

## Mossadegh Madness: Oil and Sovereignty in the Anticolonial Community

The emerging literature on the New International Economic Order (NIEO) has the spare conventions of a new topic in contemporary history. The narrative typically begins by identifying its origins as a historical intermingling of national and international, political and economic, and social and cultural factors. A sketch beginning at some point in the twentieth century follows, delving into some combination of these elements, their tensions sometimes fecund but, most likely, ultimately harmful. Then the story flows on in a more or less chronological fashion, finally assessing the success or, more likely, the failure to achieve its goals.

This essay follows that plan with an emphasis on two themes. The first is the rendezvous of elites from the oil-producing nations with anticolonial thought. The second, more broadly, is the transnational alliance formed between anticolonial elites that permitted their ideas a prominent place in the political world of decolonization. The aim here is less to narrate that history through an oily lens than to illuminate these linkages. But the fact that the 1973–74 energy crisis was the tripwire for the NIEO is undoubtedly important. Thus, this essay is also a study in the creation of a political movement and some of the conditions that made for its international influence among a particular group of actors in the earliest days of the energy crisis.

The rising price of oil worried U.S. officials in the early 1970s, but in public they often downplayed the quickened vigor of the oil-producing nations. “Oil without a market, as Mr. Mossadegh learned many, many years ago, does not do a country much good,” Richard Nixon told reporters in September 1973. Invoking the 1951 Iranian nationalization and the 1953 Iranian coup was a thinly veiled threat. If the leaders of the Organization for the Petroleum Exporting Countries (OPEC) continued to increase prices, Nixon said, “the inevitable result is that they will lose their markets.”<sup>1</sup> Reality gave the lie to such affirmations and U.S. officials changed their tone. Between October 1973 and February 1974, the oil producers shook what one State Department official had called “Mossadegh Madness,” raising prices fourfold.<sup>2</sup> Echoing earlier biases leveled against Mossadegh, American policymakers criticized the group as “theological,” “irrational,” and “demagogic,” disapprovingly comparing OPEC behavior to their own more sober and responsible assessment of the international economy.<sup>3</sup>

OPEC’s recklessness distorted the proper global economic structure, according to U.S. treasury secretary William Simon. “Oil is now over-priced for one reason and one reason only,” he told business executives. “A small group of countries have joined

together to manipulate the price.”<sup>4</sup> Within that story, the OPEC members were bereft of any political culture except perhaps for a commitment to improve the bottom line.

In fact, the energy crisis was awash in ideas, some of which had been central to oil elites and other anticolonial diplomats for a generation. One important school of thought held that entrenched imperialism remained the great problem of the international economy and that international law had the mission to uproot it. The oil elites were part of that alliance-based movement of subaltern internationalism. That point warranted explanation for the Algerian ambassador in New York. When asked why his president, Houari Boumediene, had called for a Special Session of the UN General Assembly in 1974, he answered that “oil prices and the energy crisis are but one element of a much wider problem—to bring about an equitable economic relationship between the wealthy nations and the poorer ones.”<sup>5</sup> The most arresting manifestation of this critique was a preoccupation with “permanent sovereignty over natural resources,” or the inherent right of nations to invalidate contracts deemed unjust.<sup>6</sup> In declaring that right as part of the New Order, the delegates of the Sixth Special Session built on a quarter-century of labor in the United Nations, regional economic commissions, and the Non-Aligned Movement, as well as work among oil elites.

What Helmut Schmidt and then Henry Kissinger called the “unholy alliance between OPEC and the Third World” did not spring wholly formed from the heads of anticolonial elites in 1974.<sup>7</sup> Rather, it unfolded as part of a quarter-century tradition of anticolonial legal and economic thought. In the real-time context of Mossadegh Madness, the Economic and Financial Committee of the UN General Assembly began to formulate a new body of legal principles about permanent sovereignty. That sovereign impetus converged with economic arguments that imperial inequality persisted despite the advances of decolonization.

Delegates from Iran, Bolivia, and Mexico worked for several weeks in late 1952 to formulate what would become the first of several international resolutions on the national right to permanent sovereignty. The Iranian representative, Djalal Abdoh, had served with Mohammed Mossadegh in the Iranian parliament in the 1940s and represented his country at the United Nations since its formation. He portrayed the problem of international economic inequality as a historic and material one, by which unfair price mechanisms had secured wealth for the rich nations and impoverished the poor. In his most incisive statement, he added that times were changing. “Certain industrialized countries would have to realize” that their policies to encourage the corporate exploitation of others’ resources moved against the political stream of “the modern world,” he said.<sup>8</sup> Speaking to Eleanor Roosevelt on her NBC television show, he argued that the Iranian oil concession, written under anachronistic circumstances in the previous generation, was “subject to Iranian law.” An old agreement could not restrict the “legislative right” of the Iranian state to revise it. That right was “inalienable,” he concluded. “In nationalizing oil, Iran is exercising an indisputable sovereign right.”<sup>9</sup>

The UN delegates also likened their national experiences of lost sovereignty—what the Bolivian delegate, Luis Adolfo Siles, described as the disjuncture between political independence and “the full feeling of economic dependence.” At the same time, they

insisted that their relationships within the international economy had been and continued to be shaped decisively by the shared experience of colonialism, formal or informal.<sup>10</sup> It followed that the right of an independent nation to control its resources, if exercised, could oust that venal past. In enshrining that argument in the 1952 General Assembly resolution on permanent sovereignty, Abdoh and his counterparts opened a pivotal reservoir for the collective insistence on new national rights in the international community.

