

# COLONIALISM AND THE TRANSITION TO US INFLUENCE

Throughout the nineteenth and early twentieth centuries, the Great Powers of Europe—principally Britain, France, and Russia but also Germany and, in the later years, Italy—competed for influence and domination in the lands abandoned by the Ottomans (who had maintained an empire in the region for centuries). Britain had interests in Egypt, the Arabian Peninsula, southern Iran, southern Iraq, Afghanistan, Palestine, and elsewhere. The French had a presence in Lebanon, parts of Syria, and North Africa. The Russians had interests in northern Iran and Syria, among other areas.

With the advent of World War I, the entire region was thrown into disarray. British armies occupied parts of Iraq and sought to gain a firmer foothold in the Arabian Peninsula. The British promised a kingdom in that region to the Sharif of Mecca in exchange for his expelling the last remnants of Ottoman control. In the end, however, the British reneged. Under the Sykes-Picot Agreement (1916), the French and the British agreed to divide the lands of eastern Arabia between them: the French would gain control of Syria, Lebanon, and parts of Anatolia while the British would obtain most of Iraq and areas surrounding the Persian Gulf. Russia, too, would acquire lands around the Bosphorus and the Black Sea.

Around this time, too, in November 1917, the British issued the Balfour Declaration, which supported the idea of a Jewish homeland in Palestine. This helped bolster the actions of the leaders of a growing Zionist

movement which aimed to repatriate European Jews in the Holy Land. By 1922 a Palestinian Mandate—essentially a colony sanctioned by the League of Nations—was in place under British administration. It would last, not without conflict, until the declaration of the state of Israel in 1948.

At this point in Middle Eastern history, with most of the area under direct or indirect foreign rule, nationalist forces arose. In Iran, the Persians refused to accept British oversight. General Reza Khan (later Reza Shah Pahlavi) led a military coup and established a nationalistic, modernizing government (1921). In 1925 he removed the last of the Qajar royals and became shah. Meanwhile, in Turkey, General Mustafa Kemal Atatürk rallied his fellow countrymen. Within a few years he had put down opposition both inside and outside of Turkey, angled to get a fair peace settlement from the Allies, and created a secular, nationalist republic (1923). This marked the final end of the Ottoman Empire.

On the Arabian Peninsula, a long string of post-World War I tribal wars continued into the 1920s. By 1926, however, the powerful Al Saud family had gained the upper hand, putting down Sharif Hussein and other opponents. In 1932, the peninsula was united as a kingdom under Abdul al-Aziz ibn Saud (reigned 1932–53). Oil was discovered in the kingdom in the mid-1930s, and through the consortium known as Aramco (made up of American and British oil companies), vast sums of money were transferred to the Saudi rulers. Both the British and,

increasingly, the United States coveted these resources.

Following World War II, the United States began to emerge as the major outside power in the Middle East. The European powers had either been pushed out in the course of the war (as in the case of Italy and Germany) or pressured to exit due to domestic events or new developments in the region. France hung on to its colony in Algeria, but after a long, dirty war there (1954–62) it lost control and left the country, which became independent. As additional nationalistic movements took root and swept through the region, Britain, too, exited under pressure from Egypt's Gamal Abdel Nasser (ruled 1956–70).

The United States viewed these nationalist movements as being aligned with the Soviet Union and communism, which was only partially true. Washington's intervention in Iran, where

a US and British-backed coup ousted Prime Minister Mohammad Mossadegh in 1953, added to mistrust of the United States in the Middle East. (The action would come back to roost when, in 1979, Iran ousted the US-backed shah Mohammed Reza Pahlavi [ruled 1941–79] and declared an Islamic republic there.) In the case of the United States, the three main interests in the region were Persian Gulf oil, support and protection of the new state of Israel (from 1948), and containment of the Soviet Union. These goals proved difficult to manage, especially with the rise of Arab nationalism.

