

ARTICLE

Strategies of Decolonization: Economic Sovereignty and National Security in Libyan–US Relations, 1949–1971

Christopher R. W. Dietrich[†]

History Department, Fordham University, Bronx, New York, 10458, USA
Corresponding author. E-mail: cdietrich2@fordham.edu

Abstract

This article examines Libyan–US relations through the historical lenses of decolonization, international law, the Cold War, and the international political economy. The Libyan government exercised its newfound sovereignty in the postwar era through the negotiation of ‘base rights’ for the US government and ‘oil rights’ for corporations owned by US nationals. They did so in conjunction with other petrostates and through international organizations such as the United Nations, the Arab League, and the Organization of Petroleum Exporting Countries. Libyan leaders’ strategy of using sovereignty to promote corporate competition relied on connections with similarly situated nations, and it was through global circuits of knowledge that they pressed the outer limits of economic sovereignty. At the same time, the US government consistently accommodated Libyan policies through Cold War arguments that linked the alliance with Libya to US national security. Those deep foundations of sovereignty and security created the conditions for the transformation of the global oil industry after Libya’s 1969 revolution.

Keywords: Libya; Oil; Military Bases; Sovereignty; Decolonization; Cold War; United States; International Law; OPEC

On a stopover in Tripoli during his 1957 Africa tour, US Vice President Richard Nixon explained to Libyan Prime Minister Mustafa Ahmed Ben Halim ‘the philosophy which lay behind’ the Eisenhower Doctrine. That presidential proclamation marked the United States’ arrival as the dominant Western power in the Middle East, but Nixon was resolutely collaborative in official meetings throughout his trip. The United States hoped to formalize a ‘common determination’ through security and development to ‘protect the independence of the states of the Middle East’. Ben Halim shifted the discussion from geostrategic generalities to economic particulars. Libya’s ‘forward-looking oil legislation’ embodied his nation’s Cold War allegiance, he said. This was just what Nixon wanted to hear, and the vice president launched into a monologue on the benefits of capitalism. Protecting investment against ‘arbitrary actions’ would benefit national growth, and Libyan law bore out a promising global trend. ‘There is a growing awareness of the desirability of creating an atmosphere conducive to the attraction of private enterprise’, Nixon said. ‘This is a most encouraging development’.¹ Private investment and national security were linked in North Africa, Nixon wrote in his post-trip report. ‘We cannot afford to lose Libya’, he said, especially as

[†]Chris Dietrich is Associate Professor of History at Fordham University. Thank you to Heidi Tworek and the two peer reviewers for their close read and helpful comments on earlier drafts of this article.

¹Memorandum of a Conversation, March 15, 1957, *Foreign Relations of the United States, 1955–1957*, Volume XVIII, *Africa* (Washington: U.S. Government Printing Office, 1989), document 166 (hereafter *FRUS*, Volume: document number); Report by the Vice President, *FRUS 1955–1957*, XVIII, *Africa*: 19. On the Eisenhower Doctrine: Salim Yaqub, *Containing Arab Nationalism: The Eisenhower Doctrine in the Middle East* (Chapel Hill: University of North Carolina Press, 2004); Nathan Citino, *From Arab Nationalism to OPEC: Eisenhower, King Saud, and the Making of U.S.–Saudi Relations*, rev. ed. (Bloomington: Indiana University Press, 2010).

the Algerian war for independence from France threatened to ‘poison the atmosphere’ in the region. President Dwight Eisenhower echoed the sentiment to the National Security Council. The United States would ‘be in an awful fix if we ever lost Libya’.²

When the two men worried about ‘losing Libya’, they saw the encroachment of a feared Soviet stalking horse, pan-Arabism. But another sort of nationalism already played a crucial role in the nation’s nascent oil industry. The 1955 Libyan Petroleum Law was not meant primarily to protect investment, as Ben Halim claimed and Nixon assumed. Rather, it used national sovereignty to promote corporate competition. As market practices empowered the state, Libyan oil law became an emblem of a broader historical transformation wrought by decolonization in the international political economy. Whereas oil concessions signed in the Middle East from the turn of the century to the 1930s divested petrostates like Iraq, Iran, and Saudi Arabia of their sovereignty by handing over huge spaces of territory to conglomerates of US, British, and Dutch companies for a half-century or more, Libya created a bidding process for smaller zones held over shorter periods. Libyan law sought to ‘exploit the competition between the companies to extract better terms’, Ben Halim remembered.³

