

# 13. Iranian Oilworkers in the 1978-79 Revolution

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*'One capitalist always kills many. Hand in hand with this centralization, or this expropriation of many capitalists by few, develop, on an ever-extending scale, the cooperative form of the labour process... the economising of all means of production by their use as the means of production of combined, socialised labour, the entanglement of all peoples in the net of the world market, and with this, the international character of the capitalist regime. Along with the constantly diminishing number of the magnates of capital, who usurp and monopolise all advantages of this process of transformation, grows the mass of misery, oppression, slavery, degradation, exploitation; but with this too grows the revolt of the working class, a class always increasing in numbers, and disciplined, united, organised by the very mechanism of the process of capitalist production itself.'* Karl Marx

The oil industry has the population of the globe 'locked into a worldwide kaleidoscope'; it is the most advanced example of 'the international character of the capitalist regime'. Until September 1978 Iran, the world's largest oil exporter after Saudi Arabia, produced 6 million barrels a day, amounting to about 20 per cent of OPEC production. When Iranian oilworkers struck on 27 October 1978, and halted exports, the ramifications were as international as the character of the industry. Crude prices and corporate profits rose, energy importers suffered supply cutbacks, the monetary and trading systems of the capitalist world suffered yet another jolt, and Iranian radicalism spread like a corrosive acid throughout the Middle East and beyond. The four-month strike heralded the arrival of a new stage in the worldwide centralization of capital on the one hand, and the socialization of the labour process on the other. Iranian oilworkers seized and shut down the national oil installations and only reactivated them after the fall of the Shah. Given the global net established by petroleum multinationals, international repercussions were unavoidable. In addition, Iranian oilworkers made foreign policy decisions, including the halt in oil supplies to South Africa (90% dependent on Iran) and Israel (60% dependent).

The importance of Iran, then, lies in oilworkers' successful takeover and operation of the industry, an action which inevitably alters the position of all workers by posing the challenge that they consciously exercise the social power which stems from their being organized by capital into an international class.

This chapter attempts, first, to indicate how Iranian oilworkers organized the strike as an integral element of a wider revolution; second, to review strikers' actions and demands in the oil sector; and third, to outline three lessons of the oilworkers' strike which have advanced the frontiers of struggle and constitute a new point of departure for revolutionary action worldwide. To begin with, the high points of the Iranian oilworkers' struggle in 1978 and up to April 1979 can be summarized.

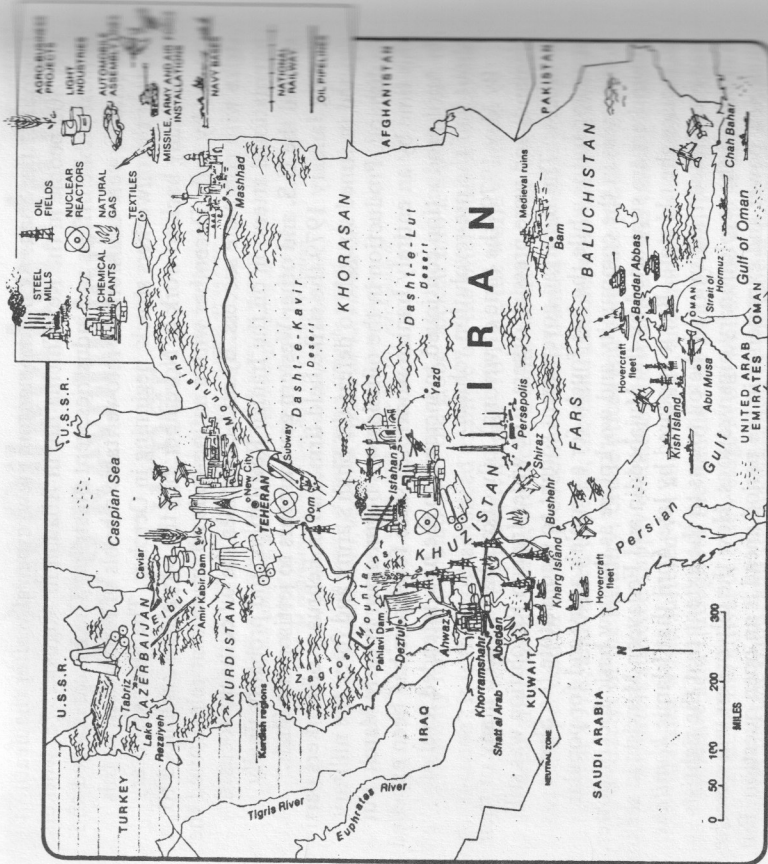
Beginning in early 1978, Iranians took to the streets to demonstrate against the murder of Shariati, an Islamic revolutionary, and to demand the

removal of the Shah. As the momentum grew, especially after the death of over 800 people in the Rex Cinema fire in Abadan in August 1978, workers in most public offices and industries went on strike. The bazaars closed and the schools were transformed into veritable schools of revolution. In this context the oilworkers struck, beginning in October. The Shah's military forced many back to work in November; but the oilworkers regrouped to emerge by early December with a nation-wide oil union that reinstated the strike with complete success. By mid-December the oil cutbacks focused international attention on the Iranian Revolution, and probably finally spurred the U.S. and other Western governments to jettison the Shah. During January 1979 the strike held firm, and in February oilworkers participated in armed struggle to defeat the Shah's army and force the military to disband. Production in the oilfields was begun again in early March, but this time by an entirely Iranian workforce since foreigners had been expelled. In April production continued to increase to the new intended level of about half the pre-revolution volume.

By May 1979 (the time of writing), oilworkers had secured many of their demands and were pressing others. The wider Iranian Revolution was still in process. The Bazaragan government sought to reconstitute the Shah's state apparatus while the left fought for a people's army and for popular committees in the community and workplace as the new basic foci of power. Oilworkers are supported by the Mujaheddin and Fedayeen Marxists in seeking to replace the old state. But it appeared by late April that Islamic *komitehs* had established their sway in the oil towns to the extent that the rightists had ousted the revolutionary organizations. How the oilworkers will exercise their new power and experience in the period ahead is an open question. But it is clear, as Ayatollah Khomeini declared, that the Revolution only began with the Shah's expulsion. In the current stage, the technocratic state capitalist, and local private capitalist forces are struggling to capture the state. Oilworkers have developed the consciousness and links with other workers necessary to move the Revolution ahead. They have the valuable experience of controlling the oil industry in the interests of Iranians against NIOC, the state-owned National Iranian Oil Corporation. Consequently, technocratic state capitalism is not likely to be able to unfold its inherent logic — disciplining Iranian workers while integrating into international capitalism — for long without precipitating another oilworkers' strike and broad upheaval which could displace the technocracy and propel the Revolution to a higher stage.