The United States was among the first nations to recognize Israel in 1948. That same year war erupted between the new Israeli government and the Palestinian Arabs backed by Jordan and Egypt. Lebanon, Jordan, and Syria each absorbed significant populations of Palestinian refugees after the 1948–49 war.

## ■ ***On the Jewish State***

**Date:** 1896

**Author:** Theodor Herzl

**Geographic region:** Jewish homeland

**Genre:** Political pamphlet

### **Summary Overview**

*Der Judenstaat*, or *On the Jewish State*, was written by Theodor Herzl, one of the founding members of the modern Zionist movement. The text reproduced here represents segments of a pamphlet that Herzl circulated in 1896. Herzl's pamphlet was discussed thoroughly at the first Zionist Congress in 1897, which he largely organized. Herzl was arguing for the creation of Jewish state, preferably in the ancient Jewish homeland (in what was then Palestine). Realizing, however, that people already inhabited that region, Herzl was willing to point to a new homeland for his fellow Jews in part of modern-day Uganda. The Jewish people had lived much of their history in dispersed communities in different part of the globe, he noted, although they were originally situated mainly in one area of the ancient Near East, the kingdom of Judea. Over time, that kingdom grew and shrank, was conquered and retaken, and was finally decimated by the Romans. In the decades and centuries after the fall, most Jews ended up scattering and relocating to areas that were nominally tolerant of their religion and historical background. Those belonging to the Zionist movement, which was beginning to gain ground at the time of Herzl's pamphlet, sought to bring together all Jews in a province or country of their own.

### **Defining Moment**

When this pamphlet originally came out, the Jewish people had been expelled from their homeland for 1,761 years. After the Bar Kokhba rebellion against Rome and its Emperor Hadrian, Hadrian commanded that all Jews must leave their homeland and never return. This forced the population, already spread out over the Roman Empire, to move even farther away from their ancestral territory. Many relocated to parts of Europe, north Africa, and other areas where they could make a new home for themselves. Every Jew was now part of a diaspora, or an exile community. This was not an entirely novel concept for the Jewish people, as they had been expelled for the first time in the eighth century

BCE, but the Roman banishment was the most lasting. As of the late nineteenth century, there were only glimmerings of hope about possibly reuniting the Jews in their ancient homeland or somewhere else.

As is usual when a group has been marginalized, a few souls stand out as leaders seeking to improve the prospects of their people. Theodor Herzl was one such person, and he found many other like-minded activists when he formed the First Zionist Congress in 1897. The Jewish communities throughout the world had faced hardship and degradation for hundreds of years, but most of them had found ways to function and even thrive within the borders of the German, Polish, Italian, or other states in which they were situated. Overall, while many people in the

DER  
**JUDENSTAAT.**

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VERSUCH

EINER

MODERNEN LÖSUNG DER JUDENFRAGE

VON

**THEODOR HERZL**

DOCTOR DER RECHTE.



LEIPZIG und WIEN 1896.

M. BREITENSTEIN'S VERLAGS-BUCHHANDLUNG

WIEN, IX., WÄHRINGERSTRASSE 5.

*The book Der Judenstaat (The Jewish State, 1896) by Theodor Herzl.*

Jewish diaspora were enthusiastic about coming together once again as a single community, few were quite ready to abandon the lives they had built for themselves in their adopted countries, where, oftentimes, they and their ancestors had lived for ages. Some people feared, too, that they might be treated worse by non-Jewish populations if they distinguished themselves as Jews first and foremost and expressed their wish to leave.

The Zionist push for Jewish recognition and independence gained momentum in the last decades of the nineteenth century and the early years of the twentieth, in part because of Herzl and the Zionist Congress but also because of the work of other activists and a growing interest among the populace at large. The idea to create a new homeland for the Jews in Palestine, first formally proposed at the 1897 congress, was called the Basel (Basle) Program, after the Swiss city in which the congress was held.

