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“If I deserve it, it should be paid to me”: a social history of labour in the Iranian oil industry 1951-1973

Jefroudi, M.

Citation

Jefroudi, M. (2017, October 11). *“If I deserve it, it should be paid to me”: a social history of labour in the Iranian oil industry 1951-1973*. Retrieved from <https://hdl.handle.net/1887/58772>

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Author: Jefroudi, M.

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Issue Date: 2017-10-11

Appendix I

D 'Arcy Concession Agreement⁸⁹⁹

Between the Government of His Imperial Majesty the Shah of Persia of the one part and William Knox D'Arcy of independent means residing in London at No.42 Grosvenor Square (hereinafter called "the Concessionaire") of the other part. The following has by these presents been agreed on and arranged, viz.:

Article I

The Government of His Imperial Majesty the Shah grants to the Concessionaire by these presents a special and exclusive privilege to search for, obtain, exploit, develop, render suitable for trade, carry away and sell natural gas, petroleum, asphalt and ozokerite throughout the whole extent of the Persian Empire for a term of 60 years as from the date of these presents.

Article II

This privilege shall comprise the exclusive right of laying the pipelines necessary from the deposits where there may be found one or several of the said products up to the Persian Gulf, as also the necessary distributing branches. It shall also comprise the right of constructing and maintaining all and any wells, reservoirs, stations and pump services, accumulation services and distribution services, factories and other works and arrangements that may be deemed necessary.

Article III

The Imperial Persian Government grants gratuitously to the Concessionaire all uncultivated lands belonging to the State, which the Concessionaire's engineers may deem necessary for the construction of the whole or any part of the above mentioned works. As for cultivated lands belonging to the State, the Concessionaire must purchase them at the fair and current price of the Province. The Government also grants to the Concessionaire the right of acquiring all and any other lands or buildings necessary for the said purpose, with the consent of the proprietors, on such conditions as may be arranged between him and them without their being allowed to make demands of a nature to surcharge the prices ordinarily current for lands situate in their respective localities. Holy places with all their dependencies within a radius of 200 Persian archines are formally excluded.

Article IV

As three petroleum mines situate at Schouster Kassar-Chirine in the Province of Kermanschahan and Daleki near Bouchir are at present let to private persons and produce an annual revenue of two thousand tomans for the benefit of the Government, it has been agreed that the three aforesaid mines shall be comprised in the Deed of Concession in conformity with Article I, on condition that over and above the 16 per cent mentioned in Article 10 the Concessionaire shall

⁸⁹⁹ Ferrier, *The History of the British Petroleum Company: Volume 1, The Developing Years, 1901-1932* (Cambridge: Cambridge University Press, 1982), 640-643 published as Appendix A in M. Kuhn, *Enabling the Iranian Gas Export Options*, (Doctoral Thesis Freie Universität Berlin, 2012), Springer Fachmedien Wiesbaden 2014.

pay every year the fixed sum of 2,000 (two thousand) tomans to the Imperial Government.

Article V

The course of the pipelines shall be fixed by the Concessionaire and his engineers.

Article VI

Notwithstanding what is above set forth, the privilege granted by these presents shall not extend to the Provinces of Azerbadjan, Ghilan, Mazendaran, Asdrabad and Khorassan, but on the express condition that the Persian Imperial Government shall not grant to any other person the right of constructing a pipeline to the southern rivers or to the south coast of Persia.

Article VII

All lands granted by these presents to the Concessionaire or that may be acquired by him in the manner provided for in Articles 3 and 4 of these presents, as also all products exported shall be free of all imposts and taxes during the term of the present concession. All material and apparatuses necessary for the exploration, working and development of the pipeline shall enter Persia free of all taxes and customhouse duties.

Article VIII

The concessionaire shall immediately send out to Persia and at his own cost one or several experts with a view to their exploring the region in which there exist, as he believes, the said products, and in the event of a satisfactory nature, the latter shall immediately send to Persia and at his own cost all the technical staff necessary with the working plant and machinery required for boring and sinking wells and ascertaining the value of the property.

Article IX

The Imperial Persian Government authorizes the Concessionaire to found one or several companies for the working of the Concession. The names, "statutes" and capital of the said companies shall be fixed by the concessionaire, and the directors shall be chosen by him on the express condition that on the formation of each company the Concessionaire shall give official notice of such formation to the Imperial Government through the medium of the commissioner and shall forward the "statutes" with information as to the places at which such company is to operate. Such company or companies shall enjoy all the rights and privileges granted to the Concessionaire, but they must assume all his engagements and responsibilities.

Article X

It shall be stipulated in the contract between the Concessionaire of the one part and the company of the other part that the latter is within the term of one month as from the date of the formation of the first exploitation company to pay the Imperial Persian Government the sum of £20,000 sterling in cash and an additional sum of £20,000 sterling in paid-up shares of the first company founded by virtue of the foregoing Article. It shall also pay the said Government annually a sum equal to 16 per cent of the annual net profits of any company or companies that may be formed in accordance with the said Article.