That line of reasoning was elaborated more fully as part of an intellectual project defining the rights of the “new nations” in “transnational law.”<sup>11</sup> The link between international law and postimperial economics also began to capture the imagination of anticolonial elites, including leaders of the oil-producing nations. The Petroleum Bureau of the Arab League played a central role in their proposition to use sovereignty to overturn the old oil concessions, to make right that which was wrong. The League’s president, Abdel Khalek Hassouna, attended the 1955 Afro-Asian Summit in Bandung, Indonesia. He sat on the Economic Committee and, after examining the subject of natural resources, described “economic sovereignty as the basis of political sovereignty.”<sup>12</sup> The Bandung communiqué gave priority to a number of the committee’s recommendations. “Economic Cooperation” among the Afro-Asian nations was its first line item, and the signatories identified “respect for national sovereignty” as central to economic development. Furthermore, they recommended “collective action” to increase the prices for raw materials and suggested “the exchange of information on matters relating oil.”<sup>13</sup>

Upon returning to Cairo, Hassouna instructed his director of petroleum affairs, Mohamed Salman, to research the terms of oil concessions in the Arab world. Salman convened a Petroleum Bureau—including the “Red Sheikh” from Saudi Arabia, Abdullah al-Tariki, and a Palestinian lawyer employed by the Libyan government, Anis Qasem. The three men agreed that more information about the concessions would help protect “oil wealth” and “safeguard the combined rights of the Arab countries.”<sup>14</sup> Salman then travelled to Iraq, Kuwait, Saudi Arabia, and the Trucial States to collect information on each oil concession and discuss the possibility of a “new approach” to oil supply. His four-page questionnaire made the impulse of the visits clear. Pooled knowledge, most importantly regarding the contractual provisions of each concession, possessed potential value.<sup>15</sup>

The concessionary agreements and production numbers of each nation had been kept closely guarded company secrets until that point. Salman met with the other “oil experts”—Tariki, Qasem, and Nadim Pachachi of Iraq—for ten days in April 1957. The concessionary terms, while not completely uniform, had remarkable similarities. All were of long duration and contained clauses that disallowed their revision. Furthermore, they *in toto* granted the multinational companies control over the amount of oil produced and its price. Finally, the historical circumstances of the concessions revealed that the companies’ good terms were granted with little input or concern for the national population, for reasons of greed, duress, deception, naiveté, or some other unequal circumstance.<sup>16</sup>

The Petroleum Bureau began to plan an “Arab Petroleum Congress,” an ambitious ecumenical conclave that would embrace functionaries from the oil-producing

nations and gather a corps of anticolonial lawyers into one room. Salman hoped that the meeting would not only bind “oil legislation” together with new “world and social conditions relating to the oil industry” but that it would also play an effective public relations role. An “Oil Brains Trust” was formed to discuss and review the problems of the industry on Radio Cairo, and films on the oil industry were scheduled to be shown in various Arab countries during the meeting.<sup>17</sup>

When the Congress met in Cairo in April 1959, Hassouna gave the opening address. He first tipped his hat to subaltern internationalism, tracing the “common good” of the oil producers on the same path as the “foreign friendly states.” He then groomed the points of contrast that informed anticolonial law, signaling the transmission and the political influence of permanent sovereignty. Despite the changes that resulted from decolonization, the multinational oil companies retained a powerful lien on the oil-producing nations. He further invoked what he described as the Bandung objective of “drawing up one general petroleum policy,” which for him was part of closer cooperation in the development of “Arab consciousness.”<sup>18</sup>

As chairs of the Committee on Petroleum Economics and Legislation, Qasem and Tariki planned the first panel of the Congress. Each paper turned to a basic question: Could sovereignty, by virtue of its new influence in the decolonizing world, be invoked to abrogate oil concession contracts? In other words, could oil-producing nations legally change the conditions by which they sold their oil?<sup>19</sup> After the papers—including the famous defense of sovereign rights by Frank Hendryx, an American lawyer employed by Tariki—Qasem exercised his right as chair to comment.<sup>20</sup> He used his comments to illustrate the ways in which national laws could prevent oil companies from trespassing on sovereignty. His 1955 Petroleum Law for Libya differed from the concessions in Iraq, Saudi Arabia, and Iran in a number of ways, he said. First, it claimed as national property all oil found “in its natural state in the layers of the earth.” Second, it imposed strict limits on concession sizes, a “checkerboard division” that barred the “retention of large areas” by individual companies. Third, Qasem established regulations for the forcible surrender of untapped concessions, what he called the “ghost of an approaching deadline.” Those measures increased competition among companies, improved the government’s negotiating position, and generated greater income.<sup>21</sup>

As important was Qasem’s conviction that contractual terms could not be permanently binding. He began to feel in 1957 that the Petroleum Law had been too generous and that “something had to be done to raise the stake.” He thus outlined an argument that provided a description of that reality and would have great staying power. “A concession deals with a developing situation and it has to develop and grow to meet changing circumstances,” he said. In its inner nature, sovereignty meant more than simply asserting the right to national control. It also meant finding policies, each progressively better than the preceding, that would invest more power in the nation.<sup>22</sup>

When Salman moved from the Arab League to the Iraqi petroleum ministry the next year, American analysts labeled him “a moderate counterpart” to the “radical” Tariki.<sup>23</sup> But recrimination bathed his opening and closing addresses in Cairo. He first discussed his 1956 and 1957 surveys of “the history of the relationship between Arab

governments and the oil companies.” The responses clashed with “international developments in law and justice,” a conflict that called for revision of the “outmoded” contracts. Oil could fuel development only when the producers considered their wealth as “a source of well-being and prosperity for us and not a prize for the Imperialist only.” Until then, the “stench of exploitation” would emanate from oil contracts.<sup>24</sup>

The question of the imperial past was a living principle, an axiom for transnational discussions about law and economics. In the political spiral that carried the delegates into debates about the past and present of the international economy, elites would continue to wrestle with the applicability of Salman’s “international developments in law and justice” and Abdoh’s “modern world.” Of particular importance was Qasem’s argument about “changing circumstances.” What it bundled together—a belief that international law protected the national right to constantly amend contracts—constituted a mindset of consequence. Old signposts no longer served as useful guides. The postwar generation of oil elites had not given their consent to the imperialistic exploitation of their natural wealth, much less to the rules governing foreign investment or the price at which oil was sold.