### Author Biography

Theodor Herzl was born on May 2, 1860, in Pest (modern Budapest), in the former Kingdom of Hungary. His father was a businessman and his mother stayed at home to take care of him and his older sister (who tragically died as a child from

typhus). While identifying as ethnic Jews, the family was largely secular. During his studies at school Herzl became entranced by German culture and believed that the Germans were the most civilized of the European peoples. That belief caused him to think that through intense study of European classical literature, he and his fellow Jews might separate themselves from an ethnicity that some among them considered unfortunate or even shameful. The self-directed anti-Semitism of such thoughts did not fade in Herzl until he enrolled in the University of Vienna.

After studying law at university, Herzl had a short legal career and then directed his attention to journalism. He eventually became the editor of *Neue Freie Presse* (New Free Press), a Parisian publication. Through his experiences in Paris and other parts of Europe, Herzl became disillusioned by the anti-Semitism that seemed to be everywhere. He came to believe that it could never be changed, but only avoided. It was at this point that he wrote *On the Jewish State*.

For the last eight years of his life, Herzl worked with political leaders, religious leaders, and even Pope Pius X to try to find a suitable home for the Jewish diaspora to settle in. Herzl proposed forming a colony in Uganda, but that idea died with him. He passed away on July 3, 1904, from a heart condition.

### HISTORICAL DOCUMENT: From *On the Jewish State*

The idea which I have developed in this pamphlet is a very old one: it is the restoration of the Jewish State.

The world resounds with outcries against the Jews, and these outcries have awakened the slumbering idea.

...

We are a people—one people.

We have honestly endeavored everywhere to merge ourselves in the social life of surrounding communities and to preserve the faith of our fathers. We are not permitted to do so. In vain are we loyal patriots, our loyalty in some places running to extremes; in vain do we make the same sacrifices of life and property as our fellow

continued from page 5

citizens; in vain do we strive to increase the fame of our native land in science and art, or her wealth by trade and commerce. In countries where we have lived for centuries we are still cried down as strangers, and often by those whose ancestors were not yet domiciled in the land where Jews had already had experience of suffering. The majority may decide which are the strangers; for this, as indeed every point which arises in the relations between nations, is a question of might. I do not here surrender any portion of our prescriptive right, when I make this statement merely in my own name as an individual. In the world as it now is and for an indefinite period will probably remain, might precedes right. It is useless, therefore, for us to be loyal patriots, as were the Huguenots who were forced to emigrate. If we could only be left in peace....

...  
 [However,] oppression and persecution cannot exterminate us. No nation on earth has survived such struggles and sufferings as we have gone through. Jew-baiting has merely stripped off our weaklings; the strong among us were invariably true to their race when persecution broke out against them....

However much I may worship personality—powerful individual personality in statesmen, inventors, artists, philosophers, or leaders, as well as the collective personality of a historic group of human beings, which we call a nation—however much I may worship personality, I do not regret its disappearance. Whoever can, will, and must perish, let him perish. But the distinctive nationality of Jews neither can, will, nor must be destroyed. It cannot be destroyed, because external enemies consolidate it. It will not be destroyed; this is shown during two thousand years of appalling suffering. It must not be destroyed. . . . Whole branches of Judaism may wither and fall, but the trunk will remain.

“  
*The idea which I have developed in this pamphlet is a very old one: it is the restoration of the Jewish State.*

...  
*The Jewish Question*

No one can deny the gravity of the situation of the Jews. Wherever they live in perceptible numbers, they are more or less persecuted. Their equality before the law, granted by statute, has become practically a dead letter. They are debarred from filling even moderately high positions, either in the army, or in any public or private capacity. And attempts are made to thrust them out of business also: “Don’t buy from Jews!”

Attacks in Parliaments, in assemblies, in the press, in the pulpit, in the street, on journeys—for example, their exclusion from certain hotels—even in places of

recreation, become daily more numerous. The forms of persecutions varying according to the countries and social circles in which they occur...

