From Tribe to Nation:

Making Room for State Rights in Southwestern Iran, 1901-1933

Oil has miraculous powers. As revenue, it has lifted nations across the Middle East into unprecedented prosperity. As gasoline, diesel, and jet fuel, it moves commodities and labor at a world scale to realize utopic dreams of ease and connectivity. But our global dependence on fossil fuels also causes unmitigated environmental damage and feeds despotic regimes. That oil emancipates as much as it devastates is one of its central paradoxes. The paradoxes of oil states, otherwise called petrostates, rentier states, and mineral states, has been the subject of much scholarly literature.[[1]](#footnote-1) This chapter explores the antinomies of one oil state: Iran. The oil industry, on the one hand, has been a centralizing force underwriting nationalism and state building in modern Iran.[[2]](#footnote-2) Oil catalyzed modernization, urbanization, and the proliferation of industrial labor relations, rendering the Iranian state more visible, more powerful, and more globalized. On the other hand, oil introduced patterns of unequal exchange that sit uneasily with the very idea of national sovereignty and development.[[3]](#footnote-3) In the words of Fernando Coronil, oil brought “the illusion of development” to Iran, as it did Venezuela and elsewhere, but it also intensified Iran’s fiscal obligations to the foreign powers it sought to circumvent and generated through the language of resource sovereignty criticisms for its supposed failure to manage the nation’s patrimony judiciously.[[4]](#footnote-4)

But before a discourse of resource sovereignty, implicit to which was the idea of positive economic growth, could take hold, it was necessary that the nascent Pahlavi state validate and have validated by others, not least of all the Anglo-Persian Oil Company, its territorial sovereignty. Whereas the Qajar empire was characterized by administrative devolution and a fiscal system that lacked a “conscious or targeted policy to bring about economic growth,” the Pahlavi government sought to override the tribal authorities with which the D’Arcy Syndicate, later the Anglo-Persian Oil Company, negotiated so that the state could arrogate to itself revenue collection and begin to direct oil profits toward national development.[[5]](#footnote-5) The oil industry, and more particularly a crisis in the Qajar state’s ability to collect and invest revenue from it thus prompted new regimes of taxation and land management.

Prior to the 1929 military coup and the consolidation of the Pahlavi state in 1926, the D’Arcy Syndicate, reorganized after the 1908 discovery of oil into the Anglo-Persian Oil Company, acquired the lands on which it explored for, extracted, and refined oil from self-governing tribes in southwestern Iran.[[6]](#footnote-6) While the D’Arcy Syndicate had grown alongside the system of administrative devolution characteristic of revenue collection under the Qajar empire, the fragmentation it encouraged was anathema to the Pahlavi state. The Pahlavi state sought to resolve the ambiguity in authority and administration the D’Arcy Syndicate’s (later the Anglo-Persian Oil Company) agreements with the Bakhtiyari tribes and Shaykh Khazal of Muharramah generated by validating the property rights of the state. Oil thus generated new legal regimes, but it did so at the expense of existing ones, marginalizing the customary rights of the tribes and establishing the lineaments of legal conflicts over land that would follow every further advance of the oil industry in the twentieth century.[[7]](#footnote-7) That the Company swiftly shifted from interceding on behalf of their tribal proteges to recognizing Reza Khan’s government was not only because the state had forcefully outmaneuvered the tribes but because its consolidation was beneficial to the company’s capital accumulation and operations as well.

Rendering effective Reza Khan’s assertion that the nation’s lands as well as the income they generated were the exclusive preserve of the state involved the military suppression of the Bakhtiyari tribes and the chieftain of Muhammarah, new policies of land registration and fiscal centralization, and the cancelation of the contracts, which usually formalized a system of annual payments to the tribes in return for the protections and land it afforded them, negotiated between D’Arcy Syndicate the Bakhtiyari tribes and the chieftain of Muhammarah.[[8]](#footnote-8) The Pahlavi state’s increasingly active role in provincial affairs and from about 1929 on, in directing the economy, thus emerged not as an offensive push for modernization but as a conjunctural response to the power the Anglo-Persian Oil Company invested in nomadic tribes, who not only threatened state authority, but also depressed the 16% royalties due to the central government under the D’Arcy Concession, since the Company until 1920 subtracted payments to the tribes from this 16% or otherwise redirected them toward debt repayment**.**

The confrontations between tribe and state under examination here illustrate two general principles: One, neither state centralization nor oil nationalization was an end in itself.[[9]](#footnote-9) The former was a precursor to the latter, but even after the nationalization of the oil industry in 1951, as Iranian reformers sought to sever national dependence on oil revenues by implementing development plans directed at diversifying their economies, they relied on foreign exchange receipts from oil sales to do so, intensifying their dependence on these commodities.[[10]](#footnote-10) Two, capital, which operates through contractual relations, necessitates the formation of a body of state law guaranteeing to uphold contractual obligations. For value to be sustained as a social relation exploitable by capital, it was necessary to maintain justice (i.e., reciprocity) and contracts. But the suppression of tribal competition and the state’s monopolization of the Company’s contractual obligations did not guarantee legal equality between the state and Company or conclude national struggles over Iranian oil. Following the elimination of tribal conflict, the Pahlavi state moved to re-negotiate the D’Arcy concession beginning in 1928, a process that culminated in the abrogation of the D’Arcy Concession in 1933. That the state invoked ideas about right and justice both to invalidate the customary rights of the tribes and its own contract with the Company illustrates an antimony of not only oil but also of capital. Capital operates through contracts that guarantee reciprocity and equality before the law, but amount to an exploitative, uneven exchange in practice, leaving countries like Iran little recourse but cancellation of unequal treaties and capitulations, which does little to rectify the problem of economic dependence.

