established the Abadan Technical School meant to provide Iranians more advanced education in fields related to

<sup>&</sup>lt;sup>88</sup> Ehsani, The Social History of Labor in the Iranian Oil Industry, pp 272-273.

<sup>&</sup>lt;sup>89</sup> Security Report October 1926, 31/10/1926, BP, 70236; Anglo-Persian Oil Company Limited Annual Report April 1923 - March 1924, BP, 54364.

<sup>&</sup>lt;sup>90</sup> Security Report October 1926, 31/10/1926, BP, 70236; A Six Monthly Report on the Company's Ferdausi School of Abadan, May 5, 1927, BP, 70236.

<sup>&</sup>lt;sup>91</sup> Security Report July 1927, July 31, 1927, BP, 70236.

the oil industry such as chemistry, mechanics and electricity.<sup>92</sup> But, despite its efforts, the schools it subsidized were constantly underperforming. Well into the 1930's APOC officials cited the underperformance of its schools as a major hindrance to the Company's Iranization efforts.<sup>93</sup> In 1935, only eight percent of the Company's workforce were literate - above the national average but, still low. By 1948, the situation had only slightly improved as 15 percent of the Company's workforce were considered literates.<sup>94</sup>

# Abadan in the Post war Era

By the early 1920s Braim, the European Staff's residential area (named after the Arab village to its South), had developed from a few scattered buildings to neighborhood with interconnecting roads specialist bachelor barracks (known as 'Slidevalve' and 'Sunshine', built in 1923) and large two-storied bungalows for the more senior staff officials.<sup>95</sup> But, while the Company increased its efforts and resources to improve European staff's welfare, as well as its operations, it made little effort to improve the living conditions of the non-European workforce. Particularly, those living outside of the company's area.

The differences in the quality of life between Europeans and non-Europeans inside the Company's area were substantial. While the Europeans' housing were equipped with

<sup>&</sup>lt;sup>92</sup> On the establishment of the school and its architecture see: C.H. Lindsey-Smith, *JM the Story of an Architect*, (Plymouth: Clarke, Doble & Brendon, 1976), pp 15-16. Also see a short article (in Hebrew) written by one of the educators in the Abadan Technical School see: "Al Hachinuch Hamiktso'i Be Batey Sefer Anglyim Be-Svivat Abadan" (On the Vocational Training in English Schools in the Abadan Area), September 30, 1945, PLI, IV/320/1945.

 <sup>&</sup>lt;sup>93</sup> Article 16, July 14, 1933, BP, 52889; Memorandum on the Training and Replacement Plan Referred in Mr. Elkington's GM/1250 Dated 24th October 1933 to Mr. Fraser, November 07, 1933. BP, 52889.
 <sup>94</sup> International Labour Office, Labour Conditions in the Oil Industry in Iran: A Report of a Mission of the International Labour Office, January-February 1950, p. 42; Shwadran, The Middle East, Oil and the Great

International Labour Office, January-February 1950, p. 42; Shwadran, The Middle East, Oil and the Gree Powers, p. 139

<sup>&</sup>lt;sup>95</sup> Crinson, "Abadan: planning and architecture under the Anglo-Iranian Oil Company", pp 342-343.

water flushed systems connected to a sewerage system, the servants' housing (located adjacent to the bungalow area), as well as the housing of the rest of the non-European workers, were all fitted with dry toilets (the waste from these toilets was regularly removed by hand and burnt in the refineries' incinerators). By 1924, roughly 2,000 of the Company's non-European workers (mostly clerks, artisans and skilled workers), the majority of them non-Iranians, were housed in permanent quarters built by the Company. But, their quarters were considered unsuitable, even by APOC officials. Moreover, the shortage of Company housing was so acute that the Company converted the cinema building into a dormitory for its clerks and foremen (again, the majority of them were Indian).<sup>96</sup>

But, the living conditions of those residing outside the Company's areas, were even worse. Over the years, the spontaneous urban settlement, that had developed out of the Sheikh's village - or as it was later referred to as Abadan Town, the *Shahr*, or *Shahr-e Abadan* - had grown into a shanty town, highly congested with a teeming bazaar, opium dens, brothels, and teahouses (including coffeehouses).<sup>97</sup> The *Shahr*, lacked any basic sanitary facilities nor had any access to clean fresh water. There were no public toilets and only few private ones, some of which were hand cleaned but, most of them were just holes in the ground. To relieve themselves, most of the population used any open land available in the immediate vicinity of their houses, or near the rivers and creeks.<sup>98</sup> The

<sup>&</sup>lt;sup>96</sup> Abadan Town Planning Report, November 17, 1924, BP, 68723.

<sup>&</sup>lt;sup>97</sup> Situation in Khuzistan, December 30, 1924, BP, 72271; Visit to Persia - Secret Diary (Cadman's Diary), November 15, 1924 entry, BP, 72549(002); Ehsani, *The Social History of Labor in the Iranian Oil* Industry, p. 286.

<sup>&</sup>lt;sup>98</sup> Abadan Town Planning Report, November 17, 1924, BP, 68723.

lack of sewerage or any other system to evacuate wastage contaminated water supplies as well as the food that was bought in the bazaar. Further contamination was caused by the wastage flowing downstream from the sewer pipes of the Company's area.<sup>99</sup>

As a result of these appalling conditions, many of the *Shahr*'s residents suffered gastric and intestinal diseases. Incidence of Malaria, cholera and the Plague were also significantly higher than in the rest of the oil operations area.<sup>100</sup> During 1923, there were two serious outbreaks of plague and cholera that claimed the lives of approximately 1,500 of the Company's workforce.<sup>101</sup> In 1924, cholera spread from Abadan to Iraq - the first time in at least a decade that an epidemic that originated in Iranian territory spread to a neighboring country.<sup>102</sup>

Faced with this growing health hazard that threatened the wellbeing of all of those living in the peninsula, APOC devised a renovation plan to deal with the *Shahr*'s unsanitary zones. In preparation for the plan, the Company obtained new territory from the Sheikh, including populated areas located in the western parts of the Sheikh's village. The renovation plan called for the evacuation and demolition of Company quarters, dwellings in the Western part of the *Shahr*, shops in areas adjacent to the *Shahr* as well as bazaar shops located in its western parts. In place of the unsanitary bazaar, which was also to be demolished, a new sanitary and orderly one was to be built.<sup>103</sup> In addition, to

99 Ibid.

<sup>&</sup>lt;sup>100</sup> Annual Medical Report for the Year Ending March 31<sup>st</sup> 1924, BP, 54364; Neligan, "Public Health in Persia, 1914-24. Part 2, p. 690.

<sup>&</sup>lt;sup>101</sup> Administration Report for the Mohammerah Vice-Consulate for the Year 1923, IOR, R/15/1/713. <sup>102</sup> Neligan, "Public Health in Persia, 1914-24", Part 3, p. 744.

<sup>&</sup>lt;sup>103</sup> Abadan Town Planning Report, November 17, 1924, BP, 68723.

improve sanitary conditions inside Abadan Town, APOC planned to add water points and piping. Once a "safe zone" was created between the Company's area and the "native" living areas, a bridge over the creek that separated the town from the refinery would be built in order to facilitate access for workers coming to work at the refinery.<sup>104</sup>

It was evident that the renovation plan was designed and motivated by the same racial anxieties and fears of contamination that had initially determined the location of the living areas in the city. Its purpose was to shape and change the city's urban space in order to increase segregation by creating additional physical barriers between living areas. Further plans were also laid to address potential urban and labor unrests. For this purpose, the refinery gate area was also to undergo changes in order to: 'avoid possible crowding at the gate in normal times, and very useful to be able to hold a clear space round the gate if labour troubles should ever arise.'<sup>105</sup>

By late 1924, the Company had begun to build additional housing units in Sikh Lane and Indian Lane, mostly for Indian skilled workers.<sup>106</sup> Additional territory was obtained from Khaz'al to build housing for artisans, foremen and clerks. The site for the new quarters was located south East of the refinery, half-way between the two rivers engulfing the peninsula. There, according to the plan, two hundred and fifty long buildings, about 36 meters long and 7 meters wide, were to be erected to serve as quarters for bachelor and married workers. The quarters and the living area were to be

<sup>&</sup>lt;sup>104</sup> Ehsani, *The Social History of Labor in the Iranian Oil Industry*, p. 306-307; *Abadan Town Planning Report*, November 17, 1924, BP, 68723.

<sup>&</sup>lt;sup>105</sup> Abadan Town Planning Report, November 17, 1924, BP, 68723. <sup>106</sup> Ehsani, ibid, p. 306.

equipped with modern infrastructures (drainage, clean drinking water, electrical lighting). Both projects were to eventually house 10,000 workers.<sup>107</sup> With Khaz'al's assistance, residents were evacuated from their dwellings in those areas destined to be demolished. The plan, seemed to be proceeding without hindrance, particularly since those evacuated - mainly Arab tribesmen from Iran and Iraq, shopkeepers, Indians and Iranian work migrants who settled in the city – lacked any political power or social cohesiveness.<sup>108</sup> But, at the height of the rivalry between Khaz'al and Tehran, the residents of the *Shahr* began to oppose the plan and its progress was delayed.<sup>109</sup> As will be further shown, following Tehran's takeover of the province, the renovation plan became part its power struggle with the Company.

#### Abadan Becomes a Boom Town

After the war, as oil consumption was increasing worldwide, APOC's operations in south western Iran were rapidly expanding. In addition to extending the pipeline (between the years 1920-1923), additional tanks, pumps, and pipelines near Bawarda, East of the Sheikh's village were also built. In order to handle increasing shipments and decrease the congestion in Abadan's reach, jetties were built on the waterfront near Bawarda. <sup>110</sup> In early March 1925, work began to dredge the bottom of the Arvand (the Shatt al-Arab) to allow tankers capable of carrying larger volumes of oil to dock at

<sup>&</sup>lt;sup>107</sup> Jacks to the Governor General of Khuzestan, July 23, 1924, BP, 68723; *Abadan Town Planning Report*, November 17, 1924, BP, 68723

<sup>&</sup>lt;sup>108</sup> See list of petitioners dated May 25, 1925, BP, 68723; Ehsani, *The Social History of Labor in the Iranian Oil Industry*, p. 287.

<sup>&</sup>lt;sup>109</sup> Abadan Refinery Monthly Report, November 13, 1924, BP, 54498.

<sup>&</sup>lt;sup>110</sup> Ferrier, *The History of the British Petroleum Company volume 1*, p. 447; *Abadan 1919-1922*, Undated (part of Lockhart's notes), BP, 71439; *Administration Report for the Arabistan Consulate, for the Year 1919*, IOR, R/15/1/712; Thompson, "Abadan in its Early Days".

Abadan.<sup>111</sup> Between the years 1921-1929 the refineries were also renewed, their technology updated and their output improved in both volume and quality. In 1928, to handle the increased output of the refineries, a floating dock was built and in 1929 and an aircraft landing strip was laid. As a result of all these expansions, the refineries in Abadan were among the largest in the world (by the mid-1940s they were considered to be the largest in the world).<sup>112</sup>

As operations were expanding, the demand for labor grew. In the years after the war an increasing number of Iranians were migrating to the oil operations area with hopes of finding employment in the oil industry. In late 1922, the Company's workforce and staff in Abadan numbered roughly 8,501 (including Europeans, Iranians, Indians and other nationalities). Out of these, a little over 6,000 were locals (including Arab workers from neighboring Iraq) and many others coming from Esfahan.<sup>113</sup> In later years, improvements in the roads infrastructure and public transportation allowed Iranians from all over the country to come work for the oil industry. But, still, the majority of workers came from Khuzestan and the adjacent provinces.<sup>114</sup> By 1924, Abadan's Iranian population numbered approximately 30,000. Out of these, roughly 9,000 were directly employed by the Company and another 6,000 were employed via contractors.<sup>115</sup>

<sup>&</sup>lt;sup>111</sup> Ferrier, The History of the British Petroleum Company volume 1, pp 449 – 452.

<sup>&</sup>lt;sup>112</sup> Ferrier, The History of the British Petroleum Company volume 1, pp 430- 445.

<sup>&</sup>lt;sup>113</sup> Nationality List of Employees of Messrs. The Anglo Persian Oil Company in Persia, October 22, 1922, BNA, FO/371/7819; Mozakerat Majles Showra-ye Meli, 4th Term Session 73, February, 1922.

<sup>&</sup>lt;sup>114</sup> Melamed, "The Geographical Pattern of Oil Development", pp 208-209. According to Melamed (page 209), in 1956, only 12.6% of the Company's workers were born in provinces that were not adjacent to Khuzestan.

<sup>&</sup>lt;sup>115</sup> Abadan Town Planning Report, November 17, 1924, BP, 68723.

The fact that Iranians chose, in their thousands, to come work for the oil industry was not an indication that working conditions in the oil industry were good. It only meant that conditions in the oil industry were slightly better than in other industries in Iran. As Willem Floor put it: 'at best, the APOC was the best of a bad lot'.<sup>116</sup> Indeed, labor conditions throughout Iran were horrific (including in factories owned by the Shah) and resembled more those of forced labor - long work hours, abominable health conditions and low wages that barely sufficient to make ends meet. This bleak picture persisted well into the 1930's. Toward the end of the 1930s, in the wake of labor legislature (such as the 1936 factories act), establishment of modern factories and increased awareness to working conditions in various industries, the situation slightly improved.<sup>117</sup>

Indeed, APOC did not strive to raise living and working standards to a particularly high level. Company officials had hoped that by gradually replacing Indian workers with Iranians, the latter would settle for slightly better conditions then the ones provided in other Iranian industries. In other words, APOC officials had hoped that replacing Indian workers with Iranian ones would prove to be financially prudent as well as provide the Company with a workforce that would be more docile, economically dependent and easily manageable. As Charles Greenway, the Company's chairman told APOC's shareholders: 'on the whole we have no reason to regret the change [the repatriation of the Indian workers], as the Persian, when trained, is at least as good an artisan as the Indian, and at the same time he is less costly to us, inasmuch as the expense of transport

<sup>&</sup>lt;sup>116</sup> Floor, Labour Unions, Law and Conditions in Iran, p. 115.

<sup>&</sup>lt;sup>117</sup> Floor, Labour Unions, Law and Conditions in Iran, pp 99-115.

to and from India, of recruiting, and other outlays connected with the employment of Indian labour, are avoided. Moreover, a workmen employed by his own country and accustomed to the local conditions of life is contented, and is therefore a more satisfactory employee, than a foreigner.'<sup>118</sup>

The pay gap between the Iranian and non-Iranian workforce was considerable. According to Mohammad Hassan Bad'i, the Iranian Consul in Basra, in 1929, the wages of Indian workers, in addition to the fact that they were provided with free housing, were two to three times that of the Iranian unskilled workers.<sup>119</sup> The pay gap between Iranian skilled and unskilled workers and the members of the European staff (management as well as skilled staff) were even more glaring.<sup>120</sup> As more and more Iranians came looking for work in Abadan, providing the Company with a steady stream of workers, APOC lowered its wages, for both its skilled and unskilled laborers (mainly for the latter).

While the wages the Company paid were not lower (and at times even slightly higher) than those in other industries in Iran, the high cost of living in the city made life, for many very hard. During Khaz'al's rule, prices at the bazaar were high partly due to onerous taxes he levied on shopkeepers (according to Khaz'al he was forced to levy these taxes because of various payments Tehran demanded of him). The Sheikh also controlled the

<sup>&</sup>lt;sup>118</sup> "Company Meetings: Anglo-Persian Oil Company Progress of Operations", *the Times*, December 12, 1922.

<sup>&</sup>lt;sup>119</sup> Badi' to the Iranian Ministry of Foreign Affairs, May 14, 1929, in: *Naft Dar Dowreh-ye Reza Shah*, pp 107-111.

<sup>&</sup>lt;sup>120</sup> For example, in 1924, unskilled laborers earned fifteen to twenty Tomans and in 1925 skilled workers earned twenty five to fifty Tomans. By 1929, the salary of unskilled workers had dropped to a rate pf ten to fifteen Tomans (although a great many did not get more than nine Tomans, the same wage was also obtained in 1931) and skilled Iranian labor received between fourteen and twenty tomans in 1929. While in the 1929, English management and skilled staff received between 500 and 1500 tomans per month in 1929. See: Floor, *Labour Unions, Law and Conditions in Iran*, p. 104.

local market, holding a monopoly on various commodities and forcing local farmers coming to Abadan to sell their ware in his shops or pay extra taxes on them.<sup>121</sup> During 1924, Tehran became increasingly aware of the Sheikh's onerous taxes. This last also worried APOC officials who stated that: 'we know of no town in Persia under direct Government control where such taxation on foodstuffs is so widely applied, if at all.'<sup>122</sup> What really worried Company officials was Tehran's unwanted attention as a result of the Sheikh's tax policy. One Company official even went so far as to claim that: 'the Persian Government's attention to his affairs in Khuzistan [sic] was to a very considerable extent to be accounted for by the complaints which they had received from Persian Subjects in the South.'<sup>123</sup>

But, more than anything, it was the activity of the oil industry and its rapid expansion that were responsible for raising the cost of living. The rapid growth in the city's population was unmatched by a similar growth in local agricultural production that was unable to keep up with the needs of the growing city.<sup>124</sup> In addition, as a result of diversion of manpower from agriculture to oil operations, local agricultural produce declined, further increasing the food shortage problem. In later years, depreciation of the Qeran and additional taxation also raised the cost of living.<sup>125</sup>

One fascinating incident, reported by the Company's security department, demonstrates just how deep the oil industry effected the lives of the tribes in Abadan's

<sup>&</sup>lt;sup>121</sup> APOC to Eissa Khan, June 2, 1924, BP, 54530; Floor, p. 112.

<sup>&</sup>lt;sup>122</sup> Situation in Khuzistan (2) Taxation at Abadan, October 2, 1924, BP, 54496.

<sup>&</sup>lt;sup>123</sup> Situation in Khuzistan (2) Taxation at Abadan, October 16, 1924. BP, 72271.

<sup>&</sup>lt;sup>124</sup> Ehsani, *The Social History of Labor in the Iranian Oil Industry*, pp 329-334.

<sup>&</sup>lt;sup>125</sup> Katayoun, Cracking Petroleum with Politics, p. 268.

hinterland: on April 25, 1926, the night prior to Reza Khan's coronation, Arab Sheikhs from the Abadan peninsula held a meeting to discuss their future. Some, advocated immigration to Iraq while others called for armed revolt. But, finally, one of the Sheikhs remarked that since every family had at least one member working for the Company, it would be a mistake to rise revolt that the Arab tribes did not take part in, since it would cause those working for the Company to lose their income.<sup>126</sup>

By 1927, APOC's economic hold over Abadan was such that the local branch manager of the "Imperial Bank of Persia" commented that: 'It is impossible to regard Abadan as anything but property of the Anglo Persian Oil Company and any extension in the Abadan refinery must be reflected in increased business for the Bazaars and the natural expansion of the latter.'<sup>127</sup> The branch manager, however, disregarded or was perhaps unaware of the fact that because APOC payed its workers on a fortnightly basis (in the rest of the industries in Iran it was customary to pay on a daily basis), many of them accumulated debts to Bazaar moneylenders. Thus, in its attempt to force workers to stay for longer periods of time, the Company also increased their financial troubles.<sup>128</sup>

Toward the end of the first half of the 1920's, APOC officials admitted to the Iranian Imperial Commissioner, that the high cost of living in Abadan served as powerful

<sup>126</sup> Security Report April 1926. BP, 70236. In later years, as the tensions between Iraq and Iran were rising and the concept of citizenship in both countries began to take shape, Iraqi tribesmen working for the oil industry in Abadan, found it harder to cross the border into Iran. As a result, some preferred to adopt an Iranian citizenship rather than lose their work. A similar process of "Iraqization" occurred in the other side of the border as Iraqi landowners refused to let cultivators with Iranian citizenship to work in the fields, prompting the latter to adopt an Iraqi citizenship. See: *Monthly Report July 1928*, BP, 70029 <sup>127</sup> Abadan Office Reports on Progress, March 20, 1927, BBME, HQ-BBME-0001.

<sup>&</sup>lt;sup>128</sup> From London to Abadan No. 85, May 30, 1929, BP, 59010; Fateh, Panjah Sal Naft-e Iran, p. 434; Atabaki, From 'Amaleh (Labor) to Kargar (Worker), p. 169; Williamson, In a Persian Oilfield, pp 142-143.

deterrents for attracting 'the good class of Persian tradesman which we are anxious to employ'.<sup>129</sup> In wake of the 1929 strike, the Company attempted to fix this by introducing weekly wages and raising them. But, by this time, the increased wages could not keep up with the rising cost of living (for example, in 1933, the cost of living in Abadan increased by thirty percent<sup>130</sup>). Particularly, in wake of the serious bout of inflation Iran suffered from between the years 1933-1943.<sup>131</sup>

Food was not the only commodity effecting the cost of living. After WWI, as more and more territory in Abadan was used for the needs of the industry, the price of land<sup>132</sup> and with it the price of rents also increased.<sup>133</sup> At times, APOC took advantage of high rental prices to regulate the flow of population in and out of the oil operations area. For example, in 1924, high rental rates in the *Fields* area were seen by APOC officials as a useful measure to limit the movements of people coming into the area.<sup>134</sup>As Abadan grew in population, lands and property in its limits became a target for investors from outside of Iran (among them wealthy members of the Jewish community in Basra). Many of these investors, along with others from outside Iran, purchased properties in 1922-3 and sold them at boom prices just before the Oil Company began to demolish various

<sup>&</sup>lt;sup>129</sup> APOC to Eissa Khan, April 25, 1924, BP, 54530.

<sup>&</sup>lt;sup>130</sup> Abadan Office Reports on Progress, September 20, 1933, BBME, HQ-BBME-0001.

<sup>&</sup>lt;sup>131</sup> Ibid. Also see: Atabaki, From 'Amaleh (Labor) to Kargar (Worker), p. 169; Floor, Labour Unions, Law and Conditions in Iran, p. 111.

<sup>&</sup>lt;sup>132</sup> This included uncultivated lands that had previously been granted gratis to the Company.

<sup>&</sup>lt;sup>133</sup> Ehsani, *The Social History of Labor in the Iranian Oil Industry*, pp 302-303.

<sup>&</sup>lt;sup>134</sup> APOC to Mirza Eissa Khan, June 02, 1924, BP, 54530.

areas in the *Shahr* to carry out the renovation plan.<sup>135</sup> As a result, there was not only a severe housing shortage but, rental prices, were on the rise.<sup>136</sup>

Indeed, the vast majority of Iranians in Abadan lived in abject poverty and in a constant state of malnourishment. In 1931, "Peykar", published an article claiming to be based on a report by an oil worker from Abadan. The article described the harsh state of the workers, claiming that: 'They [the oil workers] are forced to either go to Mohammerah to buy bread and cheese or pay very high prices in the stores in their vicinity [i.e. the Abadan Bazaar]. The poor worker doesn't even see the color of meat not once during a month, because his salary is so meagre.'<sup>137</sup>

## Arabestan Becomes Khuzestan

Britain's support of Reza Khan and his policies was one of a gradual progress that began in suspicion, moved to grudging acceptance and, finally, satisfaction (a prominent figure in this change of view was Percy Loraine, the Minister to Tehran (1921-1926). But, when it came to protecting its interests in Southern Iran, especially seeing as the threat from Russia was now compounded by Communist ideology, the British government was skeptical regarding Reza Khan's ability to provide the protection it needed.<sup>138</sup> But, the tide slowly turned in his favor.

<sup>&</sup>lt;sup>135</sup> G.F. Elliot to N.A. Gass, May 21, 1925, BP, 68723.

<sup>&</sup>lt;sup>136</sup> APOC to Eissa Khan, April 25, 1924, BP, 54530.

<sup>&</sup>lt;sup>137</sup> "Masmo'at az yek Nafar Kargar-e Abadan: Mokhtasari az Zendegi-ye Kargaran-e Naft-e Janub", *Peykar*, June 1, 1931, in: *Asnad-e Tarikhi-ye Jonbesh-e Kargari, Sosiyal Demokrasi va Komunisti-ye Iran, Jeld-e 4*, (Florence, Mazdak, 1974), pp 159-162.

<sup>&</sup>lt;sup>138</sup> Sabahi, British Policy in Persia 1918-1925, p. 158-161; Ansari, The History of Khuzistan, pp 335-336.

In January 1924, the Iranian Government incorporated the province of Arabestan into that of Khuzestan.<sup>139</sup> In the same month, the conservative government in Britain lost the elections, and Curzon was no longer the Foreign Secretary. The newly elected Prime Minister and Foreign Secretary, Ramsay MacDonald, did not hold the same sentiment as his predecessor in the Foreign Office had to Iran and Khaz'al. To make thing worse for the aging Sheikh, the majority of British officials he had made contact with in the pre-war era, had by this time been replaced, died or advanced to more senior positions.<sup>140</sup> By June, the newly elected British Government made a gesture toward the Iranian central government and changed the name of the "Arabestan consulate" to the "Khuzestan consulate".<sup>141</sup> Thus, formally recognizing Tehran's centralization efforts at the expense of one of their oldest allies in the region.

The change in the balance of power between Khaz'al and Tehran also emboldened some of Abadan's residents to try and oppose the Sheikh. According to one report (passed on by Khaz'al to Company officials), a group 30-40 of the city's Iranian residents, among them Company workers, held secret meetings where they planned to engender disturbances that could serve as an excuse for Tehran and take over the city.<sup>142</sup> According

<sup>&</sup>lt;sup>139</sup> No. 129, January 22, 1924, IOR, R/15/1/387.

<sup>&</sup>lt;sup>140</sup> Ansari, *The History of Khuzistan*, pp 354-356.

<sup>&</sup>lt;sup>141</sup> This also made it easier for the British from a bureaucratic point of view, because the Consul in Arabestan was also responsible for the Bakhtiaris and southern Lorestan. See: *Precis Consular Representation in Arabistan*, January 29, 1924, IOR, R/15/1/387; See letter by the Under Secretary of State in the India Office date June 13, 1924, IOR, R/15/1/387.

<sup>&</sup>lt;sup>142</sup> Note on Official Call Paid in His Excellency the Sequat al-Mulk. The New Governor of Khuzistan, by MR. T.L. Jacks, July 9, 1924, BP.

to APOC records, among those who took part in these meetings were, merchants, postal workers and customs officials.<sup>143</sup>

It seems as if the strengthening of Tehran's influence had also empowered others without power. Those residents who were due to be evacuated as part of the Company's renovation plan, now openly opposed the move. Some, aided by sympathetic local officials, sent Petitions to the *Majles* and the government in which they claimed they were evicted by force, threatened, and were offered by APOC a meagre sum of money as compensation for the loss of their dwellings.<sup>144</sup> In response, Tehran, perhaps also recognizing this as an opportunity to gain a foothold in Abadan, tasked its governor to investigate some of the claims.<sup>145</sup>

One prominent activist against the Company's eviction plans was Ahmad Gilani. Gilani, a tailor from Abadan Town. Gilani, wrote a letter to the Ministry of Public works complaining about the plan. The contents of this letter were widely distributed in Abadan as pamphlets, most likely by Gilani himself. In its reply to Gilani's letter, the Ministry of Public Works informed him that a special committee was formed to investigate his claims.<sup>146</sup> The Company, in an attempt to neutralize Gilani, arranged for his banishment to Ahwaz where, according to the Company officials, he worked 'hand-in-glove with the

<sup>&</sup>lt;sup>143</sup> Situation: Khuzistan, July 12, 1924, BP, 72270.

<sup>&</sup>lt;sup>144</sup> Note on Interview With the Kargozar in My Office on the 19th of July [written by T.L. Jacks], BP, 68723; Note on Interview Between his Excellency the Governor-General of Khuzistan and Myself Following the Former's Visit to Abadan on the 21st of July 1924, BP, 68723; Abadan Village, December 17, 1924, BP, 68723; The Ministry of Agriculture, Commerce and Public Works, November 3, 1924, BP, 68723.

 <sup>&</sup>lt;sup>145</sup> Note on Interview Between his Excellency the Governor-General of Khuzistan and Myself Following the Former's Visit to Abadan on the 21st of July 1924, BP, 68723.
 <sup>146</sup> Abadan Village, December 17, 1924, BP, 68723.

Soviet consul at Ahwaz'.<sup>147</sup> This, of course, does not mean that Gilani, as APOC officials tried to paint him, was a Soviet sympathizer. Since local officials in Ahwaz were loyal to Khaz'al and the British Consul was not an option, it is more likely that Gilani, sought the protection of the Soviets in the spirit of "the enemy of my enemy is my friend".<sup>148</sup>

There was further trouble for the Company and Khaz'al after the central government refused to approve a land purchase agreement signed by the Sheikh. What was particularly disconcerting for APOC officials was that Tehran's refusal was on the grounds that the *farmans* that were given to Khaz'al were null and void. Thus, putting into question the legal status of APOC's entire territory in the now former province of Arabestan.<sup>149</sup>

Ultimately, the rivalry between Khaz'al and Terhan resulted in a military campaign led by Reza Khan. On December 1924, in a rather anti-climactic manner, following a few minor skirmishes, Khaz'al surrendered to Reza Khan. The latter initially promised the Sheikh that he would have full autonomy to run the affairs of the Arab tribes. But, as military governors were appointed to Abadan and Mohammerah and the chief of police was replaced, it became evident that the Iranian prime minister had no intention of keeping his word.<sup>150</sup> A few months after his surrender, Khaz'al was arrested and led to

<sup>148</sup> See for example the summary of offered in the following report: An Appreciation of the Political Situation in Khuzistan with Special Reference to the Present Unrest, June 30, 1929, BP, 59010.
 <sup>149</sup> APOC Director to Eissa Khan, August 21, 1924, BP, 71402. For the agreement reached with Khaz'al, see: APOC to Khaz'al, August 27, 1924, BP, 68901.

<sup>&</sup>lt;sup>147</sup> *Situation: Khuzistan*, July 12, 1924, BP, 72270; "Abadan must Remain an Integral Part of Khuzistan [sic]", Translation of an article from *Habl Matin*, September 6, 1927, BP, 70236.

<sup>&</sup>lt;sup>150</sup> Administration Report of the British Vice-Consulate at Mohammerah for the Year 1925, IOR, R/15/1/714.

Tehran. On May 8, 1925 Sheikh Khaz'al entered Tehran never to leave the city again. He died, possibly murdered, while under house arrest in his Tehran home on May 1936.

### The fate of the Arab Tribes

Along with Khaz'al, other influential Sheikhs were arrested or deported, leading to a complete breakdown of tribal authority.<sup>151</sup> While this crisis of authority was advantageous to the Iranian government in the short term, preventing the tribes to act in unison, it also impeded Tehran's ability to control the tribes through their Sheikhs.<sup>152</sup>

In the years after the Central Government took over the province, it persistently implemented a policy aimed at destroying the tribal organization and way of life. In order to prevent the resurgence of a strong foreign-backed tribal confederacy, the tribes were subjected to compulsory settlement and "splintered" into smaller sub-tribes. This "splintering" was carried out by directly appointing lower sheikhs, giving them subsidies, assigning them lands and appointing them to the role of *Mobasher* (head of a tribe or a group of tribes, in charge of a territory).<sup>153</sup> At the same time, steps were taken to erase all traces of Arab and tribal culture in the province - tribesmen were forced to abandon their traditional tribal wear in favor of western styled clothing, Arabic names of towns

<sup>&</sup>lt;sup>151</sup> For example, influential Sheikhs of the Bani Turuf tribe, were deported to Lorestan, Mazandaran and Khorasan.

<sup>&</sup>lt;sup>152</sup> Nimrod Zagagi, "Urban Area and Hinterland: The Case of Abadan (1910-1946)", *The Journal of Middle East and Africa*, Vol. 7, No. 1 (2016), pp 66-67; Brian Mann, "The Khuzestan

Arab Movement, 1941–1946: A Case of Nationalism," in: Kamran Aghaie and Afshin Marashi (eds.), *Rethinking Iranian Nationalism and Modernity: Histories and Historiographies*, (Austin, TX: University of Texas Press, 2013), p. 116.

<sup>&</sup>lt;sup>153</sup> Monthly Report April 1929, BP, 70029; The Arab Tribes of Khuzistan, November 30, 1945, BP, 111355; Khuzistan: notes on tribes and their chiefs [1943-1946], May 1, 1943, BNA, WO/106/5974.

and places were replaced (for example, al-Falahiya changed to Shadegan and Mohammerah to Khorramshahr), and Arabic was banned in print and in schools.<sup>154</sup>

By the early 1940s, it was apparent that compulsory settlement of the tribes was carried out without adequate preparation and had disastrous effects on tribal society. Many of the tribes were driven to destitution and led an impoverished life. In some cases the lands that were allotted to the tribes were not necessarily suited for agriculture or animal husbandry. In addition, some of those tribes that were settled forcefully, were not provided with adequate equipment or agricultural training to successfully make the transition from pastoral to agricultural life. Adequate provisions for healthcare were also not made. As a result, many of the tribesmen, especially those living in more remote rural areas, suffered from poor hygienic conditions, diseases and a high rate of infant mortality.<sup>155</sup>

#### Shifting Alliances

As the central government began to extend its authority to all parts of Khuzestan, the province entered into a turbulent transitional period. One of the first actions taken by Tehran was to replace all Arab speaking officials (including local magnates that served as officials on behalf of the Sheikh) with Persian speaking ones. It took time to fill in the vacuum that was created by the elimination of local magnates and rudimentary tribal governing systems of rule. The old administration was not instantly replaced by an

<sup>&</sup>lt;sup>154</sup> Monthly Report October 1928, BP, 70029, from the same file see Monthly report March 1929; 'Abd al-Qader a-Najar, al-Tarikh al-Siyasi Li'imarat 'Arabestan al- 'Arabiya 1897-1925, p. 254; Mann, ibid, p. 116. <sup>155</sup> A British Mobile Dispensary Report No. IV, June 22, 1945, BNA, WO/106/5974; The Arab Tribes of Khuzistan, November 30, 1945, BP, 111355; Lambton, Landlord and Peasant in Persia, p. 287; Laurence Lockhart, "Khuzistan, Past and Present", The Asiatic Review, Vol. XLIX, No. 160 (October, 1948), p. 413.

efficient modern system of rule with all its relevant institutions (such as courts, prisons, tax collection, land registration Bureaus, etc.). Even finding able officials willing to make the journey to such a remote province like Khuzestan was a problem. Particularly since the central government, lacked a cadre of professional officials capable of establishing and sustaining a modern bureaucracy. Iranian senior officials in Tehran were well aware of this problem. In 1928 Abdolhossein Teymourtash, Minister of the Court, mentioned in a conversation with APOC officials that one of the main setbacks to reforms in the Iranian justice system were that: 'Persia's curse at present is that she has to create a new organization and departments with men belonging to the old regime and to another world.'<sup>156</sup> What was true in 1928, was certainly true in 1925.

Moreover, right from the start the military and civil bureaucracy were locked in a power struggle over jurisdiction and authority. As part of this struggle, military authorities curtailed the power of the police, the *Malieh* (local treasury department) and the *'Adlieh*. The latter was even superseded for a brief period of time by the military governor and the *Kargozar*.<sup>157</sup> If this wasn't worse enough, the new administration lacked sufficient funds to pay the wages of its officials on a regular basis, a situation that invited corruption.<sup>158</sup> Indeed, APOC's reaction to the arrival of the new officials was one of

<sup>&</sup>lt;sup>156</sup> Some Personal Views Expressed by Teymourtache on Various Subjects During Our Visit to Lausanne, September 11, 1928, BP, 71074.

<sup>&</sup>lt;sup>157</sup> Kasravi, Dah sal Dar 'Adlieh, pp 78-86; Administration Report of the British Vice-Consulate at Mohammerah for the Year 1925, IOR, R/15/1/714; General Manager, Fields & Refineries Monthly Report No. 3, August 1926, BP, 5484.

<sup>&</sup>lt;sup>158</sup> See for example memo titled "Persia" written by H.E. Nichols to APOC's Board of Directors, January 01, 1926, BP, 96465.

dismay. Many, like Wilson, lamented the fall of Khaz'al and were dismayed that power now lay in the hands of 'a horde of petty Persian officials'.<sup>159</sup>

The turbulent transitional period also served as a sobering reminder for those locals who had rejoiced in Khaz'al's downfall.<sup>160</sup> Once the Iranian army took over the province, the movements of the Arab tribes were restricted, grains and food supplies were confiscated or looted by hungry soldiers, and Arab tribesmen suffered abuse at the hands of soldiers.<sup>161</sup> Disaster followed when, as a result of a bad harvest, food supplies in the province ran low. The crisis further deepened after the new governor imposed onerous taxes wreaking havoc on the date trade market.<sup>162</sup> By September 1925, the severe food shortage forced tribesmen to migrate to Southern Khuzestan, cross the border to Iraq or settle next to Mohammerah (according to some reports, some 30,000 migrated to the Abadan peninsula, approximately half of them, crossed the border to Iraq).<sup>163</sup> The famine was so severe that Tehran was forced to allot money to buy food supplies for the province's starving population.<sup>164</sup>

Abadan was not spared the trials and tribulations that were involved in transitioning to the new administration. Various issues related to Abadan and its administration were

<sup>&</sup>lt;sup>159</sup> Wilson to Young, August 18, 1925, BP, 96465.

<sup>&</sup>lt;sup>160</sup> Mustafa 'Abd al-Qader a-Najar, *al-Tarikh al-Siyasi Li 'imarat 'Arabestan al-'Arabiya 1897-1925*, p.
250. The editor of the Egyptian newspaper, *al-Wataniyah*, even went as far as to congratulate the residents of Arabestan for being freed from Khaz'al's oppressive rule and wished them to be ruled by an honest Arab Sheikh. *Translation of an excerpt from the Arabic newspaper "al-Wattaniya"*, May 4, 1925, BP, 96465.
<sup>161</sup> In some cases, Iranian soldiers mocked the tribal attire of Arab tribesmen, tore down their kerchiefs and

<sup>mocked them for not knowing Persian. See:</sup> *Situation in Khuzistan*, July 27, 1925, BP, 96465.
<sup>162</sup> Situation in Khuzistan, July 26, 1925. BP, 96465; Situation in Khuzistan July 28, 1925, BP, 96465; *Administration Report of the British Vice-Consulate at Mohammerah for the Year 1925*, IOR, R/15/1/714.
<sup>163</sup> H.E. Nichols to Under Secretary of State of Foreign Affairs, September, 25, 1925. BP, 58972.
<sup>164</sup> Situation in Khuzistan, July 20, 1925. BP, 96465.

now scrutinized by Tehran and became a source of contention with APOC. These issues included: the legal status of the lands on which APOC built its various installations and buildings, the future status of additional tracts of land APOC claimed it was entitled to receive according to the concession; and a dispute over tax collection and over municipal and property taxes.<sup>165</sup> Despite the tensions between both sides, Reza Khan approved the Company's renovation plan, pending Tehran's ability to supervise the plans. It was hardly surprising since the plan bore all the hallmarks of the reforms that Reza Khan and his circle of nationalist modernizers were striving to implement.<sup>166</sup> Moreover, during 1925, a similar plan was carried out in Mohammerah by the Iranian military governor in order to improve the city's infrastructure and deal with unsanitary areas. Following the governor's orders, coffee shops and wooden huts on the river front were demolished, roads were widened and a few bridges were built across creeks.<sup>167</sup>

Along with its decision to approve the renovation plan, Tehran also appointed Ahmad Gilani, the prominent oppositionist to the renovation plan, as mayor of Abadan in early 1925.<sup>168</sup> Gilani, it seems, was a popular figure among the resident of Abadan Town. During his short term as mayor (By April 1926, at the latest, Abadan already had a different mayor, Dr. Mehdi Khan<sup>169</sup>), he was involved in establishing a neighborhood of houses made of straw mats for those evacuated from their homes as part of the

<sup>&</sup>lt;sup>165</sup> Notes on Results of Commission Proceedings Abadan Affairs, August 03, 1925, BP, 68723; Rents and Taxes – Abadan, August 17, 1925, BP, 96465; Ehsani, The Social History of Labor in the Iranian Oil Industry, pp 335-340.

<sup>&</sup>lt;sup>166</sup> Ehsani, ibid, pp 287, 321-323.

<sup>&</sup>lt;sup>167</sup> Administration Report of the British Vice-Consulate at Mohammerah for the Year 1925, IOR, R/15/1/714.

<sup>&</sup>lt;sup>168</sup> Situation in Khuzistan, January 18, 1925, BP, 72271.

<sup>&</sup>lt;sup>169</sup> General, April 20, 1926, BP, 96465.

renovation plan. This neighborhood later became known as AhmadAbad Neighborhood (not necessarily named after Gilani).<sup>170</sup> The appointment of Gilani to the position of mayor, was probably a move made less out of sympathy for the plight of the residents, and more to demonstrate to APOC that Tehran was in charge. In addition, the new regime feared that the locals' opposition to the Company's renovation plans could have possible political repercussions. Especially, during a transitional period when only rudimentary institutions of power existed in the province.<sup>171</sup>

APOC officials, uncertain as to what the future holds, tried their best to tread lightly and avoid conflicts. This attitude was interpreted as weakness by the local opposition to the Company.<sup>172</sup> As a result, local officials, like the *Kargozar*, increased their activity against the Company, using the Company's intention to evacuate residents from their dwellings in Abadan as part of the renovation plan.<sup>173</sup>

All the while, in the midst of these power struggles, tensions between the local military forces and the tribes were mounting. In mid-1925, as part of its tribal policy (or rather anti-tribal), the Iranian government declared its intention to turn all lands owned by Khaz'al into crown lands (*Khaleseh*). In wake of this announcement, tensions between the tribes and the new authorities exploded into a flurry of violence. Soon, chaos ensued

<sup>&</sup>lt;sup>170</sup> Gilani was killed in mysterious circumstances during the events of the 1929 strike. Abadan Village, December 17, 1924, BP, 68723; Situation in Khuzistan, January 18, 1925, BP, 72271; New Village, Abadan, February 3, 1925, BP, 68723; An Appreciation of the Political Situation in Khuzistan With Special Reference of the Present Unrest, June 17, 1929, BP, 59010; Eftekhari, Khaterat-e Dowran Separi Shodeh, p. 117.

<sup>&</sup>lt;sup>171</sup> Ehsani, *The Social History of Labor in the Iranian Oil Industry*, pp 287, 321-323.

<sup>&</sup>lt;sup>172</sup> New Village, Abadan, March 04, 1925, BP, 68723; Situation in Khuzistan, April 12, 1925, BP, 96465; *Municipal Account*, July 16, 1925, BP, 68723.