...

### *The Plan*

Let the sovereignty be granted us over a portion of the globe large enough to satisfy the rightful requirements of a nation; the rest we shall manage for ourselves.

The creation of a new State is neither ridiculous nor impossible. We have in our day witnessed the process in connection with nations which were not largely members of the middle class, but poorer, less educated, and consequently weaker than ourselves. The Governments of all countries scourged by Anti-Semitism will be keenly interested in assisting us to obtain the sovereignty we want.

The plan, simple in design, but complicated in execution, will be carried out by two agencies: The Society of Jews and the Jewish Company.

The Society of Jews will do the preparatory work in the domains of science and politics, which the Jewish Company will afterwards apply practically.

The Jewish Company will be the liquidating agent of the business interests of departing Jews, and will organize commerce and trade in the new country.

We must not imagine the departure of the Jews to be a sudden one. It will be gradual, continuous, and will cover many decades. The poorest will go first to cultivate the soil. In accordance with a preconceived plan, they will construct roads, bridges, railways and telegraph installations; regulate rivers; and build their own dwellings; their labor will create trade, trade will create markets and markets will attract new settlers, for every man will go voluntarily, at his own expense and his own risk. The labor expended on the land will enhance its value, and the Jews will soon perceive that a new and permanent sphere of operation is opening here for that spirit of enterprise which has heretofore met only with hatred and obloquy.

## GLOSSARY

**domiciled:** established in a domicile (a place of residence, house or home)

**prescriptive right:** depending on or arising from effective legal prescription or direction, as a right or title established by a long unchallenged tenure

**Huguenots:** French Protestants forced to leave France during the 1680s because of their religion

**Jew-baiting:** active anti-Semitism; active persecution or harassment of Jews

**liquidate:** to convert (inventory, securities, property, or other assets) into cash

**obloquy:** censure, blame, disgrace, or abusive language aimed at a person or thing, especially by numerous persons or by the general public

### Document Analysis

This text includes several themes, illustrating the way that Herzl thinks about his Zionist dream, but also reflecting the times in which he lived and the changes to national borders he had seen or experienced. The proposal is not one that sees a future, solely, of endless possibility,

for it recognizes, too, a variety of built-in problems. While Herzl wishes for the betterment of the Jewish people, he is limited by the types of government and social systems available to him at the time. His idealism is tempered with pragmatism.

The overall tone of the piece is one of disillusion or even hopelessness regarding the



The “Basel program” approved at the 1897 First Zionist Congress. The first line states: “Zionism seeks to establish a home (Heimstätte) for the Jewish people in Palestine secured under public law.”

present condition of the Jews and their fate in the near future. Can the Jewish people ever find a real and welcoming home outside of a Jewish state? In one of the opening paragraphs Herzl lists a series of actions that the Jews have taken “in vain.” For example, “in vain do we strive to increase the fame of our native land in science and art, or her wealth by trade and commerce.” There is a tension here in Herzl’s words—one that is most intentional. As he sees it, the Jewish people work to better their “native lands” “in vain.” Even though Herzl recognizes that various communities have long made their homes in European countries, he uses the term “native” somewhat ironically. Despite the fact the Jewish diaspora should now be embedded in their respective lands, they continue to be singled out by their religion and their ethnicity. They are not allowed to *be* “native,” even when they work as hard as any other citizen to improve their lives and their country.

Herzl explains that his dream could be a practical reality. “The creation of a new State is neither ridiculous nor impossible. We have in our day witnessed the process...” While today it may seem to be fairly far-fetched to create a state out of nothing, the creation of new independent nations was not unknown at the time in which Herzl and his compatriots were advocating for it. Practically next door, for example, Luxembourg gained its independence in 1890, while, farther away, the Greater Republic of Central America (modern-day Honduras and Nicaragua) freed itself from colonial rule the same year as Herzl’s pamphlet. Nation building and the throwing off of colonial restraints to create independent and self-governing lands were viable ideas near the end of the nineteenth century.