While this argument suggests that oil has generated many of the dynamics, legal, economic and otherwise, constitutive of the Iranian state, it hopes to question the fetishism pervading some studies of oil states. The power of oil is often presented to us, whether by BP officials or by scholars themselves, as an extension of its “socionatural properties”—its versatility, its abundance, its liquidity—rather than the result of historical social relations that harness these capacities in particular ways.[[11]](#footnote-11) Matthew Huber’s reminder that “Oil has no inherent power outside the social and political relations that produce it as such a ‘vital’ resource. . . . In fact, according oil such tremendous social and political power in itself is a prime example of what Karl Marx referred to as fetishism” bears repeating in light of analysis suggestive of the contrary. Oil’s predominance cannot be accounted for with reference to its biophysical properties alone, but reinstating a dialectic of labor and capital does little to help us understand how oil commands value without itself being the product of labor. So rather than understand the oil fetish as a product of capital’s seemingly autonomous power over labor, we should expand the dialectic of capital and labor to allow a place for both land and the “landlord state.”**[[12]](#footnote-12)** By understanding these terms through one another, we counter the tendency to treat oil states as categorically distinct political formations, and can understand them instead, to borrow Coronil’s terminology, as economic actors like other third-world “nature-exporting” states managing ground rents, which establish patterns of internal specialization and external dependence.[[13]](#footnote-13) The Pahlavi state articulated a vision of land, its soil and subsoil, as the exclusive property of the state, to be used for national development, yet this ambition was impeded by the extraterritoriality of oil exports, which realized the value of oil only on the foreign market. In Iran, oil appears not as a fuel for a particularly modern form of spatial freedom essential to “the American way of life,” as it does in Huber’s account,[[14]](#footnote-14) but as national patrimony moving out of and away from the country.

Oil has been pivotal to the question of national determination in Iran, so much so that the succession of modern Iranian states could be described as an effect of struggles influenced by it: against the concessionary colonialism enervating the Qajar state, of which the D’Arcy concession was a centerpiece, against the oil-fueled despotism of Mohammad Reza Shah, and finally and most recently the strangulation of the economy under the Islamic Republic.[[15]](#footnote-15) But equally important to the consolidation of the modern Iranian state has been the question of land, both in terms of its private ownership and territorial sovereignty.[[16]](#footnote-16) Questions of land and private property rights are always political but given the scarcity of water and cultivable lands in Iran and the speed with which a foreign power consolidated its command over Iran’s subterranean wealth, they have been especially susceptible to nationalist discourses that triangulate land in terms of national sovereignty and economic self-sufficiency. Yet nationalist approaches to both land and oil have been invariably stymied by the impossibility of economic independence given the globalization of commodity circuits as well as the relationship between oil, debt, and development that was established there by the 1950s, more on which in a subsequent chapter.

The following section turns its attention to the D’Arcy Syndicate’s acquisition of land from the Bakhtiyari tribe and Shaykh Khazal of Muhamarrah for oil exploration and refining. I argue that agreements between the Company and tribes were pivotal to introducing competing private property rights, competition the Pahlavi state resolved through a unilateral policy of tribal suppression and the reform of land registration and revenue collection.[[17]](#footnote-17) Following the consolidation of the Pahlavi state beginning in 1926, a first order of business for Reza Khan was the re-negotiation of the 1901 D’Arcy Concession. The D’Arcy Concession, signed in 1901 by William Knox D’Arcy (1849-1917), an Australian industrialist, and Mozaffar al-Din Shah Qajar (r. 1896-1907), allowed British oil explorers to extract, refine and market any oil they found within a 500,000 square mile area (the present-day territory of Iran, by comparison, encompasses 636,400 square miles), in exchange for a 16 percent annual royalty on net income. While the Qajar shahs justified concessions as attempts to bolster the stability and fiscal strength of the state in the late nineteenth century, their critics, who included religious intellectuals and merchants advocating constitutional reform, argued that concessions placed the country under the heel of foreign powers.[[18]](#footnote-18) Prior to Reza Khan’s 1921 military coup, then, resistance to arbitrary monarchy and foreign exploitation already served as major features of turn-of-the-century Iranian nationalism, and other concessions, like the Reuter Concession of 1872 and the Tobacco Concession of 1870, had before then generated spectacular mass protests, resulting in both cases in their cancellation.

Drilling under the D’Arcy concession began in 1902 west of Kermanshah, near today’s Iran-Iraq border, but after three fruitless years of searching for commercial quantities of oil in this area, the exploration moved in 1905 south to the Bakhtiyari winter pastures.[[19]](#footnote-19) When the elder khans of the Bakhtiyari tribes presented themselves to the D’Arcy Syndicate as the de facto rulers of the region, the power of the central Qajar government in the provinces was tenuous, and the Syndicate readily accepted them as such. While administrative devolution was a Qajar norm, in the two provinces under examination here, Luristan and Khuzestan, where oil exploration was underway, central state power was especially tenuous. In the nineteenth century, the province of Khuzestan referred to a large area encompassing mountainous lands dominated by the Bakhtiyari Lurs and riverine lowlands stretching west of Ahvaz and to Abadan in the south, where other, largely Arab tribes predominated. Nineteenth-century sources sometimes used the term “Arabistan” interchangeably with “Khuzestan” to refer to the entire province, while others referred to the southern portion of the province as Arabistan and the northern lands as Luristan or Bakhtiyari, respectively.[[20]](#footnote-20) By the end of the nineteenth century, Khorramshahr, which sits at the confluence of the Karun River and the Shatt al-Arab (Arvandrud in Persian) at the southwestern edge of Khuzestan, was Iran’s major commercial harbor, a product in large part of the supreme navigability of the Karun and of the British decision to headquarter the British Residency there (before moving it to Basra in present-day Iraq).

As for Luristan province, prior to the rise of the Qajar empire, the area was under the semi-autonomous rule of the Vali dynasty. When Aqa Mohammad Khan, the founder of the Qajar dynasty, wrested control of Luristan from the Zand dynasty (1750-1794), he decided, viewing the Vali of Luristan as a potential threat, to weaken its power and to partition the area (which previously consisted of the areas of Poshtkuh, or modern-day Ilam province, and Pishkuh, today’s Luristan province). He limited autonomous rule to the area of Poshtkuh and appointed a governor-general (usually a Qajar prince and never a native Lur), to be re-appointed annually by the king, to the area. The provincial administrative apparatus consisted of a governor-general, deputy governor (*nayib al-hokam*), a special deputy governor (*pishkar*), a clerk (*monshi*), a quartermaster (*karpardaz*), and a small armed force. Because provincial governors in both Luristan and Khuzestan suffered from a perennial shortage of armed forces at their disposal to maintain order and, more importantly, to collect taxes, they relied on the mediation of the *piskhkar*, usually a tribal khan who was appointed special deputy governor and rewarded a monthly salary, power, and prestige. In return for such privileges, the tribal *pishkar* was obliged to make available mounted men and foot soldiers from his tribe to assist the governor's forces in collecting revenue and establishing law and order and to mediate between the governor and the tribes through a system of alliance (*bai'at*) with the tribal khans.[[21]](#footnote-21)

