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## What Kind of Worker Does an Oil Industry Require to Survive?

The workmen employed in the service of the Company shall be subjects of His Imperial Majesty the Shah, except the technical staff such as the managers, engineers, borers and foremen. (Article 12, D'Arcy Concession, 1901)

(II) ... *the Company* shall recruit its artisans as well as its technical and commercial staff from among Persian nationals to the extent that it shall find in Persia persons who possess the requisite competence and experience. It is likewise understood that unskilled staff shall be composed exclusively of Persian nationals. (III) The parties declare themselves in agreement to study and prepare a general plan of yearly and progressive reduction of the non-Persian employees with a view to replacing them in the shortest possible time and progressively by Persian nationals. (Article 16, 1933 Concession)

Between the 1920s and 1950s, oil workers helped transform the oilfields, pipeline, and refinery of southwest Iran into sites of intense political struggle. The struggle triggered one of the most dramatic political events of the mid-twentieth century, the Iranian government's decision to nationalize the oil industry in 1951. The interwar dispute between AIOC and the Iranian government over the terms of Iran's 1901 oil concession included the unresolved issue of "Persianization," the gradual replacement of foreign employees with Iranian workers at higher skill levels. This particular controversy, along with a series of oil worker strikes promoting national control of the oil, raised the question of the kind of worker the oil industry required to survive.

The Iranian government's call for Persianization of the British-controlled oil industry was, in part, a response to the first organized industrial action by Iranian oil workers in 1929. Indian labor went on strike in 1922, and more strikes, often allying Iranian, Indian, and Arab oil workers, followed in 1945–1946 and 1949–1951.<sup>1</sup> This chapter considers the kinds of social technologies that targeted striking oil workers to help

stabilize a labor regime peculiar to the transnational oil corporation of the twentieth century.

Striking oil workers generated a kind of vulnerability, which threatened to disrupt the energy system at any moment. But studies on the development of Iran's labor movement exclude the legal, economic, and organizational content of labor controversies from the politics.<sup>2</sup> They suggest that social forces, interests, and resources are somehow separate from the technicalities of the battle. Worker disruption of oil infrastructure, such as pipelines and refinery processes, had political consequences for the powers of the transnational oil corporation and the national state. Disruptions to the flow of oil and thus the flow of profits to AIOC, and income to the Iranian government, shaped the emergence of certain kinds of political arrangements that favored British control.

This chapter follows oil workers as they built connections between politics and the control and distribution of oil. It considers the kinds of social technologies and practical work involved in organizing oil workers in the locations of housing and work. The chapter argues that AIOC's organizational techniques of intervention and control constituted a political project that worked by enrolling diverse actors to build divides in terms of racial-technical difference in the oilfields. Labor disputes marked decisive moments when the company attempted to devise and implement a scheme to address the question of employing more Iranian labor at higher skill levels (discussed in chapter 3). The controversies that attached to this recruitment scheme were the outcome of a peculiar process of bifurcation in which the company attempted to exclude the local from oil operations by transforming political questions of labor into technical and economic issues.

AIOC's formative years of constructing an oil labor regime in Khuzistan, Iran, coincided with the first episodes of industrial labor action in the 1920s. As one of their management techniques, mining and oil firms in the first half of the twentieth century resorted to paternalism in their efforts to defeat union building and worker dissent in the mines of America's Southwest and in the oilfields of the Middle East.<sup>3</sup> Paternalism involved the provision of benefits and the construction of housing and recreational facilities for a small segment of employees as a means of securing loyalty and thus stability in oil operations. Similar to the other global oil firms of the twentieth century, AIOC relied on a peculiar combination of racial and technical ordering and coercion as a strategy to battle union formation and stabilize oil operations.<sup>4</sup> These practices were not new to the transnational oil corporation and had their origins

in other industries located in other parts of the world. Robert Vitalis has tied the portrayal of the Arabian-American Oil Company, Aramco, as a benevolent force to a larger American corporate history of mining in the Southwest of the United States. AIOC's company managers and technologists had a different colonial past, however, connected to the oil operations of Burma and colonial administrative apparatuses of India.<sup>5</sup> Dominant Iranian political groups, such as the communist Tudeh Party, played an equally significant role by portraying themselves as the national spokespersons for the oil workers to redirect oil worker dissent toward alternative political possibilities.

This chapter traces shifting conceptions of the oil worker through AIOC's mobilization of benevolent and paternalistic practices, in response to the most pivotal oil worker strikes. By doing this, it pinpoints the critical moments in which the company decided to respond (or not) to the oil workers' demands by building divides between technical and economic issues (inside oil operations) and political issues of labor (outside oil operations). Technologies of racialization and other kinds of difference were often introduced and legitimized in technological terms—according to skill and wage structures to justify the use of the workforce—and then limited by delineating the suitability of certain jobs over others according to race. Article 12 of the 1901 concession, quoted above, designated all “workmen” as Iranian subjects, “except the technical staff such as the managers, engineers, borers and foremen.” The division of labor in terms of race was marked in terms of a technical difference between unskilled (Iranian) and skilled (British) labor. As the scale and demands of striking Iranian workers intensified, AIOC managers and accountants devised inventive ways of delineating the unsuitability of skilled jobs according to race by explaining that the Iranians did not possess the requisite training and experience. The last section considers the extent to which technologies of constructing a segregated labor regime flowed into national politics, especially during ongoing battles over how to make Anglo-Iranian oil governable, and in coordination with other oil corporations to manage labor internationally. The chapter ends with a consideration of how a careful examination of the social and calculating technologies involved in building an oil labor regime with a specific kind of worker alters our understanding of the history of nationalism, the role of the subaltern, and the so-called emergence of a labor movement in the formation of a national state.

### Points of Vulnerability within the Energy System

Oilfields, pipelines, and refineries became the sites of powerful political battles throughout the Middle East in the twentieth century. However, as Timothy Mitchell explains, organizing the control and distribution of oil did not offer oil workers the same power as the triple alliance of coal, railway, and dockworkers did in building more democratic forms of energy production.<sup>6</sup> Because oil comes out of the ground under its own pressure, it requires a smaller workforce than coal.<sup>7</sup> Oil's unique physical and chemical properties demand that each category of work—drilling, pipeline construction, well maintenance, transportation, and refining—utilizes specific kinds of skilled and unskilled laborers such as drillers, pipeline fitters, engineers, geologists, and chemists. The layout and design of oil infrastructure, namely, that it has an enclave character and requires oil wells, a pipeline, and a refinery to transform the oil into marketable products, result in distinct methods of monitoring and surveillance of workers. The oil workers' capacity to form unions and "engage in strike activity" is drastically reduced, especially when considering that other sources of oil can be relied on and tankers can be rerouted to replace a sudden loss of oil elsewhere.<sup>8</sup> Thus, one reason oil companies have succeeded in making enormous profits has been "their ability to contain labor militancy."<sup>9</sup> Where labor militancy has occurred, it has generally been concentrated in refinery operations where there are large concentrations of skilled workers who occupy strategic positions to disrupt the economies of both oil-exporting and oil-consuming countries. Over time, pumping stations and pipelines replaced railways as the main means of transporting a liquid form of energy, rather than a solid, from the site of production to refineries and tankers for shipping abroad. This meant the infrastructure of oil operations was vulnerable but not as easy to incapacitate through strike actions as were railways that carried coal, for example.

These points of vulnerability on the technical side of oil operations extended to, and were reinforced by, the segregated layout of residential areas according to race. As operations expanded after World War I, AIOC built an almost completely segregated populace through housing accommodations and the use of buses, clubs, and cinemas. It was comparable to the racial system built into Aramco's organization of Saudi Arabia's oil labor regime.<sup>10</sup> Worker skills were divided along racial lines and these were translated into the organization of housing, transport, leisure, and work. By 1922, Indian workers were living separately in "tents and mud

huts in the barrack-like ‘coolie lines’ located to the southwest” of the refinery (figure 4.1).<sup>11</sup> Iranian recruits lived in separate quarters, either in sun-baked mud houses in the old village, or in structures made of sticks or bamboo and covered with palm leaves.<sup>12</sup>

Mark Crinson has shown that AIOC’s development of housing and facilities in Abadan “heavily favoured the small European section of its population and indeed its policy towards Abadan as a whole was largely to treat the town as a place divided by race.”<sup>13</sup> After the discovery of oil in 1908 and the formation of AIOC in 1909, all building resources and facilities were imported from abroad and an area was laid out for the construction of bungalows for European staff.<sup>14</sup> AIOC built its first “pukka bungalow constructed in the local style” with a mat and “chandle roof.” A chandle roof is constructed of poles placed close together and overlaid with mats made from date palm leaves covered with earth. The bungalow form was symptomatic of sociospatial divisions of labor within colonial urban development, particularly in colonial India.<sup>15</sup> The