No doubt exists that decolonization was an ‘economic event’ in the post-Second World War world.⁴ The story of Libyan law and the American Cold War – of decolonization, sovereignty, and security, as this essay has it – culminated in 1971 when Libya and the other members of the Organization of Petroleum Exporting Countries (OPEC) forced their concessionaires to accede control over price and production. To study the two decades prior reminds historians of the benefits of analyzing law, political economy, and diplomacy in a single framework. In the deeply networked world of the 1950s and 1960s, Libyan lawyers worked closely with their counterparts from other oil producing nations to justify and assert national control. To understand their transnational steps towards sovereignty, it is necessary to consider other factors, including security negotiations driven by the Cold War.⁵ Because the United States identified the eastern Mediterranean, North Africa, and the Middle East as crucial to national security, Libyan officials were able to use ‘base rights’ as a lever to increase military, economic, and technical aid beginning in 1949. When US companies discovered oil in commercial quantities a decade later, ‘oil rights’ gave Libya more leverage.

Decolonization was a process of interlocking parts; base rights and oil rights mutually reinforced each other and strengthened Libyan sovereignty. Base and oil rights also comprised a strategy of decolonization, as arguments for sovereignty confirmed a new international legal landscape and helped establish new rules for commerce. Sovereignty thus served as both an anticolonial aspiration *and* a blueprint.⁶ Specific policies allowed Libya and other less-developed nations to reconsider and restructure their places in international society. At the same time, the myriad contemporary debates over sovereignty remind today’s scholars of the openness and limits of decolonization, as well as the centrality of diplomacy in determining the extent of its applications.⁷ To understand how sovereignty shaped policy in conjunction with other factors captures an

²Memorandum of Discussion, May 2, 1957, *FRUS 1955–1957*, XVIII, *Africa*: 170.

³Mustafa Ahmed Ben-Halim, *Libya: The Years of Hope*, trans. Leslie McCloughlin (London, 1994), 180–81.

⁴Vanessa Ogle, ‘Funk Money: The End of Empires, The Expansion of Tax Havens, and Decolonization as an Economic and Financial Event,’ *Past and Present* 249, no. 1 (2020): 213–49; Christopher J. Lee, ‘Sovereignty between Empire and Nation-State,’ in *Contemporary Archipelagic Thinking: Toward New Comparative Methodologies and Disciplinary Formations*, edited by Michelle Stephens and Yolanda Martinez-San Miguel (Lanham: Rowman & Littlefield, 2020): 327–36; Cyrus Schayegh and Yoav Di-Capua, ‘Why Decolonization?’ *International Journal of Middle East Studies* 52, no. 1 (2020): 137–45.

⁵For example: Massimiliano Trentin, ‘Modernization as State-Building: The Two Germanys in Syria, 1963–1972,’ *Diplomatic History* 33, no. 3 (2009): 487–505; Tanya Harmer, *Allende’s Chile and the Inter-American Cold War* (Chapel Hill: University of North Carolina Press, 2011).

⁶Seyla Benhabib, ‘Claiming Rights across Borders: International Human Rights and Democratic Sovereignty,’ *American Political Science Review* 103, no. 4 (2009): 691–704. This essay thus follows Rüdiger Graf’s enjoinder to understand sovereignty not only ‘as an attribute that a state may or may not have, but as a claim that may be asserted, questioned, attacked, and defended.’ See: *Oil and Sovereignty: Petro-Knowledge and Energy Policy in the United States* (New York: Berghahn, 2018), 7.

⁷For a parallel argument: Isabel V. Hull, *A Scrap of Paper: Breaking and Making International Law during the Great War* (Ithaca: Cornell University Press, 2014).

important part of its meaning, clarifies important details within the history of decolonization, and allows us to gain a fuller picture of the mid-twentieth century world.