Given the near absence of the central sate’s presence in Khuzestan and Luristan, the D’Arcy Concession Syndicate readily accepted the tribal khans’ claim to power and entered into negotiations with them. On November 15, 1905, following the D’Arcy Syndicate’s southward exploratory move to Bakhtiyari pasture lands, they duly entered into an agreement with the Bakhtiyari Ilkhani khans, negotiated with the help of the British consul in Isfahan. In return for granting the Syndicate drilling rights in its pasture lands, the agreement provided for a three percent share of interest by the khans in any Company formed in Bakhtiyari territory, as well as renumeration for guarding the Company’s property and personnel and for the acquisition of land by the Company from the Bakhtiyari. At the expiration date of the D’Arcy concession, it stipulated that all lands, buildings, and other holdings purchased or otherwise acquired by the Company would revert to Bakhtiyari ownership. The khans nominated as signatories four of the most senior among themselves, two from each major branch of the family, to act as their official representatives in all dealings with the Company, and to hold on behalf of all the khans all company shares accorded them.[[22]](#footnote-22) That the British consul negotiated this agreement with the khans apparently without referencing, let alone consulting with, the Iranian government and the rights it possessed under the terms of the D’Arcy Concession, caused offense to Ahmad Shah, who rejected the khans’ claims to ownership of the land and the right it would have given them to sell to the Company.[[23]](#footnote-23) But no source of frustration was so great as the fact that the three percent of profits being paid to the Bakhtiyari khans as dividends was, until 1920, deducted from the government’s own royalties.

Under the terms of their agreement with the Company, the khans’ financial interests thus fell into three categories: the guarding subsidy; sales of land; and royalties on their shares. Two of these three categories of revenue are most important for our purposes, and those are lands sales and royalties on shares. Together, these provisions recognized the elder khans as the private owners of the tribal pasture lands. While the Qajar shahs never ceded this right to the khans, it was only under Reza Khan’s reign, and as a result of the land registration legislation he introduced in 1928, that this tension was resolved. This was not an outcome, however, of his individual ambition, but a resolution pf the policies of the Qajar policies that militated against the successful collection and investment of the royalties due to it under the concessions.[[24]](#footnote-24)

The British also cultivated close relationships with Shaykh Khazal (1861-1936), chieftain of the Banu Kaʿb tribe of Khuzestan, who in 1897 inherited authority over the Emirate of Muhammarah, a predecessor establishment to the city of Khorramshahr. Although Muhammarah was a significant Persian Gulf outpost to British empire prior to Shaykh Khazal’s rise, his reign is notable for the extent to which he used British interest in the area to transform Khuzestan into his personal preserve. Shaykh Khazal, like the Bakhtiyari khans, exploited Qajar practices of customary rights and provincial autonomy to augment his personal power and wealth. This situation was offensive to the Pahlavi state not only because of the extent to which the Shaykh openly threatened their sovereignty but also because the socio-territorial incohesion implicit to the principle of provincial autonomy did not conduce to the possibility of capital accumulation and positive economic growth.[[25]](#footnote-25) As with the Bakhtiyaris, Khazal’s rise in power hinged on the accident of his territory’s overlap with Masjed-e Suleyman, where oil was discovered in 1908, and Abadan, where the British decided to build a refinery in 1909.[[26]](#footnote-26) Although the British sought to check his secessionist tendencies by stressing in their agreements with him his obligation to the Persian government, they nonetheless strengthened Khazal’s political-economic position vis-à-vis both the Qajar government and rival powers in southwest Persia.[[27]](#footnote-27)

In 1908 Khazal, for instance, concluded an important agreement with the Bakhtiyari khans which stipulated that should lands that were the property of the Persian government be offered for sale, both Bakhtiyari khans and Khazal “will buy in conjunction; one has no right to purchase alone.”[[28]](#footnote-28) Despite the formation of this defensive alliance, the Bakhtiyaris and Shaykh Khazal were not able to strike a lasting common cause. Khazal suspected that the Bakhtiyari khans were working to undermine his authority, in part because there existed territory over which both parties claimed jurisdiction and the right to collect taxes.[[29]](#footnote-29) In 1912, the Bakhtiyaris moved to resolve this issue by purchasing a majority share of the land surrounding the basin of the Jarahi River, which gave them a majority hold in the area. Yet Khazal refused to recognize this transaction and claimed the right of preemption, arguing that prior to the transaction, he had leased the lands from the owners.[[30]](#footnote-30) The British had cultivated ties with both parties and, more importantly, at a time when the Constitutional Revolution had brought instability to Persia, they directly linked Khazal’s consolidation of power over the scattered Arab tribes within his borders to the growing stability in Khuzestan: “This policy,” the British consul wrote, “is one which it is for us to encourage as it is greatly to our advantage.”[[31]](#footnote-31) So the British interceded to host a meeting in May 1913 at Band-e Qir, and the two parties signed an agreement, as a result of which “the Shaikh became the agent for the Bakhtiyaris in all matters” in return for a gain of 20,000 tomans over the Bakhtiyaris’ initial investments in the Jarahi lands.[[32]](#footnote-32)

There were other setbacks for the Bakhtiyaris. After the D’Arcy syndicate eventually struck oil in 1908, a sprawling oil industry was constructed under the aegis of British influence in southwestern Iran with little interference or input from the central government in Tehran. The Company's decision after WWI to extend its areas of operations necessitated further land acquisitions from the Bakhtiyari pastures.[[33]](#footnote-33) But by this time in the early 1920s, the nascent Pahlavi state had moved to assume traditional forms of tribal revenue collection, like bridge tolls, as has been previously discussed, or required them to be strictly accounted for to the finance ministry, so the sale of land was the only revenue-generating activity still left to the tribal governors.[[34]](#footnote-34) Yet the senior khans’ increasing use of tribal pastures as their own personal private property to be disposed of at will, not only exacerbated tensions between the new central state and the khans, but contributed to the eruption of a tribal rebellion in 1929. To retain their appointments as tribal governors, the khans doled out large “presents” to the shah whenever a land sale was made, further depleting the few sources of revenue and power available to them. Moreover, by the close of the 1920s, the Company, hoping to pressure the tribes to transfer their shares to them, began diverting the tribe’s dividends to the repayment of loans it had advanced them, and without these royalty payments the khans were unable to fulfill their obligations to their relatives or tribe.[[35]](#footnote-35)

Against the backdrop of growing Bakhtiyari indebtedness and rebellion and a secular unraveling of the Qajar state, the Anglo-Persian Oil Company worked to cement its position at the top of Iran’s most valuable industry as it grew from a small oil concern into one of the largest and most influential in the world. In 1914, to protect the fledgling Anglo-Persian Oil Company and to guarantee stable access to Iran’s oil, the British government purchased a majority share of the company’s stock, and during World War I, when the British government launched military interventions into Iran, despite the Qajar state’s proclamation of neutrality, which resulted in starvation, dislocation and economic collapse. When in 1919 an agreement was signed by the British and Iranian governments which would tie it to the British Empire through military advisers and defense arrangements, rendering it a virtual British protectorate, the Majles forcefully rejected the treaty and Iran’s government collapsed, further destabilizing the fractious political situation within Iran, compounded by British occupation, the separatist Jangali movement, and the near-collapse of order in many of the provinces.