## The Organization of the Iranian Oil Industry

The Iranian oil industry is the oldest, and in terms of workers and physical plant, the largest in the Middle East. As the map indicates, oil production is centred in the province of Khuzistan. The world's largest refinery is located at Abadan. Pipelines, refineries and petrochemical plants form a national grid from Azerbaijan in the northwest to Mashhad in the northeast. Production



fields are located along the western border towards the northern extreme of the Persian Gulf, and most oil is loaded on tankers at Kharg Island. If we add to this national system the thousands of road tankers and distribution outlets, the extent to which Iran is integrated by the network of oil can be appreciated.

**Who Are the Oilworkers?**

Estimates of the number of oilworkers in Iran vary widely depending on the definition of the category. Most modest is the figure (restricted to those directly employed by the oil companies) of 19,000 supplied by the U.S. Department of Energy.<sup>1</sup> As of August 1978, some 3,000 were employed by NIOC; 10,000 worked in the Oil Service Company of Iran (OSCO) and the remaining 6,000 were employed by the four joint-ventures and eight foreign oil companies that had service contracts with NIOC. OSCO is a wholly-owned subsidiary of the major's consortium, Iranian Oil Participants, which produced 90% of Iran's oil under a May 1973 contract with NIOC.<sup>2</sup> Of OSCO's 10,000 workers, some 500 were expatriates. In contrast to this modest total of 19,000 the media has widely quoted figures ranging from 30,000 to 78,000 oilworkers. These include Iranians engaged in support work,

especially that vast army of day labourers who are organized by labour contractors. Many work in construction on NIOC projects, and for NIOC subsidiaries such as the gas company (NIGC), the petrochemical company, the tanker company and the Ahwaz Pipe Mills.<sup>3</sup>

Iran's present oilworkers have their roots in the first Iranian proletariat that developed with oil exploration in 1901 and production in 1908. By 1920 some 20,000 Iranians were employed in the Khuzistan oilfields and the numbers swelled to 55,000 in 1951 plus a further 15,000 contract workers. At the bottom were unskilled labourers from the Arab tribes and Bakhtiari nomads who formed the sparse, indigenous population of Khuzistan, as well as skilled labourers from Isfahan and Tehran. In 1949 some 33,000 of the total 38,000 workers at Abadan were in this group, while in the oilfields themselves 15,000 out of 17,000 were labourers in construction, maintenance, transportation, loading and work on pipelines.<sup>4</sup> In the middle were technical workers who initially came from India. After the nationalist mobilization of the 1950s, Iranians filled these jobs. Finally, top-level managers and technicians were British, although over half were Iranian by 1949. The consortium began retrenchment in 1957 so that the oil labour force since then has fluctuated between 40,000 and 45,000. However, the value added per employee has skyrocketed. Between 1961 and 1966 the number of workers required to produce 100 barrels of crude declined from 8.5 to 3.5, and in 1975 output per worker was 20 times higher than in the 1950s.<sup>5</sup>

While the most commonly accepted definition of oilworker encompasses both those directly employed by oil companies and by contracting firms, still other sources argue for also including the populations around oil operations in the number of oilworkers. This very wide definition has advantages in that it recognizes the communities' and especially women's integral part in the strikes and broader Iranian Revolution. It also fosters an understanding of the importance of Islam and the organization of the community in the strike, and it focuses attention on the crucial links between home and point of production. The oil communities of Khuzistan developed with the industry and function to supply and service oilworkers. Thus, the oil strike meant that families and communities, with all their ethnic, ideological and job-related differences, drastically re-oriented their work-a-day lives in order to provide the solidarity essential to the effectiveness of the strike. They also made demands to secure gains of their own.

The all-inclusive definition of oilworker reflects the fact that oil companies' profits depend crucially on the work of women in producing and servicing labour power: their husbands, brothers, fathers and sons. More broadly, the community is a type of 'social factory' which produces workers for industry, and thus indirectly produces profits for companies. Of the oil industry in Venezuela, Selma James argues that 'oil production is absolutely dependent on female domestic labour, [that women are revolting against the] great discrepancy between the technology of extracting and refining oil and that of extracting and refining oil workers . . . [and that] the wife of the oilworker is as productive as he is, because she daily "directly produces, trains, develops,

maintains [and] reproduces labour power itself."<sup>6</sup> The demands in oil-rich Khuzistan for water supplies, housing, waged jobs, health care and community improvements have demonstrated the refusal of the wider category of oilworkers to service the industry under such exploitative conditions.<sup>7</sup> So, following James, it would be correct to say that as many as 2 million workers — domestic, industrial and service — went on strike in the oil towns in the course of the Iranian Revolution.

### The Oil Towns

Today the oil province of Khuzistan has a population of some 4 millions, including two million Arab-speaking Shiites. When the oil industry was established at the beginning of the century, Khuzistan was among the least urbanized areas of Iran. Oil created eight separate towns. The largest, Abadan, site of the refinery, grew from a fishing village of a few hundred in 1900 to a city of 170,000 in the late 1940s. Virtually the whole population depended directly or indirectly on the oil company for employment.<sup>8</sup> There the British and Americans built a colonial oil society with brick houses behind walls and segregated neighborhoods for workers, middle management and top executives. One of the demands now [April 1979] is for the 10 country clubs to reopen — but on a democratic basis.<sup>9</sup> The oil communities include two other major cities at the head of the Gulf — Khurrumshahr (Iran's main port) and Ahwaz; as well as the towns of Marun where liquefied natural gas plants are under construction; Bandar Mahshahr, Bandar Shahpur Kharg and Lavan Islands, Bushehr and Bandar Abbas. Refinery centres include Tehran (two with a total capacity of 220,000 barrels a day), Shiraz (40,000 b.p.d.), Kermanshah (20,000 b.p.d.) and two topping plants at Masjed-e-Soleman (64,000 b.p.d.) and Lavan (20,000 b.p.d.). New refineries are under construction at Tabriz (80,000 b.p.d.) and Isfahan (100,000 b.p.d.). Thousands of workers operate more than 5,500 kilometers of crude and product pipelines crisscrossing the country. In 1976 an additional 3,000 kilometers of pipeline were under construction. Oil communities operate four lubricating oil plants, export natural gas to the U.S.S.R. (328 billion standard cubic feet in 1976),<sup>10</sup> run ten tankers with a total deadweight capacity of 1.1 million tons (British supervisors were in charge before the Revolution), distribute natural gas to over 80,000 domestic consumers, manufacture three million metric tons of petrochemical products a year in six different facilities, are building \$3 billion worth of new petrochemical plants, and operate foreign subsidiaries of NIOC in six countries.<sup>11</sup>