However well-intentioned, though, Herzl’s plan came with a few inherent drawbacks. Among other things, the plan implies the creation of a social hierarchy. When Herzl states, “The poorest will go first to cultivate the land...,” he likely has the best of intentions.

The poorest parts of society always suffer the most, lacking in basic necessities; sending them to a new land first would seem to hold promise. However, it also makes them into laborers. And as other members of society come, Herzl seems to say that they will pick up their trades and grow the economy. Nowhere within the outline is there a way for those who are first admitted into the new land to take advantage of later opportunities. Traditionally, hierarchies of labor reproduce themselves without much upward mobility—blacksmiths remain blacksmiths, coal miners mine, businessmen stay in business, and farmers farm. Since “the poorest” are not given a choice in their profession, it seems likely that the hierarchies that Herzl so rails against in Europe may, unintentionally, reproduced themselves in the Jewish State, albeit on a class basis rather than on religious or ethnic grounds.

### Essential Themes

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As noted, Herzl did not live to see his dream of the Jewish State. It did, of course, become a reality nearly a half century after his death with the establishment, in 1948, of the state of Israel. While, in the wake of World War II, the Jewish Agency for Palestine (which was created at the 16<sup>th</sup> Zionist Conference) approved the United Nations’ plan to split Palestine into two nations, most of the leaders of the Arab world (along with Great Britain) did not do so. This led immediately to the 1948 Arab-Israeli War, which broke out the day after the declaration of Israeli Independence. The war lasted ten months and tensions between Israel and the surrounding Arab nations have been tense ever since, with frequent violent outbursts.

In the seventy years since the founding of Israel, the controversy over its creation and its place in the region has never ceased. Proponents of Zionism see Israel as the saving grace for a persecuted people who are finally able to live a normal life in the land from which they were

forcibly exiled. Critics, on the other hand, think that the establishment of Israel represents an imperialistic, exclusionary, even racist act that gives little consideration to the people who already lived in the region and in some cases have done so for millennia.

Today, Israeli's view Theodor Herzl as the founding father of their nation, celebrating Herzl Day (in April or June of each year) as a national holiday. On this holiday, Israeli children learn about Herzl's life and vision. A 2004 law requires a public council to convene on that day and discuss aspects of Herzl's vision for Israel and its implementation. Herzl's remains were moved from Vienna to Jerusalem's national cemetery—Mount Herzl—in 1949.

—Anna Accettola

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## ■ The D'Arcy Oil Concession

**Date:** May 28, 1901

**Authors:** Alfred Marriott and George Grahame

**Geographic region:** Persia (modern-day Iran)

**Genre:** Government grant treaty

### Summary Overview

Persia—modern-day Iran—has a history of political-military power and empire dating back to the sixth century BCE. In the 1800s, however, the advance of European imperialism threatened to subject Persia to foreign dominance, whether through economic control by the British Empire or diplomatic bullying by the Russian Empire. By the end of the century, a combination of popular unrest, religious protest and political aspiration seemed to promise a more modern and representative twentieth century, in which Persia might reassert itself as one of the world's most influential countries.

As it turned out, Persia sat atop the single most important commodity—petroleum—that would determine power relationships in the twentieth century. In 1901, a British financial speculator named William Knox D'Arcy had his representative attorneys negotiate a grant of opportunity to search for petroleum deposits throughout the Persian countryside, referred to as a concession. The D'Arcy concession would become a model for other corporate agreements with governments over mineral rights in the non-western world. It opened up the exploitation of petroleum deposits in southwestern Asia that continues today, and its terms were copied and modified by other corporations and companies in the region. However, the concession also inadvertently but permanently shut down any opportunity for Persia to exploit its own resources or establish a constitutional, democratic regime, a tragedy which has still not been reversed in the early twenty-first century.