It was against this backdrop that Reza Khan came to power on February 21, 1921, through a coup. In April 1921, he became the minister of war, and in October, the prime minister, all while maintaining command of the army. For the first few years, he allowed Ahmad Shah, the last Qajar king, to remain on the throne. However, in December 1924, , he forced through the approval of the constituent assembly the establishment of the new Pahlavi dynasty and crowned himself king of on 25 April 1926. In the interim period between the 1921 coup and Reza Khan’s coronation in 1926, he concentrated his energies on suppressing rebellions against the central government in various parts of Iran, especially in the tribal areas. While the coup of 1921 came about with the participation of British officials in Iran and the tacit consent, if not the explicit endorsement, of the Foreign Office, who thought that Reza Khan would stabilize Iran, check Russian influence, and preserve the British status quo in the southern oil fields, by 1921, distrust, discontent, and resentment governed the attitude of many Iranian officials toward the British.[[36]](#footnote-36) Challenging British control of Iran’s most valuable oil resources was a central feature of the Pahlavi state and of the nationalism of bourgeoisie modernists and statesmen like Ali Akbar Davar, Sayyed Hasan Taqizadeh, and Ali Dashti, who felt that a strong state was their best weapon in the fight against foreign exploitation and embarrassment.[[37]](#footnote-37) It was in this spirit that Reza Khan, declared his intention to the British minister “to build with Persian hands what you have tried to build with British hands.”[[38]](#footnote-38)

While the Iranian government had always, even in the days of its almost complete powerlessness, rejected the legitimacy of the agreements between the khans and the Company and the notion that tribal khans were the just owners of the winter pasture lands they were in the process of selling, in the new circumstances of the 1920s, the Company’s agreements with the tribes felt especially anachronistic after 1921. The land registration efforts of the 1920s and 30s thus sought to replace a pattern of administrative devolution that had governed state-tribal relations, constituting not only a new regime of property ownership but new patterns governing the state’s relationship to land and the Company.[[39]](#footnote-39)

Aware of Reza Khan’s suppression of other rebellions following the coup, in 1921, Khazal, who was in many respects at the height of his power, began amassing troops in preparation of an inevitable confrontation. In addition to establishing close ties with some members of the opposition in the Majles, he also forged an alliance with some powerful local chiefs and called it Komita-ye qiyam-e saʿadat.  Khazal headed the Komita, and, after throwing around his political and financial weight, even managed to elicit Ahmad Shah’s blessing for its formation.[[40]](#footnote-40) Reza Khan in the meantime ordered officials in Tehran to create a credible case against Khazal with regard to past-due taxes and revenues, such as those of the Khuzestan Customs.

While waiting for the summer heat of Khuzestan to subside, Reza Khan began making preparations of his own for the eventual confrontation. On November 4, 1924, he moved south from Tehran to Isfahan and made the finance minister, Mohammad Ali Foruqi, the acting premier in his absence. While the British felt obliged to forestall a clash and so interceded on behalf of Khazal, Reza Khan, on the cusp of a historic victory over a British protege, ignored their attempts at intercession and continued his advance on Khuzestan. A few weeks later, Reza Khan’s troops were in full control of province, and on December 6, 1924, Reza Khan and Khazal finally met, at which point Khazal rescinded his initial refusals to surrender and promised to be henceforth a sincere servant of the Persian government. On December 19, 1924, Reza Khan signed a document that pardoned the Shaikh and assured him that his private properties and lands would be respected and neither he nor his relatives would be harmed, in return for Khazal’s promise to settle his past-due indebtedness to the government. Knowing that Khazal, unlikely to leave Khuzestan of his own volition, would be a liability to the government so long as he stayed there, Reza Khan used Khazal’s back taxes as a pretext to kidnap him. At Reza Khan’s instruction, in the middle of the night on 18 April 1925, soldiers captured Khazal and one of his sons from one of his boats, and sent them to Tehran, where he would live out the remainder of his life, without ever settling his old indebtedness to the government.[[41]](#footnote-41)

The suppression of tribal rebellions and autonomies was necessary to the consolidation of the Pahlavi regime, after which Reza Khan coronated himself as shah in 1926 and initiated a rapid phase of legal, economic and social reform. While other scholars have explained this push in terms of authoritarian state building, I argue that reference to an ideology of modernization alone cannot account for this dynamic.[[42]](#footnote-42) Instead, state building worked to replace Qajar practices anachronistic to the patterns of accumulation introduced by the oil industry. This is not to make an argument about whether the Qajar state was or was not capitalist. Jairus Banaji has convincingly demonstrated that because capitalist modes of production and accumulation can be indifferent to the forms of exploitation generative of value, that the history of capitalism exceeds the history of the first capitalist nation “to include supposedly antediluvian forms like merchant-capital that were formative to its emergence.”[[43]](#footnote-43) What I mean to suggest is that transformations in the institutional structure of the state balanced a breakdown in the Qajar state’s ability to collect revenue and successfully invest it in activities and industries generative of positive economic growth.

The backdrop to the government’s reform of tax collection and land registration was thus a general state of financial disarray and irregularity. Road tolls and other miscellaneous taxes had long been subject to irregular and arbitrary collection. Some of the largest potential payers of land taxes had for years failed to pay their taxes, while in other cases, local bailiffs collected taxes only to pocket them, amounting to a loss for the government of anywhere from a few thousand tomans to hundreds of thousands.[[44]](#footnote-44) It was within this context that the Pahlavi state gradually re-established the writ of the central government in the outlying areas of the country, founding local financial offices to arrange for the collection of taxes. Thus, following local military successes in the winter of 1923, financial agencies were established in certain districts of Kirman, Pars, and Luristan, and in the case of Khuzestan, the whole financial administration of the province of was centralized.[[45]](#footnote-45)

