

October 15, 1951

Complaint of Failure by the Iranian Government to Comply with Provisional Measures Indicated by the International Court of Justice in the Anglo-Iranian Oil Company Case (S/2357)

Citation:

"Complaint of Failure by the Iranian Government to Comply with Provisional Measures Indicated by the International Court of Justice in the Anglo-Iranian Oil Company Case (S/2357)", October 15, 1951, Wilson Center Digital Archive, Security Council Official Records, 6th Year : 560th Meeting, 15 October 1951, S/PV.560, UN Official Document System, Job Number N5191915,

<https://documents-dds-ny.un.org/doc/UNDOC/GEN/N51/919/15/pdf/N5191915.pdf>.

Contributed by Cyrus Schayegh

<https://wilson-center-digital-archive.dvincitest.com/document/291034>

Summary:

In 1901, Iran granted an oil concession to a foreigner: William Know D'Arcy (1849-1917), a British national who before had worked in mining in British imperial Australia and New Zealand. The 60-year concession gave the Iranian government, then led by the Qajar dynasty (1794-1925), 16-percent of annual profits. In 1908, D'Arcy's engineers found oil in the southwestern province of Khuzistan, bordering Ottoman Iraq. The same year, D'Arcy's company became the Anglo-Persian Oil Company (APOC; from 1935 Anglo-Iranian Oil Company [AIOC]; from 1954 British Petroleum [BP]), which by 1913 began to commercially exploit Iranian oil. In 1914, the British government bought 51-percent of APOC's shares and hence effectively its control, which mattered particularly to the Navy, the world's largest, that was shifting from coal to oil combustion. In 1933, the 1901 concession was moderately revised. Iran now received 20-percent of annual profits, and APOC made other minor concessions, agreed on in a meeting between Reza Shah Pahlavi (1878-1944, r. 1925-1941) and APOC Chairman John Cadman (1877-1941).

Iranian AIOC laborers' and the Iranian public's complaints about the status quo grew audible after the Anglo-Soviet occupation of Iran opened up the political sphere in 1941. Later that decade, nationalist parliamentarians, including Muhammad Musaddiq (1882-1967), began to demand a new agreement along the lines of the 50-50 profit-sharing deal that Venezuela's 1943 Hydrocarbons Law had successfully imposed on foreign oil companies. AIOC refused. Its 1949 counter-offer was accepted by Muhammad Reza Shah Pahlavi (1919-1980, r. 1941-1979) but rejected by parliament, not the least because in 1950 also Saudi Arabia got a 50-50 profit-sharing deal with ARAMCO. In April 1951, parliament elected Musaddiq Prime Minister.

Having for a long time criticized AIOC's role—and by extension Britain's influence—in Iran, Musaddiq demanded AIOC respect sovereign control. When it refused, he cancelled its concession and nationalized its assets in Iran. The following two years were fateful. They ended with a CIA-led coup d'Etat that in 1953 ousted Musaddiq, turned Iran into a US client, and allowed the US government to bring (initially not quite willing) US oil companies into Iran, sidelining BP, and to create a consortium in 1954 that paid Iran 50-percent of its profit. Moreover, Iran's oil nationalization drama was an international affair. Anticolonial masses treated Musaddiq as a hero also outside Iran, as Lior Sternfeld shows in "Iran Days in Egypt: Mosaddeq's Visit to Cairo in 1951" (2015). And Christopher Dietrich's *Oil Revolution* (2017) demonstrates that among anticolonial elites in many non-Western countries and at international organizations like the United Nations (UN), Iran's case sharpened conversations about and demands for economic decolonization, i.e. for politically independent countries' right to also exercise sovereign rights over their resources. (Publics were involved in these debates, too.)

In New York, Iran's UN delegate Djalal Abdoh (1909-1996) was a leading voice in this regard, together with colleagues especially from Latin America, the Middle East, and Asia. Moreover, Musaddiq himself addressed international organizations on economic decolonization. In June 1952, he was at the International Court of Justice in The Hague, The Netherlands, which would accept Iran's claim that AIOC's nationalization was a domestic Iranian rather than an international legal matter. And on October 15, 1951, he addressed the UN Security Council's 560th meeting in New York, speaking in French; as he was frail, after a while Allahyar Saleh, Iran's ambassador to the United States, took over.

Original Language:

English,French

Contents:

Original Scan