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Chapter 5

Reluctant Paternalism and the Social Question in Khuzestan's Oil Complex in the Post War Era

The 1926 Turning Point: Oil Encounter in Abadan

The short decade after WWI witnessed the consolidation of the oil industry in Iran. The interlude was a revolutionary turning point on many scales during which all the main social actors in the making of the oil complex were transformed through abrasive encounters with each other, as well as with the larger transnational forces that have been discussed in previous chapters. Although the consolidation of the oil complex was an ongoing process, I have taken the year 1926 as a symbolic but significant turning point when the new trends in the oil complex took a turn toward being institutionalized in significant ways. By this date a number of the important general outlines of the oil complex in Khuzestan had emerged with some clarity, even though frictions and re-adjustments continued and the oil industry kept changing in response to the forces of politics, the immense technical challenges bedeviling the industry, the vagaries of the markets, shifting geopolitics, persistent labor issues, and an ever growing range of practical difficulties and obstacles.

The year 1926 was the coronation of Reza Shah, and the juncture when the Iranian central government began to move more confidently to impose its direct sovereignty over Khuzestan. With the increasing retreat of the British government from direct interference in southern Iran APOC had to rethink its positions. Throughout the preceding months the Company concluded a major policy review of its operations in Iran, aware that it was entering a new phase and an unexplored territory where it had little options but to reconfigure its relations with the Iranian government, its employees, and the local society in Khuzestan. The population of Abadan, a growing multitude of bewildering diversity, some local indigenous, others migrants from the northern borders of the Persian Gulf and the Zagros highlands, or from more distant places like India, the Caucasus, or inland cities of Iran, had to find ways of accommodating with each other, as well as the increasingly intrusive bureaucracy and the hardnosed Oil Company. They had to devise individual and collective strategies of negotiating with the enormous material and social challenges

they faced in an unfamiliar and hostile new place, with its alien rules and increasingly impersonal and money-based relationships. Some had come to work for wages in the oil facilities; others had been pushed there following the demise of their former social and communal modes of life due to warfare, famine, or the dislocations wrought by oil capitalism. Oil was the direct or indirect reason why all of these social actors had converged on Abadan, but it was the city itself that was the stage for their encounter. The frictions between these social actors shaped the urban space of Abadan; and in return it was this built urban environment that reflected and molded the social life that oil was materializing there.

Contrary to the conventional historiographies of the oil industry, the institutionalization of the oil complex in mid 1920s' was not accomplished by the sovereign actions of any single actor, regardless of how powerful they were, but was the outcome of the difficult, unequal, and conflict-ridden relations between them all, set within a transitional global conjuncture. Understood in this way, we may avoid the usual pitfall of seeing the social history of oil as one more instance when 'the global' determines the local; or producing a reverse determinism that believes the local is ultimately what matters most. Rather, the challenge is to unearth how 'the local' was integral to shaping the macro processes that were revolutionizing the world after WWI (chapter 1).

In previous chapters I have attempted to demonstrate that the major actors in the drama of oil in Iran did not appear on the scene 'ready-made'; their historical development and the course of their actions were neither predictable nor pre-determined; and none of them were the sovereign authors of their own history. Rather, these social actors and institutions were made through relations that were contextual and situated historically and geographically. In this chapter I will continue to investigate this history at a local level, by further exploring how the main social actors in Iran's oil complex *were made and remade* through their frictions and interactions with each other, in specific places like Abadan, as well as with larger processes at work in the larger world. This was equally true in the case of the colonial superpower the British Government and its Iran policies, as it was for the upstart Iranian state, the emerging corporate oil giant APOC, the heterogeneous population of oil areas like Abadan, and the local magnates in southern Iran such as the Bakhtiyari Khans and Sheikh Khaz'al who witnessed their local autonomy and social base rise and then fall during this pivotal era. The fortunes and misfortunes of

these social actors were shaped in constant relation with each other, through what Amitav Ghosh has aptly called ‘the oil encounter’ (see chapter 1).

The oil encounter in Abadan during the first quarter of the 20th century saw the river island go with breakneck speed from an arid agrarian stretch of land in a river delta to an oil boomtown at the center of the emerging global economy. It went from the hinterland of a peripheral province to a strategic border town between two nation states, one of which was a new proto-colonial invention, Iraq¹. By mid-1920s Abadan was crisscrossed with pipelines, shipping docks, and refinery facilities; but also with teaming slums populated by thousands living in horrifying conditions. The elimination of the local magnates and the undermining of the social and political orders they represented had created a vacuum in managing the rising social problems that urgently needed to be addressed. At the same time, the new central government and APOC were now confronting each other directly, for the first time, in the same location. Both had to deal with the pressing and completely novel material challenges and social expectations of a heterogeneous population, in an unfamiliar territory, and through untried ways. For APOC and the Iranian state this new urban population was a resource as well as a burden... and even a potential political threat. It was a population that needed to be managed, socialized, and assimilated.

From the perspective of the Oil Company the growing population of Abadan was the potential raw material for the production of surplus value in oil. It was the necessary reserve army of the unemployed, desperately in need of being hired for money, while their numbers kept a downward pressure on wages. However, the industrial requirements for time discipline, coordinated work habits, and familiarity with technical skills were sorely missing among most of the urban migrants who had recently left pastoral and agrarian rural lives on the shores of the Persian Gulf or the Zagros highlands. At the same time, the horrid living conditions in the boomtown were a barrier to the attraction of the required better-qualified workers from abroad, as well as from elsewhere in Iran. Deadly epidemics were a constant threat, there was no public social life to speak of, and poverty and destitution created fertile ground for political discontent and subversive resistance, not to mention devastating epidemics.

¹ The 1920 Treaty of Sèvres and the League of Nations put Mesopotamia under a British Mandate, thereafter three Ottoman provinces of Basra, Mosul, and Baqdad were collated into a unified nation state, under a monarchy established in 1921 and nominally headed by Faisal who was installed by Britain at the time as Syria and Lebanon had been placed under the French Mandate. See Charles Tripp, *A History of Iraq* (Cambridge: Cambridge University Press, 2007), 30–62.

Having created the oil boomtown, the Company was also aware of the repercussions of the negative public image that the horrid material conditions were projecting both inside Iran, as well as internationally².

APOC's response and its justification for its lucrative oil concession, one that it repeated regularly, was to eulogize its part in creating a global industry that was bringing tremendous wealth to Iranians. However, neither its financial dealings with the Iranian government, nor its labor hiring practices, or the living conditions of actual Iranians living in the areas under its control provided convincing evidence that this was the case. By the middle of the decade, APOC, a nominally private corporation that was majority owned by the British Government, and which always claimed that shareholder dividends and market performance were its priorities, had to shift reluctantly toward accepting responsibilities and commitments to a range of 'social' issues that nominally had little to do directly with the business of oil capitalism, such as public education, housing, public health, retail provisions, social entertainment, public relations, leisure activities, urban amenities, municipal infrastructure, and urban management.

I refer to this shift toward the adoption of a range of social policies by APOC, as well as by the government bureaucracy, as 'reluctant paternalism', because of their top down authoritarian approach to urban and social improvement that were eventually adopted with hesitation, plenty of haggling, and a desire to press the burden onto someone else. These social policies were explicitly programs of social engineering, intended to undermine the dangers of political discontent and subversion, but to also create contented and loyal employees, as well as patriotic and docile citizens. As we saw in the previous chapter this engagement with the social reproduction of labor power was not exceptional to Abadan but was integral to the wider global transition to Fordism and to the adoption of social welfare measures by states, professional classes, labor activists, and capitalist corporations in the interwar era. In the same vein, the emergence of reluctant paternalism in post war Abadan was both an extension of this wider trend toward accommodating labor and managing

² See "Arabestan va jonoub-e Iran; haqiqat-e owza' e gozashteh va tashrih-e pishamad-e hazer" [Khuzestan and southern Iran; the reality of previous conditions and explaining the present] Part 1, 14 May 1915, and Part 2, 20 May 1915; with a "Reply" by Seyyed Amanollah Behbahani, a Majles Member published on 3 June 1915, in *Asr-e Jadid*

social conflicts, but also a response to geopolitical shifts in the region, and the specific challenges emerging in the oil geography of southern Iran.

The social question in Abadan became an equally pressing issue for the Iranian state. While Reza Shah's modern army was devouring the meager annual budget and putting down regional resistances, eliminating provincial magnates, undermining local autonomies, and enforcing its authoritarian modernization, it was also discovering the need of a nominally "constitutional state" to acknowledge certain novel public expectations that had been irrelevant to the absolutist Qajar state. The centralized nation state that was being erected under Reza Shah intended to mould and shape the heterogeneous populations as its modern and homogeneous Iranian citizen-subjects. Toward that end it began its work by establishing new institutions of education, with Persian as the obligatory national language. It moved to formulate a new territorial imaginary of the nation-state based on the historical reconstructions of pre Islamic Imperial Persian grandeur, aided by recent discoveries in the new discipline of archeology. It erected modern governmental institutions of census taking, public health, tax collection, standardized bureaucratic record keeping, policing, municipal management, the registration of individual vital data as well as properties and commercial transactions, etc³. It imposed uniform dress codes for men and women to force them out of traditional garbs and into modern European style attires, fabricated in national textile factories. It began to force pastoral nomads to settle, and attempted to eliminate the autonomous political and military power of tribes and landlords by declaring communal land as exclusive state properties⁴. The coercive intrusions of the bureaucracy into everyday life, and the militarized integration of populations in the border regions were justified in the nationalist language of belonging to a common motherland.

³ On the establishment of various institutions of modernization see Hossein Mahboubi Ardakani, *Tarikh-e Moassesat-e Tamadoni-e Jadid dar Iran*, 3 vols. (Tehran: University of Tehran Press, 1975).

⁴ Hoochang Chehabi, "Staging the Emperor's New Cloths: Dress Codes and Nation Building under Reza Shah," *Iranian Studies* 26, no. 3-4 (1993): 209-34; Patricia Baker, "Politics of Dress: The Dress Reform Laws of 1920s and 1930s Iran," in *Languages of Dress in the Middle East*, ed. Nancy Lindisfarne Tapper and Bruce Ingham (Richmond: Curzon, 1997), 178-92; Rudi Matthee, "Transforming Dangerous Nomads into Useful Artisans, Technicians, Agriculturalists: Education in the Reza Shah Period," in *The Making of Modern Iran*, ed. Stephanie Cronin (London: Routledge, 2003), 123-45; Kaveh Bayat, "Riza Shah and the Tribes," in *The Making of Modern Iran*, ed. Stephanie Cronin (London: Routledge, 2003), 213-19; Stephanie Cronin, *Tribal Politics in Iran: Rural Conflict and the New State 1921-41* (London: Routledge, 2007); Amin Banani, *The Modernization of Iran, 1921-1941*. (Stanford: Stanford University Press, 1961); Ervand Abrahamian, *Iran Between Two Revolutions* (Princeton: Princeton University Press, 1982).

The paradoxical reverse side of the coin was the unavailability of ignoring certain public demands made in the name of patriotism, citizenship, and national belonging against purported abuse by foreign outsiders. As a result, when the population of a city like Abadan would call upon the state to protect them from destitution or injustice caused by the foreign owned Oil Company, to ensure that employment in oil would go to Iranians and not to foreigners, or to intercede on their behalf for improvements in their dire living conditions, the state had little choice other than to respond, even though it was itself partly responsible for the dislocations that had forced people to move to Abadan in the first place.

The flurry of social activities in Abadan caused friction between the Oil Company and the central government and its local administrators and representatives, who felt that the company was indeed responsible for assisting in improving social conditions. Their rationale was that Abadan had been erected as an urban place to serve the Oil Company, and therefore it had to take responsibility to improve the town's state of affairs. At the same time, and paradoxically, state officials felt that the decision-making power and the management of urban affairs ought to fall within the purview of the central government: What would be the point of establishing municipal bureaucracies if the Company continued to remain in charge? In Khuzestan, in particular, with its long history of British intrusion and domination in southern Iran through its local allies, the issue of who ought to be responsible for and in charge of social matters had great political sensitivity, especially for the central government who remained always suspicious of separatist plots on its borders, and particularly so in Khuzestan. This *ongoing struggle over the boundaries of sovereignty between the bureaucracy and the Oil Company* played a defining role in shaping the oil encounter in Khuzestan; and to this day characterizes the dynamics of the oil industry in Iran.

For the new central government, the oil operations in Khuzestan represented a major source of financial revenue and a strategic asset, but also potentially an existential threat. Reza Shah's rule, as was discussed in Chapter 2, was consolidated within the complex historical dynamics of Anglo-Iranian relations and the strategic balance of power between Iran and its neighbors. From Tehran's perspective Khuzestan was always one step away from British-instigated separatism, similar to Kuwait or to Bahrain, an Island that Iran dubiously claimed as its own territory; or to Iraq, a newly patched together nation state that Britain had created on its western

border. Iran refused to recognize Iraq well into 1920s over continued border disputes, especially regarding the Shatt al-Arab river and the ownership of water resources and oil deposits in the border areas. Other major bones of contention included the status of Iranians who had been long residents of Mesopotamia, the fate of Shi'a holy places, the citizenship of Arab tribes straddling the now rigid national borders⁵, and the legitimacy of Faisal as an imported monarch. The bloody repression of Shi'a rebellions in southern Iraq after the war, the emergence of 'the Kurdish question', and the significant continued British military presence in Iraq kept relations tense and Tehran highly concerned with the situation in its southern provinces and border regions⁶.

Under these circumstances, all APOC activities in Khuzestan were treated as highly suspicious, while at the same time the state was keenly aware of its own limits in funding social works or mustering the manpower and expertise to manage it. Furthermore, as the analysis in this chapter will reveal, there was gradually a growing awareness among all parties involved that social improvements were in fact acts of social engineering; or to paraphrase Foucault, they represented a symbiosis between the management of territory, populations, and security, with successful governance and improving productivity⁷. Taking charge of these social projects was tantamount to educating and molding the loyalty of the population and insuring their usefulness and docility. Social projects were costly and required professional expertise and long-term institutional commitment, but they were also invaluable for the development of the desired human resources. As a result the social and urban arena in the oil complex became a political battleground between the Company, the government, and the local population. This tug of war shaped the particular geography of Abadan.

⁵ See *Persia, Annual Reports, 1925 and 1926*, in R. M. Burrell, ed., *Iran Political Diaries 1881-1965* (London: Archive Editions Ltd, 1997), Vol.7, 367–373, 550–554. See also Keith McLachlan, ed., *The Boundaries of Modern Iran* (New York: St. Martin's Press, 1994); Reidar Visser, *Basra, the Failed Gulf State: Separatism and Nationalism in Southern Iraq* (Berlin: LIT Verlag, 2005); Tripp, *A History of Iraq*; Firoozeh Kashani-Sabet, *Frontier Fictions* (Princeton: Princeton University Press, 2000).

⁶ Asqar Ja'fari Valadayi, "Tarhha-ye Tajziyeh-ye Khouzestan (Plots to Separate Khouzestan)," *Ettela'at-e Siasi-Eqtisadi*, no. 211/212 (2): 32–41; Visser, "The Gibraltar That Never Was"; Reidar Visser, *Basra Crude The Great Game of Iraq's "Southern" Oil*, Working Papers (Oslo: Norwegian Institute of International Affairs, 2007); Visser and Stansfield, *An Iraq of Its Regions*.

⁷ Michel Foucault, *Security, Territory, Population: Lectures at the Collège de France, 1977-78* (New York: Palgrave Macmillan, 2007).

Creating Enclaves; Setting Boundaries:

The Oil Company, in particular, tried to carve out exclusive geographies by effectively denationalizing territories over which it could exercise its own rules, without government intrusion⁸. By mid 1920s, as the central government institutions began to be set up in Abadan and throughout Khuzestan, APOC reacted by beginning to create exclusive company areas, or company towns, where it would create a built environment according to its own requirements and commands. These exclusive geographic enclaves encompassed the refinery and its associated facilities, but soon the Company also began to develop, build, and expand a range of social amenities and urban infrastructure in response to mounting social pressure. However, these social commitments always sat uneasily within the Company's corporate culture and its financial calculations as a private enterprise. It accepted its social role with great reluctance, and at every step it tried to negotiate with the Iranian state to convince it to shoulder a greater share of the burden, while at the same time it strove jealously to maintain absolute control over its own built environment. But in the turbulent postwar era this ideal arrangement was no longer a possibility. Neither would the state accept it, nor did the sheer scale of a fast growing Abadan allow it. Abadan never became a typical company town, simply because it was already too large by the end of the war, and once Sheikh Khaz'al was overthrown and the central government had stepped in to stake its claim it was not willing to cede back total sovereignty over municipal matters and spatial control back to the Company. Meanwhile, the new Abadanis, the heterogeneous population who had settled in the boomtown, had begun to stake their own claims to this growing and novel urban space⁹.

The Company's housing projects for its employees was a case in point: Initially, prior to 1920s, when there were less than a hundred Europeans in Abadan (see table 2), the Company had only built a permanent bungalow in the Braim area for the Abadan manager Mr. Thompson. This bungalow was mostly made of tin, but was later rebuilt with stone, and a few other Spartan temporary shelters were added for the other Europeans. By mid 1920s a number of permanent barracks and lanes were constructed to house skilled and semi skilled artisans and workers, mostly Europeans

⁸ Dara Orenstein, "Foreign-Trade Zones and the Cultural Logic of Frictionless Production," *Radical History Review* 2011, no. 109 (2010): 36–61.

⁹ Kaveh Ehsani, "Social Engineering and the Contradictions of Modernization in Khuzestan's Company Towns: A Look at Abadan and Masjed-Soleyman," *International Review of Social History* 48, no. 3 (2003): 361–99.

and Indians. These were called appropriately the Sikh Lane, Indian Quarters, and Bungalow Area. After the extended crisis with the central government over royalties and the “Persianization” of the labor force that eventually led to the renegotiated 1933 agreement (see chapters 1 and 7), more extensive urban development and housing projects were funded for semi skilled workers, the staff, and artisans, including Iranians¹⁰. However, mounting urban tensions, industrial necessities, and political realities eventually forced the Company to begin a commitment to far more extensive labor housing projects by late 1930s¹¹. This trend accelerated after the end of WW2, in the 1940s, when rising labor militancy and deep-set social resentment over the hardships suffered during the occupation led to the vast expansion of urban housing projects in Company areas of Abadan and Khuzestan, this time for manual workers¹².