The 1928 [21st Bahman 1306] legislation for the registration of title deeds to landed property and real estate restructured patterns of land ownership, undermining customary tribal rights in favor of outright legal ownership and initiating a massive expropriation of public land as crown property by the shah himself.[[46]](#footnote-46) An emendation, passed on 8th Khurdad 1308 (1929), allowed objections to the registration of a piece of property to be filed within a period of four months. The law of Mihr 1308 (1929) made the registration of real estate compulsory within a period of two years after an office of the Department of Registration was set up in any given area. If a landholder failed to register his property within those two years, the government was empowered to register the property in the name of the holder at that time, and the owners would have no right to protest the delimitation of the property, and ownership deeds would not be issued for five years.[[47]](#footnote-47)

In March 1928, ‘Abd al-Hosayn Teymurtash (1883‒1933), Reza Khan’s minister of court and chief negotiator, met, at the shah's request, with the Company to communicate these changes in land policy. Teymurtash informed T.L. Jack, an APOC representative and deputy to Camdan, that the 1905 Bakhtiyari Land Agreement would have to be cancelled because the land in question, like all pastoral lands, was the preserve of the Iranian government. Henceforth, Teymurtash informed him, the Company’s land purchases would have to be negotiated with the government. That the Company readily relented suggests officials were eager to unburden themselves of the necessity of negotiating with the khans and that they recognized that a stable central state would provide surer conditions for company operations than had been the norm in Iran anyways.[[48]](#footnote-48) This agreement was ratified once more on June 14, 1930 between the governor-general of Khuzestan and the Company, which agreed to negotiate all future land acquisitions with the central government.

While oil thus destroyed the social character of certain forms of association and communal organization in Iran, like the tribe, it gave birth to others, namely, the nation, the development of which justified new form of state power and the forms of property ownership underwriting it. In the process, oil redefined not just communities but what constituted the common concern. Oil, moreover, as the preceding section has demonstrated, acted as a nexus through which a variety of legislation was formed and through which the nationalization movement was conceived.

Having liquidated the power of the tribes and consolidated its authority at the exclusion of rival others, the government in 1931 introduced legislation that consolidated all foreign trade into a government monopoly, transferring rights to and establishing under its authority companies formed to trade in commodities like sugar and tea, opium, silk, cotton, wheat, dried fruit, gum tragacanth, etc. But this move was less the logical next step to state building and more a response to the profound and sudden impact of the Great Depression on Iran. In early 1930, the price of silver plummeted precipitously to less than $5 an ounce, which the government first responded to by debasing its existing currency and eventually by switching to the gold standard introducing a new currency (the Pahlavi). Yet the balance of trade remained extremely unfavorable; already by 1932 oil accounted for 68 percent of all Iranian exports. At this point, the government relied on foreign exchange receipts from oil not for development, but for majority of the state budget; through its yearly oil royalty, the state paid for army’s munitions, machinery for domestic industry, the construction of the trans-Iranian railroad, and replenishment of the country’s gold reserves. The monopoly on all foreign trade, then, was introduced to control the rate of imports.[[49]](#footnote-49)

While scholars recognize that the period between the D’Arcy concession and nationalization half a century later was a period of profound transformation, they most readily explain these changes as an outcome of Reza Shah’s modernist ambitions. As for the oil industry, Mahmoud Fard Kardel’s claim that “Until the nationalization of Iran’s oil industry by its legislature in 1951, there was no particular legislative framework, contractual form or agreements relating to oil and gas, except for individually negotiated agreements that stated no pre-conditions,” is worth quoting for the frequency with which variations of it appear in other legal histories of Iranian oil.[[50]](#footnote-50) Despite the contention that the single most significant feature of the pre-nationalization period of the oil industry was the “lack of formally specified legal rules for this sector, and the prevalence of concessions,” the oil industry generated, through the conflicts it set in motion, new regimes of land management that concentrated the obligations of the Company onto the state; in order to do so, it had to destroy not only rival contractual obligations but the forms of association attendant to them.

Yet this did not bring to decisive rest the question of the state’s right to oil revenues either. After a period of state consolidation, Pahlavi statesmen and reformers abrogated the capitulations the Qajar officials had granted foreign powers and involved a discourse of resource nationalism to dispute the asymmetries still enshrined in the D’Arcy concession, at the same time that they validated the importance of the oil industry to Iran’s economic prosperity. The following section examines the final piece of a tripartite policy that resolved Qajar practices that had grown anachronistic following Iran’s encounter with the oil industry through tribal suppression, land registration and revenue collection, and finally, renegotiation.

Between 1928 and 1932, the government of Reza Shah and the Anglo-Persian Oil Company attempted to negotiate a new oil concession based on a more equitable division of profits. In 1927, Reza Shah announced his intention to end Iran’s economic exploitation: all foreign treaties and economic agreements would be re-negotiated, although this policy, known as the “Abrogation of Capitulations,” took as its principal target the Anglo-Persian Oil Company.[[51]](#footnote-51) Neither the Iranian government nor the Iranian people, declared Reza Shah, “agree with the D’Arcy Concession … Iran can no longer tolerate the profits of its oil going into foreigners’ pockets. It is necessary this be immediately expressed and communicated to the company in London.”[[52]](#footnote-52) Ali Dashti similarly argued that because the D’Arcy Concession had been signed before the Constitutional Revolution, it was not a legitimate contract; but his argument was equally motivated by the belief that “It must be revised so that Iran could use the riches of our natural resources to fund our reform programs.”[[53]](#footnote-53)

This period under review, from the date of first discovery to the late 1920s, had been one of intense growth for APOC. But growth began to slow by 1927 because of pressures within the industry and worldwide economy. Global demand could not keep up with new oil discoveries in the US, most notably in Texas, and abroad. The growing internationalization of oil consumption and the global significance of these discoveries created a sense of the fossil fuel industry as not local interests but an international entity, which required cooperation and integration if the parties involved were to avoid destructive competition. Leading this drive to “rationalize” the oil markets was Sir John Camdan, chairman of APOC from 1927-1941.[[54]](#footnote-54)

Publicly, Camdan lauded APOC for turning oil enclaves like Abadan into a “flouring area of industrial activity…in harmony with and for the benefit of the Persian people;” privately, he worried that there existed a strong feeling “that the Company had done little or nothing *for the people* of Persia, in return for the natural wealth which it had won and carried away.”[[55]](#footnote-55) While Camdan conceded that a more equitable arrangement could be devised between the government of Iran and the Company, as Gregory Brews has argued, “his notions of equitability were centered on the needs of the international oil industry.”[[56]](#footnote-56) Essential to meeting these needs was stability. Thus renegotiation of the concession for him was motivated by a desire to secure a longer concessionary period and to eliminate loopholes within the D’Arcy Concession that would have APOC surrender its assets to Iran at the concession’s close. Satisfying the demands of the Pahlavi regime, which included a corporate partnership, Camdan thought, would be a simple matter of increasing the government’s share of profits and giving the company the appearance of a partnership.