The organization of the oil industry workers has proved effective in staging the longest general strike in Iranian history, and one with unprecedented international impact. To shut down as huge a production as six million barrels a day, six refineries, thousands of miles of pipeline, tankers, an extended apparatus of contract and service operations and simultaneously to bring the community to a standstill — to do all this safely and effectively for over four months is a tremendous achievement in co-ordination.

How was it possible, especially given that there existed no popular trade

unions or parties? In part, oilworkers are disciplined and united because the very process of getting oil out of the ground, through the refineries and transported to consumers is a highly co-ordinated process. No industry except aerospace has a more sophisticated communications system or a more automated production process. Thus the basis of the strikers' capacity for co-ordination is the organization imposed by the oil industry itself and by the immediate communities which the industry creates. In addition, Islamic ideology and the mosque network contributed indispensably to the capacity of oilworkers, along with the mass of Iranians, to mobilize against the state.

### History of Working Class Struggle in Iran

A brief review of the history of Iranian oilworkers' struggles reveals the absence of a continuous tradition of unions or parties. Consequently, decentralized grassroots initiatives of workers in the 1978-79 Revolution were of the greatest importance and warrant attention. Fred Halliday identifies three periods of autonomous working class action in Iran. First, in the two decades prior to the consolidation of Reza Khan's rule in the late 1920s, working class organizations began to appear among the hundreds of thousands of Iranian migrant workers who until 1917 took jobs in the Caucasus oilfields of Southern Russia. In 1922 an Iranian Communist leader Sultan Zadeh reported that 10,000 workers were organized outside of Tehran.<sup>12</sup> In 1928 the Pahlavi monarchy abolished all trade unions (95% of them C.P. organised). The second period of action coincided with the Allied invasion of 1941. In that year the Communists established a Central Council of the Trade Unions (CCUTU) which by 1946 claimed 400,000 members (including 90,000 oilworkers in Khuzistan) and 186 union affiliates. With the War's end, strikes broke out in the oilfields some 500 miles south of the capital, Tehran which was itself shaken by demonstrations. In the refinery at Abadan and in a half-dozen distinct production centers, there were major strikes in the 1945-46 period, including a three-day general strike in July 1946 over pay and working conditions. This action, in which the workers won most of their demands, was of immense significance and demonstrated how a small but strategically placed working class can play a major role in an economy like Iran's.<sup>13</sup> The regime responded by setting up a rival trade union, affiliated to the U.S.-run I.C.F.T.U., and by crushing the independent workers organizations. In 1949 the communist Tudeh Party and the CCUTU were banned.

By 1950 some 70,000 oilworkers were producing 664,000 barrels a day in an industry controlled 100 per cent by British Petroleum. Mossadeq's government came to power in 1951 and on May 1 the Iranian Majlis nationalized the oil industry and created NIOC (the National Iranian Oil Corporation). This step followed the Mossadeq government's attack on striking oilworkers. The Tudeh Party and the Communist workers movement at first opposed Mossadeq. According to one account, the Tudeh 'aimed at gaining oil concessions in the north for the U.S.S.R. similar to the British concessions in

the south. When this program failed to gain public support, they demanded that the nationalization program be dropped in favor of outright confiscation, a policy Mossadeq's National Front was ideologically, politically, organizationally and militarily incapable of successfully implementing.<sup>14</sup> Oilworkers were on strike in March-April 1951 demanding confiscation. In a major confrontation, the local Iranian governor attacked the strikers and arrested their leaders 'on the grounds that mass action against the company would provoke a British military intervention and thereby undermine the oil nationalization campaign.' By June 1951, a month after nationalization, BP had in any case effectively blocked oil exports by threatening to contest the sale of any Iranian production in the courts of importing countries. The leading issues between BP and Mossadeq's government concerned the employment of more Iranians in oil, BP's financial obligations to the state<sup>15</sup> and the prices charged by BP for oil products to Iranian customers. By late 1951 the unions fell into line behind Mossadeq who allowed the still-banned CCUTU to operate in a semi-legal manner. Deprived of oil revenues, the economic situation became tense. Over 200 strikes on economic matters erupted in the 1951-53 period. Huge demonstrations built up and led to the expulsion of the Shah on 16 August 1953.

The United States was vitally interested in securing access to Iranian oil and anxious to get it flowing again.<sup>16</sup> Within a week of the Shah's expulsion, the C.I.A. had reinstated him. The five U.S. major oil companies and five independents got 40 per cent of the new oil consortium, which left BP with only 40 per cent as C.F.P. (French) and Shell (Anglo-Dutch) got 5 and 14 per cent respectively.<sup>17</sup> The nationalization was retained but as an empty shell, and the foreign majors' consortium produced and sold the oil and implemented a Saudi-style 50-50 profit split. With the coup of 1953, the unions were also crushed.

In 1957 the trade unions were formally banned and a series of labour laws were introduced in 1959, 1960 and 1963, along with the Shah's system of state-run workers' organizations. These bodies sought the active cooperation of the working class in the Shah's industrialization process and fulfilled the dual function of mobilization and control. An I.L.O. study of 1971 reported a total of 397 such organizations of which 26 were in oil. These apparently were plant and factory based and designed to prevent the emergence of national workers' organizations.

The third period of autonomous working class action began in 1973 with strikes, mostly in individual plants over economic issues of wages, bonuses, and hours of work. A considerable number of economic gains were made. For instance, strikes over wages in the oil industry in August and October 1973 and in March 1975 were apparently met by concessions. Industrial action continued at a lesser pace up to 1978 when strikes again erupted in all sectors of the economy.