Last, the local population of Abadan gradually moved toward forging new webs of solidarity and place-defined identities in part as a negotiating mechanism with the larger forces that had altered their lives and brought them to this place. The population of Abadan in the 1920s consisted of a growing hodgepodge of indigenous Arabs, small merchants, casual workers, artisans, and shopkeepers from Bushehr, Isfahan, Shushtar, Behbahan, Ramhormoz, Shiraz; oil wagedworkers from India, Azarbaijan, and the Bakhtiyari; women sex workers from we don’t know where; along with many other as yet anonymous migrants who had made the boomtown their abode. In Abadan they encountered soldiers, household servants, clerks, and skilled industrial workers from the Indian subcontinent, British Company staff, Canadian and Polish technicians and mariners, and many others itinerants from other unfamiliar places. In collective labor actions that led to strikes and open confrontations in 1920, 1922, 1924, and 1929; but also through daily acts of resistance and negotiation on occasions like the Bazaar incident, company employees as well as urban residents tried to consolidate and improve their harsh working and living conditions. These quiet and not-so ‘quiet encroachments of the ordinary’, as Asef Bayat has called the gradual formation of collective urban acts of claiming a growing share in social rights

¹⁰ Crinson, “Abadan: Planning and Architecture under the Anglo-Iranian Oil Company.”

¹¹ For Company housing in Abadan prior to 1920s see BP 70146. For housing skilled artisans and staff in the 1920s and 1930s see BP 49690. For the start of workers’ housing projects in 1940 see BP 49688

¹² Lindsey-Smith, “J.M. The Story of an Architect”; Ehsani, “Social Engineering and Modernization in Khuzestan’s Company Towns”; Crinson, “Abadan: Planning and Architecture under the Anglo-Iranian Oil Company.”

over space¹³, came to a head during 1924-1927 with the unexpected resistance of local residents of the Sheikh neighborhood of Abadan against their forced relocation in order to build a sanitary bazaar (chapter 6). This was a novel form of collective struggle to claim “the right to the city”¹⁴, in a place that was not in any sense ‘a city’, yet, but a sprawling boomtown of industrial filth and teeming poverty¹⁵. It was through the experience of industrial wage labor, but also through these collective, place-based struggles, that new bonds of solidarity and identity were forged by new urban neighbors who were migrants and settlers, but now gradually had begun to identify with this new geography and social settings, and started referring to themselves as “Abadani”¹⁶. In the rest of this chapter we will investigate the frictions and interactions between these social actors in order to reproduce a social and geographic history of oil during this pivotal period, as a set of social relations.

Labor and the Social Question in Interwar Abadan

As APOC’s operations kept expanding exponentially throughout the war years, the challenge of recruiting and maintaining an adequate labor force took on greater urgency. Once the initial phases of oil exploration and extraction had been successfully completed, the subsequent stages of expansion posed an even greater challenge. Some of these new challenges were scientific and technical, for example mastering techniques of handling the heavy Persian crude and adjusting refining techniques to extract new chemical derivatives from the petroleum and its byproducts. The main products from Abadan were lubricants and fuels for internal combustion engines and lighting (see table 1), items urgently required by the military during wartime, and after the war for mass consumer products, transportation, and aviation.

¹³ Asef Bayat, *Street Politics: Poor People’s Movements in Iran* (New York: Columbia University Press, 1997).

¹⁴ I am thinking this juncture through the work of Henri Lefebvre. See Henri Lefebvre, *La Production de l’Espace* (Paris: Anthropos, 1983); Henri Lefebvre, *Writings on Cities* (Oxford: Blackwell, 1996).

¹⁵ I have discussed extensively the struggle over urban space and its political resonance in Kaveh Ehsani, “The Politics of Public Space in Tehran,” *City and Society*, under review 2015.

¹⁶ Ehsani, “Social Engineering and Modernization in Khuzestan’s Company Towns.”

Table 4 Abadan Refinery Main Products, 1912-1931 (000 tons)

YEAR*	BENZINE	KEROSINE	FUEL OIL	TOTAL**
1912-13	5	8	20	33
1914-15	24	33	178	235
1916-17	108	38	330	476
1918-19	161	118	644	923
1921-22	394	163	1138	1965
1923-24	223	125	1334	1682
1925-26	363	197	1970	2521
1927-28	531	228	2137	2896
1929	1053	359	2676	4078
1931	1166	370	2631	4167

Source: Ronald Ferrier (1982): 278 ,671,673, 674

* Calculations based on Persian calendar year, by APOC. The practice changed to single Christian year after 1929

** Calculations based on the products listed

Aside from labor recruitment and maintenance there were other challenges of a different practical nature. These involved the exponentially growing investments in the development of fixed assets and infrastructure, such as the completion and expansion of the all important networks of roads, pipelines, a local railroad, shipping and loading docks, the storage and refinery structures at Abadan, as well as the vast array of the necessary social and administrative facilities without which the oil business could not function. The latter included hospitals, dispensaries, and public health measures, housing for staff and clerks, office buildings, company stores, jetties and unloading docks, schools and training facilities, guards and security measures, etc¹⁷. Meeting these challenges required substantial inputs of expertise, material, and manpower, not to mention growing capital investments, all of which were in short supply during the war years, and even more so after. In Abadan and the Fields most material had to be imported from elsewhere, creating an additional logistical challenge of its own.

“No commodity of any kind is produced in the fields: all food stuffs, wines, clothing, and other necessities of modern life have to be imported from home or India...Something like 15,000 people have to be fed and clothed from these stores, so it may be imagined what quantity of stocks has to be held...Fresh

¹⁷ See Ronald Ferrier, *History of the British Petroleum Company*, vol. 1 (Cambridge, UK: Cambridge University Press, 1982), 220–232.

meat and vegetables are rarely obtainable, but one heard very little of the monotony of subsisting on tinned foodstuffs. Anything within reason can be purchased, and the Company takes great trouble in this most important department...the prices were most reasonable in this out of the way spot”¹⁸.

This was equally true of basic construction material for housing and facilities, such as brick, steel, etc. as well as all machinery, and technical supplies. All repairs had to be done on the spot. George Thompson, one of the first APOC employees to be sent from Burma Oil Company to Abadan around 1909 recalled, “Abadan was fine for the refinery but had no sand, stone, lime for construction purposes”. Labor supply was also a major problem as there were no skilled workers available locally. There were plenty of unskilled labor in the area, “but of very low quality”. The supply of material and labor were crucial priorities. Bricks had to be manufactured and imported from Basra; stone, sand, lime, gypsum (*gatch*) from Bushehr and Kuwait, delivered by riverboats¹⁹.

For the Company provisioning its employees was a challenging task, but in the boomtown, the maintenance of the supply of food and living materials for the teeming population not employed by the Company was a nightmare. While the Company took care to supply its European staff with imported tinned food and wine bottles, its workers had still to find accommodation, pay rent, find food and safe drinking water in a place that did not readily supply these basic necessities locally. Inflation, speculation, and shortages could easily lead to eruptions of urban protests, or induce workers to go elsewhere (see below), resort to criminal activities such as smuggling, or be drawn to radical subversive ideas.

The scale of the expansion and the constant intensity of activities meant that the vital question of reliable availability of adequate and sufficient labor power remained a paramount concern for the Oil Company. As the war came to an end this issue took on even greater urgency. The Company classified its labor force in broad categories, as skilled, semi skilled, and unskilled; a practice that continues to date in the Iranian oil industry. The non-manual employees included clerks, managers, and

¹⁸ A.R.C. Cooper, “A Visit to the Anglo Persian Oilfields,” *Journal of the Royal Central Asian Society* 13, no. 2 (1926): 153.

¹⁹ “Correspondence with Architects J.M.Wilson, H.C.Mason & Partners: 1927-1951”, [BP 68848](#); George Thomson, “Abadan in Its Early Days,” *Naft* 7, no. 4 (July 1931): 14–18; Lindsey-Smith, “J.M. The Story of an Architect”; Crinson, “Abadan: Planning and Architecture under the Anglo-Iranian Oil Company.”

staff, had their own sub categorizations. In the early years the semi skilled workers were by and large recruited from the Indian Subcontinent, the casual unskilled workers were mostly Iranian, and the senior staff and management were British, together with some Europeans and North Americans. Table 2 shows the total range of Oil Company employees before nationalization:

Table 5: APOC/AIOC Employees in Iran by National Origin (1910-1950)

YEAR	IRANIANS	INDIANS	EUROPEANS	OTHERS	TOTAL
1910	1,362	158	40	146	1,706
1915	2,203	979	80	187	3,449
1920	8,447	3,616	244	35	12,342
1925	15,820	4,890	994	7,201	28,905
1930	20,095	2,411	1,191	7,549	31,246
1935	25,240	954	1,035	119	27,348
1940	26,484	1,158	1,056	15	28,713
1945	60,366	2,498	2,357	240	65,461
1950	72,681	1,744	2,725	34	77,184

Sources: Ferrier (1982): 276, 401; J.H. Bamberg (1994)

The figures clearly indicate that wartime productions during both World Wars had significant impacts on the scale of production and employment. Other significant junctures were 1920 and 1922 when strikes by Indian skilled workers and some Iranians led to the preparation for their long-term replacement of these with Iranians, although this was a protracted process (see below). The dynamics of employment and production were often affected by fractuous negotiations with the Iranian central government. This occurred especially during the periods of major political transition that were coupled with labor strife, such as 1920-1922, and 1925-1926, and during the testy renegotiations of the oil concession that lasted from 1928-1933 (as we shall discuss in the following pages). One of the recurring demands of the Iranian

government was a tangible increase in the *Iranianization* of the employees. APOC was reticent to heed this increasingly nationalist demand, partly due to its latent racist corporate culture, but also for practical calculations that had to take into account the necessity of remaining competitive while dealing with the vagaries of the international oil business and the global economic trends that the Company could not control, such as the adoption by Britain of the gold standard in 1925 and its impact on Sterling, or the shockwaves of the Great Depression of 1929-1933. These global economic shifts affected Company performance, and shaped its business decisions and employment practices.

Table 6: APOC/AIOC Employees in Abadan and Khuzestan (1910-1927)

YEAR	Employed in Abadan					Total Khuzestan
	Iranians	Indians	Others	Europeans	Total Abadan	
1910	471	80	76	5	632	1706
1913	1827	865	111	22	2825	4035
1916	1137	1202	50	53	2442	3925
1919	806	2499	38	36	3379	6784
1920	1080	2687	35	71	3873	12342
1921	1608	3313	51	99	5071	14040
1922	4941	2679	1048	100	8768	26156
1923	7336	2654	379	220	10589	26970
1924	6521	2782	454	303	10060	24501
1925	6862	3001	4405	402	14670	28905
1926	7946	2161	1442	428	11977	26493
1927	10171	2062	1273	527	14033	29223

Source: Ferrier (1982), *The History of the British Petroleum Company*, 401, 659

The major centers of oil activities were Abadan, Ahvaz, and the “Fields”. The latter initially consisted of Masjed Soleyman, as well as the geographies carved out and claimed for the crews that explored for new deposits, laid pipelines, built roads, pumping stations, maintained transport and communication links, or stood guard. Gradually new urban centers grew around newly tapped oilfields in Haftgel, Gachsaran, Aghajeri, Lali and Naft Sefid. Once it was decided to build a refinery at Abadan in 1910, settlements and installations on the Island grew exponentially and it

became the most significant center of industrial activity not only in Khuzestan, but throughout Iran, as well as a major shipping outlet to the outside world (see table 6).

The building of the refinery and the storage and shipping facilities required the direct involvement of a significant number of people in production, ranging from manual and semi skilled workers to skilled technicians, engineers, chemists and scientists, office workers, accountants, and managers; but it also required an equally significant number of support staff to make possible the reproduction of those working in production, such as servants, cooks, drivers, guards, storekeepers, nurses, etc. The result was the exponential growth of Abadan where by 1925 there were at least an additional fifteen thousand newcomers who were directly employed by the Oil Company (table 6).

Formal figures such as Oil Company employees, inform us little about the actual scale and the composition of the fast growing population of the Island, or about the more complex social dynamics taking place there. For example, all these company employees were men, but how many had come there with their families? Company records at this period only account for European and especially British employees with minor, almost negligible personal and specific details. More recently some effort has been made to shed light on Indian migrant workers in Abadan²⁰. But the records remain silent when it comes to the Iranian (the eponymous Persian) employees, who were routinely depicted as anonymous aggregate numbers. This silence affected even some of the Europeans who worked there. For example, in 1918 the Company asked the British Depute Commissioner in Basra to grant an exception on wartime travel restrictions for “Several married men whose wives have been out there 4 to 5 years, and quite apart from being overdue for home leave their general healths are affected”²¹. Personal reminiscences also mention a meager social life for “the tiny European community”²². But aside from these snippets there seem to be scant further details that have yet come to light about the lives and experiences of these Europeans, and even less about the lives and experiences of the far more numerous indigenous populations.

²⁰ Touraj Atabaki, “Far from Home, but at Home; Indian Migrant Workers in the Iranian Oil Industry,” 2014; Rasmus Elling, “On Lines and Fences; Labor, Community and Violence in an Oil City,” 2014.

²¹ BP 68779, “Correspondence with A.T Wilson Deputy British Commissioner Turco Persian Frontier Commission, November 1914-July 1919”, 1 November 1918.

²² Thomson, “Abadan in Its Early Days.”

Iranian state archives also provide little information in this regard; nor to my knowledge are there any published memoirs or oral histories from this era that reveal the intimate experiences of the thousands of Iranians who came to work in Abadan during this decisive period. Why did they come to this place to sell their work for wages? Were they attracted to the prospect of industrial work and wages, or had they no other option but to uproot and move there involuntarily? Had they come alone, or had their families and kin accompanied them? Once in Abadan did they fit into existing communities there, or did they have to struggle on their own? The term “Iranian” or “Persian” is itself vague, especially in this period when a coherent and homogeneous national identity had not yet been more systematically institutionalized through the uniform practices of mass education, conscription, mass media, bureaucratic individual documentation, and patriotic propaganda. As a result, the geographic, ethnic, linguistic, and kinship ties of these employees remain relatively vague. What manners of connections did they maintain with their communities of origin? How did these newcomers link the emerging urban life of Abadan to their original communities? This information would provide an important insight into the spatial linkages between the city and the countryside, the province, and the varied national spaces beyond the borders of Khuzestan. What sorts of webs and connections were linking Abadan to these other places via the social and personal networks maintained by these employees? Equally important is the question of gender, especially in a place that seems to have been mostly populated by males: workers, expatriates, soldiers, bureaucrats, shopkeepers, smugglers, and the precariously employed. What were the roles of women in this city? Who were they, and where had they come from? Did they work for money? If they kept house what sort of household did they run? As in all frontier boomtowns there were sex workers in Abadan, but the existing records reveal very little about the political economy of the women who were part of the market economy. Precious little is available on brothels, pimps, landlords, police attitudes and regulations of the sex trade, Company attitudes, the circulation of money in the sexual economy, and the women who had to sell their bodies as a commodity. As is often the case, the history of the oldest profession is rendered invisible through a mixture of moral denial or condemnation, patronizing compassion, and intentional and uncomfortable silence²³.

²³ The physical devastation of Abadan during the Iran-Iraq war (1980-1988) has led to the destruction

Photograph 8: Building the Abadan Refinery (circa 1920s)



Source: Ministry of Petroleum Iran

Photograph 9: Arab Oilworkers Lining Up for Work at Abadan Refinery



Source: IISG Archives

of relevant local archives stored in the city, such as police and customs records. Many of these records were not duplicated for the provincial and national headquarters. Thus far I have been unable to locate relevant records. Oral interviews have also proved difficult and of little value thus far, as there is general acknowledgment of the significance of sex workers, but little else in terms of substantial ethnographic information (see footnote 26 below).

Many of these pertinent questions about the everyday lived realities of Iranian oil workers and Abadanis during this formative period remain as of yet unanswered by the material I have managed to excavate²⁴. Even the growing literature of popular and academic local histories of urban and provincial Khuzestan are regrettably silent about these crucial social and geographic details when it comes to the interwar period²⁵. The unavailability or the absence of any significant government records of personal and individual data, such as birth, marriage, and death certificates, or of conscription records, property registration, individual tax records, criminal police records, or any official census material only add to the blank picture²⁶. This heavy silence has its own significance, like the Isac Dineson story “The blank page” about the framed snow white sheet hung in public on the morrow of the nuptials²⁷: In its silence the blank page inadvertently reveals its own story about what was deemed irrelevant to the gaze of those tasked with recording the course of events. But it also opens the possibility of imagining and conjuring our own reading of what the available information can tell us.

The significant silence is not limited to the social lives of Oil Company employees outside their place of employment, which would provide a window into the reproduction of labor power; it also involves the urban life of Abadan Town, a congested sprawl on the margins of the refinery and the shipping docks, but crucially also the setting for its continued operation since that was where most workers lived

²⁴ I have made several research trips to the BP Archives at the University of Warwick (2000, 2002, and 2003); in addition to the British Library, Royal Institute of British Architects; and the Iranian National Archives (2005-2007). This argument is also based on ethnographic research in Abadan and Khuzestan over a period of 18 months in 1989-1992. See Kaveh Ehsani, “Arshiv-e Sherkat-e BP; Daricheh-yi Digar Bara-ye Tahqiqat-e Irani [BP Archives; a New Window for Iranian Studies],” *Goftogu*, no. 30 (2001): 199–203.