<sup>&</sup>lt;sup>173</sup> Ehsani, *The Social History of Labor in the Iranian Oil Industry*, p. 323.

as tribesmen clashed with army forces, raided the bazaars in Abadan and Mohammerah and attacked convoys and vehicles passing through the main roads in the province. After a particularly severe Attack in late July,<sup>174</sup> APOC allowed Iranian army troops to use its vehicles and telephones in their bid to subdue the tribes.<sup>175</sup>

This was a turning point in the Company's attitude toward the tribes and the Iranian authorities. It demonstrated to Company officials (as well as the British government) that the Iranian security forces could be relied upon. Conversely, it showed APOC and the British government that the tribes, even the ones it was friendly with, were now a potential threat to the region's stability and to oil operations. Consequently, defense plans that were drawn up during Khaz'al's reign and included the use of his tribesmen, were scraped.<sup>176</sup> In addition, the Company increased its efforts to establish inroads into the evolving Iranian regime on the local and national level. Senior Company Officials strove to cultivate relationships with local Iranian officials and, even more so, with officials and politicians in Tehran, including the Shah. At times, these efforts even included providing financial support for Iranian officials in Tehran (for example the Company sponsored newspapers owned by Iranian politicians).<sup>177</sup> Gradually, there was

<sup>176</sup> See for example *1st Report*, by E.F. Briggs, Group Captain Commanding Basra Group, June 15, 1923, BP, 58972. Plans that were drawn up two years after Khaz'al's arrest, described all Arab tribes as untrustworthy and dangerous. According to one plan, all tribes, even the friendly ones, cannot be trusted enough to be given arms, and 'it would be safer therefore, to consider all tribesman as potential enemies'. See: *The Defense of the Anglo-Persian Oil Company's Property in Khuzistan*, 1927, BP, 58983.
 <sup>177</sup> See for example: *Secret Diary - Visit to Persia February-May 1926* (John Cadman's Diary), entries for

<sup>&</sup>lt;sup>174</sup> On July 25<sup>th</sup> 1925 some 400 Arab tribesmen raided the bazaar and customs house in Mohammerah in search of food and in response to the Iranian Government's intention of seizing all tribal lands. See: *Note on Attack of Mohammerah* [illegible] *Of Friday July 24th*, *1925*, July 25, 1925, BP, 96465.

<sup>&</sup>lt;sup>175</sup> Situation in Khuzistan, July 26, 1925, BP, 96465; H.E. Nichols letter to the British Under Secretary for Foreign Affairs, September 25, 1925, BP, 58972.

<sup>&</sup>lt;sup>117</sup> See for example: Secret Diary - Visit to Persia February-May 1926 (John Cadman's Diary), entries for May 4 - May 8, 1926, BP, 95243.

also marked improvement in the relations between APOC and military officials in Khuzestan as well as those with the central government.

# **Urban Development**

Despite the turbulent period of transition, order, compared to other areas in Southern Iran, was restored fairly quickly to Khuzestan. Inter-tribal rivalries, and Khaz'al's removal, prevented the tribes from uniting in opposition to the central government. The deployment of police and army forces gradually restored security in the roads and towns. While there were still instances of skirmishes and attacks on roads and towns, they became less frequent. By late 1926, the central government felt confident enough to lift martial law in the province and replace all army administrators with civil ones (much to the relief of tribal sheikhs).<sup>178</sup> In late 1927 the civil courts began their activity in Ahwaz.<sup>179</sup> In 1928, the Bani Turuf tribe, waged a revolt against the conduct of border officials as well as because of heightened enforcement of the Pahlavi hat in the region in preparation the Shah's visit to the area. The revolt, which lasted for three months, eventually died out once authorities decided on a more lax enforcement of the dress code.<sup>180</sup>

The improvement in relations between the Company and Tehran, also allowed APOC to increase its influence in the province. Local Iranian officials that were deemed by APOC and British officials as "anti-APOC" or "anti-British", were replaced either by directly appealing to the Iranian government or by using the services of British government

<sup>&</sup>lt;sup>178</sup> General Report, August 14, 1926, BP, 96465.

<sup>&</sup>lt;sup>179</sup> Security Report November 1927, BP, 70236.

<sup>&</sup>lt;sup>180</sup> The Sheikhdom of Mohamerah: A Short History, November 16, 1946, BNA, WO/106/5974.

officials. Between the years 1925-1928, APOC used its influence to replace various officials among them: the *Kargozar* (the post was abolished throughout Iran in early 1927<sup>181</sup>), a *Malieh* official in Ahwaz, the civil deputy-governor of Khuzestan, and the chief of police.<sup>182</sup>

With this type of *modus vivendi* in place between Tehran and the Company, APOC was also able to solicit the cooperation of local officials to deal with local opposition to its renovation plan.<sup>183</sup> In fact, the Company preferred to hide behind local authorities and institutions and use them to carry out its urban policies. Similarly, APOC encouraged local entrepreneurs to build and develop the new bazaar, while behind the scenes it provided the design and a significant part of the funding.<sup>184</sup> One of the advantages of this policy was that it distanced the Company from controversy and public criticism. As one APOC official commented on the use the Company made of Abadan's municipality as a buffer: 'we are not averse to seeing others [i.e. local Iranian officials] used as a target for a change.'<sup>185</sup>

Indeed, Abadan's municipality was routinely used to further the Company's policies while, at the same time, to hide its involvement. The municipality was ostensibly an independent institution. But, in truth, it was completely reliant on the Company in terms

<sup>&</sup>lt;sup>181</sup> Security Report January 1927, BP, 70236

<sup>&</sup>lt;sup>182</sup> Mirza Ahmad: Acting Governor of Khuzistan, January 18, 1926, BP, 72271; "Abadan must Remain an Integral Part of Khuzistan [sic]", Translation of an article from *Habl Matin*, September 6, 1927, BP, 70236; Security Report August 1926, BP, 70236.

 <sup>&</sup>lt;sup>183</sup> Notes on Results of Commission Proceedings Abadan Affairs, August 3, 1925, 68723.
 <sup>184</sup> Abadan Bazaar, March 22, 1926, BP, 68723; Abadan Bazaar, April 12, 1926, BP, 68723; Ehsani, The Social History of Labor in the Iranian Oil Industry, p. 347.

<sup>&</sup>lt;sup>185</sup> Abadan Municipality, September 21, 1927, BP, 68723; Ehsani, ibid, pp 298-299

of its finances and provision of fresh water and electricity to the *Shahr*.<sup>186</sup> Using this veil, APOC was able carry out vast changes in Abadan. However, similar to other colonial cities, allocation of resources, planning building and development were all unevenly distributed and were targeted first to improve the lives of the European employees and to a lesser degree those of the skilled workers, artisans and clerks - the majority of whom were non-Iranian.<sup>187</sup> The introduction of less congested and healthier environments, planned residential areas, zoning of residential and industrial zones, paved wide thoroughfares (like the one that required clearing parts of Abadan Town) and more, were all part of an effort to create segregated urban spaces and protect the Company's European employees.<sup>188</sup>

The Company's urban development scheme also impeded the expansion of the non-Company areas further contributing to their congestion and unsanitary living conditions. Consequently, the new neighborhood of Ahmadabad, housing those that were evicted from the *Shahr*, was, according an eyewitness account: 'the filthiest of the neighborhoods, it didn't even have a toilet and people would relieve themselves on the water's edge. Of course, Abadan was filthy all over, but there were canals dug which cleared the filth to the sea. But these canals did not exist in Ahamadabad and in most cases, sickness started out in this neighborhood.'<sup>189</sup>

<sup>&</sup>lt;sup>186</sup> APOC to Iranian Minister of Interior, May 7, 1926, BP, 68723; Annual Commercial Report of the British Vice Consulate, Khorramshahr for the District of Abadan and Khorramshahr for the Iranian Year Ended the 20<sup>th</sup> March 1938, BNA, FO/371/21900.

<sup>&</sup>lt;sup>187</sup> Anthony D. King, Urbanism, Colonialism and the World-Economy: Cultural and Spatial Foundations of the World Urban System, (London and New York: Routledge, 1990), p. 42.

<sup>&</sup>lt;sup>188</sup> Ehsani, *The Social History of Labor in the Iranian Oil Industry*, pp 354-355; Williamson, *In A Persian Oil Field* 133-138. On other Colonial cities, see: King, ibid, pp 48-58.

<sup>&</sup>lt;sup>189</sup> Eftekhari, *Khaterat-e Dowran Separi Shodeh*, p. 32.

By the late 1920's, Abadan became a highly segregated city, physically and socially. The city's social order as well as urban tissue was determined by the industry's division of labor and hierarchy. Including, in seemingly benign issues such as medical treatment. Until early 1928, there was a separate dispensary for the British staff located in the bungalow area.<sup>190</sup> But, at the Company's hospitals in Abadan and Masjed Soleyman and in the dispensaries in the *Fields* area, medical treatment was provided for all. However, the wards inside the hospital, while well-equipped and in standards hitherto unknown in the country, were separated according to the workplace hierarchy, i.e. according to race.<sup>191</sup> In addition, the European medical staff, such as nurses, would only serve in a supervisory capacity when treating non-European patients (which were the main bulk of patients).<sup>192</sup>

The high standard of housing and other amenities and social activities (like sports) provided exclusively for the European population were instrumental not only in making their lives more comfortable but, in forging a tightly knit European community. One that was segregated and isolated from the rest of Abadan's indigenous population and its surroundings. Separate amenities like clubs were also provided for the Indian and Armenian employees but, to a lesser degree. However, in 1928, when Iranian laborers tried to follow suit and established their own clubs, they were summarily shut down by the Company's security department fearing (with good reason as it turned out) they

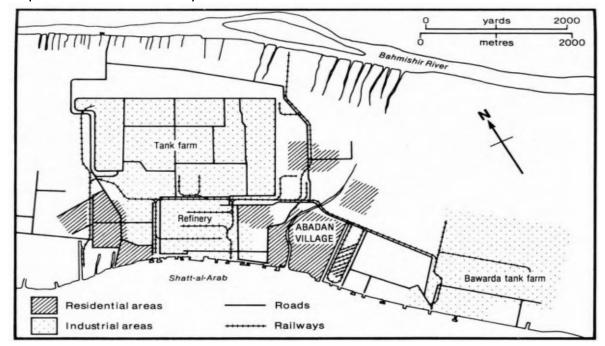
<sup>&</sup>lt;sup>190</sup> Abadan Estimates 1928-29, February 15, 1928, BP, 67582.

<sup>&</sup>lt;sup>191</sup> Williamson, *In a Persian Oil Field*, pp 123-132; *Visit to Persia - Secret Diary* (Cadman's Diary), October 30, 1924 entry, BP, 72549(001).

<sup>&</sup>lt;sup>192</sup> Dr E. Jamieson, Principal Medical Officer to Dr. Young, Chief Medical Officer, February 09, 1928, BP, 112974.

would be used as staging grounds for labor organizations.<sup>193</sup> Until the mid-1940's unskilled and contract workers were largely excluded from all amenities, with the exception of medical treatment.

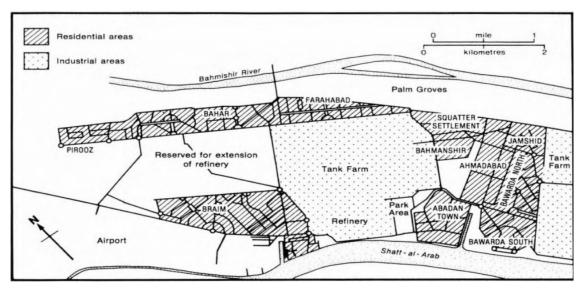
Map no.4: Abadan in the early 1930s.<sup>194</sup>



Map no.5: Abadan's main residential areas in 1950.195

 <sup>&</sup>lt;sup>193</sup> Floor, Labour Unions, Law and Conditions in Iran, p.44; Eftekhari, Khaterat-e Dowran Separi Shodeh, pp 127-130.
 <sup>194</sup> Richard Lawless and Ian Seccombe, Work Camps and Company Towns: Settlement Patterns and the

<sup>&</sup>lt;sup>194</sup> Richard Lawless and Ian Seccombe, Work Camps and Company Towns: Settlement Patterns and the Gulf Oil Industry, (Durham, UK: University of Durham, Occasional Papers Series No. 36, 1987), p.49 <sup>195</sup> Ibid, p. 50.



### Increasing Security and Control Measures

In an effort to deal with the rapid growth of its workers population (particularly in Abadan) and in response to the changing political circumstances, APOC made several changes to its local organization in Abadan. Similar to all of the Company's dealings in the oil operations area, these changes were not determined solely by organizational or vocational fault lines but, by racial ones. In the early 1920's, in order to concentrate under one roof all matters concerning the logistics, supervision, accommodation and employment of the non-British workforce, a labor department was formed in Abadan. In February 1924, a separate department called "the Staff Department" was formed to deal solely with the affairs of all Europeans. Thus, for example, the affairs of European and non-European foremen, were dealt by different departments.<sup>196</sup>

But, perhaps the most substantial change in the Company's organization, was the establishment of the "Security Department". As early as February 1922, Tehran

<sup>&</sup>lt;sup>196</sup> Anglo-Persian Oil Company Limited Annual Report April 1923 - March 1924, BP, 54364; Longhurst, Adventure in Oil, p. 72.

demanded of the Company to disband its Iraqi police force. The presence of a foreign police force on Iranian soil was viewed not only as an infringement of the oil concession but of Iranian national sovereignty. APOC, however, disbanded the Iraqi Police Force only in early April 1923.<sup>197</sup> This immediately effected not only the Company's ability to enforce order inside the refinery but, also on the general state of order in the town as the number of violent inter-racial incidents rose.<sup>198</sup> Therefore, APOC was forced to establish a new police force to control its workforce. Mainly, to deal with the Indian workforce, since the Sheikh's guard were responsible for policing the locals. For this purpose, the Security Department was formed. The nucleus of the department, some eighty men (out of roughly two hundred), were drawn from the recently disbanded South Persia Rifles.<sup>199</sup>

However, the changing political climate, growing ethnic tensions, influx of Iranian workers and APOC's growing fear of Iranian nationalism and Bolshevism, radically changed the department's scope of responsibilities. In light of APOC's growing fear of labor opposition and communist-inspired activity, the department was soon tasked with: 'supervision of unruly elements in labour, control of bad characters and the prevention of attempts to organize strikes' as well as: 'counteraction against anti-Company propaganda, Bolshevic [sic] activities and other anti-Company subversive elements.'<sup>200</sup>

<sup>199</sup> Anglo-Persian Oil Company Limited Annual Report April 1923 - March 1924, BP, 54364; No. 477, October 17, 1923, IOR, L\PS\11\235; Administration Report for the Mohammerah Vice-Consulate for the Year 1923, IOR, R/15/1/713; Abadan Refinery Monthly Report, August 31, 1924, BP, 5482.
 <sup>200</sup> See memo written by Abadan Security Department, December 31, 1927, BP, 53977.

 <sup>&</sup>lt;sup>197</sup> Iranian Embassy in London to the Iranian Ministry of Foreign Affairs, February 2, 1922, in: *Naft Dar Dowreh Reza Shah*, pp16-17; *no.* 477, October 17, 1923, IOR, L/PS/11/235.
 <sup>198</sup> No. 477, October 17, 1923, IOR, L/PS/11/235.

To carry out this task and to keep better record on the Company's workers and other "undesirable" elements, "the Finger Print Bureau" was established in mid-1924.<sup>201</sup> As part of its overall task to monitor workers and neutralize potential threats, the security department also supervised the Company's educational efforts in Abadan and Mohammerah.<sup>202</sup>

By 1927 what began as a domestic police force armed with batons turned into an impressive controlling mechanism that carried out a host of functions, among them: gathering intelligence on the various political, economic and labor related concerns; handling liaison between the Company and Iranian Government officials; issuing local permits and certificates of identity; investigating crimes; land and property negotiations; and preventing unlawful building on Company land.<sup>203</sup> In short, the department had all the makings of a small government.

Cooperation between officials of the security department and local Iranian officials was quite good. Partly because senior officials on both sides shared a similar lack of sympathy for the Iranian workers and similar fears of Bolshevism.<sup>204</sup> But, also because

<sup>202</sup>Anglo-Persian Oil Company Limited Annual Report April 1923 - March 1924, BP, 54364; No. 477, October 17, 1923, IOR, L\PS\11\235; Administration Report for the Mohammerah Vice-Consulate for the Year 1923, IOR, R/15/1/713; Abadan Refinery Monthly Report, August 31, 1924, BP, 5482; Copy of a letter No. 9565, May 02, 1924, IOR, L/PS/11/249; Security Report December 1926, BP, 70236; Abadan Security Department, December 31, 1927, BP, 53977.

<sup>203</sup>Anglo-Persian Oil Company Limited Annual Report April 1923 - March 1924, BP, 54364; No. 477, October 17, 1923, IOR, L\PS\11\235; Administration Report for the Mohammerah Vice-Consulate for the Year 1923, IOR, R/15/1/713; Abadan Refinery Monthly Report, August 31, 1924, BP, 5482; Copy of a letter No. 9565, May 02, 1924, IOR, L/PS/11/249; Security Report December 1926, BP, 70236; Abadan Security Department, December 31, 1927, BP, 53977.

<sup>&</sup>lt;sup>201</sup> Copy of a letter No. 9565, May 02, 1924, IOR, L/PS/11/249; Security Report December 1926, BP, 70236.

<sup>&</sup>lt;sup>204</sup> Wilson to Young, August 18, 1925, BP, 96465; Ladjevardi, *Labor Unions and Autocracy in Iran*, pp 120-121.

some of those officials who were "friendly" toward the Company, were "incentivized" (they were not necessarily bribed with money –medical treatments, Company housing and even cars were also provided in exchange for their cooperation). While others who were regarded as less accommodating or "incompetent" (part of the jargon used by Company officials to describe anti-Company officials) were removed from their position.<sup>205</sup> The Establishment of a steady and beneficial relationship with local officials (especially those in charge of the security forces) allowed the security department the freedom of action it sought inside its operations area - as long as it wasn't too conspicuous. Inside Abadan, for instance, the Iranian police secured the town as well as the roads leading to and from the Company's area, but, policemen were not allowed to enter the Company's area.<sup>206</sup> Instead, the Company's fire brigade was put in charge of enforcing discipline (partly out of budgetary needs), policing the refineries and making sure workers adhere to safety regulations (later on the Company also had its own traffic police).<sup>207</sup>

With the support of local Iranian officials, APOC continued restricting access to its area of operations (including that of Iranian government officials). Hassan Badi', the Iranian Consul in Basra, and a harsh critic of the Company's conduct, remarked on the Company's security arrangements as being 'the same as you cannot travel to a foreign

<sup>&</sup>lt;sup>205</sup> See for example: *From Abadan to London No. 95, No. 85, No. 96*, 07/05/1929, BP, 59010; Also "Company-ye Naft-e Janub Tanha Nazd-e Qazi Rafteh", *Chehreh Nama* from April 18, 1931; Ladjevardi, ibid, pp 120-121.

 <sup>&</sup>lt;sup>206</sup> Fateh, Panjah Sal Naft-e Iran, p. 426; Ferrier, The History of the British Petroleum Company Volume 1, p. 396.
 <sup>207</sup> Mohammad Hasan Badi' (Iranian Consul in Basra) to the Iranian Ministry of Foreign Affairs, December

<sup>&</sup>lt;sup>207</sup> Mohammad Hasan Badi' (Iranian Consul in Basra) to the Iranian Ministry of Foreign Affairs, December 2, 1928, in: *Naft Dar Dowreh Reza Shah*, pp 32-33; Iraj Valizadeh, *Anglo va Banglo dar Abadan: Khaterat Haftad Saleh Pesarak Farmanbar*, (Tehran: 'Ulum Computer, 1389), p. 399.

country without a passport.'<sup>208</sup> APOC's security department also established a network of informants allowing it to monitor the province's population: oil workers, other Iranians that were suspected of being Soviet operatives and sympathizers, newspaper reporters and even Iranian government officials.<sup>209</sup> The network of informants was so widespread that Badi' recommended government employees to refrain from relaying information to APOC employees, Iranian and foreign.<sup>210</sup>

The notion of the Company's omnipresence generated by its security measures created an atmosphere of fear among the workers. Troublemakers were often branded as "agitators" or, more commonly, "Bolshevik agents", thus allowing the Security Department to neutralize opposition and effectively carry out regular purges of its workforce. Those found to be a threat, were often banished from the oil operations area and a records of their identifying details such as finger prints and surname (thanks to Shah's conscription act), were added to blacklists which prevented their rehiring.<sup>211</sup> Despite this, the security department was having major difficulties in establishing the identity of workers, particularly those on their first engagement. Many men were working under false names and it was next to impossible to trace their true identity even when helped by Iranian authorities.<sup>212</sup>

<sup>&</sup>lt;sup>208</sup> See Mohammad Hassan Badi''s letter to the governor of Khuzestan dated April 3, 1928. In: *Naft Dar Dowreh Reza Shah*. p. 45.

<sup>&</sup>lt;sup>209</sup> See Mohammad Hassan Badi''s letter to the governor of Khuzestan dated March 30,1928. In: *Naft Dar Dowreh Reza Shah*, pp 42-43; "Company-ye Naft-e Janub Tanha Nazd-e Qazi Rafteh", *Chehreh Nama*, April 18, 1931; "Wake Up Senseless People of Abadan", *Hayat-e Kargar*, May 10, 1927, BP, 70236.
<sup>210</sup> See Mohammad Hassan Badi's letter to the governor of Khuzestan dated March 30,1928. In: *Naft Dar Dowreh Reza Shah*, pp 42-43.

<sup>&</sup>lt;sup>211</sup> Eftekhari, *Khaterat-e Dowran Separi Shodeh*, pp 116-117.

<sup>&</sup>lt;sup>212</sup> Katayoun, Cracking Petroleum with Politics, pp 267-268.

The threat of losing one's livelihood or denial of wages or economic sanctions were also used to deter and discipline workers. For example, workers could be suspended up to a week or more for any misconduct.<sup>213</sup> While workers who would leave before their contract ended were subject to fines, APOC was not even required to give notice. A worker could show up at the gates of the refinery only to be told that his services were no longer required. Sometimes, when there was not enough work, a worker could be put on hold, without pay, till alternative work was found.<sup>214</sup> This level of control, instilled in APOC's workers a feeling of constant fear and uncertainty and increased their financial dependency on the Company.

## The Formation of an Indigenous Social Class

Studies on industrial workers in the Middle East in the 20<sup>th</sup> century use several approaches to attempt and explain the formation or emergence of a Middle Eastern workers class (including oil workers). These approaches include, for example, examining the economic structure of the country (and its position in the economic world order).<sup>215</sup> Others, have tried to claim that either Islam or modernization were the determining factor in workers' activism and in the formation of a Middle Eastern working class.<sup>216</sup> An important factor that is often ignored when discussing industrial workers in the Middle East is, as E.P. Thompson has shown in his work on the formation of the English working

<sup>&</sup>lt;sup>213</sup> Elwell Sutton, *Persian Oil: A study in Power Politics*, p. 90.

<sup>&</sup>lt;sup>214</sup> Elwell Sutton, Persian Oil: A study in Power Politics, p. 90.

<sup>&</sup>lt;sup>215</sup> See for example: Assef Bayat, *Workers and Revolution in Iran: A Third World Experience of Workers' Control*, (London and New Jersey: Zed Books, 1987).

<sup>&</sup>lt;sup>216</sup> Zachary Lockman (ed.), *Workers and Working Classes in the Middle East: Struggles, Histories, Historiographies*, (USA: State University of New York Press, 1994), pp, xv-xviii.

class, that the actions of industrial workers were more often than not, prompted by their own culture and experiences.<sup>217</sup> As will be shown, the actions and identity of the "Abadani" oil workers' class were prompted as a result of an amalgam of developments and experiances on the local level which were enhanced by and fused with changes on the national level.

The authoritarian modernization of Reza Shah's reign defined the formative interwar period. As the state was engaged in building its power and institutions from the top down, it was also attempting to free the country of foreign influence and domination. This included abolishing various institutions and laws that symbolized Iran's subjugation to foreign powers, namely the capitulations regime, the concession of the Imperial Bank of Persia and the post of the *Kargozar*. The Oil Concession, regarded by the new regime as a relic from the Qajar period, was also part of the State's attempts to battle foreign influence on the country. Between the years 1928-1933, Tehran and APOC's relations became increasingly strained as negotiations for revising the terms of the oil concession were underway. The main points of contention between both sides were Iranization and royalties.<sup>218</sup> Indeed, it was a tense period for Anglo-Iranian relations as a whole since both countries were also conducting negotiations to reduce the Britain's political and economic domination over Southern Iran.<sup>219</sup>

<sup>&</sup>lt;sup>217</sup> See chapter 16 "Class Consciousness" in: Edward Palmer Thompson, *The Making of the English Working Class*, (UK: Penguin Books, 1984).

<sup>&</sup>lt;sup>218</sup> Fateh, *Panjah Sal Naft-e Iran*, pp 284-285; Bamberg, *The History of the British Petroleum Company Volume 2*, pp 27-61.

<sup>&</sup>lt;sup>219</sup> Chelsi Mueller, "Anglo-Iranian Treaty Negotiations: Reza Shah, Teymurtash and the British Government, 1927-32", *Iranian Studies*, Vol. 49, No. 4 (2016), pp 577-592.

As negotiations on the concession became wrought with tensions, the Iranian press, encouraged by the government, increased its anti-British campaign.<sup>220</sup> Everyone joined the brawl from Left wing newspapers such as "Toofan" to others such as "Iqdam", "Etela'at", "Shafaq-e Sorkh", "Setareh-ye Iran" as well as newspapers published outside Iran such as "Chehreh Nama" (Cairo) and "Habl Matin" (Calcutta). The latter's publications, perhaps because they originated in India, were particularly poignant and disturbing to the Company.<sup>221</sup> The press campaign against APOC was mainly focused on the following issues: the Company's treatment of its workers, the poverty and lack of housing in Abadan, and the eviction of workers from their homes. In addition, the Security Department's actions and its disciplinary tactics were also often criticized in tandem with the complicity of local officials, the *Majles* and the government (but not the Shah).<sup>222</sup>

In Khuzestan, the local elections campaign for the seventh *Majles* mirrored the prevailing nationalist and anti-British sentiment. For example, Mirza Hussein Movaqar - a local entrepreneur who was involved in building the new bazaar at Abadan and the incumbent *Majles* representative for Mohammerah – was attacked by his opponent for

<sup>&</sup>lt;sup>220</sup> See for example article published in *Hayat-e Kargar* titled "what have we done in the past?" 17/05/1927, BP, 70236. For a detailed explanation description of the government sponsored nationalist campaign, see: Stephanie Cronin, "Popular Politics, the New State and the Birth of the Iranian Working Class: The 1929 Abadan Oil Refinery Strike", *Journal of Middle Eastern Studies*, Vol. 46, No. 5 (September, 2010), p. 712.

<sup>&</sup>lt;sup>221</sup> Kaveh Bayat, "Dar Kenar ya bar Kenar az Kargaran-e Iran: Abadan, Ordibehesht 1308", *Goftegoo*, no. 44 (Azar, 1384), pp 76-77; *An Appreciation of the Political Situation in Khuzistan with Special Reference to the Present Unrest*, June 30, 1929, BP, 59010.

<sup>&</sup>lt;sup>222</sup> See for example: "Khuzestan is Sinking", Translation of an article from *Chehreh Nama*, 27/11/1927, BP, 70236; *extract of Anonymous Letter to the Editor of "Iqdam"*, Undated (circa September-November 1927, BP, 70236; "Patriotism in the A.P.O.C. is the Worst Crime", Translation of an article from *Habl Matin*, April 4, 1929, BP, 70029.

his cooperation with the Company.<sup>223</sup> Perhaps in an attempt to shake off this image, Movaqar led a fervent anti-Company campaign. It seemed to have helped since he got reelected.<sup>224</sup> In addition to the public campaign against the Company, it was also subjected to growing criticism from Iranian officials, such as Mohammad Hassan Badi', the Iranian Consul at Basra.<sup>225</sup>

It was not long before Soviet trained activists joined the effort. Soviet influenced activity in Khuzestan seemed to concentrate mainly in urban areas in the vicinity of the British government's and APOC's commercial and political centers, i.e. the towns of Ahwaz, Abadan and Mohammerah. According to British estimates, the Soviets cultivated a network of agents ranging from the commercial sector, customs and also in the police and the army.<sup>226</sup> Attempts were also made to use the tribal population. For example, APOC's security department reported in July 1927 of Bolshevik agents were attempting to agitate the Arab tribes to revolt and thus increase the level of insecurity in the province.<sup>227</sup>

But, one must be careful not to exaggerate the scope and activity of the Soviets in Khuzestan. There is no doubt that many APOC and British officials, believed in the existence of a real and viable Soviet or Bolshevik threat. But, we must also remember

<sup>&</sup>lt;sup>223</sup> Monthly Report April 1928, BP, 70029.

<sup>&</sup>lt;sup>224</sup> Majles Research Center, Ashinayi ba Tarikh-e Majales Qanungozari Dar Iran, p. 147.

<sup>&</sup>lt;sup>225</sup> Kaveh Bayat, "With or Without Workers in Reza Shah's Iran: Abadan, May 1929", in: Atabaki Touraj (ed.): *The State and the Subaltern: Modernization, Society and State in Turkey and Iran*, (New York & London: I.B. Tauris, 2007) p. 118. Bad'i, sent regular reports complaining about the Company's hiring of non-Iranians, the conduct of the Security Department and of the Company's control over the area. See: *Naft Dar Dowreh-ye Reza Shah*, pp 32-36, 42-45.

 <sup>&</sup>lt;sup>226</sup> Security Report April 1926, 30/04/1926, BP, 70236. In the same file also see Security Report September 1926, 20/09/1926; Elkington to Medlicott. 15/06/1929, BP, 59010.
 <sup>227</sup> Security Report July 1927, BP, 70236.

that they tended to paint all opposition to the British or APOC in red. I.e., the vast majority of those who opposed APOC be they workers or others, were portrayed as either Soviet agents or soviet-influenced. Thus, the Soviet threat, while present, was blown well out of proportion, at times, to the verge of paranoia. For example, according to APOC reports, most Iranians suspected as Soviet spies or activists of the Iranian Communist party, came from Northern Iran (i.e. from Soviet influenced areas). Therefore, APOC's security department carefully scrutinized Iranians of Turkish and Armenian descent who immigrated to Khuzestan. Eventually, in its fear that a network of Soviet agents will be established in the oil operations area, the Company even went as far as to refrain altogether from hiring Turkish speakers.<sup>228</sup> By 1927, the Company stopped hiring Armenians and terminated the employment of those Armenian workers who were deemed non-essential.<sup>229</sup> As will be further shown, the threat of Soviet activity was also used by APOC to suppress labor opposition.

What is certain is the Iranian Communist party (founded in 1920 in Gilan) did target Khuzestan in wake of a directive that was issued by the Comintern (in its fifth congress in June 1924). This directive called for members to undertake a more radical course of action in their respective countries. Even though a year earlier labor unions were banned and outlawed along with Communist and Socialist parties in Iran, the Party decided to send a number of trained union organizers such as Yousef Eftekhari, Rahim Hamdad and

<sup>&</sup>lt;sup>228</sup> Bayat, Khaterat Dowran Separi Shodeh, P. 123.

<sup>&</sup>lt;sup>229</sup> Ibid. Following the 1929 strike, Teymourtash, the Iranian minister of court, recommended to Company officials that the number of Armenians under the Company's employment, be further reduced. See: telegram from Tehran to Abadan *no. 99*, May 18, 1929, BP, 59010.

Ali Omid to organize labor in the oil industry.<sup>230</sup> While not much is known about Hamdad, we know from Eftekhari's memoire that, he was trained in the famous Communist University for Laborers of the East in Moscow.<sup>231</sup>

By the time Eftekhari and the others began to organize unions, Iranian workers in Abadan already aware of the merits of collective bargaining activities. Having learned from the experiences of the Indian workers.<sup>232</sup> Moreover, a certain cohesiveness had developed among the Iranian workers. But, tribal and/or regional identity still remained an influential factor in determining one's own identity as well as one's own reference group. For example, Muharram processions in city were held separately by each community (such as those from: Esfahan, Bushehr, Chahar Mahal).<sup>233</sup> But, while many of the workers still identified on ethnic and geographical lines, their shared experiences, grievances and difficulties living in Abadan and working for a foreign enterprise, forged a shared sense of fate and solidarity among them. For example, in 1931, APOC refused to assist workers whose dwellings were burned down in a fire. Instead, workers made a collection among themselves to help those whose houses were burnt down, to rebuild them.<sup>234</sup>

<sup>&</sup>lt;sup>230</sup> Bayat, "With or Without the Workers", P. 114; Abrahamian, "The Strengths and Weaknesses of the Labor Movement in Iran, 1941-1953", p. 183.

<sup>&</sup>lt;sup>231</sup> About the university see: Lana Ravandi-Fadai, ""Red Mecca" – The Communist University for Laborers of the East (KUTV): Iranian Scholars and Students in Moscow in the 1920s and 1930s", *Iranian Studies*, Vol. 48, No. 5 (September, 2015), pp 713-728.

<sup>&</sup>lt;sup>232</sup> Badi' to the Iranian Ministry of Foreign Affairs, May 14, 1929, in: *Naft Dar Dowreh-ye Reza Shah*, pp 107-111.

<sup>&</sup>lt;sup>233</sup> See: Monthly Report June 1929, BP, 70029.

<sup>&</sup>lt;sup>234</sup> "Masmo'at az yek Nafar Kargar-e Abadan: Mokhtasari az Zendegi-ye Kargaran-e Naft-e Janub", *Peykar*, June 1, 1931. Also see: Katayoun, *Cracking Petroleum with Politics*, pp 267-268.

The underground union movement organized by Eftekhari and others, provided the workers not only with the means to better organize their collective efforts but, also honed their message and helped them to better articulate their grievances. A closer look at the underground union activity in Abadan reveals that their organizers drew from an eclectic ideological mix - mainly nationalists, who were successful in adapting their teachings to fit the local residences' grievances and experiences as well to the prevalent anti-British sentiment in the country. For example, the first proclamation of the Oil Workers Union organized by Eftekhari, called to battle the 'Khaz'alis' and other "traitors" as well as pleaded the Iranian government to: 'rescue us from the claws of the foreigners, especially those of the blood thirsty Oil Company.'<sup>235</sup> The evocation of Khaz'al's name was not accidental, as it linked the prevalent nationalist anti-tribal discourse espoused by the regime to the memories and experiences of the local population that suffered under the Sheikh's rule. In fact, Eftekhari himself, mentions in his memoirs that while looking for co-organizers he could trust, he targeted those who displayed 'nationalist sentiment' (*Ehsasat-e Meli*) and had actively resisted Sheikh Khaz'al in the past.<sup>236</sup>

Thus, it seems that part of the workers' attraction to the notions of socialism and nationalism was that it allowed them to better describe their own grievances and demands by identifying their own plight with that of the nation. This sentiment is what Stephanie Cronin calls, a 'nationalist subaltern discourse' which, 'placed the hardships of the oil workers within a framework conditioned by concepts of natural justice, of the

<sup>&</sup>lt;sup>235</sup> Bayat, Khaterat Dowran Separi Shodeh, p. 135

<sup>&</sup>lt;sup>236</sup> Bayat, ibid, p.34.

duties of a benevolent ruler, and a sense of national community, and, in particular, utilized heavily gendered concepts of honor and shame.'<sup>237</sup> For instance, the Oil Company's maltreatment of its workforce was likened to the violation of Iran by the British Empire.<sup>238</sup>

In addition, union organizers also succeeded to tap into the pre-existing anti-British and anti-Company sentiment in Abadan. An underground leaflet (*Shabnameh* – literally means "evening correspondence" because it was posted during the evening in various locations in the city) distributed in Abadan gives us more insight into the conceptual world of the workers. The leaflet, entitled 'Notice from the Eastern Performers of Sacrifices for the Anglo-Persian Oil Company', beseeches the Shah to help the 'toilers' and the 'working class' to rise up against the injustice of the Company and disparages the Qajar dynasty for granting the oil concession. It further bemoans that 'the half burnt men from the equator', meaning the Indians, are employed in senior positions and better jobs and were more eligible to company housing than the Iranian workers.<sup>239</sup> This last demonstrated the resentment many Iranian workers felt toward the Indian workers, linking it to the nationalist discourse on Iranization. Indeed, in late 1929 the local branch of the Imperial bank of Persia reported, Iranian workers displayed a disinclination to work under a non-Iranian supervisor.<sup>240</sup>

<sup>&</sup>lt;sup>237</sup> Cronin, "Popular Politics, the New State and the Birth of the Iranian Working Class". p. 700.

<sup>&</sup>lt;sup>238</sup> Notice from the Eastern Performers of Sacrifices for the Anglo-Persian Oil Company, June 15, 1929, BP, 59010.

<sup>&</sup>lt;sup>239</sup> Ibid.

<sup>&</sup>lt;sup>240</sup> *Progress Report*, December 20, 1929, BBME, HQ-BBME-0001.

On May 6, 1929, in response to union leaders' arrest in Abadan, a major demonstration numbering around 11,000 participants (including women and children as well as others who were not Company employees) broke out in the city. In addition to release those arrested, the protesters demanded of the Company: higher wages, housing for workers and their families, improvement in working conditions (such as the provision of clean drinking water), shorter work hours, cancellation of monetary penalties, cancellation of the blacklist policy, to acknowledge the legitimacy of the Khuzestan Union and compensation for those who were injured in the Company's service.<sup>241</sup> The response of local Iranian law enforcement forces (encouraged by Company officials) was swift and harsh, nipping the Abadan labor movement in the bud.

As Stephanie Cronin shown, the methods used in the course of these demonstrations- cessation of work, closure of the Bazaar, public mobilization of women and the riot – were all drawn from a 'long-established repertoire of popular protest'. According to one report, the women were even carrying 'Muharram flags.'<sup>242</sup> In late June, the wives of some 200 deported strikers travelled to Ahwaz where they sent a telegram to the Shah and then went in procession to his statue where they wept and prayed.<sup>243</sup> But, other aspects of the demonstration against the Company such as: the demands made by the workers, laying siege on the Company's Time Office or establishing pickets

<sup>&</sup>lt;sup>241</sup> Bayat, *Khaterat Dowran Separi Shodeh*, pp 137-138.

<sup>&</sup>lt;sup>242</sup> Cronin, "Popular Politics, the New State and the Birth of the Iranian Working Class", p. 700; Elkington to Medlicott, May 8, 1929, BP, 59010.

<sup>&</sup>lt;sup>243</sup> Cronin, ibid, p. 702. By this time, petitioning the Shah via telegraph was a well-established practice. See: Irene, Schneider, *The Petitioning System in Iran: State, Society and Power Relations in the Late 19<sup>th</sup> Century*, (Wiesbaden: Harrassowitz Verlag, 2006), pp, 52-55.

to prevent workers from entering the refinery demands - were all new additions to the repertoire and perhaps unique to the oil industry. This, is what Cronin referred to as a 'process of selective borrowing from a foreign model and its adaptation to an indigenous tradition, resulting in the creation of a novel symbiosis.'<sup>244</sup>

Still, even during the strike, the fault lines between the various communities were still discernible. It seems those who came to Abadan from outside the province (such as those from Shiraz, Esfahan and Bushehr) were the more militant elements of the protest. Those who were indigenous to the area (such as Arabs, Dezfulis, Shushtaris), and perhaps used to living in the shadow of the Oil Company, were apparently more passive. To wit, most of those arrested and deported were not indigenous to Khuzestan (it seems that the "Bushehri element" was particularly active).<sup>245</sup>

Thus, we can claim that a new indigenous working class evolved out of the trials and tribulations of the post-war Abadan. But, this class was not a cohesive social unit that had managed by some magical ability to amputate their past and adopt a brand new identity. Rather, the "Abadani" identity was juxtaposed by their tribal, regional or cultural identity.

### The Aftermath of the 1929 strike and Abadan in the 1930s

The May 1929 strike was a genuine cause of concern for the Iranian government. What was particularly worrying for Tehran was that there seemed to be a cooperation between Soviet and National elements in the South. But, while Teymourtash, believed

<sup>&</sup>lt;sup>244</sup> Cronin, ibid, p. 702.

<sup>&</sup>lt;sup>245</sup> See: Elkington to Medlicott, May 17, 1929, BP, 59010; *Interview with his Highness Teymoutache on the* 1<sup>st</sup> June, 1929, BP, 59010.

that Soviet elements were active and very much involved in anti-British activity in Southern Iran, he was sure that the Oil Company's maltreatment of its workers helped prepare the ground for this activity. As he told one Company official: 'nationalist and Soviet aims in Southern Iran seemed to coincide and combine against British interests.'246 Therefore, he demanded that APOC act to improve the working and living conditions of the Iranian labor force.<sup>247</sup>

Others, like Mohammad Hassan Badi', the Iranian consul in Basra, were convinced that the blame lay entirely on the company's maltreatment of its workers and that the workers' grievances must be investigated and dealt with. Despite this, he too opposed any form of organized labor activity because he feared it would provide the British government with an excuse to intervene militarily on behalf of the Oil Company.<sup>248</sup> Bad'i, therefore suggested to establish a permanent committee comprised of Iranian officials (such as the mayor of Abadan, the governor of Abadan and a representative of the Ministry of Public Works) that would deal with labor complaints. Other newspapers such as "Habl al-Matin" advocated the legislation of a labor law. But, no action was taken to this effect.<sup>249</sup>

Indeed, Tehran did not seem eager to press the matter too hard.<sup>250</sup> Its concern for the improvement of the oil workers' conditions, stemmed more from its fear of an

<sup>&</sup>lt;sup>246</sup> See telegram no. 92 from Tehran to Abadan, May 29, 1929, BP, 59010.

<sup>&</sup>lt;sup>247</sup> Ibid.

<sup>&</sup>lt;sup>248</sup> Muhammad Hassan Badi' to Iranian foreign ministry, May 14, 1929, in: Naft dar dowreh-ye Reza Shah, pp. 107-111. <sup>249</sup> Bayat, "With or Without Workers in Reza Shah's Iran", p. 121.

<sup>&</sup>lt;sup>250</sup> This was obvious by the unusually low number of rules and regulation that the *Majles* and government ministries enacted that dealt with the oil industry. In fact, while the railway industry received the utmost

independent labor movement, particularly one that might be influenced by Soviet ideology.<sup>251</sup> Tehran had hoped that by improving the living and working conditions of the Iranian workforce and keeping the ban on trade unions, the national cause could be separated from the socialist one.

APOC officials also realized that, considering the tense relationship with Tehran surrounding the concessional dispute, a delicate equilibrium must be maintained, if only for tactical reasons. On the one hand, Company officials knew that in order to justify increasing its supervision and surveillance over the Iranian workforce, as well as convince the Iranian government to act more firmly against any future labor protests, they would need show some progress in the welfare of its workforce.<sup>252</sup> On the other hand, officials in Abadan stressed that the Company must not seem to agree with the Iranian government's assessment that maltreatment by the Company prompted labor organized activities in Abadan.<sup>253</sup> Therefore, the Company concentrated its efforts to amplify the Soviet threat in order to convince officials in Khuzestan as well as Tehran that: 'powerful communistic influence were at work with the most insidious propaganda to undermine the authority of the Government and create chaos within the Company's organisation and throughout Khuzistan [sic].<sup>254</sup>

attention, the oil industry along with the carpet and textile industries were the least regulated industries. See: Sadeqi, *Siyasatha-ye San'ari dar Dowran-e Reza Shah*, pp 80-81.

<sup>&</sup>lt;sup>251</sup> Bayat, ibid, pp 120-121; Katayoun, Cracking Petroleum with Politics, p. 242.