Iran's working class, in and out of oil, had thus acted autonomously in three periods before the 1978-79 Revolution. However, the repression in the '30s and since 1953 has denied Iranians a political tradition apart from the heritage

of Islamic resistance to dictatorship. The strikes of the Mossadeq period are remembered, but the CCUTU activity may have been too brief to have had a lasting impact. Officially induced fragmentation, arrest of leaders and state acquiescence in economic demands have all been obstacles to the emergence of a working class movement in Iran. While reports on the influence of the Tudeh in the oilfields vary, it is thought that the Party's significance is small.<sup>18</sup> In short, oilworkers were without unions or parties. Given these negative conditions for organization, the general strike of Iranian workers, and the oil shutdown in particular, are all the more remarkable.

### The 1978-79 Oil Strike: Actions and Demands

The immediate context of oilworkers' strikes was the expiration in July 1978 of the 5-year service contract between the foreign consortium, OSCO, and NIOC. The terms of the agreement had been the source of much dispute, especially over the price OSCO was expected to pay for Iranian crude under contract and over employing Iranian personnel.<sup>19</sup> The strikes began in the oilfields of Ahwaz in September when day labourers demanded and got pay raises.<sup>20</sup> On October 13 the Abadan refinery went on strike, to be followed on October 18 by the staff employees in the Ahwaz oilfields.

We are fortunate to have a first-hand account of the oilworkers' strike by a founding member of the Association of Oil Industry Staff Employees. The description of 'How We Paralyzed the Shah's Regime', included in this book as Chapter 14, takes the story up to late November. By 19 November the first 33-day strike period was ended, the Shah's military had forced oilworkers back to work, and the national oilworkers union was being organized to re-institute the strike even more effectively.

The account of how the oilworkers' strike was organized speaks for itself. But given that this is among the most sustained, powerful and advanced revolutionary mobilizations in history, it is instructive to underline certain points in the workers' account that deal with organization and demands. First, the most outstanding feature of the organization of the strike was the absence of any organization apart from that provided by the work process. The existing relationships proved highly effective and appropriate to the situation. As such they were the basis of the oilworkers' actions, not because a party or union or other externally derived organization was desired but missing, but because the oilworkers deliberately chose to rely on networks established by the industry.

Second, a high level of democracy was complemented by a rejection of leaders. For instance, delegates were elected in mid-October in Ahwaz, but 'the purpose of electing or setting up a committee was not to set apart a leadership.'<sup>22</sup> A *Le Monde* report of 16 November 1978 stated that in Abadan:

The workers we meet use the same words. Who has given them instructions to strike? No one in particular. Everyone agrees. There is really no

organization. It's too bad. But by firing on us, the army has forced us to organize ourselves and even to arm ourselves. We listen to Khomeini and read the tracts of the Mujahidin . . .

Another account from Ahwaz noted that:

Interviews with two young leaders of the spontaneous co-ordinating committee running the strike at the Abadan refinery suggested a devotion to utopian ideals rather than the give-and-take of labor-management struggles. Claiming no prior ties with any political opposition party, religious or communist, the leaders spoke disdainfully of a new 10 per cent pay offer which the government made Wednesday [Nov. 8] in hopes of breaking the strike.

Third, oilworkers were completely in charge of the day-to-day operations of the industry, and of the formulation of plans and strategies of production. This effective control from the bottom was exercised with a high sense of responsibility for safety and social needs, and in opposition to top technocrats in NIOC and the foreign experts from OSCO who pose everywhere as essential to the administration of the industry.

Some examples of the oilworkers' awareness that only they could stop and start the industry and their responsible execution of these tasks are in order. Oilworkers discussed whether to 'extend the strike through the entire oil industry, or whether some facilities such as hospitals, part of the telecommunications network, and some teams that do emergency repairs on the oil pipelines should be kept in operation . . . So we said that we would designate a group of workers to make emergency repairs if there was an accident or if someone did something deliberately.' After NIOC management failed to get the oil flowing again, using 200 retired workers ('They burned out a couple of pumps and turbines') and later on 200 technicians from the navy 'who got rattled when they realized that they did not know the direction of the oil flow in the lines', the authorities 'finally realized that we were the only people who can operate the oil industry in Iran'. By the first week in November the military had occupied the oilfields and were attempting to force workers to produce at gunpoint.

A fourth feature of the Iranian oilworkers' organization of the strike was the combination of high levels of co-ordination with decentralization of decision-making and implementation. For instance, the issue of providing oil for domestic Iranian consumption, as winter approached, was resolved through co-ordinated discussions with production units, refiners and transporters. But the final decision was taken by the workers on the ground who knew the immediate situation most intimately. In December it was 'decided finally to assure the supply for domestic needs . . . So we assigned some of the workers in Ahwaz to continue to operate one of the wells . . . We began discussing with the [striking] refinery workers and urging them to refine the crude we were producing and pumping to their plants.' But the oil products

were seized by the military. So the refinery workers 'said that they were resuming their strike, believing that we would agree with their decision. We told them that was fine, since they knew the local situation better than we did.' When Ayatollah Khomeini, then in Paris, sent the Bazargan Commission in late December to urge the oilworkers to produce and refine for local use, they refused. Cockcroft reported Dr. Yazdi's account that 'the workers, believing their production could not be adequately monitored to keep oil from the military, obeyed only in part. On January 24th, the U.S. Government announced that it was shipping diesel fuel and gasoline to Iran's military.'<sup>23</sup>

In December, the strike was re-instituted with total effectiveness, bringing production down from around 4 million barrels a day (as a result of forced labour at gunpoint) in late November, to nothing. Oil exports were effectively halted. Prices in the international market started to rise as earlier crude oil surpluses began to disappear. U.S. Government concern about the Iranian Revolution intensified after December 10, when the masses in Tehran's Azadi Square passed the key resolution of the period, calling for the return of the Ayatollah and rejecting the Shah. In an interview with Cockcroft in late December outside Paris, Khomeini said that from 9-10 December, 'so long as the head of any government which supports the Shah is in power we will cut off the oil. We will also cancel all contracts signed after those two days.' This is most likely the point at which imperialism began seriously to consider scuttling the Shah.