Their alliance was more than just an issue of reactionary solidarity. If a deep anxiety about the continuity of economic domination knit the national elites together, so too did the common landscape of self-assertion. Anticolonial law gained a special poignancy in the late 1950s and early 1960s, and as the small stream of critically minded elites attracted greater numbers and influence, their ideas became more than conjectures indefinitely suspended in the recesses of their political consciousness. Jammed in among the men at the First Arab Petroleum Conference was Simon Siksek, a Jerusalem-born lawyer who studied at Cambridge and Princeton. He later remembered looking across the assembly hall and seeing the delegates listen intently to Qasem. “For the first time in the Arab world, matters that had hitherto been the exclusive domain of international lawyers were brought up for discussion before 500 delegates,” he wrote.<sup>25</sup>

Siksek and a colleague at the American University of Beirut, Albert Badre, had conducted a study in 1958 for the Inter-University Study of Labor Problems in Economic Development, a transnational research project funded by the Ford Foundation and directed out of the Princeton economics department. Their assignment was to analyze the human resources infrastructure in the oil fields and refineries of Kuwait, Saudi Arabia, and Iraq. The project emphasized the development of “Arab manpower,” but the two professors also arrived at the conclusion that their topic could not be discussed in “proper prospective” without noting the problem of injustice in the oil concessions. “Arab popular belief holds that the oil deals have not been fair,” they said. The original concessions were not faithful representations of national interest because the governments that signed them “were either ignorant or not free from foreign domination.” Siksek and Badre labeled this “the unfair thesis.” They likened the relationship between the thesis and their topic to the parable of the elephant and the blind men. In their critique of past inequality, “the elephant . . . in its essence,” the oil producers joined other subaltern elites at the cusp of “the

tremendous rise of the Afro-Asian masses” that cultivated the same terrain of the mind.<sup>26</sup>

Nicolas Sarkis joined the fray in 1961, when he finished his doctoral thesis at the University of Paris law school on “the petroleum factor” in Middle Eastern economic growth. Its first section analyzed the historical relationships between producing countries and the oil companies but was designed to focus “on the disadvantages of the current situation.” The second section discussed the impending “breakdown of the traditional balance” in the context of decolonization and the shifting global oil market. In the third, the Lebanese lawyer looked to the “emergent imperatives of the future.”<sup>27</sup> To understand what Sarkis considered the inevitable movement to greater oil control, the historical experience of Iran was crucial. But whereas others described the overthrow of Mossadegh as a warning, he discussed it as a moment in which old ideas clashed with new ones. He summarized the Iranian position on domestic jurisdiction with approval—Mossadegh and Abdoh had affirmed “the right of sovereignty,” which revealed that the oil concessions were “colonial charters,” not freely negotiated agreements. Mossadegh was not a notice of caution but had become a beacon from the past and, much more, a martyr to an unmovable cause. The cause had thickened because injustice was so widespread, Sarkis wrote. To examine the “extraordinary extension” of the oil concessions “in time and in space” was to understand the substance of past-infused inequality. The problem persisted not only because of unfair terms for the sale of oil. It persevered also because neoclassical economic formulas did not take into consideration the unfair direction of profits.<sup>28</sup>

But Sarkis also believed that the “atmosphere of bonhomie” established at the 1959 Petroleum Conference had begun to move price discussions from a “sparse and vague” platform to a more concrete one.<sup>29</sup> To continue that process of economic liberation, Sarkis joined Abdullah al-Tariki, who had been fired from his Saudi government position for radicalism, to form a petroleum consulting firm in Beirut in 1964.<sup>30</sup> In a speech to the Fifth Arab Petroleum Congress in 1965, Tariki summarized their shared vision of the past as one of “petroleum colonization.” He began with an invective against imperialism:

The European domination over the Asian, African, and American continents started by the invasion of European adventures [*sic*] and wealth seekers, who aimed to carry goods and exchange commodities with the native population. These relations then developed and the commercial missions were transformed into economic, political, and military institutions which gradually took hold of the resources of the countries which fell as a prey to their greediness.

The Congress report called Tariki “a vanguard figure” and noted the wild applause he received. He built on that “certain animation” by turning to decolonization as the recent past and, indeed, the present. An extraordinary turn of events had conspired since World War II, so remarkable that the “world outlook to the relations prevailing between the strong and the weak changed.” International summits, including the Bandung Meeting and the founding of the Non-Aligned Movement, built on that change in their objectives of freeing the weak nations from “all sequels of domination and colonialism.”<sup>31</sup>

The understanding of history behind this argument was simple enough—those who owned oil concessions had engrossed the wealth of others. Yet most elites found Tariki's calls for immediate nationalization ill-advised, and nationalists like former OPEC secretary-general Sayyid Abdelrahman al-Bazzaz, Iraqi oil minister Sayid Abdul Aziz al-Wattari, the Venezuelan economist Francisco Parra, and the Kuwaiti economic minister Feisal al-Mazidi disagreed with his policy prescriptions at the 1965 Congress.<sup>32</sup> The failure of Mossadegh was still fresh in their minds.

But the differences among the oil elites should not overshadow their similarities. At the same time that the spread of anticolonial law created a common climate of enthusiasm, oil elites that frequented the milieu began to eschew abstraction and conceptualize questions of economic justice through the prism of their own experience. As time wore on, what was first a moral language and a legal model became a diplomatic strategy. They might have disagreed on tactics, but forward action was a reality both for elites working for oil-producing nation-states and for the newly formed OPEC.