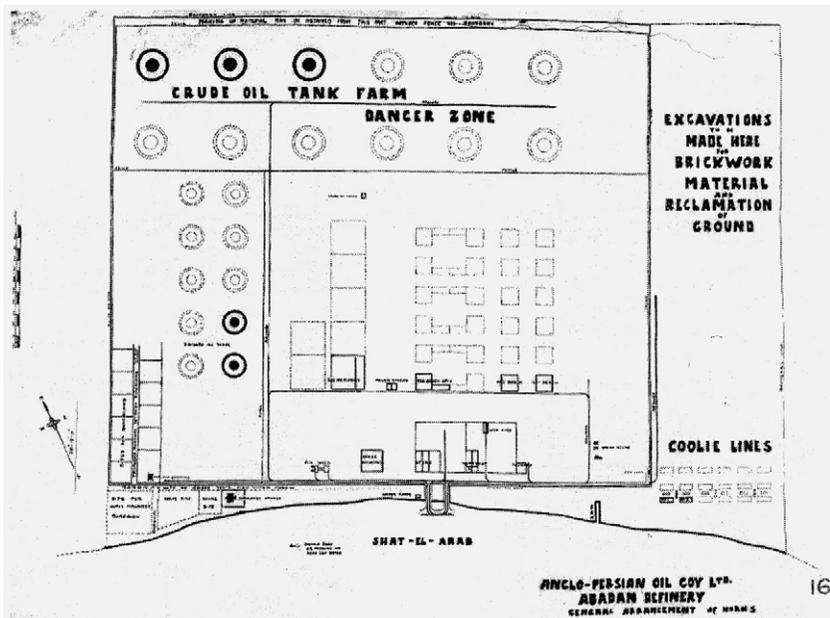


Figure 4.1  
 Right, “Coolie Lines.” Map of Abadan refinery in 1910. Source: Mark Crinson, “Abadan: Planning and Architecture under the Anglo-Iranian Oil Company” *Planning Perspectives* 12, no. 3 (1997): 341–359, esp. 343. Reproduced with the permission of the BP Archive.

“bungalow area,” known as “Braum,” was built exclusively by company engineers for European employees in 1912. It also consisted of buildings and a pattern of roads including “specialist bachelor barracks” known as “Slidevalve” and “Sunshine,” built in 1923. The buildings had thick walls, shutters, and arcaded verandas to block out the heat, which could reach 125 degrees Fahrenheit in the summer. Communal buildings such as the “Gymkhana Club” as well as many gardens were constructed in the vicinity. AIOC’s transformation of Braum into a “green oasis” for the European workers was a major undertaking. Its construction involved the transportation of materials and extensive labor for irrigation and planting as well as the employment of professional gardeners with work experience at Kew and in New Dehli.

The Abadan refinery itself was located between Braum and the town of Abadan. Located on the Shatt al-Arab waterway at the end of the 130-mile-long pipeline, it would soon become the largest refinery in the world, pooling the liquid and transporting it through plants for all stages of refining before pumping it onto tankers to be transported abroad.<sup>16</sup> Over the years, the refinery was transformed into the site of an expanding zone of tank farms, distillation units, and cracking plants.<sup>17</sup> It marked a kind of border separating the spaciouly laid out bungalow area “in the west in favour of the prevailing winds” from the town that became the source of disorder, epidemic, and disease. The “logic of location” was to situate the managerial and technical elite and the labor power close to the refinery, “if at opposite sides of it.”<sup>18</sup> The technical order of the refinery and its residential areas seemed at first to exclude the apparent disorder of “Abadan town,” but it also appeared to include it.<sup>19</sup> The source of disorder and disease in the town and the potential for racial mixing that it symbolized were necessary for the colonial order of the refinery to exist. The cramped town of Abadan rioters and other “natives” threatened to disrupt the clean and spacious layout of the European-inhabited bungalow area from the outside, but in practice and as the potential source of labor, it was *internal* to oil operations.

The machinery of the energy system, as constructed in southwest Iran, was constituted by the particular properties of Anglo-Iranian oil, which demanded specialized forms of knowledge, equipment, and labor, skilled and unskilled. The problem was that, from the start, the company chose to organize and manage oil operations by fixing the skill set of the managerial and technical elite and the labor power to race, in locations of housing and work. As discussed below, this ordering along racial-technical lines produced situations of immense uncertainty and

vulnerability, particularly during moments of labor unrest, because they put into question the kind of worker AIOC required to expand operations and keep profits high.

### **Beneficence and Violence**

As of January 1921, 4,942 Indian workers out of a total of 20,000 workers were employed in AIOC's oil operations and of these, 3,816 were concentrated at the Abadan refinery in the Persian Gulf.<sup>20</sup> Indian workers were recruited either through an agency from India or transferred from the Rangoon Refinery in Burma, through the mediation of the Burmah Oil Company.<sup>21</sup> AIOC had commenced its policy of recruiting Indian labor for the expansion of operations during World War I.<sup>22</sup> The British government helped the company by intervening to suspend the Indian Emigration Act of 1883, which placed restrictions on the migration of Indian labor to certain destinations. The suspension was considered a "war measure in respect of recruitment of skilled labour required by the Company."<sup>23</sup> Company officials believed it essential to have the "greatest possible freedom to recruit labour from India."<sup>24</sup> But the specificity of Indian laborers' technical knowledge—they were mainly employed as artisans and clerks but also in construction work at the refinery—gave them a kind of power to disrupt oil operations at any moment. In the period between World War I and the early 1920s, Indian workers at the Abadan refinery disrupted refining processes by going on strike on multiple occasions over pay rates for different classifications of labor.<sup>25</sup> In each instance, they built connections between their technical knowledge of oil refining and their economic and social demands about wages and housing.

In 1922, the immediate threat came from the "coolie lines" to the southwest of the refinery. The complaints of maltreatment and the miserable conditions of Indian workers employed in AIOC operations were expressed in Indian newspapers such as the *Bombay Chronicle*.<sup>26</sup> In terms of pay, the position of the worker went from bad to worse.<sup>27</sup> In a letter from the General Committee of the (Indian) Workmen to AIOC's joint works manager at Abadan, the workers declared their intent to go on strike. They expressed their dissatisfaction regarding the company policy of discriminating between "workman and a cooly." Several demands were listed concerning improvements in wages as well as housing and working conditions.

Led by the General Workers Committee, approximately 2,000 Indian workers went on strike for eleven days in March 1922. In response to the articles published in Indian newspapers as well as the demands submitted by the workers, AIOC challenged the notion that the accommodations provided for Indian workers were poor. On the contrary, company officials argued, the newest “clerks’ quarters” were in excellent condition.<sup>28</sup> They consisted of a “large airy bed-room with bathrooms attached for each clerk and a dining room for every two clerks.”<sup>29</sup> An alleyway separated the living rooms from the latrines and cookhouses, but “periodical congestion” was evident, the official admitted. The constructed quarters were not quite finished, and cookhouses and latrines, which were “nearing completion,” were “unexpectedly demolished by a heavy storm of rain.”<sup>30</sup>

The situation of the 1922 strike at the Abadan refinery improved with the arrival of Shaykh Khaz‘al from Kuwait. The shaykh had an interest in securing the stability of AIOC operations. As a claimant to property in the oil regions (discussed in chapter 1), he was receiving rents through a secret financial deal with the company that granted access to the lands where the refinery and part of the pipeline were built, as well as the provision of security to ensure that local nomadic groups did not disrupt company operations.<sup>31</sup> The shaykh posed a threat to the Iranian government, as his power over Khuzistan Province persisted outside the control of the central state.<sup>32</sup> According to the British political resident in the Gulf, the shaykh had “practically scotched [put an abrupt end to] the strike of Arab and Persian labour.”<sup>33</sup> There were 1,500 Chittagonian laborers (Sunni Muslims originating in the northeast region of India known as Bengal) who had continued to work under the guarantee of a pay increase of around 15 percent, but they were wavering.<sup>34</sup> “It was very important,” the British political resident explained, “to keep these men loyal because if they struck all the benches where oil is refined would have had to close and the entire refinery would have been at a standstill.”<sup>35</sup> In the view of AIOC and the British government, the Abadan refinery constituted one of the most vulnerable points in the energy system where large concentrations of skilled workers could easily disrupt international oil markets.

To avoid addressing the social and economic demands of the Indian workers, the company made distinctions between economic issues and politics by putting the blame on a specific group of “agitators.” The British political resident alleged that the motivations behind the strike were not solely economic but “largely political,” and that it was engineered by

“the Sikh element.”<sup>36</sup> As a result, AIOC repatriated approximately 2,000 male workers to India, while the remaining Indians, Arabs, and Iranians resumed work and new laborers were recruited.<sup>37</sup> In this early crisis of industrial action, the British government, operating on behalf of AIOC, felt the company was completely “justified in using force if necessary to compel men to leave as they have no right to insist on staying.”<sup>38</sup> The company argued that the Indian strikers had no “reasonable grounds for going on strike and for intimidating others and local labour into joining.”<sup>39</sup> In terms of pay, there were no legitimate grievances because the “company’s scale is very liberal and is ... higher than that given by other firms.”<sup>40</sup> The company portrayed itself as the most liberal and beneficent of the international oil firms. However, it simultaneously resorted to forms of coercion such as deportation and violence to eliminate dissent and place the blame on the political agitations of a particular group of workers.<sup>41</sup>

Kaveh Bayat has highlighted the strikes and grievances expressed by Indian and some Arab workers in the 1920s to argue that the Iranian workers were “not yet ready to take an active part in these actions or to organize their own.”<sup>42</sup> But it is equally important to follow the more complex forms of coercion at play—for example, the technical procedures and terms, calculative equipment, infrastructures, and coordination among diverse actors that helped render flows of oil and people governable.<sup>43</sup> Whether the Iranian workers were ready or not, strikes were critical moments in which assemblages of workers, company officials, and the British and Iranian governments struggled to frame controversies in advantageous ways to block opponents.