Article XI

The said Government shall be free to appoint Imperial Commissioner who shall be consulted by the concessionaire and the directors of the companies to be formed. He shall supply all and any useful information at his disposal and he shall inform them of the best course to be adopted in the interest of the undertaking. He shall establish by agreement with the Concessionaire such supervision as he may deem expedient to safeguard the interests of the Imperial Government. The aforesaid powers of the Imperial Commissioner shall be set forth in the "statutes" of the companies to be created. The Concessionaire shall pay the Commissioner thus appointed an annual sum of £1,000 sterling for his services as from the date of the formation of the first company.

Article XII

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 XIII

At any place in which it may be proved that the inhabitants of the country now obtain petroleum for their own use, the Company must supply them gratuitously with the quantity of petroleum that they themselves got previously. Such quantity shall be fixed according to their own declarations, subject to the supervision of the local authority.

Article XIV

The Imperial Government binds itself to take all and any necessary measures to secure the safety and the carrying out of the object of this Concession, of the plant and of the apparatuses of which mention is made for the purpose of the undertaking of the Company and to protect the representatives, agents and servants of the Company. The Imperial Government having thus fulfilled its engagements, the Concessionaire and the companies created by him shall not have power under any pretext whatever to claim damages from the Persian Government.

Article XV

On the expiration of the term of the present Concession, all materials, buildings and apparatuses then used by the Company for the exploitation of its industry shall become the property of the said Government, and the Company shall have no right to any indemnity in this connection.

Article XVI

If within the term of two years as from the present date the Concessionaire shall not have established the first of the said companies authorized by Article 9 of the present Agreement, the present Concession shall become null and void.

Article XVII

In the event of there arising between the parties to the present concession any dispute or difference in respect of its interpretation or the rights of responsibilities of one or the other of the parties therefore resulting, such dispute or difference

shall be submitted to two arbitrators at Teheran, one of whom shall be named by each of the parties, and to an Umpire who shall be appointed by the arbitrators before they proceed to arbitrate. The decision of the arbitrators or, in the event of the latter disagreeing that of the umpire, shall be final.

Article XVIII

This Act of Concession made in duplicate is written in the French language and translated into Persian with the same meaning. But in the event of there being any dispute in relation to such meaning, the French text shall alone prevail. Teheran Sefer 1319 of the Hegine, that is to say May 1901.

(Signed) William Knox D'Arcy, By his Attorney, (Signed) Alfred L. Marriott. Certified that the above signatures were affixed in my presence at the British Consulate General at Gulaket near Teheran, on this 4th day of the month of June 1901 by Alfred Lyttelton Marriott, Attorney of William Knox D'Arcy, in accordance with the Notarial Act dated 21st March 1901, and seen by me.

(Signed) George Grahame, Vice-Consul.

Thus far translation. Here follows in English.

Certified that the writing in the Persian and French languages on this and the preceding seven pages were registered in the Archives (Register Book) of H.M.'s Legation, Teheran, on pages 117 to 124, on the 5th June 1901.

Dated at Gulaket near Teheran this 6 day of June 1901. (Signed) George Grahame, Vice-Consul.

Appendix II

1933 Anglo-Persian Oil Company Concession Agreement⁹⁰⁰

Between The Imperial Government Of Persia And The Anglo-Persian Oil Company Limited Made At Tehran On The 29th April, 1933.

TRANSLATION

PREAMBLE

For the purpose of establishing a new Concession to replace that which was granted in 1901 to William Knox D'Arcy, the present Concession is granted by the Persian Government and accepted by the Anglo-Persian Oil Company Limited. This Concession shall regulate in the future the relations between the two parties abovementioned.

DEFINITIONS

The following definitions of certain terms used in the present Agreement are applicable for the purposes hereof without regard to any different meaning which mayor might be attributed to those terms for other purposes.

“The Government”

Means the Imperial Government of Persia.

“The Company” Means the Anglo-Persian Oil Company Limited and all its *subordinate companies*.

“The Anglo-Persian Oil Company Limited”

Means the Anglo-Persian Oil Company Limited or any other body corporate to which, with the consent of *the Government* (Article 26), this Concession might be transferred.

“Subordinate Company”

Means any company for which *the Company* has the right to nominate directly or indirectly more than one-half of the directors, or in which the company holds, directly or indirectly, a number of shares sufficient to assure it more than 50% of all voting rights at the General Meeting of such a company.

“Petroleum”

Means crude oil, natural gases, asphalt, ozokerite, as well as all products obtained

900 BP Archive, ArcRef: 2695, published as Appendix B in M. Kuhn, *Enabling the Iranian Gas Export Options*, (Doctoral Thesis Freie Universität Berlin, 2012), Springer Fachmedien Wiesbaden 2014.

either from these substances or by mixing these substances with other substances.

“Operations of the Company in Persia “

Means all industrial, commercial, and technical operations carried on by *the Company* exclusively for the purposes of this Concession.

ARTICLE 1

The Government grants to *the Company*, on the terms of this Concession, the exclusive right, within the territory of the Concession, to search for and extract *petroleum* as well as to refine or treat in any other manner and render suitable for commerce the *petroleum* obtained by it.

The *Government* also grants to *the Company*, throughout Persia, the non-exclusive right to transport *petroleum*, to refine or treat it in any other manner and to render it suitable for commerce, as well as to sell it in Persia and to export it.