That picture offers valuable insights. For one, it reveals the importance of external actors. Americans and Western European leaders portrayed Libyans as a people outside of time – benighted former colonial subjects who needed tutelage to become compatible with modern ways. But Libyan diplomats saw themselves as moving rapidly from the colonial past to the cutting edge of the postcolonial future. In a collective process, they found support from counterparts in other nations who understood themselves as sharing a common history.⁸ The networks they built were indispensable, even as others doubted their worthiness of the sobriquet of sovereignty.

Second, the emphasis on economic sovereignty as a collective goal lays bare the importance of the ideological dimensions of decolonization. According to anticolonial principles, oil was more than a source of wealth and the oil-producing nations were more than repositories of a superabundant resource.⁹ The burning belief in decolonization as an ongoing project bound Libya and its allies together, feeding the sacred flame of sovereignty.¹⁰ International debates about sovereignty were necessary to the creation of Libya in the first place, as well as to it and other nations' development of enduring policies. The emphasis on sovereignty as a value of decolonization reminds scholars that decolonization itself was a principle that grounded international life in the mid-twentieth century, like liberalism, socialism, or development.¹¹

Economic sovereignty moved from principle to practice forcefully in the realm of international law.¹² But law was only one building block for the more just international order many anticipated would come with the end of empire. Libya's drive for sovereignty received support from a surprising corner: the US national security state. The growing use of oil as productive energy was a staple for Cold War power.¹³ Successive US administrations made calculated decisions about military and economic access to Libyan territory at discrete moments in the 1950s and 1960s, decisions that reaffirmed that nation's sovereignty publicly even as American leaders reviled it privately.¹⁴ According to that diplomatic calculus, the accommodation of sovereignty granted the United States greater security because it promised military strength and economic stability.

⁸Cindy Ewing, 'The Colombo Powers: Crafting Diplomacy in the Third World and Launching Afro-Asia at Bandung,' *Cold War History* 19, no. 1 (2019): 1–19; Carolien Stolte, 'The People's Bandung: Local Anti-Imperialists on an Afro-Asian Stage,' *Journal of World History* 30, no. 1 (2019): 125–56.

⁹Umut Özsu, 'Hydrocarbon Humanitarianism: Ibrahim Shihata, 'Oil Aid,' and Resource Sovereignty,' *Journal of the History of International Law* 23, no. 2 (2021).

¹⁰Christy Thornton, *Revolution in Development: Mexico and the Governance of the Global Economy* (Berkeley: University of California Press, 2021); Adom Getachew, *Worldmaking after Empire: The Rise and Fall of Self-Determination* (Princeton: Princeton University Press, 2019); Jeffrey James Byrne, *Mecca of Revolution: Algeria, Decolonization, and the Third World Order* (New York: Oxford University Press, 2016); Alden Young, *Transforming Sudan: Decolonization, Economic Development, and State Formation* (New York: Cambridge University Press, 2018).

¹¹Martha Nussbaum, 'Political Liberalism and Global Justice,' *Journal of Global Ethics* 11, no. 1 (2015): 68–79; Nicholas Cullather, 'Development? It's History,' *Diplomatic History* 24, no. 4 (2000): 641–53; David C. Engerman, 'The Second World's Third World,' *Kritika: Explorations in Russian and Eurasian History* 12, no. 1 (2011): 183–211.

¹²Anthony Anghie, *Imperialism, Sovereignty, and the Making of International Law* (New York: Cambridge University Press, 2007); Meredith Terretta, 'Anti-Colonial Lawyering, Postwar Human Rights, and Decolonization across Imperial Boundaries in Africa,' *Canadian Journal of History* 52, no. 3 (2017): 448–78.

¹³Matthew Huber, *Lifeblood: Oil, Freedom, and the Forces of Capital* (Minneapolis: University of Minnesota Press, 2013); Charles S. Maier, *In Search of Stability: Explorations in Historical Political Economy* (New York: Cambridge University Press, 1987), 121–52.