Indian workers performed specific tasks at the refinery without which the set of interconnected mechanisms involved in producing, transporting, and refining oil was rendered vulnerable, especially at these moments of political uncertainty. The company feared that Indian workers would encourage local laborers to join and open up new political possibilities in oil production that threatened to weaken British control. To counter this, AIOC worked hard to dismiss grievances with respect to pay by comparing its wage scale to that of other firms and workers in Iran. In these early years, the success of Persianization was explicitly linked to the reduction of Indian labor in a way that took into account Iranian contract labor not directly employed by the company.<sup>44</sup> The Indian worker was, at the same time, necessary to company operations, which allowed AIOC officials to make technical and economic arguments about a lack of Iranian labor with the requisite efficiency and experience.<sup>45</sup> Company interests were

“obliged to rely on India not only for unskilled but for skilled labour as none is obtainable in Persia.”<sup>46</sup> On the other hand, political possibilities were narrowed as striking workers could always be deported through the exercise of force, as in 1922.<sup>47</sup>

The 1922 strike by Indian workers marked an early moment when the company did not have to address worker demands by setting up institutions or mechanisms for the management of labor. It could easily resort to violence and deportation, an option not available to them with regard to Iranian workers. Most importantly, the foreign Indian worker equipped AIOC officials with the “evidence” it needed to develop a working definition of the Iranian oil worker in technical and economic terms as too inefficient and inexperienced to replace foreign labor, Indian or British. In what followed, however, the oil labor regime did not stabilize so easily. Additional equipment and forms of expertise were necessary to manage AIOC’s expanding oil operations because it was becoming increasingly difficult to deal with ongoing labor crises and the looming threat of national control using the techniques of coercion framed as corporate beneficence.

### The 1929 Strike and the Question of National Control

The strike by Indian laborers in 1922 coincided with the Iranian government’s pressure on AIOC headquarters to decrease the amount of Indian labor. In response, AIOC managers argued that the company was hindered from executing such demands at Abadan on account of “the very large percentage of Indians employed who resisted every effort to introduce local labour to their own exclusion.”<sup>48</sup> Resistance among Indian workers was acceptable in the company’s working definition of the oil worker as long as it reinforced the company’s arguments about imposing limits on the possibility of employing more Iranian laborers at higher skill levels.

Abadan in the late 1920s was an overcrowded “township” with 60,000 residents, a large number of whom were living in “squalid and unsanitary dwellings with no public services like clean drinking water.”<sup>49</sup> In 1928, the company employed 16,382 workers, but as Bayat argues, the presence of the company in southwest Iran was “constraining Iranian sovereignty and other issues like the appalling condition of Iranian workers.” Although the town was nominally under local municipal control, Abadan was practically a company town.<sup>50</sup>

The company's initial plans for constructing housing and work facilities at the site of oil operations were internal to the British imperial project to bring a peculiar kind of order to its colonies around the world. AIOC assigned James Mollison Wilson as the architect in charge of developing town-planning schemes and designing large numbers of buildings in Abadan.<sup>51</sup> Wilson received commissions from AIOC starting in 1927, but his career experience and training included work in the mandated territory of Iraq, first organizing the Public Works Department and then serving as Director of Public Works from 1920 to 1926. He had previously worked in New Dehli from 1913 to 1916 as an assistant to Sir Edwin Landseer Lutyens, the British imperial architect of the company's future headquarters in London.<sup>52</sup> Led by Wilson, the work of designing individual buildings and planning large residential areas, especially in Abadan but also in other company areas in Iran, Iraq, and Kuwait, mushroomed in the 1930s.

By 1929, the degree of planning for the organization of working and living conditions, as well as the political groups involved, had changed. The Iranian Communist Party, known as the Tudeh, launched a campaign in early 1928 to reorganize the "Iranian working class."<sup>53</sup> Moscow's decision to "Bolshevize" the international communist movement in the 1920s encouraged communist groups such as the Tudeh to take a more radical line of action in their respective countries. The party sent trained agents to the Khuzistan oilfields to take advantage of the growing anti-British sentiment among oil workers, communist sympathizers residing in the area, and other "nationalists," who together contributed to the formation of what Bayat has called "the semblances of a trade union."<sup>54</sup> Workingmen's clubs were social clubs that served as an important vehicle of worker organization and education.<sup>55</sup> The miserable conditions faced by the oil workers, the discrimination between Iranian and foreign workers, the poor living conditions and low wages, and the official campaign to force AIOC to revise its 1901 D'Arcy Oil Concession were among the many grievances voiced at these social gatherings. Meanwhile, the new British-backed ruler of Iran, Reza Shah, was working with the company to centralize and consolidate his power over semiautonomous political groups in the provinces, such as the Bakhtiyari khans and Shaykh Khaz'al, to secure the stability of oil operations and keep oil profits flowing to the state.<sup>56</sup>

The Iranian oil workers finally went on strike May 1–6, 1929, disrupting operations at multiple points of vulnerability, including the main oilfields, pipeline, and refinery.<sup>57</sup> AIOC's general manager, E. H. O. Elkington,

hoped to avoid difficulties by securing the “fullest support” of the Iranian minister of court, Abdulhusayn Teymourdash, for the governor-general of Khuzistan. The governor-general must be “empowered to deport such agitators as he may deem fit, irrespective of their nationality, in the interests of law and order.”<sup>58</sup> The governor-general responded swiftly to the minister’s call to “strong action” by arresting forty-five “ringleaders.”<sup>59</sup> On May 6, strikers attempted to prevent laborers from returning to work in the refinery. The disruption was “quelled by a detachment of soldiers” summoned from a neighboring town, Mohammerah, after it became evident that the Iranian police force was inadequate in size to cope with the situation.<sup>60</sup> In total, “two to three thousand workmen” were reported to have demonstrated, causing shops and bazaars to close, but other studies suggest up to 9,000 workers protested at the most vulnerable point in the energy system, the Abadan refinery.<sup>61</sup> No oil processes were successfully shut down, however, and the arrest of oil workers led to an escalation of violence, more arrests, and the dispersal of “mobs” by the military. The company made arrangements to have “reserve men in the works ... in case of emergency.”<sup>62</sup>

The strike was disruptive and yet ineffective. The Iranian government responded in a novel way by collaborating with the company to end the strike while making Reza Shah’s upcoming visit to oil operations coincide with the announcement of an increase in wages. The strike ended on May 7 with the resumption of work. “Mainly owing to the loyalty of Indian and Persian labour,” AIOC successfully maintained all refining processes throughout the period of disturbance.<sup>63</sup> The strike was disruptive, however, and forced the Iranian government to suspend all geological surveys conducted by the company. An oil operations manager confided to AIOC’s chairman, John Cadman, that the company suffered a “great loss” by not being able to “employ its Geological staff, as also the valuable time which was being lost securing evidence for future development.”<sup>64</sup> The technical infrastructure of oil operations, whose upkeep demanded constant geological exploration and knowledge gathering to support future expansion (discussed in chapter 2), was vulnerable to striking oil workers and easily disrupted at moments like this.

AIOC responded to the striking oil workers by disseminating information in certain newspapers accusing the oil workers of conspiring to strike and burn the refinery under the instigation of communist influences.<sup>65</sup> Reacting to a meeting between AIOC and the Iranian government on the status of workers in the oil regions, Ali Dashti, editor of *Shafagh-i Sorkh*, dismissed attempts by the company to paint an alternative picture of the

oil workers. In reality, the demands of the Iranian oil workers were about securing better wages.

The Iranian government conducted an investigation into the causes of the strike and concluded that “Bolshevik” instigation was an inadequate explanation.<sup>66</sup> Economic grievances and concerns about racial discrimination provided a more feasible motivation. Indian workers had gone on strike to demand higher wages prior to the arrival of Bolshevik influence in the Persian Gulf region, and they were receiving higher wages than Iranian laborers with a higher literacy and skill level. In fact, the government’s investigation claimed that the company fired Iranian workers who were close to learning technical skills and specialization. Iranian workers suffered from a lack of housing and lower wages compared to foreign workers. It was this kind of racial segregation, concluded the government, that was the cause of dissatisfaction, and ultimately led Iranians to organize themselves like the Indian workforce.