Anes Qasem, for one, hired Nadim Pachachi in 1960 to help him rewrite Libyan petroleum law. Pachachi had represented his country in the 1950s on a number of rounds of negotiations with its major concessionaire. His Libyan amendments, issued by royal decree in July 1961, increased competition in the bidding system, heightened the power of the government to control the relinquishment process, and revised upward fees and royalty payments. Qasem added that any companies that refused to acquiesce to the new terms would not receive consideration for new concessions. The two men had essentially applied the doctrine of changing circumstances to the 1955 law, making it stricter and more favorable to Libya.<sup>33</sup>

Francisco Parra, a Venezuelan lawyer who worked for the OPEC Secretariat from its 1960 inception, found that line of thinking significant. The 1959 Arab Petroleum Congress was “a center where ideas of a broader scope were exchanged,” he told Johns Hopkins students in 1962. OPEC represented the same “growing determination of its Member Countries to take a hand . . . in the shaping of events in an industry in which they are so dependent.”<sup>34</sup> Parra also emphasized the concept of changing circumstances. In 1964, he told an audience at the Imperial Defence College that rigidity characterized the old concessions. Their terms, signed in a period dominated by inequality, became ever more anachronistic as nations began “to adapt to changing circumstances in a changing world.” In particular, the formation of a new UN Conference on Trade and Development emphasized the “persistent trend” of low commodity prices. Like Sarkis, he argued that oil had “not escaped being caught in this trend.”<sup>35</sup>

Hasan Zakariya, who would become the legal director for OPEC in 1967, addressed himself in the same spirit in his Harvard Law School thesis. In his argument for the right of citizens to sue the state, he criticized attempts to depict law as natural—“a simple matter of logic” or “established principles . . . which need not be explained or justified.” Rather than remaining a fixed entity, “a slavish adherence to precedent,” law needed to evolve when it was no longer in harmony with “recent developments in legal theory and with practical needs.”<sup>36</sup>

The thesis, like the career that followed, was representative of the anticolonial

impetus. For one, Zakariya was closely attuned to the relationship between political and economic hierarchies in his conception of law and justice. Relatedly, he believed that the past could not be complacently accepted. Finally, he wished not just to understand the world but to change it. In the era of decolonization, Zakariya and others had new opportunities to be heard; previously such subaltern groups and their leaders eked out a precarious existence on the margins of imperial and international society. It was this set of circumstances and qualities that the anticolonial elites had in common and that gave them special character.

Zakariya and Parra drafted a “Declaratory Statement of Petroleum Policy” for OPEC in June 1968. They placed anticolonial law at the center, again emphasizing the “inalienable right of all countries to exercise permanent sovereignty over their natural resources.”<sup>37</sup> Zakariya also placed great stress on changing circumstances, which he identified as a legal doctrine, in his defense of the statement. He wrote a rousing vindication of “the legal validity of ‘changing circumstances’ and its impact” the following year. The concept was widely accepted in the historical development of international law and was so “deeply steeped in philosophy and ethics” that many jurists believed it “owed its existence to the moral conscience rather than the legal one.” With decolonization, both concerns had become burning ones. They also converged, for the right of nations to invoke their sovereignty to change the terms of contracts constituted “a clear and unequivocal testimony as to the trend of thought on this matter in the world community as a whole.”<sup>38</sup>

Although Zakariya and many other elites disagreed with Tariki’s no-compromise radicalism, and although in-fighting consistently seemed to threaten the future of OPEC, anticolonial law remained an elemental impulse for all. The official statement of OPEC at the 1965 Arab Petroleum Congress was written and presented by Parra and drew from his earlier speeches. Like Tariki, he began with a history of the old and unfair concessions. In a nod to the newest OPEC member, Parra emphasized the 1890 Indonesian concession. Written “by a Dutch company over a Dutch-dominated territory,” its want of equity was typical. But the “international system” had changed, Parra charged. Concessions needed to adapt to “changing circumstances through a constant process of re-evaluating past arrangements and arranging them to present conditions.” The anachronistic terms of the oil concessions called for constant modification, either by a process of consent or by “unilateral action on the part of the oil-exporting countries.”<sup>39</sup>

A year earlier, Parra had described Sarkis as representative of “a large and constantly growing body of opinion which is impatient of negotiation and compromise,” a stance that had been “nugatory when the concessions were signed” but was by the 1960s “the most important force in the world.”<sup>40</sup> In a panel discussion with Parra at the 1967 Arab Petroleum Congress, Sarkis pointed out his agreement with the Venezuelan on that basic issue. The problem of the oil producers was “not exclusively a matter of fiscal or financial revenue,” he said. For the two men, “it was also a matter of control.”<sup>41</sup> Here in full bloom was the ideology that would guide a group that gained increasing power by the early 1970s. That organizational movement, and its emphasis on supply control and the price of oil, reflected anticolonial law in its very vocabulary.

Mahmood Maghribi studied that position for his 1966 doctoral thesis at George Washington University, which examined the links between Libyan petroleum legislation and what he called “the new concept of ‘transnational law.’” Drawing on the findings of the UN Economic and Social Council, the Legal Department of OPEC, and the series of Arab Petroleum congresses, he identified the growing invocation of national law to overturn postimperial economic domination. Like the other anticolonial elites, he also used the imperial past to illuminate present inequality. Although hailed, the “liberation of Libya from Italian colonialism” was only partial. An early display of Third World solidarity by a delinquent Haitian delegate might have ended the “whole imperialistic plan” to place Libya under international trusteeship in 1951, but serious economic problems infringed upon independence. The nation combined “within the borders of one country” virtually all the obstacles to development “that could be found anywhere,” Maghribi believed. But there was hope, and it lay in the subsoil. “All this began to change rapidly with the discovery of oil,” he wrote. Qasem’s “favorable petroleum law” had allowed for rapid exploration and added over one billion dollars to the national economy between 1956 and 1964.<sup>42</sup>

Maghribi celebrated Qasem’s encouragement of the greatest possible number of oil companies to prospect “as extensively and possible and within the shortest amount of time.” Of crucial importance, the 1955 law maintained national ownership of “petroleum in its natural state.” Citing the 1952 UN resolution on permanent sovereignty and its successors, he pointed to the universality of that position. At the same time, the “noted difference between old and new concessions” was central to understanding the breakthrough of Libyan law. If the oil-producing nations could work en masse to convert the old concessions to new terms, they could move from the role of “an almost bystander” to that of an “active partner.”<sup>43</sup>