ARTICLE 2

(A) The territory of the Concession, until the 31st December 1938, shall be the territory to the south of the violet line* drawn on the map signed by both parties and annexed to the present Agreement.

(B) *The Company* is bound, at latest by 31st December 1938, to select on the territory abovementioned one or several areas of such shape and such size and so situated as *the Company* may deem suitable. The total area of the area or areas selected must not exceed one hundred thousand English square miles (100,000 square miles), each linear mile being equivalent to 1,609 meters. *The Company* shall notify to *the Government* in writing on 31st December 1938, or before that date, the area or areas which it shall have selected as above provided. The maps and data necessary to identify and define the area or areas which *the Company* shall have selected shall be attached to each notification.

(C) After 31st December 1938, *the Company* shall no longer have the right to search for and extract *petroleum* except on the area or areas selected by it under paragraph (B) above and the territory of the Concession, after that date, shall mean only the area or areas so selected and the selection of which shall have been notified to *the Government* as above provided.

ARTICLE 3

The Company shall have the non-exclusive right to construct and to own pipelines. *The Company* may determine the position of its pipelines and operate them.

ARTICLE 4

(A) Any unutilised lands belonging to *the Government*, which *the Company* shall deem necessary for its *operations in Persia* and which *the Government* shall not require for purposes of public utility, shall be handed over gratuitously to *the Company*. The manner of acquiring such lands shall be the following: whenever any land becomes necessary to *the Company*, it is bound to send to the Ministry

of Finance a map or maps on which the land which *the Company* needs shall be shown in colour. *The Government* undertakes, if it has no objection to make, to give its approval within a period of three months after receipt of *the Company's* request.

(B) Lands belonging to *the Government*, of which use is being made, and which *the Company* shall need, shall be requested of *the Government* in the manner prescribed in the preceding paragraph, and *the Government*, in case it should not itself need these lands and should have no objection to make, shall give, within a period of three months, its approval to the sale asked for by *the Company*.

The price of these lands shall be paid by *the Company*; such price must be reasonable and not exceed the current price of lands of the same kind and utilised in the same manner in the district.

(C) In the absence of a reply from *the Government* to requests under paragraphs (A) and (B) above, after the expiry of two months from the date of receipt of the said requests, a reminder shall be sent by *the Company* to *the Government*; should *the Government* fail to reply to such reminder within a period of one month, its silence shall be regarded as approval.

(D) Lands which do not belong to *the Government* and which are necessary to *the Company* shall be acquired by *the Company*, by agreement with the parties interested, and through the medium of *the Government*. In case agreement should not be reached as to the prices, *the Government* shall not allow the owners of such lands to demand a price higher than the prices commonly current for neighbouring lands of the same nature. In valuing such lands, no regard shall be paid to the use to which the company may wish to put them.

(E) Holy places and historical monuments, as well as all places and sites of historical interest are excluded from the foregoing provisions, as well as their immediate surroundings for a distance of at least 200 meters.

(F) *The Company* has the non-exclusive right to take within the territory of the Concession, but not elsewhere, on any unutilised land belonging to the State, and to utilise gratuitously for all the operations of the Company, any kinds of soil, sand, lime, gypsum, stone and other building materials. It is understood that if the utilisation of the said materials were prejudicial to any rights whatever of third parties, the Company should indemnify those whose rights were infringed.

ARTICLE 5

The operations of *the Company* in Persia shall be restricted in the following manner:

(1) The construction of any new railway line and of any new port shall be subject to a previous agreement between *the Government* and *the Company*.

(2) If *the Company* wishes to increase its existing service of telephones, telegraphs, wireless and aviation in Persia, it shall only be able so to do with the previous consent of *the Government*.

If *the Government* requires to utilise the means of transport and communication of *the Company* for national defense or in other critical circumstances, it undertakes to impede as little as possible the operations of *the Company*, and to pay it fair compensation for all damages caused by the utilisation above mentioned.

ARTICLE 6

(A) *The Company* is authorised to effect, without special licence, all imports necessary for the exclusive needs of its employees on payment of the Custom duties and other duties and taxes in force at the time of importation. *The Company* shall take the necessary measures to prevent the sale or the handing over of products imported to persons not employed by *the Company*.

(B) *The Company* shall have the right to import, without special licence, the equipment, material, medical and surgical instruments and pharmaceutical products, necessary for its dispensaries and hospitals in Persia, and shall be exempt in respect thereof from any custom duties and other duties and taxes in force at the time of importation, or payments of any nature whatever to the Persian State or to local authorities.

(C) *The Company* shall have the right to import, without any licence and exempt from any Custom duties and from any taxes or payments of any nature whatever to the Persian State or to local authorities, anything necessary exclusively for the operations of *the Company* in Persia.

(D) The exports of *petroleum* shall enjoy Customs immunity and shall be exempt from any taxes or payments of any nature whatever to the Persian State or to local authorities.

ARTICLE 7

(A) *The Company* and its employees shall enjoy the legal protection of *the Government*.

(B) *The Government* shall give, within the limits of the laws and regulations of the country, all possible facilities for the operations of *the Company* in Persia.