The investigative report claimed that the British company fabricated a link to the Bolsheviks to frame the strike as a political issue and dismiss the employees’ economic demands, despite the success of the communists in organizing the workers to assert such demands in the first place. The workers who had intended to protest their meager wages were arrested at the instigation of the company. This was a tactic that the Iranian government took to quell the strike. The group consisted of thousands of people from which “hundreds” attempted to break away and occupy company installations.<sup>67</sup> But the editor of *Habl al-Matin*, a Calcutta newspaper, explained that while communist influence was shaping troubles in Khuzistan, the Iranian oil workers had legitimate economic demands. They were not receiving the same treatment as the “Indians and the Iraqis.”<sup>68</sup> The Calcutta paper called on the workers to establish a union to protect their rights. It declared that to survive, the company would have to separate itself from political concerns and preserve its identity as a “commercial institution only.”<sup>69</sup>

On a national scale, the 1929 strike opened up alternative political possibilities connected to questions of political sovereignty and national control of the oil. For the first time in the company’s history, industrial action triggered a reorganization of AIOC’s labor management in order to “increase contact” between laborers and company managers.<sup>70</sup> Likewise, AIOC’s efforts to quell oil workers marked a period of heightened involvement in labor issues by the new British-backed ruler, Reza Shah. Various government ministries worked with the company to repress the strike and impose martial law, while simultaneously subduing the

workers by announcing a wage increase. Indian workers were useful as a company strategy for replacing agitating Iranian oil workers in various technical tasks, but this was a short-term solution. Oil worker dissent along with the call for Persianization in the 1930s triggered new efforts by the company to provide all Iranian employees with access to education, transportation, health benefits, leisure facilities, and even their own traffic police.

The increasing gains made by populist politics in both Iran and Iraq forced AIOC to expand housing facilities to accommodate Iranian laborers and their families, but also to institute more layers of segregation, monitoring, and surveillance. Physical spaces were designed according to what Ehsani has called the “authoritarian spatial design of a company town,” to impose “time-discipline” and a “hierarchy, distinguishing laborers, supervisors, managers, engineers, white collar staff, and the unemployed.”<sup>71</sup> Oil towns became the “first modern industrial towns” in Iran designed in a hierarchical and segregated form that would later serve as a model for state-owned industrial urbanization projects.<sup>72</sup>

Social technologies of racial and technical difference, mapped here, were built into the very design of housing and work sites. Guaranteed by the authority of the oil concession, the company dismissed the economic demands of its workers by maintaining a boundary between technical operations and questions of labor, violence, and increasing calls for national control of the oil industry. This was best exemplified in the company’s attempts to construct a labor formula to manage the rate of Persianization during the 1932–1933 concession revision negotiations, discussed in the previous chapter. Calculating formulas for managing the rate of Persianization were entangled with the company’s development of housing, work, and training facilities. These technologies equipped workers with forms of agency, informing their decisions to hold strikes and make demands in increasingly nationalist terms. The construction of these social and calculating technologies exemplifies one of the peculiar ways the oil corporation operated and its political agency was constituted by delineating the kind of Iranian oil worker, preferably unskilled, that was necessary for oil operations to succeed.

Newly involved political groups such as Iran’s communist Tudeh Party acted on behalf of the oil workers by attaching themselves to their cause as local and national spokespersons. Iranian public opinion, government agencies, and political groups aligned themselves with the oil workers as proponents of national control, but with different interests at stake. Benevolence and violence on the part of AIOC managers were no longer

as effective interventions as they had been in response to the strike in 1922 by Indian workers. Shifts in strategy included new efforts by the company to provide Iranian employees with access to social services and more training, as well as better coordination with the Iranian government in quelling strikes to keep the threat of union formation, communist influence, and more militant politics out. New responses were worked out precisely at moments of crisis, when technical concerns about developing and expanding oil operations were increasingly intertwined with political questions of sovereignty and national control, producing important albeit inadequate concessions to the oil workers' demands.

### New "Conception of the Rights of the Persian" after World War II

The oil worker was now calculable and manageable in new ways that had not been possible before. The resolution of the labor crisis in 1929 and the concession crisis in 1932–1933 triggered the introduction of new institutions of labor and disciplinary regimes to block workers from the threat of nationalism and militant forms of politics.<sup>73</sup> The events in 1929 and 1932–1933 marked a political moment in which the exercise of direct force by a colonial power on a subject population justified in terms of racial differentiation and "civilization" was no longer possible. Populist politics were gaining ground across the Middle East and especially in the oilfields of Iran, Iraq, and Saudi Arabia. If a foreign oil corporation wanted to operate locally in these countries, it would have to develop new forms of social control to manage militant forms of worker dissent, while also accommodating domestic laborers and their families by providing them with social services and access to training at higher skill levels.

After the Second World War, this emerging politics of national sovereignty could not be overlooked. AIOC mobilized paternalism—that is, the provision of benefits, housing, and recreational facilities for a small segment of employees—as a means of securing loyalty and managing the increasing threat of nationalism. These practices were legitimized, on the one hand, in terms of economic costs, and on the other, in terms of the modernization and moral uplift the company believed would come from new living quarters and leisure activities. The strategy necessarily included the impossibility of relinquishing British control over oil. This had consequences for political possibilities tied to national control of the industry. As Vitalis says, firms began disguising the "supremacist origins and resonances of their labor regimes" after World War II and through

the Cold War. It was not a question of racism but of “skill levels” that the international oil firm would begin to insist on in expanded public relations campaigns, which AIOC commenced as far back as the 1930s in Iran.<sup>74</sup> Overcoming the vulnerability of the energy system at particular nodes in southwest Iran, such as with the oil wells, at the refinery, and in segregated living spaces, required new kinds of arguments justified in terms of skill levels rather than race.

By the end of the Second World War, there were 65,641 AIOC employees in Abadan alone, of whom 2,357 were British.<sup>75</sup> The company was expanding exponentially, drawing labor directly and through subcontractors from southwest Iran, the Persian Gulf, and India.<sup>76</sup> Company resources continued to be channeled in favor of the construction of housing and other facilities for its senior European staff. Housing for non-European junior staff and wage-earning laborers, especially the contract laborers the company increasingly relied on, however, was “left as a matter for the market or the municipality.”<sup>77</sup> They simply lived in “shanty towns on the edges of the Company and municipal areas.” AIOC did not regard the large numbers of contract laborers arriving in the 1940s as its responsibility.

AIOC’s deployment of paternalism, which favored only a small group of elite workers, did not solve the problem of “a very great and widespread spirit of Nationalism,” according to Wilson, the company architect.<sup>78</sup> He pointed to disparities in housing as contributing the “most to the dangerous divide between Iranian and British employees.”<sup>79</sup> As a solution, Wilson proposed to create a new residential area known as Bawarda “as a kind of manifesto of racial mixing, an experiment in non-segregation.”<sup>80</sup> Situated on the other side of the bazaar from the refinery, the town was designed by Wilson as a “showcase vision of company paternalism.”<sup>81</sup> Iranians living in Bawarda would soon abandon the traditional “purdah system,” the practice of veiling and secluding women within the home, and future homes would be designed in the European style, encouraging the Iranian employee to “desire British conventions of domestic life.”<sup>82</sup> Wilson’s project for harmonious racial mixing failed in the face of “potential violence.”<sup>83</sup> Racial mixing was likely to breed violence. The “very spaciousness of the plots in Bawarda and its generous ... road provision could only be provocative to the Iranians in ‘the town.’” In subsequent years, Wilson built offices, bungalows, and “dormitory estates.” New industrial estates were laid out all over Abadan Island and maintained their connections through the introduction of company buses, which transported workers to the refinery.<sup>84</sup> These new clusters

of small towns rather than large townships would help reduce political activism, it was thought, by establishing a distance between them and the “social disorder” of Abadan town. In effect, the racial-technical construction of housing and work within oil operations was helping the company exclude the local while maintaining a distance from politics.

In the spring of 1945, a representative of the British Ministry of Labor and National Service, A. Hudson Davies, accompanied by the Inspector of Labor Supply, J. B. English, traveled to the oil regions for three months to examine ways of addressing labor problems in AIOC’s operations. The demands and costs of World War II, according to the report, had exacerbated the isolation of company management in Iran from “direct knowledge of industrial experience” in the country.<sup>85</sup> The oil company was a “highly technical industry in a backward, foreign, and remote country.”<sup>86</sup> This meant that skilled British employees constituted “the backbone” of the company. The need for British employees might decline in the future, but there were such “deficiencies in quality, skill, and training of the native staff and labour that an increase of output” could only be achieved by increasing the number of British employees.<sup>87</sup> For the oil industry to survive, the report argued, the ratio of British to Iranian workers must favor the British employee of a higher skill level. Framed in technical and economic terms, this was not due to a lack of domestic labor, but to the Iranian worker’s inherent inability to acquire the qualities, skills, and training necessary for increased economic productivity.