A satisfactory substitute to the D’Arcy Concession was almost agreed upon, when the Great Depression of 1930 brought down oil prices and, with them, the profits of the AIOC and the royalties of the Persian Government. The depression cast into clear terms that APOC and Iran harbored different conceptions of not just equitability but of interest, the cipher through which the former was understood and articulated. As one British commentator argued after the fact, “Not realising that this development [the precipitous fall in profits after the 1930 depression] was due to events beyond the company’s control and believing that its interests had not been properly safeguarded, the Persian Government abruptly cancelled the D’Arcy concession in November 1932.”[[57]](#footnote-57) Where the company argued that profits were subject to the volatilities of the market, the Iranian government, which already at this point in time depended overwhelmingly on yearly royalties to fuel its state apparatus, felt that equitability should involve a guaranteed annual payment, without which, particularly when profits contracted, it rank the risk of collapsing. Mutual intransigence culminated in Reza Shah’s cancellation of the concession in 1933, at which point the British government lodged a complaint with the League of Nations. Before the year’s end, the company and the Persian government entered negotiations, resulting in the Concession Agreement of 1933, which introduced terms roughly equal to what had been provided under the D’Arcy Concession, although the Company made sure to give the agreement the public appearance of a Persian victory.[[58]](#footnote-58)

Gregory Brew has concluded that “An agreement was ultimately impossible to reach, due to differing ideas on either side regarding what was equitable, changes in the international oil economy and instability within Iran itself, leading to an unequalagreement in April 1933 that confirmed APOC’s long-term security but served only the short-term needs of Iran.” Yet according to the APOC Chairman, it was not necessarily the case that Iran and Britain should harbor conflicting interests. Camdan “raised no objection in principle” to Iran becoming a partner in APOC and, in fact, thought partnership might allow the Company to harness the energies of economic nationalism to advance its interests: “‘[I]t is only reasonable to assume,’ he wrote, ‘that concessionaires regard their future as safeguarded against the rising tide of economic nationalism in proportion to the extent to which the national interests and their own approach identify.’”[[59]](#footnote-59) How then do we explain the supposed irreconcilability of interests, given their formal equality? **[To be completed.]**