A fifth feature of the oilworkers' strike action was flexibility, itself made possible by the high level of organization. For example, after repeated attacks by the military on gatherings of oilworkers, they 'came up with a new tactic. It was to prepare our agenda and our instructions to the striking workers, get everyone together at a given place, and give them the instructions. We could do this in the half hour it took before the troops could come and drive us away.' After forced labour increased production, the strikers 'decided to go back to work along with other workers and prepare for a new strike. We did not consider ourselves defeated . . . The workers' flexibility reduced the regime's ability to control or halt the strike. As a participant noted, 'one group would retreat one day, and the next day would resume the struggle in a different form and propel it forward.' A report by Ibrahim in the *New York Times*, 19 November 1978, noted that: 'Despite threats by the military, thousands of workers are continuing slowdowns in the oilfields and factories, or staying away from their jobs . . . Settlements reached with the workers in the morning come unglued in the afternoon, and new demands are made every day. Intimidating policies, such as rounding up the leaders of the revolt, seem to have little effect. . . .'<sup>24</sup>

Finally, these five features of strike organization were complemented by an emphasis on communication. On their first day back at work after 33 days on strike, the Ahwaz staff held an assembly which elected a 15-person Coordinating Committee 'to contact other organizations and individuals to solicit help' and also a 6-person Communications Committee to deal with

NIOC's Board of Directors, telegrams, media, and the development of support from all sections of the population. In fact, the strikers' organizational energies seem to have been directed mainly at communications with others, as a basis for co-ordination of action with them.

The oilworkers' demands are remarkable in their universality. They came from production, refinery and staff oilworkers, but also from striking teachers in Ahwaz. The interests of women and housewives were also recognized. They were national demands which combined economic and political concerns. The oilworkers shut down the industry on behalf of the whole population, and thereby dispelled the myths about the conservative labour aristocracy and the economism of the modern proletariat. Magdoff and Sweezy wrote in February 1979 that:

There have been few spectacles in recent history so inspiring and heart-warming as that of 70,000 oil workers, far and away the best paid and most privileged segment of the working class, bringing to a complete halt the huge production and refining complex which is the Iranian oil industry, and doing it not for better pay or special privileges, but in support of the quintessentially *political* demand of the whole Iranian people that the Shah and all he stands for must go.<sup>25</sup>

In mid-November, as the oil strike got underway, the Ahwaz staff workers decided 'to define our aims . . . We had to specify our demands. Everyone had a few demands in mind, but all of them had to be put together and presented to the company in a list.' On the October 29 list were the following demands:<sup>26</sup>

1. End martial law;
2. Full solidarity and co-operation with the striking teachers;
3. Unconditional release of all political prisoners;
4. Iranianization of the oil industry;
5. All communications to be in the Persian language;
6. All foreign employees to leave the country;
7. An end to discrimination against women staff employees and workers;
8. The implementation of a law recently passed by both houses of parliament dealing with the housing of oil workers and staff employees;
9. Support for the demands of the production workers, including the dissolution of SAVAK;
10. Punishment of corrupt high government officials and ministers;
11. Reduced manning schedules for offshore drilling crews.

Negotiations between strikers and Hushang Ansary, head of NIOC, opened on October 24. Ansary told the assembly that: 'he would consider the economic demands but that the others were outside his sphere. We told him that we were not going to make any distinction between our economic and non-economic demands. We told him that we had only one set of demands, from

number one to twelve.'<sup>27</sup>

The oilworkers' strike drove a wedge between various interests within the Iranian state, and also dramatized to all the fact that real power lay with the oilworkers and not with the state. While prime minister Emami declared the strike 'an act of treason', Mr. Shariatmadari 'praised us as acting in the service of the nation'. Then the Complaints Commission declared 'that our strike was illegal, and no one had any right to declare it illegal and try to break it.' When NIOC refused to negotiate with the oilworkers, they 'called on all the people of Iran to consider this crucial political question, so that they could understand where the responsibility really lay for the continuation of the strike.'

Oilworkers, as defined broadly here, include members of the oil communities, such as teachers, judges and ayatollahs, who supported the strike and national mobilization. *Le Monde* carried the following account of the struggle in Abadan and the involvement of the broader community:

Saturday, November 4, there is a meeting where 1,700 representatives gather from all the factories. It is held at the refinery in the presence of the military governor. The delegates lay out their demands and announce that a thousand persons will spend the night in the administrative buildings. The governor accepts this, but towards midnight he sends troops to drive them out. Result: eleven wounded of whom two die. Monday, the teachers march at Abadan and at Khorramshahr in solidarity with the oil workers, while in Tehran the government of General Azhari is formed. After Tuesday, the 7th, the army moves every night to arrest workers in their homes and to threaten others. Friday, the management of NIOC brings together the workers' delegates to announce 'if you don't start work again, you will be killed.' The army prevents the ayatollah of Abadan from giving his sermon and arrests another religious leader at the cemetery for having given the eulogy at the funeral of the demonstrators who had been killed . . . At the Khorramshahr court house, the judges have been served with legal complaints by the victims' families; they decide to go on strike.<sup>28</sup>

Participants in the Abadan refinery strike indicated their sense of identity with others in the community:

'We were suppressed for so many years. We suffered for so long,' one leader said, 'that now we have burst. It was not the Shah who liberalized,' he added vehemently, 'but we who grasped liberalization from him. We took it.' 'I say why did my father not act and I do not want my son to ask me the same question,' his colleague said. 'We know we might be killed, but we say we are no better than the people who were killed in the Rex Cinema here in Abadan or in Saleh Square in Tehran,' he added.<sup>29</sup>

In Ahwaz, the strike united the whole community:

Despite threats by the military, thousands of workers are continuing slowdowns in the oilfields and factories, or staying away from their jobs . . . [They are avoiding] direct confrontations with the soldiers, . . . call the soldiers their 'brothers' and are trying to win them over . . . It is clear that, regardless of the diversity of their material demands, the various factions in this city of 450,000 people are unanimous in their rejection of the Shah's rule . . .

At the Khazalah supermarket, where striking oilworkers continue to shop, a laborer named Yassin said that he is not concerned about Iran's financial losses resulting from decreased oil exports. 'We never saw any of that money anyway,' he said. 'It was all going into the pocket of Ali Baba and his forty thieves.' . . . Interviews with a dozen workers here revealed that their support for Khomeini is motivated more by his opposition to the Shah than by religious dictates. A worker for the Water and Power Authority said the Ayatollah 'has brought the eyes of the world on our problem here and made them see that the Shah is a puppet of the foreigners who are stealing our money.'