Compared to the oilfields, the refinery at Abadan was suffering the most, both in terms of skilled labor and in terms of adequate housing. “So short is housing that only a man with more than seven years of service can be joined permanently by his wife.”<sup>88</sup> The lack of housing to accommodate spouses and families was affecting the attitude of the workers. Over half of new recruits were housed for the first few years in “emergency housing of a relatively poor standard,” and this was encouraging the spread of discontent. Davies advised the company to pursue an “accelerated house building programme” in Abadan. The program would address labor problems, though it would not go far enough to solve the housing shortage. That all British staff were in specialist or supervisory posts could not be altered in proportion to the relatively low percentage of Iranians (7 percent) in these senior posts. The British inspectors explained away the problem in technical terms, arguing that it stemmed from a serious shortage of “natives capable and trained in supervision and of clerks.”<sup>89</sup> The Abadan Technical Institute was built in 1938 to give Iranian apprentices basic technical skills, but by 1945, only 1,700

Iranians had received training.<sup>90</sup> The training covered a five-year apprenticeship and included short, intensive training courses in craftsmanship and semiskilled occupations for adult workers together with special courses for the upgrading of certain employees, night classes in languages and other subjects, a four-year course for junior foremen, and courses in clerical work and commerce. More advanced course topics included mechanical and petroleum engineering, and during World War II, the institute introduced a bachelor of science degree in petroleum technology.<sup>91</sup> However, Michael Dobe explains that, as a strategy, the company “sought to minimize the number of Iranians sent for university training and maximize the number sent for trade training” in the United Kingdom as it would block the threat of returning superior-skilled Iranians from stirring up trouble among the workers.<sup>92</sup>

Technical obstacles of inadequate training were adding to the burden placed on British employees, who had to continue to “organize, supervise, and teach.”<sup>93</sup> The “concessional obligation” to reduce the “British component” and employ more Iranians had fallen into the background during the war, but there were additional “limitations in all directions” that “forbid a quick reduction” of the British-to-“native” worker ratio. Davies warned that while trade unions had been illegal in Iran, a new labor law was before the Majlis to make them legal. If the law passed, it would be wise for the company to consider the possibility of “forestalling pressure from the Persians” by taking the initiative to set up “its own plan for consultative machinery with the native staff and labour.”<sup>94</sup> After World War II, AIOC and the British government were finding it increasingly difficult to maintain a boundary between social concerns about labor, nationalist politics, and technical operations. To maintain its precarious control over the energy system, AIOC would have to resort to other kinds of explanations such as the threat of communism and would have to make additional plans to implement paternalistic welfare work.

Iran’s 1936 labor law did not discuss the right to strike or form trade unions, but after the 1941 Allied invasion of Iran, intended to protect oil and supply routes from the Nazis, unions became strong and in 1942, the communists established a Central Council of Trade Unions in Iran which in 1944 became the United Central Council of the Unified Trade Unions of Iranian workers (CCUTU).<sup>95</sup> In 1946, the CCUTU was affiliated with the World Federation of Trade Unions and membership included 90,000 workers in the oilfields of Khuzistan. In this period, there were twenty-five major stoppages and five separate regional general strikes of which the

two main centers were Tehran and the oilfields. The oil workers' main form of unrest was to strike.

On May Day 1946, over 50,000 workers demonstrated in Tehran. On the morning of May 5, Tudeh officials in the oilfields called on 350 AIOC workers employed in distillation and bitumen plants at the Abadan refinery to walk out without warning.<sup>96</sup> There were major strikes in the refinery and in six distinct production centers during the 1945–1946 period including a three-day general strike in July 1946, specifically over pay and working conditions.<sup>97</sup> The May strike was organized in sympathy with a strike that had occurred six days earlier in the company's locomotive shops in which fifty men were involved.<sup>98</sup> The effect of the walkout on production and refining in 1946 was significant, revealing the vulnerability of the technical side of the energy system at certain key points in the process.<sup>99</sup> On the first day of the strike, instant crude oil dispatches from the main oilfields, amounting to some ten million gallons per day, were shut off. As a result, oil production was shut down at Gach Saran, since the percentage of incoming oil to the Abadan refinery was too high for the maintenance of products. Due to picketing activity, the loading of tankers was also suspended.

An oil worker writing during the strike action of 1946 and appointed head of branch affairs for the CCUTU, claims that the British government had larger interests than breaking the strike because it was exerting a lot of effort in time and money to neutralize and break the Tudeh organization.<sup>100</sup> AIOC was allying itself with certain Arab "tribes" in the province to infiltrate the workers' union affiliated with the Tudeh-backed United Council. More skilled and trustworthy oil workers "of the first rank" needed to be recruited in leadership roles and each node in the energy network needed to come under a central Abadan administration.<sup>101</sup> A set of social and economic demands and future goals were listed in the report, including the election by workers of a representative for each oil region to address worker complaints, an increase in wages, and the prior approval by worker representatives of any form of punishment, such as deportation, pursued by the company.

In its report to the British government, the company took a different view from the Iranian oil workers by building connections between the causes of the strike and the rise of "Tudeh infiltration" in Abadan at the end of November 1945.<sup>102</sup> Leaders included drivers, fitters, and plant attendants. Strikers resumed work on May 6 at Abadan, but another group of workers at Agha Jari, one of the main production sites producing four million tons of oil per year, struck on May 13 to protest

poor housing conditions and general amenities.<sup>103</sup> The Tudeh Party was attaching itself to the cause of the oil workers by acting as their national spokesperson.<sup>104</sup> AIOC rejected their demands, and Iranian military forces were dispatched to maintain order. In response to the 1946 strike, company management had instructions to “expedite as far as possible” the construction of housing and expansion of medical and other welfare facilities, to review wages in relation to the cost of living, and to encourage representation among workers, which might be developed into union organization.<sup>105</sup> The company knew that it must be prepared to deal with Tudeh leaders so long as they remained in control of the situation at Abadan.

A delegation of British members of parliament paid a visit to the oil fields in June 1946 to investigate the causes of the militant Iranian labor movement within AIOC’s oil operations. The delegation advised that the “conception of rights of the Persian, defined twenty to thirty years ago by the Company,” must undergo “a complete and fundamental change.”<sup>106</sup> The British secretary of state for foreign affairs, Earnest Bevin, had warned that around the world, “the sense of equality is rapidly developing.”<sup>107</sup> The way to tackle the problem, advised the report, was through a concerted effort by the company to develop its social program and to engage in “greater consultation with their workpeople.”<sup>108</sup> The background of anti-trade union organization by companies such as AIOC had “inevitably brought the present situation to a head.”<sup>109</sup> The company’s management was composed of men inexperienced in negotiations with unions. This needed to change for management to be better equipped to deal directly with the internal representatives of oil workers rather than members of Iran’s Communist Party. Such a strategy would work to “separate the political aims of the Tudeh Party from the economic desires of employees.”<sup>110</sup>

Iran’s pending national labor legislation was making it difficult for the company to avoid addressing social and welfare activities, with the most important consequence being the recognition of an oil workers’ union. Iran’s Council of Ministers had passed the national labor law back on May 18, 1946.<sup>111</sup> The labor law made it possible to enroll new institutions and standards of work to help manage oil worker dissent in terms of reformist nationalism. In particular, the law called for the establishment of a National Ministry of Labor and Department General of Labor charged with executing the various regulations in conjunction with the Ministry of Commerce and Industry.<sup>112</sup> Provisions of the law stipulated that work must not exceed forty-eight hours per week.<sup>113</sup> The main labor

office was opened in Abadan, with subsidiary labor offices scheduled for opening in each of the oilfields. The Iranian government welcomed a labor representative from the United Kingdom to help formulate procedures for union activity under the new law.<sup>114</sup>

A committee was subsequently formed to meet in the same period as the British delegation's visit, consisting of representatives of AIOC and the Abadan Workers' Union. Under pressure from the Iranian Ministry of Commerce and Industry, the Ministry of Justice, and the prime minister, the company agreed to provide full pay for the period during which workers were absent at the oil-producing region at Agha Jari.<sup>115</sup> This was further induced by the technical calculation that production losses had already amounted to some 30,000 tons of oil, losses limited by the efforts of British workers to operate wells and production plants throughout the strike.<sup>116</sup> While the industrial actions posed a significant threat, the technical knowledge of British workers enabled a flexibility that prevented the total disruption of operations, particularly at certain points of vulnerability such as wells and production plants.

Having spent two weeks in the oilfields, the British parliamentary delegation concluded that a labor crisis was "inevitable."<sup>117</sup> The British delegates met with leaders of the Abadan Workers' Union, who reported on the intolerable living and working conditions.<sup>118</sup> The delegates observed the status of housing conditions in Abadan:

On one hand we are able to see splendidly built modern houses with air-conditioning, ice-boxes, etc., passing through a variety of stages right down to small individually built shacks in some cases the only roof being empty paper cement bags and old pieces of matting which some of the Persian labor had tried to create shelter from. Never in the whole of my experience indeed in any other country which I have had the privilege of visiting, did I see so close together such extremes in Housing Accommodation.<sup>119</sup>

The oil regions of southwest Iran did not appear to have changed much since the first "coolie lines" were built outside the Abadan refinery in the early 1920s. The delegates concluded that "the place looks like a penal settlement in the desert" and "houses we visited little better than pig-styes."<sup>120</sup> AIOC faced mounting trouble due to the strike actions, reported the delegates. Its "previous policy had been one of paternalism," and they had depended on their "undoubted good relations with their staff" to solve labor problems as they arose.<sup>121</sup> The disappearance of a "means of discussion" for handling workplace issues and disputes needed to be redressed as an "essential feature of future policy."<sup>122</sup> Nevertheless, the limitations remained. It was "of course, humanly impossible,"

the British delegates confessed, “to expect even a Persian to advance his knowledge technically in the interests of British Oil Production and at the same time expect any individual Persian, or Persians, not to acquire knowledge which creates within them a desire for a much better existence.”<sup>123</sup> On the one hand, arguments about Iranian oil workers were factored into calculations when making arguments about protecting the British-to-“native” ratio due to a “deficiency” in technical skills for adequate economic output. On the other hand, arguments about the acquisition of technical knowledge were impossible to factor in because they would create within that same Iranian worker “a desire” for more equitable forms of treatment, causing the ratio to fall apart.