(C) If *the Government* grants concessions to third parties for the purpose of exploiting other mines within the territory of the concession, it must cause the necessary precautions to be taken in order that these exploitations do not cause any damage to the installations and works of *the Company*.

(D) *The Company* shall be responsible for the determination of dangerous zones for the construction of habitations, shops and other buildings, in order that *the Government* may prevent the inhabitants from settling there.

ARTICLE 8

The Company shall not be bound to convert into Persian currency any part whatsoever of its funds, in particular any proceeds of the sale of its exports from Persia.

ARTICLE 9

The Company shall immediately make its arrangements to proceed with its

operations in the province of Kermanshah through a subsidiary company with a view to producing and refining *petroleum* there.

ARTICLE 10

(I) The sums to be paid to *the Government* by *the Company* in accordance with this Agreement (besides those provided in other articles) are fixed as follows:

(a) An annual royalty, beginning on the 1 January, 1933, of four shillings per ton of Petroleum sold for consumption in Persia or exported from Persia.

(b) Payment of a sum equal to twenty per cent. (20%) of the distribution to the ordinary stockholders of *the Anglo-Persian Oil Company Limited*, in excess of the sum of Six hundred and seventy-one thousand two hundred and fifty pounds sterling (£671,250) whether that distribution be made as dividends for anyone year or whether it relates to the reserves of that company, exceeding the reserves which, according to its books, existed on 31st December 1932.

(c) The total amount to be paid by *the Company* for each calendar (Christian) year under sub-clauses (a) and (b) shall never be less than seven hundred and fifty thousand pounds sterling (£750,000).

(II) Payments by *the Company* under this Article shall be made as follows:

(a) On the 31st March, 30th June, 30 September, and 31st December of each year, on each occasion one hundred and eighty-seven thousand five hundred pounds sterling (£187,500). (The payment relating to 31st March 1933 shall be made immediately after the ratification of the present Agreement).

(b) On the 28th February 1934, and thereafter on the same date in each year, the amount of the tonnage royalty for the previous year provided for in sub-clause (I) (a) less the sum of seven hundred and fifty thousand pounds sterling (£750,000), already paid under sub-clause (II)(a).

(c) Any sums due to *the Government* under sub-clause (I)(b) of this article shall be paid simultaneously with any distributions to the ordinary stockholders.

(III) On the expiration of this Concession, as well as in the case of surrender by *the Company* under Article 25 *the Company* shall pay to *the Government* a sum equal to twenty per cent. (20%) of:

(a) The surplus difference between the amount of the reserves (General Reserve) of *the Anglo-Persian Oil Company Limited*, at the date of the expiration of the Concession or of its surrender, and the amount of the same reserves at 31st December 1932.

(b) The surplus difference between the balance carried forward by *the Anglo-*

Persian Oil Company Limited at the date of the expiration of the concession or of its surrender and the balance carried forward by that company at 31st December 1932. Any payment due to *the Government* under this clause shall be made within a period of one month from the date of the General Meeting of the Company following the expiration or the surrender of the Concession.

(IV) *The Government* shall have the right to check the returns relating to subclause (I)

(a) which shall be made to it at latest on the 28th February for the preceding year.

(V) To secure *the Government* against any loss, which might result from fluctuations in the value of English currency, the parties have agreed as follows:

(A) If, at any time, the price of gold in London exceeds six pounds sterling per ounce (ounce troy) the payments to be made by *the Company* in accordance with the present Agreement (with the exception of sums due to *the Government* under sub-clause (I)(b) and clause (III) (a) and (b) of this Article and sub-clause (I) (a) of Article 23) shall be increased by one thousand four hundred and fortieth part (1/1440) for each penny of increase of the price of gold above six pounds sterling (£6) per ounce (ounce troy) on the due date of the payments.

(B) If, at any time, *the Government* considers that gold has ceased to be the general basis of values and that the payments above mentioned no longer give it the security which is intended by the parties, the parties shall come to an agreement as to a modification of the nature of the security above mentioned or, in default of such an arrangement, shall submit the question to the Arbitration Court (Article 22) which shall decide whether the security provided in sub-clause (a) above ought to be altered and if so, shall settle the provisions to be substituted therefore and shall fix the period to which such provisions shall apply.

(VI) In case of a delay, beyond the dates fixed in the present Agreement, which might be made by *the Company* in the payment of sums due by it to *the Government*, interest at five per cent. (5%) per annum shall be paid for the period of delay.

ARTICLE 11

The Company shall be completely exempt, for its operation in Persia, for the first thirty years, from any taxation present or future of the State and of local authorities; in consideration therefore the following payments shall be made to the Government:

- . (D) During the first fifteen years of this Concession, on the 28th February of each year and for the first time on the 28th February 1934, nine pence for each of the first six million (6,000,000) tons of petroleum, on which the royalty provided for in Article 10 (I)(a) is payable for the

preceding calendar (Christian) year, and six pence for each ton in excess of the figure of six million (6,000,000) tons above defined.