After he graduated, Maghribi accepted an in-house position at the Tripoli offices of Standard Oil. When he worked with labor activists to organize dock strikes during the 1967 Arab-Israeli war, he was jailed and exiled. But a series of political and economic conditions, including the post-1967 tightening of the oil market and the September 1969 Libyan revolution, would permit him to act on his desires less than three years later. Anticolonial law, by which subaltern elites became actors who could no longer be ignored, gave voice to the oil politics of Muammar Qaddafi and the Libyan Revolutionary Command Council. Qaddafi himself consistently framed the “recovery of . . . full rights from the oil companies” within a broader understanding of “economic freedom.”<sup>45</sup> In April 1970, the official Council newspaper warned oil companies against evading forthcoming demands for price increases. Since the discovery of oil in the 1950s, Libyan wealth had become “a source of profit and a prey for all vampires,” which had used their dominant position to “dictate the country’s destiny.”<sup>45</sup>

It was no coincidence that Qaddafi had asked Maghribi to chair the new Revolutionary Command Council committee on oil prices earlier that month. He did not let “the grass grow under his feet,” the British embassy in Tripoli reported, immediately arguing that the tight market made Libyan oil more valuable than company pricing allowed.<sup>46</sup> The companies could not continue “to suck the people’s wealth,”

he told one reporter in April 1970. He told the Libyan News Agency days later that “the committee’s basic function [was] to establish fair prices for Libyan oil.”<sup>47</sup>

Maghribi had written in 1966 that the most extreme measure of permanent sovereignty, nationalization, was not practical even if it was “a dear desire to many hearts including the writer’s.” This was in part because “a collective stand from most of the oil exporting countries” seemed unattainable. That was then. Not quite five years later, Libyan policy in 1970 had more explicit support from abroad. “The view among the delegations of the Arab oil-producing countries on the need to unify oil policy . . . was unanimous,” according to the Revolutionary Command Council.<sup>48</sup> Maghribi leaned on that internationalist vision of anticolonial law once he was in a position to take action. Studies undertaken by OPEC and the UN Conference on Trade and Development left “no room for emotions,” he said. “Our rights are clear and are supported by scientific facts.” One problem and the corresponding solution stood above others as incontrovertible—“the people’s rights to their oil wealth have been encroached upon for a long time.” In the event that the oil companies refused “fair prices,” the Revolutionary Command Council was “fully prepared to take the necessary alternative measures to safeguard the people’s rights.”<sup>49</sup>

Maghribi had also noted in his dissertation that Libyan success after 1955 had depended not just on Qasem’s insight but also on “the experience of the Middle Eastern countries which preceded her in developing their oil wealth.” That regional learning process helped Qasem avoid “many of the mistakes” of the “old” concessions.<sup>50</sup> In May 1970, he built on that internationalist anticolonial vision by inviting Tariki and Sarkis to Tripoli. Both consultants already knew a great deal about the Libyan oil industry. Tariki had, of course, worked closely with Anis Qasem years earlier. Sarkis was also familiar with the structure of Libyan oil law, as revealed by his favorable review of Qasem’s standard of relinquishment in his doctoral thesis.<sup>51</sup> The two men did not just lay down idealism; rather, their suggestions were severely practical. After the consultation, Maghribi demanded increases in the Libyan posted price, as well as back payments for oil underpriced in the past.<sup>52</sup> The companies refused, and the Revolutionary Command Council forced down production from 3.7 million to 2.9 million barrels per day between April and September 1970 to force the issue. Maghribi had said, according to one observer, “you owe us the whole industry.”<sup>53</sup>

The other member nations of OPEC, a group comprising what one U.S. official called “the strange bedfellows” of international politics, agreed to cooperate in their subsequent demands. In the following six months, they forced the companies to sign the Tehran and Tripoli agreements. Events confirmed their momentum, including the December 1971 Libyan nationalization and the April 1972 Iraq nationalization. Both nations fended off attempts by Western companies and governments to blacklist nationalized oil on the international market, as they had done to Mossadegh.<sup>54</sup> Nadim Pachachi, ten years after working with Qasem and now the OPEC secretary-general, placed the oil producers’ success in the broader context of anti-colonial law and economics. The oil-producing nations, he said, were in the same position as their counterparts across the underdeveloped world: “We, like they, are raw material

producers trying to get an equitable price for the primary product on which our economies depend.”<sup>55</sup>

The Libyan oil minister, ‘Izz al-Din al-Mabruk, depicted the oil producers’ success as disconnected from the past. “Prior to the revolution, there was no one who cared to impose any kind of control on the companies,” he said in the midst of Maghribi’s pressure tactics.<sup>56</sup> The temporal schism was overstated. The connection forged between Qasem and Maghribi casts doubt on any impenetrable divide drawn between monarchical and revolutionary Libya. The checkerboard concessions and impending deadlines of Qasem, as well as the tightening global market, put Maghribi outside the discipline of the traditional hierarchy. Mabruk himself had been part of that longer strain. During the Idris monarchy, he had worked with Parra and Zakariya in the OPEC legal department and even discussed the ways “changing circumstances” affected concessionary contracts.<sup>57</sup> In a 1970 meeting with company executives, he drew the past into the present. The “adult age” of oil production would be characterized by two “basic principles” associated with “the change of circumstances.” First, the Revolutionary Command Council would “safeguard [its] complete right” to oil through national legislation. Second, it would also work to increase prices by “collective action through OPEC.” In their aggregate, these actions were “a most legitimate right” supported by the UN resolutions on “the permanent sovereignty of nations over their natural wealth and resources.”<sup>58</sup>

The swing of the oil-producing nations from price-takers to price-makers in 1970 and after was part of a full-fledged anticolonial program. The connections between the oil nations and anticolonial law were never static; as the relationship underwent change, it shaped a time of future-determining decision. Anticolonial law persisted and became deep-seated, and in the process it came to constitute a group sensibility. It determined who and what the elites were, as well as their goals—their clear beliefs about what they could, should, and would achieve. Those feelings had a vitally important place in the collective consciousness of Third World elites and would continue to affect what could be called the political culture of the energy crisis and the New International Economic Order.