According to one former AIOC worker with forty-six years of experience fixing drinking-water problems in Abadan, the company’s aim had always been to subordinate the Iranian laborers. H. Gholami-Ghanavati has recalled the specific ways the hierarchical and racial system of labor was organized after the Allied invasion of 1941.<sup>124</sup> He started working for AIOC at the age of fourteen as an unskilled laborer, although he managed to study English at the company night school for seven years. He remembers that when he was first hired, he worked under the supervision of the English and Indian employees: “They were never interested in teaching us technical skills.”<sup>125</sup> For example, “when they wanted to repair equipment or pumps they either sent us to work on something else or covered up what they were doing, so that we would not learn the particular skill involved.” Gholami-Ghanavati explains that on other occasions unskilled laborers were expected to lubricate machines and equipment, and in doing so, secretly learned the mechanisms involved in their operation. When Gholami-Ghanavati realized that he had acquired as much technical skill as many of the Indian workers, he applied for work at the higher skill level, “but the English were severely against this.” Their refusal was “natural,” according to Gholami-Ghanavati, because their aim had never been to promote the Iranian laborers.

The defense of the new rights of the Iranian oil workers was at stake. The Tudeh Party, the Iranian government, and AIOC battled to attach themselves to the interests of the oil workers and serve as their national spokesperson. The Tudeh leaders contributed to disruptions in the oil-fields by picketing all petrol-distributing stations in Tehran and preventing any vehicle from refueling on certain days in June. The company feared that a cessation of “oil distribution would entail break down of public transport, electric light supply and closing all bakeries.”<sup>126</sup> Cutting off Abadan’s supplies of oil would have “disastrous economic

consequences in the UK and throughout the Empire.”<sup>127</sup> The British Foreign Office viewed the labor unrest less as reflecting “genuine concern for the welfare of Persian workmen than as a political campaign against British interests.” Acknowledging the strength of the connection between the legitimate demands of militant oil workers and the Iranian Communist Party was impossible if the British side wanted to maintain control of oil operations and keep profits high. On the other hand, using arguments about workers in political terms was possible when it threatened the stability of oil operations, framed here as a political campaign against British interests.

Both the British and Iranian governments viewed the creation of new labor offices in the oilfields and refinery area as the best mechanism for managing the crisis and avoiding the more militant alliance of oil workers with the Iranian communist movement. The goal was to “wean AIOC employees from the Tudeh by persuading them to submit complaints to the Government Labour Office.”<sup>128</sup> Through the establishment of new labor institutions and laws, the Iranian government sought to position itself as the oil workers’ spokesperson.<sup>129</sup> By doing so, the Iranian government could collaborate simultaneously with the British government and the oil company to redirect labor militancy into the more manageable frame of national labor reform. This was a strategy to secure the loyalty of a small segment of employees and to create enough stability to prevent the more militant alliance of communism, the control of oil, and nationalism from coming together.<sup>130</sup>

The Iranian government, acting as national spokesperson and policeman, made official statements to the press that minimum wages, including Friday pay, were under negotiation. Pending the outcome of the Work Commission’s inquiry, the government deemed any future strikes illegal.<sup>131</sup> The 1946 strike that started on May Day finally ended on July 17. It drew some concessions from AIOC, but ultimately led to the mass arrest of strike leaders and the shutting down of the oil workers’ union and the Tudeh Party in Khuzistan.<sup>132</sup> Laborers gradually returned to work, but there was still a “hostile feeling between Iranian labor and the British.” Halliday argues that “this action in which workers won most of their demands ... demonstrated how a small but strategically placed working class can play a major role in an economy like Iran.”<sup>133</sup> Although the government imposed martial law and stationed troops at the oilfields and refinery,<sup>134</sup> the strike was decisive in terms of the disruption of particular tasks and operations involved in the energy system, and also in terms of the scale of violence and involvement of concerned groups. The

Iranian prime minister, Ahmad Qavam al-Saltaneh, eventually stepped in and encouraged AIOC to compensate the oil workers in national-legal terms.<sup>135</sup> The politics of a highly technical operation that the company had hoped to preserve as an isolated economic enclave was overflowing into national debates and laws.

There appeared here to be a tension in defining the limits and possibilities affecting the competencies of the oil worker, which was triggering battles over who would win as national spokesperson for the oil workers. There was no question that the design and operation of AIOC's oil labor regime were working to the disadvantage of local and non-European labor. At the same time, the British delegates expressed anxiety that the necessary and rapid improvement in housing, work, and training would instill in the Iranian worker a desire to acquire much more, namely, national control of the oil industry.

The company defended its housing policy, arguing that it was "geared to produce a good general quality of housing rather than a rapid production of quantity."<sup>136</sup> The Iranian government was collaborating with the company by imposing martial law and authorizing troops to suppress the strikes, while also redirecting the militancy of the oil workers into the more manageable frame of reformist nationalism. The company continued to view itself as a benevolent social force. This was justified by comparing its housing projects to the housing available in the rest of Khuzistan Province, beyond the borders of oil operations. At the same time, there was a heightened awareness that the company must address the economic and social demands of the oil workers, but that it lacked experience negotiating with union organizations to do this.

By 1951, only 18.5 percent of the labor force was accommodated in AIOC quarters.<sup>137</sup> AIOC housing was allocated largely by seniority rather than longevity of service or basic rate of pay.<sup>138</sup> Over the course of two decades, AIOC had done little to improve the living and working conditions of its non-European employees, but instead was pressured by the British government to respond with more institutions and layers of monitoring to weaken unions and reduce the threat of future disruptions. Iran's government worked hand in hand with the company's efforts to defeat the communist Tudeh Party and rechannel workers' interests into the more manageable outlet of reformist nationalism, as noted earlier. The impact of the 1946 general strike coincided with the rapid construction and expansion of government institutions, laws, and political parties with a stake in representing the oil workers as their national spokesperson. Suddenly, the mobilization of benevolence, economic and technical

arguments about worker competency, and various forms of monitoring, surveillance, and coercion were inadequate. These techniques and controls flowed into national and international debates about the rights of the maltreated workers and who had the right to control the oil of a sovereign country.

### **Coordinating Labor Nationally and Internationally**

Labor crises opened up new political possibilities involving the nationalization of the British-controlled oil industry that might include the confiscation of company property, oil infrastructure, and the replacement of all foreign labor with Iranian labor. Labor crises also threatened to disrupt the coordination of international monopoly arrangements among the largest oil corporations over the control of production, profits, and now labor. In 1947, the Iranian government set up a judicial committee that ruled that the General Plan of 1936 concerning Persianization was invalid because its provisions were contrary to Article 16 of the 1933 concession (discussed in chapter 3).<sup>139</sup> Iranian government ministers did not endorse the General Plan for Persianization. An alternative had been discussed between AIOC officials and the Iranian ministers for salaries and working conditions, in the “widest sense of all staff and labor,” to be the joint responsibility of the government and company. The Iranian government was unconvinced by AIOC’s efforts to improve living and working conditions for the laborers.<sup>140</sup> There was strong pressure coming from the Iranian government for the company to seek a formula whereby Iranian staff would receive regular and automatic promotion to senior and management posts or to serve on committees, which would be directed toward the same ends and on which there would be government representation.<sup>141</sup>

AIOC was refusing to do numerical reductions and continued to insist on a formulaic reduction in relation to the “scale of operations,” discussed in the previous chapter. The government was also demanding financial assistance for the construction of additional schools in Khuzistan, maternity facilities in Abadan, and the immediate reduction of Indian personnel.<sup>142</sup> Husayn Pirnia, director of the Petroleum Department, insisted that the Iranian government’s interpretation of the phrase “annual and progressive reductions” in the text of the 1933 concession could only be satisfied by the execution of an annual numerical reduction. Pirnia also declined to recognize a joint proposal for the implementation of Article 16.

In a telling interview conducted in 1948 by AIOC, Pirnia expressed the prime minister's grave disappointment with the company's attitude toward the discussion of a general plan and its failure to reduce its foreign personnel.<sup>143</sup> The company's willingness to help was "more theoretical than practical" and showed an utter disregard for the repeated explanations offered by the Iranian government and public opinion. The Iranian public was "riveted on the attitude of the Company towards the country," as evidenced by numerous speeches in the Majlis.<sup>144</sup> An announcement would soon be made to the press that general ongoing discussions surrounding the question of Persianization had broken down. Pirnia warned that the government was prepared for AIOC to restrict its operations in Iran in order to keep within its obligations, rather than expanding operations and going beyond the "limit, which the Government could acquiesce in."<sup>145</sup>

Acting as national spokesperson for the oil workers, the Iranian government decided to enlist the help of the International Labour Organization (ILO), originally created by Article 23 of the Covenant of the League of Nations in 1918, and transfer the dispute to a new international site in Geneva in November 1948, just as the British side had done at the League of Nations in 1932–1933.<sup>146</sup> After a three-week stay in the oil regions of southwest Iran, the ILO published a report that was presented at a subsequent ILO meeting in November 1950. The delegates continued to legitimize oil operations by defining Iranian oil workers in the industry in economic and technical terms. The report argued that there remained a "shortage of workers with the required skills" and qualifications, which the "oil industry needs."<sup>147</sup> The report also relied on arguments about inadequate modernization such that the "minds" of local labor seemed "firmly set in traditional ways," and that this constituted "one of the big problems of the industry."<sup>148</sup> Increasing the rate at which Iranian nationals were recruited for employment in the higher categories of wage earners and members of supervisory staff would therefore be difficult. As international spokesperson for workers worldwide, the ILO mission confirmed what the AIOC had always argued, namely that positions were open to all who "acquire the necessary qualifications and experience." To the dismay of the Iranian government, the report presented a positive view of the company's treatment of its laborers, while admitting the urgency of constructing better housing facilities.