- . (E) *The Company guarantees that the amount paid under the preceding sub-clause shall never be less than two hundred and twenty-five thousand pounds sterling (£225,000).*
- . (F) During the fifteen years following, one shilling for each of the first six million (6,000,000) tons of *petroleum*, on which the royalty provided for in Article 10 (I) (a) is payable for the preceding calendar year, and nine pence for each ton in excess of the figure of 6,000,000 tons above defined.
- . (G) *The Company guarantees that the amount paid under the preceding sub-clause (c) shall never be less than three hundred thousand pounds sterling (£300,000).*

(B) Before the year 1963, the parties shall come to an agreement as to the amounts of the annual payments to be made, in consideration of the complete exemption of *the Company* for its *operations in Persia* from any taxation of the State and of local authorities, during the second period of thirty years extending until 31st December 1993.

ARTICLE 12

(1) The Company, for its operations in Persia in accordance with the present Agreement, shall employ all means customary and proper, to ensure economy in and good returns from its operations, to preserve the deposits of petroleum and to exploit its Concession by methods in accordance with the latest scientific progress.

If, within the territory of the Concession, there exist other mineral substances than *petroleum* or woods and forests belonging to the Government, the company may not exploit them in accordance with the present concession, nor object to their exploitation by other persons (subject to the due compliance with the terms of clause (C) of Article 7); but the Company shall have the right to utilise the said substances or the woods and forests above-mentioned if they are necessary for the exploration or the extraction of *petroleum*.

(C) All boreholes which, not having resulted in the discovery of *petroleum*, produce water or precious substances, shall be reserved for *the Government* which shall immediately be informed of these discoveries by *the Company*, and *the Government* shall inform *the Company* as soon as possible if it wishes to take possession of them. If it wishes to take possession it shall watch that the operations of the Company be not impeded.

ARTICLE 13

The Company undertakes to send, at its own expense and within a reasonable time, to the Ministry of Finance, whenever the representative of *the Government* shall request it, accurate copies of all plans, maps, sections and any other data whether topographical, geological or of drilling, relating to the territory of the Concession, which are in its possession.

Furthermore, *the Company* shall communicate to *the Government* throughout the duration of the Concession all important scientific and technical data resulting from its work in Persia. All these documents shall be considered by *the Government* as confidential.

ARTICLE 14

(A) *The Government* shall have the right to cause to be inspected at its wish, at any reasonable time, the technical activity of *the Company* in Persia, and to nominate for this purpose technical specialist experts.

(B) *The Company* shall place at the disposal of the specialist experts nominated to this end by *the Government*, the whole of its records relative to scientific and technical data, as well as all measuring apparatus and means of measurement, and these specialist experts shall, further, have the right to ask for any information in all the offices of *the Company* and on all the territories in Persia.

ARTICLE 15

The Government shall have the right to appoint a Representative who shall be designated “ Delegate of the Imperial Government.” This Representative shall have the right:

(A) To obtain from the company all the information to which the stockholders of the company are entitled.

(2) To be present at all the meetings of the Board of Directors, of its committees and at all the meetings of stockholders, which have been convened to consider any question arising out of the relations between *the Government* and *the Company*;

(3) To preside *ex-officio*, with a casting vote, over the Committee to be set up by *the Company* for the purpose of distributing the grant for and supervising the professional education in Great Britain of Persian nationals referred to in Article 16.

(4) To request that special meetings of the Board of Directors be convened at any time, to consider any proposal that *the Government* shall submit to it. These meetings shall be convened within 15 days from the date of the receipt by the Secretary of *the Company* of a request in writing to that end.

The Company shall pay to *the Government* to cover the expenses to be borne by it in respect of the salary and expenses of the above mentioned Delegate a yearly sum of two thousand pounds sterling (£2,000). *The Government* shall notify *the Company* in writing of the appointment of this Delegate and of any changes in such appointment.

ARTICLE 16

(I) Both parties recognise and accept as the principle governing the performance of this Agreement the supreme necessity, in their mutual interest, of maintaining the highest degree of efficiency and of economy in the administration and the *operations of the Company in Persia*.

(II) It is, however, understood that *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 the 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.

(IV) *The Company shall make a yearly grant of ten thousand pounds sterling in order to give in Great Britain, to Persian nationals, the professional education necessary for the oil industry.* The said grant shall be expended by a Committee, which shall be constituted as provided in Article 15.

ARTICLE 17

The Company shall be responsible for organising and shall pay the cost of the provision, control and upkeep of, sanitary and public health services, according to the requirements of the most modern hygiene practised in Persia, on all the lands of *the Company* and in all buildings and dwellings, destined by *the Company* for the use of its employees, including the workmen employed within the territory of the Concession.

ARTICLE 18

Whenever *the Company* shall make issues of shares to the public, the subscription lists shall be opened at Tehran at the same time as elsewhere.