<sup>&</sup>lt;sup>252</sup> An Appreciation of the Political Situation in Khuzistan with Special Reference of the Present Unrest, June 17, 1929, BP, 59010. Also see in the same file letter of APOC's general manger, Sir John Cadman to Elkington, June 07, 1929.

<sup>&</sup>lt;sup>253</sup> From Abadan to London No. 13(HM), May 22, 1929, BP, 59010.

<sup>&</sup>lt;sup>254</sup> See Interview With His Highness Teymourtache on the 1st June, 1929, June 2, 1929, BP, 59010.

Deflection, was also the recommendation of one British official who wrote: 'the evidence showing the whole of this affair to be the work of U.S.S.R propagandists is neither abundant nor conclusive. It is clear that the U.S.S.R has considerable interest in sabotaging the A.P.O.C and the methods employed in this case certainly seem to be Communist in character. On the other hand, however, it is possible that an almost purely Persian movement might be directed against the Company'...'U.S.S.R influence is most likely at work but perhaps much propaganda or money is not needed to stimulate an industrial upheaval in KHUZISTAN [sic]. Somewhat diffidently I would suggest to you that disturbances, from whatever cause, occurring in KHUZISTAN [sic] would be best countered by attributing the whole organization of such disturbances to U.S.S.R machinations.'<sup>255</sup>

In this way, the Soviet threat was used as a pretext for increasing the supervision over the workforce and to secure the Iranian government's cooperation to beef up security in Khuzestan. Moreover, it was used to curtail union activity and discredit any claims of misconduct or ill-treatment on the part of the Company.<sup>256</sup> It was a tactic that would also be used against the *Tudeh's* activity in the 1940's and early 1950s.

Tehran continued to invoke the maltreatment of the Iranian workers as part of its criticism of the Company. But, it did so, primarily, as leverage in its concessional dispute

<sup>&</sup>lt;sup>255</sup> See coded message marked *Private*, May 16, 1929, BP, 129909.

<sup>&</sup>lt;sup>256</sup> Interview with His Highness Teymourtache on the 1st June, 1929, June 2, 1929, BP, 59010; From Tehran to Chairman, May 2, 1929, BP, 59010.

with APOC.<sup>257</sup> Moreover, it was an empty threat since the Iranian security forces' crackdown of the nascent Iranian labor movement in Abadan and the increased security measures, effectively crippled the labor movement in Abadan for the following decade. Kaveh Bayat, suggests that Tehran's crackdown and its indifference to the workers' claims, were contributing factors for the Iranian Government's "caving in" to British pressure after the Shah unilaterally cancelled the concession. Since, according to Bayat, Tehran lacked sufficient leverage over APOC in the form of a popular labor movement on the ground.<sup>258</sup>

But, there's no certainty that Tehran was looking for such a leverage. If anything, as the evidence has shown, Tehran had no interest in permitting such a movement to exist. The central government's main efforts vis-à-vis the Company were mainly concentrated on the issues of royalties and Iranization of larger segments of the Company's workforce, including mid-level and upper technical and commercial staff. The latter, was an issue of extensive discussions that continued until 1936 and centered on the specific details of "the general plan" that was supposed to show yearly progress of Iranization between Iranian and Company officials.<sup>259</sup>

Eventually, APOC, or AIOC (Anglo-Iranian Oil Company) as it was called from 1935, understood that it must pay its dues in the form of Iranization and royalties. During the 1930's AIOC accelerated the downsizing of its Indian workforce, mainly the skilled

<sup>&</sup>lt;sup>257</sup> For example, in its Statement to the League of Nations, Iran mentions the maltreatment of Iranian workers as one of the reason it unilaterally cancelled the oil concession in in late 1932. For the full statement see: *Naft dar dowreh-ye Reza Shah*, pp 401-415.

<sup>&</sup>lt;sup>258</sup> Bayat, "With or Without Workers in Reza Shah's Iran", p. 122.

<sup>&</sup>lt;sup>259</sup> Bamberg, The History of the British Petroleum Company Volume 2, pp 80-94.

workers, clerks and low-level supervisory staff positions.<sup>260</sup> But, when it came to employing Iranians in higher staff and supervisory roles, APOC was not in a hurry to make changes. AIOC perceived Iranization in its higher echelons as a threat to its operations, existing hierarchy and social order. While the number of Iranians employed in senior staff positions had somewhat increased, from the mid 1930's, the number of Britons employed in Iran was also on the rise up to the beginning of WWII. Thus, assuring Europeans still held key positions and the majority of the senior staff positions.<sup>261</sup>

It is true that, on the one hand, Tehran was unrealistic in its demands for Iranization because, it ignored the fact that the country lacked the sufficient manpower fill the ranks of mid to upper level management in the Company. But, it was also clear that AIOC attempted to slow the process as much as possible, presenting its procrastination as one based in pure professional and commercial efficiency.<sup>262</sup> The Company used a host of claims (mainly taken from scientific and professional lingua) and tactics to keep over all key supervisory and senior staff positions in the hands of Europeans.<sup>263</sup>

Company officials were also ambiguous toward incorporating Iranians in particular senior supervisory positions. On the one hand, senior Company officials believed that once the Company began training a select group of Iranians in the UK to be superior foremen, such individuals, would, upon their return: 'be very much a class apart and much harder taskmasters to their own countrymen than any European foreman'. But, on

<sup>262</sup> Bamberg, ibid, pp. 86-94.

<sup>&</sup>lt;sup>260</sup> Bamberg, ibid, pp.84-86.

<sup>&</sup>lt;sup>261</sup> Bamberg, *The History of the British Petroleum Company Volume 2*, pp 80-83.

<sup>&</sup>lt;sup>263</sup> Elwell-Sutton, *Persian Oil*, Pp. 89-90; Katayoun, *Cracking Petroleum with Politics*, pp 229-230, 270-275.

the other hand, they feared the potential troublemaking ability of these employees that 'if for any reason such men ceased to be employed, then their power to hatch trouble among the workmen would certainly have been increased.'<sup>264</sup>

The growing share of Iranians in the workforce including among artisans and skilled workers meant that the ethnic lines that in the past largely determined the division of labor, were now somewhat blurring. Therefore, once Iranization was fast-tracked, AIOC increased its efforts to differentiate Iranian staff, artisans and skilled workers from each other as well as from the rest of the unskilled workers. For example, the grading system created a new hierarchical order among the skilled workers which was affirmed by a higher status and pay.<sup>265</sup> This method was gradually applied throughout the Company's hierarchy as Iranization progressed to higher echelons of the Company. Social amenities such as clubs, sports venues and housing also became hallmarks of status and class differentiating between the various classes of the Iranian workforce. Often, within the same class of workers there were different clubs for different nationalities.<sup>266</sup> Thus decreasing the potential for Iranians to operate in unison.

<sup>&</sup>lt;sup>264</sup> Fraser to Jacks, December 7, 1933. BP, 52889.

<sup>&</sup>lt;sup>265</sup> Williamson, In a Persian Oil Field, 161.

<sup>&</sup>lt;sup>266</sup> "Opening of Iran Club at Abadan", Naft Magazine, Vol. VII, No. 4, (July, 1931). BP, 176326.

Year (end of)	Senior			Clerical, Technical & Supervisory		
	Foreign	Iranian	Percentage of Iranians from total	Foreign	Iranian	Percentage of Iranians from total
1932	713	15	2.06%	397	689	63.44%
1933 (May)	739	18	2.37%	393	697	63.94%
1934	762	29	3.66%	404	772	65.64%
1935	858	45	4.98%	386	1000	72.15%
1936	912	75	7.59%	265	1223	82.19%
1937 (August)	991	82	7.64%	262	1354	83.78%
1938	1283	177	12.12%	384	1751	82.01%

Table no.3: Employment of Iranian Staff members 1932-1938:<sup>267</sup>

Lack of housing, remained a major problem throughout the 1930s, and persisted for many years. Already in the late 1920s, James Mollison Wilson,<sup>268</sup> became increasingly concerned about the living and working conditions of the Iranian artisans, clerks and skilled workers. Mollison, warned APOC's board of directors not to become complacent in this regard and stated that: 'It is in the interest of the Company to provide accommodation to attract good class Persians, and retain those specially trained. The result of my investigation disclosed the fact that, to the Persian, this disparity in housing presented a real wide gulf between him and British servants of the Company. In my opinion, there is truth in the point of view he adopts, and the average young Persian is faced on entering the service of the Company with a form of barrier almost insurmountable.'<sup>269</sup>

<sup>&</sup>lt;sup>267</sup> Data on the number of the breakdown of Iranians vs. foreigners taken from Bamberg, *The History of the British Petroleum Company Volume 2*, p. 87.

<sup>&</sup>lt;sup>268</sup> The main architect and urban planner of the company areas of APOC, from late 1920s until the nationalization of 1951.

<sup>&</sup>lt;sup>269</sup> Lindsey- Smith, JM: the Story of an Architect, p. 12.

His warning was only partially heeded. After the onset of the great depression, the pace of the Company's work in Iran slowed down. Employment was reduced, projects postponed, exploration was halted and investment was also reduced substantially. It was not until 1933, when the new concession went into effect and the traces of the depression began to dissipate, that the company felt secure enough to begin an ambitious policy of expansion in Iran.<sup>270</sup> As part of this expansion, AIOC, increased its efforts to provide housing for skilled workers and clerks. In 1935 additional long barracks like housing units for artisans and clerks were added to the Indian Lines area in east of the refinery (which came to be known as the Bahmashir neighborhood).<sup>271</sup>

Wilson, the architect, also proposed to plan the first housing estate in Abadan. The planned estate was to be a mixed neighborhood for first, second and third class employees in the Bawarda area, South East of Abadan Town and Ahmadabad. Bawarda was isolated from all sides by a creek, oil pipelines, roads and a tank farm but, Company directors were very uneasy about the prospect of developing epidemics within these mixed neighborhoods.<sup>272</sup> Wilson, planned Bawarda to appear without any differentiation between European and Iranian residences (although they were all built according to Western design and standards). A high proportion of the houses were meant to be used by middle grade married Iranian workers, but, at first, very few Iranians lived in Bawarda. As Crinson mentions: 'the only Iranians who lived in Bawarda were those few, generally

<sup>&</sup>lt;sup>270</sup> Bamberg, *The History of the British Petroleum Company Volume 2*, pp 64-5.

<sup>&</sup>lt;sup>271</sup> Later known as Bahmanshir. See: Xavier De Planhol, "Abadan: Morphologie et Fonction du Tissu Urbain." *Revue Geographique de l'Est*, no. 4 (1964), p. 341.

<sup>&</sup>lt;sup>272</sup> Ehsani. *The Social History of Labor in the Iranian Oil Industry*, pp 343-345; Crinson, "Abadan: planning and architecture under the Anglo-Iranian Oil Company", pp 351-357.

educated in British universities, who had attained senior positions in the Abadan hierarchy.'<sup>273</sup> it was only in the 1940s, particularly in the post WWII period that AIOC decided to provide housing solutions for common laborers.

# Conclusions

From its inception, APOC operated under unique conditions in southwestern Iran. It entered into an area bereft of sufficient resources (human and otherwise) that it required for its daily operations. Nor was there any modern industry or enterprise that was equipped or able to cater to its needs. Therefore, the Oil Company was forced to be entirely self-reliant. Abadan, for example, had its own communications array, electricity, cooling and heating systems for which it had to provide supplies for. On the other hand, the political setting, i.e. its alliance with local magnates and the weakness of the central government, allowed APOC to operate with almost complete freedom and outside the constraints of the oil concession. But, Post-war Iran would not allow this political alliance to continue. The central government gradually gained momentum and strength to implement its policies in the provinces and, eventually, Reza Khan's operations to weaken regional powers forced the British government and the Oil Company to revise their policy. To a certain extent, Reza Khan's military campaigns were seen by Iranian nationalists, as Kashani-Sabet puts it, as 'the renaissance of the central government, marking a transition from popular nationalist movements to a state-dominated ideology.'274

<sup>&</sup>lt;sup>273</sup> Crinson, "Abadan: planning and architecture under the Anglo-Iranian Oil Company", p. 356.

<sup>&</sup>lt;sup>274</sup> Firoozeh Kashani-Sabet, Frontier Fictions: Shaping the Iranian Nation, p. 177.

The changing political circumstances made APOC more susceptible to Tehran's pressure and forced it to make changes in its policy in Iran. These changes coincided with other developments on the international and corporate level as well as troubles it experienced with its Indian workforce. Therefore, a more comprehensive solution was sought that would help to manage and socialize the Iranian workforce into a controlled environment. In seeking such a solution, the Company had hoped that a dependent, docile, loyal and perhaps even content labor force would form. One might say that this was an evolution of the "attunement" process that the Company's agent, Black, referred to in the nascent stages of the Company's activity in the Abadan peninsula.

The Company's activity, control and presence in the oil operations, meant that Tehran's entrance into the area was deliberately sustained, at least in the oil operations area. This created a warped governing body in Khuzestan and a mixed model of governing developed. Tehran as well as local authorities, while wary and suspicious of APOC's activity and control, expected it to bear the brunt of the funding of facilities and carry out functions that are usually carried out by governments (schools, higher education, municipal budgets, salaries of policemen and other state functions). The Company, grudgingly, increased its share in providing such services and amenities, a policy that was aptly named by Kaveh Ehsani as "Reluctant Paternalism".<sup>275</sup> Conversely, toward the end of the 1920s, APOC became increasingly comfortable with the presence

<sup>&</sup>lt;sup>275</sup> Ehsani, The Social History of Labor in the Iranian Oil Industry, pp 217-285.

of officials of the new Pahlavi regime and used their presence as a buffer to allow it to execute its policy, as well as keep its workforce in check.

The tense political atmosphere that culminated in the 1929 strike was in fact the point of convergence of two experiments of social engineering conducted by the Iranian state and by the Oil Company. AIOC's hopes that its efforts to discipline and educate its Iranian workforce would result in a docile and dependent workforce had failed. While the traditional, tribal or regional identity still remained, the shared hardships these workers experienced as they made the transition from a rural lifestyle to an urban one, their harsh working conditions, lack of housing, low wages, and the demeaning and callous treatment they received from the Company's European supervisors – all resulted in solidarity between the workers and the forming of a common yet separate identity compounded by Iranian nationalism.

#### Chapter IV: Abadan during WWII

## Introduction

Thanks to Reza Shah's ambitious development plans and reforms, Iran had experienced great change during the interwar years. Initially, the outbreak of war had no effect on the pace of reforms and development. Placing its trust in the safety of its neutral stance, the Iranian government continued to allot vast sums of money to develop large scale infrastructure projects such as railways, roads, ports and urban centers.<sup>1</sup> But, it was not long after the war in Europe broke out that Iran's expenditures began to outgrow its shrinking revenues from taxes and customs.<sup>2</sup>

Initially, due to damages incurred to its overseas operations, AIOC significantly reduced the sum of oil royalties it payed the Iranian government from four million pounds to approximately three quarters of a million. Reza Shah, however, took advantage of AIOC's precarious position and forced it to commit to a minimum payment of four million pounds, regardless of its low production levels.<sup>3</sup> But, the government's cash flow problems persisted. This, among other things, prevented the Iranian government from paying its contractors on time.<sup>4</sup> Other issues soon emerged that further hampered the country's economy. For example, Tehran's tight control over

<sup>&</sup>lt;sup>1</sup> Report on Economic and Commercial Conditions in Iran, December 1, 1940, GRDS, RG59/Decimal File 1940-44/Box 5818; From the same file see: Memorandum on Report from I.T & T. Representatives at Tehran (Iran) Concerning Political and Economic Conditions in Persia (Jan 12, 1941), April 11, 1941. <sup>2</sup> Ibid.

<sup>&</sup>lt;sup>3</sup> Bamberg, *The History of the British Petroleum Company Volume 2*, pp 230-235.

<sup>&</sup>lt;sup>4</sup> Report on Economic and Commercial Conditions in Iran, December 1, 1940, GRDS, RG59/Decimal File 1940-44/Box 5818; From the same file see: Memorandum on Report from I.T & T. Representatives at

Tehran (Iran) Concerning Political and Economic Conditions in Persia (Jan 12, 1941), April 11, 1941.

Iranian international trade severely impeded the activity of private traders. This, along with the growing shortage of essential goods (such as wheat and meat) caused by the war and a bad harvest, further deteriorated the impoverished state of large segment of the Iranian society.<sup>5</sup>

On June 22, 1941, Germany launched "Operation Barbarossa". With this act of war, the Germans violated the 1939 Ribbentrop-Molotov agreement and prompted the Soviet Union to join the Allied Forces. In order to support their new ally in his fight against Germany, Britain and the US sought to make use of Iran as a supply Corridor into the Soviet Union. But, Iran's neutral stance was perceived by the Allies as an impediment. Especially, in light of the Shah's admiration of Nazi Germany and the great commercial and political influence Germany wielded in the country.<sup>6</sup>

Already during WWI, Iranian intellectuals and trends in Iranian nationalism were deeply influenced by Germany's intellectual and political circles (perhaps the most famous of those was Taqizadeh's group of intellectuals).<sup>7</sup> Once the Nazis came to power, the relationship between the two countries turned into a bond based on shared

<sup>&</sup>lt;sup>5</sup> Kamran .M. Dadkhah, "The Iranian Economy During the Second World War: The Devaluation Controversy", *Middle Eastern Studies*, Vol. 37, No. 2 (April, 2001), pp 183-184; *Report on Economic and Commercial Conditions in Iran*, December 1, 1940, GRDS, RG59/Decimal File 1940-44/Box 5818; From the same file see: *Memorandum on Report from I.T & T. Representatives at Tehran (Iran) Concerning Political and Economic Conditions in Persia (Jan 12, 1941)*, April 11, 1941. Even Tehran suffered from shortage of bread for a period of at least three months. In many other places in the country, for want of wheat, bread was made out of barley.

<sup>&</sup>lt;sup>6</sup> See for example the following documents from the GRDS: RG59/Decimal File 1940-44/Box 5818: memo dated January 12, 1941 (apparently written by an American operative in Tehran) as well as *Memorandum* on Report from I.T & T. Representatives at Tehran (Iran) Concerning Political and Economic Conditions in Persia (Jan 12, 1941), April 11, 1941.

<sup>&</sup>lt;sup>7</sup> Afshin Matin-Asgari, "The Berlin Circle: Iranian Nationalism Meets German Countermodernity", in: Kamran Aghaie and Afshin Marashi (eds.), *Rethinking Iranian Nationalism and Modernity: Histories and Historiographies*, (Austin, TX: University of Texas Press, 2013), pp 49-65.

ideological sympathies. But, what truly sustained the relations between both countries, was the increasing economic interaction between them. Between the two world wars Iran had actively sought Western expertise (neither Russian nor British for obvious reasons). While American Companies and France were less inclined to respond, Germany did and quickly turned into Iran's foremost trade partner. By 1939, the German share of Iranian trade was a whopping 41 percent.<sup>8</sup> By the time hostilities in Europe broke out, there were more than six hundred German experts employed in Iran in various projects from mining to armaments.<sup>9</sup> But, Iranian dependency on German imports also had its disadvantages. Once the war broke out, Germany refused to export to Iran necessary building materials such as iron and copper. By then, Iranian dependency on such exports was so great that it caused further delays in various development plans.<sup>10</sup>

The special relationship between both countries was one of the main reasons for the suspicion with which the Allies treated Reza Shah. This suspicion turned into complete mistrust once the Shah attempted to avoid the Allies' ultimatum to expel all German elements from the country, thus, leading Allies to invade Iran. The allied invasion precipitated the Shah's decision to abdicate his crown (September 16, 1941) in favor of his son, Mohammad Reza.<sup>11</sup> Ostensibly, it seemed as if this was just a succession of

<sup>&</sup>lt;sup>8</sup> Jennifer Jenkins, "Iran in the Nazi New Order, 1933-1941", *Iranian Studies*, Vol. 49, No. 5 (Special Issue Dedicated to Homa Katouzian, 2016), pp 733-739.

<sup>&</sup>lt;sup>9</sup> Farmanfarmaian, Blood & Oil, p. 132.

 <sup>&</sup>lt;sup>10</sup> Report on Economic and Commercial Conditions in Iran, December 1, 1940, GRDS, RG59/Decimal File
 1940-44/Box 5818; From the same file see: Memorandum on Report from I.T & T. Representatives at
 Tehran (Iran) Concerning Political and Economic Conditions in Persia (Jan 12, 1941), April 11, 1941.
 <sup>11</sup> See telegram marked urgent on the Shah's Abdication, September 16, 1941, GRDS, RG59/Decimal File

<sup>1940-44/</sup>Box 5818.

power from the Shah to his heir apparent. But in reality, Mohammad Reza Shah was very much limited in his power.

Under the rule of the new Shah, Iran was largely under the de-facto control of the allied forces and was divided into three areas - the North under the control of the Soviet military and the South under the control of the British military. Tehran and other centers, remained under the control of the Iranian government.<sup>12</sup> Moreover, political power now rested in the hands of the *Majles* leaving the young Shah with only true source of power - the army and the War Ministry.<sup>13</sup> In order to safeguard his only base of power, Mohammad Reza Shah, like his father before him, insisted to control all the affairs of the army. This included personally appointing officials starting with the Minister of War to army officers from the higher to the lower echelons.<sup>14</sup>

Luckily for Mohammad Reza Shah, the *Majles* for the first two years of his reign was mostly composed of notables, conservatives and other supporters of the court.<sup>15</sup> Thus, aiding in his smooth transition into the role of monarch while promising that his reign, at least during its nascent stages, passed without unusual challenges to his rule. But, while the Shah managed to control the army, he lost control over the civil administration.<sup>16</sup> The judicial system, for example, became independent and, unlike Reza

<sup>&</sup>lt;sup>12</sup> Fakhreddin Azimi. Iran: the Crisis of Democracy 1941-1953, (London: I.B. Tauris, 1989), pp 35-37.

<sup>&</sup>lt;sup>13</sup> Abrahamian, A History of Modern Iran, pp 97-98.

<sup>&</sup>lt;sup>14</sup> Ervand Abrahamian. *Tortured Confessions: Prisons and Public Recantations in Modern Iran*, (California & London: University of California Press, 1999), pp 73-74.

<sup>&</sup>lt;sup>15</sup> Majles Research Center, *Ashinayi ba Tarikh-e Majales Qanungozari Dar Iran*, pp 245-248; Abrahamian, *A History of Modern Iran*, pp 97-107.

<sup>&</sup>lt;sup>16</sup> Majles Research Center, *Ashinayi ba Tarikh-e Majales Qanungozari Dar Iran*, pp 234-236; Abrahamian, *Iran between Two Revolutions*, pp 175-187.

Shah's period, the Minister of Justice was nominated by the *Majles*. The Minister of Justice in turn, nominated the judges in all judicial instances. As a result, legal proceedings became public and the defendant, regardless of the charges leveled against him, had the right for fair legal representation in the court. Thanks to the independent state of the judiciary system and the ministry of Interior, the number of political prisoners decreased substantially as did the number of tortures and corporal punishments. <sup>17</sup>

The newfound political freedom in the country allowed various social-economic groups, like the senior 'Ulamaa and tribal leaders, other ethnic minorities and members of the Qajar aristocracy), that had been relegated by Reza Shah to regain their power and influence. In addition, new social groups now entered the political game. Thus, new parties and political organizations, whose activity had been banned or would have been banned under Reza Shah's rule, were established.<sup>18</sup> The limitations placed on the Shah's power also marked the revival of a freer Iranian press. Soon, dozens of new newspapers were established in the country, criticizing the old order and promoting a wide variety of new ideas and ideologies.tual and These newspapers represented a host of intellec<sup>19</sup> political groups that took advantage of their newly found freedom of press and the weakness of the central rule in order to promote their own ideas and policies.

 <sup>&</sup>lt;sup>17</sup> Abrahamian, *Tortured Confessions: Prisons and Public Recantations in Modern Iran*, pp 88-73.
 <sup>18</sup> Abrahamian, A History of Modern Iran, pp 99-107.

<sup>&</sup>lt;sup>19</sup> In February/March 1943 there were already approximately forty daily and weekly newspapers in Tehran and a similar number of pending requests for new publications. See: Majles Research Center, *Ashinayi ba Tarikh-e Majales Qanungozari Dar Iran*, p. 257. For more on the Iranian press during the 1940's, see: Laurence Paul Elwell-Sutton, "The Iranian Press", *Iran*, Vol. 6 (1968), pp 65-104; Camron Michael Amin, "Selling and Saving "Mother Iran": Gender and the Iranian Press in the 1940s", *International Journal of Middle East Studies*, Vol. 33, No. 3 (August, 2001), pp 335-361.

Indeed, the parties and factions that participated in the elections for the fourteenth *Majles* (March 1944-March 1946) and were elected to serve in it, reflected well the changing mood in the country. While notables (such as large landowners) still dominated the parliament, the Royal Court's *Fraksiun* (or parliamentary party), now numbered less than 30 representatives (as opposed to approximately 60 in the thirteenth *Majles*).<sup>20</sup> However, the country's dire economic and social troubles, mainly caused by the war and Iran's' dismemberment and occupation by the allied forces, was a constant source of political instability. This is perhaps best demonstrated by the dysfunctional activity of the fourteenth *Majles* (the first elected parliament in the post-Reza Shah era) that during its two year term saw the replacement of seven prime ministers, nine cabinets and one hundred and ten ministers.<sup>21</sup>

As the war progressed, the reality behind Reza Shah's modernizing efforts was revealed. The Iranian Army, despite the Shah's massive investment in it, was still illequipped and underpaid. The maintenance of the Iranian industry was virtually put to a halt and the quality of industrial equipment deteriorated along with the production capability that was vastly diminished. In fact, except for a limited export of raw materials, Iran became totally dependent on foreign imports to fulfill its most basic needs. The <sup>22</sup> presence of the allied armies in urban centers did bring about a certain economic

<sup>&</sup>lt;sup>20</sup> Majles Research Center, *Ashinayi ba Tarikh-e Majales Qanungozari Dar Iran*, pp 263-264; Abrahamian, *A History of Modern Iran*, pp. 103-107.

<sup>&</sup>lt;sup>21</sup> Majles Research Center, *Ashinayi ba Tarikh-e Majales Qanungozari Dar Iran*, pp 300-303; Abrahamian, *Iran between Two Revolutions*, pp 200-224.

<sup>&</sup>lt;sup>22</sup> W.F. Spalding, *Finance of Foreign Trade Post War Outlook in Iran*, October 1944, CZA, S8/2277/File B; Farmanfarmaian, *Blood & Oil*, p. 133; Samaneh Bayrami, "Asar va Payamadha-ye Ejtema'i Eshghal-e Iran dar Shahrivar 1320", *Faslnameh-ye Motale'at-e Tarikhi*, No. 27 (Winter, 1388), pp 156-173.

resurgence as a result of the rise in demand for various commodities (the textile industry in Esfahan is a good example). But, on the other hand, it also created a severe shortage in staples and disrupted the country's internal trade (mainly due to the frequent use the Allies made of the Iranian railway). This resulted in near famine conditions in the early stages of the Allied occupation and in a rise in the cost of living and extreme inflation rates (in March 1943, the rise in the cost of living in Iran reached a whopping 600%<sup>23</sup>).<sup>24</sup>

# The Breakdown of General Order in Khuzestan and Tribal Resurgence

Reza Shah's abdication and the allied takeover of Iran, was followed by the collapse of the Iranian government's security apparatus in Khuzestan.<sup>25</sup> As was the case in many parts of the country, the collapse of the central government was followed by the reemergence of local forces.<sup>26</sup> Indeed, it was not long before the pent up rage and bitterness held by the Arab tribes at the treatment they received from the Iranian Authorities (and to a certain extent from the British government), was let loose.<sup>27</sup> At least for a short period of time, it seemed as if things reverted back to the chaotic period after Khaz'al's removal. Insecurity grew, villages and other locations where tribes had been forcefully settled were abandoned, and old rifles were brought out of hiding or bought as

<sup>&</sup>lt;sup>23</sup> See translated article from the "Palestine Post" titled "Yoker Hamichya beIran 'Ala be-600%" (Cost of living in Iran went Up by 600%), CZA, S8/2273/File B.

<sup>&</sup>lt;sup>24</sup> Farmanfarmaian, pp 148-149. For a more in depth analysis on the various causes for inflation and the debate regarding the devaluation of the Rial during the war see: Dadkhah, "The Iranian Economy during the Second World War", pp 181-198.

<sup>&</sup>lt;sup>25</sup> On the breakdown of order in the provinces see: Cronin, *Tribal politics in Iran*, pp 192-195.

<sup>&</sup>lt;sup>26</sup> A British official passing through Bakhtiari territory in 1944, likened the experience as if he was touring a mediaeval fiefdom and noted that gendarmerie or army forces were visible only as he arrived at Esfahan. See: Report by Major A.A. Jeacock, May 1, 1944, BP, 129257.

<sup>&</sup>lt;sup>27</sup> Dreyfus (Minister Plenipotentiary) to Secretary of State, August 31, 1942, GRDS, RG59/Decimal File 1940-44/Box 5819.

hungry tribesmen raided towns and roads. Some of the Sheikhs who had been imprisoned during Reza Shah's reign were now released and returned to Khuzestan to claim their lands that were seized by the government and often given to peasant farmers.<sup>28</sup>

The violent response of the Arab tribes was not surprising. The Central Government's years-long policy aimed at destroying the tribal organization and way of life (see chapter three) caused them much grievances. The treatment meted out by the Iranian security authorities was harsh and Arab villagers suffered regular harassment at the hands of *Amnieh* forces.<sup>29</sup> For its part, the local government did not show any real intent to improve the situation of the province's Arab inhabitants.<sup>30</sup> This abuse, neglect and poor living and health conditions, only further aggravated the polarizing antagonisms within the tribal society.

By early 1942, the weakness of both the Iranian security forces and the Iranian central government renewed the hope of some tribes that autonomy, and even independence, could be achieved. At this juncture in time, the sons of Sheikh Khaz'al returned and tried to reclaim their father's lands, properties and status. Khaz'al's tribe, the Muhaisin tribe in Iran and Iraq launched a campaign to appoint Khaz'al's elder son,

<sup>&</sup>lt;sup>28</sup>The Arab Tribes of Khuzistan, November 30, 1945, BP, 111355.

<sup>&</sup>lt;sup>29</sup> *Tribal Insurrections*, 14 April, 1942, BNA. FO/248/1412; British Consulate Khorramshahr to Sir Reader Bullard, *No. 14\_T*, April 14, 1942, BNA, FO/248/1412; *Khorramshahr diary, December 1943 - November 1944. Code 34 file 139*, April 12, 1944, BNA, FO/371/40179; from the same file also see the entry for April 16, 1944.

<sup>&</sup>lt;sup>30</sup> For example, the Governor of Khorramshahr held a meeting in late 1944 with heads of departments and prominent merchants in Khuzestan to battle unemployment after the war - no Arabs were invited. See: *Khorramshahr diary, December 1943 - November 1944. Code 34 file 139*, August 16, 1944, BNA, FO\371\40179.

Kasib,<sup>31</sup> as paramount Sheikh over Arabestan<sup>.32</sup> By this time, the Arab tribes were almost entirely dependent on the British for protection. Many others, living in the oil operations area, were financially dependent on the Oil Company. Therefore, despite supporting the appointment of Kasib as paramount Sheikh, notables and other sheikhs from his own tribe (as well as others in the Abadan peninsula), were prepared to accept any other candidate that would have British support. Indeed, this not only demonstrated the tribes' weakness and dependency on the British but, also demonstrated just how desperate they were to be free of Iranian rule.<sup>33</sup> British officials, however, promptly rejected their offer.

Moreover, while Khaz'al's tribe, the Muhaisin, supported Kasib, other tribes like the Bani-Lam and Bani-Turuf, who were bitter enemies of his father, were reluctant to do so. <sup>34</sup> In efforts to garner support outside of the Muhaisin tribe and transcend tribal identity, Kasib and his younger brother, Abdallah, tried to evoke local Arab nationalism by claiming to represent the "Arabs of Arabestan".<sup>35</sup> For a while, it seemed as if a local Arab nationalist movement was gaining momentum - past alliances were revived, rival tribes tried to forge alliances and, more importantly, a few influential Sheikhs of tribes once hostile to Khaz'al, now endorsed Kasib.<sup>36</sup> But, eventually, the old hostilities and rivalries

<sup>&</sup>lt;sup>31</sup> There is a discrepancy in the different sources as to the correct spelling of the name. While the Arabic name is "Kasib", Iranian sources refer to him as "Jaseb" and the British and American sources refer to him as "Chasseb". I chose to use the Arabic version of the name.

<sup>&</sup>lt;sup>32</sup> The Sheikhdom of Mohammerah, September 12, 1946, BNA, WO/106/5974.

<sup>&</sup>lt;sup>33</sup> *Tribal – Abadan area*, April 15, 1942, BP, 129257.

<sup>&</sup>lt;sup>34</sup> See for example a report by Commander of the Gendarmerie to the Ministry of interior, 21 Ordibehesht 1322 (12/05/1943), IISH, ARCH02453-15A.

<sup>&</sup>lt;sup>35</sup> Mann, "The Khuzestan Arab Movement, 1941-1946: A Case of Nationalism?", p. 121.

<sup>&</sup>lt;sup>36</sup>See for example report by the British Consul in Khorramshahr to Tehran, 12/05/1944, BNA, FO/248/1436; Mann, ibid, pp 115-122.

persevered and prevented the tribes from uniting under a common leadership, resulting in the complete failure of the campaign.<sup>37</sup>

More importantly, the tribes did not receive British support. AIOC and British officials were disinclined to help the tribes. If anything, they considered their lawlessness to be the greater threat to security and order in Khuzestan and to oil operations.<sup>38</sup> Therefore, British officials supported the Iranian army's limited military campaigns to disarm those tribes that threatened British interests in the area. Beginning in 1943, the Iranian army launched several military campaigns against the tribes. But, these effort largely failed these campaigns were intermittently halted to deal with tribal uprisings in other areas, resulting in the rearmament of some of the tribes.<sup>39</sup>

In late 1944, a disagreement regarding these campaigns broke out between AIOC and the British Army. While the Company and the British Consul in Khorramshahr, were in favor of extending the Iranian Army's disarmament campaign to the Abadan Peninsula, the British Army was not thrilled by the prospect. British Army officials, were reluctant to allow Iranian forces to act freely in the Peninsula. AIOC, however, argued that armed tribes near its operations constituted a potential threat that must be dealt with before

<sup>38</sup> See for example: *Insecurity in Khuzistan*, May 4, 1944, BNA, FO/248/1436.

<sup>&</sup>lt;sup>37</sup> See for example a report by Commander of the Gendarmerie to the Ministry of interior, 21 Ordibehesht 1322 (12/05/1943), IISH, ARCH02453-15A. After the war, inter-tribal rivalry, lack of British support and the military campaigns against them, caused the Arab tribes' campaign for independence to fail. By January 9, 1946 when Abdallah Khaz'al crossed the Iraqi border into Khuzestan to try and rally the tribes to revolt, his call was left largely unanswered, even by his father's tribe, the Muhaisin. Faced with Britain's refusal to support his efforts, Abdallah's older brother, Kasib, eventually reached a settlement with the Iranian government, alienating many members of his own tribe in the process. See: *Recent Developments*, September 12, 1946, British National Archives, WO/106/5974; American Consulate in Basra to Washington, September 16, 1947, GRDS, Box 7235, RG 59, NND760050.

<sup>&</sup>lt;sup>39</sup> See the following files from the BP, 129257; 111355. Also see, British National Archives: FO/248/1436; Mann, "The Khuzestan Arab Movement, 1941-1946: A Case of Nationalism?", pp 120-126.

the British Army withdrew from the area. Moreover, Company officials were concerned that having armed tribal forces near Abadan might have a negative effect on the morale of their non-Arab Iranian workers. As the Company's General Manager in Abadan told the British sub-commander: 'The Management is not apprehensive regarding the effect that such action [disarmament campaigns in the villages] may have on the Company labour. A certain amount of discontent among the Arab labour may be caused, but it is considered preferable to face this now rather than later [i.e. when only Iranians will be responsible for security], and the reassurance to the more valuable Persian labour who would become seriously alarmed were the Arabs to continue unchecked indefinitely would more than counterbalance an immediate inconvenience.'<sup>40</sup>

# The Occupation of Abadan

Several months before Britain declared war on Germany, the main supply route from Abadan via the Suez Canal was closed by the British Admiralty. This forced AIOC tankers to travel through longer routes around Africa via the Cape of Good Hope (nearly doubling the sailing distance).<sup>41</sup> Once war broke out, Abadan suffered from a sharp decline in oil loadings; mainly due to the introduction of convoys, withdrawal from service of vessels for arming and losses due to hostilities.<sup>42</sup> With much of continental Europe under German control, there was much less demand for AIOC's oil products. In the second half of 1940, as tanker losses increased, Britain preferred to rely on oil sources from the

<sup>&</sup>lt;sup>40</sup> *Security-Abadan*, December 9, 1944, BNA, FO/248/1436. From the same file see: *No. 120-T*, December 14, 1944, BNA; See letter marked: *3q/15L/44*, December 27, 1944, BNA.

<sup>&</sup>lt;sup>41</sup> Bamberg, *The History of the British Petroleum Company Volume 2*, pp 216-217.

<sup>&</sup>lt;sup>42</sup> The Company's fleet was decimated as a result of hostilities. By 1945, AIOC lost roughly 46% of its operational fleet. See: Bamberg, ibid, p. 216. Also see: Fateh, *Panjah Sal Naft-e Iran*, p. 317.

Western Hemisphere (mainly the USA) because the shorter haul allowed better chances for the safeguarding of tankers. As a result, oil loadings for Britain were stopped at Abadan.<sup>43</sup>

Thus, during the early years of the war, there was a major decline in the AIOC's production levels, culminating in 1941 when production levels that just barely exceeded those of 1935 (see table no. 4). Once Japan began its campaign in South East Asia and the Allies lost their access to oil from the region, Iran became the main source of oil for the eastern theater of war.<sup>44</sup> On August 25, 1941 British forces landed in Abadan as part of the British effort to takeover Iran. Despite encountering fierce resistance from Iranian troops in certain areas in Abadan, the British army secured its hold over the city and its refineries fairly quickly.<sup>45</sup>

During the first few months after the takeover of Abadan, the British army focused its activity on detecting and neutralizing Iranian "5<sup>th</sup> column activity". In light of German activity in the oil industry<sup>46</sup> and the country's popular image among Iranians, Army officials feared of attempt to sabotage oil operations.<sup>47</sup> Thus, those Iranian workers who were suspected as German agents, were fired and banished from the area. In addition,

 <sup>&</sup>lt;sup>43</sup> Social and Municipal Development Carried out by the Anglo-Iranian Oil Company, Limited in Abadan and the South Persian Oilfields, Undated (probably 1946), IOR, L/PS/12/3490A; Bamberg, The History of the British Petroleum Company Volume 2, pp 217-218; Elwell-Sutton, Persian Oil, p. 139.
 <sup>44</sup> Bamberg, ibid, p. 218.

<sup>&</sup>lt;sup>45</sup> The Company aided British forces by supplying them with intelligence and trucks for their troops. Richard .A. Stewart, *Sunrise at Abadan: The British and Soviet Invasion of Iran, 1941*, (New York:, Praeger, 1988), p. 78, 102, 117-118.

<sup>&</sup>lt;sup>46</sup> By the outbreak of the war, German experts were busy building two sulfur plants at Masjed Soleyman for the AIOC. See: Farmanfarmaian, *Blood & Oil*, p. 132.

<sup>&</sup>lt;sup>47</sup> A.I.O.C. – Talk, March 26, 1942, BP, 129257; Sabotage – Abadan, May 1, 1942, BP, 129257.

an informant network was established in Abadan in order to further monitor and prevent

anti-Allied activity.48

Year	Masjed	Haft Kel	Aghajari	Total Net	Abadan
	Soleyman			Production	Refinery
					Throughput
1915	0.6			0.6	0.2
1920	1.6			1.6	1.4
1925	4.5			4.5	2.9
1930	4.8	1.0		5.8	4.5
1935	4.2	3.2		7.4	6.8
1938	3.5	6.6		10.1	9.7
1939	2.6	6.9		9.5	9.2
1940	1.8	6.3		8.5	8.8
1941	1.0	4.7		6.5	7.0
1942	1.5	6.8		9.3	10.3
1943	0.8	7.7	0.2	9.7	10.5
1944	1.9	9.2	0.5	13.1	13.4
1945	2.7	9.8	2.4	16.8	16.5

Table no.4: Production and Refining 1915-1945 (all figures in million tons)<sup>49</sup>

Securing the cooperation of the Iranian security services, at least in the first few months of the allied occupation, was not an easy task. Especially, when it came to arresting Iranians who were suspected as German agents.<sup>50</sup> Given the unusually large proportion of Iranians living in Abadan who were employed by the AIOC (in 1944, British officials estimated that approximately seventy percent of the town's residents are employed by AIOC<sup>51</sup>), obtaining the cooperation of both the Iranian army and Police was crucial for securing the town and protecting oil operations. Therefore, in order to gain

<sup>&</sup>lt;sup>48</sup> *Khuzistan 5th Column*, June 10, 1942, BP, 129257; *Intelligence Net – A.I.O.C*, June 12, 1942, BP, 129257.

<sup>&</sup>lt;sup>49</sup> Social and Municipal Development Carried out by the Anglo-Iranian Oil Company, Limited in Abadan and the South Persian Oilfields, Undated (probably 1946), IOR, L/PS/12/3490A.

<sup>&</sup>lt;sup>50</sup> 5th Column, May 10, 1942, BP, 129257.

<sup>&</sup>lt;sup>51</sup> Abadan Municipality, August 11, 1944 (this is date the memo was received by the British embassy at Tehran), BNA, FO/248/1436; Elwell-Sutton, *Persian Oil*, p. 90.

the loyalty of Iranian police and army officers, AIOC and the British Army raised the policemen's wages. Interestingly enough, the Iranian government, perhaps learning from past experience, insisted on paying their base salaries. In addition, in order to battle corruption among police and army officials and ensure their salaries would be compatible with the rising cost of living, AIOC also provided them with food rations and subsidies (to pay for clothing and housing and such).<sup>52</sup> Despite this, bribery of police officers remained a common phenomenon.<sup>53</sup>

In late April 1943, in order to handle the extra security requirements, the "Abadan Special Constabulary" was established. This police force, acting under the authority of the British military, was made up of Europeans (many were Polish army officers). The force's main task was to check the entry passes of those coming into the refinery and the docks as well as make sure that no one brings in or takes out any suspicious or objectionable articles. In case of emergency, the constabulary also acted as an armed auxiliary force.<sup>54</sup>

As opposed to WWI, the province was not completely cut off from the central government's influence. However, local officials, particularly those that were on good terms with the AIOC, enjoyed a certain amount of leeway at the expanse of the central

 <sup>&</sup>lt;sup>52</sup> See letter marked confidential to L.C. Rice (AIOC's Chief Representative in Tehran), December 09, 1942, BP, 68881. From the same file see: *Re-inforcement and Improvement of the PERSIAN police in ABADAN*, December 9, 1942; *Note on a meeting held at Abadan 2<sup>nd</sup> December re Security Matters*; General Headquarters, December 02, 1942, Persia Iraq Command to AIOC at Abadan, *December 02, 1942*.
 <sup>53</sup> For example, Efraim Margolin, who worked for the AIOC during the war, recounts in his memoirs that bribery of police officers was a very common happening. See: Efraim Margolin, *Building Dreams: My Heart belongs to Israel*, (USA, 2010), pp 85-86.

