Oil Struggle Developing in Depth

NINETEEN seventy-five was a year in which the third world oil producing countries persisted in using oil as a weapon and achieved new, important victories in the struggle against colonialism, imperialism and hegemonism in the economic field.

Approaching Collapse of Oil Concession System

One of the main indications of the deepening of the struggle was the drift to total collapse of the oil concession system—one important form of plunder—imposed by imperialism on the oil producing countries for over a century.

These third world countries waged an unremitting struggle in 1975 to recover sovereignty over their oil resources. On December 1, the Kuwait Government announced the takeover of all remaining shares and assets of foreign monopoly capital which controlled the Kuwait Oil Company; on December 8, the Iraqi President announced the nationalization of the remaining foreign shares in the Basra Oil Company; the Venezuelan Government on New Year's Day this year completely took over the oil industry run by foreign capital. Up to now, all-round oil nationalization has been achieved by Iran, Kuwait, Iraq, Venezuela and the Congo; Algeria controls 80 per cent of the country's oil production; Saudi Arabia, Qatar, the United Arab Emirates, Libya and Nigeria have taken over 50 to 60 per cent of the oil shares from foreign companies. The inspiring excellent situation demonstrates that the third world oil producing countries not only gained political independence but also made further advances on the road of economic independence. Of the “states within states” formed by foreign monopoly companies, some have been uprooted and others are tottering.

While recovering their sovereignty over oil resources and controlling oil exploitation, many oil producing countries of the third world are also taking over the oil marketing, transportation and refining businesses from foreign monopoly capitalists. In 1975, the third world oil producing countries took into their own hands the sale of one-fifth of the total crude oil produced. In oil transportation, they made great efforts to develop an independent maritime oil transport service. The Organization of Arab Petroleum Exporting Countries established the Arab Oil-Tankers Company which has a fleet of Arab oil-tankers. In the refining field, strenuous efforts were made to develop the industry. When the second Teheran refinery was built, it brought the number of Iranian refineries to five, with a total capacity of 35.1 million tons a year.

Hard Blows at Old International Economic Order

Another indication of the development of the oil struggle was that the oil weapon once again showed its mighty power in pounding at the old international economic order and contributed to the establishment of a new one.

Who decides and how to decide the price of oil is a question of economic “order.” In the past, the price
was determined at will by big international monopolists who forced oil prices down to the lowest level to cruelly exploit the third world oil producing countries. The old order, however, has been smashed in the oil struggle. These third world countries, the owners of oil, have wrested back the right to determine prices and thus put an end to the situation whereby the imperialists could wantonly plunder cheap oil. The oil producing countries rationally adjusted prices which had been forced down for a long time. The third world countries waged a tit-for-tat struggle in 1975 against the superpowers over oil prices. The former wanted to maintain equitable prices and ensure the achievements in their struggle while the latter tried to force down prices again and restore superexploitation. With the support of the world’s people, the oil producers stood up to the threat of one superpower, exposed the sabotage by the other, thus firmly defending their right to determine prices.

How to govern relations between the oil producing and the industrialized countries is another question of “order.” “Dialogue” between states on an equal footing instead of the exploited having to meekly obey the dictates of the exploiters has begun to be the order of the day. This is another breach made in the old international economic order in the field of oil. With the steady growth of the third world’s struggle against colonialism, imperialism and hegemonism, more and more industrialized countries of the second world have had to take a somewhat realistic attitude towards the reasonable demands and just measures of the third world oil producing countries in recent years. Disregarding superpower obstruction, they carried out “dialogue” with these third world countries with certain positive results. Some signed agreements with oil producing countries for the direct supply of oil or accords on trade and technical co-operation.

**Key Lies in United Struggle**

Facts over the past year further proved that the key to the constant victories won by the third world oil producing countries lies in the fact that they persisted in their unity and dared to wage resolute struggles against superpower hegemonism.

The first summit conference of the member states of the Organization of Petroleum Exporting Countries (OPEC) held in Algiers last March was a milestone in the oil struggle highlighted by unity among oil producing countries. The Solemn Declaration adopted at the conference set the new common tasks and a unified strategic principle for the next stage of the struggle which guided the actions of the oil producing countries in 1975. Kuwait was a case in point. It met stubborn resistance from foreign oil companies in the nine-month marathon negotiations on the takeover of their oil shares in the country. But it emerged victorious from the just struggle after other Gulf oil producing countries declared their resolute support for Kuwait even at the expense of their own economic interests if need be.

Unity and co-operation between the oil producing countries and other third world countries also were enhanced last year. The February conference of developing countries on raw materials in Dakar in which some 80 countries took part adopted a special resolution expressing “solidarity with all decisions made by all developing countries, particularly the OPEC member countries.” The oil producing countries gave more assistance to third world countries in economic difficulties. According to a report by the United Nations Conference on Trade and Development, financial aid undertaken by OPEC member states to other developing countries in 1975 would exceed 21,000 million dollars, a 40 per cent increase over 1974. This amounted to more than 20 per cent of the OPEC member states’ oil revenue.

**Major Significance of Struggle**

In their struggle to recover state sovereignty over natural resources and the right to fix prices and in their “dialogue” with developed countries last year, the third world oil producers invariably met with threat, obstruction and sabotage by the superpowers. For example, the United States insisted on confining the Paris conference on international economic co-operation to discussing only the oil question rather than questions concerning other raw materials, in an attempt to divide the third world countries and subdue them one by one. Waging a tit-for-tat struggle, the oil producing countries firmly protected third world unity. They insisted that the conference agenda “can in no case be confined to an examination of the question of energy. It evidently includes the questions of raw materials of the developing countries.” The other superpower, the Soviet Union, tried its utmost to squeeze into the “dialogue” in its dual capacity as producer and consumer,” so as to sabotage and profit from it. However, it was left out in the cold and failed to get a seat in the important December “dialogue” in Paris. In a buff, the Soviet press hurled much abuse at the conference immediately after its conclusion, alleging that “any solution to world economic problems achieved [in the ‘dialogue’] between the north and south is detrimental and incomplete.”

The oil struggle has greatly deflated the arrogance of the hegemonists. But the danger of war in the world today is evidently increasing. The oil contention between the two superpowers is intensifying. Further deepening the oil struggle by the third world countries not only is essential to the defence of their state sovereignty and development of their national economies but also vitally important for the struggle to oppose the superpowers’ arms expansion and war preparations, prevent them from launching a war of aggression and preserve world peace. The people of the world are sure to score new and greater victories on the oil front in the new year.