ARTICLE 19

The Company shall sell for internal consumption in Persia, including the needs of *the Government*, motor spirit, kerosene and fuel oil, produced from Persian *petroleum*, on the following basis:

- (a) On the first of June in each year *the Company* shall ascertain the average Roumanian f.o.b. prices for motor spirit, kerosene and fuel oil and the average Gulf of Mexico f.o.b. prices for each of these products during the preceding period of twelve months ending on the 30th April. The lowest of these average prices shall be selected. Such prices shall be the “basic prices” for a period of one year beginning on the 1st June. The “basic prices” shall be regarded as being the prices at the refinery.
- (b) *The Company shall sell:* {1} *to the Government for its own needs, and not for resale, motor spirit, kerosene and fuel oil at the basic prices, provided in sub-clause (a) above, with a deduction of twenty-five per cent. (25%); (2) to other consumers at the basic prices with a deduction of ten per cent. (10%).*
- (c) *The Company shall be entitled to add to the basic prices mentioned in sub-clause (a), all actual costs of transport and of distribution and of sale, as well as any imposts and taxes on the said products.*
- (d) *The Government shall forbid the export of the petroleum products sold by the company under the provisions of this article.*

ARTICLE 20

(1)

(a) During the last ten years of the concession or during the two years from the notice preceding the surrender of the Concession provided in article 25, the company shall not sell or otherwise alienate, except to subordinate companies, any of its immovable properties in Persia. During the same period the company shall not alienate or export any of its movable property whatever except such as has become unutilisable.

(b) During the whole of the period preceding the last ten years of the concession, the company shall not alienate any land obtained by it gratuitously from *the Government*; it shall not export from Persia any movable property except

in the case when such property shall have become unutilisable or shall be no longer necessary for the operations of *the company*.

(II) At the end of the concession, whether by expiration of time or otherwise, all the property of *the company* in Persia shall become the property of *the government* in proper working order and free of any expenses and of any encumbrances.

(III) The expression “all the property “ comprises all the lands, buildings and workshops, constructions, wells, jetties, roads, pipelines, bridges, drainage and water supply systems, engines, installation and equipments (including tools) of any sort, all means of transport and communication in Persia (including for example automobiles, carriages, aeroplanes), any stocks and any other objects in Persia which *the company* is utilising in any manner whatsoever for the objects of the Concession.

ARTICLE 21

The contracting parties declare that they base the performance of the present Agreement on principles of mutual good will and good faith as well as on a reasonable interpretation of this agreement. *The company* formally undertakes to have regard at all times and in all places to the rights, privileges and interests of *the Government* and shall abstain from any action or omission which might be prejudicial to them.

This concession shall not be annulled by *the Government* and the terms therein contained shall not be altered either by general or special legislation in the future, or by administrative measures or any other acts whatever of the executive authorities.

ARTICLE 22

(A) Any differences between the parties of any nature whatever and in particular any differences arising out of the interpretation of this Agreement and of the rights and obligations therein contained as well as any differences of opinion which may arise relative to questions for the settlement of which, by the terms of this Agreement, the agreement of both parties is necessary, shall be settled by arbitration.

(B) The party which requests arbitration shall so notify the other party in writing. Each of the parties shall appoint an arbitrator, and the two arbitrators, before proceeding to arbitration, shall appoint an umpire. If the two arbitrators cannot, within two months, agree on the person of the umpire, the latter shall be nominated, at the request of either of the parties, by the President of the Permanent Court of International

Justice. If the President of the Permanent Court of International Justice belongs to a nationality or a country which, in accordance with clause (C), is not qualified to furnish the umpire, the nomination shall be made by the Vice- President of the said Court.

(C) The umpire shall be of a nationality other than Persian or British; furthermore, he shall not be closely connected with Persia or with Great Britain as belonging to a dominion, a protectorate, a colony, a mandated country or other country administered or occupied by one of the two countries above mentioned or as being or having been in the service of one of these countries.

(D) If one of the parties does not appoint its arbitrator or does not advise the other party of its appointment, within sixty days of having received notification of the request for arbitration, the other party shall have the right to request the President of the Permanent Court of International Justice (or the Vice-President in the case provided at the end of clause (B)) to nominate a sole arbitrator, to be chosen from among persons qualified as above-mentioned, and in this case the difference shall be settled by this sole arbitrator.

(E) The procedure of arbitration shall be that followed, at the time of arbitration, by the Permanent Court of International Justice. The place and time of arbitration shall be fixed by the umpire or by the sole arbitrator provided for in clause (D), as the case may be. The award shall be based on the juridical principles contained in Article 38 of the Statutes of the Permanent Court of International Justice. The-

(F) re shall be no appeal against the award.

(G) The expenses of arbitration shall be borne in the manner determined by the award.

ARTICLE 23

(I) In full settlement of all the claims of *the Government* of any nature in respect of the past until the date of coming into force of this Agreement (except in regard to Persian taxation), *the Company*: (a) shall pay within a period of thirty days from the said date the sum of one million pounds sterling (£1,000,000) and besides (b) shall settle the payments due to *the Government* for the financial years 1931 and 1932 on the basis of Article 10 of this agreement and not on that of the former D' Arcy Concession, after deduction of two hundred thousand pounds sterling (£200,000) paid in 1932 to *the Government* as an advance against the royalties and £113,4033s 10d. placed on deposit at the disposal of the Government.

(II) Within the same period, *the company* shall pay to *the Government* in full settlement of all its claims in respect of taxation for the period from 21st March 1930 to 31st December 1932 a sum calculated on the basis of sub-clause (a) of clause I of Article 11, but without the guarantee provided in sub-clause (b) of the same clause.