¹⁴For US attitudes: Thomas Meaney, 'Frantz Fanon and the CIA Man,' *The American Historical Review* 124, no. 3 (June 2019): 983–95; Robert B. Rakove, *Kennedy, Johnson, and the Nonaligned World* (New York: Cambridge University Press, 2012). As Cold War historians note, many nations were able to navigate the superpower conflict, albeit with different levels of agility and success. For example: Renata Keller, *Mexico's Cold War: Cuba, the United States, and the Legacy of the Mexican Revolution* (New York: Cambridge University Press, 2015); Elidor Mèhili, *From Stalin to Mao: Albania and the Socialist World* (Ithaca: Cornell University Press, 2017); Elisabeth Leake, *Defiant Border: The Afghan-Pakistan Borderlands in the Era of Decolonization, 1936–65* (New York: Cambridge University Press, 2017).

The United States thus became a force for opportunity in decolonization.¹⁵ Calls for sovereignty gained moral legitimacy through the networks and ideology of decolonization, but they gained authority by way of American diplomacy.

The points at which sovereignty and security meet allow historians to gain a multi-focal perspective on major events, trends, and tensions in global history. Indeed, as this essay notes in the conclusion, the United States used arguments about security and sovereignty in the 1970s to curtail the most egalitarian impulses of decolonization. More generally, the intersection of security and sovereignty is a fruitful location for studying the twentieth century world. This essay tells a story of that mutual influence that begins at the United Nations in 1949, before Libya was either a sovereign state or oil had been discovered in commercial quantities.

Trusteeship, Independence, and Base Rights

In his 1957 report, Nixon urged the State Department and National Security Council to build up the Libyan Army to ‘fill the internal security vacuum’. That suggestion built on a more basic strategy of accommodating what Nixon and other US decision-makers considered acceptable levels of nationalism. Accommodation first took the form of payments for the right to use Libya’s Wheelus Air Base, which had become a crucial link in the US global military network. In affirming ‘base rights’, American diplomats helped create the set of circumstances that allowed Libyans to progressively advocate for greater sovereignty.¹⁶

US officials believed that accommodating ‘moderate’ nationalism would curb the more revolutionary tendencies of post-World War II anticolonialism. The first US Minister to Libya, Henry Serrano Villard, described Wheelus policy in part as an attempt to ‘recognize the Libyan desire to make provision for their cherished principles of sovereignty’. But he barely concealed his disdain for the ‘cherished principle’. For him, the nation itself was little more than a collection of deserts, ‘a vast yellow-brown plain, with or without the haze or dust’. This sort of assessment of the territory’s underdevelopment was widely shared, and underdevelopment was a characteristic considered so inherent that it extended from Libya’s unforgiving geography to its people. For the Four Powers Commission on the former Italian colonies, convened in 1945, neither Libya nor other ex-colonies were ‘ready for self-government’. ‘The degree of political understanding is low’, commissioners wrote. Fascist colonial policy – in which settlers confiscated the best arable and grazing lands, decimated native livestock, and deported much of the society to concentration camps – had exacerbated the underlying problem of ‘political immaturity’.¹⁷

Could a nation emerge from that maelstrom? The question sparked one of the earliest sustained debates about decolonization at the United Nations. The Four Powers Commission considered several scenarios between 1945 and 1948, including British, Italian, or collective trusteeship. When Cold War suspicions hardened into animosity, compromise became impossible. The commission punted the question to the UN General Assembly’s Political Committee in 1948, when it

¹⁵This aspect of US-led collective security emphasizes different international institutions from those commonly studied by scholars after the end of the Cold War. See: Anne Orford, ‘Locating the International: Military and Monetary Interventions after the Cold War,’ *Harvard International Law Journal* 38, no. 2 (Spring 1997); Patrick Sharma, *Robert McNamara’s Other War: The World Bank and International Development* (Philadelphia: University of Pennsylvania Press, 2017); Adom Getachew, ‘The Limits of Sovereignty as Responsibility,’ *Constellations* 26 (2019): 225–40. Of course, if the United States became a force for opportunity in this instance, the case was often otherwise.

¹⁶Report by the Vice President, April 5, 1957, *FRUS 1955–1957*, XVIII, *Africa*: 19.