For many, the energy crisis became one of those epochal affairs that divides history into a before and an after. Within the former, the task was formidable. Foregrounding the oil elites’ self-awareness counters the distinct prejudice that historians harbor in favor of success stories. It also privileges the intended but unrealized effects of history over the more common concern with unintended consequences.<sup>59</sup> But the consequences in 1974 and after were many. Predictably, quickly, and perhaps tragically, sovereign rhetoric outpaced reality, and much that is evident to hindsight eluded foresight. Most crucially, the stratospheric rise of Third World “sovereign debt” exposed anticolonial law as a wildly utopian fix for the prejudiced international economy. The ensuing loss was not just of balances of payments and development programs but of a vision.

#### NOTES

1. Richard Nixon, “News Conference,” September 5, 1973, in Wooley and Peters, *The American Presidency Project*, <http://www.presidency.ucsb.edu> (accessed September 29, 2014).

2. Susan K. Holly, ed., *Foreign Relations of the United States, 1964–1968*, vol. 34, *Energy Diplomacy and Global Issues* (Washington, DC: Government Printing Office, 1999), Document 19 (hereafter *FRUS*).

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5. UN Office of Public Information, Weekly News Summary, February 1, 1974, WS/644, Dag Hammarskjöld Library, New York, New York (hereafter DHL).

6. Kamal Hossain and Subrata Roy Chowdhury, eds., *Permanent Sovereignty over Natural Resources in International Law: Principle and Practice* (New York: Pinter, 1984); Nico Schrijver, *Sovereignty over Natural Resources: Balancing Rights and Duties* (New York: Cambridge University Press, 2008). For critical readings of the concept of national sovereignty, see Raymond Vernon, *Sovereignty at Bay: The Multinational Spread of U.S. Enterprises* (Cambridge, MA: Harvard University Press, 1971); Carl Schmitt, *Political Theology: Four Chapters on the Concept of Sovereignty* (Chicago: University of Chicago Press, 1985); Stephen D. Krasner, *Sovereignty: Organized Hypocrisy* (Princeton, NJ: Princeton University Press, 1999); Aihwa Ong, *Neoliberalism as Exception: Mutations in Citizenship and Sovereignty* (Durham, NC: Duke University Press, 2006).

7. Memorandum of Conversation, November 16, 1975, Gerald Ford Presidential Library, Ann Arbor, Michigan, William Seidman Papers, box 312.

8. UN General Assembly, Official Records, Seventh Session, Second Committee, December 10, 1952, Provisional A/C.2/SR.231, DHL (hereafter UNGA, OR).

9. “Crisis in Iran,” Mrs. Roosevelt Meets the Public, May 27, 1951, Library of Congress, Washington, DC, NBC Television Collection.

10. UNGA, OR, Seventh Session, Second Committee, December 11, 1952, Provisional A/C.2/SR.232, DHL. When Abdoh and the other delegates discussed permanent sovereignty, they pitted the irrepressible right of national control over raw materials against the imperialistic structure of the international economy—drawing on the work of Raúl Prebisch, Ragnar Nurkse, Gunnar Myrdal, Hans Singer, Albert O. Hirschman, and other development economists. See Raúl Prebisch, *The Economic Development of Latin America and its Principal Problems* (New York: United Nations, 1949); Hans Singer, “The Distribution of Gains between Investing and Borrowing Countries,” *American Economic Review* 40, no. 2 (1950): 473–85; Ragnar Nurkse, *Problems of Capital Formation in Underdeveloped Countries* (New York: Oxford University Press, 1953); Gunnar Myrdal, *An International Economy: Problems and Prospects* (New York: Harper and Row, 1956); Albert O. Hirschman, “Investment Policies and ‘Dualism’ in Underdeveloped Countries,” *American Economic Review* 47, no. 5 (1957): 550–70. Historians and other humanists interested in imperialism were also aware of this dynamic. For example: Albert Hourani, “The Decline of the West in the Middle East,” *International Affairs* 7, no. 2 (January 1953): 31; John Gallagher and Ronald Robinson, “The Imperialism of Free Trade,” *Economic History Review* 6 (1953): 1–15; William Keith Hancock, *Wealth of Colonies* (1970; Cambridge: Cambridge University Press, 2012),

5; Joseph A. Schumpeter, "John Maynard Keynes, 1883–1946," *American Economic Review* 36, no. 4 (September 1946): 500–501; Parker Thomas Moon, *Syllabus on International Relations* (New York: Macmillan, 1926), 38–45; Leonard Woolf, *Economic Imperialism* (New York: Harcourt, Brace and Howe, 1920), 33, 51; Thorstein Veblen, *The Theory of the Business Enterprise* (New York: Scribner's Sons, 1904), 295; John A. Hobson, *Imperialism: A Study* (London: Nisbet, 1902), 76–79.

11. Philip C. Jessup, *Transnational Law* (New Haven, CT: Yale University Press, 1956); Jorge Castañeda, *Mexico and the United Nations* (New York: Manhattan Publishing Company, 1958); Ram Prakash Anand, "Role of the 'New' Asian-African Countries in the Present International Legal Order," *American Journal of International Law* 56, no. 2 (1962): 383–406; Rosalyn Higgins, *The Development of International Law through the Political Organs of the United Nations* (London: Oxford University Press, 1963); Georges Abi-Saab, *Selected Bibliography on the Newly Independent States and International Law* (Geneva: Carnegie Foundation, 1963).