²⁵ Lahsaeizadeh, *Jame'eh Shenasi-e Abadan*; Abbasi-Shahni, *Tarikh-e Masjid Soleyman*; Yousefi, *Tarikh-e Khorramshahr*; Ahmad Latifpour, *Tarikh-e Dezful* (Tehran: Farhang-e Maktoub, 2008); Shakiba, *Negahi beh Tarikh-e Mahshahr*; Emam Shushtari, *Tarikh-e Joghrafiyayi-e Khuzestan*; Ahmad Kasravi, *Zendegani-e Man: Dah Sal dar 'Adliyah va Chera az 'Adliyah Birun Amadam* (Tehran: N/P, 1944); Kasravi, *Tarikh-e Pansad Saleh Khouzeestan*; Lorimer, *GPG*; Mahmoud Daneshvar, *Didani-ha va Shenidaniha-ye Iran*, 2 vols. (Tehran: Ferdowsi, 1948).

²⁶ It must be added that the physical destruction of the city of Abadan and Khorramshahr during the Iran-Iraq war (1980-1988) are an additional cause of this absence, although many of these documents ought to have been duplicated as official correspondence, and be available in provincial center, Ahvaz, or the Capital, Tehran. My attempts at accessing such records or verifying their existence thus far have been unsuccessful.

²⁷ Isak Dinesen, *Last Tales* (New York: Vintage Books, 1975), 99–105. Dinesen's short story is about a visit to an aristocratic palace where the bed sheets from the wedding night of each heir are framed and displayed on the walls as proof of the consummation and continuity of the legitimacy of the bloodline. One frame contains a snow white and unstained sheet. Appearing like a blank page, unlike all the others, it is not a story of predictable continuity, and has its own mystery to tell.

and all social life revolved around work, at least for the Iranians. As for the Europeans, the scanty early reminiscences reveal a life of hard work, of 12 hour workdays, year around, often including weekends, with little social activity except informal and periodic organized events. A tennis court was built sometime after 1912, but given the dire shortage of material and labor during wartime no club was built until the completion of the refinery²⁸; an austere life indeed.

There are no reliable figures for the total population of Abadan in mid 1920s, but existing estimates put the number at somewhere between 40 - 60 thousand, by then probably the largest concentration of population in Khuzestan²⁹. Yet, in the absence of more detailed information we face a challenge in producing a thick description of the urban life of Abadan during this period, and of necessity some of our conclusions will remain deductive for the time being.

With the sudden growth of the town myriad urban issues became pressing topics of concern, and with them came the attentive gaze of professional experts whose task was to manage and modify the challenges that faced life in Abadan and its refinery. In 1925 the Oil Company had invited J.M. Wilson, a Scottish architect and urban planner based in Baghdad and London, to visit Abadan and the fields to offer suggestions regarding the rising problems of housing and sanitation for the Company³⁰. The central government of Iran instituted a new law in 1926 to establish municipalities, and one of the first was established in Abadan. J.M. Wilson returned soon after, this time permanently employed as chief architect and urban planner for APOC to plan a more comprehensive expansion of the Company areas in Abadan and the fields³¹.

Public health had been a major area of concern, and one of the earliest and most urgent nodes of social policy making. Epidemics were a major threat to operations, and the insalubrious living conditions deterred not only Europeans but also Indians and Iraqis from seeking work there. Furthermore, establishing public health institutions and practices were becoming a major tenet of modernization and

²⁸ Thomson, "Abadan in Its Early Days"; G.B. Scott, "The First Survey of the Persian Oil Fields," *Naft* 7, no. 2 (March 1931): 6–12. The most gripping description of European expatriate life at the time in Khuzestan remains Arnold T Wilson, *SW Persia; A Political Officer's Diary 1907-1914* (London: Oxford University Press, 1941).

²⁹ For sources estimating the population of Abadan in the 1920s see chapter 6.

³⁰ See J.M. Wilson's enthusiastic account of his first visit to Abadan in Cooper, "A Visit to the Anglo Persian Oilfields," 159.

³¹ Lindsey-Smith, "J.M. The Story of an Architect."

state building in Iran, as they had been in Europe, and government bureaucrats came to consider sanitation as one of the key measures of state accomplishment and progress³² (see chapters 4 and 6).

Regarding labor relations, by mid 1940s the Oil Company had to resort to employing a specialist ‘Labor Attaché’ to deal exclusively with increasingly challenging labor management issues³³. The Iranian government, likewise, had come to legislate labor laws, mainly in response to the growing frictions in the oil industry and their potential subversive spread elsewhere³⁴. Public education became a primary concern of social policies, especially as it was linked to the mounting pressures for the ‘Iranianization’ of the labor force in the Oil Company. Without proper training and basic education the Oil Company would have faced continued difficulty in finding adequate recruits to work in the increasingly sophisticated refinery and oilworks, and to handle the hazardous and technically complex work details. More significantly, the Company gradually but unmistakably, began to view education as an investment in ‘human capital’³⁵. With the shifts in the organization of industrial production, the advent of mass consumer society, and the rise of mass politics, workers were beginning to be conceptualized less as simply raw material or as cheap, anonymous, casual, and temporary inputs (chapter 4). Investing in properly training workers capable of handling more sophisticated and hazardous chemical and industrial operations was becoming an urgent business necessity for large corporations like APOC. Furthermore, education and training were exercises in disciplinary power intended to shape docile and loyal, as well as productive and efficient, employees³⁶. They would prepare the next cohort by training the workers’ children to create a multigenerational repository of corporate culture. Furthermore, according to article 12

³² Cyrus Schayegh, “A Sound Mind Lives in a Healthy Body: Texts and Contexts of Modernist Discourse of Health, 1910s-40s,” *International Journal of Middle East Studies* 37, no. 2 (2005): 167–88; Amir Arsalan Afkhami, “The Sick Men of Persia: The Importance of Illness as a Factor in the Interpretation of Modern Iranian Diplomatic History,” *Iranian Studies* 36, no. 3 (2003); Floor, *Public Health in Qajar Iran*; Neligan, “Public Health in Persia, Part 1.”

³³ Donald MacNeill: “The lessons of 1946; an essay on personnel problems of the oil industry in southern Iran”, January 1949, [BP 118823](#)

³⁴ Abrahamian, *Iran Between Two Revolutions*; Atabaki and Ehsani, “Shifting Governmentality in the Shadow of Labor Activism: Revisiting the Roots and Impact of the 1929 Abadan Oil Workers’ Strike”; Floor, *Labor and Industry in Iran, 1850-1941*.

³⁵ Michael E. Dobe, “A Long Slow Tutelage in Western Ways of Work: Industrial Education and the Containment of Nationalism in Anglo- Iranian and ARAMCO, 1923-1963” (PhD Dissertation, Rutgers, 2008).

³⁶ Michel Foucault, *Discipline and Punish : The Birth of the Prison* (New York: Pantheon Books, 1977); Michael Burawoy, *The Colour of Class on the Copper Mines: From African Advancement to Zambianization*, *Zambian Papers*, (Manchester: Manchester University Press, 1972).

of the D'Arcy concession, "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"³⁷. Although the replacement of all non-managerial waged workers by Iranians did not take place prior to nationalization in 1951, nevertheless it entered Company policy, just as it became a major bone of contention with the central government. As a result, public education became part of the repertoire of social policies adapted with considerable reluctance by APOC in 1926.

In conclusion, 'the social question' emerged in Abadan in the interwar years, much like it had in post war Britain, in response to the transformations of the new regime of accumulation of capital, and against the background of the political premises of the nation state and the rise of mass politics³⁸. These issues came to head during the pivotal years 1925-1926, and set the tone for the long-term development of the oil complex in Iran. In the rest of this chapter I will discuss this rise of the social question in Abadan, and the bazaar controversy that lay at the symbolic center of this historical shift.

Labor Troubles in an Expanding Boomtown

Labor recruitment was a major challenge facing APOC, especially in the first two decades of its operation in Iran. The Company had to cast a wide net geographically to attract all sorts of workers and employees willing and qualified for the diverse and increasingly complex tasks across its expanding operations, especially in Abadan. According to George Thomson, one of the earliest oil experts who had settled in Abadan around 1911, the initial artisan laborers were hired from Burma's Rangoon Refinery. Soon a growing nucleus of skilled workers began to be recruited from India. Unskilled workers in Abadan were hired from the surrounding local "Arab and Persian villages". "Once word of employment and good wages spread they

³⁷ For the text of the D'Arcy Concession see Ferrier, *History of the British Petroleum Company*, 1:640-643.

³⁸ As an interesting footnote the famous Chicago School of Sociology emerged at approximately the same period, to formulate an academic and social response to the pressing issues of urban poverty and "the culture of poverty" in immigrant urban slums of Chicago, by considering the city itself as the site of social reproduction, as did feminist social movements, such as Jane Addams' *Hull House* project. See Robert E. Park, Ernest Burgess, and Morriss Janowitz, *The City* (Chicago: University of Chicago Press, 1925); Dolores Hayden, *The Grand Domestic Revolution: A History of Feminist Designs for American Homes, Neighborhoods and Cities* (Cambridge, MA: MIT Press, 1982), 151-180.

came from all over. Tribesmen from areas as far distant as Lurestan, the Bakhtiyari Country, Kurdistan found their way to Abadan. These men were more robust than locals and were welcomed³⁹. In this early period the skilled workers were mostly British or Indians; but they also included drillers, machinists, and mechanics from Poland, Canada, the US, and elsewhere in Europe, as well as across the border from Mesopotamia.

During the war Abadan had grown rapidly to supply the Admiralty with fuel, as well as the enormous military machine assembled in Mesopotamia and the Middle East (see table 1). After coming online, the refinery had supplied on average two thirds of Royal Navy's fuel, in addition to nearly 200 thousand tons of refinery products to the other British forces in Mesopotamia⁴⁰. Wartime military demand were enormous: At its maximum strength the British war machine had assembled nearly 450 thousand troops in Mesopotamia alone⁴¹, mostly recruited from India. This increasingly mechanized war machine had created an insatiable demand for the Abadan refinery output, as there were some 6400 motorized transport vehicles (running on internal combustion engines) and 45 airplanes deployed there. However, in addition to petroleum products, the British war machine was also absorbing most the manpower throughout the region, by employing nearly 900 thousand people during wartime⁴².

To the extent that a local and regional labor market had come into existence it was being nearly monopolized by the military apparatus, leaving little for the Oil Company and other commercial operations in the region⁴³. Wartime needs were such that the military did not shirk away from gang pressing workers into service, or deploying prisoners and indentured laborers from India⁴⁴. The military also paid higher wages and when necessary prohibited APOC or other private firms from

³⁹ Thomson, "Abadan in Its Early Days."

⁴⁰ Ferrier, *History of the British Petroleum Company*, 1:288–290.

⁴¹ Total British troops in Near/Middle East during 1914-1918 were nearly 3 million. At their maximum strength they stood at 1.3 million. They suffered 303 thousand casualties during this period. Roger Adelson, *London and the Invention of the Middle East: Money, Power, and War, 1902-1922* (New Haven: Yale University Press, 1995), 171.

⁴² Ibid. The Motorized transport vehicles operating with an internal combustion engine included trucks, motorcycles, cars, armored vehicles, etc.

⁴³ Visser, "The Gibraltar That Never Was." Visser notes a range of commercial firms operating in Basra and southern Iraq (and Iran), mainly in river transport, export of commercial agricultural products, and import of manufactured goods.

⁴⁴ Stefan Tetzlaff, "The Turn of the Gulf Tide: Empire, Nationalism, and South Asian Labor Migration to Iraq, C. 1900–1935," *International Labor and Working-Class History* 79, Special Issue 1 (2011): 7–27.

pilfering those in its employ, especially in neighboring Basra⁴⁵. As a result APOC faced a severe and unequal competition for recruiting its much-needed manpower. The Company dispatches during the last two years of the war emphasize the range of its frantic activities, and the pressing need for qualified personnel to deal with them. These tasks were in response to the need for the expansion of physical infrastructure that included storage, port facilities, fields electrification, technical staff to deal with extraordinary “line losses” (the loss of oil in pipelines as it was dispatched from the fields to Abadan through pipelines), the establishment and maintenance of telephone and telegraph systems, tank farms, road constructions, fire controls at wells and the refinery, housing constructions at Fields and in Abadan, and so on⁴⁶.

Furthermore, the oil business was booming everywhere during wartime, leading to the recruitment office in Mohammareh complaining to London in 1917 that “With Pennsylvania crude at a phenomenal \$3.25 and great activity everywhere it is going to be hard to get good drillers”⁴⁷. However, the devastating impact of the war in Iran had created a negative image that was not easy to overcome. Forbes-Leith, an officer serving with the wartime British expeditionary forces in western Iran recalled his harrowing experience:

“The invasion had very seriously depleted [the western] part of the country of its stock of grains, and many of the farmers had been drained by the armies to such an extent that they had been obliged to eat their seed corn in order to avoid starvation. In the year 1917 they had nothing left to sow. To add to their misery in the winter of 1916-1917 there was an exceptionally light snowfall and the resultant spring drought. This caused the breakdown of their irrigation system and in consequence most of the crops in the line of march [of invading troops] failed...Famine conditions naturally bring diseases in their wake, and typhus, cholera, smallpox, and the influenza epidemic ravaged our force in spite of what I feel was the almost perfect technique of our efficient army medical service. I lost my friends and my men from all kinds of foul diseases,

⁴⁵ “Lt. General Sir P.H.N. Lake, Commanding Officer” 4 March 1916, “British or other firms are prohibited from engaging locally other than local labor, unless they are recent arrivals who haven’t worked for other local firms or have discharge papers”, BP 68779

⁴⁶ BP 70146, “Letters Regarding the Fields and Pipelines, to and from Mohammerah and London, April 1916- May 1920”, see dispatches from March 1917- 12 June 1918; BP 70145, “Need for the expansion of the physical infrastructure”, 24 January 1919

⁴⁷ 19 September 1917, BP 70146

and under such conditions it is little wonder that many of my brother officers regarded Persia as a veritable hell on earth”⁴⁸.

The Company needed not only drillers and oil experts, but also all manners of specialists. With war coming to an end the Company anticipated decommissioned military personnel in the neighboring Mesopotamia to become available for recruitment, but it was repeatedly frustrated in these attempts⁴⁹. The Company sought electrical communication specialists to take over managing their “first class facilities with no one to maintain [and operate] them”. The General Manager in Mohammareh repeatedly complained about the shortage of expert labor, and pleaded for more energetic attempts to get reliable men from the Mesopotamia Expeditionary Force, and for “Competent European military personnel to superintend telephone and telegraph operations with efficiency in teaching and handling signals ”, but with limited success⁵⁰. The reasons for these difficulties were primarily the uncompetitive and relatively lower wages and salaries the Company offered, the inadequate recruiting networks, the hellish working conditions, and the equally poor and hazardous living situation in Khuzestan and across the Company areas at the time. We shall discuss these issues in order to get an insight into life and work in Abadan at this juncture.

APOC did not offer adequate compensation to be an attractive work option for skilled recruits, even among decommissioned and now unemployed men who had served in the difficult conflict in Mesopotamia. This poor reputation had been true during wartime as well. In 1916 the APOC General Manager complained to Arnold Wilson, then stationed in Basra, “We suffer from labor leaving us from Abadan for higher pay at Basra. Our clerks can draw abnormal pay at Basra”. He cited three cases of Iranian clerks who had simply moved to Basra for pay increases of up to 50 percent⁵¹. Indian skilled workers and personnel also sought the more favorable terms across the border in Mesopotamia⁵². It seemed the Iranian employees had set up

⁴⁸ F. A. C. Forbes-Leith, *Checkmate; Fighting Tradition in Central Persia*, (New York: Arno Press, 1973), 20–21.

⁴⁹ BP 70145, General Manager in Mohammerah, 21 February 1919

⁵⁰ BP 70145, General Manager in Mohammerah, 18 February 1918; BP 70146; “Letters Regarding the Fields and Pipelines, to and from Mohammerah and London”, 18 December, 1918

⁵¹ General Manager, Mohammerah, to Arnold Wilson, Basra 2 October 1916, BP 68779

⁵² Atabaki, “Far from Home, but at Home; Indian Migrant Workers in the Iranian Oil Industry.”

informal networks for finding better pay elsewhere, when they could. There was the case of a certain Mirza Kazem,

“Who had worked well and was discharged honorably”, but was now “Enticing labor away to Basra. He has high influence with workmen at Mohammerah, and is in position to promise temptingly high wages for [British] government employment [in Iraq], denuding us of our local staff. As it is we have for months felt the pinch consequent upon desertions to Basra”⁵³.

However, the problem was not limited to the all too rare and valuable Iranian clerks and staff, but also involved unskilled Arab “coolies” as well as the skilled and better trained Indians. There was delight when a highly skilled technician was found in India, and seemed willing to commit to work for APOC:

“We are very pleased that the electrical expert has sailed, and also that you have instructed him to engage whatever experienced native labour he requires before leaving India. This is a wise course, as the labor we receive through various agencies is very indifferent. Really good men are receiving high wages in India, and the rates we offer are no inducement...we are working with a minimum staff and with not a man to spare”⁵⁴.

The Company had engaged a number of labor recruitment firms in India, but there were complaints regarding their reliability to continue supplying the skilled staff needed⁵⁵. There were dire needs for surveyors and telegraph operators, but it was felt that “Indians get either ill or leave”. The Company began technical training classes in Ahvaz from 1916, hoping to prepare pupils at the English school it had helped establish there, “but despite inducements when standard proficiency is reached our efforts did not meet success”. Apparently the trained pupils would just pack up and leave for Mesopotamia and even as far away as West Africa, “which are crisscrossed with telegraph lines and there is great need for Indian telegraphists”⁵⁶. It seemed “skilled Indians draw high wages and return to India after one year”. There were also suspicions about their possible subversive attitude at a time when anti colonial nationalism was on the rise: “The Indians are highly independent minded”; and they

⁵³ BP 68779, 6 August 1916

⁵⁴ “Expert labour shortage”, 18 February 1918, BP 70145

⁵⁵ Atabaki, “Far from Home, but at Home; Indian Migrant Workers in the Iranian Oil Industry.”

⁵⁶ BP 70145, “Mohammerah to London”, 18 February 1919; 6 December 1918; 20 December 1918; 20 December 1918

were seen as disloyal and opportunistic: “A good many of our men are anxious to get away from Abadan to work in Basra for higher wages. Our wages to skilled Indians are good...and we are eager to keep [them]”.