<sup>&</sup>lt;sup>54</sup> Security – Abadan, April 28, 1943, BP, 68881. From the same file see: Memo marked S/12D/1, May 16, 1943; Special Constabulary – Abadan, May 20, 1943.

government.<sup>55</sup> Moreover, usually, Senior Iranian officials, such as, the Military Governor of Abadan, Police Chief of Abadan and mayor, were appointed in consultation with AIOC and British officials (at times, Tehran succeeded to appoint officials that AIOC and the British authorities disliked).<sup>56</sup> The position of mayor of Abadan, was one that AIOC attached particular importance to. Mainly because the Company relied on the mayor to supervise the cost of living - particularly he was supposed to prevent food prices from going up. By late 1944, the position of mayor of Abadan was so important that British army, the local Iranian military commander and AIOC officials, were all trying their best to promote their own candidate in the mayoral elections.<sup>57</sup>

Policing and law enforcement inside the *Shahr*, however, seemed to have been neglected after Abadan was occupied. Following the collapse of Reza Shah's regime and the occupation of the city, law enforcement in the *Shahr* became lax, without discipline and ineffective. Thus, leaving some of the neighborhoods at the mercy of local bullies and strongmen (a situation that, in some areas, remained up until after the 1953 coup d'état against Mossadeq and the formation of the SAVAK).<sup>58</sup>

<sup>&</sup>lt;sup>55</sup> See for example: Mohammad Javad Foladzadeh to the Iranian Prime Minister, circa late November, 1945, BNA, FO/248/1453.

<sup>&</sup>lt;sup>56</sup> Abadan Municipality, August 11, 1944 (date the memo was received by the British embassy at Tehran), BNA, FO/248/1436; Elwell-Sutton, *Persian Oil*, p. 90.

<sup>&</sup>lt;sup>57</sup> Head of Municipality, Abadan, undated, BNA, FO/248/1436. From the same file see: *No: PAAB 216*, August 19, 1944; *Abadan Municipality*, August 11, 1944 (date the memo was received in the British Embassy at Tehran); memo from the Iranian Ministry of Interior marked *3q/94/44*, undated. Also see the following from BP, 68881: L.C. Rice to Scott, January 18, 1943; *Abadan Military Governor and Chief of Police*, January 27, 1943; British Minister in Tehran to the Iranian Prime Minister, *Letter no. 1365*, December 24, 1942.

<sup>&</sup>lt;sup>58</sup> Valizadeh, Anglo va Banglo dar Abadan, p. 249.

#### Growth in foreign population

For the entire duration of the war, most of AIOC's production, resources and operations, were subordinated to the war effort.<sup>59</sup> As a result, during the war, the city and the refineries experienced a rapid growth in population and manpower. While conditions in Abadan, and Khuzestan, in general, were far from good, they were much better than the near famine conditions in many parts of the country. As a result, similar to WWI, the oil industry attracted a large number of Iranians. In the process, turning Abadan into 'the Mecca of the starving population of Persia.'<sup>60</sup>

Before the war, the Iranian government's coercive settlement of pastoral tribes contributed to the growing masses of unemployed workers. In southern and western Iran, this trend was briefly offset by the intense demand for labor during the construction of the transnational Iranian Railways. However, once the railroad had been completed in 1938 a new wave of mass unemployment ensued, especially in the western regions.<sup>61</sup> To these were now added multitudes that sought to flee the dire straits of the war. The influx of workers was so great, that already in 1942, local Khuzestanis made up only 40 percent of the company's workforce.<sup>62</sup> In August 1941 AIOC employed 26,271 workers in Abadan, in 1943, it was estimated that the town's population reached some 100,000 inhabitants. By the end of the war some 65,461 workers were employed in the refinery that, by then, was considered to be the largest in the world.<sup>63</sup>

<sup>&</sup>lt;sup>59</sup> Elwell Sutton, *Persian Oil*, p. 139; Bamberg, *The History of the British Petroleum Company Volume 2*, pp 240-246.

<sup>&</sup>lt;sup>60</sup> Bamberg, *The History of the British Petroleum Company Volume 2*, p. 247.

<sup>&</sup>lt;sup>61</sup> Ehsani, The Social History of Labor in the Iranian Oil Industry, p. 373.

<sup>&</sup>lt;sup>62</sup> Elling, "On Lines and Fences", p. 199.

<sup>&</sup>lt;sup>63</sup> Lawless and Seccombe, *Work Camps and Company Towns*, p. 46; Bamberg, ibid, p. 247.

Increased production as well as the extra war-related duties also brought about a large increase in the number of foreign skilled workers (the majority of them Indian).<sup>64</sup> For example, in March 1942, in wake of the Japanese conquest of Burma, many Indian and European employees of the Burma Oil Company arrived at Abadan.<sup>65</sup> Their arrival caused much tension among the AIOC's European staff as some felt their prospects for promotion were in danger.<sup>66</sup> Demand for workers further increased after the Mediterranean route was reopened in wake of the allied victory in Tunisia, in May 1943, and the invasion of Sicily in July of the same year.<sup>67</sup> However, similar to the WWI period, AIOC found it had to compete with the Allied forces over unskilled and skilled labor. As a result, the Company had to cast its recruiting net wide, employing Czeschs, poles, Greeks, and Jewish workers from Mandatory Palestine.<sup>68</sup>

AIOC's mass hiring created an inflation among the ranks of staff members. This mass influx of foreign staff members must have been particularly glaring for the small group of 16 Iranians that had been inducted into AIOC's middle management (Abadan's upper management remained all British). Particularly, since 2,000 British expatriates were doing work that usually required only 150 people.<sup>69</sup> By early July 1944, Company officials acknowledged that the exaggerated number of staff members was detrimental to the Company's ability to run its operations efficiently.<sup>70</sup>

<sup>&</sup>lt;sup>64</sup> Atabaki, "Far from Home, but at Home", p. 17.

<sup>&</sup>lt;sup>65</sup> Elwell Sutton, *Persian Oil*, p. 140.

<sup>66</sup> Ibid.

<sup>&</sup>lt;sup>67</sup> Bamberg, *The History of the British Petroleum Company Volume 2*, pp 218-219.

<sup>&</sup>lt;sup>68</sup> Bamberg, ibid, p. 249.

<sup>&</sup>lt;sup>69</sup> Farmanfarmaian, *Blood & Oil*, p. 87.

<sup>&</sup>lt;sup>70</sup> General Report - Abadan Refinery, July 5, 1944, BP, 68035.

## Social and Economic Conditions during the War

Similar to the harsh conditions that prevailed in the rest of the country, Abadan also suffered from rampant inflation, a severe shortage of food, clothing and other commodities. In the early stages of the war, the cost of living in the city had almost doubled in comparison to the 1930s.<sup>71</sup> In mid-1942, food shortages in the province and the city were aggravated as a result of Tehran's attempts to deal with the shortage of wheat in the country. In it attempts to free up wheat supply for the entire country, Tehran allowed for the free trading of wheat, instead of the fixed price policy that had been in place till then. Unfortunately, this policy only increased shortages as large merchants and landowners in Khuzestan took advantage of this policy to buy wheat in bulk and hoard it for several months with the intention of cornering the market.<sup>72</sup>

The setbacks the Company experienced in the early phases of the war coupled with the many resources it dedicated to the war effort, forced it to delay all planned social and welfare amenities to meet other expanses. The housing program, especially for wage earners, took a severe blow as materials and manpower were directed mainly toward the war effort and oil operations. The largescale building program that was still in progress in 1939 was also interrupted by the war only to be renewed in 1942 on a modified and smaller scale.<sup>73</sup>

<sup>&</sup>lt;sup>71</sup> Fateh, *Panjah Sal Naft-e Iran*, pp 434-435.

<sup>&</sup>lt;sup>72</sup> Wheat Situation, May 23, 1942, BP, 129257.

<sup>&</sup>lt;sup>73</sup> International Labour Office, *Labour Conditions in the Oil Industry in Iran*, p. 33; Bamberg, *The History of the British Petroleum Company Volume 2*, p. 247; Social and Municipal Development Carried out by the Anglo-Iranian Oil Company, Limited in Abadan and the South Persian Oilfields, Undated (probably 1946), IOR, L/PS/12/3490A.

Years	Houses for Married and	Rooms for Bachelor	Houses for Married Wage	Accommodation for Bachelor
	Salaried Staff	Salaried Staff	Earners	Wage Earners
Before 1934	476	774	28	33
1936-1940	875	54	1,995	709
1942-1944	80	1,229	1,484	136
1945-1949	883	187	2,271	78
Total	2,314	2,244	5,778	956

Table no. 5: Houses Built by the AIOC in Abadan<sup>74</sup>

While foreign workers had to make do with crowded rooms, faulty appliances and intermittent electrical outages, the vast majority of the Iranian workforce, non-skilled and skilled alike, who lived outside the Company's area, were forced to pay exorbitant rental prices to obtain any sort of lodging in the city or in the surrounding villages and towns.<sup>75</sup> Those who could not afford accommodation, slept in makeshift shelters and homes or on the ground near the bazaar or the refinery gates.<sup>76</sup>

Another persistent problem, that was made worse by the war, was that wages could not keep up with the devaluation of the Iranian currency and the rising cost of living.<sup>77</sup> Even before the war, the wages the Company paid its Iranian workers were low and incompatible with the cost of living. After it raised the wages of its Iranian workers in wake of the 1929 strike, AIOC did not update their rate during the 1930's - despite the

<sup>&</sup>lt;sup>74</sup> International Labour Office, *Labour Conditions in the Oil Industry in Iran*, p. 33.

<sup>&</sup>lt;sup>75</sup> Notes on Conditions of Employment of Indian Personnel in Abadan, July 03, 1947, IOR, L/PS/12/3490A. <sup>76</sup> Fateh, Panjah Sal Naft-e Iran, p. 435; Ben Aharon, "Ai Haneft (The Oil Island)", July 31, 1944, PLI, IV-320-1944; Notes on Conditions of Employment of Indian Personnel in Abadan, July 03, 1947, IOR, L/PS/12/3490A.

<sup>&</sup>lt;sup>77</sup> Fateh, ibid, pp 434-435.

fact that the cost of living rose constantly.<sup>78</sup> The high cost of living was also a source of grievance for the foreign workers. For example, "Solel Boneh" <sup>79</sup> workers preferred to acquire all of their food and other commodities in the Company's stores because the bazaar was too expensive for them.<sup>80</sup> Moreover, many "Sole Boneh" workers, especially those who had to provide for families, also complained that the Company's salaries were low in comparison to the cost of living.<sup>81</sup>

In early 1942, in an attempt to battle the rising cost of living and compete with the salaries offered by the Allied armies, AIOC granted a 33.5 percent all-round increase in salaries and wages. The Company also reached an understanding with Army authorities that the rate of wages would be fixed (a condition that was grudgingly accepted by the US military).<sup>82</sup> At the same time, in an effort to further offset the cost of living, AIOC introduced a rationing system. Flour, tea, sugar, rice, soap, clothing, footwear and other commodities were retailed in Company stores against rations cards issued by the Company (distributed according to marital status, position and rank).<sup>83</sup> To further

<sup>&</sup>lt;sup>78</sup> Elwell-Sutton, *Persian Oil*, pp 88-89; Lahsaeizadeh, *Jame'e Shenasi-ye Abadan*, p. 442.

<sup>&</sup>lt;sup>79</sup> "Solel-Boneh" was a Jewish construction Company based in Mandatory Palestine that signed in 1942 a three year contract with the AIOC to build and maintain oil facilities in Iran. For more information on the cultural background and lives of these workers in Abadan and on how they perceived the city and its inhabitants, see: Yehuda Shenhav, "The Phenomenology of Colonialism and the Politics of 'Difference': European Zionist Emissaries and Arab-Jews in Colonial Abadan", *Social Identities*, Vol. 8, No. 4 (2002), pp 521-544.

<sup>&</sup>lt;sup>80</sup> Minutes of a meeting held between the Abadan workers Council and Solel Boneh's Emmisary, December 03, 1944, IV-320-7, PLI; also see: Ben Aharon, "Ai Haneft (The Oil Island)", July 31, 1944, PLI, IV-320-1944.

<sup>&</sup>lt;sup>81</sup> Memo - Presented by a Delegation of the Workers in Abadan, April 23, 1945, PLI, IV-320-7.

<sup>&</sup>lt;sup>82</sup> Fateh, *Panjah Sal Naft-e Iran*, pp 434-435. A few meetings were needed to be held before the matter was settled. The American were particularly reluctant to keep pay down to the Company's levels. See: Elwell Sutton, *Persian Oil*, p. 140.

<sup>&</sup>lt;sup>83</sup> Minutes of a meeting held between the Abadan workers Council and Solel Boneh's Emissary, December 03, 1944, PLI, IV-320-7; *Facts on Food Production and Distribution*, July 26, 1944, IOR, L/PS/12/939; Office of the Political Resident in the Persian Gulf to the Secretary to the Government of India in the External Affairs Department, July 26, 1944, IOR, L/PS/12/939.

alleviate the food crisis, AIOC purchased and installed flour mills from India, opened large bakeries and built shops and food and grain stores and acquired the Abadan Dairy farm in May 1943.<sup>84</sup>

These efforts, however, did little to improve the situation of those living in non-Company areas. The already appalling conditions in the *Shahr*, had only worsened during the war. In wake of an outbreak of smallpox in the autumn of 1942, mass vaccinations were carried out by the Company in order to prevent its spread. The British military also carried out vaccinations in villages located in Abadan's hinterland. In 1943, Abadan was hit by a typhoid epidemic that infected close to a thousand employees. During the same year, a typhus epidemic (by then considered to be very rare in southern Iran) also broke out in Abadan but was contained fairly quickly.<sup>85</sup> Stricter health regulations were put in place to try and prevent the spread of disease. For example, before and after meat was slaughtered in a municipal abattoirs, AIOC inspectors made sure the premises were properly cleaned.<sup>86</sup>

The problem was not only poor sanitary conditions and congestion. Despite rationing and subsidies, for the better part of the war period, food supplies were low. While the Company's subsidies aided those who were not entitled to Company housing,

<sup>&</sup>lt;sup>84</sup> Bamberg, The History of the British Petroleum Company Volume 2, p. 247; Social and Municipal Development Carried out by the Anglo-Iranian Oil Company, Limited in Abadan and the South Persian Oilfields, Undated (probably 1946), IOR, L/PS/12/3490A The dairy farm was in fact an addition to other means of self-sustenance that the Company had already operated before the war (out of sanitary and food shortage considerations) that consisted of farms, fisheries, poultry a dairy farm, and even a pig farm.
<sup>85</sup> Social and Municipal Development Carried out by the Anglo-Iranian Oil Company, Limited in Abadan and the South Persian Oilfields, Undated (probably 1946), IOR, L/PS/12/3490A.

<sup>86</sup> Ibid.

to obtain sustenance, it was not enough. Especially for unskilled laborers that had families to support. Moreover, due to scarcity, the quality of food was low, and since the majority of dwellings in non-Company areas lacked refrigeration facilities, residents could not preserve food for long periods. In most cases, if not consumed within a day of its purchase, food would go bad (it was only years later that ice boxes were supplied by the Company for workers' families).<sup>87</sup>

The conditions of contract workers were even worse. They were not only paid less but, were also excluded from all of the Company's amenities (such as access to the Company's stores). Throughout the 1930s, AIOC employed contract workers in increasing numbers. This allowed AIOC to cut down on its expenses and, at the same time, improve the company's official statistics of the number of Iranians it employed.<sup>88</sup> The conditions of the Arab tribesmen was probably the worst from among the contract workers. The living conditions of the Arab tribes in the Abadan peninsula were relatively better compared with those living in remote areas in Khuzestan. Still, many of them lived in abject poverty in small villages in the peninsula or in the poor neighborhoods of Abadan. Few Arab tribesmen were directly employed by the Company. Khaz'al's initial prohibition on hiring tribesmen without his permission and AIOC's preference to deal directly with the Sheikhs, prevented many of the Arab workers from integrating into the Company's labor force. Moreover, once the tribes lost their political influence, the Oil Company saw

<sup>&</sup>lt;sup>87</sup> Valizadeh, Anglo va Banglo dar Abadan, p. 242.

<sup>&</sup>lt;sup>88</sup> Elwell-Sutton, *Persian Oil*, pp 89-90; International Labour Office, *Labour Conditions in the Oil Industry in Iran*, pp 28-30.

very little need to engage them and protect their interests, leaving them at the mercy of the Iranian security forces.<sup>89</sup>

Instead, the Company relied on a few members of the local Arab tribal elite – major landlords, prominent Arab merchants, Sheikhs and other notables. Living in Abadan or in its proximity, influenced the lifestyle of some of this elite who had adapted a more modern urban lifestyle, far from the traditional tribal way of life. Despite this, they still retained their tribal authority and the loyalty of their tribesmen. Particularly, those members of the tribal elite that acted as labor and construction contractors for the Oil Company. The control of these notables over their tribesmen had actually strengthened as a result of their dealings with the AIOC.<sup>90</sup> Since Arab contract workers were hired per job via their Sheikhs and received their wages directly from them, they were totally dependent on them.<sup>91</sup> The manner of their employment, also excluded these contract workers from experiencing the new forms of solidarity experienced by the rest of the workers living in Abadan. Thus, they were left them completely powerless vis-à-vis their own sheikhs and the Company.

In October 1943, AIOC commissioned a report on nutrition standards among its Iranian workforce in Abadan. The report, completed in May 1944 and marked "strictly confidential", painted a pretty disturbing picture of the physical health of the Iranian population in Abadan. Skin and eye diseases (such as trachoma) that are usually

<sup>&</sup>lt;sup>89</sup> In 1944, the lack of communications between the AIOC and the Arab Tribes concerned British army officials who feared that, after the war, they might become a security threat. See *telegram no. PAAB/153*, April 9, 1944, BNA, FO/248/1436.

<sup>&</sup>lt;sup>90</sup> See for example the British War Office's report on the Muhaisin tribe: *Khuzistan: notes on tribes and their chiefs*, 1943-1946, BNA, WO/106/5974.

<sup>&</sup>lt;sup>91</sup> Cronin, Tribal politics in Iran, pp 196-197.

prevalent in dense, dirty and squalor living areas were found to be highly common. Malnutrition was common among all classes of the Iranian workforce, especially among the lowest paid section of the labor force. Diet deficiencies included dangerous shortages of meat, eggs, curds and cheese, fats, fruits and vegetables. Many workers suffered from a poor dental state due to lack of calcium and consumption of unhealthy food. Unsurprisingly, the report found that malnutrition coupled with the congestion in Abadan's urban area, were intrinsically linked to the possible outbreak of diseases.<sup>92</sup>

More importantly, the finding of the report showed that the poor state of health of those living in Abadan was not merely the result of the wartime hardships. Rather, the findings of the report clearly showed that the longer an Iranian worker lived in Abadan, the more deteriorated his general state of health is. For example, adolescent apprentices born and raised in Abadan, were found to be less developed, physically, with less muscle tone (due to malnutrition) than newly arrived apprentices. In light of these finding, the authors of the report concluded that those coming outside the city 'are superior in physical development to the natives of the town.'<sup>93</sup>

The findings of the report illustrated well the difference in quality of life between the *Shahr* and the Company area. Particularly, the disparities between the living conditions of Europeans and those of the Iranians. These disparities were, unsurprisingly, a major source of resentment on the part of Iranians toward the European residents of Abadan.

<sup>&</sup>lt;sup>92</sup> Bamberg, The History of the British Petroleum Company Volume 2, p. 247; The State of Nutritional Health of Men Employed as Labour and Artisans by the Company. BP, 41097.

<sup>&</sup>lt;sup>93</sup> The State of Nutritional Health of Men Employed as Labour and Artisans by the Company, BP, 41097.

The Europeans, for their part, tried to limit their contact with Iranians to a bare minimum. Already during the 1930's, the development of Abadan's urban areas further isolated the British staff to from the rest of the city and its surrounding areas, causing them to act as if they were 'exiles in a foreign land'.<sup>94</sup> According to Ellwell-Sutton, the foreign staff were indifferent as to what was happening in Iran (thanks to AIOC censorship they were also less informed). Nor were they encouraged to travel outside of their immediate surroundings. Many of those that did choose to so, were convinced that it was too dangerous to travel inland and chose Basra and Bombay as their travel destinations.95

Ahmadabad in 1943:96

<sup>&</sup>lt;sup>94</sup> "The film in Abadan", Naft Magazine, Vol. X, No. 2, (March, 1934). BP, 176387; Journal recounting the experiences of Stuart Patman, an AIOC employee in Abadan (1945-1949) and his wife, BP, 212016; The quote was taken from: Elwell-Sutton, *Persian Oil*, pp 100-101. <sup>95</sup> Elwell-Sutton, *Persian Oil*, pp 100-101.

<sup>&</sup>lt;sup>96</sup> Bamberg, The History of the British Petroleum Company Volume 2, p. 243.



By the early 1940s the creation of barriers between the AIOC's area and the rest of the town had greatly affected Abadan's urban features. The town resembled, according to Mark Crinson, 'a collection of urban forms gathered around an oil refinery'.<sup>97</sup> The urban separation was a manifestation of the social one. For example, "Solel Boneh" workers were warned prior to their arrival in Abadan that: 'in the factory where you will work you will encounter members of staff and clerks and European managers (mostly English) who have their own living arrangements and are, more or less, a closed off society when it comes to their private lives. Their living conditions far away from their homeland have molded certain patterns of their habits outside the workplace. These are not your habits and there is no intention to retain your services on a permanent basis. Therefore, you should not strive to be accepted into their society and their institutions (such as clubs, etc) which are limited to a certain kind of people and were not created for those coming for a limited period of time.'<sup>98</sup>

<sup>&</sup>lt;sup>97</sup> Crinson, "Abadan: planning and architecture under the Anglo-Iranian Oil Company", p. 342.
<sup>98</sup> See "Solel Boneh"'s instructions to their workers (marked confidential), March 2, 1942, YTA, 3/106/3-12.

Indeed, the social practices and norms that had developed in the city had created an almost absolute state of segregation between the British residents and the Iranian ones. Fraternizing between British and Iranians was not encouraged.<sup>99</sup> For many Europeans working for the Company, and even more so their wives, contact with local Iranians was mainly made through service providers such as servants, cooks, drivers, waiters, etc. In addition, during the war, passage restrictions were placed into different sections of the city particularly, those leading to the British residential areas (like the British section in Bawarda).<sup>100</sup> The Company's transportation service was also segregated according to race. For example, "Solel Boneh" workers could ride with the Indians on the same shuttles to the factory and, since they were considered of European origin, they could also ride busses marked with "Staff" that were reserved for European staff members.<sup>101</sup>

Mixed couples of Iranian and British origin, were often ostracized. Since status of staff members, including that of their wives, was determined according to their spouse's position in the Company's hierarchy, the few Iranian women of higher standing who lived in Company housing found themselves in a difficult position. On the one hand, they were shunned by the European women, and on the other hand, they hardly had anyone to

<sup>&</sup>lt;sup>99</sup> Journal recounting the experiences of Stuart Patman, an AIOC employee in Abadan (1945-1949) and his wife, BP, 212016; Elwell-Sutton, *Persian Oil*, pp 100-101.

<sup>&</sup>lt;sup>100</sup> See personal account recounting the experiences of Stuart Patman, an AIOC employee in Abadan (1945-1949) and his wife, BP, 212016; Minutes of a meeting held between the Abadan workers Council and the Histadrut's Executive Board Representative, November 24, 1944, PLI, IV 320 – 7; Elwell-Sutton, ibid, p. 102; Ehsani, "Social Engineering and the Contradictions of Modernization in Khuzestan's Company Towns: A Look at Abadan and Masjed-Soleyman", pp 389–390.

<sup>&</sup>lt;sup>101</sup> Testimony of Israel Sapir on his Mission in Iran-Iraq, November 11, 1966 (date the testimony was taken), YTA, 3/106/3-12. Sapir was an agent of the Haganah's "Mossad LeAliyah Bet", a unit that was active in facilitating Jewish immigration to Mandatory Palestine and to Israel. He was active in Iran during WWII.

keep them Company since most Iranians were from the villages or were newly graduated and unmarried.<sup>102</sup>

In the refinery, While European junior staff members had some contact with certain elements of the Iranian workforce, senior staff members had virtually none.<sup>103</sup> But, even the contact to junior staff members was in some cases limited since certain positions were filled by Indians and other non-British foreigners who served as intermediaries between them and Iranians. The Indians, unwittingly, played the role of intermediary in other walks of life in Abadan. As Rasmus Elling has shown, for the British staff, the Indians served as another defensive ring shielding them from the Iranian masses. This defense was both in the physical sense as well as the psychological one. The Indian Company housing in Bahmashir served as a physical barrier from the Iranian living area of Ahmadabad, while the presence of the Indians provided a sense of familiarity for the British in Abadan.<sup>104</sup> This intermediary role only further served to aggravate tensions between parts of the Indian and the Iranian workforce. During the war, at particularly tense periods, British Army troops provided protection for Indians.<sup>105</sup>

The influx of so many foreign workers taking up positions from Iranians and veteran Indian workers, caused tensions in the refinery and in the city. One "Solel Boneh" worker, described to his friends the tense atmosphere in the refinery: 'the Iranians and

 <sup>&</sup>lt;sup>102</sup> Farmanfarmaian, *Blood & Oil*, p. 86; Elwell-Sutton, *Persian Oil*, p. 102; Journal recounting the experiences of Stuart Patman, an AIOC employee in Abadan (1945-1949) and his wife, BP, 212016.
 <sup>103</sup> General Report - Abadan Refinery, July 5, 1944, BP, 68035.

<sup>&</sup>lt;sup>104</sup> Elling, "On Lines and Fences", pp 208-209.

<sup>&</sup>lt;sup>105</sup> Elling, ibid, pp 209-212; Minutes of a meeting held between the Abadan workers Council and the Histadrut's Executive Board Representative, November 24, 1944, PLI, IV 320 – 7.

Indians do not look at us favorably. After ten years of work - I come here as his manager'...'that is why there is tension, one who has sense considers his actions, every word he says.'<sup>106</sup>

# **Rising Tensions**

Malnourishment, squalid and unsanitary conditions, diseases, and lack of indoor plumbing were not unique to Abadan (or rather to the non-Company areas). In fact, well into the 1940's, most of the cities in Iran lacked proper sewerage systems and none of them had a fully functioning piped water supply. In many cities, the narrow winding alleys (*koochehs*) were an obstacle to the installation of water supply and drainage, which was more costly. Many towns got their water supply from shallow wells (for example, Rasht, Semnan and Esfahan) or by underground canals (*qanats*) that, once they reached the city, were distributed via open jubs that were often polluted. This was also true for Tehran, where, insufficient water supply was a constant obstacle for the city's growth. In fact, in the late 1940's, Abadan, Bushehr and Mashhad were among the only cities to have a partial piped water system. Only in late 1949, in Shiraz and Tehran installation of public water supplies was underway.<sup>107</sup>

Nor, as shown in chapter three, were the working conditions and wages in the AIOC worse than any other industry in Iran. In fact, one of the greatest obstacles Iranians had to deal with during the war were the traditionally low wages in the private and public

<sup>&</sup>lt;sup>106</sup> Minutes of a meeting held between the Abadan workers Council and the Histadrut's Executive Board Representative, November 22, 1944, PLI, IV-320-7.

<sup>&</sup>lt;sup>107</sup> Willem Floor and Eckart Ehler, "Urban Change in Iran 1920-1941", *Iranian Studies*, Vol. 26, No. 3/4 (Summer-Autumn, 1993), p. 261; Overseas Consultants Inc, *Report on the Seven Year Development Plan for the Plan Organization of the Imperial Government of Iran*, Vol. III, (New York: Overseas Consultants Inc, 1949). pp 5-12, 30-31, 54-57.

sectors.<sup>108</sup> Nor were strong anti-British sentiments unique to the Iranian residents of Abadan. Indeed, many in Iran harbored a deep seated hatred to Russia and Britain for their occupation of the country and blamed them for the soaring prices (especially, in light of the fact that the Allied armies were buying materials and supplies in bulk).<sup>109</sup>

Hatred toward Britain was so widespread that, as one senior British official in Tehran commented to his American counterpart, 'if a person slipped on a banana skin in the street it was said that the British had placed it there'.<sup>110</sup> Another common belief long held by many in Iran (one that was not without just cause), educated and otherwise, was that Britain's main aim was to weaken the central government by dividing the public, fostering puppet statesmen and impeding those who try to unite the country.<sup>111</sup> Indeed, many Iranians feared that this state of affairs will go on even after the war's end.<sup>112</sup>

Thus, the feeling of resentment many Iranians in Abadan held toward the British and the Company was one shared by many in Iran. However, as opposed to many others in Iran, those living in Abadan were in the unique position of being subjected directly, and on a daily basis, not only to the indignity of living under a foreign occupation but, also to

<sup>&</sup>lt;sup>108</sup> *The Educated Iranian and his Belief about British Policies and Actions in Iran*, November 26, 1943, GRDS, RG59/Decimal File 1940-44/Box 5820.

<sup>&</sup>lt;sup>109</sup> Ibid.

<sup>&</sup>lt;sup>110</sup> Ibid.

<sup>&</sup>lt;sup>111</sup> American officials were certain that this was the policy of the British Foreign Office and British Government of India, but were sure that it was not supported by the British ambassador or the heads of the army. See: *Notes on Conversations Between August 15 and September 1 with: The Shah of Iran; Members of his Court; Some Ex-Ministers; Newspaper owners; journalists; librarians; and better informed Iranians,* September 28, 1943, GRDS, RG59/Decimal File 1940-44/Box 5820.

<sup>&</sup>lt;sup>112</sup> The Educated Iranian and his Belief about British Policies and Actions in Iran, November 26, 1943, GRDS, RG59/Decimal File 1940-44/Box 5820; Notes on Conversations Between August 15 and September 1 with: The Shah of Iran; Members of his Court; Some Ex-Ministers; Newspaper owners; journalists; librarians; and better informed Iranians, September 28, 1943, GRDS, RG59/Decimal File 1940-44/Box 5820.

one as prejudicial and humiliating as AIOC's was. It was an experience that was shared by all Iranians in Abadan - newcomers and longtime residents alike, poor and those of higher standing. Those of a more informed nationalist awareness must have particularly felt humiliated. Farmanfarmaian, during his first encounter with the ways of Abadan in 1941, articulates what many in Abadan must have felt: 'My first lesson in total segregation came as I waited to catch the bus back from the refinery to the Tabas' house that evening. As the bus approached I flashed the pass I'd been given at the driver. "Not this bus, mate," he shouted. "Mine's a British bus. No Persian allowed." Even though I was a VIP visitor, I had to wait. He shut the door in my face and moved on. What a bitter insult and in my own country.'<sup>113</sup>

The tension between the city's communities was palpable. Police and other security forces were regularly stationed in areas that served as points of contact between the various communities such as: the refinery, areas where the Company's residential and non-Company areas meet (for example, between Ahmadabad and Indian Lane) and the bazaar. The latter, was considered to be a highly sensitive location and throughout the war was repeatedly the scene of violent outbreaks between Iranians and non-Iranians.<sup>114</sup> On December 19, 1942 two separate violent incidents occurred in the bazaar that triggered a mass riot. One involved three Indian soldiers who went to visit a prostitute in

<sup>&</sup>lt;sup>113</sup> Farmanfarmaian, *Blood&Oil*, pp 87-88.

<sup>&</sup>lt;sup>114</sup> Minutes of a meeting held between the Abadan workers Council and the Histadrut's Executive Board Representative, November 24, 1944, PLI, IV-320-7; Minutes of a meeting held between the Abadan workers Council and the Histadrut's Executive Board Representative, November 22, 1944, PLI, IV-320-7; Statement of Mr. V.J.H. Gilbert Recorded at the Hospital at 9.00 am on the 9<sup>th</sup> October 1944, BNA, FO/248/1436; Khorramshahr diary, December 1943 - November 1944. Code 34 file 139, January 5, 1944, BNA, FO/371/40179.

the Abadan Bazaar and left without paying.<sup>115</sup> In the ensuing melee, they were driven out of the bazaar by the locals.

The second incident involved six drunken Indian AIOC employees who, reportedly, harassed a boy and a few woman they encountered in the bazaar. Soon a crowd had gathered and began to push the Indians around. According to reports, Iranian Policemen who were called on the scene only made things worse, shouting during their pursuit: 'catch the Indians, they are insulting our womenfolk.'<sup>116</sup> This incident, while unrelated, had occurred in an already tense atmosphere triggered by the first one. The news of both incidents spread to Ahmadabad and soon a mob of approximately 100 people crossed into the Indian Lines neighborhood, looting and attacking all those that stood in their way.<sup>117</sup>

Interestingly, the shouts of the Iranian Policemen to the crowd, goading others to chase the Indians, was reminiscent of the way the discourse of protection of the nation and the protection of purity of women were closely linked. As Afsaneh Najmabadi has shown, 'sexual and national honor intimately constructed each other.'<sup>118</sup> Thus, this incident is an excellent example of how the personal and nationalist, the social, economic and ethnic tensions were all embroiled together in Abadan. Petty crimes such as

<sup>&</sup>lt;sup>115</sup> In a town that was filled with a large population of foreign workers, soldiers and even policemen, predominantly male, it is no surprise that many sought the comfort of women and it also no surprise that prostitution was common.

<sup>&</sup>lt;sup>116</sup> Report on the Bahmashir Incident, January 3, 1943, BP, 68881; Elling, "On Lines and Fences", pp 209-210.

<sup>&</sup>lt;sup>117</sup> Report on the Bahmashir Incident, January 3, 1943, BP, 68881.

<sup>&</sup>lt;sup>118</sup> Afsaneh Najmabadi, "The Erotic Vatan [Homeland] as Beloved and Mother: to Love, Posses and to Protect", *Comparative Studies in Society and History*, Vol. 39, No. 3 (July, 1997), p. 444.

vandalism, burglary and theft may have also represented the same phenomena. As the war neared its end, the incidence of these types of crimes (particularly theft) targeting Army and Company installations as well as Army personal and AIOC's non-Iranian workers, was constantly on the rise.<sup>119</sup> The phenomena was so widespread that "Solel Boneh" workers demanded that their possessions be insured by the Company.<sup>120</sup>

Following the incident in Indian Lines, additional security measures were placed in Abadan. By March 1943, at the behest of the Company, in order to avoid conflicting jurisdictions and to tighten security, the entire peninsula was placed under the jurisdiction of the Abadan Military Governorate (including the Gendarmerie).<sup>121</sup> As a result, Abadan was placed under martial law and special military courts were established with the authority to expel unwanted elements from the area. Plans for building a new jailhouse were also laid.<sup>122</sup>

# Labor activity in Khuzestan and Abadan

Between the years 1941-1944, as a result of the wartime hardships but also thanks to a more accommodating political atmosphere, Iran experienced various spontaneous strikes and demonstrations (for example, in 1942 there was a strike of construction workers in Tehran<sup>123</sup>). Conditions were particularly fortuitous for the newly founded

<sup>&</sup>lt;sup>119</sup> List of Cases Referred to the Local Authorities for Disposal, February-October 1942, BNA, FO/248/1412; Margolin, Building Dreams, pp 85-86; Elling, , "On Lines and Fences", p. 211. <sup>120</sup> Memo-Presented by a Delegation of the Workers in Abadan, April 23, 1945, PLI, IV 320–7.

<sup>&</sup>lt;sup>121</sup> Colonel O.T. Durrant to Major General J.A. Baillon, *D.O No. OD*/47, March, 1943, BP, 68881.

<sup>&</sup>lt;sup>122</sup> No. 128-K, March 26, 1943, BP, 68881. From the same file see: letter to British Consul in

Khorramshahr, February 27, 1943; No. 3424, February 27, 1943; Telegram from Khatami, Abadan Chief of Police, January 2, 1943.

<sup>&</sup>lt;sup>123</sup> Ladjevardi, Labor Unions and Autocracy in Iran, pp 37-38.

communist party, the *Tudeh*. Indeed, the Party was quick to take advantage of the general dissatisfaction and the prevalent hatred toward the ruling elite, the British and those Iranians that were believed to be their collaborators. The *Tudeh*'s opposition to the ruling oligarchy quickly earned it the support of many intellectuals, the middle class, workers and various other ethnic groups and minorities.<sup>124</sup>

Using its image as the protector of the downtrodden, the party was particularly successful in taking advantage of the fact that the *Majles* and government were largely made up of conservative and royalist representatives. The fact that many of these representatives were less than sympathetic toward the plight of the commoners, particularly the working class, allowed the *Tudeh* to garner their support and cultivate its image as the champion of the workers.<sup>125</sup>

Proof of the vast support the *Tudeh* received was its success in the turbulent elections to the fourteenth *Majles*. The Party managed to win nine seats (out of fifteen candidates that ran under in its name). This achievement did not bestow upon the *Tudeh* substantial political clout (after all they won only 9 out of 136 seats), especially since they were unable to win any seats from Tehran. But, it did mean that roughly 1.5 million

<sup>&</sup>lt;sup>124</sup> In its provisional political platform, published by its newspaper, "*Siyasat*", in late February 1942, the party declared that it would act to destroy the remnants of Reza Shah's dictatorship, protect those laws that were, safeguard civil rights and freedom, protect and keep safe the people's rights, especially those of the common masses and participate in the global struggle against the forces of fascism and barbarism. See: Abrahamian, *Iran Between Two Revolutions*, p. 282.

<sup>&</sup>lt;sup>125</sup> Ladjevardi, *Labor Unions and Autocracy in Iran*, pp 37-43; Fred, Haliday, "Trade Unions and the Working Class Opposition", *Middle East Research and Information Project (MERIP)*, No. 71 (October, 1978). P. 8. The party's path to success was not without their use of violence. For example, in Tehran, *Tudeh* supporters would violently attack rival unions. Eftekhari, *Khaterat-e Dowran Separi Shodeh*, pp 90-94.

Iranians voted for the party.<sup>126</sup> While workers in various locations in the country were able to elect candidates that represented their interest in the *Majles*, even in areas controlled by the Allies such as Tabriz and Esfahan, things were not so in Abadan. The winner in the local elections was Zia a-Din Neqabat, who also won the previous three elections. The fact that Neqabat, as Ladjevardi mentions, was 'a man of wealth and a supporter of the status Quo', without doubt, made him an acceptable candidate by the British and the AIOC.<sup>127</sup>

Indeed, during the war, the *Tudeh* and other labor organizers, were largely unsuccessful in establishing a meaningful labor organization in Khuzestan and the oil industry.<sup>128</sup> In Abadan, their power was curbed thanks to two factors: (1) the authorities' ability to prohibit meetings, the formation of parties, unions and the establishment of workers' clubs. Additional measures included censorship of newspapers and propaganda outlets that were deemed problematic (such as the *Tudeh*'s newspapers "Zafar" and "Rahbar").<sup>129</sup> (2) Those deemed as "malefactors", such as union organizers, were summarily judged and punished by the military court. This, served as an excellent deterrent for other would be "malefactors".<sup>130</sup> Finally, at least when it came to the *Tudeh*'s activity, until 1944, the Soviet Union did not wish to upset its British ally by

<sup>&</sup>lt;sup>126</sup> Ladjevardi, Labor Unions and Autocracy in Iran, p. 45.

<sup>&</sup>lt;sup>127</sup> Ladjevardi, ibid, p. 121; Majles Research Center, *Ashinayi ba Tarikh-e Majales Qanungozari Dar Iran*, pp 263-266.

<sup>&</sup>lt;sup>128</sup> Ladjevardi, ibid, pp 120-121.

<sup>&</sup>lt;sup>129</sup> Extract from Rahbar of the 6<sup>th</sup> Ordibehesht (26<sup>th</sup> April, 1945): The Oppressed Khuzistan. Speech Given by Nouzar Ashori the Labour [Sic] in the Tudeh Central Club in Teheran, BNA, FO/248/1453.

<sup>&</sup>lt;sup>130</sup> British Consulate in Ahwaz to the British Embassy in Tehran, September 14, 1945, BNA, FO/248/1453.

undermining its position in southern Iran.<sup>131</sup> This, more than likely influenced the manner by which the *Tudeh*'s leaders approached the oil industry.<sup>132</sup>

Details regarding labor activity in Abadan are sketchy and incomplete. According to Abrahamian, *Tudeh* activists were active in the city as early as 1943. But, due to the strong security measures in the city, and the party's support of the Soviet's fight against fascism, it was decided to leave the oil industry until the end of the war.<sup>133</sup> This, however, is not accurate. Throughout the war, union organizers affiliated with the *Tudeh* party continued their underground activity in Abadan. But, due to strict security measures and perhaps influenced by the party's adherence to the Soviet line, they refrained from issuing a proclamation on the formation of a union or from carrying out any overt activity. Instead, their activities were mainly centered on registering names for the Union and improving their financial state. In certain instances, they offered financial assistance to those workers who had been dismissed by the Company for attempting to organize labor-related activities.<sup>134</sup>

As opposed to the *Tudeh*'s activist, other independent union organizers did try to carry out overt union activity. In April 1944, Farhad Falahati, a former AIOC worker, attempted to establish, a workers' union called –"The Union of Iranian Workers"

<sup>&</sup>lt;sup>131</sup> Ladjevardi, *Labor Unions and Autocracy in Iran*, pp 50-51; Mahmoud Taher Ahmadi, "DarAmadi bar Etehadiyeh ha-ye Kargar-e Khuzestan: 1323-25", *Goftegoo*, Vol. 25 (Fall, 1378), p. 51.

<sup>&</sup>lt;sup>132</sup> Maziar Behrooz, *Rebels with a Cause: The Failure of the Left in Iran*, (London and New York: I.B Tauris, 1999), pp 3-4; Abrahamian, "The Strengths and Weaknesses of the Labor Movement in Iran, 1941-1953", p. 193.

<sup>&</sup>lt;sup>133</sup> Abrahamian, ibid, p. 193.

<sup>&</sup>lt;sup>134</sup> Report on Delegation to Persia- June 1946, BP, 43762; Gozaresh-e Owza'-e Abadan, undated handwritten report in Persian. BP, 130263; Report on Delegation to Persia- June 1946, BP, 43762.