¹⁷The Minister in Libya, January 6, 1953, *FRUS 1952–1954*, XI, Part 1, *Africa and South Asia*: 276; Four Powers Commission, *Report*, cited in Pelt, *Libyan Independence and the United Nations: A Case of Planned Decolonization* (New Haven, 1970), 69; Pelt, *Libyan Independence*, 29–30. On Italian rule: Ruth Ben-Ghiat and Mia Fuller, eds., *Italian Colonialism* (New York: Palgrave Macmillan, 2005); Ali Abdullatif Ahmida, *The Making of Modern Libya: State Formation, Colonization, and Resistance, 1830–1932* (Albany: SUNY Press, 1994). In the province of Cyrenaica, Italian rulers deported over 100,000 people to concentration camps: Nicola Labanca, ‘Italian Colonial Internment,’ in Ben-Ghiat and Fuller, eds., *Italian Colonialism*, 27–36.

began to hear testimony from potential trustees, Italian settlers, and native groups. Two groups, the National Congress of Cyrenaica and the National Council for the Liberation of Libya, travelled to Lake Success, New York in May 1949 to plead their case. Their testimony offers an opportunity to understand nationalism before independence and a window into international debates about sovereignty. The leader of the National Congress of Cyrenaica, Omar Shennib, emphasized the destructiveness of Italian colonialism. Before Italians invaded, Cyrenaica had been a province of the Ottoman Empire with representatives in Parliament. Three decades of brutal colonial rule had caused ‘annihilation’ and ‘social degradation’. When they razed schools and took over farms, Italian settlers deviated Cyrenaicans from ‘the natural course of progress’. Shennib then quoted the Atlantic Charter to argue that trusteeship was both contrary to the promise of self-determination and constituted a threat to stability. Any return to colonialism would ‘shake the confidence of the people to an extent which would endanger peace and security’. Independence, conversely, would allow for ‘sound economic planning on a national basis’.¹⁸

Shennib appealed for independence in the name of self-determination, development, and security. Muhammad Fuad Shukry of the National Council for the Liberation of Libya agreed. He lambasted Italian settlers’ claims that colonial rule had developed Libya. Moreover, he saw no real distinction between fascist colonialism and a proposed ‘democratic’ successor: ‘It was one thing to overthrow the tyranny of Mussolini and quite another thing to eradicate the deep root of fascism from the minds of the Italian people’. Libyans were determined to oppose foreign rule, Shukry told the Philippines’ delegate. They would ‘never accept any solution but independence’.¹⁹

When Political Committee members posed questions to the delegates, their answers plumbed the depths of their desire for independence. The testimony of Khalil Gelal is a highlight. A Costa Rican delegate who supported trusteeship asked if Gelal even understood ‘the fundamental difference’ between colonialism and trusteeship. One can imagine Gelal’s mixture of anger and bemusement when he responded that, yes, he was ‘well aware of the difference between the two systems’. His delegation rejected both in favour of independence. Representatives from Iraq, India, and Egypt all agreed that Libya was ‘fit for immediate independence’. British Foreign Minister Ernest Bevin and Italian Foreign Minister Carlo Sforza nonetheless announced in the midst of the debate that they had arrived at a deal. Britain would control Cyrenaica, France would hold the province of Fezzan, and Italy would re-occupy Tripolitania until 1959. Independence would come after ten years of partitioned, European trusteeship.²⁰

The Libyans remained in New York for several months to dispute the Bevin-Sforza plan. Shennib shared his dismay in a September 1949 hearing, again utilizing his knowledge of developing international norms. Libya was ‘ripe for the independence which it deserved’ under the UN Charter’s ‘basic principle’ – ‘namely, the rights of all people to determine their own fate’. He added that a new argument for delaying independence, reliance on foreign assistance, was a double-standard. ‘If economic self-sufficiency was to be a criterion, then what explanation could there be for the Marshall Plan?’ he asked. The National Congress of Tripolitania again raised the question of security. Re-colonization threatened unrest, whereas an independent Libya would ‘become a strong factor in the consolidation of peace and stability in the Middle East’.²¹

¹⁸United Nations, *Official Records of the Third Session of the General Assembly*, Part II, *First Committee, Summary Records of Meetings*, April 5 to May 13, 1949, 130–1. Broadly, see: Eva-Maria Muschik, *Building States: The United Nations, Development, and Decolonization, 1945–1965* (New York: Columbia University Press, forthcoming).