By the war’s end the labor shortage had reached critical dimensions, and the manager there wrote Wilson, “Our staff at Abadan is barely sufficient to keep the refinery running. We are seriously feeling the shortage of chemists”.⁵⁷.

As for unskilled Arab employees, they also bolted for greener pastures in Basra or elsewhere, at a time when borders were porous and the British military exercised sovereignty across the region. The manager at Abadan and Mohammerah complained to Arnold Wilson, the Deputy British Commissioner in Basra,

“We have all along been having the greatest difficulty retaining coolies at Abadan... Matters have worsened recently and we are 1,000 coolies under strength. We have done all we can with the Sheikh [Khaz’al], Haji Raiis, Sheikh Mousa. All say they can’t do anything on the account of urgent demand and high wages being paid in Basra. Last payday some 200 men cleared out [at Mohammareh]. This morning Abadan have rung up to say a similar number went yesterday. Steamer loading and discharging is suffering, and the tin shed output is reduced from 4 to 2 thousand tins per day, which is only half of various government departments’ demand for kerosene and petrol...We cannot stop Mohammerah Arabs leaving for Basra, unless coercion is applied to make them work at Abadan... [He then asked Wilson whether it was possible to arrange (press gang) a regular labor corps under government control, to supply us up to 800 collies from Basra], “but even 300 would do”⁵⁸.

Basra tried to cooperate by imposing some limits on labor movement, and defended itself by claiming wages in Basra were not higher than Abadan⁵⁹. It was becoming clear that other factors were at work. By summer 1917 it had become evident that famine was as much a cause of labor shortage as wages, and Company correspondents began to admit that destitution and hunger were equally behind labor

⁵⁷ BP 68779, 9 March 1917; 10 October 1917.

⁵⁸ BP 68779, 3 March 2017.

⁵⁹ BP 68779, 9 March 1917

flight as wage opportunism⁶⁰. The constant warfare, chronic insecurity, drought, and vast military acquisitions of food crops, labor power, and draft animals were wreaking havoc on the population (see chapters 2 and 3). Wilson received an urgent request for famine relief in northern Khuzestan, and had to scramble some emergency supplies of flour, grain, and straw (as fodder) there to avoid a disaster.⁶¹

To the extent that people had to resort to selling their labor for wages they were not doing so voluntarily to join the forward march to modernization! Rather, the restless movement between Basra, Abadan, Kuwait, and elsewhere seemed to have been a desperate attempt to survive the social disintegration that warfare, political insecurity, and oil capitalism had imposed on the local population.

It must be added that uncompetitive wages were a detriment not only to APOC, but also to the other major British firm in Iran at the time, the all-powerful Imperial Bank, which held a monopoly of banking and minting currency in Iran until 1928. Like APOC the Imperial Bank suffered from a high staff turnover and a general inability to retain its employees⁶². There were many similarities between the corporate cultures of both firms, some of which had to do with working and living conditions in Iran at the time, but also with the colonial Victorian attitudes that pervaded both organizations, as well as the type of professionals these firms preferred to recruit, mostly young men from middling public schools. “The first university graduates joined the Bank after WWI”; but neither the old staff nor the new recruits felt compatibility as the university-trained employees felt frustrated by the mediocrity of the senior staff above them. Geoffrey Jones provides a description of the recruitment process at the Imperial Bank, and how the personnel manager described the ideal types they sought to employ:

“By 1930s the majority of the staff were school leavers from minor public schools, without prior work experience...The public school man was held to possess character to survive in the East, and the confidence to represent the Bank, and to assume authority over the local staff. The majority of the staff were recruited therefore [based on this type of recommendation given for] a

⁶⁰ BP 68779, 6 April 1917; See also the APOC correspondence with Arnold Wilson regarding the declining state of security on 28 January 1915; 16 December 2015.

⁶¹ These included 90 tons of mensem (local flour), 300 t of barley, and 420 t of straw. 4 June 1917, BP 68799

⁶² Geoffrey Jones, *Banking and Empire in Iran: Volume 1: The History of the British Bank of the Middle East*, vol. 1 (Cambridge University Press, 1986), 140–156, 266–268.

17 year old boy at Cheltenham College: “Keen on cricket, tennis, rugger. Nearly 6’ in height, healthy, cheerful, fairly good looking, pleasant manners, easily led, character undeveloped. Is anxious to go abroad, especially if riding would be possible”⁶³.

While work for APOC required more technical qualifications, the social background of its British staff were similar to those of the Bank (see chapters 1 and 3). Like APOC, the staff at the Imperial Bank complained about low salaries, poor social lives, and dire living conditions; significant problems that affected employee loyalty among these expatriates. Between 1909 and 1926 the Imperial bank had opened branches across Iran, including Khuzestan’s oil towns Abadan, Mohammareh, Ahvaz, and Masjed Soleyman; in order to benefit from APOC business⁶⁴. The Bank faced serious personnel problems, with health issues and high mortality rates among its employees being a cause for concern. These were due to epidemics and disease, but also from depression, alcoholism, and psychological crises. Europeans, whether bankers or oilmen, found themselves highly isolated in these stark, alien, and isolated areas. They had no social life to which they had been accustomed, and given their public school education and their upbringing in institutionalized colonial racism, they systematically avoided meaningful social contact with the indigenous population on principle. This abhorrence of the racial contamination caused by any intermixing went so far as to make the Bank dismiss one of its employees, E.B. Soane, for the audacity of marrying an Iranian woman⁶⁵. Later on Soane became British Consul in Dezful, as his stint was highly effective, and he was instrumental in mediating local disputes, especially over water rights, making him not only an influential and successful administrator during a trying period, but also highly popular among the local population⁶⁶.

Alcoholism was rife, and so was depression⁶⁷. Leisure activities were minimal. Those who were accompanied by their wives suffered equally, as their spouses had

⁶³ Ibid., 1:273–274.

⁶⁴ Ibid., 1: 128, 201, 234.

⁶⁵ Ely Banister Soane met Arnold Wilson in Mohammareh and he arranged a job for him with APOC. See John Marlowe, *Late Victorian: The Life of Sir Arnold Talbot Wilson* (London: Cresset, 1967), 60.

⁶⁶ Ahmad Latifpour, *Dezful dar Gozar-e Zaman* (Tehran: Farhang-e Maktoub, 2008), 129–131.

⁶⁷ High alcohol consumption remained a persistent concern. In 1931 a staff assessment by a visiting inspector stated that liquor consumption per English employee stood at 3.89 bottles of gin, 3 bottles of vermouth, 133 large beers, and 18.35 bottles of whiskey per six months. These were spirits supplied by

little to do and did not even benefit from the relief of challenging employment and long work hours. Illness and disease were a constant threat; especially as sanitary amenities and public health measures were minimal. This was especially the case in Abadan, where no sewerage or sanitary infrastructure had yet been put in place to cope with the huge population increase (see chapter 6)⁶⁸. Waterborne diseases, in particular, were a serious concern where drinking water caused typhoid on a regular basis, a deadly disease prior to the invention of antibiotics. APOC physician Dr Young worked continuously to improve the supply of water in the Fields through various schemes. These involved attempts at building distillation plants, piping water from the brackish river Tembi, or considering the option of piping water all the way from Abadan, constructing filtration plants and so on. Eventually the inspiration was taken from a chlorination plant built in Ahvaz for the military (British) personnel. A water elevator was built at Tembi, with a pumping station and 30 kms of pipeline via Godar Landar to feed a chlorination plant at Masjed Soleyman. In the process “all native huts had to be removed from production areas” to make way for the water scheme⁶⁹. The records do not contain any further details about the ‘native huts’ and the evicted people.

The provision of drinking water was vital for the survival of operations and “to keep labor at fields in summer”⁷⁰. Working conditions were indeed infernal. Work was backbreaking and incessant, 9 to 12 hours a day, 6 or 7 days a week⁷¹. Temperatures were grueling during the long summers, and freezing in winter; humidity was at times unbearably high. In some ways work was a substitute for the near total absence of social life, at least for the Europeans.

“The heat of the eight months summer ranges between 100 and 125 degrees in the shade (55C); the loneliness of the life, the almost total lack of social intercourse, and the absence of most of the ordinary social amenities of life make work a necessity as a relief from utter boredom. They do work”⁷².

the Company, and excluded any additional liquor purchased elsewhere. “Visit to Persia; Staff Matters”, November/December 1931, BP 096431

⁶⁸ Jones, *Banking and Empire in Iran*, 1:145–155, 278–283. See also Gerald Butt, *The Lion in the Sand; the British in the Middle East* (London: Bloombury, 1995), Chapter 5.

⁶⁹ BP 70146: “Letters Regarding the Fields and Pipelines, to and from Mohammerah and London”, from 13 April 1916 to 27 March 1919.

⁷⁰ BP 70145, Letter #2717, 14 May 1919; Wilson, *SW Persia; A Political Officer's Diary 1907-1914*, 38–39.

⁷¹ BP 70145, 24 June 1919; Thomson, “Abadan in Its Early Days.”

⁷² Cooper, “A Visit to the Anglo Persian Oilfields,” 154.

Industrial time meant continuous work hours, regardless of season or climate, an unfamiliar practice to ordinary local workers, pastoralists and peasants whose whole mode of life was built around adjusting to the seasonal rhythms of nature⁷³. But here they had to adapt to an altogether different universe, even in the highlands of Masjed Soleyman. The oilfields were a place of deafening noise, mortally dangerous conditions, and great pollution. Percussion drills pounded constantly at 40 beats per minute creating a deafening sound that echoed in the mountains. Water and chemicals were pumped into boreholes and the spewed out waste was dumped. The workplace was highly dangerous as highly flammable oil and gas were released under great pressure. Then there was the pervasive smell of gas: “the oil is held in the rock under great pressure, and its discharge is heavily laden with gas. In its early days this was allowed to escape naturally, with resultant danger to the workmen; so much so that men who could not return to their huts by sundown had to remain where they were for the night, as the gas, being heavier than air, hung in the low lying ground and formed an impassable barrier; several lives were lost in that way”. The author of these words was an aviation squadron leader who had served during the war and had been based in Iraq (1921-1924), and was now reporting to the Royal Central Asian Society during one of the increasingly common propaganda events held for APOC at colonial scientific venues.

Explaining that he was contributing to “writing the romance of the fields”, Squadron leader Cooper went on to allay fears by mentioning that by this time the gas was no longer simply released, but was being flared. He described poetically and without irony the effect of tall pipes permanently spewing flames, heat, and smoke into the air as “ a wonderful site at night time” that “would have given Dorée a wonderful inspiration for an illustration to the ‘inferno’”! However, he went on to add “the smell of gas is a permanency in the fields; in some places it is worse than others, but you are never quite free from it; it brought back many unpleasant war memories, and at night it was difficult to refrain from instinctively reaching out to make sure your gas mask was round your neck”⁷⁴. This alarmed the APOC chairman, John

⁷³ For the differentiation of labor time and industrial time see E. P. Thompson, “Time, Work Discipline, and Industrial Capitalism,” in *Customs in Common* (New York: The New Press, 1993), 352–403.

⁷⁴ Cooper, “A Visit to the Anglo Persian Oilfields,” 149-151. Other speakers at this session were also prominent luminaries, such as the chairmen of APOC, senior military commanders and parliamentarians. It is worth adding that once oil was depleted in Masjed Soleyman and Haftgel, the

Cadman, who interjected in the public meeting to contradict the Squadron Leader by emphasizing how clean, safe, and hygienic the operations were:

“Anyone who has visited oilfields in different parts of the world, mostly controlled and carried on by foreigners, will have been struck by the dirty slovenly appearance of the spot from which oil is obtained. You do not see that in the Persian field. You see no oil and as I say, you smell no gas. All you see or hear is a busy hive of industry”⁷⁵.

In Abadan the smell of gas was not as acute, but working conditions were equally dangerous, as demonstrated by the devastating fire at the refinery in 1922⁷⁶. Work was extremely demanding, and harsh; while living circumstances were if anything much worse for tens of thousands who lived in temporary shelters and in filthy circumstances. New neighborhoods were informally named after the temporary industrial refuse used to erect shelters, such as *Kaqaz Abad* (Made of Paper), *Halabi Abad* (made of Tin Drums), or *Hassir Abad* (Made of Reeds), *Chador Abad* (Made of Tents)⁷⁷. Conditions were terrible, especially for the workers and migrants; but they improved considerably for the Europeans and the artisans and skilled workers, with visible dualism of the segregated city creating seething resentment. Manuchehr Farmanfarmanian, reminisced about the appalling conditions in the 1950s “In winter the earth flooded and became a flat, perspiring lake...[in summer] the dwellings of Kaghazabad, cobbled from rusted oil drums hammered flat, into sweltering ovens...In the British section of Abadan there were lawns, rose beds, tennis courts, swimming pools, and clubs; in Kaghazabad there was nothing – not a tea shop, not a bath, not a single tree”⁷⁸.

Since virtually everything had to be imported, including basic food items, economic life on the island was organized through market relations and money

problem of gas release became a deadly hazard for these historic oil cities. Masjed Soleyman, currently an industrial wasteland and shell of the city that once was, has population of more than quarter of a million, who suffer from chronic poverty and unemployment, and occasional deadly releases of gas that cause significant casualties. See Ehsani, “Social Engineering and Modernization in Khuzestan’s Company Towns.”

⁷⁵ Ibid.: 160.

⁷⁶ Ferrier, *History of the British Petroleum Company*, 1:430.

⁷⁷ Chamseddine Amiralaii, *Khal’e Yad az Sherkat-e Sabeq-e Naft-e Iran va Engelis (Dispossession of the Former Anglo Iranian Oil Company)* (Tehran: Dehkhoda, 1978), 126–137; Ferrier, *History of the British Petroleum Company*, 1:432.

⁷⁸ Manuchehr Farmanfarmayan, *Blood and Oil* (New York: Modern Library, 1997), 184-185.

exchange, where everything had a price. Under these circumstances it was not surprising that labor recruitment was a major challenge for the Company during these early years and in the aftermath of the war.

The negative image of APOC and apprehension about working conditions in the oil industry in Khuzestan are evident in the following list of questions from successful job applicants who had been offered a position in Iran. The Company's London Office forwarded these queries to Khuzestan, as the potential recruits were demanding further clarification before accepting the job offer. The questions reveal the foremost concerns among qualified recruits who were weighing whether to accept the position of oil well engineer: The inquiries were about the state of health in Khuzestan, death rates, average temperatures, social conditions, the number of white people, prospects for advancement, salaries, vacations, costs of living, prospects for savings, if the company provided free servants, whether individuals had to cook for themselves, had to eat in a general mess, or were going to be provided with personal cooks and servants, and so on⁷⁹. The realization of the significant impact of its negative image in recruiting employees of various skills became one of the major inducements for the Company to evaluate the necessity of improving the working and living conditions in the oil areas, in order to create a less harsh environment where attracting employees would not be such a major challenge.

Soon after the war the nationality of the workforce became a politically sensitive topic, mainly for geopolitical reasons. The changing global landscape had begun to effect the oil habitus in Abadan as political events beyond the local confines of Khuzestan affected the attitudes of workers, the Company management, the local population, and the political agents of the Iranian and British governments alike. While labor requirements in each job category had their own specific dynamics, nevertheless a number of preferential treatments began to be observed, often informally. Initially, the prejudices were professional. For example, Canadian drillers began to be seen in a negative light as they kept having frictions with Iranians and others on the job⁸⁰. After some clashes between the Canadians and Iranian workers in

⁷⁹ BP 70146; 29 July 1919

⁸⁰ Wilson, *SW Persia; A Political Officer's Diary 1907-1914*, 23, 32.

1919, a follow up note a month later concluded that, “We should exercise a preference for men with experience in the east”⁸¹.

But more was at stake than practical colonial knowhow in eastern settings. Regarding skilled workers and staff, the Company as well as the British Government’s preference in the postwar years shifted toward excluding non-British nationals, especially the Americans, in light of heightened international rivalries and Britain’s attempts to consolidate its exclusive sphere of influence in the Persian Gulf. Attempting to coordinate APOC policy with the interests of the British Government, Cadman (APOC Chairman), Loraine (Ambassador in Tehran), Chamberlain (Foreign Secretary) and Oliphant (his senior adviser) discussed how to counter Iran’s deep distrust of Britain, and the rising danger of the US as a rival. They were not above using Iran’s foreign debt, its long coveted railroads project, and the benefits and social programs initiated by the oil industry as pressure points to cajole or bully Iran back into British arms (chapter 2). In particular, they were apprehensive about the role of Arthur Millspaugh’s financial reforms mission, and the danger that his “Pressure to interest the US in the revival of Persia means the balance will be tilted in favor of the American industry”. They agreed to wait until Millspaugh was gone, and then the Iranians would have no option but come around to Britain⁸².

APOC moved to reduce its dependence on American personnel and technology. Cadman wrote to Loraine to emphasize that the Company was doing its patriotic job by helping Iran build the strategic Dezful-Khoramabad road, “without any profit to the Company” (he enclosed an estimate of costs of surveying and construction), “to extend cheap petrol products in Northern Iran to counter Soviet influence”. He also highlighted the Company’s commitment to “education works in Khuzistan” by building two primary schools in the oilfields, maintaining the school at Ahvaz, adding a secondary school there; supporting the hard pressed government schools in Abadan, Mohammareh, and Ahvaz; and even selecting a few students from Iran and sending them to Britain for University training in petroleum sciences and engineering⁸³.