12. Mohamed Abdel Khalek Hassouna, *The First Asian-African Conference Held at Bandung Indonesia* (Cairo: League of Arab States, 1955), 42. Soon after, the Afghani and Saudi Arabian delegates to the UN Economic and Social Council would push through another resolution on permanent sovereignty. The Afghani delegate, Abdel Rahman Pazhwak, attended Bandung and the Saudi, Jamil Baroodi, discussed it at their meeting. See "List of Delegates," in Hassouna, *The First Asian-African Conference*, 181; UNGA, OR, Third Committee, 10th Session, November 3, 1955, A/C.3/SR.648, DHL.

13. "Asian-African Conference: Communiqué, Bandung," April 24, 1955, in *A New International Economic Order, Selected Documents, 1945–1975*, vol. 1 (New York: United Nations, 1975).

14. A. L. P. Burdett, ed., *OPEC: Origins and Strategy, 1947–1973*, vol. 1, 1947–1959 (Cambridge: Cambridge Archive Editions, 2004), "Recommendations of the Oil Experts Committee Held Between November 5–24, 1955," 144–45 (hereafter OPEC 1).

15. "New Approach to Arab Oil," *Arab World* 4, no. 9 (September 1958): 10; Arab League, General Secretariat, Public Relations Department, May 24, 1956, OPEC 1:163; "Recommendations of the Oil Experts Committee Held Between November 5–24, 1955," OPEC 1:146.

16. Arab League, Secretariat-General, Permanent Petroleum Bureau, "Report of the Commission of the Arab Oil Experts," April 15–25, 1957, OPEC 1:178–80, 183. They also drew on English-language sources: J. C. Hurewitz, *Diplomacy in the Near and Middle East: A Documentary Record: 1914–1956*, vol. 2 (Princeton, NJ: Princeton University Press, 1956); David H. Finnie, *Desert Enterprise* (Cambridge, MA: Harvard University Press, 1958).

17. "First Oil Congress of Arab States," *Middle East Economic Digest* 1, no. 23 (August 30, 1957): 1.

18. "Address of Sayyed Abdel Khalek Hassouna," April 16, 1959, League of Arab States, The Secretariat General, Department of Petroleum Affairs, *Papers of the First Arab Petroleum Congress*, 2 vols., OPEC Information Center, Vienna, Austria (hereafter PFAPC, OIC).

19. Committee of Petroleum Economics and Legislation, Minutes of the First Session, PFAPC, OIC.

20. Frank Hendryx, "A Sovereign Nation's Legal Ability to Make and Abide by a Petroleum Concession Contract," PFAPC, OIC.

21. Anis Qasem, "Petroleum Legislation in Libya," Appendix 15, PFAPC, OIC. For the development of Qasem's thought, see *Petroleum Development in Libya, 1954 through 1958* (Tripoli: Government Press, 1958); *Petroleum Development in Libya, 1954 through mid-1960* (Government

Press, Tripoli, n.d. [1960]); Anis al-Qasem, *Principles of Petroleum Development: The Case of a Developing Country* (Gaithersburg, MD: Graham and Trotman, 1985).

22. *Petroleum Development in Libya, 1954 through mid-1960*, 7.

23. Brandon Wolf-Hunnicut, "The End of the Concessionary Regime: Oil and American Power in Iraq, 1958–1972" (Ph.D. diss., Stanford University, 2011), 69. He would not be the last. American officials also compared the Kuwaiti minister Faisal Mazidi favorably to Tariki, even though their differences were about degree rather than substance. See "The Speech Delivered by H. E. Feisal Mazidi," *The Conference on the Problems of Economic Development* (Cairo: Non-Aligned Movement, 1962), 279, 283; Susan K. Holly, ed., *FRUS, 1964–1968*, vol. 34, *Energy Diplomacy and Global Issues* (Washington: Government Printing Office, 1999), Document 186.

24. "Opening Address by Mohammed Salman," April 16, 1959, PFAPC, OIC; "Closing Address by Mohammed Salman," April 16, 1959, PFAPC, OIC.

25. Simon G. Siksek, *The Legal Framework for Oil Concessions in the Arab World* (Beirut: Middle East Research and Publishing Center, 1960), 2.

26. Albert Y. Badre and Simon G. Siksek, *Manpower and Oil in Arab Countries* (Economic Research Department, American University Beirut, 1959), v, 8–17. The report on Iraq depended on field assistance from the Harvard economist John Thomas Dunlop and the future U.S. secretary of treasury Michael Blumenthal, then a Princeton graduate student.

27. Nicolas Sarkis, "Le pétrole facteur d'intégration et de croissance économique" (Ph.D. diss., Université de Paris, 1962), 5.

28. Sarkis, "Le pétrole facteur," 29–34, 71–73. Sarkis picked up his anticolonial economic analysis from Gunnar Myrdal and supported it with a 1958 UN report on the international economy.

29. Sarkis, "Le pétrole facteur," 131–34.

30. On Tariki, see Nathan Citino, *From Arab Nationalism to OPEC: Eisenhower, King Sa'ud, and the Making of U.S.-Saudi Relations*, 2nd ed. (Bloomington: Indiana University Press, 2005), 145–66; Robert Vitalis, *America's Kingdom: Mythmaking on the Saudi Oil Frontier* (Stanford, CA: Stanford University Press, 2006), 194–227.

31. Abdullah el Hammoud el Tariki, "Nationalization of Arab Petroleum Industry is a National Necessity," SFAPC, OIC; "Tariki's Study," SFAPC, OIC.

32. "Debate on the Future of Arab Oil," *Review of Arab Petroleum and Economics* 1, no. 3 (April 1965): 32 (hereafter *ROAPE*); "Discussion on the Tariki Paper," *Middle East Economic Survey* 8, no. 21 (March 26, 1965): 31–33 (hereafter *MEEES*); "Speech Delivered by Al-Bazzaz, OPEC's Secretary General," *ROAPE* 1, no. 2 (March 1965): 37–39.