¹⁹United Nations, *Official Records of the Third Session of the General Assembly*, Part II, *First Committee, Summary Records of Meetings*, April 5 to May 13, 1949, 135–40.

²⁰United Nations, *Official Records of the Third Session of the General Assembly*, Part II, *First Committee, Summary Records of Meetings*, April 5 to May 13, 1949, 132–4. See also: Scott L. Bills, *The Libyan Arena: The United States, Britain, and the Council of Foreign Ministers, 1945–48* (Kent, 1995); Benjamin Rivlin, *The United States and the Italian Colonies* (New York, 1950).

²¹United Nations, *Official Records of the Fourth Session of the General Assembly*, *General Committee, Summary Records of Meetings*, September 21 to October 28, 1949, 60–62.

In the UN hearings, one finds the ideological heart of sovereignty in the early days of decolonization: a moral and pragmatic affirmation that independence would prevent the restoration of exploitative rule and usher stability into world affairs. But the United States supported Bevin-Sforza, and the plan received the necessary votes to move to the General Assembly. It seemed likely to pass there too because Latin American and Caribbean delegates promised to join the United States and Western Europe. But then Haiti broke ranks. After meeting members of the National Council for Libyan Liberation, Haitian diplomat Èmile Saint-Lot indignantly criticized the Political Committee and the Four Powers Commission for their failure to hear from ‘the working classes, which constitute the very entrails of those populations’. Like the Libyan delegates, he saw trusteeship as a return to colonialism, no matter the legal distinction or the promise of international oversight. Other Haitians joined Saint-Lot on the floor. ‘If violence were done to the aspirations of peoples, the storm would break someday, for the future lay with freedom and justice’, one said. After Haiti’s deciding vote, the General Assembly granted Libya independence and set the date for January 1, 1952. One US delegate, Columbia University law professor Phillip Jessup, made the best of the situation, spinning the vote as one of the United Nations’ ‘most gratifying achievements . . . fully supporting the Libyan people’s right to self-determination’.²²

Presumptions of Libyan incapacity nonetheless continued to inform the making of the new nation. The General Assembly assigned Adrian Pelt as UN Commissioner for Libya. Pelt, who had worked for the League of Nations and fought for the Dutch resistance, disagreed that colonialism and trusteeship were fundamentally similar. Trusteeship amounted to benign tutelage, he said, ‘the progressive development of the Mandates System and the philosophy of the League of Nations’. He likewise thought that Libyan immaturity restrained the potential for sovereignty. His recommendations for the Libyan Constitution are telling. Early drafts called for legislative oversight of cabinet members. But Pelt changed his mind, arguing that that too powerful a Parliament ‘could lead to abuse, and hence to government instability, which would be unhealthy for a young country’. What Libya needed was a strong monarchy under the leadership of Idris, the Emir of Cyrenaica.²³

American leaders shared Pelt’s assumptions. Villard, the US minister to the new nation, was thankful for the unifying ‘power of the throne’. Libyans needed ‘the undisputed word and firm rule of a disinterested sovereign’ – qualities that depicted King Idris in eerily similar terms as earlier self-appraisals of trusteeship applicants. Villard’s view built on the dominant Cold War understanding of progress, which took western industrial democracy as a pinnacle of human achievement. Modernization theory had an important corollary in US relations with North African and Middle Eastern nations: ‘weak’ nations needed ‘strong’ leaders to maintain stability, adhere to the US Cold War bloc, and thus evolve ‘responsibly’.²⁴

²²United Nations, *Official Records of the General Assembly*, Part II, *Plenary Meetings*, 5 April to 18 May 1949, 603–6; UN General Assembly, *Official Records, Fourth Session*, November 19, 1949, 268; United Nations, *Official Records of the Third Session of the General Assembly*, Part II, *First Committee, Summary Records of Meetings*, April 5 to May 13, 1949, 154. On Saint-Lot and the influence of Ali-Nourridine Unayzi and Syrian representative Rafik Asha: Pelt, *Libyan Independence*, 84. On US coverage of the negotiations: Carol Anderson, ‘Rethinking Radicalism: African Americans and the Liberation Struggles in Somalia, Libya, and Eritrea, 1945–1949,’ *Journal of the Historical Society* 11, no. 4 (2011): 417–8. On Unayzi, who later joined Shennib in Libya’s first cabinet: Anna Baldinetti, *The Origins of the Libyan Nation: Colonial Legacy, Exile, and the Emergence of a New Nation-State* (London: Routledge, 2014), 15.