⁸¹ BP 70146; “Letters Regarding the Fields and Pipelines, to and from Mohammerah and London”, July 31, 1919; 21 August 1919

⁸² “Loraine to Chamberlain”, 14 January 1926, “Oliphant to Cadman”, February 1926, BP 71183

⁸³ “Cadman to Loraine” 8 May 1926, BP 71183

Of course, there were severe limits on the strategy of keeping rivals out of the Iran market. International power rivalries had to be accommodated, nationalist feelings had to be acknowledged, and the severe financial limits of post war Britain had to be managed, especially as it came to the US which had become Britain's largest creditor as well as competitor (chapter 2). Thus Italian workers were allowed to be hired in several Trucial States⁸⁴ to accommodate Italy's demand as wartime Ally for a share of the spoils; in Iraq APOC had to accept shared ownership of the Turkish Petroleum Company, later Iraqi Petroleum Company, after the Germans and Ottomans had been expelled and replaced by Shell and Americans; and in Saudi Arabia APOC had to accommodate the American demands for a significant presence there⁸⁵. However, in the case of Iran, by far the largest and the only proven producer of oil at the time, APOC accepted no such compromise, and the pressure was on to exclusively recruit British nationals and professionals for staffing the higher echelons of the oil operations.

Nevertheless, as we shall see, Iranian politicians and nationalists continued to exert pressure for the greater 'Iranianization' of the Company, including among the higher ranks. For the next six decades, until the 1979 revolution, the issue of greater participation and management by Iranian nationals over the hierarchy of oil operations remained a major ingredient of official Iranian nationalism, a dynamic that was very much shared with elite resource nationalism in most of the other post-colonies and developing nations that were producing raw materials for the global

⁸⁴ See I. J. Seccombe and R. I. Lawless, "Foreign Worker Dependence in the Gulf, and the International Oil Companies: 1910-50," *International Migration Review* 20, no. 3 (October 1, 1986): 548-74; Ian J. Seccombe, "A Disgrace to American Enterprise: Italian Labour and the Arabian American Oil Company in Saudi Arabia, 1944-54," *Immigrants & Minorities* 5, no. 3 (1986): 233-57. Trucial States refers to the City States carved out of the Arabian Peninsula's coast on the Persian Gulf and the Sea of Oman. They were called thus because of the series of treaties (Truce) they signed with Britain in the 1820's - 1840's, becoming de facto its protectorates until they gained their independence in the mid 20th century. See W. Taylor Fain, *American Ascendance and British Retreat in the Persian Gulf Region* (New York: Palgrave Macmillan, 2008); Adelson, *London and the Middle East*; Glen Balfour-Paul, *The End of Empire in the Middle East: Britain's Relinquishment of Power in Her Last Three Arab Dependencies* (Cambridge: Cambridge University Press, 1994); Feroz Ahmad, "A Note on the International Status of Kuwait before November 1914," *International Journal of Middle East Studies* 24, no. 2 (1992): 181-87; John Marlowe, *The Persian Gulf in the Twentieth Century* (New York: Frederick A. Praeger, 1962).

⁸⁵ Helmut Mejcher, *Imperial Quest for Oil: Iraq 1910-1928* (London: Ithaca Press, 1976); Stephen Longrigg, *Oil in the Middle East: Its Discovery and Development*, 2nd ed. (Oxford: Oxford University Press, 1961).

market under the tutelage of multi national corporations⁸⁶ (see concluding section of this chapter).

As for unskilled workers, both the necessity of accommodating local allies, such as the Bakhtiyari Khans and Sheikh Khaz'al, as well as the terms of the D'Arcy Concession, compelled the Company to hire Iranian workers. In the early years, hiring large numbers of unskilled tribesmen and pastoralists in work gangs that were subcontracted through tribal intermediaries was acceptable for the kind of manual labor involved in building the infrastructure of drilling, transporting rigs and pipelines, setting up drill towers, building pumping stations, and the equally backbreaking manual labor of road building, laying pipelines, and building the ports and the refinery⁸⁷.

“The local laborer is well paid, but has to pay something to the head of his gang, and the head of his village, who in turn has to pay the tribal chiefs. It is rough and ready and very cheap system fo taxation, not so harsh as to discourage enterprise...it is much cheaper [and less troublesome and resentment-creating tan our Indian system] – no officials, no pensions, no paper.”⁸⁸

⁸⁶ The literature on the nationalist demands for the nativization of the management and ownership of extractive industries is vast. For Venezuelan oil see Miguel Tinker Salas, *The Enduring Legacy: Oil, Culture, and Society in Venezuela* (Durham: Duke University Press, 2009). For copper in Zambia see Burawoy, *The Colour of Class on the Copper Mines, from African Advancement to Zambianization*; James Ferguson, *Expectations of Modernity* (Berkeley: University of California Press, 1999).

For the case of Iran see Mostafa Fateh, *Panjah Sal Naft-e Iran* (Tehran: Sherkat Sahami-e Chehr, 1956); Foad Rohani, *Tarikh-e Melli Shodan-e San'at-e Naft-e Iran* (Tehran: Jibi, 1973). In Iran the nationalist pressure for nativizing the management of transnational corporate operations was not limited to the oil industry, but also involved other economic concerns, such as banks. See for example Abolhassan Ebtehaj's discussion of the intense resentment of Iranians at their treatment as inferiors and for being excluded from the higher management of the Imperial Bank by the bank's British directors. Abolhassan Ebtehaj, *Khaterat-e Abolhassan Ebtehaj [The Memoirs of Abolhassan Ebtehaj]* (Tehran: Entesharat-e Elmi, 1996), Vol 1, Pp. 26–29.

⁸⁷ Touraj Atabaki, “From ‘Amaleh (Labor) to Kargar (Worker): Recruitment, Work Discipline and Making of the Working Class in the Persian/Iranian Oil Industry,” *International Labor and Working-Class History* 84, (2013): 159–175.

⁸⁸ Wilson, *SW Persia*, 53

Photograph 10: Payday with Bakhtiyari Workers (1910)



روز پرداخت حقوق کارگران - روی میز سکه های پول قرارداد و دو نفر انگلیسی در پشت میز مشغول پرداخت هستند - ۱۲۸۹ ش

Source: Ministry of Petroleum, Iran

Photograph 11: Bakhtiyari Oilworkers Leaving the Refinery



xalvat.com

زمان پایان کار در پالایشگاه آبادان ، سال ۱۲۹۲ ش

Source: Ministry of Petroleum, Iran

In these earlier years the transitory and impermanent nature of unskilled workers was an advantage to the Company. So long as work-gang captains supplied the numbers and maintained discipline the fact that nomad and peasant recruits were treating the wage work as a temporary and seasonal source of monetary revenue, and would return to their agrarian lives of sheep herding or planting and tending their fields during the migration or harvest season, was not a major concern and conveniently fit into and reinforced the convenient stereotype of the 'lazy native':

“Food is so cheap that the Oil Company must, paradoxically, pay higher wages to get people to work at all. Men’s needs are few and they are ‘lazy’. In other words, their standards of living includes a large element of leisure, and who shall blame them?”⁸⁹

The Company appreciated the cheapness of the casual labor, and the freedom to avoid any social obligations that risked to further burden it, such as providing housing, healthcare, or other costly demands and services that a more permanent labor force would require. In their arrangements with local magnates all such social obligations fell on the shoulders of Bakhtiyari Khans and Sheikh Khaz'al. The Company would simply pay them and expect them to supply, support, and discipline the workers through their own internal arrangements⁹⁰.

However, as soon as the initial stages of building the infrastructure were completed and the operations were in full flow, the labor situation began to change and the necessity of planning for a more permanent workforce could no longer be ignored. There were a number of even greater issues at stake: In 1908 when oil was first discovered in Masjed Soleyman, the global petroleum industry was in relative infancy. By 1918 this was no longer the case (See chapter 4) as oil was now a major global industrial, economic, and chemical enterprise that was fast becoming intertwined with the entire fabric of the Fordist regime of accumulation. As the scale of operations in Khuzestan expanded and became more sophisticated technically and scientifically, the nature of the 'unskilled' labor force required for carrying out the operations also changed. The Company could no longer afford to rely only on

⁸⁹ Wilson, *SW Persia*, 140

⁹⁰ Arnold Wilson, “Confidential: Bakhtiyari relations and land purchases”, 24 February 1926; “Notes on conference held at Tehran”, 22-27 April 1926, [BP71183](#). See conclusion to chapter 3, and the discussion of the transition from formal to the real subsumption of labor to capital.

temporary workers and illiterate peasants and nomads to handle dangerous and expensive material, and to carry out sophisticated work processes. Nor could it afford to train workers only to see them disappear at harvest time or during the migration season. Workers in the new industry had to be time and motion disciplined. They had to become reliable for the industrial hierarchy and the fragmented and minute division of labor that characterized the new industrial relations. They needed to become solely dependent on wages and dependent on the market, so that alternative economic and social modes of existence would not offer them relative autonomy from the labor market.

The imperative to treat laborers as social beings, or as 'human capital' in the present day corporate parlance, rather than an anonymous and interchangeable mass of precariously employed raw material, was gradually emerging in the interwar years not only in Britain and Europe, but also in the colonies and semi colonies (chapter 4). Frederick Cooper in his study of changing labor relations with the dockworkers, miners, and railroad workers of Mombasa in the 1930s and 1940s⁹¹ investigated the marked shift of attitude among large employees and colonial officials toward labor relations, in response to the surprising emergence of labor radicalism and waves of strikes.

Employers and colonial officials were caught off guard when confronted with the consequences of creating an anonymous mass of casual and cheap workers, together with floating populations in towns. The expectation among employers and colonial officials that this reserve army of labor was too atomized to act with unity and discipline was dispelled with shock, fear, and grudging admiration after the strike waves of 1939 and 1947. In Kenya, casual labor was seen as the culprit, and in response a process began to abolish the practice of daily hiring and replace it with an established core of regular workers. This change was accompanied by the increasing bureaucratization of labor relations as a way of regulating work conditions, giving an outlet to grievances, and generally alleviating class tensions and increasing productivity by giving a greater stake in society to workers. These adjustments were accompanied by municipal reform policies, to improve the urban social life of the

⁹¹ Frederick Cooper, *On the African Waterfront* (New Haven: Yale University Press, 1987).

floating and anonymous masses by creating an orderly, contended, and hard working city free from the dangerous masses⁹².

These 1930s and 1940s processes and reactions that Cooper investigates were not exceptional to colonial Africa; much earlier they had begun to enter the repertoire of corporate and governmental practices in wartime Europe and Britain (see chapter 4), and soon after they came to affect and shape the oil habitus in places like Abadan and Khuzestan. The 1929 Colonial Development Act had already recast the approach to labor and commodities markets in the colonies as an extension of the domestic British economy, rather than a mere source of surplus extraction⁹³. However, local conditions have a habit of imposing their own imperatives and, as we saw in previous chapters, the questions of the boundaries of political sovereignty, and the ongoing frictions between the central government, local social dynamics in Khuzestan, and Oil Company needs and practices, were interacting to shape conditions in Abadan.

The process of turning Abadan from a chaotic boomtown into an orderly city began under these circumstances. It started with the Oil Company's realization that attracting adequate workers and employees would only get harder if the urban and living conditions continued as they were; and that the "dangerous masses" populating the island could no longer be ignored due to pressing public health hazards, and the potential political threats posed by intensifying class tensions, urban discontent, and political friction with the Iranian government. Oil workers living on the Island or in Masjed Soleyman were vital to the Company operation, yet they needed to be made reliable by proper training to acquire better skills, permanently accepting wage work and industrial discipline, and developing more solid loyalty to the Company rather than continuing the hybrid patterns of mixing occasional wage work with agrarian and pastoral lives that were sustained through tribal and kinship networks. The central government on the other hand, was coming to realize that it could wrest control and sovereignty over its border territories and populations only if it committed to

⁹² Ibid. See also Frederick Cooper, "Urban Space, Industrial Time, and Wage Labor in Africa," in *Struggle for the City: Migrant Labor, Capital, and the State in Urban Africa*, ed. Frederick Cooper (Beverly Hills: Sage, 1983), 7–50; Robert Home, *Of Planting and Planning: The Making of British Colonial Cities* (London: E & FN Spon, 1997).

⁹³ George C. Abbott, "A Re-Examination of the 1929 Colonial Development Act," *Economic History Review* 24, no. 1 (1971): 68–81; Frederick Cooper, "Modernizing Bureaucrats, Backward Africans, and the Development Concept," in *International Development and the Social Sciences*, ed. Frederick Cooper and Randall Packard (Berkeley: University of California Press, 1996), 64–92; Michael Cowen and Robert Shenton, "The Invention of Development," in *Power of Development*, ed. Jonathan Crush (New York: Routledge, 1995), 27–43.

providing the minimal kinds of civic protections and social services that national citizenship claimed to provide. Workers and urban citizens of Abadan, who had to negotiate their difficult deracination from their former social lives with the new relations of urban proximity, industrial discipline, wage labor, and market relations, had to build new forms of urban solidarity in order to be able to stake a claim in the new city.

Having discussed the labor issues that emerged after the war, I will continue in the following sections to investigate several other key aspects of the changes that took place in the urban life of Abadan against the larger background of events that were outlined in the former chapters and the previous sections of this chapter. I will first investigate the public relations machinery set up by APOC as part of the attempt to improve its corporate reputation, in today's jargon to 'rebrand' itself, by inventing a new and more positive public image of the oil industry. This was not done purely through propaganda; it had to be accompanied by tangible actions toward improving actual conditions before it could become convincing. Next we will investigate the public education policies adopted and implemented by the Oil Company with the intention of creating modern citizens and workers. Public education was a double-edged sword, as it was also the prerequisite for complying with the intense political demands of the Iranian government and the public for the greater 'Iranianization' of the oil complex. The next chapter will continue the investigation of public health and sanitation measures as prerequisites for creating a safe and attractive city, and a healthy and productive population, and link these trends with the struggle over the bazaar of Abadan, as the competing visions of creating a safe built environment and a modern productive population came together with the aim of setting the stage for the future development of Abadan.

Mending a Blemished Image: Company Propaganda, Social Amenities, and Improving Material Conditions

APOC suffered from a poor image in the early years of its operations, and this caused problems with recruiting and retaining employees, not to mention with public opinion in Iran and the new political elite in the capital. While Britain had treated Iran as a sphere of influence, and so long as the southern parts of the country had been effectively controlled by British-organized militias like the South Persia Rifles and by

local allies like the Bakhtiyari Khans and Sheikh Khaz'al, this poor image had not been of great concern (See chapters 2 & 3). The Company operated under the direct protective umbrella of the Empire, and enjoyed adequate cooperation and support from the Government of India. However, as we saw in the previous sections, the war had put strain on labor supplies, and the pervasive war-induced insecurity and severe hardship in Khuzestan had increased the Company's logistic difficulties. APOC was Britain's largest investment abroad, and it was playing a highly public role in wartime. But as a private corporation (even though it was majority owned by the British Government) it had to rely on the labor market for its recruitments. Already in 1910 and 1914 there had been some notable labor clashes in Khuzestan. The first instance occurred when workers reacted to abuse by European foremen; the latter when two workers were killed and the Company refused to compensate the families adequately and to improve safety conditions. In 1914 the Company relied on Skeikh Khaz'al to put down the strike⁹⁴. There were other clashes following workers' abuse by foremen, or local pastoralists reacting to Company encroachment on their territories. In 1915 several Arab clans cooperated with German agents to sabotage Company pipelines and disrupt oil flows⁹⁵. The Company's relations with local populations remained highly contentious⁹⁶. In 1920 and 1922 there were two major strikes, this time in the refinery and by skilled workers and artisans, and not out on the fields by unskilled casual laborers. Indian skilled workers went on strike in 1920 over poor working and living conditions, low pay, and persisting complaints against racial discrimination and abuse. Some Iranian workers also joined (see below for further discussion). These labor confrontations, as well as urban clashes such as those that occurred over the forced evictions to clear the way for the construction of modern bazaars in Abadan (1924-1927) and Masjed Soleyman (1925, see chapter 3), rattled the stability of operations and made the Company conclude that these labor and social issues needed to be treated more seriously. As part of the solution APOC moved toward a systematic effort to improve its public image.

Even though the Company had a contract for protection by the Bakhtiyari Khans, the latter's hold on their clans and subsections became increasingly tenuous

⁹⁴ Floor, *Labor and Industry in Iran, 1850-1941*, 54.

⁹⁵ George Lenckowski, "Foreign Powers' Intervention in Iran during World War One," in *Qajar Iran*, ed. C. Hilenbradt (Edinburgh, 1983), 81-85.

⁹⁶ Atabaki, "From 'Amaleh (Labor) to Kargar (Worker)."

and the Khans began to be perceived as self serving and their legitimacy began to wane (chapter 3). The Company had dealt exclusively with the Khans, paying them through the Bakhtiyari Oil Company, and leaving the compensation of rank and file Bakhtiyaris to their leaders, being fully aware that they would pocket the payments and lose tribal legitimacy in the process⁹⁷. As we saw in previous chapters, the policy of bypassing the central government and dealing directly with local magnates was an extension of the shifting geopolitics of Britain toward Iran, as well as the local circumstances there. However, as Mahmoud Mamdani has analyzed in his study of colonialism in Africa, the policy of reinforcing “traditional local rulers” as direct partners against the central governmental authority was part of the well established repertoire of British colonialism implemented across the empire, in India and especially in Africa⁹⁸. Tribesmen regularly targeted company surveyors and geologists while out on the fields because they saw them as agents preparing the ground for military operations against themselves⁹⁹. These were not isolated incidents; rather they demonstrated the hostility that marked the Company’s relations with local people as it impinged on their territory, enclosed their common properties, disrupted their economies and migration patterns, recruited their valuable labor power, and co-opted their Khans.

The Iranian government was equally suspicious of Company intentions. From early on the telegraph reports (1908-1929) by the local representative of the Foreign Ministry (called *Kargozar*) in Khuzestan, effectively the main central government agents in a practically autonomous province, were replete with complaints, alarms, and expressions of frustration about perceived Company abuses and violations against Iran’s territorial sovereignty, national laws, Iranian workers, its refusal to respect the terms of the Concession by hiring foreigners, and its suspicious dealings and perceived intrigues with local magnates against ‘national interests’¹⁰⁰. After the 1921

⁹⁷ A.W.Wilson, “Confidential: Bakhtiyari relations and land purchases” 24 February 1926; “Notes on conference held at Tehran”, 22 April 1926, BP 71183

⁹⁸ Mahmood Mamdani, *Citizen and Subject: Contemporary Africa and the Legacy of Late Colonialism*, (6th printing) (Princeton University Press, 1996).