### Defining Moment

In 1794, the new Qajar dynasty became established in Tehran as the next shahs, or rulers, of Persia. To the north of their empire lay the expanding Russian Empire, soon to war with Persia and capture Azerbaijan; to their east was India, a conglomeration of principalities at war with each other (and Persia) but whose most powerful entity was the British East India Company. Without many western weapons or diplomatic connections, Persia therefore was destined to be a pawn in the “Great Game”

between these two empires over the next hundred years. Thrown into the mix was the Qajar family's seemingly genetic predisposition toward greed, and the result was a long period in which Persians saw their proud civilized traditions buried in great power rivalry and indirect economic control. In essence, over a hundred years, the Qajars sold control of the nation's economy over to the Russians and the British. Wealthy Persian aristocratic families sent their sons to Europe to get educated, and it occurred to more than one of them that the Europeans who had schooled them in values of self-government, equal justice

before the law and capitalism were the same people who undermined their ability to bring those values home to their own people.

By the 1880s, Nasir al-Din Shah vacationed in Switzerland and made improvements to his imperial palace by granting concessions to British companies to run Persian banks, factories and mines, and allowing the Russians to maintain agricultural combines, run the Persian mint and maintain a profitable lottery. The shah sold control over different sectors of the economy to either British or Russian concerns, collecting payments that supplemented the national treasury's contribution to his income while inviting the two empires' squabbling over influence on the Persian economy. Often, the concessions were so brazenly exploitative and the competition to attain them so fierce that they could backfire on the shah. For example, by 1890, at a time when railroads crisscrossed the entire globe, there were five miles of track total in all Persia because British and Russian diplomats threatened reprisals if Nasir al-Din chose the other power to get the concession to build more track.

A breaking point came in 1891, when the shah granted the British Imperial Tobacco Company the exclusive right to grow tobacco and sell cigarettes in Persia. Persians had been growing tobacco for two centuries, and smoking was considered integral to Persian culture, yet the profits from this habit would be entirely controlled by British businessmen. A famous Persian intellectual, Jamal ad Din al-Afghani, called on the beloved Shi'ite Muslim mullah Hasan Shirazi to mobilize the Persian people in defense of their economy and culture. Shirazi decided to issue a fatwah, or religious ruling, calling on Persian Shi'ites (Shias) to give up smoking, and amazingly, within days, no one in Persia bought or smoked cigarettes. Terrified, the shah cancelled the concession, and his last years on the throne were marked by depleted funds, corruption, and

disorder in the rural areas of Persia. Nasir ad-Din was assassinated in 1896; Persia was at a crossroads in its history.

In 1872, Nasir ad-Din had granted a concession to Baron Julius de Reuter, a British subject, to build roads, telegraphs, mills, factories, and other public works—in essence, to develop the Persian economy and its infrastructure. Amongst the rights granted to Reuter was the exploitation of all the mineral resources in Persia, which were delineated as coal, iron, copper, lead, and petroleum. The Russian government and many Persian elites strenuously objected to their economy being beholden to one man, and the concession was cancelled. Reuter was compensated with the right to run a bank and search for the minerals, but his Persian Mining Corporation had its concession annulled when he ran out of money.

During the era of the Reuter concession, petroleum was perhaps the least useful of Persia's minerals to be mined, as its major uses were for the extraction of kerosene and the greasing of moveable parts. The waste product from this process, called gasoline, was simply thrown away. By the time Reuter's concession came to an end in 1899, the combustion engine had been invented, and now gasoline was the best use of petroleum available. Though automobiles were still rare, world navies were investing in more efficient oil-burning engines; in 1903, the invention of the airplane would prove that the potential of petroleum as an energy source was limitless.