(*Etehadiye-ye Kargaran-e Iran*). No sooner had he announced of the union's establishment, it was closed down by order of the military governor of Abadan. Falahati attempted to re-open the union but, was arrested, tried and deported.<sup>135</sup> Apparently, Falahati, was part of Yousef Eftekhari's independent union network. Eftekhari, who was jailed after the 1929 strike in Abadan, was released, along with many other political prisoners after Reza Shah' abdication. Once released, he resumed his labor activity in Tehran and established "The Iranian Workers and Cultivators Union" (*Etehadiyeh-ye Kargaran va Barzegar-e Iran*). In a relatively short amount of time, Eftekhari succeeded in expanding his activity to the northern districts (particularly Azerbaijan) and to Khuzestan. Initially, he cooperated with elements from the *Tudeh* in its nascent stages but he quickly had a falling out with the party because of its strong affiliation with the Soviet Union.<sup>136</sup>

While Falahati's attempt in Abadan was unsuccessful, Eftekhari's network managed to do slightly better in Ahwaz. Sometime during 1944, Ali Omid, a veteran labor organizer who been involved along with Eftekhari in the 1920s labor movement in Abadan, was sent by him to establish a union in Ahwaz. Omid, together with another labor activist, Nozar Ashouri, established a union called "The United Council of the Workers of the Province of Khuzestan" (*Showra-ye Motehadeh-ye Eyalati Kargaran-e Khuzestan*).<sup>137</sup>

At the same time Omid and Ashouri established their union, the *Tudeh*'s umbrella trade union organization, Central Council of Federated Trade Unions (CCFTU. In Persian:

<sup>&</sup>lt;sup>135</sup> Khorramshahr diary, December 1943 - November 1944. Code 34 file 139, April 17, 1944, BNA, FO\371\40179.

<sup>&</sup>lt;sup>136</sup> Eftekhari, *Khaterat-e Dowran Separi Shodeh*, pp 70-79, 82-83, 96; Ahmadi, "DarAmadi bar Etehadiyeh ha-ye Kargar-e Khuzestan: 1323-25", p. 48.

<sup>&</sup>lt;sup>137</sup> Eftekhari, *Khaterat-e Dowran Separi Shodeh*, pp 70-71.

*Showra-ye Motahedeh-ye Eyalati, Etehadiyeh-ye Kargaran va Zahmatkeshan*) was gaining strength. The CCFTU ran an aggressive (violent at times) campaign to bring all independent unions under its fold. By this time, the dispute surrounding the Russian oil concession had revived the Anglo-Soviet rivalry. This not only effected the inter-political Iranian scene (culminating in the November 1944 bill suspending negotiations for the duration of the war) by dividing it between Left and Right but, also led to the rise of a more militant leadership for the CCFTU. Moreover, it exposed the close collaboration between the Soviets, the *Tudeh* and the CCFTU.<sup>138</sup>

By May 1944, the majority of Eftekhari's unions had been taken over by the CCFTU. In its bid to gain a foothold in Khuzestan, the CCFTU began to cooperate with Omid and Ashouri's union, resulting ultimately in their incorporation into the CCFTU.<sup>139</sup> Thus, "the Khuzestan United Council of the Trade Union of Workers and Toilers" was born (hereafter KUC). Despite its change in affiliation, the Union's activity remained on a limited scale, concentrating in its activities on the non-oil industries in Khuzestan.<sup>140</sup>

The inability and reluctance of union organizers to carry out any meaningful labor activity was a source of frustration among many AIOC workers in Abadan. As the war in the pacific drew to its end, some workers in Abadan, desperate for some reprieve, tried to pressure *Tudeh* union organizers to make their activity overt. But, the latter felt that

<sup>&</sup>lt;sup>138</sup> Ladjevardi, Labor Unions and Autocracy in Iran, p. 50.

<sup>&</sup>lt;sup>139</sup> Ahmadi, "DarAmadi bar Etehadiyeh ha-ye Kargar-e Khuzestan: 1323-25", pp 49-53; Eftekhari, *Khaterat-e Dowran Separi Shodeh*, p. 96; *Labour and Trade Union Movements in Persia*, Undated (probably 1945), BNA, FO/371/45512.

<sup>&</sup>lt;sup>140</sup> Ahmadi, ibid, pp 51-53; *Gozaresh-e Owza'-e Abadan*, undated handwritten report in Persian. BP, 130263.

the timing was not yet right. In May 1945, some 200 workers in Abadan, frustrated with the *Tudeh*'s policy vis-à-vis the oil industry, tried, and failed, to form their own union.<sup>141</sup> At the same time this union was formed in Abadan, and perhaps inspired by it, some 700 AIOC refinery workers in Kermanshah went on strike. Among their demands were increased pay, Friday pay, an eight hour work day, protection of strike leaders and other social amenities. While it is clear that these workers were indeed union "conscious", there is no proof directly linking their activity to the *Tudeh*. American officials also expressed their doubts about this. The British, however, despite the fact that the CCFTU condemned the strike and tried to end it, were adamant that this was the action of pro-*Tudeh* activists.<sup>142</sup>

The AIOC adhering to its strict no-unionization policy, summarily fired 400 workers who had refused to return to work once the deadline issued to them expired. The Shah's response was also firm and he appointed, in June, 1945, the conservative Mohsen Sadr as Prime Minister. Sadr's government did not waste time to act against the *Tudeh*. Clubs, offices and such belonging to the Party and its affiliated trade unions were seized and the *Tudeh*'s newspapers were suspended. These steps which lasted till the fall of Sadr's government, in October the same year, further impeded the *Tudeh*'s ability to expand its activity to the southern industries, particularly to the oil industry. <sup>143</sup>

<sup>&</sup>lt;sup>141</sup> Gozaresh-e Owza'-e Abadan, undated handwritten report in Persian. BP, 130263; Abrahamian, "The Strengths and Weaknesses of the Labor Movement in Iran, 1941-1953", p. 193.

<sup>&</sup>lt;sup>142</sup> Recent Labor Disturbances among Anglo-Iranian Company workers: Background and Implications, September 5, 1946, GRDS, RG 84/1947: 800 to 850.4/2738/Box 13; Abrahamian, "The Strengths and Weaknesses of the Labor Movement in Iran, 1941-1953", p. 193.

<sup>&</sup>lt;sup>143</sup> *Recent Labor Disturbances among Anglo-Iranian Company workers: Background and Implications*, September 5, 1946, GRDS, RG 84/1947: 800 to 850.4/2738/Box 13; William .J. Handley, Labor in Iran,

# Conclusions

The ascension of Mohammad Reza Shah to the throne and the Allied occupation of Iran introduced a period of economic and political instability to the country. According to an American contemporary observer, the general chaos in the country: 'made the masses more unruly and the Government forces less loyal and hatred of the British and Russians which has grown in the twelve months of occupation and rankled the Iranian spirit.'<sup>144</sup> For the residents of Abadan, particularly the veteran Iranian workers of the AIOC, the war and its added hardships only served as additional fuel to the fire of opposition and hatred that was already burning within them. A testament of their militancy is the fact that *Tudeh* union leaders were forced to fend off pressures from those workers who wanted to openly oppose the Company. Pressures that they did well to resist, as this would have probably spelled disaster for the regenerated labor movement in Abadan.

The political atmosphere that grew in the midst of the chaos and tragedy of war and thanks to the Shah's weakened position, allowed for the emergence of new social forces. This would allow, after the war, the urban masses to become an increasingly important factor in the political scene. The first major political organization that was able to successfully harness wartime distress and hardships and resentment many in Iran and in Abadan felt toward the allies (especially against the English), was the *Tudeh*. While

October 19, 1946, RG 84/1947: 800 to 850.4/2738/Box 13; *The Tudeh Party and Iranian Trade Unions*, January 13, 1947, BNA, LAB/13/628; Ladjevardi, *Labor Unions and Autocracy in Iran*, p. 54. <sup>144</sup> See Dreyfus, Minister Plenipotentiary to the Secretary of State, August 31, 1942, GRDS, RG59/Decimal File 1940-44/Box 5819.

unions affiliated with the *Tudeh* and otherwise, failed in their efforts to establish a strong and viable labor movement in Abadan, they succeeded in laying the ground for the moment conditions would ripen and allow such activity.

# Chapter V: Nationalization of the Oil Industry and the Ousting of the British from Abadan

#### The Labor Movement in Abadan after World War II

Britain came out of the Second World War weakened and drained. The Labor Government that entered office in July 1945, focused most of its efforts and resources on internal policies (out of which came the British welfare state) and was becoming increasingly dependent on its oil revenues.<sup>1</sup> But, this was only part of a more profound change. The allied victory over fascism and Nazism, the rise of the labor government coupled with the rise of the Soviet Union and the awakening of third world countries – all brought about a shift in Britain's policy vis-à-vis its colonies. Indeed, in the post war era, Britain could no longer justify its control over other nations on the claim of its superiority or that inherent differences between people existed. Instead, it attempted to justify its rule over its colonies as a desire to nurture, develop and care for the social and national welfare of emergent nations.<sup>2</sup>

This of course did not mean that Britain's treatment of its colonies was devoid of paternalism, national interests and racism. But, it was an acknowledgement of just how weak the position of British Imperialism in the post war era had become.<sup>3</sup> In its weakened

<sup>&</sup>lt;sup>1</sup> Rohan Butler, *British Policy in the Relinquishment of Abadan in 1951*, Report written for the British Foreign Office, September 1962, BNA, FO/370/2694, pp 25-26.

<sup>&</sup>lt;sup>2</sup> See George Hall's, Secretary of State for the Colonies, address to the House of Commons in: Protocols of the House of Commons, 09/07/1946, Vol. 425, pp 240, 249, 252-253. Also see: Prasenjit Duara, "Chapter 6: the Cold War and the Imperialism of States", in: Richard H. Immerman and Petra Goedde (eds.), *The Oxford Handbook of the Cold War*, (UK: Oxford University Press, 2013), pp 86-104. <sup>3</sup> Butler, ibid, p. 25.

state, Britain could no longer sustain its policy and safeguard its interests in the Middle East. It increasingly required the support of the United States that was gradually becoming the dominant force in the area.

In Iran, as uncertainty grew concerning the withdrawal of the Allied armies, the threat of British Imperialism and Soviet expansionism were still very real. While, Britain and the US had already come to an agreement in Potsdam (July 02, 1945) that their armies would withdraw in early March 1946, the Soviet Union did not. The latter, in order to gain access to Iran's Northern oil deposits used its military to support the autonomous movements in Azerbaijan and Kurdestan. It seems that part of the Soviet Union's motivation was also made in an attempt to balance its interests in Iran with those of Britain.oil resources As the rivalry between the great powers over control of Iran's<sup>4</sup> became increasingly overt, it became a symbol to many Iranians of the manner by which foreign powers exploited their country. Out of the latter, many Iranians increasingly perceived the British Empire, and by extension the AIOC, as the main perpetrators that were responsible for the country's troubles and their own personal trials and tribulations.

The war had also impacted Iranian society and deepened the social disparities among its various segments. Mainly, between two main groups. One group consisted of

<sup>&</sup>lt;sup>4</sup> Alexander Nicholas Shaw, "Strong, United and Independent': the British Foreign Office, Anglo–Iranian Oil Company and the internationalization of Iranian politics at the dawn of the Cold War, 1945–46", *Middle Eastern Studies*, Vol. 52, No. 3 (2016), pp 505-524; Natalia I. Yegorova, "The 'Iran Crisis' of 1945-46: A View from the Russian Archives, "*Cold War International History Project Working Paper No.15*, 1996; Jamil Hasanli, *At the Dawn of the Cold War: The Soviet-American Crisis over Iranian Azerbaijan, 1941-1946*. (USA: Rowman and Littlefield Publishers Inc., 2006); Louise, Fawcett, "Revisiting the Iranian Crisis of 1946: How Much More Do We know?", *Iranian Studies*, Vol. 47, No. 3 (2014), pp 379-399.

the middle and poor urban classes and the poor rural masses who suffered greatly during the war. The other group, were the elite classes such as the large landowners, senior military officers and large merchants (including those who had made their fortune during the war).<sup>5</sup> These disparities played into the hands of the *Tudeh* that drew most of its support from urban wage earners and from the salaried middle class.<sup>6</sup>

By the war's end, the party and its affiliated union, the CCFTU (Central Council of Federated Trade Unions), were firmly established in Northern Iran and Tehran. But, the repressive measures of the Mohsen Sadr government (June 1945-October 1945) and the martial law that was imposed in strategic areas in Southern Iran, impeded its ability to operate in prominent industrial centers such as Esfahan and Khuzestan. Once the Sadr government fell (October 1945) and Ahmad Qavam (Qavam ol-Salataneh) was appointed Prime Minister in mid-January 1946 (between November 1945 and January 1946 there was an interim government headed by Ibrahim Hakimi), the *Tudeh* got their opportunity to establish themselves in southern Iran.<sup>7</sup>

As opposed to the hardline approach of the Sadr Government, Qavam, partly as an attempt to diffuse the Soviet oil concession crisis, was much more accommodating toward the *Tudeh*. Restrictions on the press were removed, Martial law was lifted (February 1946) and progress was made toward the legislation of a comprehensive labor law. Working conditions in the country had increasingly become a prominent issue in

<sup>&</sup>lt;sup>5</sup> Samaneh Bayrami, "Asar va Payamadha-ye Ejtema'i Eshghal-e Iran dar Shahrivar 1320", pp 166-167.

<sup>&</sup>lt;sup>6</sup> Abrahamian, A History of Modern Iran, p. 110.

<sup>&</sup>lt;sup>7</sup> Ladjevardi, *Labor Unions and Autocracy in Iran*, p. 57.

public debate during the war. While steps were taken to improve the working conditions of industrial as well as agricultural workers, they were few and far between. They were also futile since there were no mechanisms in place to supervise employers or punish them for transgressions.<sup>8</sup>

Qavam, had identified the political potential that lay in harnessing the workers' power. Indeed, after the war, union membership experienced an impressive growth and served as a good indication as to the potential political power of organized labor. According to the CCFTU's records for the year 1945, its total membership was 209,750. By mid-1946, the CCFTU boasted it was leading a coalition of thirty three affiliate unions with a total of 276,150 members. The main reason for this increase in numbers, was the added membership of some 45,000 oil industry workers – the largest group of workers unionized by the organization.<sup>9</sup> While these numbers were exaggerated on purpose by the CCFTU, they still demonstrate a remarkable growth in membership.<sup>10</sup> Another interesting conclusion that can be derived by examining membership numbers is the sharp decline in the number of registered agricultural workers. While during 1945, the CCFTU included nearly 58,000 agricultural workers in its membership records, in 1946

<sup>&</sup>lt;sup>8</sup> Ladjevardi, Labor Unions and Autocracy in Iran, pp 40-41.

<sup>&</sup>lt;sup>9</sup> The Tudeh Party and Iranian Trade Unions, January 13, 1947, BNA, LAB/13/628; See report by American Embassy Labor Attache, William .J. Handley, titled Labor in Iran, October 19, 1946, GRDS, RG 84/1947: 800 to 850.4/2738/Box 13

<sup>&</sup>lt;sup>10</sup> According to American records, the total number of industrial workers in Iran were estimated at about 190,000. More importantly, it seems that in some cases, the CCFTU's reported membership was identical to the overall number of workers. See: William J. Handley, *Labor in Iran*, October 19, 1946, GRDS, RG 84/1947: 800 to 850.4/2738/Box 13; From the same file see: *Recent Labor Disturbances among Anglo-Iranian Company workers: Background and Implications*, September 5, 1946.

there were only 8,000.<sup>11</sup> Thus demonstrating, among other things, the decline of the agricultural sector.

Despite its inability to operate with complete freedom during the war, the *Tudeh* was rapidly becoming one of the strongest and more organized parties in Khuzestan.<sup>12</sup> But, as we've seen in chapter four, the party's ability to operate in the oil operations area, particularly in Abadan, was quite limited. With Qavam in power, the *Tudeh* and the KUC (Khuzestan United Council of the Trade Union of Workers and Toilers) took advantage of the favorable political conditions and began to increase their efforts to unionize AIOC's workers. As part of their efforts, the party's newspapers and other left wing newspapers embarked upon an anti-British press campaign, focusing on the living and working conditions in Abadan.<sup>13</sup>

In late 1945, AIOC's Security Department began to notice signs of *Tudeh* activity among its workers. According to AIOC estimates, at the time, this activity encompassed some 1,000 employed and unemployed workers. The movement's leadership numbered about twenty, their meetings were held in private places and they focused their efforts mainly on gathering information about the Company, its officials and the general

<sup>&</sup>lt;sup>11</sup> William .J. Handley, *Labor in Iran*, October 19, 1946, GRDS, RG 84/1947: 800 to 850.4/2738/Box 13.
<sup>12</sup> In the process, it also terrorized and intimidated activists from other parties that threatened their growing popularity in the province. On one occasion, *Tudeh* members (apparently in Ahwaz), broke into the house a former party member who had crossed the lines and joined the '*Edalat* Party and threatened to kill him for trying to undermine the party's standing among the "Railway Workers Union". See: Telegram Marked *MOR/1162*, May 29, 1945, BNA, FO/248/1453.

<sup>&</sup>lt;sup>13</sup> Military Governorate of Abadan, August 15, 1945, BNA, FO/248/1453; Tudeh Party Activities Amongst Anglo-Iranian Oil Company's Labour, July 25, 1946, BP, 43762. From the British Embassy in Tehran to the Foreign Office, *Telegram no.160*, January 31, 1946, BNA, FO/371/52713; Some Translated Extracts from the Persian Press, September 30, 1946, GRDS, RG 59 Decimal File 1945-49-Box 7234.

situation in Abadan. Other reports were sent to Tehran and used as propaganda.<sup>14</sup> Among the organizers were AIOC drivers, Fitters and Plant attendants, veterans of the 1929 strike, young Marxist intellectuals as well as prominent *Tudeh* members. One of them, Hossein Tarbiyat, was the former headmaster of a high school in Abadan and one of the founders of the *Tudeh* party.<sup>15</sup>

While it was still limited in its ability to operate freely in the oil operations area, the party's growing power in Khuzestan was a matter of great concern for AIOC officials. Especially, since the allied withdrawal from the area was impending.<sup>16</sup> Indeed, after the allied troops had left Abadan and Iran in early March 1946, AIOC's fears came true. Similar to the rapid formation of the labor movement in 1929, union organizers had no trouble recruiting workers. In its appeal to the working class in Abadan, Union organizers mainly focused on issues pertaining to their welfare such as eight an hour work day, Friday pay, double pay for overtime, two weeks paid vacation, pensions, sick pay, unemployment insurance, ban on child labor, safety measures, safeguards against arbitrary dismissals and the right to strike and form unions.<sup>17</sup>

Union organizers and activists drew confidence from the retreat of the Allied army as well as from the leniency local authorities showed toward their activities. Local officials,

<sup>&</sup>lt;sup>14</sup> Tudeh Party Activities Amongst Anglo-Iranian Oil Co. Labour March/May, 1946, May 13, 1946, BNA, FO/371/52713.

<sup>&</sup>lt;sup>15</sup> Gozaresh-e Owza'-e Abadan, undated handwritten report in Persian. BP, 130263; *Tudeh Party Activities Amongst Anglo-Iranian Oil Co. Labour March/May, 1946*, May 13, 1946, BNA, FO/371/52713; Ladjevardi, *Labor Unions and Autocracy in Iran*, pp 121-123; Abrahamian, "The Strengths and

Weaknesses of the Labor Movement in Iran, 1941-1953", pp 193-195.

<sup>&</sup>lt;sup>16</sup> Military Governorate of Abadan, August 15, 1945, BNA, FO/248/1453; Tudeh Party Activities Amongst Anglo-Iranian Oil Company's Labour, July 25, 1946, BP, 43762.

<sup>&</sup>lt;sup>17</sup> Abrahamian, ibid, p. 185.

even those who enjoyed a fruitful cooperation with the Company, were increasingly hesitant to act in full force. Especially, after they were instructed by Tehran to enforce law and order but avoid disrupting labor activities.<sup>18</sup> Thus, in a fairly short amount of time, unions in Abadan were able to increase their strength and activity. Throughout March and April 1946, public demonstrations were held almost on a weekly basis in Abadan and Khorramshahr. By late April, temporary work stoppages by small groups of workers in various sections of the refinery were becoming frequent.<sup>19</sup> In addition, attacks against Company personnel and theft of Company property also increased.<sup>20</sup>

During this time, the CCFTU was also able to substantially increase its membership nationally (including in important places such as the Esfahan textile industry). The growth in the union's membership had a direct effect on the *Tudeh*'s political power. For example, much to the dismay of the AIOC, CCFTU representatives were given representation in the "Supreme Labor Council" that was established in April 23 in order to finalize the labor law.<sup>21</sup> On May Day, the *Tudeh* used its momentum to stage a powerful display of force throughout Iran as tens of thousands participated in parades in the country. In Abadan, as part of the festivities, the KUC's club was inaugurated with a large crowd in attendance.<sup>22</sup> The parade in Abadan, claimed by the *Tudeh* press to be

<sup>&</sup>lt;sup>18</sup> See report on the *Tudeh* in Abadan attached to a memo by the British Ambassador in Tehran titled: *No. 169*, May 29, 1946, BNA, FO/248/1468; *Tudeh Party Activities Amongst Anglo-Iranian Oil Co. Labour March/May, 1946*, May 13, 1946, BNA, FO/371/52713.

<sup>&</sup>lt;sup>19</sup> See report on the *Tudeh* in Abadan attached to a memo by the British Ambassador in Tehran titled: *No. 169*, May 29, 1946, BNA, FO/248/1468; *Tudeh Party Activities Amongst Anglo-Iranian Oil Co. Labour March/May, 1946*, May 13, 1946, BNA, FO/371/52713.

<sup>&</sup>lt;sup>20</sup> No. 169, May 29, 1946, BNA, FO/248/1468.

<sup>&</sup>lt;sup>21</sup> Recent Labor Disturbances among Anglo-Iranian Company workers: Background and Implications, September 5, 1946, GRDS, RG 84/1947: 800 to 850.4/2738/Box 13; Ladjevardi, Labor Unions and Autocracy in Iran, pp 58-59.

<sup>&</sup>lt;sup>22</sup> See for example: "Dar Abadan Markaz-e Naft-e Janub", *Zafar*, 06/05/1946.

80,000 strong, was covered extensively by the left wing press, along with articles depicting Abadan as a symbol of the repression of British Imperialism in Iran.<sup>23</sup>

In early May, workers in the newly reopened oil field in Agha Jari (temporarily abandoned in 1938) issued a deadline to the AIOC managers there.<sup>24</sup> Demands included a pay increase, double pay for overtime, one month's holiday with pay each year and Friday pay. After AIOC officials rejected these demands, strikers threatened to take control of essential services in the oil field. On the afternoon of May 10, 1946, the Iranian workforce went on strike.<sup>25</sup> The strike in Agha Jari went on for a fortnight and was extensively covered in the left wing press.<sup>26</sup> Not long after the strike in Agha Jari broke out, workers in Abadan also went on strike.<sup>27</sup> What particularly caught the attention of AIOC officials in Abadan was the orderly fashion in which the strikers conducted themselves as they were led by *Tudeh* activists wearing armbands. To add to APOC's worries, Iranian security officials refused to disperse the strikers and urged the Company to accept the strikers' demands.<sup>28</sup>

<sup>&</sup>lt;sup>23</sup> See for example: *Zafar*, Khordad 3, 1325 (May 14, 1946); According to pro *Tudeh* newspapers, the parade in Abadan was the largest in the country involving some 80,000 Iranians (in Tehran for comparison, according to the same sources, around 50,000 people participated) including women and children. I have not found any particular mention of a parade of this size in BP's archive as well as in other documents from both the British National Archive and the US Department of State Archive. The references I did find mention there were only several thousands of people. One document estimated the number to be as low as 10,000. See for example; *No. 169*, May 29, 1946, BNA, FO/248/1468; *Tudeh Party Activities Amongst Anglo-Iranian Oil Co. Labour March/May, 1946*, May 13, 1946, BNA, FO/371/52713.

<sup>&</sup>lt;sup>24</sup> "Baz Ham Aghajari", Zafar, No. 264, Khordad 3, 1325 (May 24, 1946).

<sup>&</sup>lt;sup>25</sup> British Embassy at Tehran to Foreign Office, Telegram no. 663, May 13, 1946, BNA, FO/371/52713;
<sup>26</sup> "Kargaran-e Aghajari beh E'etesab Edameh Mydahand", *Zafar*, 31 Ordibehesht, 1325 (May 21, 1946);
Elwell-Sutton, *Persian Oil: A study in Power Politics*, p. 143.

<sup>&</sup>lt;sup>27</sup> See report on the *Tudeh* in Abadan attached to a memo by the British Ambassador in Tehran titled: *No. 169*, May 29, 1946, BNA, FO/248/1468; *Tudeh Party Activities Amongst Anglo-Iranian Oil Co. Labour March/May, 1946*, May 13, 1946, BNA, FO/371/52713.

<sup>&</sup>lt;sup>28</sup> British Embassy in Tehran to Foreign Office, May 7, 1946, BNA, FO/371/52713; *Tudeh Party Activities Amongst Anglo-Iranian Oil Co. Labour March/May, 1946*, May 13, 1946, BNA, FO/371/52713.

At the same time workers in Agha Jari and Abadan were striking, a delegation of Iranian government officials headed by Morteza Qoli Bayat, the Minister of Finance, and Hossein Pirniya, the head of the concessions department, were concluding their visit in Abadan. Both men who visited the area as part of their work on the impending Labor Law, felt that the strikers were motivated by real economic hardships. Thus, while he was aware that the *Tudeh* was making political capital from the strikes, Bayat still told AIOC's manager in Abadan that the Company's policy 'must be one of appeasement.'<sup>29</sup>

By May 13, as AIOC was faced with increasingly debilitating strikes and favorable conditions for the labor movement on the local and national levels, Elkington, one of the Company's directors, was forced to admit that the *Tudeh*: 'is at present so firmly established in Abadan that we must be prepared to negotiate with Tudeh leaders here as long as they remain in control of the situation.'<sup>30</sup> On May 18, the Labor Law was promulgated. AIOC successfully influenced the phrasing of a number of articles, (including reducing mandatory overtime rates and restricting workmen's right of complaint against infringement of laws or contractual obligations.<sup>31</sup> However, the law further strengthened the labor movement's popularity, as many believed (not without

<sup>&</sup>lt;sup>29</sup> British Embassy at Tehran to Foreign Office, *Telegram no. 663*, May 13, 1946, BNA, FO/371/52713; Elwell-Sutton, *Persian Oil*, page 143.

<sup>&</sup>lt;sup>30</sup> Tudeh Party Activities Amongst Anglo-Iranian Oil Co. Labour March/May, 1946, May 13, 1946, BNA, FO/371/52713.

<sup>&</sup>lt;sup>31</sup> Shaw, British Foreign Office, Anglo-Iranian Company and the Internationalization of Iranian Politics at the Dawn of the Cold War 1945-46, P. 7

justification) that its swift approval was the result of the *Tudeh*'s political activity coupled with the pressure of the strikes.<sup>32</sup>

The Strikes in the oil industry were used by the leftist press in their relentless campaign against the Oil Company. "Zafar", for example, almost on a daily basis, reported on the strikes, encouraged other workers in the country to go on solidarity strikes and even ran a fund raising campaign in support of the strikers in Agha Jari. Among those who contributed money, were bank workers, Tehran Municipality employees and workers from various government ministries.<sup>33</sup> Indeed, the actions of the labor movement in the southern oil industry, were depicted in the leftist press as a struggle for national liberation against imperialism. The liberal newspaper, "Iran-e Ma", portrayed (on May 27) the strikers as the flag bearers of the nation's struggle against the British. Stating in the same article that: 'the British believed that the people of Iran will forever remain in their backward state, and never thought that 10,000 workmen in a remote desert might rise up in strike against them.'<sup>34</sup> In addition, the *Tudeh* press attacked Iranian officials in Khuzestan, calling for their dismissal because of their collaboration with the Oil Company. The targets of these press attacks were officials like: Sarhang Afshar Oghlu, Khuzestan's military commander, Modares, Abadan's Police Chief

<sup>33</sup> Note on the Tudeh Party meeting held on 20<sup>th</sup> May 1946, BNA, FO/248/1468; "E'etesab dar Naft-e Janub", *Zafar*, Ordibehesht 25, 1325 (May 15, 1946), No. 256; "Beh Kargaran-e Mobarez-e Naft Komak Konid", *Zafar*, Khordad 1, 1325 (May 22, 1946), No. 262; "Yek Movafaqiyat-e Faramoush Nashodani Khatm-e E'etesab-e Kargaran-e Naft-e Aghajari", *Zafar*, Khordad 8, 1325 (May 29, 1946); from the same issue also see: "Meeting dar Shahrestan-ha beNaf'-e Kargaran-e Aghajari".

<sup>&</sup>lt;sup>32</sup> See: *Recent Labor Disturbances among Anglo-Iranian Company workers: Background and Implications*, September 5, 1946, GRDS, RG 84/1947: 800 to 850.4/2738/Box 13.

<sup>&</sup>lt;sup>34</sup> Mattin Biglari, "Abadan in the National Press during the Oil Nationalization Movement, 1946-51", *Abadan: Retold*, <u>http://www.abadan.wiki/en/abadan-in-the-national-press-during-the-oil-nationalisation-movement-1946-51/</u>; Also see: "Baraye Rofaqa-ye Kargar az Natayej-e Peyroozi-ye Aghajari Sohbat Mikonim", *Zafar*, Khordad 9, 1325 (May 30, 1946).

and Mesbah Fatemi, the longtime governor of Khuzestan. The latter was the primary targets of these attacks, often depicted as a bitter enemy of the labor movement and as a longtime British collaborator.<sup>35</sup>

As the *Tudeh* and the KUC were honing their message, they focused on the daily hardships of the workers but also infused this message with nationalist content and called the nation to unite against the British and the Company. In addition, local activists were clearly gaining confidence in their ability to rally the workers. By late May, rallies in Abadan were also held in the middle of the week with thousands attending. The atmosphere in these rallies, according to British reports, seemed 'more of an anti-British than an industrial demonstration.'<sup>36</sup> In response, AIOC officials in Abadan decided to raise substantially the wages its Iranian staff members in an attempt to neutralize the *Tudeh*'s influence on them.<sup>37</sup> By the end of May, the popularity of the *Tudeh* and the KUC soared, as the KUC, particularly in Abadan, could hardly keep up with the pace of membership requests.<sup>38</sup>

By this time, according to conservative estimates made by AIOC officials, the *Tudeh*'s labor network in Abadan consisted of a hard core of supporters that numbered some six to seven thousand workers (out of roughly thirty three thousand salaried employees and wage earners<sup>39</sup>) who regularly payed their union dues. Moreover, union members held

<sup>&</sup>lt;sup>35</sup> See for example the following issues of *Zafar*: Ordibehesht 31, 1325 (May 21, 1946); Khordad 1, 1325 (May 22, 1946).

<sup>&</sup>lt;sup>36</sup> Political and labour troubles in Southern Persia, May 22, 1946, BNA, FO/371/5217; Note on the Tudeh Party meeting held on 20<sup>th</sup> May 1946, BNA, FO/248/1468.

<sup>&</sup>lt;sup>37</sup> Subject: Abadan, Etc., May 20, 1946, BNA, FO/371/52713.

<sup>&</sup>lt;sup>38</sup> Gozaresh-e Owza'-e Abadan, undated handwritten report in Persian. BP, 130263.

<sup>&</sup>lt;sup>39</sup> International Labour Office, *Labour Conditions in the Oil Industry in Iran*, p. 9.

key positions in the refinery and elsewhere. These, included foremen, members of the Company's fire brigade and its police. This allowed the unions in the city to mobilize workers on a short notice, disrupt the work as well as enforce order among the strikers.<sup>40</sup> The party's union also had its own HQ, a book shop in Abadan Town called "Ketabkhaneh-ye Mardom" (the People's Bookshop) and even administrative officials who enforced order.<sup>41</sup>

Union activity in Abadan was not limited to the oil industry. It seemed as if every field of work in Abadan that was directly or indirectly related to the oil industry was unionized. KUC union organizers even succeeded in establishing a union among the workers of Abadan's ice plant, and were effectively in control of ice distribution in Abadan. This meant that no one in Abadan Town could purchase ice unless they presented a signed note from a local *Tudeh* operative.<sup>42</sup> In early June, a woman's union was founded by one of the local *Tudeh* leaders. In addition, according to AlOC reports unions were established in the following places: Hospital, Mobile Plant, Main Garage, Bakers and Cooks, Railway Transport, Central Restaurant, Workshop, Shipping, Tool Store.<sup>43</sup> Solidarity with the workers as well as support for the *Tudeh* and its unions seemed to have been particularly strong among the smaller bazaar merchants, traders and artisans.<sup>44</sup>

<sup>&</sup>lt;sup>40</sup> Elkington to Berthoud, May 22, 1946, BNA, FO/371/52713.

<sup>&</sup>lt;sup>41</sup> See report on the *Tudeh* in Abadan attached to a memo by the British Ambassador in Tehran titled: *No. 169*, May 29, 1946, BNA, FO/248/1468.

<sup>&</sup>lt;sup>42</sup> Underwood to Abadan General Manager, *Subject: Tudeh*, June 8, 1946, BNA, FO/248/1468

<sup>&</sup>lt;sup>43</sup> Underwood to Abadan General Manager, *Subject: Tudeh*, June 10, 1946, BNA, FO/248/1468

<sup>&</sup>lt;sup>44</sup> Report by Underwood titled: *Here are resolutions passed by Tudeh at Meeting*, June 11, 1946, BNA, FO/248/1468.

Emboldened by their newly found power, workers and laborers would now also chant to the public, as they passed them by on trucks, slogans in support of the *Tudeh* and against the Company (such as "Mordebad Sherkat-e Naft-e Janub" – Death to the AIOC).<sup>45</sup> Moreover, many workers felt confident enough to openly defy AIOC's carefully constructed social order and boarded Company transportation that was reserved only for the senior British staff.<sup>46</sup> Instances of intimidation of foreigners and calls for them to leave the country, also increased. Other similar incidents included the assault and even arrest and interrogation of foreigners (such as sailors) by *Tudeh* activists. Similarly, workers who refused to join the KUC were, on occasion, beaten up.<sup>47</sup> In Khorramshahr, the British consulate reported that *Tudeh* members, wearing armbands, issued instructions to Bakers to raise the wages of their assistants, gave instructions to local officials, held tribunals, and summoned private individuals to their HQ.<sup>48</sup>

# Reaction of the British and Iranian Authorities to the Tudeh's Activity

As union activity intensified after the war, the British government tried to convince the Company to deflect the criticism and negative campaign mounted against it by increasing its own propaganda efforts and by addressing some of the workers' grievances (such as housing).<sup>49</sup> The Foreign Office's main concerns were of the possible repercussions to Britain's reputation in the Middle East. It therefore stressed to AIOC

<sup>&</sup>lt;sup>45</sup> Underwood to Abadan General Manager, *Subject: Tudeh*, June 8, 1946, BNA, FO/248/1468.

<sup>&</sup>lt;sup>46</sup> Underwood to Abadan General Manager, *Subject: Tudeh*, June 8, 1946, BNA, FO/248/1468.

<sup>&</sup>lt;sup>47</sup> See report on the *Tudeh* in Abadan attached to a memo by the British Ambassador in Tehran titled: *No. 169*, May 29, 1946, BNA, FO/248/1468.

<sup>&</sup>lt;sup>48</sup> Khorrmashahr Consulate to British Embassy in Tehran, Telegram no. 108, BNA, FO/248/1468.

<sup>&</sup>lt;sup>49</sup> William Fraser to R.G. Howe, May 10, 1946, BNA, FO/371/52713; Tehran Embassy to Foreign Office, *Telegram no, 669*, May 14, 1946, BNA, FO/371/52713.

that: 'if we are to counter Communist propaganda we must see that our relations with Labour cannot be exploited to our disadvantage.'<sup>50</sup> Local Iranian officials held a similar view and tried to convince AIOC officials to take ameliorating steps toward the workers, while curtailing the *Tudeh*'s ability to operate freely. The Governor of Abadan and the city's Chief of police strongly recommended that the Company make a gesture toward the residents of the city by improving the supply of clean water and electricity to the residents of Ahmadabad and Abadan Town (according to Mostafa Fateh, the electric infrastructure as well as supply of clean water could service only one fourth of the population).<sup>51</sup>

Baffled by the weak response of the British, the Governor General, Mesbah Fatemi, who had over the years cultivated a strong relationship with the AIOC, told Elkington that: 'persons like himself, who had always been Pro British and were now publicly labelled as such whether they liked it or not, were at a loss to understand the present inactivity of British policy in Persia and that it gave the Government no lever with which to support strong action in the province in which British interests admittedly predominated.'<sup>52</sup> Local Iranian officials were equally frustrated with Tehran's leniency toward the *Tudeh*'s activities.<sup>53</sup> By early June, in wake of reports of increased Soviet Activity in Khuzestan and of *Tudeh* activity among the Arab tribes, the British government feared that the party would be able to translate the reluctance of local security officials

<sup>&</sup>lt;sup>50</sup> Foreign Office to Tehran Embassy, reply to Telegram no, 669, May 20, 1946, BNA, FO/371/52713.

<sup>&</sup>lt;sup>51</sup> Fateh, *Panjah Sal Naft-e Iran*, p. 437; Underwood to Abadan General Manager, *Subject: Tudeh*, June 8, 1946, BNA, FO/248/1468.

<sup>&</sup>lt;sup>52</sup> Elkington to Berthoud, May 22, 1946, BNA, FO/371/52713.

<sup>&</sup>lt;sup>53</sup> Khorramshahr Consulate to British Embassy at Tehran, Telegram no. 118, June 19, 1946, BNA,

FO/248/1468; Ladjevardi, Labor Unions and Autocracy in Iran, p. 65.

to act against it, into a major success in the coming *Majles* elections. Such a development, they feared, could eventually result in the cancellation of the oil concession.<sup>54</sup>

In the wake of the events of May, there was consensus among the various branches of the British government that Qavam's attitude toward the *Tudeh* was increasingly detrimental to British Interests. There was disagreement, though, whether this attitude was out of a position of weakness or out of support for Moscow.<sup>55</sup> The question that concerned many in Whitehall was whether the *Tudeh* is truly an independent and genuine movement or a Soviet Pawn. It seems that the majority of officials supported the latter view.<sup>56</sup> Only a few were prepared to explore a third and more probable option that while the *Tudeh*, served Soviet interests in Iran on a national level, the actions of its activists in Khuzestan were also motivated out of genuine nationalist aspirations.

On June 4, a three-man British Parliamentary mission arrived at Abadan to investigate labor conditions. The Commission that included to veteran trade union officials (Jack Jones and Frederick Lee) concluded that, while the Company's attitude toward its labor is more favorable than in other Iranian industries, its attitude toward trade unionism, particularly in Iran, was anachronistic. It also stated that: 'the conception

<sup>&</sup>lt;sup>54</sup> British Embassy at Moscow to Foreign Office, May 31, 1946, BNA, FO/371/52713; *Policy in Persia*, June, 1946, BNA, FO/371/52713.

<sup>&</sup>lt;sup>55</sup> Ladjevardi, ibid, p. 65; *Cabinet Distribution from Foreign Office to Tehran*, June 4, 1946, BNA, FO/371/52713. From the same file see: *Telegram no. 5672*, June 1946; *Cabinet Distribution from Foreign Office to Tehran*, June 10, 1946.

<sup>&</sup>lt;sup>56</sup> Foreign Office to Tehran Embassy, *No. 621*, June 14, 1946, IOR, L/PS/3490A; Shaw, "British Foreign Office, Anglo-Iranian Company and the Internationalization of Iranian Politics", pp 6-9.

of the rights of the Persians as known 20/30 years ago by the Company must undergo a complete and fundamental change.'<sup>57</sup> Moreover, the Commission determined that the Labor movement in Abadan was born out of genuine grievances. While agreeing that the KUC was politically motivated, the commission recommended engaging it instead of opposing it. Quite naively, the Commission also concluded that while the *Tudeh* has found a sponsor in the Soviet Union and guidance in Communism, it is not too late to mold it in a democratic way using 'healthy pro-British propaganda.'<sup>58</sup> Engagement, however, was not the way the Foreign Office chose to handle the developing crisis in the South. Instead, the British ambassador was instructed to warn Qavam that should *Tudeh* activity continue unchecked, Iran may be divided once more as it was in 1907.<sup>59</sup> Qavam remarked to the British Ambassador that he considered adding one or two *Tudeh* members to his government in the hope of 'sobering them with responsibility'. This, only increased the ambassador's concerns.<sup>60</sup>

The growing tensions between Qavam and the British government also afforded an opportunity for the Shah to try and regain his power. He therefore began to undermine the Iranian Prime Minister's standing among his cabinet members in an attempt to isolate him. Qavam, however, did not buckle under British pressure (perhaps partly due to the deep seated feelings of resentment he harbored toward them).<sup>61</sup> In late June, he announced the establishment of a new party, "the Democratic Party of Iran"

<sup>&</sup>lt;sup>57</sup> Jones, Cuthbert and Lee, *Report on Delegation to Persia – June 1946*, BP, 43762.

<sup>&</sup>lt;sup>58</sup> Jones, Cuthbert and Lee, *Report on Delegation to Persia – June 1946*, BP, 43762.

<sup>&</sup>lt;sup>59</sup> British Embassy in Tehran to Foreign Office, *Telegram no. 800*, June 8, 1946, BNA, FO/248/1468.

<sup>60</sup> Ibid.

<sup>&</sup>lt;sup>61</sup> Ladjevardi, Labor Unions and Autocracy in Iran, p. 65.

(*Hezb-e Demokrat-e Iran*). Politically, the Party was positioned in the Iranian center – it was nationalist and reformist, to the right of the *Tudeh* and its pro-Soviet line, while at the same time, it opposed the Shah and pro-British elements.<sup>62</sup> Initially, Qavam aligned himself with the *Tudeh* against his opposition from the right and the British. This was partly in order to lull the Russians but, also to attempt to take advantage of the *Tudeh*'s popular stance among the urban industrial masses. Thus, by aligning himself with the *Tudeh*, Qavam had hoped to shift their support to his own party.<sup>63</sup> For this purpose, in late June, the Ministry of Commerce and Industry established an Office in Abadan and was instructed to 'wean Anglo-Persian Oil Company employees from Tudeh influence by persuading them to submit their complaints to the Government Labour Office.'<sup>64</sup>

Concomitantly with these developments, the local Arab tribal elite was in the process of devising a plan of its own to counter labor activity among their tribesmen. As part of their activities in the province, *Tudeh* and KUC activists, attempted to undermine the authority of the Arab tribal elite. In the minds of these activists, the Arab Tribal elite were feudal rulers who were exploiting their tribesmen, as well as British collaborators serving the interests of a foreign imperialist entity oppressing the Iranian worker.<sup>65</sup> But, union activists had very little success recruiting from among the Arab Tribesmen. Their

<sup>&</sup>lt;sup>62</sup> Ashinayi ba Tarikh-e Majales Qanungozari Dar Iran, p.21; Ladjevardi, ibid, p. 66; Elwell-Sutton, Persian Oil, pp 115-116.

<sup>&</sup>lt;sup>63</sup> Ladjevardi, ibid, p. 66.

<sup>&</sup>lt;sup>64</sup> British Embassy at Tehran to Foreign Office, *Telegram no. 809*, June 21, 1946, BNA, FO/371/52715; *Cabinet Distribution from Tehran to Foreign Office*, June 21, 1946, BNA, FO/371/52715.