Shifting the labor controversy to the international arena failed to strengthen the Iranian government's bargaining position and that of its oil workers. AIOC won the battle by receiving a positive assessment

from the ILO mission, which was urged by the British government not to “worsen” relations between the Iranian government and the company by emphasizing labor problems.<sup>149</sup> The controversy had been transformed into an international labor issue, but in favor of corporate interests, which continued to operate through a hierarchical and racially organized regime of labor. The ILO advised that it remained in the interests of both sides to pursue a cooperative strategy. The time had come to “elevate a Persian of proved merit and temperament for work ... to be the third link in the vitally important advisory chain.”<sup>150</sup> Mostafah Fateh, AIOC’s most senior Iranian employee, was appointed to the post of managing employee relations.<sup>151</sup> The industrial labor regime must be controlled, an official explained to the US government’s labor attaché in Tehran, but still appear to produce a “collective relationship between employers and workers in Persia.”<sup>152</sup>

The stability of relations between politics and international oil markets was at stake. Achieving this stability necessitated the coordination of labor organization nationally, between AIOC and the Iranian government, and internationally. In a meeting held at the company headquarters, Britannic House, in London, representatives of the largest oil companies gathered to reconsider the whole question of standards of employment for oil companies operating in the Middle East.<sup>153</sup> Representatives of AIOC, the Kuwait Oil Company Limited (KOC), the Middle East Pipeline Company (MEPL), the Trans-Arabian Pipeline Company (TAPLINE), Standard Oil of New Jersey, Shell Petroleum Company Limited, IPC, and United Overseas Petroleum Company agreed that “tremendous sums of money” would be poured into the Middle East in upcoming years.<sup>154</sup> This spending would have consequences for labor matters such as salaries, wages, and other terms of employment.

AIOC representatives discussed the increased pressure to provide accommodations for families of British staff. In response to suggestions by other company representatives, Elkington insisted that concessions could never be implemented for British staff in Iran without extending them to indigenous employees. AIOC firmly held the view that family allowances were the responsibility of the state and not of the employer. It therefore discouraged KOC and MEPL from granting family and separation allowances, as it would be impossible to resist the pressure to extend this practice to Iran, “with embarrassing results.”<sup>155</sup> Also, AIOC’s European employees worked a forty-two hour week, while local labor worked a forty-eight hour week, but new companies were well advised to adopt the longer week for all shifts. With regard to “local labor problems,”

Elkington argued that industrial relations officers were a useful remedy along with more extensive contact between management and local labor. Industrial relations officers from one's home country could be helpful in advising on labor legislation toward a "practical and workable form suited to the conditions of a country."<sup>156</sup> This was the case in formulating the labor law in Iran. In response to inquiries from David Rockefeller Sr., Elkington went on to discuss the improved standards of technical and other education as implemented in Iran.

AIOC's expertise in managing oil workers and addressing the question of Persianization in Iran was circulated among the major oil companies to determine the best strategies for managing labor and welfare in the Middle East as a whole. AIOC officials urged that steps be taken to "present a united front" by developing a system of wage policy and grading labor, "which will be common to all companies."<sup>157</sup> The coordination of production, prices, and now labor formed part of a system of information exchanges among companies that acted individually but coordinated through associations. Transnational oil companies operating in the Middle East were highly conscious of the need to develop standardized strategies for avoiding labor dissent and inhibiting strong labor organization. They achieved this not only by collaborating with national host governments, but also with other companies internationally. AIOC officials treated the subsoil as one geological unit in order to maintain larger production and pricing arrangements with the largest transnational oil companies. In the same fashion, the oil workers on the surface needed to be managed through a unified labor policy among the largest international oil companies, defying the goals of national politics. Only this kind of coordination and information exchange could successfully protect international production, pricing, and patent arrangements among the world's largest oil producers.

### Defusing the Oil Worker's Power

The Majlis finally approved the nationalization of the oil industry on the recommendation of a parliamentary committee on March 20, 1951. The parliament appointed Muhammad Mosaddiq as prime minister on April 28, replacing the shah's choice, Husayn Ala.<sup>158</sup> This monumental decision coincided with the most decisive confrontation between oil workers and the Iranian government, in March and April 1951, when the local Iranian governor attacked the strikers and arrested their leaders.<sup>159</sup> The reformist government, represented by the Iranian provincial governor, attempted to

manage the oil workers' power by arguing that mass action against the company would provoke British military intervention and undermine the oil nationalization campaign.

There were a series of work stoppages in the oilfields between 1949 and 1951.<sup>160</sup> The communist movement was revived in 1949, but the government banned the Tudeh Party and the CCUTU after an attempt on the shah's life in February 1949.<sup>161</sup> At the end of 1949, approximately 33,000 of the 38,000 employees at Abadan and 15,000 of 17,000 workers in the oilfields were involved in construction, maintenance, transportation, loading, and pipeline work. A large proportion of the workers were unskilled and the upper level of the managerial and engineering staff remained, for the most part, British. By 1951, an additional 15,000 Iranians worked as contract laborers for the oil company.<sup>162</sup> The status of the Iranian oil workers had not changed significantly since the 1920s. To survive, the Anglo-Iranian oil industry appeared to require unskilled Iranian oil workers, described in the terms of Article 12 of the 1901 oil concession, ensuring that all skilled technical staff would remain under British control for the foreseeable future.

Oil workers at the Bandar Mashur oilfield went on strike on March 24, 1951, to protest new-scale allowances.<sup>163</sup> As a result of loading stoppages at Bandar Mashur, oil production from Agha Jari was halted. Extra troops from the Iranian military were also drafted into the area and the Ministry of Labor issued a circular promising negotiations with AIOC's general management on bathhouses and other amenities.<sup>164</sup> Workmen in the garage and workshops at Agha Jari had also struck in solidarity with Bandar Mashur, and by midday, three-quarters of the laborers had ceased work.

The strike at Agha Jari quickly spread to the main workshops, the welding operations, and the main stores, followed by the electrical departments.<sup>165</sup> Workers submitted complaints about the inadequacy of water, housing, and other amenities, but managers agreed to meet with worker representatives only after the men returned to work. AIOC officials were well aware of the urgency of providing permanent housing and amenities in the oilfields, but they were also concerned about the possibility of the strike spreading nationally as a result of "Tudeh encouragement."<sup>166</sup> On the other hand, working in alliance with the Iranian government to repress the more militant forms of labor protests provided the company with a degree of security. As a means of restoring order, the government ignored the workers' complaints and declared martial law in the strike areas.

Demonstrations by apprentices outside the Abadan Technical Institute commenced the following day, March 26.<sup>167</sup> Workers at Masjid Suleiman struck on March 28 when those employed in the garage, workshops, stores, and electrical and other departments did not report for work and gathered outside the main company gates.<sup>168</sup> Work stoppages at Naft Safid and Lali followed, with workers demanding the restoration of certain allowances, as well as improved promotion rates and a minimum wage.<sup>169</sup> In March, the oil workers immediately formed a strike committee representing the different striking areas and presented a series of grievances concerning pay and amenities.<sup>170</sup> The Iranian government declared martial law on March 27, and AIOC imposed a curfew on the oil workers at Agha Jari. By the start of April, bungalow servants had left their places of employment, and there was a falling off in attendance of “Production Labor.” British staff were forced to take over and operate the “Production Unit” and “Flow Tank.”

In the meantime, the Iranian government sent a “Commission of Three” to investigate oil workers’ claims and meet with six striker representatives along with AIOC management. The director of labor also arrived to distribute notices describing the legal machinery embodied in the 1946 labor law, through which disputes must be solved collectively rather than by strike action, which the company had declared illegal.<sup>171</sup> Reza Dinashi of the garage workshops at Masjid Suleiman dispatched a telegram to the Majlis 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.”<sup>172</sup> The strike ended at Agha Jari on April 11 with the announcement that the company would offset strike pay against leave entitlement—that is, in place of receiving payments to help meet their basic needs while on strike, the workers could make use of their legal right to take leave or be away from work. According to company estimates, 95 percent of the workers returned to work the following day. As in 1946, the 1951 strike occurred as an assemblage of diverse actors, organizational forms, and coercion in relation to the flow of oil, but the central issue was now national control of an entire oil industry.