²³Pelt, *Libyan Independence*, 27, 40–59, 112–113, 486. See also: Ismail Raghieb Khalidi, *Constitutional Development in Libya*, foreword by A. Pelt (Beirut, 1956).

²⁴Villard, *Libya: The New Arab Kingdom of North Africa* (New York, 1956), 58. On modernization: Nathan J. Citino, *Envisioning the Arab Future: Modernization in U.S. Arab Relations, 1945–1967* (New York: Cambridge University Press, 2017). On the overlap between US views of civilization, development, and national security: Osamah F. Khalil, *America’s Dream Palace: Middle East Expertise and the Rise and Fall of the National Security State* (Cambridge, MA, 2016); Karine Walther, *Sacred Interests: The United States and the Islamic World, 1821–1921* (Chapel Hill, 2015). US diplomats often connected modernization with earlier forms of ‘colonial development’, even the reviled Fascist version. Villard criticized Italian rule but praised ‘industrious’ Sicilian peasants who waged valiant ‘battle against the encroachments of the deserts’ with ‘acres of olive trees, of almonds, dates, lemons, oranges, and grapefruit’ (Villard, *Libya*, 62).

Independence was thus permissible as long as it did not threaten the colony's responsible evolution into a nation. Postwar American use of the Wheelus Air Base began in that context. At war's end, military planners slated the former Italian and German airfield as the western outpost of a Middle Eastern military archipelago that ended in the east with the new facility at Dhahran, Saudi Arabia. The US Joint Chiefs of Staff and National Security Council identified Wheelus as a long-term strategic requirement in 1949, and the Truman administration negotiated an interim agreement with Pelt. As historian Gretchen Heefner writes, US officials argued then that granting 'base rights' legitimized Libyan nationhood because treaty-making itself was a sovereign act. The negotiations thus linked US military objectives to a positive but limited expression of Libyan sovereignty.²⁵ Importantly, diplomats' interpretation of Libya's weak basis for sovereignty helped convince the Truman and Eisenhower administrations of the base's safety and the nation's value as an ally. 'We should realize that Cyrenaica is one of the few places of great strategic importance where we are actively encouraged to establish air or other bases', Villard told Secretary of State Dean Acheson in 1952. 'No comparable situation exists in any part of the Middle East'. Nationalism in the form of anti-American antagonism was frail to the point of nonexistence.²⁶

That discounted perception of sovereignty had another corollary, that the primary threat to Libya's internal stability came from outside agitators. Pelt reported that 'the Arab press and radio launched a violent campaign out of Cairo' when the National Assembly first reviewed the Constitution in 1950. The concern with predatory pan-Arabism continued over the years. The National Security Council warned in 1957, for example, that Gamal Abdel Nasser had 'continuously sought to bring Libya into the Egyptian orbit' by supplying teachers and government advisers, as well as broadcasting a barrage of propaganda through Radio Cairo.²⁷

The Libyan Parliament became the internal representation of the external threat. Prime Minister Mahmoud al-Muntasir told Villard in 1953 that the Chamber of Deputies would not ratify a new base agreement unless the United States increased payments. Lawmakers criticized provisions that gave US forces freedom of movement in and above the country as 'in effect . . . an occupation of Libya'. When Villard responded that the United States had no 'colonial ambitions', Muntasir shot back that such ideals meant little. He returned to the 1949 UN argument that intermediate forms of control like trusteeship differed little from colonialism. The United States might not seek official rule, he said, but 'Libyan sovereignty is nevertheless infringed'. Villard derided Muntasir's strategy in telegrams to Secretary of State John Foster Dulles, calling it 'tantamount to blackmail and showing little change from the Barbary Pirate tradition'. But he believed that additional aid would defuse such arguments. If the State Department haggled too much, he warned, Parliament might terminate the Wheelus agreement as 'an illegal document negotiated under duress before independence'. Inflexibility towards minimal sovereignty was not worth the security risk.²⁸