<sup>&</sup>lt;sup>65</sup> *Subject: Tudeh*, June 25, 1946, BNA, FO/248/1468; Report to the general manager on Tudeh activities, June 25, 1946, British National Archives, FO/248/1468; Also see: two handwritten letters in Persian from 'Abd al-Qader Mokhlesi , a KUC activist from Abadan, to the CCFTU head branch in Tehran dated Azar 3, 1325 (24.11.46) and Azar 9, 1325 (30.11.46), BP, 130263.

failure stemmed partially from the fact that for many of these tribesmen, the tribe still remained the defining political, social and economic unit. Particularly for those Iranian Arab workers who were not employed directly by the Company, rather as members of construction teams, supplied by private contractors, their own sheikhs.

While unsuccessful, the *Tudeh's* activities were a source of grave concern for the local Arab tribal elite.<sup>66</sup> By early May, Anxiety among the Arab elite in Abadan's hinterland ran high. Contractors, landlords and other tribal leaders were summoned by Tudeh operatives and asked to support the party's cause and demanded to encourage their tribesmen to do so as well. Following these summons, the Sheikhs forbade their tribesmen from cooperating with Tudeh activists.<sup>67</sup> In addition, to counter Tudeh union activity, the Arab tribal elite, established a union of its own - the "Arab Tribal Union" (*Etehadiyeh-ye 'Ashaer-e A'rab*). While British officials gave their tacit approval for this move, many of the sheikhs, scarred by British conduct toward them during the war, deemed British support as beneficial but not essential.<sup>68</sup>

The union was officially inaugurated on June 15, 1946, its main aims were attaining a political and cultural autonomy for Khuzestan (similar to the one given to Azerbaijan) and ending *Tudeh* interference in tribal affairs.<sup>69</sup> While the available sources are a bit vague as to who headed this union, it seems that the main effort was led by sheikhs from the Khorramshahr and the Abadan area who also drafted the union's

 <sup>&</sup>lt;sup>66</sup> British Consulate in Khorramshahr to British Embassy in Tehran, 21 July, 1946. IOR, L/PS/3490A.
 <sup>67</sup> See reports by A.A.J, May 9, 1946, BNA, FO/248/1468.

<sup>&</sup>lt;sup>68</sup> Mann, "The Khuzestan Arab Movement, 1941-1946: A Case of Nationalism?", p. 129.

<sup>&</sup>lt;sup>69</sup> British Consulate in Khorramshahr to British Embassy in Tehran, 21 July, 1946. IOR, L/PS/3490A.

platform.<sup>70</sup> For example, the final clause in the union's articles of intent, criticizes the Oil Company for neglecting the rights of the Arabs and, perhaps also in an attempt to appeal to those tribesmen who were sympathetic to the *Tudeh*'s agenda, concludes with a demand that the Oil Company 'engage Arabs in much larger proportion to other Persians.'<sup>71</sup>

The establishment of the "Arab Tribal Union", was a cause of concern for some local Iranian officials. While they were anti-*Tudeh*, they feared that Tehran would regard this union as a separatist movement inspired by Pan-Arab (sic) ideology (this was partially true *as* some of the Arab sheikhs, encouraged by the renewed British interest in them, began to raise notions of independence for Arabestan or a union with Iraq).<sup>72</sup> Despite this, in a meeting with British officials, the governor of Abadan hinted that he supported this move. The governor further suggested to AIOC officials, that since Arab laborers were loyal to their Sheikhs and therefore more impervious to the *Tudeh*'s influence, the Company should consider hiring more of them.<sup>73</sup> The *Tudeh* and the KUC were also concerned by the establishment of the "Arab Tribal Union" and even turned to local

<sup>&</sup>lt;sup>70</sup> Report to general manager by H.J. Underwood, June 22, 1946, BNA, FO/248/1468.

<sup>&</sup>lt;sup>71</sup> Articles and Objects of the Union of the Arab Tribes of Khuzistan, British National Archives, FO/248/1468. Even in the 1970's, Arabs were still underrepresented in skilled, supervisory and managerial jobs and were overrepresented among the seasonal and temporary workforce. See: Peyman Jafari, "Reasons to Revolt: Iranian Oil Workers in the 1970s", *International Working-Class and Labor History*, No. 84 (fall, 2013), p. 204.

<sup>&</sup>lt;sup>72</sup> Articles and Objects of the Union of the Arab Tribes of Khuzistan, British National Archives,

FO/248/1468; Zagagi, "Urban Area and Hinterland: The Case of Abadan (1910-1946)", pp 80-81.

<sup>&</sup>lt;sup>73</sup> Telegram from Khorramshahr to Tehran, June 19, 1946, British National Archives, FO 248/1468. This proposal was similar to a one made by the Ministry of Fuel and Power to 'Increase in non-Persian staff to enable work to be carried on even if Persian labour refuses.' However, other participants in the discussion were afraid that the *Tudeh* would almost certainly call a strike if the percentage of foreign labor was increased. See: Draft record of a Meeting held by Sir O. Sargent on the 17<sup>th</sup> June, to discuss the maintenance of British supplies of oil from Persia, BNA, FO/371/52715.

police for protection.<sup>74</sup> In response, *Tudeh* activists and the *Tudeh* press embarked on a campaign against the "Arab tribal Union". As part of their campaign, which was, at times, also seasoned with anti-Arab content, they claimed that the tribal union had received arms and funds from the British. These latter claims were also repeated in other newspapers as well as in the Majles.<sup>75</sup>

# The Labor Movement Goes Underground

While the KUC and the *Tudeh* in Abadan were able to amass a great amount of power in a very short time, they were still very much dependent on Qavam's good will and grace. Despite the party's relative success in the elections for the fourteenth *Majles* and in spite of its growing popularity, it still lacked a power base inside the Iranian government. Thus, their ability to act openly in the country, particularly in the South, was dependent on its political alliance with Qavam (this was especially true once the Soviet Union withdrew its forces from northern Iran). This dependency also affected the ability of the *Tudeh* and the KUC to act freely in Abadan. In late June, responding to pressures applied on him by the British and Iranian factory owners to act against the CCFTU, Qavam extended a warning to labor unions not to interfere in the affairs of government.<sup>76</sup> In response, *Tudeh* and union leaders in Abadan warned the crowds that attended their public meetings and assemblies that while the pressure on the AIOC must be maintained, they were not to interfere with the work of the Police.<sup>77</sup>

<sup>&</sup>lt;sup>74</sup> Report to General Manager by H.J. Underwood, British National Archives, June 29, 1946, FO/248/1468.

<sup>&</sup>lt;sup>75</sup> Underwood to Abadan General Manager, *Subject: Tudeh*, July 2, 1946, BNA, FO/248/1468.

<sup>&</sup>lt;sup>76</sup> Ladjevardi, *Labor Unions and Autocracy in Iran*, p. 66.

<sup>&</sup>lt;sup>77</sup> Underwood to Abadan General Manager, *Subject: Tudeh*, June 8, 1946, BNA, FO/248/1468.

By early July, however, KUC leaders were beginning to lose their hold on their rank and file members in Abadan. Many Iranian workers were beginning to feel frustrated by the lack of any discernible improvement in their living conditions. AIOC's refusal to discuss wages until the extended deliberations in Tehran on the rate of minimum wages will be concluded, were also met with dismay. According to a report by the American embassy in Tehran, many workers were beginning to feel that there was a dissonance between the *Tudeh*'s success and power in Abadan and the lack of improvement in their lives. This dissonance also made many workers question whether the union dues they were paying (approximately one percent of their salaries) were put to good use. Especially, once rumors were beginning to circulate that the party's funds were being embezzled.<sup>78</sup>

On July 2, Union leaders presented a list of demands to the Company, among them: Friday pay, a yearly increase in wages, transportation for workers and to appoint a workers' representative in workshops to settle differences between management and labor. Union leaders threatened that should these demands not be met, they would go on strike on July 5.<sup>79</sup> It seems, that this ultimatum was in part an attempt made by Union leaders to regain the confidence of the workers.<sup>80</sup> According to a report by Underwood, AIOC's political officer, on the same day the ultimatum was issued to AIOC management,

<sup>&</sup>lt;sup>78</sup> See correspondence between the American Embassy in Tehran to Washington, 09/07/1946, GRDS, RG 59 Decimal File 1945-49-Box 7234; Ladjevardi, ibid, pp 132-133. According to Ladjevardi, Some reports raised the possibility that the rumors about embezzlement were in fact engineered by British agents who had managed to infiltrate the party's ranks. If true, then it joined other anti-union activities conducted by the AIOC as part of their anti-union activity. Such as providing false information on the times of union meetings and such. See: Ladjevardi, ibid, p. 142.

<sup>&</sup>lt;sup>79</sup> See letter sent by Union representatives to the AIOC, July 2, 1946, BP, 68923.

<sup>&</sup>lt;sup>80</sup> See report by D.Willoughby, British Consul at Khorramshahr, *No. 66-T*, July 21, 1946, IOR, L/PS/12/3490A.

workers in the refinery were pressing to go on strike: 'Telephone enquiries to Union Headquarters made by a number of Tudeh leaders of different departments in the Refinery received the reply "do not come out on strike. The Union does not authorize you to do so now. When it does you can all be out within five minutes".'<sup>81</sup> According to another report by the American embassy in Tehran, one of the unions in Abadan went on strike and refused to heed the Union HQ's order to return to work.<sup>82</sup>

Despite the fact that local AIOC officials were authorized, if need be, to pay the sums Union leaders requested, they chose to employ delaying tactics.<sup>83</sup> In the days following the ultimatum, official government statements informed all sides that pending a decision on minimum wage rates, any strike would be illegal. The CCFTU took care to inform its branch in Abadan and warn it against going on strikes.<sup>84</sup> But, by July 9, the situation in the oil operations area was beginning to get out of hand. On July 10th a strike in Agha Jari broke out in wake the arrest of Union leaders by the Iranian army. AIOC flew union leader, Najafi, to the area and he succeeded in persuading the workers to return to work promising them he would secure the release of those arrested.<sup>85</sup> At the same time, rumors were beginning to circulate in Abadan that Mesbah Fatemi, the governor general

<sup>&</sup>lt;sup>81</sup> Underwood to Abadan General Manager, *Subject: Tudeh*, July 2, 1946, BNA, FO/248/1468.

<sup>&</sup>lt;sup>82</sup> See correspondence between the American Embassy in Tehran to Washington, 09/07/1946, GRDS, RG 59 Decimal File 1945-49-Box 7234.

<sup>&</sup>lt;sup>83</sup> See report by D.Willoughby, British Consul at Khorramshahr, *No. 66-T*, July 21, 1946, IOR, L/PS/12/3490A.

<sup>&</sup>lt;sup>84</sup> Elwell-Sutton, pp 144-145; See excerpt from Ettela'at from July 9, 1946, BP, 68923.

<sup>&</sup>lt;sup>85</sup> See report by D.Willoughby, British Consul at Khorramshahr, *No. 66-T*, July 21, 1946, IOR, L/PS/12/3490A.

of Khuzestan, was returning from his trip to Tehran with increased authority, including the authority to declare martial law.<sup>86</sup>

The tense atmosphere in Abadan also increased the animosity between "the Arab Tribal Union" and the *Tudeh*.<sup>87</sup> On July 13, a *Tudeh* demonstration was dispersed by army units, reinforced by tribal forces.<sup>88</sup> The following day, a general strike in Khuzestan was announced. In Abadan, strikers took hold of transportation and the telegraph office and used it to send reports on the strike and their demands to Tehran (the reports were also published in "Rahbar"<sup>89</sup>). In addition, pickets were established in strategic locations which allowed strikers to isolate the Europeans in the bungalow areas, cutting them off from the rest of the city. Domestic servants, particularly those carrying food and supplies bought in the bazaar and the Company's stores, were prevented from entering the bungalow area (in Masjed Soleyman, some of the European staff's Indian cooks were taken captive by union activists).<sup>90</sup>

Encouraged by their success, local leaders further incited against the Company, its European staff and those it defined as their collaborators. In a speech delivered on the evening of July 14, to a crowd of about 5,000 people, one union leader advocated the use of extreme violence telling the crowd 'you should catch the cars of the English and throw

<sup>&</sup>lt;sup>86</sup> See report by D.Willoughby, British Consul at Khorramshahr, *No. 66-T*, July 21, 1946, IOR, L/PS/12/3490A.

<sup>&</sup>lt;sup>87</sup> Of special interest is the use both sides made of clubs in the cities as part of their struggles to make their claim. See: Elling, "War of Clubs: Struggle for Space and the 1946 Oil Strike in Abadan", pp, 189-210.
<sup>88</sup> Abrahamian, "The Strengths and Weaknesses of the Labor Movement in Iran", p. 197.

<sup>&</sup>lt;sup>89</sup> See for example: Yek Telegraph-e Digar Raje' bejaryan-e E'etesab, undated, BP, 68923.

<sup>&</sup>lt;sup>90</sup> General Strike in Abadan – 14<sup>th</sup>, 15<sup>th</sup>, 16<sup>th</sup>, July 1946 Food etc. Supplies to Staff, July 21, 1946, BP, 68923; Diary of Events (14<sup>th</sup>/18<sup>th</sup> July, 1946), BP, 130264; William .J. Handley, Labor in Iran, October 19, 1946, GRDS, RG 84/1947: 800 to 850.4/2738/Box 13.

stones at them, if they drive into the city. This is the time to take revenge from them.<sup>91</sup> At approximately 8 in the evening, violence broke out. The versions of both sides as to who is responsible for the bloody clash on the eve of July 14 differ.<sup>92</sup> According to *Tudeh* sources, the event was a result of a joint plot by the British, the Arab tribes and local authorities against the party. According to these sources, the violence started when two *Tudeh* activists were fired at, while passing in front of "the Arab Union Club".<sup>93</sup> British sources claim that the attack was instigated by *Tudeh* activists reacting to rumors that were spread about a tribal force, armed with British weapons that was making its way to Abadan.<sup>94</sup>

During the clash, several prominent Arab sheikhs and merchants were killed (including one non-Arab merchant who was killed because he was suspected of collaborating with Arab merchants). The houses of sheikhs and other prominent merchants were looted. In total, 25 people were killed (the majority of whom were Arab tribesmen) and scores of others injured on both sides.<sup>95</sup> On July 15, Qavam sent by air a delegation headed by his deputy, Mozafar Feyrooz (later to become the Minister of Labor) along with Aramesh, the Minister of Commerce, and two CCFTU senior representatives to negotiate with the Company. Negotiations lasted into the small hours of the night and eventually, Feyrooz forced the AIOC to comply with most of the strikers'

<sup>&</sup>lt;sup>91</sup> See report by one of AIOC's informants titled: *Kholaseh-ye Notq-e 'Ali Pahlavan dar Huzur 5,000 Nafar Ranandegan va Kargaran dar Bashgah Etehadiyeh Vaqe' dar Ahmadabad*, 23 Tir [1325] (July 14, 1946), BP, 68923.

<sup>&</sup>lt;sup>92</sup> For a balanced and detailed presentation of these events see: Elling, "War of Clubs: Struggle for Space and the 1946 Oil Strike in Abadan".

 <sup>&</sup>lt;sup>93</sup> Javanshir, Farajollah Mizani, *Hamase-ye 23-e tir. Gushe'i az mobarezat-e kargaran-e naft-e khuzestan*, (reprinted by Chawoshan Nowzai Kabir and available at http://chawoshan.mihanblog.com), pp 57-62.
 <sup>94</sup> Tudeh - Report up to mid-day, 19 July 1946, BP, 68914.

<sup>&</sup>lt;sup>95</sup> Medical Report on the Situation 14<sup>th</sup> to 17<sup>th</sup> July, 1946, July 24, 1946, BP, 68914.

demands (such as Friday and cash payments to replace subsidies AIOC cancelled) including a promise to improve housing and medical services.<sup>96</sup>

In the days that passed after the strike, the *Tudeh* celebrated its victory over the Company. In many of the refinery's departments workers were feeling confident enough to disobey their superiors. Some, according to one British report, even informed their foreign superiors that 'they are now masters and not we.'<sup>97</sup> A similar hostile conduct on the part of Iranian workers was also reported in the *Fields* area.<sup>98</sup> *Tudeh* newspapers hailed the strike and its outcome, claiming it was a testament to the strength of the workers and the labor movement. The July 14 clash was depicted as part of a thwarted British plot to control the area and harm the labor movement. The plan, as it was described in the newspapers, was to intentionally instigate violence to provide an opportunity for intervening by force.<sup>99</sup>

Britain did flex its muscles and sent two of its naval vessels to anchor off Abadan in Iraqi waters. In response, the Iranian foreign office sent a firm letter to the British ambassador demanding that the vessels be withdrawn stating that such a step was 'detrimental for public opinion and the normal calm of these areas.'<sup>100</sup> But, it seems that

<sup>&</sup>lt;sup>96</sup> William .J. Handley, *Labor in Iran*, October 19, 1946, GRDS, RG 84/1947: 800 to 850.4/2738/Box 13.FO/248/1468; "Jaryan-e E'etesab-e Kargaran dar Khuzestan", *Khandaniha* (a summary of a report published in *Iran-e Ma*), No. 49, Mordad 5, 1325 (July 27, 1946); *Telegram no. 7321*, July 18, 1946, BNA, FO/248/1468; Elwell Sutton, *Persian* Oil, p. 148.

<sup>&</sup>lt;sup>97</sup> Telegram no. 3190, July 17, 1946, BNA, FO/248/1468.

<sup>98</sup> Ibid.

<sup>&</sup>lt;sup>99</sup> Iranian Press Comment on the AIOC Strike, July 24, 1946, BNA, FO/248/1468

<sup>&</sup>lt;sup>100</sup> Iranian Foreign Ministry to the British Ambassador in Tehran, Mordad 1, 1325 (July 23, 1946), BNA, FO/248/1468.

the British response, while disproportional, produced its desired effect as mass arrests and deportations from Khuzestan were carried out.<sup>101</sup>

In late July, Qavam appointed three ministers from the *Tudeh* to his government. This, proved to be a fatal mistake on the part of the party as it allowed Qavam to act more firmly against the KUC in Khuzestan.<sup>102</sup> In mid-August 1946, local security forces arrested prominent *Tudeh* and KUC leaders.<sup>103</sup> In the months that followed, further waves of arrests and deportations were carried out, effectively crippling the ability of the labor organization in Abadan to act openly. Following an order issued by Military authorities on November 30, 1946, the *Tudeh* HQ and all branch offices and clubs belonging to the Party in Khorramshahr and Abadan were closed and their sign boards removed. Members found in club houses were arrested and the landlords of the various building used by the party were ordered to find new tenants. Mass arrests of *Tudeh* leaders and activists were also carried out during December, including Mohammad Kaveh, the *Tudeh*'s treasurer in Abadan.<sup>104</sup> Thus, by the end of 1946, the KUC and the *Tudeh* were forced to go underground.

# Repercussions of the July 14 Strike and Later Developments

The British government was quite alarmed by the outcome of the violent clash in Abadan. Some British officials also cited the prejudicial views held by some of AIOC's officials in Iran as part of the problem. In response to events, the British government

<sup>&</sup>lt;sup>101</sup> Ladjevardi, Labor Unions and Autocracy in Iran, p. 141.

<sup>&</sup>lt;sup>102</sup> Ladjevardi, ibid, p. 67.

<sup>&</sup>lt;sup>103</sup> AIOC in Abadan to London, August 17, 1946, BP, 43762.

<sup>&</sup>lt;sup>104</sup> Khorramshahr Diary No. 13 for the month of December 1946, BNA, FO/371/62025.

increased its pressure on the Company, urging it to both change its conduct toward its workers as well as work to resolve some of the outstanding issues (such as housing).<sup>105</sup> This pressure strengthened what Company officials had already begin to realize - that APOC would have to increase its efforts and try to improve its relations with its local workers. Especially given that fact that, at the same time, it also had to deal with labor strikes in Iraq.<sup>106</sup> In April 1947, in an attempt to improve its image amid the rising tide of Iranian nationalism, AIOC invited 15 Iranian journalists from various mainstream newspapers to visit Abadan, inspect the oil installations observe the workers' living conditions. This turned out to be a miscalculation on AIOC's part, since it turned the focus of the national press to conditions in Abadan. While many marveled at the technology and modern installations, they also increasingly focused on the dissonance between the modern aspects of the city and the deplorable conditions in which the majority of its inhabitants lived in.<sup>107</sup>

In late October 1947, the *Majles* passed a bill cancelling the Russian oil agreement. The same bill also reflected the growing anti-AIOC sentiment in Iran. According to the bill, the government was to begin negotiations with the AIOC with the purpose of revising and clarifying some of the terms of the 1933 concession. Among them: the fact that Iranian royalties compared unfavorably with those in Iraq, Kuwait and Venezuela (where

<sup>&</sup>lt;sup>105</sup> In fact, after the July 1946 clash, British government officials refused to give their full support to the Company when asked to do so in the House of Commons. See: *Oil Workers Strike, Persia,* 17/07/1946, Vol. 425, House of Commons Protocol, pp 1224-1226. From the same volume, see: *Oil Workers Strike, Persia,* 22/07/1946, pp 1683-1684.

<sup>&</sup>lt;sup>106</sup> Labour Conditions - Anglo Iranian Oil CO. – Persia, December 31, 1946, IOR, L/PS/3490A.; Elwell-Sutton, Persian Oil, p. 150; Fateh, Panjah Sal Naft-e Iran, pp. 440-441; Katayoun, Cracking Petroleum with Politics, p. 293.

<sup>&</sup>lt;sup>107</sup> Biglari, "Abadan in the National Press during the Oil Nationalization Movement, 1946-51".

the principle of profit sharing was 50:50); British taxation and dividend limitation; the rate used to calculate royalty payments (sterling/gold exchange); the prices charged by the Company for its products in Iran and the Iranization of the Company's staff.<sup>108</sup>

The developments listed above increasingly made the AIOC realize that the political circumstances in the Country are such that it would have to show the Iranian government and especially its Iranian workforce that, as Elwell-Sutton put it: 'it really had their interests at heart'.<sup>109</sup> This did not necessarily mean that AIOC officials stopped perceiving their Iranian workers as inferior or easily influenced by anti-British elements. Rather, it was more motivated out of fear that this could irreparably damage AIOC's image, as well as, fear of the potential threat posed by the renewal of labor activity.

As a result, between the years 1946-1951 there was change for the better in certain aspects of the workers living and working conditions. Communication between the workers and management improved on a certain level. Thanks to the Company's various educational program there was also a slight improvement in worker illiteracy rates - In 1948, a little over eighty percent of the workforce were illiterates, by 1951, this figure dropped to the mid-seventies. In addition, the labor law, despite its flaws, provided workers with insurance, an aid fund, social security and minimum wages.<sup>110</sup> Still, these changes were largely unfelt by the vast majority of the workers.

<sup>&</sup>lt;sup>108</sup> Bamberg, the History of the British Petroleum Company Volume 2, pp. 383-391.

<sup>&</sup>lt;sup>109</sup> Elwell-Sutton, *Persian Oil*, p. 150; Fateh, *Panjah Sal Naft-e Iran*, pp. 440-441.

<sup>&</sup>lt;sup>110</sup> Fateh, Panjah Sal Naft-e Iran, p. 444; Labour Literacy, BP, 67011; Labour Statistics, BP, 67011.

### Housing Development

Once the war ended, various building projects were underway. However, they were often delayed partly due to AIOC's complacency, but mainly due to lack of building materials. Thus, for example, the quarters in the Farahabad neighborhood - established in 1945 to house, among others, common laborers - were only half finished by mid-1946.<sup>111</sup> Between the years 1946-1951, AIOC invested large sums of money in housing development in Abadan and the rest of the oil operations area. According to Fateh, over 40 million pounds were invested in an effort to improve the welfare of the workers. This included building some 17,000 housing units for married salaried staff and wage earners, 4,000 rooms for bachelors, 47 schools, 9 hospitals, 39 clinics, 86 sporting playgrounds, 49 clubs and more.<sup>112</sup> An apprentices' hostel, new housing estates (such as Bahar in 1948) that were meant to house common laborers were also built.<sup>113</sup>

In addition, the Company in cooperation with a local building Company, "the Karun Engineering Company", built a new housing estate with 290 houses in Ahmadabad. AIOC funded the roads, sewerage and water service points for this estate. In return, "Karun Engineering" rented workers apartments in controlled rates.<sup>114</sup> By late 1949, AIOC succeeded in building over three thousand houses and rooms to house workers, employees, staff and their dependents in the company's four labor estates (Bahar, Farahabad, Bahmanshir and Ahmadabad).<sup>115</sup> However, the pace of building came at the

<sup>&</sup>lt;sup>111</sup> British Embassy in Tehran to Foreign Office, *No. 181*, June 5, 1946, BNA, FO/248/1468.; De Planhol, "Abadan: Morphologie et Fonction du Tissu Urbain.", p. 341.

<sup>&</sup>lt;sup>112</sup> Fateh, ibid, pp. 442-443.

<sup>&</sup>lt;sup>113</sup> De Planhol, ibid, p. 341.

<sup>&</sup>lt;sup>114</sup> International Labour Office, Labour Conditions in the Oil Industry in Iran, p.34.

<sup>&</sup>lt;sup>115</sup> International Labour Office, ibid, p. 32.

expense of quality. In Farahabad, for example, in order to make maximum use of available building material and build as many rooms as fast as possible, a large number of two-roomed units were built with no individual water supply, sanitation or electricity and with only communal drinking water and drainage facilities.<sup>116</sup>

Despite its efforts, AIOC could not keep up with the rate of population growth. By late 1949, Abadan's population was estimated at about 173,000. Out of this estimated number, roughly 133,000 were Company employees and their dependents while the rest of the remaining 40,000 were contract workers, independent craftsmen, merchants and their families.<sup>117</sup> By this time, ninety percent of the salaried staff were living in Company housing. On the other hand, out of 31,875 wage earners (artisans, skilled and unskilled, artisans), only 5,298, 16.6 percent, lived in Company housing.<sup>118</sup> The majority of wage earners in Abadan, lived in the Municipal districts and many were forced to cram in single rooms, sometimes entire families.<sup>119</sup> Others, lived in mud houses or huts made from all sorts of materials or in the 360 tents the Company put up in 1949 as an emergency measure to accommodate homeless workers.<sup>120</sup>

### Labor-Management Relations

In wake of the July 14 clash, the British government encouraged AIOC to depart from its policy of opposing trade unions and to foster non-political "healthy

<sup>&</sup>lt;sup>116</sup> Labour Housing, March 1950, BP, 67011.

<sup>&</sup>lt;sup>117</sup> International Labour Office, ibid, p. 31.

<sup>&</sup>lt;sup>118</sup> International Labour Office, ibid, p. 32; for additional data, see: *Labour Statistics*, undated, probably early 1950, BP, 67011. In the *Fields* area the situation of wage earners was significantly better as 48% of artisans, 49% of skilled workers and 10% of unskilled workers were living in Company housing. See: International Labour Office, *Labour Conditions in the Oil Industry in Iran*, p. 35. <sup>119</sup> International Labour Office, ibid, p. 34.

<sup>&</sup>lt;sup>120</sup> Labour Housing, March 1950, BP, 67011; International Labour Office, page 34.

organizations" that will allow Iranian workers to air grievances and 'obtain concessions' from the company.<sup>121</sup> This idea was not new. As early as June 1946, the British Foreign Office suggested AIOC that in order to deflect criticism and neutralize the *Tudeh*'s influence, it should encourage the establishment of a 'genuine trade union movement'.<sup>122</sup> Of course, "healthy", "genuine" or "non-political" were synonyms for non-*Tudeh* unions. In an effort to implement the foreign Office's suggestion, AIOC added to its staff several industrial relations advisers, such as Clifford Tucker.<sup>123</sup> In addition, Mostafa Fateh, director of the Distribution Department and one of the few senior Iranian workers, was appointed as assistant general manager in Abadan with special responsibility for the welfare of the Iranian staff.<sup>124</sup>

In its attempts to undermine the KUC and encourage a "healthy" union, AIOC sponsored a new labor union founded by veteran labor organizer, Yousef Eftekhari.<sup>125</sup> Given his known anti-*Tudeh* views and his credentials as one of the prominent figures of the 1929 strike, Eftekhari seemed to be a sound choice. On January 20, 1947, he and ten other union activists, some of them former *Tudeh* union activists who had renounced the Party, formed a new Union called "the Oil Workers Union" (*Etehadiyeh-ye Kargaran-e* 

<sup>&</sup>lt;sup>121</sup> Labour Conditions – Anglo Iranian Oil Company-Persia, December 31, 1946, IOR, L/PS/12/3490A; Ladjevardi, Labor Unions and Autocracy in Iran, p. 145.

<sup>&</sup>lt;sup>122</sup> British Foreign Office to Tehran Embassy, June 14, 1946, IOR, L/PS/3490A.

<sup>&</sup>lt;sup>123</sup> Bamberg, the History of the British Petroleum Company Volume 2, p. 378; Ladjevardi, Labor Unions and Autocracy in Iran, pp 144-145.

<sup>&</sup>lt;sup>124</sup> Elwell-Sutton, *Persian Oil*, p. 152.

<sup>&</sup>lt;sup>125</sup> According to Ladjevardi, Fateh, was the one who suggested to the General Management of the Company to form a new union and suggested Eftekhari for the job. (See: Ladjevardi, ibid, p. 145.) Eftekhari, however, claims that after the fall of Pishehvari's government in Azerbaijan, he was invited to Abadan by members of the union he helped establish during the war who told him that his presence was needed because 'some of us are in prison and another group of leaders is sleeping in the cemetery so they would not be found.<sup>125</sup>' See: Eftekhari, *Khaterat-e Dowran Separi Shodeh*, p. 96.

*Naft*).<sup>126</sup> In its first proclamation, the new union attacked the KUC blaming it of treachery (by its association with the *Tudeh*) and embezzlement. In addition, the union stated in its proclamation that it was not sponsored by any political entity and pledged to act strictly in accordance with the labor law.<sup>127</sup>

While the "Oil Workers Union" was an independent organization, it received substantial support from the AIOC (that went to great pains to hide its sponsorship) and from the Ministry of Labor and the local government. For example, the Ministry of Labor, issues special instructions to allow the new union to register in Abadan. The military governor provided the union with the premises of the former *Tudeh* HQ to hold meetings. In addition the Company, provided it with a bakery to bake bread and sell at prices lower than those paid in the bazaar and also provided classrooms to hold night classes organized by the union.<sup>128</sup>

Given the sponsorship it received, it is no wonder that, "the Oil Workers Union" was greeted with great suspicion by the majority of workers. indeed, many of the workers perceived it as a puppet union controlled by the government or the Company.<sup>129</sup> Peer pressure also played a part for some of those who shunned the union - many workers were afraid that once the *Tudeh* would regain its strength nationally and locally,

<sup>&</sup>lt;sup>126</sup> Khorramshahr Consulate Diary No.1 for the month of January 1947, BNA, FO/371/62025.

<sup>&</sup>lt;sup>127</sup> The original version of the manifesto in Persian is attached to the following document: British Consulate in Khorramshahr to the British Ambassador, *No. 14-T*, January 27, 1947, BNA, FO/248/1475.

<sup>&</sup>lt;sup>128</sup> Khorramshahr Consulate Diary No. 3 for the month of March 1947, BNA, FO/371/62025; Trade Unions, undated probably late 1950, BP, 67011; Ladjevardi, Labor Unions and Autocracy in Iran p. 146. <sup>129</sup> Khorramshahr Consulate Diary No.1 for the month of January 1947, BNA, FO/371/62025. The fairly conciliatory attitude some of the leaders of the "Oil Workers Union" adopted toward the Company and the government as well as Eftekhari's good relations with Mesbah Fatemi, certainly did not add to their stature among the workers. See: Ladjevardi, Labor Unions and Autocracy in Iran pp 145-147; Eftekhari, Khaterat-e Dowran Separi Shodeh, p. 96-.97.

then the fact that they gave their support to Eftekhari's union would become a source of embarrassment to them.<sup>130</sup> In March 1947, by request of the CCFTU, a delegation of the WFTU (World Federation of Trade Unions) arrived to investigate charges that the Iranian government had suppressed trade unions and imprisoned workers.<sup>131</sup> On March 18, 1947, the delegation met in Abadan with the KUC's leader in Khuzestan, Najafi (who was given special permission to enter the province) as well as with Eftekhari.<sup>132</sup>

The conclusions of the WFTU's report regarding Tehran's union policy, were harsh. The report stated that in all important industrial centers martial law was used to suppress workers. Those appointed to head various trade unions, even in private factories, were government supporters and, in some cases, were even members of Qavam's Democratic Party. In Khuzestan, active members of the KUC and its leaders were regularly arrested, banished, brutally treated or dismissed. The report concluded that one of the reasons the government was suppressing the CCFTU was its 'desire to exploit the working classes in the elections.'...' For this reason they exercised special pressure on the workmen and arranged for the collection of the workmen's identification cards and compelled the workmen to go to the voting centeres.'<sup>133</sup>

<sup>&</sup>lt;sup>130</sup> Khorramshahr Consulate Diary No. 3 for the month of March 1947, BNA, FO/371/62025.

<sup>&</sup>lt;sup>131</sup> William J. Handley, *Visit of W.F.T.U. Delegation to Iran*, April 40, 1947, GRDS, RG 84/1947: 800 to 850.4/2738/Box 13.

<sup>&</sup>lt;sup>132</sup> William J. Handley, *Visit of W.F.T.U. Delegation to Iran*, April 40, 1947, GRDS, RG 84/1947: 800 to 850.4/2738/Box 13.

<sup>&</sup>lt;sup>133</sup> Report by the President of the W.F.T.U. Delegation, Enclosure no.1 attached to the following report: William J. Handley, Visit of W.F.T.U. Delegation to Iran, April 40, 1947, GRDS, RG 84/1947: 800 to 850.4/2738/Box 13.

In addition to recognizing the CCFTU, and by extension the KUC, as the only legitimate representative of the workers, the report also criticized Eftekhari's union. The delegation pointed out the assistance and sponsorship Eftekhari received from the government and the Company as opposed to the KUC's violent oppression. Moreover, the report stated that Eftekhari's unions, were 'a complete failure. None of the workpeople have joined them.'<sup>134</sup> Indeed, nine months after its establishment, membership in the union had reduced from 3,000 members (out of approximately 30,000 workers) to 30.<sup>135</sup> By August, Eftekhari was so disheartened by his failure that he left for Tehran to never return.<sup>136</sup> The union itself remained active in the following years but had no impact.<sup>137</sup>

In June 1948, a new union called the "Central Council of Khuzestan" (hereafter

SMEKK denoting the abbreviation of the union's name in Persian– *Showra-ye Markazi-ye Etehadiyeh ha-ye Kargari Khuzestan*), was established by Dr. Shapour Bakhtiar, the director of the Khuzestan Department of Labor.<sup>138</sup> While SMEKK had some success in organizing collective bargaining activities, they were localized and failed to attract the support and participation of large segments of the Iranian workforce.<sup>139</sup> Its biggest

<sup>&</sup>lt;sup>134</sup> Report by the President of the W.F.T.U. Delegation, Enclosure no.1 attached to the following report: William J. Handley, Visit of W.F.T.U. Delegation to Iran, April 40, 1947, GRDS, RG 84/1947: 800 to 850.4/2738/Box 13.

<sup>&</sup>lt;sup>135</sup> Khorramshahr Consulate Diary No. 3 for the month of March 1947, BNA, FO/371/62025; Trade Unions, undated probably late 1950, BP, 67011.

<sup>&</sup>lt;sup>136</sup> Semi-Monthly Report of Colonel H. John Underwood Security Officer, Anglo-Iranian Oil Co. Report up to Noon 30 August, 1947, GRDS, RG 59 Decimal File 1945-49-Box 7235.

 <sup>&</sup>lt;sup>137</sup> Khorramshahr Consulate Diary No. 6 for the month of June 1947, BNA, FO/371/62025; Khorramshahr Consulate Diary No. 7 for the month of July 1947, BNA, FO/371/62025; Trade Unions, undated probably late 1950, BP, 67011; Refineries Industrial Relations Report December 1950, BP, 35198.
 <sup>138</sup> General Situation, June 13, 1948, BP, 70596.

<sup>&</sup>lt;sup>139</sup> Collective Disputes, Undated Report, probably 1950, BP, 67011; Industrial Relations – Iran 1950, March 27, 1951, BP, 67011.

achievement, was in the arrival of a delegation of the International Labor Office (ILO) in early 1950.

The ILO's report, while pointing to serious flaws in the AIOC policies and treatment of its workers, was overall quite positive. Ironically, SMEKK and the "Oil Workers Union" received harsh criticism for their lack of clear policy and administrative irregularities.<sup>140</sup> In addition, an investigation conducted by the Company also revealed that SMEKK misappropriated the funds of the State workers' Aid Fund.<sup>141</sup> Ultimately, SMEKK, like the "Oil Workers Union", led a largely uneventful existence and failed to develop a meaningful following. Like in the case of the "Oil Workers Union", the vast majority of oil workers shunned SMEKK, believing it to be a government tool meant to control them rather than improve their situation.<sup>142</sup> Its leaders spend most of their times fighting among themselves, with the "Oil Workers Union" and with the officials of the Labor Department (particularly once Bakhtiar left office in late 1949).<sup>143</sup> The CIA's assessment of trade unions in Abadan for June 1949, accurately summed up the affair of these two unions by stating that: 'the synthetic government-sponsored labor unions are

<sup>&</sup>lt;sup>140</sup> The International Labor Office, Undated Report, probably late 1950, BP, 67011; International Labour Office, Labour Conditions in the Oil Industry in Iran, pp 48-49.

<sup>&</sup>lt;sup>141</sup> A form of compulsory social Insurance that covered wage earners against industrial accidents, illness and also provided workers allowances in the following cases: marriage, pregnancy, birth, large families, burial and legal aid. The fund was financed by contributions totaling 3% of the workers earnings – 1% was paid by the worker and the remaining 2% paid by the employer. In the oil industry, the Fund's finances were run by a special factory council consisting of union representatives, government officials and AIOC officials. See: International Labour Office, pp 25-26; *The Aid Fund*, Undated Report probably late 1950, BP, 67011.

<sup>&</sup>lt;sup>142</sup> Trade Unions, Undated report, probably late 1950, BP, 67011; Ladjevardi, Labor Unions and Autocracy in Iran, pp 146-147.

<sup>&</sup>lt;sup>143</sup> *Trade Unions*, Undated report, probably late 1950, BP, 67011; International Labour Office, pp 49-53; security review marked *2995/8*, January 28, 1950, BP, 130022.

vociferously anti-Tudeh but have developed no positive program designed to appeal to the workers.'<sup>144</sup>

In addition to the "synthetic unions", AIOC and the Labor Ministry, tried to encourage the establishment of Factory Councils (their name was later changed to Adjustment Boards). The purpose of such councils was to aid in settling disputes between management and workers as well as improve the workers' productivity and efficiency.<sup>145</sup> The council consisted of workers' representatives, government officials and a Company representative. In April 1947 and again in September, Bakhtiar attempted to establish Factory Councils in Abadan. Both attempts failed as many of the workers thought that it was another attempt by the government and the Company to undermine the KUC.<sup>146</sup> Bakhtiar fared much better in the *Fields* area, especially, in Masjed Soleyman.<sup>147</sup> It seems that an important part of his success was his standing among the Bakhtiaris because, as opposed to Abadan, the workforce consisted mainly of Bakhtiari tribesmen.<sup>148</sup> In fact, *Tudeh* newspapers in Tehran accused him and the AIOC of creating a "Bakhtiari Union" in *Fields.*<sup>149</sup> Eventually, Bakhtiar and the Company succeeded in establishing Factory Councils in Abadan. However, by early 1949, their numbers were reduced to three

<sup>147</sup> Khorramshahr Consulate Diary No. 7 for the month of July 1947, BNA, FO/371/62025

<sup>&</sup>lt;sup>144</sup> CIA, *The Current Situation in Iran*, June 27, 1949, GRDS, ORE 65-49.

<sup>&</sup>lt;sup>145</sup> A similar mechanism to counter the threat of German 5th column activities in Iran was established during WWII. To prevent security threats resulting from low morale among the Indian workers, AIOC appointed an Indian assistant Labor Officer. The Company also appointed a welfare officer to maintain clubs and other amenities provided by the Company to its Indian employees. See: *Indians in the Anglo-Iranian Oil Company LTD., Abadan Ira*n, July 17, 1946, IOR, L/PS/12/3490A.; Elwell-Sutton, *Persian Oil*, p. 142.

<sup>&</sup>lt;sup>146</sup> Joint Consultation, Undated report, probably late 1950, BP, 67011, pp 14-16; *Report up to Noon 15th September, 1947*, BNA, FO/248/1475.

<sup>&</sup>lt;sup>148</sup> By June 1948, his influence increased after the local Bakhtiari Governor, Manuchehr Khan, appointed him as his representative in the *Fields* area. See: *General Situation*, June 13, 1948, BP, 70596. <sup>149</sup> *Report up to Noon 15th September, 1947*, BNA, FO/248/1475.

(initially there were nineteen). In part, the reduction in the number of councils was the result of the workers apathy toward the whole concept of Factory Councils. Other reasons included a high turnover of the officials of the Labor Department, their inexperience as well as disagreements between the Labor Department and SMEKK.<sup>150</sup>

The Company had better success with its Joint Departmental Committee (hereafter: JDC). The JDC were committees established in various departments and consisted of worker and management representatives. Its main purposes were to clarify and improve working conditions in the department and provide a channel of communications between both sides on matters concerning efficiency and productivity.<sup>151</sup> The first JDC in Abadan was established in early May 1947 by the Engine Shop Department. According to Company records, workers in other departments were also anxious to follow suit but were prevented from doing so by their foremen, who supported the KUC.<sup>152</sup> By late 1949, there were 38 JDC's, including one represented by a woman from the steam launderer's section.<sup>153</sup> It took time before some measure of trust was established between the sides and communication improved. For example, in February 1950, following a referendum carried out in the JDC's, the Company agreed to return to fortnightly wages.<sup>154</sup> More importantly, the JDC's helped the Company to compartmentalize disputes and

<sup>&</sup>lt;sup>150</sup> Joint Consultation, Undated, probably late 1950, BP, 67011; International Labour Office, Labour Conditions in the Oil Industry in Iran, pp 56-57; General Manager's Monthly Report Industrial Relations June 1950 (Abadan)., August 2, 1950, BP, 35198. From the same file see: General Manager's Monthly Report Industrial Relations August 1950 (Abadan); A Report on the Adjustment Board Elections 1950.
<sup>151</sup> International Labour Office, pp 54-55; Joint Departmental Committees, Undated, probably late 1950, BP, 67011.

<sup>&</sup>lt;sup>152</sup> Khorramshahr Consulate Diary No. 5 for the month of May 1947, BNA, FO/371/62025.

<sup>&</sup>lt;sup>153</sup> Joint Departmental Committees, Undated, probably late 1950, BP, 67011; International Labour Office, ibid, pp 54-55.

<sup>&</sup>lt;sup>154</sup> Joint Departmental Committees, Undated, probably late 1950, BP, 67011; Industrial Relations – Iran 1950, March 27, 1951, BP, 67011.

grievances, prevent large scale coordinated strikes, as well as, prevent the emergence of strong unions.