33. Abdul Amir Q. Kubbah, *Libya: Its Oil Industry and Economic System* (Baghdad: Arab Petro-Economic Research Centre, 1965), 78–97; Nadim al-Pachachi, *Iraqi Oil Policy: August 1954–December 1957* (Beirut: Research and Translation Office, 1958), 1–7; Petroleum Commission, *Petroleum Development in Libya: 1954 through mid 1961* (Tripoli: Petroleum Commission, 1961), 8; Nadim Pachachi, "Development of Oil Concessions in the Middle East," *ROAPE* 1, no. 4 (May 1965): 13–15, 21.

34. Francisco Parra, "OPEC and the Oil Industry in the Middle East," October 22, 1962, OPEC PR Department, OIC.

35. Francisco Parra, "Exporting Countries and International Oil," May 8, 1964, OPEC PR, EC/64/I, OIC. See also Francisco Parra, "The Development of Petroleum Resources under the Concession System in Non-Industrialized Countries," OPEC PR, EC/64/III, OIC.

36. Hasan S. Zakariya, "State Liability in Tort: A Comparative Study of the Development of its Theory and Practice in the Anglo-American and French Laws" (SJD diss., Harvard Law School, 1954), 44–45, 100–101. Zakariya drew here from Harold Laski, "The Responsibility of the State in England," *Harvard Law Review* 32 (1919).

37. Resolution No. 90, Sixteenth Conference of OPEC, June 1968, Resolutions Adopted at the Conferences of OPEC, OPEC Information Department, OIC; Hasan S. Zakariya, "OPEC Resolution XVI.90: Its Background and Some Analytical Comments," January 1969, OPEC Information Department, OIC.

38. Hasan S. Zakariya, "The Impact of Changing Circumstances on the Revision of Petroleum Contracts," OPEC Seminar, July 1969, OPEC Information Department, OIC.

39. "OPEC and the Principle of Negotiation," SFAPC, OIC. After joining OPEC, the Indonesian government held a series of meetings with the other producer nations. Ibn Suwoto, the Indonesian minister of oil, told the *Iraq Times* that he met with Salman to coordinate Indonesian policy with the other OPEC members. See *Inter-OPEC Newsletter*, November 1962, OIC.

40. *Inter-OPEC Newsletter*, May 1964, OIC.

41. Discussion, Paper No. 75 (A-1), SAPC, Papers and Discussions, March 6–13, 1967, OIC.

42. Mahmood S. Maghribi, "Petroleum Legislation in Libya" (SJD Thesis, George Washington University, 1966), 4, 10–11, 13.

43. *Ibid.*, 46–60, 88–98, 131–44, 176–83. Maghribi appears to have picked up "changing circumstances" from the Greek jurist Arghyrios A. Fatouros.

44. For example: Tel. No. 615, Tripoli to FCO, "Libyan Posted Price Negotiations," April 11, 1970, FCO 67/432, National Archives of the United Kingdom, Kew, England (hereafter UKNA); ME/3349/A/1, "Qadhafi's Bayda Rally Speech," April 8, 1970, FCO 67/432, UKNA.

45. ME/3349/A/1, "Libyan 'Ath-Thawrah' Warning on Oil Prices," April 8, 1970, FCO 67/432, UKNA.

46. Tel. No. 650, Tripoli to FCO, "Libyan Posted Price Negotiations," April 16, 1970, FCO 67/432, UKNA; Tel. No. 680, Tripoli to FCO, "Posted Price Negotiations," April 21, 1970, FCO 67/432, UKNA.

47. "Libya Prepares 'Contingency' Plan if Oil Price Talks Fail," *Petroleum Intelligence Weekly* 13, no. 27 (April 27, 1970): 2 (hereafter *PIW*); "Maghribi Warns Oil Companies against Resisting Libya's Price Demands," *PIW* 13, no. 28 (May 1, 1970): 2–3.

48. ME/3349/A/1, "Libyan 'Ath-Thawrah' Warning on Oil Prices," April 8, 1970, FCO 67/432, UKNA.

49. "Maghribi Warns Oil Companies against Resisting Libya's Price Demands," *PIW* 13, no. 28 (May 1, 1970): 2–3.

50. Maghribi, "Petroleum Legislation in Libya," 180–87, 222.

51. Sarkis, "Le pétrole facteur," 38, 46.

52. "Price 'Correction' Is What it Wants, Libya Now Says," *PIW* 13, no. 29 (May 11, 1970): 5. Sarkis and Tariki gave separate recommendations on the level of price Libyan action could wring out of the companies. Sarkis based his price increases on the price of shipping and the low sulfur content of the crude, and Tariki held that the Revolutionary Command Council could raise prices to meet those offered for Venezuelan oil in Europe.

53. Melhuish to Brant, "Negotiations between the Libyan Government and the Producing Companies," May 19, 1970, FCO 67/432, UKNA.

54. Christopher R. W. Dietrich, "'Arab Oil Belongs to the Arabs': Raw Material Sovereignty,

Cold War Boundaries, and the Nationalisation of the Iraq Petroleum Company, 1967–1973,”

*Diplomacy & Statecraft* 22, no. 3 (2011): 450–79.

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56. “Libyan Oil Minister Reviews Oil Policy Issues,” *MEES* 13, no. 31 (May 29, 1970): 5–6.

57. “From Concessions to Contracts,” *MEES* 8, no. 21 (March 26, 1965): 22; “Panel Discussion on Proration and its Effect on Price Levels,” March 12, 1967, SAPC, OIC.

58. “Address by the Minister of Petroleum and Minerals to Executives of Oil Companies,” January 20, 1970, FCO 67/432, UKNA.

59. Amartya Sen, “Foreword,” in Albert O. Hirschman, *The Passions and the Interests: Political Arguments for Capitalism before Its Triumph*, new ed. (1977; Princeton, NJ., 1997 ), xvii.