1. Hossein Mahdavy’s 1970 “Patterns and Problems of Economic Development in Rentier States: The Case of Iran” is one of the earliest arguments for the ways in which carbon dependence precludes democratic governance by providing oil states the revenue needed to repress dissent. For another early statement on the political formations generated by mineral extraction, see Gobind Nankani, “Development Problems of Mineral Countries” (August 1979) written for the World Bank. Terry Lynn Karl’s 1997 book *Paradox of Plenty* also helped legitimize “petrostate” as a scholarly term. She argued that “dependence on a particular export commodity shapes not only social classes and regime types… but also the very institutions of the state, the framework for decision-making, and the decision calculus of policymakers;” in other words, “The manner in which a state earns its living influences its own patterns of institutionalization” (7). If a state earns a disproportionate amount of its revenue from minerals, then the policy environment of officials; the goals of the state; the types of public institutions; and the locus of authority are all altered. In the case of petrostates, “oil-provoked changes in state capacity are the intervening variable…” regardless of geography, religion, culture, or history (44). Terry Lynn Karl, *The Paradox of Plenty: Oil Booms and Petrostates* (Berkeley: University of California Press, 1997). The use of paradox as an organizing framework for this chapter is most immediately borrowed from Michael J. Watts, “Antinomies of community: some thoughts on geography, resources and empire,” *Transactions of the Institute of British Geographers* 29, no. 2 (2004), 204. [↑](#footnote-ref-1)
2. Fernando Coronil*, The Magical State: Nature, Money, and Modernity in Venezuela* (Chicago: University of Chicago Press, 1997). [↑](#footnote-ref-2)
3. While climbing oil revenues facilitated the processes of nation-building and arbitrary power alluded to here, according to Homa Katouzian, “[A]rbitrary rule had been the norm in Iranian history,” and oil alone cannot be credited for its origins. In *Iranian History and Politics: The Dialectic of State and Society* (London and New York: RoutledgeCurzon, 2003), x. The concept of equal exchange referenced to here needs elaborating. [↑](#footnote-ref-3)
4. Fernando Coronil, *The Magical State*, 389. See also Christopher Dietrich, *Oil Revolution: Anticolonial Elites, Sovereign Rights, and the Economic Culture of Decolonization* (Cambridge: Cambridge University Press, 2017). [↑](#footnote-ref-4)
5. Willem Floor, *A Fiscal History* *of Iran in the Safavid and Qajar Periods, 1500-1925*(New York: Bibliotheca Persica, 1998) 504. [↑](#footnote-ref-5)
6. I need to investigate the exact legal status of these lands, especially since the Qajar state (and perhaps earlier ones in today’s Iran) forbid the sale of land to foreigners. [↑](#footnote-ref-6)
7. For more on medieval recognitions of private property rights in Iran, see Ann Lambton’s landmark *Landlord and Peasant in Persia: A Study of Land Tenure and Land Revenue Administration*  (Oxford: Oxford University Press, 1953). https://archive.org/stream/in.ernet.dli.2015.122564/2015.122564.Landlord-And-Peasant-In-Persia\_djvu.txt [↑](#footnote-ref-7)
8. For more on this system of administrative devolution, see Sekandar Amanolahi, “Reza Shah and the Lurs,” *Iran & the Caucasus* 6, no. 1/2 (2002): 194-5. **Add other references.** The use of “system” to describe patterns of administrative devolution is meant only to describe a certain regularity to irregularities. As Willem Floor has emphasized, the Safavid and Qajar fiscal systems were personal and arbitrary in nature, and "there was no conscious or targeted policy to bring about economic growth" (504). In short, while similar taxes were collected across different localities, the operation of collecting on the ground was not always laid down at the center; instead, it was "the local rather than the central government that controlled the direct collection of taxes" (251). Floor, *A Fiscal History of Iran*. [↑](#footnote-ref-8)
9. I make this point only because much of the literature on state formation makes the argument that authoritarian modernization motivated state centralization. [↑](#footnote-ref-9)
10. Coronil, *The Magical* State, 7. As he explains, “Paradoxically,” as Coronil has explained, “in pursuit of their comparative advantage, nature-exporting nations are frequently recast in their old colonial role as sources of primary products, a role now rewritten in terms of the neoliberal rationality of globalizing capitalism. For them, neocolonialism follows postcolonialism.” These attempts at diversification and industrialization encompassed a number of developmental projects, from the construction of the trans-Iranian Railway to megadams and agribusiness. [↑](#footnote-ref-10)
11. Matthew T. Huber, *Lifeblood: Oil, Freedom, and the Forces of Capital ‎*(Minneapolis: University of Minnesota Press, 2013), 3. [↑](#footnote-ref-11)
12. While most people treat the theory of fetishism as largely unrelated to Marx’s economic theory, to I.I. Rubin, the theory of fetishism is not a cultural digression but “the basis of Marx’s entire economic system and in particular of his theory of value” (5). With it, Marx not only demonstrated that human relations were veiled by relations between things, but rather that, in the capitalist commodity economy, the relations of production inevitably took the form of relations between things and could not be expressed otherwise. More specifically, it is the movement of things in the material process of production which leads to the ‘reification’ of production relations among people as relations between things. For more, see I.I. Rubin, “Essays on Marx’s Theory of Value.” [↑](#footnote-ref-12)
13. Coronil, *The Magical State*, 6-8. Coronil argues that the systematic neglect of nature (and a corresponding neglect of geographical space and the international division of nature) in Marx’s critique of political economy and labor theory of value undermines its theoretical purchase for understanding peripheral states like Venezuela in the formation and reproduction of global capitalism. The “exclusive focus on labor” (29) in Marxist attempts to theorize peripheral social formations compounds this problem, according to Coronil. The neglect of land and other spatial categories renders the extractive and rent-based economies of Latin America and elsewhere elusive if not invisible. As for the state, this idea of the state (alluded to above) as a political actor is implicit to a number of theories of the state, including orthodox Marxist ones that treat the state as a political instrument of monopoly capital. Bob Jessop argues that in Marx’s earlier writings, the state is treated as a *parasitic* institution that played an inessential role in production and reproduction, primarily working to exploits and oppresses civil society (from which it is distinguished for its own sectional interests. Later, Marx retained basic ideas about the state’s separation from civil society but treated it as a *necessary* part of class domination rather than something parasitic and extraneous.Another strand of Marxist argumentation views the state as an epiphenomenon of property relations and class struggles. In the preface to his *Contribution to the Critique of Political Economy*, Marx, for instance, appears to treat law and politics as a superstructure based on an economic base/infrastructure and property relations as legal expression of production relations. Jessop argues “this approach considers the structure of the state a surface reflection of a self-sufficient and self-developing economic base,” and although state intervention can influence economic development, the latter is always determinate in the last instance. Jessop, *State Theory: Putting Capitalist States in their Place* (Cambridge: Polity Press, 1990), 27. [↑](#footnote-ref-13)
14. Which Huber argues this is central to creating and reinforcing the ‘lived process’ of neoliberal hegemony. Huber, *Lifeblood*, XX. [↑](#footnote-ref-14)
15. The idea of the state as an effect is a loose adaptation of Timothy Mitchell’s “Society, Economy, and State Effect,” in *State/Culture: State-Formation after the Cultural Turn*, ed. George Steinmetz (Ithaca, NY: Cornell University Press, 1999), 76-97. [↑](#footnote-ref-15)
16. Look into texts that theorize territorial sovereignty. [↑](#footnote-ref-16)
17. Michael Watts’s description of contemporary sites of oil production as “frontiers of accumulation and dispossession is relevant here. Michael Watts, “A Tale of Two Gulfs: Life, Death, and Dispossession along Two Oil Frontiers,” *American Quarterly* 64, no. 3 (2012): 437-67. [↑](#footnote-ref-17)