The vast majority of issues raised by the workers in the JDC's, despite the Company's insistence that they were outside their purview, were those dealing the living conditions of the workers.<sup>155</sup> I.e., those matters AIOC failed to resolve for years. Moreover, at least until early 1951, the JDC's did not represent the majority of the workers. Since participation in the JDC was voluntary, meetings were usually held after work and in the Company's living areas (it seems that the majority of elected JDC representatives, such as foremen, lived in Company housing). Since the majority of workers lived outside the Company's housing areas and were spread over a large territory, it was not possible for representatives to meet with all of them.<sup>156</sup> As a result, the majority of issues raised in the JDC's (apart from matters pertaining to the workplace), were mostly the grievances of those living in Company areas. Thus, excluding, about 80 percent of the workforce. Only in November 1950 AIOC acknowledged this problem and debated whether it should let representatives meet with the workers during work hours.<sup>157</sup>

### Iranization and Contract Labor

One of Tehran's biggest problems vis-à-vis the Company was that it had no access to the Company's financial and administrative records and was solely reliant on data AIOC chose to share with it.<sup>158</sup> Once the October 1947 resolution passed and negotiations for

<sup>&</sup>lt;sup>155</sup> General Manager's Monthly Report Industrial Relations April 1950 (Abadan), BP, 35198; Joint Departmental Committees, Undated, probably late 1950, BP, 67011.

<sup>&</sup>lt;sup>156</sup> General Manager's Monthly Report Industrial Relations May 1950 (Abadan), June 21, 1950, BP, 35198.

<sup>&</sup>lt;sup>157</sup> Industrial Relations Report – November 1950, January 24, 1951, BP, 35198.

<sup>&</sup>lt;sup>158</sup> See for example letter from the Iranian Treasury to AIOC, Mehr 9, 1328 (October 1, 1949), BP, 53216.

the supplemental agreement began, the Iranian government applied increasingly growing pressure on the AIOC to Iranisize its staff.<sup>159</sup> Specifically, Tehran wanted to come up with a formula that would promote Iranians on a regular basis to senior staff and management positions. AIOC, however, in order to retain its control over operations, refused to set the formula according to numerical reductions and insisted to use one based on percentage, as well as, scale of operations. However, no formula was agreed upon.<sup>160</sup>

As mentioned, during the war, AIOC hired foreigners *en masse*. The massive growth in the number of foreign workers hampered the ability of Iranians, veteran as well as those graduating from the Company's various training programs, to advance in the Company's ranks.<sup>161</sup> Moreover, by this time, thanks to Reza Shah's educational reform, a growing number of Iranians, possessed the skills required to be employed in non-technical jobs (such as reading and writing in English). However, as many of the applicants realized, AIOC still prefers to hire Indians for office and accounting jobs.<sup>162</sup> This seemed to have struck a particular note in Tehran as, at times, officials in Tehran appeared more adamant to replace Indians in non-technical jobs than in other fields. Indeed, it seems, at times, they were keener to get rid of the Indian clerical staff more than the British one.<sup>163</sup>

<sup>&</sup>lt;sup>159</sup> There are some indications that the true number of foreign employees was deliberately hidden from the Iranian government. See: *Considerations for a Formula to Reduce Foreign Personnel in the A.I.O.C.'s Operations in Iran*, September 28, 1950, BP, 53216; *Notes on the Proportions of Foreign to Total Personnel*, September 26, 1950, BP, 53216.

<sup>&</sup>lt;sup>160</sup> Bamberg, the History of the British Petroleum Company Volume 2, pp 388-389.

<sup>&</sup>lt;sup>161</sup> For example, only in late 1945, Solel Boneh workers were gradually replaced by Iranians, graduates of the Abadan Technical Institute and other training programs. *beAbadan* (In Abadan), October 31, 1945, YTA, 3/106/3-12.

<sup>&</sup>lt;sup>162</sup> Fateh, Panjah Sal Naft-e Iran, p. 436.

<sup>&</sup>lt;sup>163</sup> Extract from a Report on the Affairs of the Anglo-Iranian Oil Company for Quarter July-September, 1948, IOR, L/PS/3490B.

In response to the growing pressure to Iranisize its ranks, AIOC decided not to renew the contracts of Indian workers, thus hoping to downsize their numbers over the span of several years. However, it continued to hire foreign artisans on short term contracts for specific projects.<sup>164</sup> This allowed APOC to continue employing foreign workers and, at the same time, "touch up" its official Iranization statistics.<sup>165</sup>

AIOC also used Iranian contract workers to improve its official statistics.<sup>166</sup> In the 1920s and 1930s, the Company included the large number of Iranian contract laborers it employed in its reports to raise the general number of Iranians employed by the Company. In the second half of the 1940s and early 1950s, it excluded from the Company's wage structure to improve the statistics and show that it invested considerable sums of money in each worker in the form of wages and amenities.<sup>167</sup>

While the conditions of employment of those directly employed by the company were governed by the Company's regulations as well as by the provisions of the labor law, contract labor received none of these protections. They were, usually, paid less than minimum wages and were not entitled to the amenities that Company employees received such as: subsidized food, medical care and subsidized rents (for those who did

<sup>&</sup>lt;sup>164</sup> Extract from a Report on the Affairs of the Anglo-Iranian Oil Company for Quarter July-September, 1948, IOR, L/PS/3490B; Report for the Quarter October-December, 1948, on the affairs of the Anglo-Iranian Oil Company, IOR, L/PS/3490B.

<sup>&</sup>lt;sup>165</sup> Report for the Quarter October-December, 1948, on the affairs of the Anglo-Iranian Oil Company, IOR, L/PS/3490B; Considerations for a Formula to Reduce Foreign Personnel in the A.I.O.C.'s Operations in Iran, September 28, 1950, BP, 53216; Notes on the Proportions of Foreign to Total Personnel, September 26, 1950, BP, 53216.

<sup>&</sup>lt;sup>166</sup> Contract workers were used in certain areas of work such as: construction, digging canals, riveting, cleaning tanks and handling Sulphur. The casual nature of their employment meant that the number of contract workers would constantly fluctuate. Once the project they were hired for was over, they were fired and had to wait for the next one to work again. See: International Labour Office, *Labour Conditions in the Oil Industry in Iran*, pp 28-30.

<sup>&</sup>lt;sup>167</sup> Elwell-Sutton, *Persian Oil*, pp. 88-89.

not live in Company housing). Therefore, they were suffered most from the rising cost of living. According to some estimates, even if a contract worker earned minimum wages, his purchasing power was half of that of a workers who earned minimum wages and was entitled to AIOC's benefits and allowances.<sup>168</sup>

The Company was careful enough to add to its agreements with labor contractors a clause that bound them to act according to the rules and regulations set by the labor law (particularly those concerning minimum wages). However, AIOC did not really show ant interest in forcing its contractors to adhere to these rules and regulations. Neither did the Iranian government supervise the contractors or enforce any violations.<sup>169</sup> Moreover, the Company was aware that its contractors were violating the law but, did not take any actions against them. Nor did it consider reducing the number of contract workers it employed (see table no.6) by hiring them directly. On the contrary, it seemed as If some of the Company's workers as well as Iranian government officials were under the impression that the AIOC's policy was to increase the number of projects it handed over to labor contractors.<sup>170</sup>

<sup>&</sup>lt;sup>168</sup> International Labour Office, *Labour Conditions in the Oil Industry in Iran*, pp 28-29.

 <sup>&</sup>lt;sup>169</sup> International Labour Office, *Labour Conditions in the Oil Industry in Iran*, pp 28-29.
 <sup>170</sup> International Labour Office, ibid, pp, 29-30.

Year	Fields			
	No. of Workers	No. of Wage Earners	% of Contract Labor out of total	
	Employed through	Employed by the		
	Contractors	Company		
	(estimate)			
1945	5,190	8,613	37.6	
1946	7,592	11,721	39.31	
1947	6,215	11,564	34.95	
1948	6,886	12,573	35.38	
1949	8,716	15,328	36.25	

Table no.6: Contract Workers Employed by the AIOC 1945-1949:<sup>171</sup>

Year	Abadan				
	No. of Workers Employed through	No. of Wage Earners	% of Contract		
	Contractors (estimate)	Employed by the Company	Labor out of		
			total		
1945	6,953	29,704	18.96		
1946	4,869	29,554	14.14		
1947	4,850	29,693	14.04		
1948	5,303	31,719	14.03		
1949	7,694	33,004	18.9		

# Tudeh Underground Activity and Workers' Militancy

The aggressive crackdown by Iranian authorities on the *Tudeh* and the KUC's network forced the latter to adapt its operations to working underground. In March 1947, the *Tudeh* and the KUC formed a new Shadow committee and reorganized their ranks in Abadan.<sup>172</sup> Cell meetings were held regularly but were attended by no more than a few dozen people at a time. Speakers would change frequently and participants were carefully checked before entering the meeting place (which usually took place in private

<sup>&</sup>lt;sup>171</sup> International Labour Office, *Labour Conditions in the Oil Industry in Iran*, p. 29.
<sup>172</sup> Khorramshahr Consulate Diary No. 3 for the month of March 1947, BNA, FO/371/62025.

residences), making it very hard for security services to gather intelligence about what goes on in these meetings.<sup>173</sup>

Despite the continuous efforts of local authorities and the AIOC, the underground labor movement managed to preserve its standing among the workers. For example, in wake of the WFTU delegation, workers in Abadan 'on a massive scale' signed a petition stating that the exiled leaders of the KUC, 'Owdat and Najafi, were their only true representatives. Moreover, the KUC and the *Tudeh* were able to wage an effective war against the "Oil Workers Union" - speakers in meetings denounced the union; *Shabnamehs* were hung all over Abadan and inside the refinery describing the Union's failure to alleviate the economic distress of the workers; activists infiltrated the "Oil Workers Union", surveilled its activities and even managed to break up some of its meetings.<sup>174</sup> Once SMEKK was established, *Tudeh* and KUC targeted its activity against it, impeding its ability to establish itself among the workers.<sup>175</sup>

By June 1947, the British Consul in Khorramshahr reported that: 'it is generally believed that much of the ground lost by the Tudeh Party during the past year has recently been recovered and that it now maintains a firm hold on the workers in this area.'<sup>176</sup> By August 1947, Iranian army Intelligence estimated in a report that there were

<sup>174</sup> Khorramshahr Consulate Diary No. 2 for the month of February 1947, BNA; FO/371/62025;
 Khorramshahr Consulate Diary No. 4 for the month of April 1947, BNA, FO/371/62025; Report by the President of the W.F.T.U. Delegation, Enclosure no.1 in the following report: William J. Handley, Visit of W.F.T.U. Delegation to Iran, April 40, 1947, GRDS, RG 84/1947: 800 to 850.4/2738/Box 13;
 Khorramshahr Consulate Diary No. 6 for the month of June 1947, BNA, FO/371/62025; Khorramshahr Consulate Diary No. 6 for the month of June 1947, BNA, FO/371/62025; Khorramshahr Consulate Diary No. 6 for the month of June 1947, BNA, FO/371/62025.

<sup>&</sup>lt;sup>173</sup> Semi-Monthly Report of Colonel H. John Underwood Security Officer, Anglo-Iranian Oil Co. Report up to Noon 30 August, 1947, GRDS, RG 59 Decimal File 1945-49-Box 7235.

<sup>&</sup>lt;sup>176</sup> Khorramshahr Consulate Diary No. 6 for the month of June 1947, BNA, FO/371/62025.

179 different *Tudeh* cells in Abadan. According to this report, between one and three cells were active in the various departments in of oil operations in Abadan.<sup>177</sup>

Following the assassination attempt on the Shah's life in February 1949, the *Tudeh* was outlawed. In Abadan, there was another crackdown on the party's network. While this was not a devastating blow for the labor movement in Abadan since it was accustomed to operating in secret, it did force its members to lay low for a while.<sup>178</sup> In late June the same year, the CIA estimated that the *Tudeh*'s platform remained popular among the vast majority of oil workers.<sup>179</sup> In the following months security measures (such as banishment and arrests of activists) did have a deterring effect. While cell meetings continued, they seemed to be on a reduced scale. Especially, after Ali Razmara was appointed Prime Minister in June 1950.<sup>180</sup> Furthermore, certain steps taken by local authorities and AlOC, managed to drive prices in the bazaar and the city down (such as establishing worker cooperatives) and thus helped keep the calm in the city.<sup>181</sup>

According to Ervand Abrahamian, the crackdown on the labor movement after July 14 and the subsequent imposition of martial, effectively spelled the end of the labor movement in Iran, since: 'Without freedom to organize, the labor movement was impotent. This is best illustrated in 1947-49 when the combination of repression and mass unemployment reduced the number of major strikes from 183 in 1946 to 8 in 1947

<sup>&</sup>lt;sup>177</sup> Semi-Monthly Report of Colonel H. John Underwood Security Officer, Anglo-Iranian Oil Co. Report up to Noon 30 August, 1947, GRDS, RG 59 Decimal File 1945-49-Box 7235.

<sup>&</sup>lt;sup>178</sup> See security review marked *2995/8*, January 28, 1950, BP, 130022. <sup>179</sup> CIA, *The Current Situation in Iran*, June 27, 1949, GRDS, ORE 65-49.

<sup>&</sup>lt;sup>180</sup> Security review marked *2995/8*, January 28, 1950, BP, 130022; Security review marked *3514/8*: July 16, 1950, BP, 130022.

<sup>&</sup>lt;sup>181</sup> See security review marked 2995/8, January 28, 1950, BP, 130022; *Minutes of a Meeting at Britannic House on 20<sup>th</sup> and 21<sup>st</sup> September*, *1950*, BP, 71068.

and 5 in 1948. Thus, the ups and downs of the Tudeh are tied not -as previous historians have claimed - to Soviet activities but to economic and political fluctuations within Iran.'<sup>182</sup> Habib Ladjevari, presents a similar narrative when discussing the activity of the KUC in Abadan.<sup>183</sup>

Abrahamian, further mentions that the labor movement in the 1940s, suffered from two structural failures. (1) It was no match to the armed forces who remained loyal to the Shah. (2) The urban working class 'was an oasis of radical radicalism in a desert of widespread conservatism.' But, it only made up ten percent of the adult population.<sup>184</sup> Abrahamian's analysis helps buttress the claim that the *Tudeh*, may have acted at the beck and call of the Soviets in strategic matters concerning Soviet foreign policy (like it did in the crisis in Azerbaijan); the party was not merely a Soviet puppets but, had an agenda of their own.<sup>185</sup> However, both Abrahamian and Ladjevardi largely overlooked the importance of the *Tudeh*'s underground activities and the role played by the masses of ordinary workers during those times that the *Tudeh* and the KUC could not act overtly.

Indeed, despite repeated crackdowns, the underground labor movement in Abadan persevered. Perhaps the more striking aspect of its ability to survive was that, despite the fact, that the KUC was unable to negotiate on behalf of the workers, the vast majority of them remained loyal to it. This support enabled the KUC to pose a viable threat to the Company and the Iranian government, as well as, thwart their attempts to

<sup>&</sup>lt;sup>182</sup> Abrahamian, "The Strengths and Weaknesses of the Labor Movement in Iran, 1941-1953", pp 192-193.
<sup>183</sup> Ladjevardi, *Labor Unions and Autocracy in Iran*, 139-144.

<sup>&</sup>lt;sup>184</sup> Abrahamian, ibid, pp 192-193.

<sup>&</sup>lt;sup>185</sup> Fawcett, "Revisiting the Iranian Crisis of 1946", pp 391-394; Behrooz, *Rebels with a Cause: The Failure of the Left in Iran*, pp 4-9.

undermine its standing among the workers. Still, the continuous support the *Tudeh* and the KUC received not only from dedicated activists, but from the majority of workers, begs the question, why and how did they remain as popular as they were?

For one thing, as opposed to the "synthetic" unions, the popularity of *Tudeh* and the KUC was not only a product of their nationalist and anti-British propaganda. It was also based on their actions to protect workers and defend their rights. Actions for which *Tudeh* and KUC activists were willing to face arrests, persecution and even imprisonment. In this sense, the *Tudeh*'s underground activities bolstered its reputation as protector of the workers and as the only true opposition to the Company. Moreover, while, the KUC's success was short-lived, this period, much like the 1929 strike, became for many of the workers part of the ethos of the labor movement in Abadan.<sup>186</sup> Ironically, the KUC was forced underground at a time when many workers began to question its achievements and its handling of funds. Perhaps, the crackdown on its operations in wake of the July 1946 clash helped to restore its image, as well as, maintain its popularity among the workers.

Much more significant was the fact that Abadan was exactly the oasis of radicalism Abrahamian referred to. In mid-1948, Colonel Monipour, the military governor of Abadan, upon demand from his commanding officer wrote a memo on the defense measures that might be necessary to enforce in Abadan. Commenting on the general mood in the city he wrote: 'The Labor class, due to propaganda and activities carried out

<sup>&</sup>lt;sup>186</sup> "Hezb-e Tudeh dar Abadan: Goftegu ba Najaf Daryabandari", in: Mirzai, Hossein (ed.): *Takvin-e Shahr-e Abadan*, (1388), p. 63.

by them in the past, has been converted into a group which will follow blindly any agitator who has sufficient force of character and claims to be acting to protect the rights of Labour'. He goes on in his report to describe how the difficult living conditions in Abadan aggravate tensions to such an extent that: 'if one or two men start talking about the employer having to supply accommodation or transport, they will soon find a large crowd of workmen gathering round them. Such a gathering is obviously a threat to security and smooth working. The first thing which could happen is for a small department to announce a strike and as all departments have liaison with other departments, even a small strike cannot be regarded as unimportant. With the present conditions in the Town a large crowd might soon assemble in the streets numbering tens of thousands.'<sup>187</sup>

In his report, Monipour's treatment of the workers is reminiscent of the manner by which Company officials perceived their Iranian workforce since the 1929 strike. Both, believed the workers to be inherently passive and amenable to any propaganda that will promise them to improve their conditions. This was, of course, a conclusion based more on preconception than on objective observation. In fact, as evidence suggests, Iranian skilled and unskilled workers as well as Iranian staff members, were, at varying degrees aware of their rights. At least when it came to such issues such as their wages. This

<sup>&</sup>lt;sup>187</sup> See memo marked *Strictly Confidential*, June 10, 1948, BP, 70596.

awareness was in part the result of keen union activity but, also the result of a growing general awareness for labor conditions and rights.<sup>188</sup>

According to Fateh, by the late 1940s, many Iranian staff members were not only aware of the vast difference between the various amenities they were entitled to and those of their foreign counterparts received but, also of the differences between them in the rates of monthly wages and pensions. Some employees who had studied in British universities at the Company's expense, encountered this discrimination upon their return and preferred to seek employment elsewhere.<sup>189</sup>

By late 1950, Iranian workers were aware to particular changes in their wage structure. For example, once the Iranian government began to deduct income tax from workers' wages, the latter were certain the Company pocketed the deducted funds and questioned where the money goes and why were they not given receipts. In another instance, workers told Company representatives that they were certain the Company mishandles those sums deducted as income tax and demanded to pay it directly to the government.<sup>190</sup>

This last example also demonstrates well just how deep was the distrust harbored by many workers toward the Company - perceiving it, like many others in the country, as an omnipotent evil being. Indeed, the "nationalist subaltern discourse" that developed in

<sup>&</sup>lt;sup>188</sup> William J. Handley, *Labor in Iran*, October 19, 1946, GRDS, RG 84/1947: 800 to 850.4/2738/Box 13.FO/248/1468; Habib Ladjevardi (ed.), *Khaterat-e Shapour Bakhtiar*, Iranian Oral History Series, (USA: Harvard University, 1996), pp 24-25.

<sup>&</sup>lt;sup>189</sup> Fateh, Panjah Sal Naft-e Iran. p. 436.

<sup>&</sup>lt;sup>190</sup> General Manager's Monthly Report Industrial Relations May, 1950, June 21, 1950, BP, 35198. From the same file see General Manager's Monthly Report Industrial Relations June, 1950.

the late 1920s in Abadan was further radicalized by the general mood in the country. Moreover, much like the reasons for the tense atmosphere described in Monipour's report, this example also demonstrates just how, in Abadan, the personal experiences of the workers were embroiled with nationalist sentiment. The intense hatred toward the Company and the militancy of the workers were an important aspect in the underground labor movement's success. It was also, as was evident in the events that led to the July 14, a force that the *Tudeh* was able to control only to a certain degree.

Workers' support of the underground labor movement was not only political but, also financial. Despite the KUC's inability to act publicly, workers continued to pay their union fees.<sup>191</sup> Company officials estimated that these payments from Abadan were a major source of income for the *Tudeh*.<sup>192</sup> Moreover, in addition to the dedicated core of activists - who attended meetings, hung *shabnamehs* and broke up meetings of rival unions - there were many others who chose to oppose AIOC in other ways. Their actions, were calculated so they would not, on the one hand, provoke a harsh response from law enforcement or endanger their livelihood. On the other hand, they were sufficient to qualify as an act of opposition. Such actions included, for example: writing slogans and even profanities on memos sent to British Company officials, refusal to cooperate with the "synthetic" oil unions and factory councils, tearing down AIOC posters and notices,

 <sup>&</sup>lt;sup>191</sup> According to one document that was seized by security services 26 workers from the storage and export department were *Tudeh* members who paid monthly dues amounting to 330 rials per month. See: *Semi-Monthly Report of Colonel H. John Underwood Security Officer, Anglo-Iranian Oil Co. Report up to Noon 30 August, 1947*, GRDS, RG 59 Decimal File 1945-49-Box 7235.
 <sup>192</sup> Report up to Noon 15th September, 1947, BNA, FO/248/1475.

and deliberately impeding production by working slowly.<sup>193</sup> While these actions consisted of small acts that were within the tolerated boundaries of AIOC's disciplinary code, they helped maintain a certain mode and mood of opposition that allowed the workers to oppose the political and economic circumstances that governed their lives.

## Nationalization of the Oil Industry

Between the years 1949-1951, Iran the AIOC and the British government attempted to solve the various outstanding issues concerning the oil industry. During this period, all sides engaged in long and unfruitful negotiations and held numerous discussions. Moreover, the negotiations were accompanied by diplomatic delegations and political maneuvers on the local and international levels. The dynamics of these negotiations and maneuvers as well as the manner by which each actor conducted itself during these years that culminated in the nationalization of the oil industry, are discussed thoroughly by historians and are outside the scope of this work.<sup>194</sup>

The rejection of the Russian oil agreement by the *Majles* is perhaps Qavam's greatest achievement. But, it was also one political maneuver too many. Having already lost the support of the British, he now provoked the ire of the Russians. Qavam's precarious position afforded the Shah the opportunity to further undermine the support

<sup>&</sup>lt;sup>193</sup> Paterson to Jeacock, August 23, 1947, BP, 68931; *No.* 2, May 15, 1951. BNA, FO/248/1524; *Telegram no. 209* from Khorramshahr to Tehran, June 7, 1951, BNA, FO/248/1524. Norman Kemp, *Abadan: A First-hand Account of the Persian Oil Crisis*, (London: Allan Wingate, 1953), p. 123. Workers in the 1970s also deliberately slowed down production and knew exactly the boundaries of their ability to operate without evoking a harsh response from law enforcement. See: Jafari, "Reasons to Revolt: Iranian Oil Workers in the 1970s", pp. 185-186.

<sup>&</sup>lt;sup>194</sup> See for example: Elm, *Oil Power, and Principle*; Fateh, *Panjah Sal Naft-e Iran*; Bamberg, *the History of the British Petroleum Company Volume 2*; Ronald .W. Ferrier, "The Anglo-Iranian Oil Dispute: a triangular relationship", in: James .A. Bill & WM. Roger Louis (eds.), *Mussadiq, Iranian Nationalism, and Oil*, (Austin: University of Texas Press, 1988), pp 164-202.

of cabinet members in the prime minister. This time, the Shah was able to isolate Qavam and successfully forced the latter to resign.<sup>195</sup>

With Qavam gone, the Shah was able to throw his full weight into the domestic political scene. Even more so in wake of the failed assassination attempt in February 1949 which he used to further secure his rule and suppress his opposition.<sup>196</sup> In April 1949, an amendment to the constitution gave the Shah additional powers, including the power to dissolve the *Majles*.<sup>197</sup> An equally important development, was the fact that the Americans, while not thrilled by the Shah's increasingly autocratic measures, were now convinced he was the only viable option to withstand Soviet expansion.<sup>198</sup>

As the Shah was consolidating his rule, he also began to promote his ambitious seven year-plan for economic and social improvement of the country. Oil revenues, in addition to American funding and support, were crucial for funding this program.<sup>199</sup> In light of this, AIOC sought to take advantage of this fortuitous turn of events to conclude the negotiations for the supplemental agreement that had reached a dead-end. But, opposition to the agreement was increasing. In the process, Abadan was increasingly used by newspapers to conceptualize Iran's exploitation at the hands of British Imperialism.<sup>200</sup>

<sup>&</sup>lt;sup>195</sup> Ladjevardi, *Labor Unions and Autocracy in Iran*, pp 70-73, 86; Mas'oud Behnood, *Az Sayyid Zia ta Bakhtiar*, (Tehran: Entesharat-e Javidan, 1381), pp 279-282; Majles Research Center, *Ashinayi ba Tarikh-e Majales Qanungozari Dar Iran*, pp. 326-327.

<sup>&</sup>lt;sup>196</sup> CIA, *The Current Situation in Iran*, June 27, 1949, GRDS, ORE 65-49.
<sup>197</sup> Ibid.

 <sup>&</sup>lt;sup>198</sup> Ladjevardi, ibid, pp 70-73, 86; Behnood, ibid, pp. 279-282; Majles Research Center, ibid, pp. 326-327.
 <sup>199</sup> CIA, *The Current Situation in Iran*, June 27, 1949, GRDS, ORE 65-49.

<sup>&</sup>lt;sup>200</sup> Biglari, "Abadan in the National Press during the Oil Nationalization Movement, 1946-51". Among the things that enraged many Iranians were the Company's miniscule payments in royalties - a sum smaller

In July 1949, a public letter, claimed to be on behalf of all of AIOC's Iranian staff members was sent to the Shah, *Majles* and newspaper editors. The letter, denounced the Company's Iranization policy and efforts. At first, the Iranian government attempted to prevent the letter's publication but, once it was read out loud in the *Majles*, it was forced to allow it.<sup>201</sup> Surprising opposition also came from within the AIOC – Mostafa Fateh sent a private letter to the *Majles* representative from Tabriz, Hassan Taqizadeh, urging him to convince the government to refuse the Company's conditions because, as Fateh claimed, it was trying to deceive the Iranian Government.<sup>202</sup>

Eventually, the Shah that was primarily interested in securing the funds for his seven year plan, intervened and forced the Iranian government to accept the AIOC's offer. The agreement was signed in July 1949.<sup>203</sup> Once the agreement was brought before the *Majles* in the form of a bill, just four days before it was to end its term, it encountered fierce resistance. The minority bloc in the Majles, led by Mohammad Mossadeq and Hossein Makki, managed to prevent its approval by filibustering till the *Majles*' end of term.<sup>204</sup> It was a pivotal moment in the history of the oil nationalization movement.

George Northcroft, AIOC's representative in Tehran, was highly concerned by these developments. In order to gauge public opinion in Tehran, Northcroft

than what the AIOC paid in taxes to British authorities. The contrast between the revenue and overall balance of power between the Iranian state and the AIOC was even more eye popping in comparison to oil agreements signed between other countries and American oil Companies where the revenue was on a 50-50 basis. See: Butler, *British Policy in the Relinquishment of Abadan in 1951*, p.30; Farmanfarmaian, *Blood & Oil*, 206-217.

<sup>&</sup>lt;sup>201</sup> Fateh, Panjah Sal Naft-e Iran, pp. 444-447.

<sup>&</sup>lt;sup>202</sup> Elm, Oil Power, and Principle, pp 54-55.

<sup>&</sup>lt;sup>203</sup> Elm, ibid, pp 53-54.

<sup>&</sup>lt;sup>204</sup> Butler, British Policy in the Relinquishment of Abadan in 1951, p. 32.

commissioned a report from 'an Iranian observer'. According to this "observer", during 1950, an overwhelming majority of those he came into contact with were anti-British. Moreover, he added that: 'It is a very common complaint that until recent times (it is generally admitted that a marked improvement has taken place of late years) members of the British Staff of the Company [AIOC] and the Bank [I.B.I]<sup>205</sup> treated their Iranian colleagues and subordinates as racial inferiors with whom all association and contact had to be conducted de haut en bas<sup>206</sup>. Iranians of all grades, from workmen up to senior staff including U.K. graduates, who have served the Company in Khuzistan [sic], have spread stories concerning alleged insults which they have suffered on the grounds of nationality, from British members of staff.<sup>1207</sup>

As later developments proved, the British and the Company had underestimated the fact that they were resented by large segment of the Iranian society. More importantly, they were certain that as was in the past, they would be able to influence or pressure the ruling elites in Iran.<sup>208</sup> But, the general anti-British sentiment also affected Iranian officials. Even those who were considered to be pro-British, were afraid to publicly support the supplemental agreement.<sup>209</sup> AIOC and British officials refused to take into account the nationalist sentiment shared by many government officials and the constraints it placed on those that supported the Company. Thus, those that did not toe

<sup>&</sup>lt;sup>205</sup> Imperial Bank of Iran, formerly known as Imperial Bank of Persia.

<sup>&</sup>lt;sup>206</sup> In a condescending manner.

<sup>&</sup>lt;sup>207</sup> See memo attached to the following: Northcroft to Rice (delivered by hand), December 12, 1950, BP, 71068.

 <sup>&</sup>lt;sup>208</sup> For example, Farmanfarmaian mentions that government ministers, for fear of British reprisals, believed it was their role to check the *Majles*' influence. See: Farmanfarmaian, *Blood & Oil*, p. 207
 <sup>209</sup> Northcroft to Rice (delivered by hand), December 12, 1950, BP, 71068.

the British line, were immediately labeled as part of "the ungrateful masses" who were easily influenced by anti-British propaganda.<sup>210</sup>

The Company's high handed treatment of Iranians' nationalist sentiment made the task of the proponents of nationalization that much easier. By early March 1951, when the AIOC were willing to discuss a compromise that resembled the fifty-fifty agreement signed between ARAMCO and Saudi Arabia in December 1950<sup>211</sup>, Razmara was assassinated. The *Majles* Oil Commission, however, was able to take advantage of Razmara's assassination and passed the nationalization bill (pending a two month period to study the issue).<sup>212</sup> A week later on March 15, the bill was passed by the *Majles* and five days later in the senate.<sup>213</sup>

### April 1951 Strike

Roughly at the same time the *Majles* and the Senate approved the oil nationalization

act, workers went on strike several location in the *Fields* area. The trigger this time was

AIOC's decision to cut back on the allowances it paid for outstation areas.<sup>214</sup> The timing

of these cutbacks could not have been worse - in the midst of a nationalist charged

<sup>&</sup>lt;sup>210</sup> For example, in March 1951, the Company's chief representative in Tehran, Richard Seddon, expressed his disappointment from his meeting with, 'Ala, the Minister of court. The latter criticized the Company's interference in Iran's internal affairs and told Seddon that policies suitable for the 19th century no longer apply in Iran. Seddon, commented on the meeting writing that 'Ala 'appears to suffer from the same obsessions as so many of his countrymen and to be entirely oblivious to the ramifications of the oil industry.' See: Seddon to Rice, *No. 50*, May 30, 1951, BP, 142520.

<sup>&</sup>lt;sup>211</sup> Previously, AIOC and the British Government even tried to pressure the Americans to postpone the signing of the agreement fearing it would prompt Iran to up its demands. See: Elm, *Oil Power, and Principle*, 67-69.

<sup>&</sup>lt;sup>212</sup> British Embassy in Tehran to Foreign Office, March 12, 1951, BNA, FO/371/91454; Report of the Majles' Oil Commission to the Majles, Esfand 22, 1329 (March 13, 1951), In: *Asnad-e Naft*, (Tehran: Iranian Ministry of Information, 1330), pp 33-34.

<sup>&</sup>lt;sup>213</sup> Bamberg, the History of the British Petroleum Company Volume 2, p. 416.

<sup>&</sup>lt;sup>214</sup> 'Ali Akbar Khedri Zadeh, "E'etesab va Showresh Kargaran-e Sherkat-e Naft dar Khuzestan (Esfand 1329 ta Ordibehesht 1330)", *Tarikh Mo'aser-r Iran*, no. 26 (Summer, 1382), p. 77.

atmosphere and right before *Nowruz*. It demonstrated, once again, AIOC's nearsightedness and its inability to properly gauge the situation. The Company's reaction was even worse as it declared the strikes illegal and refused to settle the dispute. Soon other strikes followed. In Masjed Soleyman, for example, protestors demanded better housing and transportation.<sup>215</sup>

On March 24, students of the Abadan Technical Institute went on strike. Apparently partly because they objected to the manner by which the Company conducted their exams. <sup>216</sup> According to Najaf Daryabandari, who was, at the time, a Company employee and member of the *Tudeh*, the students' strike was mainly political. I.e., in support of nationalization of the oil industry.<sup>217</sup> On March 26, martial law was imposed on Abadan. Despite this, policemen refused a direct order from the chief of police (upon request from the Company) to disperse some 2,000 students who met in the Apprentices' Hostel.<sup>218</sup> In addition, prominent KUC and *Tudeh* leaders took advantage of the events to sneak into Abadan. The British government suspected that the strike was instigated by Tehran as part of its plan to engender momentum and support for the industry's nationalization. In response, the British government announced, to the dismay of the

<sup>&</sup>lt;sup>215</sup> Ibid.

 <sup>&</sup>lt;sup>216</sup> No. 81 from Khorramshahr Consulate to Embassy at Tehran, March 25, 1951, BNA, FO/258/1524;
 *General Strike – Abadan April 1951*, undated probably late April/early May, BP, 68908.
 <sup>217</sup> "Hezb-e Tudeh dar Abadan: Goftegu ba Najaf Daryabandari", pp. 62-63.

<sup>&</sup>lt;sup>218</sup> General Strike – Abadan April 1951, undated probably late April/early May, BP, 68908.

Americans, that in order to ensure lives and property in the oil operations' area, it would position three frigates close to Abadan in international waters.<sup>219</sup>

With momentum gathering in Abadan, more and more workers from various units and department joined the strike. Moreover, AIOC informants reported that in some of the Tudeh's meetings, small groups of soldiers also attended. In one such meeting, one of the speakers called on the crowd to 'make preparations to struggle against the Imperialists.<sup>220</sup> Meanwhile, strikers in Masjed Soleyman, sent a letter to the *Majles* stating that 'since the question of nationalization of the Southern oilfields had been deliberated, the Co. had increased its pressure on the workers, hence the reason for their strike.'221

While the vast majority of Iranians employed by the AIOC went on strike, some were less keen to actively participate. Many of AIOC's Iranian staff, perhaps because they had a lot more to lose from the strike or because they had closer relationships with the British personal, preferred to stay at home. Some stayed at their homes after they received threats from labor activists.<sup>222</sup> Demonstrations, meetings, pickets, intimidation of workers who refused to join the strikes, as well as harassment of British residents - were now happening on a daily basis in Abadan. Students prevented teachers from entering

<sup>&</sup>lt;sup>219</sup> Butler, British Policy in the Relinquishment of Abadan in 1951, pp. 86-87; Khedri Zadeh, "E'etesab va Showresh Kargaran-e Sherkat-e Naft dar Khuzestan", p. 78; General Strike - Abadan April 1951, undated probably late April/early May, BP, 68908. <sup>220</sup> General Strike – Abadan April 1951, undated probably late April/early May, BP, 68908.

<sup>&</sup>lt;sup>221</sup> Katayoun, Cracking Petroleum with Politics, p. 306.

<sup>&</sup>lt;sup>222</sup> "Hezb-e Tudeh dar Abadan: Goftegu ba Najaf Daryabandari", pp. 62-63; Kemp, Abadan, pp 111-112.

the Abadan Technical Institute. Others, rode on bicycles throughout the city tearing down AIOC posters while shouting slogans such as 'Free Persia' and 'throw the British Out'!<sup>223</sup>

As tensions mounted in the city, Tehran sent reinforcements and the police arrested prominent labor activists and union leaders. On April 12, army forces broke into the Abadan Technical Institute and successfully arrested the students who had barricaded themselves there. But, when the military governor attempted to use the same tactic against those who barricaded themselves in the Youth Hostel, he found that demonstrators from different parts of the city were already closing in on the hostel. Soon army forces found themselves trapped and responded with deadly force. As a result, nine protestors were shot dead and in the ensuing melee, all hell broke loose in the city. Demonstrators now tried to march toward various Company locations. In the course of the mayhem, mobs attacked and looted Company installations as well as private residences of British workers. Others, laid siege on the Taj Cinema and tried to attack a group of British there. Luckily, they were saved from harm by army forces who had managed to hold the rioters off. Three of AIOC's workers, however, were not so lucky and were lynched in the bazaar and its vicinity. By 19:00 as curfew was declared, things seemed to have calmed down.<sup>224</sup>

In wake of the grim events of April 12, American engineers working in Abadan left the city. Additional troops and even tanks arrived at Abadan that began to resemble more

<sup>&</sup>lt;sup>223</sup> Kemp, ibid, pp 62-63, 66.

<sup>&</sup>lt;sup>224</sup> See details on those killed attached to a message marked *E.P. 1481/4* from AIOC Director, Elkington to the Foreign office, May 17, 1951, BP, 58355; *General Strike – Abadan April 1951*, undated probably late April/early May, BP, 68908; Norman Kemp, *Abadan*, pp 66-69.

and more like a fortified garrison. By April 13, the situation in *Fields* (with the exception of Bandar Ma'shur) had largely calmed down as the Company accepted the strikers' demand to offset strike pay against leave entitlement.<sup>225</sup> In Abadan, a three-man delegation sent by 'Ala, the Prime Minister began negotiations with those students who were still barricaded in the hostel. Among the latter's demands were: pay on the days they were on strike, to abolish of martial law and to punish those responsible for their friends' death.<sup>226</sup> Proclamations and pamphlets that were now distributed in Abadan were framed in more nationalist terms, celebrating the defeat of the AIOC by the Iranian national movement. The *Tudeh* in one such proclamation referred to the oil concession as 'nothing but scraps of paper.'<sup>227</sup>

Fears of British military action were now feeding rumors in the country that the Company was trying to use events in the south to take over the area in order to secure its hold on the industry. On April 17, Ayatollah Kashani released a communique asking the workers to stop the strike because he claimed it played into the hands of the British. Similar concerns were raised by other members of the "National Front".<sup>228</sup> His appeal, however, went unanswered.

The *Tudeh*, as opposed to the "National Front", saw the strikes as an opportunity to eliminate military rule over Abadan, overthrow Hossein 'Ala's government and prepare the grounds for a government that would be more accommodating toward

<sup>&</sup>lt;sup>225</sup> Katayoun, Cracking Petroleum with Politics, pp. 306-307.

<sup>&</sup>lt;sup>226</sup> Abadan April 1951, undated probably late April/early May, BP, 68908.

<sup>&</sup>lt;sup>227</sup> Katayoun, Cracking Petroleum with Politics, p. 307

<sup>&</sup>lt;sup>228</sup> Khedri Zadeh, "E'etesab va Showresh Kargaran-e Sherkat-e Naft dar Khuzestan", pp. 82-88; Elwell-Sutton, *Persian Oil*, pp 212-213.

nationalization.<sup>229</sup> This was part of the emerging rivalry between the *Tudeh* and the "National Front". Still, in the meantime, there was a tentative joining of interests between both sides – nationalization of the southern oil industry. On this issue, the *Tudeh* exhibited remarkable acrobatic skills – it supported nationalization in the South to counter British Imperialism while objecting to nationalization in the North because it would prevent the Soviet Union from obtaining oil concessions.<sup>230</sup> Probably not many of the *Tudeh*'s supporters in Abadan were aware of the party's "Relative Socialism"- since the party's propaganda focused mainly on the workers' welfare and on anti-imperialistic and anti-British propaganda. In this, it was quite similar to the propaganda espoused by the "National Front".<sup>231</sup>

AIOC and British officials firmly believed that the main reason the majority of workers refrained from returning to work was because of threats issued by *Tudeh* activists. While Company officials acknowledged that some workers believed that: 'by refusing to work they were assisting the Government in their dealings with the Company on the question of oil nationlisation.' They preferred to describe them as "uninformed" and "irresponsible".<sup>232</sup> This was the quintessential AIOC pattern of thought that likened any

 <sup>&</sup>lt;sup>229</sup> Farj Allah Mizani (aka Javanshir), *Tajrobeh-ye 28 Mordad: Nazari beh Tarikh Jonbesh-e Melli Shodan Naft-e Iran*, (Reprinted by Navidanou, 1385, available at http://chawoshan.mihanblog.com), pp 59-63.
 <sup>230</sup> Behrooz, *Rebels with a Cause*, pp 7-9; Elm, *Oil Power, and Principle*, pp 96-97; Noureddin Kianouri, *Hezb-e Tudeh-ye Iran va Mossadeq*, (reprinted by Chawoshan Nowzai Kabir and available at http://chawoshan.mihanblog.com), p. 15.

<sup>&</sup>lt;sup>231</sup> Kianouri, ibid, pp 34-35; "Hezb-e Tudeh dar Abadan: Goftegu ba Najaf Daryabandari", p. 63; Regarding *Tudeh* propaganda, see for example: "In Maqaleh ra Baraye Landan Tarjomeh Konid: Mellat Iran Khal'-e Yad-e Kamel ra Mokhahad", *Tulu*, Khordad 27, 1330 (June 17, 1951).

<sup>&</sup>lt;sup>232</sup> Abadan April 1951, undated probably late April/early May, BP, 68908; Telegram from Khorramshahr Consulate to British Embassy in Tehran, April 16, 1951, BNA, FO/248/1524.

show of opposition to the Company as one born out of Communist or anti-British propaganda.

It was a pattern of thought that was shared by British Parliament members. For example, Jack Jones, a British Labor Party Parliament member, summed up his trip to Abadan to his fellow members of Parliament thus: 'I talked at Abadan to a 15-year-old boy. He said, "You have got a God in your country?" I said, "Yes." He asked, "You worship your God in your country?" I replied, "Yes." "You believe that God gave you your coal in your country," he asked, and I answered, "Yes." "You thank God for the coal you have in your country?" he asked me, and I replied, "Yes." "We think our God gave us our oil in Persia," he said, "and you want to take it from us." That was what the Tudeh Party was teaching in the trade union schools at Abadan, and they were pumping all this Communist ideology into the people.'<sup>233</sup>

AIOC refused to entertain the possibility that the majority of workers went on strike for personal reasons that were fueled and legitimized by nationalist sentiments brokered to them, in part by the *Tudeh*. Militancy among the workers ran high - during April, despite mass arrests of *Tudeh* leaders and other activists, on average, only 3,000 workers (out of about 30,000), came to work. As a result, the Company was forced to shut down major production units and the refinery's throughput dropped from 18 Million Gallons per day to 4.5 million.<sup>234</sup> However, by April 27, the arrests and massive presence

<sup>&</sup>lt;sup>233</sup> MR. Jack Jones, Rotherham - May 01, 1951, House of Commons Protocol, Defence Programme, Vol. 487, pp 1099-1100.