⁹⁹ BP 68779, “From Busk to Gillespie, Ahwaz”, 16 January 1915.

¹⁰⁰ These telegraph reports are an un-numbered file available at the *Iran National Archives (INA)*. The originals, which I have studied, were perishable thin telegraphic papers that had not been filed yet. The INA at my request typed the content into a 29-page document, and provided me with a copy in 2006. The reports contain the serial numbers of each telegraph and the date. INA, “Official Telegraphic Correspondence Regarding Labor Relations and Other Issues Concerning the Anglo Iranian Oil

coup d'état and the eventual change in the strategic relation between Britain and Iran (chapter 2), this predominantly negative image became a major obstacle and even a threat to the Company's successful operation.

In response to this predominantly negative perception, during the 1926 re-organization the Company made the improvement of its image a priority. But the effort went beyond mere propaganda and a concerted effort at conducting better public relations; it also involved major investment in improving the social life of its employees as well as the general conditions in the oil areas, in particular Abadan. APOC also began to aggressively and systematically respond to any and all criticisms of its activities, whether by the popular press, by employees, private citizens, or statesmen and politicians. Its tone was belligerent and defensive; its responses were relentless and often abrasive. They revealed a mentality that considered any objections to the Company as malicious and unfounded, and undertaken with morally and politically questionable motives. This defensive inflexibility did not win it many friends, however its major efforts at expanding social services, and its relentless use of propaganda to publicize its efforts and actions did create a more positive image of its accomplishments and operations.

As cinema was becoming a major medium of public entertainment as well as propaganda, APOC commissioned a film in 1921 to depict its operations in a positive image. However, the film was only edited in 1938 and finally released under the title "Anglo Iranian Oil Operations in Iran". Its next venture fared better, and was titled "The Persian Oil Industry; the Story of a Great National Enterprise", a 98 minute silent documentary made by one J.D. Kelley in 1925. It provided flowing views of the fields, the refinery, pipelines, and the workers' good lives¹⁰¹. Hamid Naficy, in his comprehensive social history of Iranian cinema highlights the close collaboration between APOC and Reza Shah's central government in the production of cinematic propaganda that would fit and enhance both the image of grand state-sponsored projects, such as the transnational railways, as well as the oil industry. Oil films and railroad films in the interwar years projected an epic image of modernization, partly

Company's Operations in the Province of Khuzestan (1908-1937)" (Iran National Archives, 1908-1937).

¹⁰¹ Hamid Naficy, *A Social History of Iranian Cinema, Volume 1: The Artisanal Era, 1897-1941* (Durham: Duke University Press, 2011), 183; Mona Damluji, "The Oil City in Focus: The Cinematic Spaces of Abadan in the Anglo-Iranian Oil Company's Persian Story," *Comparative Studies of South Asia, Africa and the Middle East* 33, no. 1 (April 25, 2013): 75-88.

by juxtaposing these grand industrial ventures against the existing lives of Iranians, and by framing the latter as ‘traditional’, ‘backward’ and trapped in a timeless and repetitive cycle that negated any historical progress¹⁰².

The epic film *Grass*, made by the Hollywood director Merian Cooper before he made his blockbuster *King Kong*, was the counterpoint to the APOC film, both of which were made in the same year (1925)¹⁰³. While “The Persian Oil Industry” depicted the epic modernity of the oil complex, *Grass* exoticized the ‘primordial’ seasonal migration of the Babayari branch of the Bakhtiyaris from Chahar Mahal to Khuzestan, over the nearly 4000m high peak of Zardeh Kouh. Cooper probably exaggerated when he claimed there were 50 thousand people and half a million animals making the grueling seven-week long trek in the snow and over rushing rivers¹⁰⁴. His spectacular film framed the Bakhtiyari as a people standing outside history, a “timeless people” struggling heroically against nature to eek out an existence against all odds. Both films orientalized the local population as a “people without history” (chapter 1)¹⁰⁵, a theme that had been repeated since the 19th century by a string of British and European travelers, spies, and adventurers¹⁰⁶, and was now accepted as self-evident. Although *Grass* depicted the Bakhtiyari as noble and heroic savages, nevertheless, the audiences viewing the two films in cinemas in London, Tehran, as well as in Abadan, Masjed Soleyman, and Ahvaz, could not help but wonder at the gulf between the two, and how the spectacular smokestacks of Abadan, its snaking pipelines, the grand jetties and modern tankers, were spearheading the primitive region into the future. The combination of the two films evoked *King Kong*’s final tragic scene atop the Empire State Building as the mighty beast succumbs to the power of airplanes and machine guns.

¹⁰² On the framing of ‘tradition’ in modernization projects see Naficy, *A Social History of Iranian Cinema, Volume 1*; Kaveh Ehsani, “Tabar Shenasi-e Tarh-ha-ye Bozorg-e Tose’eh dar Iran-e Mo’aser (Genealogy of large scale development projects in contemporary Iran),” *Goftogu*, no. 54 (2009): 113–32; Home, *Of Planting and Planning*; Mitchell, *Rule of Expert*.

¹⁰³ Merian C Cooper and Ernest Schoedsack, *Grass: A Nation’s Battle for Life* (Milestone Collection, 2000).

¹⁰⁴ Cooper, *Grass*.

¹⁰⁵ Eric Wolf, *Europe and People Without History* (Berkeley: University of California Press, 1982).

¹⁰⁶ Austen Henry Layard, *Early Adventures in Persia, Susiana, and Babylonia, Including a Residence among the Bakhtiyari and Other Wild Tribes Before the Discovery of Nineveh* (London: J. Murray, 1887); Elizabeth Ness MacBean Ross, James Ness MacBean Ross, *A Lady Doctor in Bakhtiyari Land* (London: L. Parsons, 1921); George Nathaniel Curzon, *Persia and the Persian Question*, 2 vols. (London: Elibron, 2005 [1892]); Arnold T Wilson, “The Bakhtiyaris,” *Journal of Royal Asiatic Society* 13, no. 3 (1926): 205–223; Vita Sackville-West, *Twelve Days in Persia: Across the Mountains with the Bakhtiyari Tribe* (London: Tauris Parke, 2009 [1928]).

Naficy notes that APOC established its first public film-screening program in Abadan in 1926, and projected its film in Abadan before it built a film theater in London¹⁰⁷. This implies that some of the likely film audience in Abadan included Bakhtiyari workers who were witnessing their own reification in this cinematic juxtaposition of tradition versus modernity. In Europe the APOC film was released under a different title, “In the Land of the Shah”, and was viewed by a million people in theaters, and copies of it were sold in 9.5mm format for home consumption¹⁰⁸. The film was released to coincide with Reza Shah’s coronation, and the changed title was to highlight the new monarch’s role, rather than make the film appear as corporate propaganda.

Cinematic propaganda was not the only venue where the Oil Company tried to improve relations with the Government. The Company prepared special guest quarters in Abadan and the fields and began to host all official and influential visitors, including journalists and writers, with organized tours and lavish hospitality¹⁰⁹. Sometimes the public relations efforts were embarrassingly sycophantic, such as the large monument of Reza Shah, designed and built by the Company architect J.M.Wilson, and installed in Ahvaz in 1930¹¹⁰. A year later on the anniversary of the coronation the monument was officially unveiled by the Provincial Governor in Naseri Square in the presence of 200 invited guests and 2,000 soldiers standing guard. Company Manager E. Elkington made a public speech, emphasizing that the bronze statue’s base was made of local stone from Khuzestan, and dedicated the bust to Reza Shah’s first visit to Khuzestan as a monarch¹¹¹. Overall, the effort was made to present to the public as well as to policymakers a consistently clean, modern, and progressive image of the Company, and to emphasize its modernizing effect on the people and landscape of Khuzestan and Iran.

Cinematic propaganda suited the government and the Oil Company alike. Both followed calculated scripts with instrumental agendas. John Taylor, a director hired by AIOC (Anglo Iranian Oil Company, as APOC had been renamed after 1935) to make the first propaganda sound film *Dawn of Iran* (1937) recalled later that he

¹⁰⁷ Naficy, *A Social History of Iranian Cinema, Volume 1*, 186.

¹⁰⁸ *Ibid.*, 183.

¹⁰⁹ Jalal Al-e Ahmad, “Gozareishi Az Khuzestan,” in *Karname-Ye Seh Saleh*, 3rd ed. (Tehran: Ravaq, 1978), 66–94. Khalil Maleki, “Asarati keh do Mosafarat Yeki beh Landan va Digari beh Abadan dar Khatereh Man Baqi Gozasht”, *Nameh Mardom*, no.70, vol.4, 13 April 1247

¹¹⁰ “Monument at Ahwaz to the Shah”, 19 May 1930, [BP 68848](#)

¹¹¹ “Bust of H.I.M. unveiled”, *Naft*, 7:3 (May 1931): 5-6

was given a list of subjects by the Iranian government that he was forbidden to film, including camel caravans and carpet weaving, because they would depict Iran as primitive. The film crew was assigned a police officer that accompanied them across the country as they filmed, and checked every shot through the camera before allowing them to proceed¹¹². However, the rosy and modernist propaganda films were not universally accepted. In 1927 the newspaper *Ettela'at* published a harsh critique of the original APOC film by someone named Khouzestani who wrote,

“ In Tehran they show you the beautiful films of the oil operations in the south. Of course they tell of the enormity of the Company's buildings and facilities and of the importance of the oil pipelines, and naturally you and your journalist colleagues enjoy them and perhaps think this Company is serving and benefiting Iran. But have these films ever shown the wretched lives of those lowly Iranian workers who for three Qrans a day toil in highly dangerous conditions and in really heart wrenching manner? Have these films ever shown you the manner in which in the southern oil regions a group of Indian workers are made superior to, and rule over, Iranian workers in their own homeland? Have these films ever shown you the dictatorial manner in which the [British] managers govern your fellow citizens and push and shove them around and stifle those who raise the slightest complaint?”¹¹³

Photograph 12: Cinema Hall (late 1920s)



Source: BP Archives

¹¹² Naficy, *A Social History of Iranian Cinema, Volume I*, 184.

¹¹³ Quoted in *Ibid.*, 183–184.

Cinema as entertainment, an effective social venue, and a powerful propaganda tool was incorporated into the 1926 reorganization of APOC. A proposal was made by Company directors to circulate and screen films in different locations across Khuzestan based similar to the military and the YMCA¹¹⁴ model. The Company had already set up a “Neilson Cinema” and a Staff Club earlier, but now it proposed to replace the obsolete projectors and improve the screenings¹¹⁵. New projectors cost £50 each, but the Chairman John Cadman enthusiastically sanctioned their purchase and took personal responsibility for seeing to their delivery and to ensuring the regular supply of films. It was proposed to establish a cinema at the Fields Central Hall in Masjed Soleyman and to organize either daily performances or regular visits by the permanent projectionist from Abadan. Initially only senior staff would have had access to film viewing in the Fields, but soon cinema was to become a general form of entertainment¹¹⁶.

The scope of the Company’s efforts at improving its image went well beyond cinema. It also involved publishing a regular journal with glossy graphics, along with regular newsletters. Establishing a wireless (radio) station proved to be probably the most effective way of improving moral. The Company also began to systematically plan the building of social clubs and libraries, organizing sports teams and orchestras, and building entertainment halls and gymnasiums. It proposed to open a restaurant. It was felt that the current 4-member orchestra of Indian musicians were “incompetent”, so Cadman suggested hiring musicians from Rumania or Poland instead. All these amenities were intended for Europeans. A few were made available to senior Indians; none yet to the ordinary workers and Iranians, although Cadman suggested that the Company should make an effort “to get Persians more involved”¹¹⁷. [Iranian] Armenians already had built a club and now “Persian Clerks” were asking for one of their own. Cadman strongly supported the idea¹¹⁸. However, when Iranian workers tried to organize their own athletic club in 1928, and obtained a permit from the Cultural Office of the Provincial Government, they were shut down by the police with

¹¹⁴ Young Men’s Christian Association

¹¹⁵ “Item 21, Social Activities”, p.77-79, 18 March 1926, BP 71183.

¹¹⁶ BP 71183, “Field Matters; Meeting at Abadan on 18 March 1926”; “Minutes and agenda of meetings held at Ahwaz and the Fields during Sir John Cadman’s visit to Persia 1926”, 2 April 1926.

¹¹⁷ BP 71183, “Field Matters; Meeting at Abadan on 18 March 1926”.

¹¹⁸ BP 71183, 2 April 1926.

the urging of the Company, because they feared the club would be used for trade union organization and become an autonomous place for the propagation of subversive political ideas against the Company¹¹⁹.

The Company magazine that began publication was initially called *APOC*, and later renamed *Naft* (Oil) and contained up to date news, photos, and articles in English. It was intended to forge an “imagined community” among all those working for the Company, across its widespread geography. The magazine provided news and photographs about Company activities in Khuzestan as well as London or Basra. Senior staff reminisced about the early days of their “pioneering endeavors”¹²⁰. There were reports and news about the “ladies” activities, sports events, scientific advances, official visits, etc. Later on there appeared photo essays about housing accommodations and married couple’s bungalows. Regular news of sporting events and competitions were published. The magazine created ties between scientists, engineers, managers, technicians, administrators, and workers; it relived somewhat the suffocating sense of isolation, while offering potential job applicants a glossy picture of a vibrant and pleasant working and living environment. The wireless (radio) however, seemed to have been highly prized:

“Recent scientific improvements in wireless have indeed proved a boon and blessing to the men working some 160 miles from any civilization, and one can imagine the feeling of hundreds of young men from home, many from our universities and public schools, listening to the Savoy band playing the latest dance music.”¹²¹

The organized sports activities and social clubs were among the most important policies affecting employee morale. They were meant to create a spirit of teamwork, discipline, and competitiveness; and to reinforce a sense of identity and belonging¹²². However, much like organized sports and social activities in highly class segregated and class conscious Britain and its colonies, these social activities were

¹¹⁹ Yusof Eftekhari, *Khaterat-e Dowran-e Separi Shodeh*, ed. Kaveh Bayat and Majid Tafreshi (Tehran: Ferdows Publishers, 1991), 35, 126–129.

¹²⁰ Scott, “The First Survey of the Persian Oil Fields”; Thomson, “Abadan in Its Early Days.”. See BP 71183, “Item 27: APOC magazine and publicity”, 22 March 1926, p.86

¹²¹ Cooper, “A Visit to the Anglo Persian Oilfields,” 154.

¹²² Andrei Markovits, “The Other ‘American Exceptionalism’: Why is there no Soccer in the United States?” *Praxis International*, no. 2 (1988): 125–50; Christian Bromberger, “Football as World-View and as Ritual,” *French Cultural Studies* 6 (1995): 293–311.

almost completely organized around rigid racial, national, and status lines. In Masjed Soleyman there were four social clubs by 1926, “extensively used especially in the summer”. Saturday afternoons had been dedicated for athletic activities and clubs. Clerks had their own clubs, including, “Two good clubs for Indians, and one more humble type for Armenians”. It seems there were some Iranians who had gained membership to the Indian clubs, and were now asking discreetly to form their own. “Every effort was being made to encourage sports among them...unfortunately they show no interest in games, but this might be developed later...[their desire to form a club] is good to bear in mind for purposes of effect in Tehran and on Persians generally”.

There was no official policy requiring employees to seek membership in clubs, but there was peer pressure to join. Newcomers were given an application upon arrival, but the “40 or 50” who had not joined stood out as awkward exceptions. What was interesting in Masjed Soleyman was the aversion to introducing open class distinctions within social clubs, at least among the Europeans. Reporting on the popular Gymkhana Club, the Fields’ Manager stated, “it is desirable that it should not develop into a private club, as this would introduce class divisions, which at present are non-existent in Fields”¹²³. However, this egalitarianism among the Europeans in the dangerous and rugged “Fields” did not last, and all social clubs were eventually segregated as a way of keeping races separate, and enforcing rank consciousness among employees.

The Company’s proposed libraries created some tension. A discussion had started with the McKenzie Bookshop in Baghdad to establish a bookstore and library in Abadan and the Fields, and also to manage the club library at Abadan. However, as soon as subscription rates of 1 Rupee/month had been imposed the membership in the fields had dropped from 250 to 100. In addition, racial segregation became a point of tension as a certain Mr. Armstrong, presumably in charge of the library, denied Indian clerks who had asked to be allowed access because “I feel this might prevent some Europeans from using the library”. He went on to suggest, “...A separate, smaller

¹²³ “Dossier 12: Social Services Department” 2 April 1926, [BP 71183](#)

library may be established for the Indians, and supplied by used and discarded books from the main library”¹²⁴.

Improving the image of the Oil Company among the public in Iran and abroad, the prospective job applicants from Europe, and the Iranian government, was a centerpiece of the Company’s post war reorganization. APOC hired a professional “Welfare Officer... to organize social activities of clerks, artisans as well as Europeans”¹²⁵, making this probably one of the earlier instances of a multi national corporation establishing a specialist public relations office to shape and improve a corporate brand. The Company also tried to create a strong internal corporate culture and to strengthen employee loyalty to the Company by establishing social facilities and launching a set of organized social activities and entertainment programs intended to alleviate boredom and the sense of isolation, while improving productivity, competitiveness, cohesion, and a desire for upward mobility.