The feeling that foreigners, particularly Americans, control Iran's fate and policies is pervasive in this town, which is the capital of Khuzestan Province, the oil centre of Iran. Among the educated Iranian technicians at the oil companies in Ahwaz, the resentment of foreign experts takes on . . . a realistic dimension. One engineer for an Iranian-American metal company . . . said that most of the foreign workers in his company were not needed. 'We have technicians here who can do their jobs,' he said, 'but the government lets the foreigners run this company as they please, and I know that they don't work for the best interests of our country or our industry. Their purpose is to keep Iran dependent forever . . .'<sup>30</sup>

The B.B.C. reported on its December 4 Farsi-language broadcast that the oilworkers had set up a nationwide union and initiated a general strike demanding that the Shah abdicate. On December 3, Khomeini announced that 'the strike in the oil industry in particular, which prevents looting of the nation's wealth, is an act of obedience to God.'<sup>31</sup> On December 15, General Azhari warned the oilworkers to return to their jobs or be dismissed. Their only response was to bring oil production to a 27-year low. Demonstrations continued to grow in size in all the major cities and the Shah in a last desperate act designated Bakhtiar as the next Prime Minister. On January 15, 1979, Ayatollah Khomeini named a provisional government and the next day the Shah left Iran. His troops continued to kill demonstrators, and oilworkers as a result threatened to stop providing even limited amounts of domestic oil. After several days of clashes between troops and demonstrators, on January 27 more than a million marched peacefully in Tehran in support of Khomeini who was welcomed four days later by some three million Iranians. By February 8 hundreds of soldiers were joining pro-Khomeini marches. The following day technicians at Homafar airforce base declared allegiance to the Ayatollah and battled elite troops. On February 10 the pro-Khomeini airforce cadets fought army troops loyal to Dr. Bakhtiar who resigned on the 11th.

In the armed struggle hundreds of thousands of weapons were seized by the people. The call went out for a people's army, and for community and workplace control through popular committees (or *Komitehs*). Polarization along class lines developed quickly as Khomeini and his appointee Bazargan sought to re-establish production and state authority. The conflict was between those forces seeking to destroy and replace the old state and the Iranian bourgeoisie seeking to exercise state power. Writing about the French state in 1851, Marx observed that, 'All revolutions perfected this machine instead of smashing it. The parties that contended in turn for domination regarded the possession of this huge state edifice as the principal spoils of the victor.'<sup>32</sup> Khomeini's call for arms to be handed in went ignored as Iranians sought to secure their demands. On February 24 the marxist guerrilla group, the Fedayeen, asked why Khomeini's revolutionary committee did not have oilworkers on it, and protested at the secrecy of trials and summary executions. Helfgott outlined the pattern of class struggle that was emerging in February after Khomeini's return:

Khomeini and the mullahs have no economic program precisely because the interests of their constituencies are so divergent. The wealthy merchants seek to control capitalist development, the artisans and shopkeepers reject capitalist development for fear of imminent proletarianization, and the day workers seek a form of economic well-being and social equality only possible under socialism.

As the focus of the struggle moves from politics to economics, from anti-monarchical constitutionalism to class conflict, a realignment of class forces will develop. The wealthy merchants, probably Khomeini's most influential supporters, will align with the leading bourgeois fractions in the modern sector in the interests of property. It is likely that religious fervor will carry the artisans and shopkeepers with them for a brief period.

The propertied classes will then attempt to isolate the day workers and industrial proletariat and re-establish a stability based on the centrality of private property.

The service bourgeoisie and the students are the two elements that link the pre-capitalist sector to the modern sector and that have the potential of uniting the day workers and the industrial workers into a socialist movement . . . The leftist intellectuals in the Khomeini movement will form an alliance with the poor to attempt to force the religious leader to the left. When this fails, they will turn to the Tudeh Party and the industrial proletariat. This merger would produce a mass-based and powerful socialist movement based in both economic sectors. However, there are numerous forces in Iran that mitigate against the success of such a socialist alliance.<sup>33</sup>

In late February a new set of demands were issued from the oilfields. According to an Associated Press report, 'the oil industry is in the hands of radical workers who demand a major role in deciding who gets the oil and the price to be paid for it. They expect the government to heed their demands

for (1) redistribution of oil income, (2) an end to foreign control of the industry, (3) the right to reject management appointees, and (4) a substantial increase in oil prices above the level set by OPEC.' By the first week in March oil production was underway, and within 2 weeks reached 2.7 million barrels a day, near the limit the government then judged to be suitable. Mr. Nazih, the Khomeini appointee to head NIOC, announced on March 19 that, contrary to detractors' estimates,<sup>34</sup> it took only four rather than eight weeks to get production going again. He added that oilworkers were going to increase output to six million barrels for a single day, to demonstrate that they could do it in the absence of 800 foreign oil experts who had been expelled.

Throughout April and May, 1979, the oilworkers maintained their influence through workplace committees (*Komitehs*) which challenged the appointments of several senior NIOC officials. After meeting with oilworkers in Abadan in April the journalist, Kai Bird, wrote that 'Western importers will still face a pinstripe executive from the National Iranian Oil Company, but behind that executive will stand the worker *komiteh*, exercising its collective will over the country's oil policies.' As of April 1979, the oil industry was controlled by dozens of independent workers' *komitehs* which participated in all the decisions related to oil production, refining and export. Bird reported that:

... the worker *komitehs* have now been running the oilfields and refineries for more than six months — without their toprank Iranian managers and without the expertise of some 800 foreign technicians . . . .

The presence of these *komitehs* in nearly every phase of Iranian oil operations is responsible for a new national policy based on conservation, diversification of exports, a ban on exports to South Africa and Israel, the cancellation of expensive capital investments like the gas injection projects and a determination to eliminate the multinational middlemen in the marketing of their oil.<sup>35</sup>

The oilfield *komitehs* are markedly to the left of Bazargan's Provisional Revolutionary Government<sup>36</sup> and are viewed by social democratic Iranians 'as an important counterweight in the present conservative tide'. Some oilworkers are religious, but favour a radical reorientation of Islam along the lines set out by the revolutionary intellectual, Dr. Shariati. As the elected speaker of the Abadan oil refinery central *komiteh* said in April, 'It is true that many of us feel the Revolution is moving too slowly. There are problems with some of the mullahs . . . . They are what we call Saffavi Shi'ia. We are followers of the reformist theology preached by the late Dr. Ali Shariati.'<sup>37</sup> Oilworkers share with many educated Iranians a marked preference for Ayatollah Taleghani who was imprisoned with and has close contacts with Marxists. A boilermaker in the Abadan refinery, stated that:

We give Khomeini due respect for so stubbornly refusing to compromise with the Shah, but after all, Dr. Shariati wrote this revolution. Khomeini only led it. And now that we have an Islamic Republic, Khomeini must

rely on people like Taleghani if the revolution is to continue.<sup>38</sup>

The 800 miles separating the oilfields from Tehran have long kept the oil communities somewhat isolated from political developments. Bird reported in April 1979 that they were unaware that the Bazargan government had chosen to suppress '— occasionally by force — labor unrest, peasant land grabs and ethnic minority demands for regional autonomy. The Government has repeatedly condemned attempts by worker *komitehs* in the automobile factories to shut out their managers. And, in several instances, the army has been used to expel peasants who had occupied their landlords' farms, chanting, "The land belongs to Allah, and Allah is the people!"