18. Some have made the argument that the Qajars were, if not right, then understandable in their decision to open Iran to foreign investment. After all, any increases in the country’s productive capacities required not efficiency in tax revenue collection but an increase on the ceiling placed on them. While private property rights should be guaranteed, Iran’s recent military losses made clear that it lacked the capacity to safeguard economic investments or activities. Furthermore, increase in production required improvements in the three productive factors: labour, capital, and technology. Iran had a small population consisting mostly of illiterate and unhealthy individuals who were ignorant of modern technology. Improving the health and education of the population required money, as did investment in capital goods and technology. Answers to the question of what is to be done about Iran’s poverty allow us to divide, following Dadkhah, modern Iranian economic thought into three distinct eras. “During the first period, Iranian thinkers hoped to attract foreign investment, thus bringing both financial resources and know-how to the country. In the second period it was hoped that Iranian capitalists would rise to the challenge and establish new industries. Finally, in the third period all hopes were pinned on the government.” Dadkhah, “From Global Capital to State Capitalism: The Evolution of Economic Thought in Iran, 1875-1925,” *Middle Eastern Studies* 39, no. 4 (October 2003), 140-158 (142-3). [↑](#footnote-ref-18)
19. The argument has been made that the Bakhtiyari tribes were not always pastoral nomadists, but that a combination of over-taxation and instability under the Qajars precipitated a decline in sedentarized agriculture. Moreover, from the point of view of communal security, while the nomadic pastoralist tribes were well organized into armed and mobile defense unites, settled villagers and the urban population were practically defenseless. “Thus, during the *xodsari* [autonomous] period, the nomadic pastoralist tribes took control of the crown land as well as the lands owned by the urbanists (*shahrenshinan*). As a result, the powerless peasants who had no control over their properties and farm products, either joined the pastoral nomads, or left their villages.” Amanolahi, “Reza Shah and the Lurs,” 200. [↑](#footnote-ref-19)
20. Camille Lyans Cole, “The Ottoman Model: Basra and the Making of Qajar Reform, 1881-1889,” *Comparative Studies in Society and History* 64, no. 4 (2022):1024-1054. [↑](#footnote-ref-20)
21. Amanolahi, “Reza Shah and the Lurs,” 194. [↑](#footnote-ref-21)
22. Cronin, “The Politics of Debt: The Anglo-Persian Oil Company and the Bakhtiyari Khans,” *Middle Eastern Studies* 40, no. 4 (July 2004), 1-31 (4). [↑](#footnote-ref-22)
23. Cronin, “The Politics of Debt,” 5. [↑](#footnote-ref-23)
24. The different means by which the Company drowned the khans in debt should be discussed here. [↑](#footnote-ref-24)
25. The Qajar state’s treaties with the Shaykh, which recognized his right to a significant stretch of land in Khuzestan in exchange for the guarantee that he would render the area populous are worth mentioning here. [↑](#footnote-ref-25)
26. Not at all was determined by accidents of geography, however. Shaykh Khazal made himself useful to the Company in other ways, suppressing worker protests, for instance. [↑](#footnote-ref-26)
27. See for example pages 11 and 15 of Treaties and Undertakings. [↑](#footnote-ref-27)
28. Shahbaz Shahnavaz, “Ḵazʿal Khan” *Encyclopedia Iranica*, https://www.iranicaonline.org/articles/kazal-khan. [↑](#footnote-ref-28)
29. Shahbaz Shahnavaz, “Ḵazʿal Khan.” [↑](#footnote-ref-29)
30. Administration Report, Muhammarah, 1912. *Encylopedia Iranica.*  [↑](#footnote-ref-30)
31. Administration Report, Muhammarah, 1913. Quoted in *Encylopedia Iranica.* [↑](#footnote-ref-31)
32. Administration Report, Muhammarah, 1913. *Encylopedia Iranica.* [↑](#footnote-ref-32)
33. Cronin, “The Politics of Debt,” 12. [↑](#footnote-ref-33)
34. Cronin, “The Politics of Debt,” 6-7. [↑](#footnote-ref-34)
35. Cronin, “The Politics of Debt,” 14. [↑](#footnote-ref-35)
36. Gregory Brew, “In Search of ‘Equitability’: Sir John Cadman, Rezā Shah and the Cancellation of the D’Arcy Concession, 1928‒33,” *Iranian Studies*, 50, no. 1, 125-148, at 128. [↑](#footnote-ref-36)
37. Touraj Atabki and Erik Zurcher, *Men or Order: Authoritarian Modernization under* *Atatürk and Reza Shah* (I.B. Tauris). “Following Iran's defeats first at the hands of the Russians and then the British, Iranians became aware of the backwardness of their country. . . Iran's ability to defend its sovereignty and territorial integrity was contingent on the formation of a modem army equipped with modem weapons, science, and technology. This required financial resources, that is, the government had to collect taxes. But the tax system was as backward as the military. A bunch of *mostofis* (tax accountants) whose greed was insatiable formed the tax system, and the collection of revenues was in the hands of local governors who in brutality could put Ghengis Khan to shame. Early reform activities, therefore, consisted of attempts to collect more taxes regularly, buy modem weapons from abroad or produce them in the country, and better army training. *Nevertheless, no matter how efficient were the mostofis or how much pressure was exerted on farmers, Iran's productive capacity and taxable income were limited. Indeed, such pressure would result in diminution of the existing production, and consequently, the amount of tax revenues*.” Dadkhah, “From Global Capital to State Capitalism,” 142. [↑](#footnote-ref-37)
38. Quoted in Brew, “In Search of ‘Equitability,’” 129. [↑](#footnote-ref-38)
39. Cronin, “The Politics of Debt.” 15. [↑](#footnote-ref-39)
40. Reżā Shah, 4. Shahnavaz, “Ḵazʿal Khan” [↑](#footnote-ref-40)
41. Shahnavaz, “Ḵazʿal Khan”. [↑](#footnote-ref-41)
42. Cite histories of the Reza Shah period that characterize his reign in these terms. [↑](#footnote-ref-42)
43. Banaji, 12. [↑](#footnote-ref-43)
44. Cronin, “The Politics of Debt,” 22. [↑](#footnote-ref-44)
45. Lambton, *Landlord and Peasant*. https://archive.org/stream/in.ernet.dli.2015.122564/2015.122564.Landlord-And-Peasant-In-Persia\_djvu.txt. [↑](#footnote-ref-45)
46. Cronin, “ The Politics of Debt,” 19. Another scholar writes, “During the *xodsari* period, the ownership of land was practically determined by force: that is, the tribes took land by force from each other or from Khorramabad. So the land title hardly proved anything. The new regime changed that pattern by a land registration act. Yet the new regime committed much injustice too.” Amanolahi, “Reza Shah and the Lurs,” 216. [↑](#footnote-ref-46)
47. It is perhaps worth noting that the enclosure by way of registration of lands coincided with the closure of water rights. Water rights could be registered under the law of Mihr 1308 (1929). A circular issued in Farvardin 1309 (1930) by the Director-General of the Department of the Registration of Estates and Documents explained that demands for the registration of the water of rivers would be accepted in the course of registering the property that claimed access to it. An exception was made in the case of a river which had been divided among a specified number of owners; these could register the extent of their respective shares. [↑](#footnote-ref-47)
48. Cronin, “The Politics of Debt,” 19-20. [↑](#footnote-ref-48)
49. Brew, “In Search of ‘Equitability,’” 135. [↑](#footnote-ref-49)
50. Kardel, 233. [↑](#footnote-ref-50)
51. Michael Zirinsky, “Riza Shah's 1927-28 Abrogation of Capitulation,” in *The Making of Modern Iran State and Society under Riza Shah, 1921-1941*, ed. Stephanie Cronin (London: Routledge, 2003). [↑](#footnote-ref-51)
52. Fateh, *Panjah sal naft-e Iran*, 286. [↑](#footnote-ref-52)
53. Quoted in Brew, “In Search of ‘Equitability,’” 130. [↑](#footnote-ref-53)
54. Brew, “In Search of ‘Equitability,’” 130. [↑](#footnote-ref-54)
55. Quoted in Brew, “In Search of ‘Equitability,’” 130. [↑](#footnote-ref-55)
56. Brew, “In Search of ‘Equitability,’” 131. [↑](#footnote-ref-56)
57. BP ArcRef 111015 (1951) J.F.A. Swanston, “Persian Oil Dispute", reprinted from *World Review*. [↑](#footnote-ref-57)
58. The 1930 economic depression would not be the only time crisis controverted formal appearances of equality and cooperation. OPEC nations effectively leveraged the economic culture of decolonization into a coherent diplomatic strategy during the 1973-74 oil embargo, their reliance on oil to do so controverted their claim to act as universal champions of sovereign rights. The ensuing energy crisis fragmented a front previously unified under the banner of sovereign rights, since the “non-oil Third World” was hit the hardest by climbing oil prices. While oil elites maintained that the oil embargo and price hikes were a form of anticolonial opposition to Israeli aggression and unjust pricing terms, the New International Economic Order could not contain its own incongruities: “the compressed energy of the contradiction between the internationalist vision of a more just economic order and the national containers for that vision exploded when high oil prices caused a more general sovereign debt crisis.” Christopher Dietrich, *Oil Revolution*, 168. [↑](#footnote-ref-58)
59. Brew, “In Search of ‘Equitability,’” 132. [↑](#footnote-ref-59)