However, these efforts also revealed an ingrained institutional racism within the corporate culture of APOC, a feature that was an integral attribute of its colonial links. This was by no means unique to APOC or to British overseas businesses, as Vitalis’ study of SoCal/Aramco has shown in the case of American oil companies in Saudi Arabia¹²⁶. The fallout from this institutional racism would later come to haunt APOC and cause continuous friction with its employees, the local population, and the state bureaucracy. It was a contributing factor in stirring the so called ‘resource nationalism’ in Iran, or of the nationalist political sentiments formed around several demands: First, the demand for greater national sovereignty over natural resources by increasing royalties or even wresting ownership; second, for the equal treatment of Iranian nationals working for the oil complex; and third, for increasing tangibly the control exerted by Iranian nationals over technical and managerial operations. As a result, ‘resource nationalism’ and calls for greater ‘Iranianization’ of the oil industry became one of the major bones of contention between successive Iranian administrations and multinational concerns that controlled the oil complex; first APOC/AIOC until 1953; followed by the Consortium of multinational oil corporations until 1973 when the oil industry was formally nationalized (with

¹²⁴ “Item 21; Social Activities”, 18 March 1926; “Item 5; Conference at Fields Manager’s Office” 2 April 1926; “Dossier 12; Social Services Department- Fields” 2 April 1926”, BP 71183

¹²⁵ “Item 21”, p.79, 18 March 1926, BP 71183

¹²⁶ Robert Vitalis, *America’s Kingdom: Mythmaking on the Saudi Oil Frontier*, 2nd ed. (London: Verso, 2009).

multinationals kept on as “consultants”); and eventually the 1979 revolution when all foreign national corporations were expelled from the Iranian oil industry¹²⁷.

APOC’s decision to improve its corporate image would not have carried much credibility if it were not accompanied by a meaningful commitment to improving living and working conditions. Initially these efforts were targeted exclusively to benefit European employees, along with skilled workers, artisans, and technicians. The latter categories included Indians, as well as some Iranians (including Iranian Armenians). The masses of casual and unskilled workers were completely excluded from these improvements (until after WW2 in the 1940s). However, as class frictions mounted successive layers of subaltern workers and residents of oil cities succeeded in wresting concessions from the Oil Company and the Iranian government to extend the circle of these social benefits and municipal amenities. This expansion of social services was gradual and highly uneven. Thus, the provision of a number of sanitary and public health improvements, such as safe drinking water, the building of latrines and a sewerage system, access to Company hospital and public health facilities, etc. initially began as services for the permanent employees within Company enclaves, although Company hospitals and dispensaries did treat the indigenous population in separate wards. However, once the process had started, the extension of these social and municipal services to a wider urban public became increasingly unavoidable due to public pressure and for practical reasons (see next chapter). Likewise, the support and subsidizing of formal schools and technical education began as exclusively Company affairs, but were soon extended to the larger urban public (see next section).

By mid 1920s APOC had made some progress toward improving its hitherto abysmal image. In this rebranding the Company was aided by politicians and senior soldiers who used scientific venues such as the Royal Central Asian Society to extol the virtues of the Company and wrap it in a patriotic veneer. Sir Harry Brittain, a

¹²⁷ Mohammad ‘Ali Movahed, *Naft-e Ma va Masa’el-e Hoquqi-e An (Our Oil and Its Legal Issues)* (Tehran: Kharazmi, 1978); Peyman Jafari, “Reasons to Revolt: Iranian Oil Workers in the 1970s,” *International Labor and Working Class History* 84, no. 1 (2013): 195–217; Maral Jefroudi, “Revisiting ‘the Long Night’ of Iranian Workers: Labor Activism in the Iranian Oil Industry in the 1960s,” *International Labor and Working Class History* 84 (Fall 2013): 176–94; Mostafa Elm, *Oil, Power, and Principle* (Syracuse: Syracuse University Press, 1992); Valerie Marcel, *Oil Titans* (London: Chattam House, 2006); Peter Nore and Terisa Turner, eds., *Oil and Class Struggle* (New York: Zed Books, 1980). On the issue of resource nationalism in the comparable case of Venezuela see Tinker Salas, *The Enduring Legacy*; Bernard Mommer, *Global Oil and the Nation State* (Oxford University Press, USA, 2002); Fernando Coronil, *The Magical State: Nature, Money, and Modernity in Venezuela* (Chicago: University Of Chicago Press, 1997).

conservative MP, told his audience that he had just returned from a 35,000 mile pilgrimage of the British Empire which had included a visit to Khuzestan:

“This is not only the finest oilfield that I have seen, but it is absolutely beyond all praise from the point of view of organization...some people [talk about] the decadence of the British Empire, [I would] suggest that if they want a tonic they should get out to Southern Persia, and see what Englishmen and Scots in cooperation can do together... [People at APOC] work, and work hard. But I do not think it is right to say that they have nothing else to do and no relaxation. When I arrived at Christmas day there was a very first-class race meeting...in this appalling looking region. I found in my tour round this district everything in the way of tennis, polo, athletics, even a regatta on the miserable little pond you saw by the first pumping station... [In this venture] the British Government has got one of the finest investments it ever made.”¹²⁸

Photograph 13: Sailing on the "Miserable Little Pond"



Source: BP Archives

To these remarks Admiral Richmond added “[APOC] must not be looked upon as a purely business proposition. It is of the greatest national importance...not only as giving work at home, but from the point of view of imperial defense it is a matter upon which too much importance cannot be laid”. He went on to emphasize

¹²⁸ Cooper, “A Visit to the Anglo Persian Oilfields.”

“the great care that was taken in Abadan by the Company to look after all its employees...every effort is made by the Company to make their people comfortable in every way. It is a beastly place in itself. But everything done is truly on a lavish scale showing that the Company have the interests of their employees at heart and are not afraid to spend money on making them comfortable (Applause)”. Anthony Eden, another conservative MP and parliamentary secretary to Austen Chamberlain at the time, highlighted the Company’s hospitals as a great public relations factor with the local people, and because of it “the Company is not only a great business enterprise, but a great humanitarian agency in Southwestern Persia (Hear, hear)”. Eden continued to extol the great sense of national pride generated by the scale of APOC and the great economic benefit it was generating through “a very large measure of employment to be given directly and indirectly, through manufacture of appliances and stores of every kind, to tens of thousands of British workmen”.¹²⁹

It will be recalled that this was the year 1926, with unemployment and labor strife reaching a boiling point in postwar Britain, that would explode in the general strike three months after this lecture was delivered (Chapter 4). These presentations wrapped the oil venture in Iran in the flag of patriotic pride and the grandeur of industry and empire, all at the same time. They presented APOC as a grand humanitarian venture, and a great contributor to the British economy and its working class suffering from unemployment and poverty. They framed Khuzestan as an abysmal place, which was being rescued by the civilizing mission undertaken by APOC. This combination of a sense of moral mission and material opportunity framed Khuzestan as a great place to work and to live comfortably. The Chairman of the event, Sir Michael O’Dwyer, the former Lieutenant governor of Punjab (1912-1919) who had presided over the Amritsar massacre in 1919 before being relieved of duty, concluded the proceedings by framing Abadan as a tourist destination for “Gentlemen from Baghdad, when they want a weekend holiday, go to Maidan-i Naftun [Masjed Soleyman]. When they go there they find excellent shows going on, races where they can back a winner...and in fact the amenities of civilization in such abundance that in a year or two Maidan-i Naftun will draw people like Algiers or Egypt. We are all proud of this great outpost of civilization in the East”¹³⁰.

¹²⁹ Ibid.

¹³⁰ Ibid., 161.

By mid 1920s APOC was hard at work rebranding its corporate public image and the perceptions of the living and working conditions in Khuzestan. Corporate propaganda associating large industrial and commercial companies with patriotic and humanitarian accomplishments had become an integral part of strategic planning by large businesses during WWI (chapter 4). But after the war the advent of Fordism, the rise of multi national corporations, intensifying mass politics, labor radicalism, and nationalist and revolutionary fervor, further consolidated this trend. APOC badly needed this boost in public image to improve its recruitment drives, and to reduce and ward off criticism. To get this boost it relied on the magic of the seventh art, cinema; it mobilized politicians, military veterans, journalists, geographers, and technical professionals to praise its accomplishments in respected scientific settings closely associated with the Empire; it published a glossy magazine, and set up a public relations office to refute any and all criticism, disseminate information, and shape public opinion in its favor.

However, without some real commitment to improving the abysmal working and living conditions in Khuzestan it is unlikely that any of this extensive propaganda and rebranding would have produced the desired results. Consequently, aside from technical and managerial changes in the workplace, and the acceleration of its international marketing and explorations, what came to define APOC's post-war restructuring was its newfound reluctant paternalism, as it found itself obligated to commit to dealing and engaging with 'the social question' in Khuzestan's oil complex.

The Making of Skilled and Permanent Iranian Workers: Education, Discipline, and 'Iranianization'.

In the interwar years mass education of Iranian workers and their children became a pressing concern for APOC, and it entered its repertoire of reluctant paternalism. On the other hand, Iranian nationalists and the state came to conceptualize and to measure the extent of national sovereignty over natural resources, national territory, and the oil industry, in terms of the *Iranianization* of those working in the oil industry, and especially the number of Iranian nationals in the managerial and upper echelons of the Company. Given the almost completely undeveloped modern national education infrastructure in the interwar period (see below), the establishment of basic education as well as technical training to qualify

Iranians for employment in the oil industry became an inevitable policy priority and a highly sensitive issue in Khuzestan.

As for the local population, once the local socio-economic structures had been significantly undermined gaining permanent paid employment in the oil industry became their preferred, sometimes the only, option. Once the established system of tribal work gang levies established between APOC and the local magnates¹³¹ began to wane, job applicants increasingly had to seek work at the Company as individuals rather than as members of a community. They faced competition from skilled Indian workers and artisans, as well as other qualified Iranians. Consequently, gaining formal education and accreditation over time became a significant social and economic strategy among the local population. Needless to say, the gradual establishment of modern institutions of education had profound socializing impact; especially in the urban centers where Company sponsored schools were established to teach literacy, technical training, some English, modern sciences, technical knowhow, and an almost military discipline and modes of regimented behavior, to the boys who were preparing to work for the oil industry or for the growing bureaucracy and the private sector.

The Company had established a technical school in Ahvaz in 1916 to train skilled adult workers. But now it began investing in the establishment, funding, and managing a growing number of elementary as well as technical schools and apprenticeship programs across its areas of operation, but especially in Abadan, Ahvaz, Mohammareh, and Masjed Soleyman. There were several reasons behind this commitment by a private corporation to a social program that historically and conventionally had fallen within the purview religious establishments, but since 1870s, and especially in the post war era, was being taken over by the central states¹³². First, the technical and organizational shifts in modern industry demanded workers

¹³¹ Touraj Atabaki, "From 'Amaleh (Labor) to Kargar (Worker): Recruitment, Work Discipline and Making of the Working Class in the Persian/Iranian Oil Industry," *International Labor and Working Class History* 84 (Fall 2013): 159–75.

¹³² The historical role of religious establishments in education began to be replaced by the modern state toward the end of 19th century. For Britain and France see Weber, *Peasants into Frenchmen*; Hechter, *Internal Colonialism*; Foucault, *Discipline and Punish: The Birth of the Prison*. On the educational change under Reza Shah in Iran see Issa Khan Sadiq, *Modern Persia and her Educational System* (New York: International Institute of Teachers College; Columbia University, 1931); David Menashri, *Education and the Making of Modern Iran* (Ithaca: Cornell University Press, 1992); Banani, *The Modernization of Iran, 1921-1941*.; Michael P. Zirinsky, "Render Therefore Unto Caesar the Things Which Are Caesar's: American Presbyterian Educators and Reza Shah," *Iranian Studies* 26, no. 3/4 (July 1, 1993): 337–356.

with different skill sets and the ability to work under a more detailed and atomized division of labor (see chapter 4)¹³³. Second, the chronic labor shortages during wartime and in its immediate aftermath discussed in previous sections led APOC to make a strategic decision to bring casual and unskilled Iranian workers up to the standards of Indian and some European skilled workers and artisans to alleviate this chronic shortage. Third, and more significant still, were the political calculations behind this decision. The terms of the D'Arcy concession required all manual labor and non-managerial employees to be Iranian¹³⁴, and the continued hiring of Indians and non-Iranians (including Iraqis) was increasingly becoming a major bone of contention with the Iranian government, as well as with local people migrating to the growing oil towns, and demanding some tangible benefit from the industry that had so affected their lives.

Prior to the 1921 coup d'état the Company could safely ignore these complaints, but once the paternalistic control of Khaz'al and Bakhtiyari khans had been diminished or removed and a strong central government with a nationalistic agenda had been established, APOC found itself under increasing pressure to comply with the letter of its contract. Another political concern was the implicit subversive threat of rising nationalism in India, a factor that worried APOC officials that work-related grievances by Indian employees could be also radicalized by this political backdrop. Fourth, was the quandary of the absence of any modern educational infrastructure in the country, and especially in Khuzestan: In 1918 there were only 45 modern elementary schools and 11 high schools throughout Iran. By 1925 the numbers had increased to 648 and 86 respectively; with 2,260 pupils graduating from elementary schools and 110 from high schools. In 1925 there were some 1,301 traditional schools (*maktabkhaneh*) across the country, run by 1,500 religious scholars (*ulama*), and training 29,000 pupils in literacy and basic religious subjects. There

¹³³ On the transformation of the scientific, managerial, technical, and labor requirements of the oil industry, and its globally interconnected nature, see Ferrier, *History of the British Petroleum Company*, 1:397–460.

¹³⁴ Article 12 of the 1901 D'Arcy Concession: "The workmen employed in the service of the Company shall be subjects of His Imperial Majesty the Shah, except the technical staff such as managers, engineers, borers, and foremen". Ibid., 1:642.

were also 282 religious seminaries, training nearly 6,000 pupils (*tollab*) in advanced religious instruction¹³⁵.

The plain fact was that at that stage the upstart Iranian state neither had the financial means nor the institutional wherewithal, or the personnel to provide adequate educational instruction on a large scale. As we saw in chapter 2, the political priorities of the new political regime also lay elsewhere, with the bulk of the annual budget after 1921 geared to developing the military, with education being a paltry 3% of the meager budget (chapter 2)¹³⁶. Heavy national debt, post war chronic poverty, and the fact that the central government had virtually no significant institutional presence in the autonomous province until 1925, put APOC in the unenviable position of reluctantly shouldering the responsibility of funding and managing educational institutions, albeit with the explicit intent of gearing all training toward eventually serving the needs of the Company. Although the Company kept pressing the central government to shoulder more of this responsibility Tehran resisted, and while it did not reject its responsibility outright it kept insinuating that since the flood of migrants population to the oil towns of Khuzestan was being caused by the oil industry the Company ought to shoulder partial responsibility for social services, such as education, municipal services, and public health¹³⁷. In 1926, before leaving for Iran to preside over the reorganization of APOC, John Cadman the Company Chairman told an audience in London at the Royal Central Asian Society:

“One other phase of the oil-field I wish to speak of, and that is the human side. It is the conversion of a fairly crude material in the form of the Persian laborer into the skilled artisan. The schools which the Company have set up have introduced a method which would be difficult to implement in this country, I will admit; but the pay of a workman is dependent upon his capacity to pass a test, and the schools are so developed that a man passes into the schools and back to the works, and by that means he can only get his increase of pay by increase of efficiency. The operations, such as boiler work, done by what

¹³⁵ *Bayan-e Amari-ye Tahavolat-e Eqtesadi va Ejtema'i-e Iran dar Doran-e Por Eftekhar-e Doudeman-e Pahlavi [Statistical Performance of the Social and Economic Developments of Iran During the Glorious Reign of the Pahlavi Dynasty]* (Tehran: The Statistical Center of Iran, 1976), 42–47.

¹³⁶ *Persia, Annual Report 1925*, Burrell, *IPD*, Vol.7, 382–384.

¹³⁷ Ironically, this haggling over the extent of the social responsibility of the oil industry to local society became a permanent feature of the oil complex in Iran, one that persists to this day Kaveh Ehsani, “Naft na Estebdad Misazad, na Democracy” *Tarikh Irani*, 2012, <http://www.tarikhirani.ir/fa/files/13/bodyView/131/>.

appears to be quite crude natives would astonish a Scotch dockyard skilled workman, It is remarkable how these people can be got to work by proper training. It is all done by carefully thought out plan.”¹³⁸

The decision to bring Iranian workers up to standard by establishing training programs and formal schools was in part precipitated by the Indian labor strikes of 1920, 1922, and 1924. In 1920 the future of Abadan as a refinery was still uncertain. Despite its critical importance during the war the management and the technical conditions of the refinery were very poor. “The state of the refinery was very unsatisfactory, caused by inadequate management struggling to bring new plans into operation, whilst coping with a backlog of imperfect maintenance...the role of the chemist was virtually neglected and so the performance of the refinery suffered in consequence... In 1922 there was a disastrous fire...the plant was suffering from exceeding deterioration with an adverse effect on performance”¹³⁹. In addition, the Company was uneasy over the terms of the D’Arcy Concession, the perceived instability of Iran under the perceived ‘the Bolshevik threat’, and its ongoing frictions with the government of Iran over royalties (chapters 2 & 3). There were serious debates among directors to relocate the refinery to India, where labor was cheaper, and far better infrastructure and a ready market were available.

Once the decision to remain in Abadan was made on technical grounds¹⁴⁰ the city inevitably became the primary industrial and shipping center of the oil industry where, at any time, between one third to one half of all APOC employees in Iran worked and lived (see table 3). In the early 1920s some 2700 Indians made up 70% of all those working for oil in Abadan; their work was vital to continued operations, and consequently their protests and strikes had significant repercussions for APOC. Many scholars have connected the 1920 strike, spearheaded by Sikh artisans and skilled workers, to the Amritsar massacre of 1919. Although without a doubt this was an important factor in the politically charged post-war era, the fact remains that living and working conditions in Abadan were abysmal¹⁴¹ and solidarity with fellow

¹³⁸ Cooper, “A Visit to the Anglo Persian Oilfields,” 160–161.

¹³⁹ Ferrier, *History of the British Petroleum Company*, 1:430.

¹⁴⁰ “Technical and economic, not political reasons ultimately decided the fate of Abadan. The ‘balance’ of products had to be maintained in relation to market demand and productive proximity” *Ibid.*

¹⁴¹ Atabaki, “Far from Home, but at Home; Indian Migrant Workers in the Iranian Oil Industry”; Ferrier, *History of the British Petroleum Company*, 1:432–433.

Punjabis was in all likelihood a catalyst but not the primary cause of the strike. Indian strikers were joined by Iranians, demanding improved wages, reduction of working hours, overtime pay, better sanitary conditions, and an end to mistreatment and humiliation by staff. The Company director H. Nichols who had just arrived for a visit quickly agreed to their demands and increased their pay by 80%¹⁴².