Thus, lots of speculators had an interest in replacing Reuter as the master of Persia's mineral rights, since geologists knew that the country sat atop massive petroleum deposits. One of the world's largest petroleum deposits sat just to Persia's north outside the city of Baku on the Caspian Sea, in Azerbaijan; Baku had once been a Persian city until the Russians had captured it in a war in 1806. In Persia itself, there was so

much petroleum available that small pockets of it bubbled to the earth's surface, to be pooled by peasants and used as a water repellent, heating fuel or a protective tar for roofs or boats. The new shah, Mozaffar al-Din, shared his father's proclivity for high living on a small tax base extracted from a poor population. Like his father, then, petroleum represented a fabulous opportunity to secure a new source of revenue for his coffers, and he encouraged speculators to consider gambling on the profits promised by extracting Persia's petroleum reserves.

The most daring of these speculators was William Knox D'Arcy. D'Arcy was a lawyer who, upon moving to Australia, had partnered in a mining company that found gold outside Queensland in 1886, making him substantially wealthy. He moved back to his native England in 1889, inclined to gamble on mining investments to add to his fortune. D'Arcy's potential as an investor was suggested to an agent of the shah's government named Antoine Kitabci, and when Kitabci approached him, D'Arcy offered to foot £20,000 to open a sixty-year concession to explore for petroleum. The shah agreed, and in April 1901, D'Arcy's lawyer, Arthur Marriott, arrived in Tehran to negotiate the deal. The limits of D'Arcy's involvement in oil exploration ended there—despite his name being attached to the concession, William Knox D'Arcy would never set foot in Persia. Instead, it was his company and the engineers they hired, later merged with Burmah Oil, who would find vast reserves of petroleum in the Persian desert and change the course of the nation's history from then onward.

### Author Biographies

William Knox D'Arcy provided £20,000 in cash for the concession, £650 in annual rent, and bribe money to distribute to the shah's local

government officials and other important people in Persia, but from there, his authorship of the agreement ends—his role was entirely as the initial investor. Eventually, he was not even the primary investor; as the £20,000 metastasized into an even larger outlay, he faced the same problem as Reuter, and had to merge his company with Burmah Oil in 1905 in order to keep the search for petroleum reserves going.

The real authors of the concession were the many figures surrounding D'Arcy and the Persian shah who were interested in extracting oil from Persia. D'Arcy's primary envoy was Alfred Marriott, an attorney who was appointed based on his relationship as a first cousin of D'Arcy's secretary. Edouard Cotte was a French diplomat who knew Persian culture and the Persian state well enough to advise both sides on the fairness of the contract. Antoine Kitabci was, of course, the shah's emissary who had sought D'Arcy out as the major investor in the petroleum extraction scheme; the British agent who had given him D'Arcy's name, Sir Henry Drummond Wolfe, himself received shares in the company's profits. Marriott and Cotte consulted in Tehran with the shah's grand vizier, Atabake Azzam, with few hiccups in the negotiations. The British ambassador, Sir Arthur Hardinge, and one of his vice-consuls, George Grahame, shadowed the discussions and gave official assent to whatever shape the concession took.

Once the concession was written up as a draft, the Russian embassy protested, and Marriott and Hardinge handed over half of D'Arcy's £20,000 before the signing in order to hurry Mozaffar al-Din's approval. The concession was finally written up in English, French (the language of international diplomacy at the time), and Farsi and signed by Marriott and the shah on May 28, 1901.

**HISTORICAL DOCUMENT: *The D'Arcy Oil Concession***

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

**Article I**

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

**Article II**

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

**Article III**

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

**Article IV**

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

cent mentioned in Article 10 the Concessionaire shall pay every year the fixed sum of 2,000 (two thousand) tomans to the Imperial Government.

#### **Article V**

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

#### **Article VI**

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

#### **Article VII**

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

#### **Article VIII**

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

#### **Article IX**

The Imperial Persian Government authorizes the Concessionaire to found one or several companies for the working of the Concession. The names, "statutes" and capital of the said companies shall be fixed by the concessionaire, and the directors

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

*continues on page 16*