In part because of this isolation, the expectations of oilworkers for radical reform are high. The *komitehs* remained in place and functioning two months after Khomeini's new government came to power, despite steps to destroy them. For instance, just prior to the March 21 meeting of OPEC, NIOC chief, Nazih, drafted a memo instructing a number of *komitehs* to disband. According to NIOC sources, Nazih was told to withdraw the memo by the Central Revolutionary Council. After all, the central *komiteh* of the Abadan refinery has been managing this, the largest plant in the world, for over six months, and the Ahwaz *komitehs* actually locked out the six most senior managers in the oil exploration and production departments. Bird quoted an Ahwaz production engineer's views on the strength of the *komitehs* and oilworkers in any struggle with NIOC or government forces:

We support Nazih so far because he has listened to our suggestions. He has not insisted on reinstatement of these discredited managers. He has agreed to scrap the expensive and wasteful gas injection projects, which were only needed when the Shah required us to produce at maximum capacity. And he has agreed not to produce more than 3.7 million to 4 million barrels per day. We believe anything above that level damages the reservoirs — and in any case, this country cannot effectively spend oil revenues from more than 3 million barrels per day of exports. But if this government ever began to squander our national treasure, I tell you, we'd strike the fields again.<sup>39</sup>

Some professional oilworkers' *komitehs* have announced that they are willing to take pay cuts (from \$25,000 a year). Worker *komitehs* have made public demands for the right to supervise their own jobs. In April 1979 a young Abadan welder stated that:

We are not going to be slaves to these machines. Labor in the West is forced to obey management and produce only for consumption, always more and more consumption. It is your God. But in an Islamic Republic, the community and not consumption is the main goal.<sup>40</sup>

The 30-member central worker *komiteh* in the Abadan refinery has voted a

change in work rules and is drafting a wage increase proposal for presentation to the government. The delegates meet every second day inside the refinery to plan and manage production and to secure their demands. There is every likelihood that further strikes will shut down the industry if the state capitalist management of NIOC fails to yield control to the workers who have so unmistakably taken it.

Oilworkers' demands that OSCO, the foreign oil consortium, be expelled from Iran and that oil prices increase have been won. No oil is being sold to OSCO, although some of the major oil companies with an interest in the now defunct consortium are buying oil directly from NIOC. The demise of OSCO raises serious questions about the domination of most OPEC member countries' oil operations by 'service firms' which are actually the former concession-holders. The oil companies have long claimed the technology transfer function as their special preserve. Iranian oilworkers have demonstrated the dispensable nature of such service groups.<sup>41</sup> Several Western companies and governments have bought Iranian oil since the Revolution. In May, Shell signed a contract to buy 235,000 barrels a day to the end of 1979 at \$16.57 per barrel, while Gulf contracted for over 150,000 a day at the same price. British Petroleum reached agreement on a 500,000 barrel a day arrangement at \$16.55. The official Iranian crude price of \$16.57 for April was higher than the OPEC price, and reflected tight world oil supplies. Production was up to 4.4 million barrels a day by early April.<sup>42</sup>

### Three lessons from the Oilworkers' Strike

Among the many lessons of the ongoing Iranian Revolution, one of the most important is that technical knowledge and experience are built up in the very process of class struggle to throw out foreign 'experts' and their local managerial allies. In recounting their demands, an Ahwaz staff employee said that:

In regard to the expulsion of the foreign staff employees, we said that this should be done gradually and according to a plan. Some of these employees were simply superfluous. They were drawing salaries and doing nothing. Such people could leave Iran very quickly, or else we would expel them. As for the others, there should be a plan to start replacing them.<sup>43</sup>

The remarkable action of Iranian oilworkers in shutting down the fields, maintaining them during the closure, and then re-starting production after four months of general strike should lay to rest for all time the 'manpower myth' which denigrates Third World technical competence and potential in order to justify imperialist control.

Second, Iranian oilworkers have demonstrated that the 'state capitalist solution' to instability in the relations between producing countries and international oil companies is really no solution at all. Multinational oil companies, prior to 1973, owned concessions in oil producing countries,

but these have come under the legal control of state corporations via a process of 'participation' and phased nationalization. The strategies of multinational oil corporations were based on buying stability and time by giving way to these superficial 'nationalizations'.

The multinational corporations were responding to economic nationalism. A form of 'state capitalism' had developed through the creation of national, state-owned corporations in most Third World oil producing countries. These corporations, run by technocrats or state capitalists, united with foreign oil companies in a new kind of alliance to operate the oilfields. It appeared on the surface that national sovereignty over natural resources had been exercised. The oil corporations, in many self-congratulatory statements from 1974 to 1977, heralded a long future without upheavals in the oil business. For instance, the chairman of Shell stated in 1977 that with participation 'the oil industry now has a more comfortable role than it used to have . . . OPEC successfully removed the oil companies as a target from that particular firing line.'<sup>44</sup>

But the strategy of placing the OPEC states between multinational capital and the local population, especially the oilworkers, lasted no more than four years. Iranian oilworkers charged NIOC management with being corrupt puppets of foreign oil companies. This illustrates that the strategy of big oil merely placed state capitalism on the firing line, shielding multinational capital. Both state and foreign capital have been fundamentally challenged by the Iranian Revolution.

Third, Iranian oilworkers have initiated an open, national debate on what a Third World country should do with its natural resources. This debate over control was made possible by the exercise of popular control over oil production, destination, and use of revenues. Iran, by cutting off oil to South Africa, has made a significant contribution to changing the balance of forces there, as well as in Namibia and Rhodesia which get their oil through South Africa. The racist regimes are still getting oil but at much higher prices. If Iranian oilworkers, along with others, are able to enforce their policy of no oil to South Africa, not only will they contribute substantially to bringing down the apartheid regimes, but they will expand their control and mastery of the oil industry into the world market. In the current debate on the management of Iran's natural resources there is a strong emphasis on internationalism that follows unavoidably from the global character of the energy industry.