The compromise ended the strike, but it had become clear to Company directors that “a comprehensive solution was required”¹⁴³. Arnold Wilson, ironically a profoundly Victorian personality who had been hired as Company Manager in Mohammareh after having served as acting Viceroy of Iraq, now called for reorganizing the management structure in favor of “a modern approach, to break with the 19th century management practices”¹⁴⁴. The comprehensive corporate restructuring was accompanied by a reluctant commitment to erecting a paternalistic and hierarchical social welfare structure. The structural reforms of management, operations, administration, and the reluctant limited commitment to what amounted to ‘urban’ social welfare were the main components of the comprehensive solution upon which APOC settled in the interwar years.

¹⁴² Ferrier, *History of the British Petroleum Company*, 1:432–433; Floor, *Labor and Industry in Iran, 1850-1941*, 54–55; Cosroe Chakeri, *The Condition of the Working Class in Iran: A Documentary History* (Florence: European Committee for the Defence of the Democratic Rights of the Workers in Iran, 1978), 41; Dobe, “A Long Slow Tutelage in Western Ways of Work: Industrial Education and the Containment of Nationalism in Anglo-Iranian and ARAMCO, 1923-1963,” 29–32.

¹⁴³ Ferrier, *History of the British Petroleum Company*, 1:432.

¹⁴⁴ Dobe, “A Long Slow Tutelage in Western Ways of Work: Industrial Education and the Containment of Nationalism in Anglo-Iranian and ARAMCO, 1923-1963,” 31. On Arnold Wilson see chapters 1, 3, 6, and Marlowe, *Late Victorian*.

Photograph 14: Indian and Iranian Workers in an Abadan Workshop (1920s)



Source: Ministry of Petroleum, Iran

As discussed in the previous section, this reorganization included improving public relations, housing accommodations, married quarters, public health and medical services, leisure amenities, establishing company stores as a way of controlling inflation and assure food safety, and investing in a growing program of training and educating Iranians eventually to replace Indians. When a second strike by Indian workers occurred in 1922, the Company was more hardnosed in its response and refused to compromise. It called on Sheikh Khaz'al to suppress the strike, and once that was accomplished it evicted the strikers to India¹⁴⁵. The strikers again had demanded better accommodation, decent latrines and cooking facilities, more humane work hours, improved pay, and an end to racial abuse and humiliation by Europeans. By then, although the overall number of Indians had remained the same (table 3) and their work continued to be crucial, they formed a much reduced 30% of the total labor force in Abadan. Another Indian strike occurred in 1924, but it was suppressed more easily. The Company decided to keep Indian employees as clerical staff, cooks, orderlies, and household servants; but “by 1925 Persianization

¹⁴⁵ Floor, *Labor and Industry in Iran, 1850-1941*, 53–58.

was a major concern for APOC management¹⁴⁶, and the commitment to the long term process of Iranianizing the industrial labor force had started.

Initially the Company devised an education plan in 1925, after consulting Isa Khan, the provincial Director of Education¹⁴⁷. In addition to the technical school that had been built in Ahvaz in 1916 the Company built a new apprentice training center in Abadan to train, test, and grade enough qualified fitters, drivers, firemen, mechanics, turners, electricians, and other skilled personnel to replace departing Indians. Soon the construction of a number of elementary schools in Mohammareh, Abadan, Ahvaz, Masjed Soleyman, and Shushtar were added to these initial efforts. Some of these were technical schools, for example Masjed Soleyman, where 50 boys between the ages of 10 and 18 trained as artisans. Other schools were hybrid organizations, combining elementary education using the formal textbooks and curriculum of the Iranian Ministry of Education, in addition to lessons in English language and technical instructions. The Hamidiyeh and Khayam schools in Ahvaz were among these, with 142 pupils. The Company supplied the boys with uniforms, and hired an army sergeant to teach sports, physical training, discipline, and football. In some cases the Company subsidized the government schools, as in Mohammareh where it paid 100 Touman to keep the local public school open. In Abadan the Company estimated that the Danesh Pahlavi School had the potential to double its enrollment to 300. It also funded the Stuart Memorial College in Isfahan for training more advanced technicians and engineers, by providing an initial investment of £3,000 and an annual subsidy of £500. Altogether the Company was investing £3600 annually in education, but it was willing to substantially raise that figure to £10 thousand/ year¹⁴⁸.

¹⁴⁶ James Bamberg, *History of the British Petroleum Company*, vol. 2 (Cambridge, UK: Cambridge University Press, 1994), 94.

¹⁴⁷ Dobe, "A Long Slow Tutelage in Western Ways of Work: Industrial Education and the Containment of Nationalism in Anglo-Iranian and ARAMCO, 1923-1963," 37.

¹⁴⁸ "Dossier 5: Education in Khuzistan", 15 February 1926, [BP71183](#)

Photograph 15: Abadan Technical School



Source: Ministry of Petroleum, Iran

Photograph 16: Military Style Public School



Source: BP Archives

However, direct Company involvement in education was a double bind: It could potentially become a political minefield, as well as being a major public relations boon. The Iranian state from the onset had always objected to the Company's hiring practices and demanded greater 'Iranianization' as an indication of the Company's compliance with the terms of its contract. In 1909 the Kargozar in

Mohammareh alarmed the Foreign Ministry by reporting about the hiring of Ottoman, Indian, and Chinese workers, and the building of a railroad, jetties, and a brick factoring in Abadan and Mohammareh (29 September). The Foreign Ministry (11 October) asked the Ministry of General Welfare to post its own agent to the province and to demand APOC to appoint an attorney in Tehran to answer the governments' concerns about hiring foreign nationals as well as "importing trucks, hot air balloons, building permanent structures in Ebbadan (Abadan) and Mohammareh". It also asked Sadiq al-Saltaneh, the Iranian ambassador in London, to inquire APOC about these "violations of the contract" (14 November). The Ambassador replied that "the hiring of Portuguese, Australian, and Ottomans by the Company was due to the shortage of equivalent Iranians, and the building of permanent structures was within the terms of the 60 year concession" (11 December)¹⁴⁹.

Nevertheless, the tone of suspicion and mistrust were set, and these diplomatic and bureaucratic frictions were to become a permanent feature of Company-state relations. The Kargozar expressed concern about the Company dealing in landed property with local magnates (June 1909). Clearly there was concern over territorial sovereignty and the powerlessness of the central government to do anything about it.

"The British consul must be made aware that they need to obtain the approval of the Kargozari before they deal directly with the local population... This is a report on the vast authority that the British consulate is exercising in its dealings with [Khaz'al]... It is necessary to establish Kargozaris in Masjed-Soleyman, Shushtar, and Abadan in order to control the Company's behavior, especially regarding their actions in arresting, trying, punishing, and incarcerating Iranian nationals" (Winter and Spring 1911).

The mounting concern about the loss of sovereignty extended to the Company's labor practices and the intermediary role played by local magnates: "There are repeated meetings between the British consul and [Khaz'al], they are plotting against the Bakhtiary Tribe and Sheikh Farhan... We report on the excellent relations between the British consul and [Khaz'al] and their reliance on his support in hiring Iranian workers".

¹⁴⁹ INA, "Telegraph Reports."

The Foreign Ministry was incensed and reprimanded the Kargozar of Khuzestan for “remaining passive and failing to object to the punishment of Iranian workers by the Oil Company, and to the latter’s establishing of a criminal court” (20 April 1911). The Majles inquired (14 November 1909) about the “building of railroads and steam engines on the Braim Island without government permission”. This was before any construction had actually begun in Abadan, and revealed the profound lack of knowledge in the capital about local geography and the actual goings on there. On the other hand, as we saw in chapters 2 and 3, the suspicion and paranoia seemed not to be unfounded. On 11 April 1911 APOC informed the government about its progress, and the appointment of Dr Young as intermediary for negotiations with the Bakhtiyaris. It also insisted on its right to continue to hire skilled foreign workers until Iranians had been adequately trained¹⁵⁰.

These encounters from the early days of the oil industry show the extent of the deep-seated suspicion by Tehran and its handful of local agents in Khuzestan about British and APOC intentions and activities in the south. The Oil Company had been acting like a sovereign state on Iranian territory, shielded by the British military might. At the same time, the central government had become acutely aware of its own impotence when it came to exercising any authority over the Company, the local magnates, or its own territory. Its near total lack of reliable and systematic first hand knowledge about the region itself, its populations, and the goings on there only highlighted this weakness and added to its suspicions.

To Iranian nationalist and the central government the Iranianization of the Company’s workforce appeared as a tangible measure of exerting sovereignty over the country’s most important and modern industry. However, the education of the next generation of Iranians under the tutelage of the Oil Company, was a paradoxical issue, and highly sensitive for a central state intent on imposing universal education as an instrument of homogenizing national identity by instilling an official nationalism and patriotism among a highly diverse and heterogeneous population.

APOC was aware of this sensitivity and thread carefully. H. Nichols, the Company Director, was conscious that when the Prime Minister Reza Khan had first visited Abadan in 1924, he had not seen a single Persian employed in the refinery¹⁵¹.

¹⁵⁰ INA, “Telegraphic Reports.”

¹⁵¹ 8 August, 1925, BP 54495

The building of schools and educational facilities in Masjed Soleyman were speeded up but there were disagreements over where to build and what the curriculum should be. The Company policymakers feared objections would be raised over religious grounds if the curriculum were not purely technical. Should Armenians be allowed to participate next to Muslims? Who should pay for the education of Iranian children? Should they build secondary schools as well? Ultimately, another question was also raised implicitly, but left hanging with some resignation and even resentment: Why should a private corporation get involved in public schooling of children and young adults in Iran?

As the political situation in Khuzestan became more wrought with the intent of the central government to challenge autonomous local magnates once and for all becoming unmistakably clear, the Company became more aware of the risks that its problematic public image would pose, especially when it came to the hiring of Indians and other foreigners in lieu of Iranians. Director Nichols suggested the Company was not getting enough credit for hiring Iranian contract laborers, and proposed a number of book keeping modifications as a strategy of improving their public image. These included the issuing of monthly instead of quarterly personnel reports, changing the labor classifications to include the casually and precariously employed in the permanent roster of the Company, and classifying employees under general national categories – ‘Persians’, ‘Indians’, ‘Europeans’, ‘Others’.¹⁵²

The continued discontent of the central government was evident in Cadman’s meeting the following year with the cabinet, including the Prime Minister Forouqi, Finance Minister M.Q. Bayat, the American Financial Tsar Arthur Millspaugh, Davar the Minister of Public Works, along with Cadman, Jacks, and Dr Young, representing APOC. Davar set the tone for relations in the new era by stating that Iran’s two major grievances were the low royalty receipts, and that still after nearly twenty years of activity in Iran there were not enough Iranians employed in the oil industry. Forouqi the Premier also echoed the complaint about low royalties, and added that Iranians were not receiving enough benefits from their national oil resources, and the

¹⁵² BP 54499; Dobe, “A Long Slow Tutelage in Western Ways of Work: Industrial Education and the Containment of Nationalism in Anglo-Iranian and ARAMCO, 1923-1963,” 35–37. It is amusing that at present the Iranian Petroleum Ministry is resorting to similar tactics to present a better public image regarding its questionable labor practices in large oil and gas installations like Assalouyeh. See Mohammad Maljoo, “Ta’ dil-e Nirou-ye Enسانی dar Doereh-ye Eslahat [Adjusting the Labor Force during the Reformist Era],” *Naqde-e Eqtesad-e Siasi*, September 2012, <http://pecritique.com/2012>.

Company was not devoting enough attention to the general welfare of the public in the areas it was operating. Cadman replied that APOC was not predatory and did take Iranianization very seriously. As to the other objections, he replied that D'Arcy had taken a risk over many years with his capital investment and the current Company's success was a just reward for that early entrepreneurship as well as hard work. At present 80% of employees were Iranian, and there would be more in the future as the education program would start bearing results¹⁵³. The discussions proved inconclusive, as will be seen in the next chapter. Nevertheless, by 1926 it had become clear that Company commitment to developing the education program in general literacy, formal primary schools, and technical training were essential to the continued operations of APOC in Iran.

However, there were disagreements as how to proceed. Resident Director in Tehran, T.L. Jacks, believed that "Opening up of primary schools at Fields is essential because the 140 children of local employees have no facilities... The sympathy and appreciation of the Persian Government must be insured. The Company should control [the educational] expenditures, but also adopt the [formal government] curriculum and give the direction to the Ministry of Education...The Government must bear the pressure...but we might as well perform our duty". Dr Young maintained that the Company ought to build a secondary school in Ahvaz; however Arnold Wilson strongly disagreed, arguing that secondary schools were of little interest to the Company and they would only irritate the government¹⁵⁴.

As formal education was becoming a centerpiece of modern nation state building how schools were operated would become increasingly politicized. In the government run *Danesh Pahlavi School* in Ahvaz teachers expressed a desire to leave public service and get hired by APOC for better pay. Alarmed by the possible implications of how this might be misinterpreted by the Iranian government, the Company refused and instead offered to subsidize the school with 100 Touman/month to maintain it as a public institution. Overtime the Company was approached by the government, or volunteered itself to subsidize teachers and schools, offering them company housing and access to some Company supplied amenities and services, as a

¹⁵³ 4 and 6 May, 1926, [BP 71183](#)

¹⁵⁴ 15 January 1926; 23 February 1926, [BP 71183](#)

way of keeping good relations, but to also continue supporting the training of its future labor force and employees.

However, the issue of educating the next generation of Iranians continued to remain politically sensitive. Arnold Wilson proved to be astute in his warning against Company commitment to secondary education, as the socialization of high school students and their curriculum would prove to be a highly sensitive issue for the state. Over the next 15 years the increasingly authoritarian central government would issue decrees and launch a series of cultural and educational programs intended to modernize the Iranian public through pedagogy, education, indoctrination, as well as through coercive cultural policies, such as the obligatory national dress code¹⁵⁵. Formal school education was a central tenet of this program of authoritarian modernization. In 1930 the government established the first modern university in Tehran, and began sending students abroad to study engineering, natural sciences, medicine, modern agriculture, and law. There were nearly 150 schools in Tehran, with an enrollment of 19 thousand boys and 10 thousand girls. By 1936 there were nearly 260 thousand students across the country, studying in 5,340 schools and colleges. By 1939 the government formally Iranianized/nationalized all schools and closed down all foreign run educational establishments, with the intention of establishing a firm grip over the acculturation of all pupils and students¹⁵⁶. However, APOC's reluctant engagement with public education, technical training, organized sports and embodied disciplines, proved an important step toward gradually preparing the ground for more qualified skilled Iranians to join the ranks of Company employees, even if its resistance to open its more senior ranks to Iranians remained a major bone of contention until 1951 when Iranian oil was nationalized.

Conclusion: A cautionary note on the paradoxical politics of 'Iranianization'

This chapter explored the context of the rise of the 'social question' in Khuzestan from the perspective of the Oil Company and the fledgling central government. This important paradigm shift did not take place in a vacuum, but was a

¹⁵⁵ Camron Michael Amin, *The Making of the Modern Iranian Woman: Gender, State Policy, and Popular Culture, 1865-1946* (Gainesville: University Press of Florida, 2002); Chehabi, "Staging the Emperor's New Cloths: Dress Codes and Nation Building under Reza Shah"; Baker, "Politics of Dress: The Dress Reform Laws of 1920s and 1930s Iran"; Matthee, "Transforming Dangerous Nomads into Useful Artisans, Technicians, Agriculturalists: Education in the Reza Shah Period"; Bayat, "Riza Shah and the Tribes"; Cronin, "Re-Interpreting Modern Iran."

¹⁵⁶ Burrell, *IPD*, Vol. 8, 532, 538; Vol. 9, 583; Vol.10, 231.

consequence of global, national, and local changes taking place in the interwar years (chapters 2,3,4). At the end of WWI the oil complex in Iran faced a turning point where much was at stake. First, there was the changing relation of Britain with the post coup d'état central government in Tehran. At the same time Britain and APOC were intent to ward off of powerful global competitors, especially the US, from encroaching on a strategic monopoly resource. Meanwhile, the considerable threats of labor radicalism and of socialist and nationalist anti imperialist sentiments to consider were being felt at all levels of the Company and the British government. More locally, there were even greater challenges to deal with, ranging from handling the consequences of the social and political vacuum left by the demise of APOC's local allies the Bakhtyari Khans and Sheikh Khaz'al, to the strategic questions of where to locate the world's largest refinery, how to maneuver the new regional geopolitics of a sensitive borderland, and above all, to manage the massive growth of boomtowns with teeming populations of destitute migrants deracinated from their social and economic lives and forming new place-based bonds of solidarity in the urban spaces created by oil, and making increasingly vocal demands for tangible improvements in their lives.

The Oil Company's poor public image and its growing need for a permanent, qualified, and docile workforce could no longer be ignored. The central government's desire to impose its sovereignty on the national territory, populations, and resources was irreversible. The realization by the growing populations of the oil boomtowns that their lives were now permanently tied to the transformations imposed by the rising nation state, and oil capitalism generated a new range of social expectations that amounted to demands for what Lefebvre called "the right to the city"¹⁵⁷. This chapter analyzed the dynamics behind the comprehensive re-organization of APOC in the post WWI decade, by investigating the dynamics behind the efforts by APOC to improve its public image, to reduce its reliance on foreign workers, to train and educate permanent Iranian workers and employees, as well as their children, and to provide social and leisure amenities that would make life and work more tolerable. These efforts were not made in isolation, but through the recurring encounters and constant frictions with other key social actors in the oil complex. The result was the transformation of what I have called 'the oil habitus' in Khuzestan. The next chapter

¹⁵⁷ Henri Lefebvre, *Le Droit à la Ville*, 3rd ed. (Paris: Anthropos, 2009).

Chapter 5 - Reluctant Paternalism in the Oil Complex after WWI

will analyze the dynamics of urban change in Abadan by investigating the contestations over making Abadan a 'sanitary city' through the adoption of public health measures and municipal reforms, and the resistance of the workers and the urban residents to the segregation and dispossession that underlay these measures.