ARTICLE 24

If, by reason of the annulment of the D'Arcy concession, litigation should arise between *the company* and private persons on the subject of the duration of leases made in Persia before the 1st December 1932 within the limits allowed by the D'Arcy concession, the litigation shall be decided according to the rules of interpretation following:

(a) If the lease is to determine, according to its terms, at the end of the D'Arcy Concession, it shall retain its validity until 28th May 1961, notwithstanding the annulment of the said concession.

If it has been provided in the lease that it shall be valid for the duration of the D'Arcy concession and in the event of its renewal for the duration of the renewed concession, the lease shall retain its validity until 31st December 1993.

ARTICLE 25

The Company shall have the right to surrender this Concession at the end of any Christian calendar year, on giving to *the Government* notice in writing two years previously. On the expiry of the period above provided, the whole of the property of *the Company* in Persia (defined in Article 20, (III)) shall become free of cost and without encumbrances the property of *the Government* in proper working order and *the Company* shall be released from any engagement for the future. In case there should be disputes between the parties concerning their engagements before the expiry of the period above provided the differences shall be settled by arbitration as provided in Article 22.

ARTICLE 26

This Concession is granted to *the Company* for the period beginning on the date of its coming into force and ending on 31st December 1993. Before the date of the 31st December 1993 this Concession can only come to an end in the case that *the Company* should surrender the Concession (Article 25) or in the case that the Arbitration Court should declare the Concession annulled as a consequence of default of *the Company* in the performance of the present Agreement.

The following cases only shall be regarded as default in that sense: (C) If any sum awarded to Persia by the Arbitration Court has not been paid within one month of the date of the award.

If the voluntary or compulsory liquidation of *the Company* be decided (D) upon.

In any other cases of breach of the present Agreement by one party or the other, the Arbitration Court shall establish the responsibilities and determine their consequences. Any transfer of the Concession shall be subject to confirmation by *the Government*.

ARTICLE 27

This agreement shall come into force after ratification by the Majlis and promulgation by Decree of His Imperial Majesty the Shah. The Government undertakes to submit this Agreement, as soon as possible, for ratification by the Majlis. Made at Tehran the twenty-ninth April one thousand nine hundred and thirty three.

For the Imperial Government of Persia,

(Signed) S. H. TAQIZADEH.

For and on behalf of the Anglo-Persian Oil Company, Limited (Signed) JOHN CADMAN, *Chairman.*

W. ERASER, *Deputy Chairman.*

[This Agreement came into force on the 29th May, 1933, following its ratification by the Majlis on the 28th May, 1933, and the Royal Assent given on the 29th May, 1933.]

Appendix III

FO 371/82402, 1950

Dear Comrades,

Two years ago, as Workers' delegate, I had the honor of informing you of the exactions and oppression of which the workers of the Petroleum Industry were victims. I have exposed to you the sad lot of our comrades who, subject to the martial law of the military government and shameful exploitation by the financial powers, are slowly dying. It is impossible to imagine a corner of the world at the present time with an employer as hypocritical and as anti-social. Apparently, and with its traditional perfidy this Company makes a show of an economic enterprise. In fact, it is the Company which decided everything; the abolition of the syndical right, the imprisonment and the deportation of the militant workers. It has its "intelligence Service" which, with the aid of the military government instituted for it, decides, orders and commands. The Government does nothing nor can against the Company which adds to its immense wealth the political power of the united kingdom, its principal shareholder.

Moreover, the Company acts to a plan where logic is mingled with the most refined hypocrisy: to exploit the wealth of our land it is of the greatest importance to prevent, throughout the land, especially in the oil-bearing area, the existence of free associations or syndicates of militant workers.

All these truths were denied at the last session by Dr. Bakhtiar, the brilliant defender of the Government. I doubt whether he has not modified the position (?) seeing that he was himself the first victim of the Company. You will no doubt remember the statement of Mr. Fateh, Employer's representative, affirming that the Company would favorably regard the inception and the development of free syndicates. Very fortunately, for us events were not long in coming to pass. Scarcely had the I.L.O. Mission, headed by Mr. Price, left Iran, when the same Mr. Fateh, with the help of Vice-Admiral Lelli⁹⁰¹, Commander-in-Chief of the Naval Forces of the South, arrested us. Armed forces are always at the disposal of the Company to arrest and imprison workers who are to claim their right.

⁹⁰¹ Cited as Zilli in the US version. Dispatch no. 835, 17/5/1951, Tehran Iran, Appendix XV, 59/250/41/11/1 - 2, NARA.

After my arrest in the general office of the Company at Abadan, there was a mass expulsion of several thousand of workers. The central seat of the syndicate was seized by important armed forces and finally I was expelled from Abadan with another Worker representative, namely Yamini.

Since then the workers have resisted by abstaining from all activity or contact with the Department of Labour. They have categorically refused to participate in the elections of factory councils; they formally advised the Department of Labour in Abadan that they considered them as part of the Company, camouflaged as a Government office; those who sit among you in the name of Workers in the Petroleum industry were designated by the Company. We refute their right to negotiate in the name of the Workers' class: their promises are null and void. We exploited and oppressed workers of the Petroleum industry loudly protest against the despicable action of the Company, which with the help of a Government docile and without any democratic semblance does not cease to exterminate us.