Among the issues now under public scrutiny in Iran are the underdevelopment associated with rapid oil production, inflows of huge amounts of revenue which OPEC economies are unsuited to absorb, purchase of arms and foreign property under immense international pressure, and the insistence of the capitalist West that oil money be recycled back into the industrialized economies. This fundamental and long-range planning is an approach to oil wealth that has great significance for other OPEC countries. Iranian oilworkers have made it clear that they are going to supply definite amounts of oil to specific customers, and that they want a voice in redistributing the oil money inside Iran. They are also capable of shutting down the fields and refineries, and

have stated their intention to do just that, if these directions are not pursued. Thus, the questions are being posed for all societies — whether to rape finite natural resources through profligacy and corruption in order to develop Western capital, or whether to employ resources wisely in the organization of a new political economy.

## References

1. Interview with Denis O'Brien, International Affairs, U.S. Department of Energy, Washington D.C., 1 March, 1979.
2. OSCO is a private company owned by Iranian Oil Participants Ltd. which in turn is owned by British Petroleum (40%), Royal Dutch Shell (14%), Compagnie Francaise des Petroles (6%), Exxon, Gulf, Mobil, Standard Oil of California and Texaco (7% each), and Iricon Agency Ltd. (consisting of 6 U.S. independents: Atlantic Richfield, Getty, Standard of Ohio, Charter, and American Independent, who share 5% ownership of IOP).
3. The gas and petrochemical subsidiaries of NIOC each have their own autonomous operation and administration.
4. Fred Halliday in *Iran: Trade Unions, Agriculture and Nutrition*, MERIP 71, 1978, p. 9.
5. *Ibid.*
6. Selma James, 'Wageless of the world' in *All work and no pay*, edited by Edmond & Fleming, Falling Wall Press, Bristol, 1975, p. 26. The internal quote is from Marx, *Theories of Surplus Value*, part 1, Lawrence & Wishart, London, 1969, p. 127.
7. *New York Times*, 23 April 1979.
8. Halliday, op. cit., p. 9.
9. *New York Times*, 23 April 1979.
10. A huge \$2.5 billion gas export pipeline is under construction, to increase U.S.S.R. supplies to 699 billion standard cubic feet per year by 1981.
11. NIOC's foreign activities in 1977 included a Madras Refinery and fertilizer plant in India, a 63,000 b.p.d. Sasolburg Refinery in South Africa (17% NIOC ownership), a 50-50 joint venture with South Korea for a refinery there with crude supplied from Iran, another similar venture for a 30,000 b.p.d. refinery for Senegal (including development of a phosphate mine, port facilities and a fertilizer plant), negotiations with Italy's ENI for a 50-50 deal concerning present and future refining and marketing activities in Western Europe (excluding Italy). NIOC also has exploration activities with BP, Socal and Norway's SAGA in the North Sea.
12. Halliday, op. cit., p. 8. Halliday quotes Schapour Ravasani, *Sowjetrepublik Gilan*, Berlin n.d. pp. 221 ff. It is not stated that these 10,000 organized workers were in the oil industry.
13. Halliday, op. cit. He cites L.P. Elwell-Sutton, *Persian Oil*, London 1975.
14. Linda Heiden letter to the editor, MERIP 75/76, March/April 1979, vol.

9, nos. 2/3, p. 39.

15. British Petroleum refused to follow the December 1950 Saudi Arabian example of Aramco (Arabian-American Oil Company) with its 50-50 profit-sharing formula.
16. Three reasons for U.S. interest in Iranian oil were: first, Iran was the largest Eastern Hemisphere producer and the reconstruction of Europe and Japan under U.S. auspices (and with energy supplied by U.S. companies under the Marshall Plan) was dependent on oil from Iran; second, because the U.S. and allied forces in the Korean War of 1950 depended on Middle East oil; and third, the U.S. was anxious about Soviet and Tudeh Party influence growing in Iran during the upheaval.
17. The eight major world oil companies shared Middle Eastern oil after the 1953 coup which reduced BP's control from about half to a quarter of overall production in the region.
18. Richard Falk, Chairman of the U.S. People's Committee in Iran, visited Iran in January 11-21, and interviewed Ayatollah Khomeini. Falk also met with representatives from the refineries and the production workers: 'The sense we got was that there are important communist, left elements within the oil workers movement, but by far the dominant force within that setting accepts the guidance of Khomeini.' MERIP 75-76, p. 10. Also see Ervand Abrahamian, 'Iran in revolution: the opposition forces', in the same issue for a concurring assessment.
19. OSCO refused to take Iranian oil that was priced above the level the majors were willing to pay. As a result, by 1978, NIOC was marketing about 25 per cent of the oil. Sales were made through state-to-state deals with India, Brazil, Taiwan, Bulgaria, Israel and South Africa. Sales were also made to smaller companies like Ashland, and in some cases bartered for missiles, tanks, and warplanes.
20. *Washington Post*, 10 November 1978.
21. This information is provided in an account of how the oil workers' strike was organized by a founder of the Association of Oil Industry Staff Employees. It appeared in December 29 edition of *Payam Daneshjoo*, was translated for January 29 edition of *Intercontinental Press/Imprecor*, and published in MERIP, *Iran in Revolution*, 75/76, p. 20.
22. *Washington Post*, 10 November 1979.
23. James Cockcroft, 'Interview with Ayatollah Khomeini', *Seven Days*, (New York), 7 February 1979, p. 21.
24. *New York Times*, 19 November 1978.
25. Harry Magdoff and Paul Sweezy, 'Iran: new crisis of American Hegemony', *Monthly Review*, February 1979, vol. 30, p. 17.
26. The first nine demands are listed in the Ahwaz staff employee account, in the appendix to this chapter. The last two are from the *Washington Post*, 10 November 1978. However, elsewhere in the Ahwaz workers' statement reference is made to twelve demands. In addition, other lists were issued subsequently.
27. That was the only meeting with Ansary who fled Iran with some \$70 million, according to the Ahwaz staff employees' account. On November 10, 1978, Randal reported in the *Washington Post* that 'Ansary appeared