The 1946 strike was different, however, in that it was almost entirely “industrial in its origin,” while the 1951 strike action, according to company officials, was “clearly political.”<sup>173</sup> AIOC managers were alarmed by the degree of support offered to the oil workers by the Iranian government, the Majlis, and public opinion. The Tudeh appeared to be exploiting the situation for “its own ends,” and officials admitted the

need to “eradicat[e] the Tudeh element.”<sup>174</sup> AIOC managers hoped that the Iranian government would “capitulate completely” with regard to increased pay, amenities, and workers’ strike pay. British managers were also alarmed about oil production, recalling that it took nearly a month to restore refinery operations after its last shutdown during the 1946 general strike.<sup>175</sup> Tudeh agitators and labor were making the political origins of the strike quite clear. According to Elkington, “in the same [that] way you will recall how whole cities were brought out on strike in India during the Congress struggle for home rule,” many Iranians possessed “no illusion whatever in regard to Nationalization,” but wished a greater share in the profits and administration of the oil industry, which occupied a dominant place in the country’s economy.<sup>176</sup>

The British government urgently needed to decide future oil policy based on a very real loss of production at Abadan due to the strike.<sup>177</sup> The main issue was whether the company should move to rely on refineries outside of Iran (e.g., UK refineries at Llandarcy or Grangemouth or even Trinidad). The problem was that the quality of the oil would change, altering the kinds of products that could be produced.<sup>178</sup> The shutting down of a refinery constituted a major point of vulnerability where labor movements could organize and apply pressure.<sup>179</sup> Podobnik explains that refiners have a more strategic position versus drillers and oilfield laborers in that refining requires the application of heat, pressure, and chemical agents to unprocessed oil to extract impurities and produce standardized categories of fuel.<sup>180</sup> To the extent that labor militancy has emerged in the oil sectors of specific countries, it has “focused on these refinery operations.” This was the case in southwest Iran, where the oil was not as easily replaceable as company experts had hoped, and adjustments in refining operations abroad would have to be implemented to accommodate the loss of Iran’s oil and its replacement with a comparable, salable product.

The 1951 strike succeeded in creating a situation of immense political uncertainty in the national arena. Ayatollah Abolghassem Kashani, a prominent religious leader, member of the Majlis, and member of Mosad-diq’s National Front coalition, suddenly emerged as another national spokesperson, issuing a communiqué urging strikers to return to work on April 17. Kashani argued that the strike action provided a pretext for disturbances to the “enemies of the country.” The workers pressed on. The representative for the Abadan strikers issued a second list of demands to AIOC’s Industrial Relations Department arguing that the minimum wage

needed to be fixed as soon as possible. Until strike pay was paid, the workers were not prepared to “cease the strike, our last legal weapon.”<sup>181</sup>

The strikers were making their demands in nationalist terms proclaiming the defeat of the British oil company by the Iranian nationalist movement.<sup>182</sup> The Tudeh Party was viewed as a legitimate spokesperson for the oil workers and demanded that the Iranian government declare the cancellation of the 1933 concession. The proclamation declared that the oil concessions of 1901 and 1933, “which had been exchanged between the internal and international traitors for dividing our resources of wealth,” were “nothing but scraps of paper.” The oil workers were exhibiting new kinds of power, building connections between economic and social demands as well as national demands about control over the oil industry. In a message to workers at the Abadan refinery, the strikers at Bandar Mashur denounced the legitimacy of the commission sent by the government to address their demands. The message expressed “the Iranian nation’s” desire that the Majlis announce the cancellation of the British-controlled oil company and its nationalization.<sup>183</sup>

As with the strikes that preceded it, the 1951 strike constituted a shift in methods of managing concerns as well as in the degree of violence exercised to reinforce a particular organization of labor. A violent confrontation had emerged between the Mosaddiq government and the oil workers, leading to the arrest of the strike leaders. Both British and Iranian employees were killed in the violence. The government imprisoned strike leaders and extended martial law through the course of the strike.<sup>184</sup> Whereas AIOC sought to maintain secrecy about the impact of the strike by withholding all data on the loss of production,<sup>185</sup> the Tudeh Party, like the Communist Party of Iraq, sought to expose and disrupt the most vulnerable points in the technical structures of oil production.<sup>186</sup> Coordinated decisions by the company and the Iranian government to direct the oil workers into a manageable union framework, and ultimately reformist nationalism, were most evident as they battled to repress striking oil workers.

As in Mexico in 1937, a reformist government in Iran had attempted to “defuse the oil workers’ power by nationalizing the country’s oil industry ... on terms more favorable to the foreign oil company than those demanded by the union and the communist party.”<sup>187</sup> As the following chapters reveal, the international oil companies, including AIOC, would ultimately refuse to accommodate the national organization of Iran’s oil industry. In 1953, a CIA-organized coup successfully reestablished foreign control. Each controversy over the control of oil in Iran was shaped

by the very real threat of “Persian nationalism” and its connections to the motives of the Iranian government in relation to national control of the industry.

### **Reconfiguring the History of (Oil) Nationalism**

To survive, AIOC required new definitions of the oil worker in technical, economic, and legal terms into which was built a peculiar limitation. The limitation expressed the impossibility of employing a skilled Iranian worker demanding a better life and more equitable forms of oil distribution and profits. As the company continued to make promises to redress the plight of the Iranian oil worker, it also promoted a process of exclusion along racial-technical lines. However, this process became less effective after World War II as nationalist and populist politics spread across oil infrastructures around the world. The excesses of AIOC’s efforts to police the boundary between unskilled and skilled Iranian oil workers had the unintended consequence of transforming the political possibility of nationalization of the entire industry into a reality.

A sociotechnical approach to a history of oil workers demands closer attention to the machineries of building an oil labor regime, which were simultaneously sites of politics. By following the ways the building of a racial-technical oil labor regime leads to politics, we see that the history of nationalism, or the nationalization of the oil industry, was about the opening up and narrowing down of different political arrangements involving Anglo-Iranian oil and its infrastructure.

Following Geoffrey Bowker’s study of a French oilfield services company, this process of racial-technical exclusion was not so much due to the workings of a company state within a state as it was “a series of filaments (roads, pipelines, oil wells) operating within a different social time than the old state, and with minimal spatial interference.”<sup>188</sup> This process of inclusive exclusion helped constitute the energy system’s form. New kinds of definitions of the oil worker were possible that were impossible before, particularly at oil operation sites in which the locals from Abadan town and the whole of Khuzistan Province did not have access. Instead of unskilled Iranian labor, the company now needed skilled Iranian labor to justify its recruitment policy at a controlled rate that would not disrupt its Iranian-to-British worker ratio. As with oil workers around the world, to arrive at the enclave of the oilfields, unskilled Iranians would ultimately have to go abroad to acquire adequate (Western) training and technical knowledge.<sup>189</sup>

AIOC mobilized paternalistic practices in response to a series of labor crises over the legitimacy of British control of oil operations. The sophistication of the social technologies traced here, and of the calculating technologies traced in the previous chapter, reveals the inventiveness of AIOC and other oil companies that transformed political questions of labor into technoeconomic issues and cooperated in the management of labor in the Middle East and Latin America. In a corner of southwest Iran, political possibilities were worked out in the course of each strike, with consequences for the organizational design of an industry that did not respect borders marking the national state as distinct from a foreign oil corporation. These local events were directly related to the ways in which the flow of petroleum energy was organized at various points in production, distribution, and refining. Each of the strikes constituted a battle over the connectivity of issues that AIOC fought hard to keep separate from political concerns. By 1951, the mechanism of the strike remained the only legal weapon to achieve economic demands and defy the company strategy of inhibiting independent union organization. Through each strike action, the oil workers revealed new powers as they built connections between their economic demands, technical knowledge, and efforts to win national control of the oil industry.

The company and the Iranian government also sought to maintain a border between oil operations and the question of violence and security. The strategy entailed policing a peculiar regime of labor organized according to racial difference but justified in terms of the technical (in)competencies of the workers. The strikes were power struggles in which workers mixed the technical and the social in order to make their impact on the various points of vulnerability in the energy system decisive, particularly at the Abadan refinery. Disputes over the question of Persianization, which lingered throughout the nationalization crisis, served as the occasion for the production of expert knowledge. This technoscience would then shape which aspects of the labor question acquired political significance and which aspects remained strictly technical. Such an approach, it was thought, would stabilize the energy system by eliminating any controversy over the definition of the oil worker.

Rather than viewing the politics of oil nationalism in terms of large-scale political events, institutional (racial and paternalistic) ideologies, and actors rescued as historical agents in the making of their own history,<sup>190</sup> this chapter has located the most important political battles in the fields of technicality pertaining to the working definition of the

Iranian oil worker. The oil workers helped generate vulnerabilities in which the powers of subaltern dissent as well as the control of energy were taken up simultaneously, distributed, and transformed toward militant nationalism. The excesses of violence and failures of the company to suppress labor unrest through the intervention of alternative organizational machineries exposed the kind of labor regime that AIOC, soon to be BP, needed to survive and the very shape of the national state. This was most evident in the ways a few dominant spokespersons—the Communist Party and a reformist nationalist government—would claim to speak on behalf of the many silent workers in the oilfields.