We demand justice and investigation.

We don't know what is happening behind the iron curtain but it is impossible to imagine a sadder lot and a corner of the world where exploitation of man by man might be more shamefully practiced.

Long live the freedom of Iran and of the Iranian Worker Class.

(sgd) A. Mohamadi Tehran 24/10/1950

Appendix IV

Estimated Trade Union Strength in Abadan by 1965⁹⁰²

	Number of workers
Syndicate No. 1	
Transportation IORC	2157
Commissary NIOC	412
Social Services Section NIOC	113
Metal Container Contractor IORC	115
	Total: 2797
Syndicate No: 2	
Construction and Maintenance Refinery IORC	2763
Personnel Office Services etc. NIOC	277
	Total: 3040
Syndicate No: 3	
Construction and General Engineering NIOC	1748
Printing, Refinery Guards, Finance, Office Services, Technical Services, Personnel and Apprentices IORC	701
Property Protection NIOC	367
	Total: 2816
Syndicate No: 4	
Housing NIOC	2371
Materials IORC	284
Stocks and Shipping IORC	395
	Total: 3050
Syndicate No:5	
Process IORC	1020
Utility Services IORC	564
Medical and Health NIOC	448
Special Establishment IORC	630
	Total: 2662

902 Enclosure No:2 to A-6, Airgram from Khorramshar. July 21, 1965. Department of State from Khorramshahr American Consulate. Central foreign policy files 1964-66 labour box 1303 entry 1132A. NARA.

Appendix V

Stanley J. Prisbeck, "Labour unrest in oil agreement area," 9/7/1957. Dispatch no 2, US Consulate Khorramshahr. *Confidential U.S. State Department Central Files. Iran, 1955-1959 Internal and Foreign Affairs.* Harvard University.

(COPY OF IRANIAN LANGUAGE CIRCULAR FOUND POSTED IN MASJID-1-SULEIMAN FRIDAY, JUNE 28, 1957. TRANSLATED VERSION ALSO ATTACHED).

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نتایجی که در این چند سال از قراردادها بوسیله پسر رضاخان بسته و امضاء شده شرح زیر است:

۱- استعمار و استثمار کارگران ووشغکر و شکنجه دادن اکثریت آنها بجهت داشتن تعالیات ضد امپریالیستی.

۲- از کار برکنار کردن ۳۰ هزار کارگر از بدو پیدایش کسرسیم کدائی تا حالا که هنوز ادامه دارد.

۳- فقر و نیستی و آدمکشی و بیکاری و گرانی

۴- تحمیل حکومت تانگ و مسلسل بر ملت ایران برای رونق حکومت شاه خائن نوکر امپریالیسم بوسیله کشورهای آمریکا و انگلیس

۵- خفه کردن جنبش های پولتاریائی ضد استثمار کارگران خوزستان.

۶- تبعید کردن و پراکندن ۳۴۰۰ نفر از کارگران مسجد سلیمان بجاهای دور

۷- تبدیل نمودن تمام شهرستانهای ایران به پایگاههای نظامی امریکائی و بخاک و خون کشیدن عده سرباز بیگانه برای انجام مقاصد استثمارگران آمریکائی و تحق و دوام بخشیدن بحکومت پوشالی پسر رضا خان تا بتوانند بهتر خون مردم ایران را بکنند.

زنده باد مردم قهرمان خوزستان

پریوزیاد اعتصاب پولتاریائی مردم قهرمان آغاخاری و بندرمحشور

زنده باد کارگران دلیر مسجد سلیمان

مرگ بر استثمار آمریکا و انگلیس مرگ بر شاه خائن

شعارها

۱- مرگ بر شاه خائن

۲- مرگ بر امپریالیسم انگلستان و آمریکا

۳- کارگران اعتصاب کنید

۴- مرگ بر شاه نوکر آمریکا و انگلستان

Results of the agreement signed by son of Reza Khan in the last few years are as follows:-

1. Colonisation and exploitation of the enlightened workers and torturing the majority of them for having inclinations against imperialism.
2. Dismissal of 30 thousand workers from the beginning of the establishment of the so called Consortium which is continued up to now.
3. Poverty, annihilation, man-slaughtering, unemployment and high cost of living.
4. Imposition of the rule of Tank and Gun over the Iranian Nation by the U.S. and British Government for the splendour of the reign of the treacherous King, the servant of the Imperialism.
5. Suffocating the Proletariat and Anti-Colonisation movements of Khuzistan workers.
6. Banishment of 3,400 workers from Masjid-i-Sulaiman to far-off spots.
7. Changing all Cities in Iran to American Military bases and taking a group of innocent soldiers to death to execute the desires of the American Colonists just to strengthen and add to the duration to the puppet reign of the son of Reza Khan so that he could be at liberty to suck the blood of the Iranians.

Long Live the Valiant People of Khuzistan. Victory be with the Proletariat Strikers of the Champion people of Aghajari and Bandar-Mashur. Long live the Brave workers of Masjid-i-Sulaiman.

Down with the King!

Down with the American and British Colonizat!

THE WATCH WORDS:-

Down with the treacherous King!

Down with the American and British Colonization!

Down with ^{the} King, the Servant of the Americans and the British!