<sup>&</sup>lt;sup>234</sup> Abadan April 1951, undated probably late April/early May, BP, 68908.

of army forces in the city were beginning to make their effect. Once Company officials agreed to pay full pay even for the days they were on strike, workers began to gradually return to work.<sup>235</sup>

## The Ousting of the British from Abadan

The strikes in Abadan, convinced the British government that the time was nigh to act. British officials began to pressure the Shah to replace 'Ala with a Prime Minister that would dissolve the *Majles* and thus thwart the implementation of the nationalization bill. The British Foreign Office was also trying to convince the Americans that the strike, as it developed, was no longer based on grievances pertaining to industrial relations, and its continuation 'was due simply to intimidation by Tudeh-organized pickets.' The state department, however, was convinced that the majority of strikers were influenced more by a nationalist ideology than a Communist one.<sup>236</sup> In an effort to resolve the situation, American and British officials in Washington attempted to set a common policy toward Iran without consulting with Iranian officials (much to the ire of Tehran). The talks, however, failed - largely due to British refusal to recognize the principle of nationalization.<sup>237</sup>

Faced with mounting tensions in the South, the looming threat of British Military action, as well as, the possibility that the Shah would replace 'Ala with the pro-British Sayyid Zia and dissolve the *Majles*, the "National Front" decided to speed up the schedule

<sup>&</sup>lt;sup>235</sup> No. 155, April 25, 1951, BNA, FO/248/1524; From the same file see: No. 154, April 14, 1951; No. 151, April 23, 1951; Abadan April 1951, undated probably late April/early May, BP, 68908; Kemp, Abadan, pp 79-80.

<sup>&</sup>lt;sup>236</sup> Telegram from Washington to Foreign Office, no. 350, April 20, 1951, BNA, FO/248/1524.

<sup>&</sup>lt;sup>237</sup> Elwell-Sutton, *Persian Oil*, pp 214-215.

of nationalization. On April 26, without informing 'Ala, the bill to nationalize Iran's oil industry was approved by a subcommittee of the oil committee. This was the last straw for 'Ala and he tendered his resignation.<sup>238</sup> On April 28, the law was passed in the *Majles*, and, in a move that surprised many, Mossadeq agreed to a proposal by the *Majles*' Speaker, Jamal Emami, to be nominated as Prime Minister.<sup>239</sup>

Once elected, Mossadeq and his cabinet, knew that they had to work quickly to leave no time for the British to neutralize the process of nationalization.<sup>240</sup> During May a new joint Committee tasked with the implementation of the nationalization bill, went into action. On May 17, a circular was distributed to all government offices notifying them that the AIOC should now be referred to as "the Former Anglo-Iranian Oil Company" (*Sherkat-e Sabeq Naft Engelis-e va Iran*).<sup>241</sup>

AIOC retaliated by freezing royalty payments and referring the matter to the international court in Hague. The Oil Commission's next step was to transfer control over the oil industry's installations and funds into the newly founded "National Iranian Oil Company" (NIOC. In Persian – *Sherkat Meli-ye Naft-e Iran*). Almost immediately, postal authorities refused to accept AIOC's outgoing mails unless they were registered as "former". Iranian Police also declined to accept applications from Company officials and

<sup>&</sup>lt;sup>238</sup> Movahed, *Khab Ashofteh-ye Naft*, vol.1, p. 43; Farmanfarmaian, *Blood & Oil*, p. 257; Gholam Reza Nejati, *Jonbesh Meli Shodan-e San'at-e Naft va Kudeta 28 Mordad*, (Tehran, 1365), pp 133-139. According to Mossadeq, 'Ala's resigned because he became aware of the Shah's plan to replace him with Sayyid Zia. 'Ala however, cites the lack of support for his government in various issues (including from the *Majles*), mainly the strikes in the South, as the main reason for his resignation. See: Mohammad Mossadeq, *Khaterat va Talaomat Doctor Mohammad Mossadeq*, (Tehran, 5<sup>th</sup> edition, 1364), pp 177-178.

<sup>&</sup>lt;sup>239</sup> Elwell-Sutton, ibid, pp 214-215; Amir 'Alai, Shams al-Din, *Naqdi bar Ketab-e Siyah ya Khatsiyahi bar Ketab-e Siyah*, (Tehran: Dehkhoda, 1360), pp, 117-118.

<sup>&</sup>lt;sup>240</sup> Elm, Oil Power, and Principle, p. 118.

<sup>&</sup>lt;sup>241</sup> Elkington to Rice, no. 22, May 18, 1951, BP, 142520.

its foreign workers for their annual extension of residence. Unless, they were also registered as "former" AIOC employees. More importantly, Tehran had begun a "clean sweep" of all civil, military and police officials in Khuzestan and Kermanshah.<sup>242</sup>

According to Makki, this last, was a crucial step because: 'in order to carry out the law of dispossession [i.e. the oil nationalization act] it was crucial that there be heads of departments [local government officials] who were not amenable to the British or conservative point of view. It was necessary that they'd be dedicated people who had never served in Khuzestan.'<sup>243</sup>

In early June, with growing tensions in the oil operations area, AIOC began evacuating British dependents from Abadan and *Fields*.<sup>244</sup> On June 10, 1951, the Mixed Oil Committee that consisted of NIOC's provisional Board of Directors and three representatives of the *Majles*' Joint Committee, arrived in Abadan to a hero's welcome as tens of thousands of people waited for their "liberators" to arrive.<sup>245</sup>

According to some reports, over 150,000 people lined the roads through which the convoy carrying the members of the committee passed through, cheering and celebrating their arrival.<sup>246</sup> Mehdi Bazargan NIOC's first general manager, described the moment the he entered Abadan along with the other members of the mixed board: 'the

<sup>246</sup> Makki, ibid, pp 345-347.

<sup>&</sup>lt;sup>242</sup> Seddon to Rice, *No. 22*, May 18, 1951, BP, 142520; Hossein, Makki, *Ketab-e Siyah*, Vol. III (part 1), (Tehran: Bongah-e Tarjomeh va Nashr-e Ketab, 1360), pp 310-314.

<sup>&</sup>lt;sup>243</sup> Makki, Ketab-e Siyah, Vol. III (part1), p. 311.

<sup>&</sup>lt;sup>244</sup> Telegram no. 5, from Basra, June 9, 1951, GRDS, RG 84/1950-1952: 523.1 to 523.1/2738/Box 39.
<sup>245</sup> Makki, *Ketab-e Siyah*, Vol. III (part1), pp 345-357; Farmanfarmaian, *Oil & Blood*, pp 258-260; Kemp, *Abadan*, pp 124-125. For a description of the manner with which crowds welcomed the committee in Ahwaz, see: Makki, ibid, pp 328-334.

people greeted us with open arms.'...'the town of Abadan was abuzz and was brought to a halt *en bloc.*'<sup>247</sup> As the convoy entered the city and stopped in front of Abadan's town hall, throngs carrying flags in their hands encircled it, chanting 'long live Iran!' and 'long live Mossadeq!'<sup>248</sup> According to Makki, before the members of the committee addressed the crowds, one oil worker welcomed the members of the committee, with tears running down his face saying: 'today is a day for us the workers and toilers that will never be forgotten. This committee for the nation's pride came to Abadan so that the name of Iran will be exalted in the world.'<sup>249</sup>

Initially, the British Ambassador was certain that the arrival of the mixed oil committee was merely a political gesture in order to diminish criticism of Mossadeq.<sup>250</sup> AIOC's Chief Information Officer even told British Reporters in Abadan that: 'it's all a bit of a show for the Persian People; once the oil board directors see for themselves how hard it is to run the oil business they won't want to have anything to do with it.'<sup>251</sup> On the following day, the AIOC's placards were replaced with those of the NIOC and the Iranian flag was hoisted over AIOC's HQ in Khorramshahr. A week later in Kermanshah, crowds led by "National Front" activists replaced the AIOC's placards with makeshift ones. On

<sup>247</sup> Mehdi Bazargan, *Khaterat-e Bazargan: Shast Sal Khedmat va Moqavemat*, Vol. 1, (Tehran: Rasa, 1998), p. 279.

- <sup>248</sup> Makki, ibid, p. 347.
- <sup>249</sup> Makki, Ibid, p. 348.

<sup>&</sup>lt;sup>250</sup> Butler, British Policy in the Relinquishment of Abadan in 1951, p.139.

<sup>&</sup>lt;sup>251</sup> Kemp, *Abadan*, p. 114.

June 20 the placard over the offices in Abadan was also replaced with thousands cheering<sup>252</sup> – Nationalization had arrived at the oil operations area.

As the Iranian flag was flying over NIOC's offices in Khorramshahr, the British Ambassador, was now finally convinced that this was no show. Upset by the quick pace of events he wrote to the Foreign Office: 'I think the government are prepared to use to the full the present wave of public opinion in favour of nationalization.'<sup>253</sup> The British Foreign Office also believed that Mossadeq was using radio propaganda as additional pressure to strengthen his position for the forthcoming negotiations. AIOC officials in Abadan were unwilling to accept this state of affairs. Eric Drake, the Company's general manager in Iran, took particular exception to the fact that the Iranian flag was flying over AIOC offices in Abadan.<sup>254</sup>

Drake, utterly refused to recognize NIOC's authority and would not hand over to the committee the Company's accounting books. Moreover, he treated the committee's members as if he was the landlord and they his guests.<sup>255</sup> This was the opening shot for a duel that lasted for the better part of June. Drake and his subordinates then set about making Iran's new assets impossible to exploit. When Mossadeq insisted that oil be sold in the government's name (i.e. receipts that bear NIOC name), Drake ordered tanker masters to pump their oil ashore, effectively ending the export of Iranian oil (not before

<sup>&</sup>lt;sup>252</sup> Nader Parvin, "Kermanshah va Melli Shodan San'at-e Naft", *Faslnameh-ye Motale'at-e Tarikhi*, no.16 (1386), p. 207; Makki, *Ketab-e Siyah*, Vol. III (part1), pp. 450-451.

<sup>&</sup>lt;sup>253</sup> Elm, Oil Power, and Principle, p. 117.

<sup>&</sup>lt;sup>254</sup> London to Secretary of State, June 14, 1951, GRDS, RG 59 Decimal File 1950-54- Box 5514; *telegram no. 160*, June 11, 1951, GRDS, RG 84/1950-1952: 523.1 to 523.1/2738/Box 39.

<sup>&</sup>lt;sup>255</sup> See for example the protocol of the meeting between the mixed committee and AIOC representatives in: Makki, *Ketab-e Siyah*, Vol. III (part 1), pp 384-393.

he managed to send one last oil shipment out of Abadan).<sup>256</sup> In response, the mixed committee gave Drake an ultimatum to cooperate or submit his resignation. But, he ignored it. Finally, on June 23, he was forced to flee to Basra after he faced possible charges under a newly proposed "anti-sabotage bill" (that was eventually dropped).<sup>257</sup>

In the wake of this development, the British Cabinet decided to withdraw all tankers from Abadan. This meant that oil exports would cease, storage capacity would reach its limit, eventually leading to the shutting down of the refinery and the oil fields.<sup>258</sup> A few days later, Members of the Mixed Oil Committee told Mason, Drake's deputy that they were taking over operations, forcing him to abruptly leave the office.<sup>259</sup> At the same time, the Temporary Board of Directors also issued proclamations in which they addressed all the foreign workers calling upon them to remain in Iran and work for NIOC; assuring their safety and assuring them that they will enjoy the same terms of employment they did under AIOC. Those who did not wish to remain, were asked to tender their resignation within a month.<sup>260</sup> On June 27, the British staff refused NIOC's offer of employment, unanimously. A few days later, members of the Indian and Pakistani Consultative Staff Committees also informed the Temporary Board of Directors of their refusal to work for NIOC.<sup>261</sup>

<sup>&</sup>lt;sup>256</sup> Movahedi, Khab Ashofteh-ye Naft, vol.1, pp 159-161; Kemp, Abadan, pp 152-153

<sup>&</sup>lt;sup>257</sup> NIOC Temporary Board to Drake, Tir 3, 1330 (June 25, 1951), BP, 72363; *To British Experts and Staff*, BP, 72363; Mason to Fraser, June 21, 1951, BP, 66249; Drake to Fraser, June 25, 1951, BP, 66249; Movahedi, ibid, pp. 161-162.

<sup>&</sup>lt;sup>258</sup> Bamberg, the History of the British Petroleum Company Volume 2, p. 435.

<sup>&</sup>lt;sup>259</sup> AIOC Abadan to London, June 28, 1951, BP, 66249.

<sup>&</sup>lt;sup>260</sup> See the various proclamations (in Persian and English) of the mixed board in: BP, 72363

<sup>&</sup>lt;sup>261</sup> Members of the Indian and Pakistani Staff Consultative Committee to NIOC's Temporary Board, July

<sup>01, 1951,</sup> BP, 72363; Bamberg, the History of the British Petroleum Company Volume 2, p. 435.

The offer of employment to the foreign staff, particularly the British ones, was repeated several times in the coming months not just by the Temporary Board but, also by Mossadeq himself. Both the Prime Minister and the members of the board recognized their value and the need they have of the technical skill and experience these workers have in running such a complex and large scale enterprise.<sup>262</sup> However, it is hard to believe that peer pressure, pride, prejudice and sheer loyalty to the Company would have allowed any of the British staff to remain and take orders from an Iranian supervisor or manager. But, even if there were those who wanted to stay, it would have been impossible for them to do so.

Neither the government nor the mixed board could have truly ensured the safety of the British oilmen. Nor could they trust such promises. The Board's conduct toward Drake and other officials in Abadan, as well as treatment of AIOC officials in Tehran, was perceived by many British oilmen as hostile. It also increased their own feelings of humiliation and resentment toward Tehran and the mixed board.<sup>263</sup> Makki's conduct particularly peeved AIOC, British as well as American officials, who blamed him of inciting

<sup>&</sup>lt;sup>262</sup> Summary of Conversation with Mustafa Fateh, July 27, 1951, GRDS, RG 84/1950-1952: 523.1 – 523.1/2738/Box 39; Kemp, Abadan, 160-161, 221-229; Fateh, Panjah Sal Naft-e Iran, pp 536-537; Makki, Ketab-e Siyah, Vol. III (part 2), pp 637-638. By mid-August, it was decided to send soldiers who had previous experience working for the AIOC or some education in engineering to fill the place of the British oilmen. See: Makki, Ketab-e Siyah, ibid, pp 826-827.

<sup>&</sup>lt;sup>263</sup> On June 30 Iranian police raided the private residence and offices of the AIOC's representative in Tehran, Seddon, looking for evidence of the Company's involvement in Iranian internal affairs. Seddon to Rice, No. 78, July 9, 1951, BP, 72363; Kemp, p. 153.

the crowds and deliberately engaging in "provocative" behavior in order to worsen the situation.<sup>264</sup>

Makki was partly motivated by his deep mistrust of the British.<sup>265</sup> Moreover, he, like many others in Abadan, was convinced they intended occupy the city (which indeed they contemplated at several stages).<sup>266</sup> His conduct toward the British and flamboyant speeches had earned him a rock star status in Abadan and, indeed, in Khuzestan.<sup>267</sup>One of Makki's favorite tactics was to take AIOC officials or other foreign dignitaries on tour of the poorest neighborhood in Abadan accompanied by foreign and domestic photographers and reporters. While there, he would deliberately confront them. As Makki himself described it, these neighborhoods were 'the best propaganda tool against the former Oil Company and to legitimize the Iranian nation [to nationalize the oil industry].' These reports were also used to galvanize support for "the National Front" in Tehran. <sup>268</sup>

<sup>265</sup> See for example: Makki, *Ketab-e* Siyah, Vol. III (part 2), pp 739-743. A cursory glance at his other writings such as his eight volume history of the interwar period (*Tarikh-e Bist Saleh Iran*) reveals just how deep his mistrust was, and perhaps even hatred, toward the British.

<sup>266</sup> Institute for Iranian Contemporary Historical Studies, *Goftegu ba Hussein Makki, Kudeta 1299, Dowlat Mossadeq, Naft va Tarikh*, an interview with Makki conducted on Farvardin 1375 (March/April, 1996). Available at: http://www.iichs.ir. Also see: Makki, *Ketab-e Siyah*, Vol. III (part 1), pp 516-522.

<sup>&</sup>lt;sup>264</sup> American Embassy in Tehran to Secretary of State, July 3, 1951, GRDS, RG 59 Decimal File 1950-54-Box 5514.; *Telegram no.* 7, June 17, 1951, GRDS, RG 84/1950-1952: 523.1 to 523.1/2738/Box 39; *Telegram no 3*, July 8, 1951, GRDS, RG 84/1950-1952: 523.1 – 523.1/2738/Box 39.

<sup>&</sup>lt;sup>267</sup> Valizadeh, *Anglo va Banglo dar Abadan*, pp 804-809; Makki, *Ketab-e Siyah*, Vol. III (part 1), pp 402-403. In some places, he was received by huge weeping crowds that tried to kiss his clothes. *Telegram no. 2* from Dharan July 11, 1951, GRDS, RG 84/1950-1952: 523.1 – 523.1/2738/Box 39.

<sup>&</sup>lt;sup>268</sup> Makki, *Ketab-e Siyah*, Vol. III (part 1), pp 414-424. This included a tour held in early August for Truman's envoy, Harriman, and Britain's representative for the negotiations with Iran. See *Ketab-e Siyah*, Vol. III (part 2), pp 723-727.

There is no doubt that Makki was the more dominant and militant member of the mixed committee.<sup>269</sup> The other members of the committee, who were just as adamant to nationalize the industry as he was, preferred to act in a more civil manner toward the Company's managers. Makki, an ardent nationalist, seemed to relish at the opportunity to treat them with contempt. Mehdi Bazargan, Amir 'Alai Shams al-din and Matin Daftari, members of the mixed oil Committee (the latter was a member of the Senate and nephew and son-in-law of Moassadeq), were at times even deterred by his manner of conduct. Even Mossadeq was forced, at times, to curb his enthusiasm to oppose the British.<sup>270</sup>

Equally troubling for the British Oilmen was the militancy and hostility exhibited by the workers. Throughout May and early June in Abadan and in *Fields*, unrest among the workers was evident. Many adopted a "go-slow" attitude in their work (this attitude seemed to be less prevalent among the Iranian graded and junior staff members). In addition, there was a rise in incidents of defiance and insubordination (or as one British official called it: 'truculence') toward supervisors, especially foreign ones.<sup>271</sup> But initially, it seems that the "go-slow" attitude was the preferred choice of action for many of the workers, since it exposed those who wished to oppose the Company to minimal risk. As well as those who were pressured to do so.<sup>272</sup>

<sup>&</sup>lt;sup>269</sup> Bazargan, *Khaterat-e Bazargan*, pp 283-285.

<sup>&</sup>lt;sup>270</sup> Movahedi, *Khab Ashofteh-ye Naft*, vol.1, pp 45-48. Bazargan, ibid, pp 285-286; Makki, *Ketab-Siyah*, Vol. III (part 2), p. 720; Shams al-Din, *Naqdi bar Ketab-e Siyah ya Khatsiyahi Ketab-e Siyah*, pp 163-165.
<sup>271</sup> Khorramshahr Consulate to British Embassy in Tehran, *No. 209*, June 7, 1951, BNA, FO/248/1524; Ahwaz Consul to Embassy in Tehran, May 15, 1951. BNA, FO/248/1524; Kemp, *Abadan*, p.123
<sup>272</sup> May 15, 1951. BNA, FO/248/1524, Pages 55-56; See telegram no. 6 from Basra dated June 11, 1951, GRDS, RG 84/1950-1952: 523.1 to 523.1/2738/Box 39.

Once the mixed board arrived and began to assert its authority and gradually took over the refinery's different departments, the confidence of the workers grew, and with it their hostility toward their foreign supervisors. All over the city, incidents of violence and harassment toward foreigners, as well as thefts from private residences of British Oilmen, were on the rise. Theft of Company property had reached particularly troubling levels (damages at some point were estimated at 10,000 pounds a day).<sup>273</sup> Moreover, several of the workers and staff members were ordered by Makki to spy on their British managers and supervisors. Some British staff members were even banished from the city and oil operations area on the basis of intelligence supplied by workers.<sup>274</sup>

The Mixed Board held regular meetings in the Company's clubs (especially the Iran club (*Bashgah Iran*)) where they galvanized the workers and staff members. Various members of the Mixed Oil Committee were also invited to speak at the Company's different clubs where they addressed all classes of workers from wage earners to staff members. According to Makki, during these speaking engagements the crowd would often expressed its support of nationalization and opposed the continued presence of the AIOC in the city. This show of support, according to Makki, served as further indication for AIOC officials as to just how vast the opposition of the workers was.<sup>275</sup>

By July, the gradual shut down of operations was further cause of disciplinary problems inside the refinery as masses of workers were now idle. According to one

<sup>&</sup>lt;sup>273</sup> Undated and Untitled Report, probably July 1951, BP, 72363; Kemp, pp 139-140, 168, 184-185. <sup>274</sup> Makki, *Ketab-e Siyah*, Vol. III (part 2), pp 743-747.

<sup>&</sup>lt;sup>275</sup> Makki, *Ketab-e Siyah*, Vol. III (part 1), pp 402-403, 411-412, 477-481.

report, 'workmen do little more than clock in and clock out at the end of the day.'<sup>276</sup> On July 27, Mostafa Fateh remarked to American officials that the majority of the refinery's workers at Abadan were clearly 'xenophobic' and he believes that over ninety percent of them support the *Tudeh*.<sup>277</sup> According to Mostafa Elm, at the time of nationalization, the number of *Tudeh* Party members in Iran was estimated at 14,000, one-third of whom were in Abadan. But, according to Elm, most of the oil workers in the AIOC's area of operation supported the "National Front".<sup>278</sup> According to Daryabandari while many supported the Pan-Iranian Party, the *Tudeh* enjoyed the support of the majority of workers.<sup>279</sup>

As previously mentioned, a major part of the *Tudeh*'s success in Abadan is more in its ability to attach itself to the cause of the oil workers and acting as their national spokesperson than advocating its communist ideology. Once Tehran's efforts to take over the oil industry in Khuzestan were underway, the *Tudeh* claimed that the "National Front"'s nationalization efforts were a sham meant to serve American and British imperialism.<sup>280</sup> In Abadan, opposition to Mossadeq seemed to have been more common among the younger generation of workers and employees.<sup>281</sup> But, I have found no signs of major anti-Mossadeq activity during the first few months of the mixed committee's

<sup>&</sup>lt;sup>276</sup> Undated and Untitled Report, probably July 1951, BP, 72363; Kemp, *Abadan*, pp 139-140, 168, 184-185.

<sup>&</sup>lt;sup>277</sup> See: Summary of Conversation with Mustafa Fateh, July 27, 1951, GRDS, RG 84/1950-1952: 523.1 – 523.1/2738/Box 39.

<sup>&</sup>lt;sup>278</sup> Elm, Oil Power, and Principle, p. 96.

<sup>&</sup>lt;sup>279</sup> "Hezb-e Tudeh dar Abadan: Goftegu ba Najaf Daryabandari", p. 63

<sup>&</sup>lt;sup>280</sup> See the following articles from *be suyeh Ayandeh*: "Mellat-e Iran Pishnahad-ha va <<Tafsir>>ha-ye Khainaneh Dowlat-e mossadeq ra Rad Mikonad" (Mordad 9, 1330(August 1, 1951)); "Dar Abadan Faqat Tabloha-ye Sherkat Avaz Shodeh" (Mordad 17, 1330 (August 9, 1951)); "Mowzu' <<Khal'-e Yad>> dar Abadan beh Sowrat-e Showkhi Dar Amadeh Ast" (Mehr 7, 1330 (September 30, 1951)).
<sup>281</sup> Movahedi, Khab Ashofteh-ye Naft, Vol. 1, pp 44-45; Kemp, *Abadan*, pp 111-112.

activity in Abadan. If anything, the popularity of the members of the Mixed Oil Committee was an indication as to the wide support they and their actions had received. Indeed, the prevalent feeling among workers and residents alike seemed to be that of a nation freed from foreign occupation.

The general jubilation and nationalist zeal was also felt among the newly appointed local government officials. When a foreign reporter asked Sartip Kemal, the newly appointed Military Governor of Abadan, how many garrisoned troops were now in Abadan, he replied that they were 300,000 strong. After the reporter expressed his amazement, the Sartip added: 'Excuse me, 18 million people because this is not a matter for the armed forces. But, it is the reckoning of the 18 million people of Iran that have wholeheartedly and with purpose stood up to safeguard their incontrovertible and natural rights.' According to the article, many of the people of Abadan even requested the military to be part of a major army parade that was intended to boost morale as well as act as a show of force for the British destroyers that were anchored in international waters).<sup>282</sup>

In early July, British Officials estimated that the situation in Abadan was likely to worsen and began evacuating those in the *Fields* area to Abadan.<sup>283</sup> By this time, all

<sup>&</sup>lt;sup>282</sup> "Dar Abadan Cheh Khabar Ast", *Tulu*', Tir 13, 1330 (July 5, 1951); Makki, *Ketab-e Siyah*, Vol. III (part 2), pp 541-546.

<sup>&</sup>lt;sup>283</sup> Butler, British Policy in the Relinquishment of Abadan in 1951, pp. 166-167; No. 3185, June 26, 1951.
BP, 66249; AIOC Abadan to London, June 28, 1951, BP, 66249; See the following telegrams from Mason to Fraser: July 1-5, 1951; BP, 66249.

women and children had already been evacuated. With their families gone and their belongings packed, many members of the British staff were also eager to leave.<sup>284</sup>

However, at the same time, Eric Drake, that had managed to make his way from Basra to London, convinced officials there that the refinery must be kept running at twenty percent capacity. Moreover, he managed to convince the British cabinet to evacuate only non-essential staff from Abadan claiming that full evacuation would 'lead to a final surrender of the Company's position in Persia.<sup>1285</sup> Thus, the British oilmen in Abadan were used as pawns by the AIOC and the British government who were biding their time in hope that the unstable nature of the Iranian political system would deliver them a miracle.<sup>286</sup> However, officials in London also understood that the decision to suspend the withdrawal would have to be revisited fairly quickly considering the general state of moral in Abadan.<sup>287</sup>

Tensions in Abadan were mounting as the refineries were practically at a standstill and thousands of workers idle (even though they continued to receive pay till mid-September). This situation along with the looming military threat also raised tensions among the members of the mixed oil committee.<sup>288</sup> By Late July, it seemed as if a military operation to occupy the Abadan Peninsula was imminent.<sup>289</sup> But, instead, yet another

<sup>&</sup>lt;sup>284</sup> Untitled and undated, probably July 1951 BP, 72363; Butler, p. 167.

<sup>&</sup>lt;sup>285</sup> Butler, ibid, pp. 167-168, 211-214; *Telegram no.3* from Basra, July 8, 1951, GRDS, RG 84/1950-1952:
523.1 – 523.1/2738/Box.

<sup>&</sup>lt;sup>286</sup> Kemp, *Abadan*, p. 153.

<sup>&</sup>lt;sup>287</sup> Butler, ibid, pp. 168, 211-214.

<sup>&</sup>lt;sup>288</sup> Bazargan, *Khaterat Bazargan*, Vol. 1, pp 286-291.

<sup>&</sup>lt;sup>289</sup> See for example, Top Secret memo marked 241400B, July 24, 1951, BNA, FO/371/91508; War Office to British Forces in the Middle East; See other documents in the same file for additional information.

round of negotiations opened in early August once Richard Stokes, Lord Privy Seal and Minister of Materials arrived in Tehran. For the first time, Britain had agreed to hold talks on the basis of recognizing the principle of oil nationalization.<sup>290</sup>

Negotiations, however, failed in Late August and the British Prime Minister gave an order to evacuate the remaining British staff members from *Fields* and reduce those in Abadan to the bare necessity. The impasse also effected Tehran as Mossadeq was facing growing criticism from within. In Abadan, the Mixed Board was having difficulties controlling the situation as more and more unemployed workers (including many contract workers) were gathering in the city demanding work. In addition, there was shortage of medical personnel in the city's hospital (as well as in the rest of the oil operations' area) because the British medical staff left.<sup>291</sup> Partly as a result of these tensions, NIOC's Temporary Board was also becoming more and more aggressive toward the remaining British oilmen.<sup>292</sup> Thus, on September 25, with no hope for compromise in sight, Tehran announced that all British Technicians who refused to be employed by NIOC must leave in one week.<sup>293</sup>

By September 30, the Foreign Office declared conditions in Abadan intolerable stating that 'it is now highly improbable that the local authorities in Abadan would not proceed to evict the British Staff on October 4<sup>th</sup>, or even if they did not, that conditions would at

<sup>&</sup>lt;sup>290</sup> Elm, Oil Power, and Principle, pp 124-143.

<sup>&</sup>lt;sup>291</sup> Makki, Ketab-e Siyah, Vol. III (part 2), pp 861-868.

<sup>&</sup>lt;sup>292</sup> Butler, British Policy in the Relinquishment of Abadan in 1951, pp 251, 268-269.

<sup>&</sup>lt;sup>293</sup> Makki, Ketab-e Siyah, Vol. III (part 2), pp 810-814; Butler, British Policy in the Relinquishment of Abadan in 1951, p. 275.

once improve sufficiently to make it practicable for the staff to stay on.<sup>294</sup> On October 4, 1951, the remaining British oilmen were evacuated from Abadan. According to reports, many of those evacuated were certain (or perhaps hoped) that it was only a matter of hours before the British army would attack and occupy the city.<sup>295</sup>

#### Conclusions

Due to the harsh limitations placed on any political activity during Reza Shah's rule, the power of the masses in Iran was largely unfelt. Nor were there any political platforms able to harness their power and use it for political change. While already during the war many of the limitations on political activity were removed, the presence of the allied army and wartime exigencies limited the ability of the masses to affect change in the country's political scene. It was only in the post war period that the urban masses were able to play an increasingly prominent role in Iranian politics. Prior to the establishment of Mossadeq's "National Front" in the late 1940's, the most popular political conduit for the urban masses during the 1940s was the *Tudeh*.

Britain's weakened position in Iran, the crisis with the Soviet Union and Qavam's ambitions to harness the power of the urban industrial workers allowed the *Tudeh* to rapidly establish a vast network in Abadan. The *Tudeh*'s ability to operate in the open, provided the workers with an avenue through which they could oppose the Company and empower themselves. But, while the *Tudeh* was able to gain the support of the vast majority of workers in Abadan, it was never able to fully control them. The particular

 <sup>&</sup>lt;sup>294</sup> British Foreign Office to UK delegation in the UN, September 30, 1951, BNA, FO/371/91625.
 <sup>295</sup> Evacuation of AIOC from Abadan, October 6, 1951, BNA, FO/371/91625.

political and economic circumstances under which the people of Abadan were living in, had already radicalized them. The *Tudeh*'s activity further increased their awareness while the growing nationalist sentiment only served to further radicalize them.

The British insistence of presenting every labor activity against the Company as part of a Soviet inspired *Tudeh* plot was detrimental in both ways - it helped build up the *Tudeh* and turned it into the most popular and legitimate platform of opposition to the Company. In this context, the establishment of the state-controlled unions is important, not in their activity since they were largely ineffective and unpopular. But, as a litmus test showing just how deeply workers in Abadan mistrusted both the Company and the Iranian government. It was here that the *Tudeh*'s appeal lay – not in its Communist ideology but, rather in its image as the protector of workers' rights against those who were perceived by the vast majority of the Iranian urban masses as enemies of the Iranian nation. To wit, once the government in Tehran began to truly flex its muscles visà-vis the AIOC, and followed it with a policy to end British rule over Abadan, it gained popular support in the city.

Two pivotal moments originated in Abadan – the July 1946 strike and the April 1951 strike. The process that linked them was one of reciprocity between the increasing affect that the masses had on national politics and the threat the labor movement posed in Abadan. Thus events in Abadan prodded certain responses from Tehran, AIOC and the British government. These responses would, in turn, feed an increasingly hostile and anti-British sentiment which was used by the proponents of nationalization to further their cause, further emboldening the labor movement in Abadan and vice versa. AIOC's lack of flexibility in negotiations with Iran was an extension of their day to day policy in Khuzestan – those helping to further their interests were considered "reliable, efficient and friendly" while those who acted otherwise were considered hostile. This inability to understanding the Iranian stance, and the popular mood in the country and its effect on the higher echelons, precipitated the nationalization of the oil industry and the ousting of the British from Abadan.

Finally, Grievances are often necessary—but not sufficient—factors in the emergence of collective action. Other factors are involved as well, such as political opportunities, mobilization structures, collective action frames, positive feedback, and leadership. All of which were provided by the radicalization of the workers in Abadan and the *Tudeh*'s trade unions infrastructure. Eventually, once conditions were ripe for the labor movement in Abadan to act, it was more than ready to act its part in the oil nationalization movement and effect real change in both the national and local arenas.

### Conclusions

According to Daniel Yergin, the discovery of oil in Iran ushered in a new age for the country and propelled it, 'into a prominence on the world stage that it had not enjoyed since the days of the ancient Persian and Parthian empires.'<sup>1</sup> While this was certainly true, it also came with a heavy price. During the first four decades of the Oil Company's activity in Iran, the oil industry only brought further meddling in the country's internal affairs. Thus, during this period, the Central government was supported, manipulated, bribed and put under various pressures by the Great Powers, particularly that of the British Empire. Moreover, the vast population that lived South Western Iran did not truly benefit from the presence of the oil industry, quite the contrary. Indeed, while Iran, as a nation, was spared the physical humiliation and hardships of colonial rule, it was not spared its indignities. Iranian nationalism in the 20<sup>th</sup> century, largely emerged as a reaction to this manner of foreign intervention in the country's affairs.

Britain, especially after WWI, was increasingly perceived as the main violator of Iranian sovereignty. It was a remarkable change from its image during the constitutional period as the protector of the constitutionalists. There's no doubt that the manner by which AIOC operated and conducted its affairs vis-à-vis Iran and Iranians played an important part in the resentment and even hatred many Iranians felt toward Britain by the 1940s.

<sup>&</sup>lt;sup>1</sup> Yergin, *The Prize*, p. 134.

From its inception, AIOC took advantage of the unique conditions that existed in southwestern Iran to carve itself a territorial unit. Namely, a weak central government, strong tribal leaders and the presence of the British Empire. In this enclave, it engulfed entire populations under its direct control. The Oil Company not only emerged from WWI as a British strategic asset but, it also commanded a strong international status. Its impact on the local level was at least as substantial as its international standing, if not more in certain aspects. Because, the AIOC's operations in Iran were not limited to the oil industry and its technology. Rather, the Company imported a modern prejudicial system of labor, class and administration that was, only ostensibly, based on pure professional and technological criteria. The flagship of this project was the city of Abadan.

During the first decade and a half of its existence, AIOC took advantage of the central government's weakness and the strength of the local tribes to further develop its industry unhindered. When it came to its workforce, its main challenge was maintaining its control over its Indian workers on whom it became increasingly dependent. But, AIOC's disregard for the welfare of its workers during Abadan's formative years, coupled with the industry's rapid development, resulted in the city's rapid and unhinged development. As a result, Abadan became a combination between a spontaneous city and a Company town – the first disorganized, congested and of inferior quality of infrastructure. The latter was more modern, orderly, organized with better planned infrastructure.

Throughout the period under review, the common thread shared by the various regimes that controlled Tehran was a deep rooted suspicion of the Oil Company's

motives and actions in Iran. What differentiated the response of Tehran over time was its ability to assert itself in the matter. After WWI, the changing political circumstances made AIOC more susceptible to Tehran's pressure. This forced the Company to not only increase the stake of its Iranian employees (at least when it came to the unskilled and skilled workers) but, also to make changes in its policy in Iran and engage in "Reluctant Paternalism". It was the Company's hope that in the process of providing certain amenities to its workers and increasing their dependency on the Company they would become, in turn, a dependent, docile, loyal labor force.

During Reza Shah's reign, the Iranian state, while suspicious of the Company's actions, did not seem too eager to take charge of AIOC's operations. It is doubtful whether, at that time, Tehran could truly take hold over the oil industry - partly due to the AIOC's Iranization policy but, mainly because Iran, at least in terms of manpower, still lacked the ability to independently run such an industry. However, Tehran did not actually attempt to overly supervise the Company. Its main efforts vis-à-vis AIOC were mainly concentrated on receiving royalty payments and Iranization of larger segments of the Company's workforce. AIOC made use of a host of claims (mainly taken from scientific and professional lingua) and tactics to keep over all key supervisory and senior staff positions in the hands of Europeans. But, the pressure to increase the growing share of Iranians in the workforce and among skilled workers and artisans, succeeded in blurring the ethnic lines that in the past determined the division of labor, increasing the ability of the Iranian workforce to challenge and oppose the Oil Company.

The pressure Reza Shah applied on the Company after the 1929 strike was less motivated by his concern of the oil workers' welfare and was more due to his fear of the development of an independent labor movement, particularly one that might be influenced by Soviet ideology. While the Cold War, as a set of assumptions about the world as being enthralled in a battle between communism and liberalism, was present and productive in Khuzestan, it was also used as a tool of control. Indeed, the "soviet threat" was increasingly used by AIOC as an instrument in addressing the (very real) problem of workforce unrest in the 1930s till the early 1950s.

As this study shows, once Reza Shah's authoritarian modernization and aggressive nationalism began to gain strength and momentum in the post WWI period, a reciprocal process began to emerge between Tehran and Abadan. AIOC's treatment of its workers and the parallel and contradictory development of living areas in the city were the bedrock out of which a militant local Iranian workforce emerged. Once nationalism was fused with this militancy, the Iranian workers became a constant threat to the Company. A threat that it tried, to no avail, to manage, socialize and assimilate into a controlled environment.

This was not to be. In fact, the outcome was quite the opposite. While the core identity of the workers remained (be it tribal, regional or ethnic), a common indigenous identity was formed. An identity forged by the shared hardships these workers experienced as they made the transition from a rural lifestyle to an urban one. Their harsh working conditions, lack of housing, low wages, and the demeaning and callous treatment they received from the Company's European supervisors – all resulted in a form of solidarity and a sense of a shared fate. In a sense, it was the breaking of the old and forming of the new – workers who came from remote rural areas to work for a modern industry leaving behind their traditional way of life and adopting a new common identity – an identity that was further consolidated by the influence of the modern nationalist discourse espoused by Tehran.

The process of reciprocity gathered momentum once Reza Shah was forced to abdicate and cede the crown to his son. The war and the Allied occupation of Iran introduced a period of economic and political instability to the country. The collapse of Reza Shah's autocratic regime also allowed for the urban masses to become an increasingly important factor in the political scene. While already during the war many of the limitations that existed on political activity during Reza Shah's reign were removed, it was only in the post war period that the urban masses and mass political movements like the *Tudeh* and later on the "National Front" were able to play a prominent role in Iranian politics.

The wartime hardships and the allied occupation did serve as an incubation period for a more aggressive form of Iranian nationalism that, after the war, became increasingly focused on regaining control over Iran's oil. In Abadan, this aggressive strain of nationalism was fueled by the resentment many felt toward the Company and the British, resulting in a particularly militant strain of nationalism. A testament of this militancy was the fact that *Tudeh* union leaders were forced to fend off pressures from the workers themselves who were eager to openly oppose to the Company. The strengthening of the *Tudeh* after the war and the party's ability to act openly in Abadan provided the oil workers with an avenue through which they could assert their power and raise their moral vis-à-vis the Oil Company. Moreover, *Tudeh*'s activity expanded their awareness as to their own rights and, more importantly, provided them with an ethos from which they would later draw strength from. While the *Tudeh* and the KUC were eventually forced underground, partly because they were unable to fully control the more militant segment of the workforce, their activity in Abadan helped focus national attention to the oil industry and to Abadan. Thus, as the proponents of nationalization were increasing their attacks on the British and the AIOC, they also used Abadan and the treatment of the oil workers by AIOC to drive home the need for nationalization of the oil industry.

This is not to claim that Mossadeq and the other members "National Front" were mainly driven by the plight of the workers in their bid to nationalize the oil industry. In fact, according to Shapour Bakhtiar, Mossadeq, was quite removed from the plight of the common workers and was less aware of the social issues pertaining to the workers. Moreover, he claims that many other prominent members of the oil nationalization movement such as Makki, Baqai and Kashani, did not truly understand the issues concerning the workers and their sociology.<sup>2</sup> But, they understood perfectly that the company's conduct toward its workers in the oil industry was an excellent rallying point demonstrating to the masses how the continued control of the British over Iran's oil causes suffer to the country and those in Khuzestan. It allowed the simplification of an

<sup>&</sup>lt;sup>2</sup> Ladjevardi, *Khaterat-e Shapour Bakhtiar*, pp 27-28.

otherwise complicated nationalist narrative that involved calculations, statistics and legal arguments dealing in royalties and percentage of Iranians employed by the industry.

In contrast, AIOC's longtime habit of using the "Soviet Threat" to counter labor opposition, backfired after WWII. This policy, not only increased workers' support of the *Tudeh* and its underground network but, it also strengthened the notion that opposition to the Company is a form of nationalism. Above all it was AIOC's blindness or unwillingness to acknowledge the repercussion of their conduct in Iran and its effects on the political sphere. This uncompromising attitude precipitated the nationalization of the oil industry and their ousting from Abadan.

By early 1951, the reciprocity between Tehran and Abadan had gained considerable momentum. The strikes and demonstrations that broke out in Abadan in wake of the decision to nationalize the oil in industry in March, gave further momentum to the oil nationalization movement and contributed to the rise of Mossadeq's government. The latter's rise to power, in turn, further emboldened workers in Abadan to resist in their own manner to the Company.

However, one must not look at this reciprocity as a tautological process. In a similar manner that the establishment of a modern industry in south western Iran had not necessarily brought freedom and prosperity to the country, the relationship between Tehran and Abadan would not have necessarily resulted in the nationalization of the oil industry. It was the headstrong manner of Mossadeq and the members of the mixed oil committee supported by the oil workers' militancy that had allowed nationalization to be carried out and prompted the ousting of the British from Abadan.

The establishment of NIOC and the ousting of the British from Abadan was a victory for the oil nationalization movement but, to a certain extent, it was a pyric one. The headstrong manner in which the more ardent nationalists in the "National Front" persisted in their bid to nationalize the industry was eventually their downfall as the Company was able to rally enough international pressure to eventually bring Mossadeq down and return to Abadan. But, they returned to Abadan and Iran in a somewhat weakened position. Eventually, the BP consortium that was established as a compromise between the Company and Iran controlled many of the Iranian Oil Industry's basic activities (such as production, extraction, shipping and marketing) and NIOC was entrusted with the non-Basic activities.<sup>3</sup> While, over time, NIOC took over all of the domestic activities it took several more decades, it was only after the establishment of the Islamic Republic of Iran that the country also gained control over the shipping and marketing apparatus and truly gained control over all aspects of its oil industry.

<sup>&</sup>lt;sup>3</sup> Shwadran, *The Middle East Oil, and the Great Powers*, pp 157-158.

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