Dulles accepted the point. As a US delegate during the UN Political Committee hearings in 1949, he had perceived a central tension between the UN Charter and Cold War security that moved in the opposite direction of that posed by the Libyan delegations – that the sovereign interests of former colonial subjects were paramount *and* that international peace and security must be

²⁵Gretchen Heefner, 'A Slice of their Sovereignty': Negotiating the U.S. Empire of Bases, Wheelus Field, Libya, 1950–1954,' *Diplomatic History* 41, no. 1 (January 2017): 57.

²⁶Ronald Bruce St. John, *Libya and the United States: Two Centuries of Strife* (Philadelphia: University of Pennsylvania Press, 2002), 58–9; Christopher R. W. Dietrich, *Oil Revolution: Anticolonial Elites, Sovereign Rights, and the Economic Culture of Decolonization* (New York: Cambridge University Press, 2017), 213–21; The Minister in Libya, March 10, 1952, *FRUS 1952–1954*, XI, Part 1, *Africa and South Asia*: 260.

²⁷Pelt, *Libyan Independence*, 487; NSC Report, June 29, 1957, *FRUS 1955–1957*, XVIII, *Africa*: 173; Elisabetta Bini, 'From Colony to Oil Producer: U.S. Oil Companies and the Reshaping of Labor Relations in Libya during the Cold War,' *Labor History* 60, no. 1 (2019): 47. One US response was to establish a scholarship program.

²⁸The Minister in Libya, January 21, 1953, *FRUS 1952–1954*, XI, Part 1, *Africa and South Asia*: 278; The Minister in Libya, June 12, 1954, *FRUS 1952–1954*, XI, Part 1, *Africa and South Asia*: 295.

furthered. His assumption was that ‘premature’ independence created volatile breeding ground for communism. But by 1953, he didn’t feel that sovereignty need impinge too much on security . . . if the price was not too high. Dulles urged the Pentagon to bring the Wheelus negotiations to a ‘quick conclusion’. The governments signed a new deal in 1954 that granted base rights to the United States for twenty years in return for \$4 million annually until 1960, \$1 million thereafter, \$3 million of Mutual Security Program funds, and 24,000 tons of grain. The US Air Force immediately began a \$75 million expansion of Wheelus, adding jet fuel storage tanks, ammunition stores, and NATO training facilities. They connected the base to their worldwide messaging network and made it a forward supply point for Middle East forces and a refuelling site in escape and invasion plans.²⁹

The agreement did not mean that the Libyan government could not act independently. In one example, Libya supported Algeria’s freedom fighters. The French government continued to hold garrisons in the Fezzan and hoped to negotiate a base agreement similar to the American and British ones. But Libya permitted Egypt to ship supplies to Algerian nationalists through its territory beginning in 1954 and pressed the French military to abandon its strongholds, which it did in 1956. Regional conflict intensified Libyan–US relations that year when the British, French, and Israeli armies invaded the Suez Canal Zone. US officials engaged in a circular Cold War logic of describing the vulnerability of Wheelus in worst-case-scenario terms, depicting the base as a barrier to nationalist expansion that threatened to subsume Libya, Tunisia, Algeria, and Morocco. ‘NATO would, in effect, be outflanked’, US ambassador Jake Tappin declared. Henry Cabot Lodge, Jr., the UN Ambassador who later would make similar arguments as Ambassador to South Vietnam, used a colonial analogy to explain the peril. Woodrow Wilson purchased the Virgin Islands in 1917 to prevent Germany from using them as coaling stations, he reasoned. The State Department could not buy Libya, but it could pay for ‘vital assurances’.³⁰

Assistant Secretary of State Herbert Hoover, Jr. also weighed in. For him, military relationships safeguarded regional security. Some in the Eisenhower administration had balked at a Libyan request for US aid in expanding its army. Hoover disagreed. To reinforce Wheelus rights with military training was ‘an important test of United States friendship’, he told Dulles. Given ‘the drastic new factor of Soviet penetration into the Near East and North Africa’, such investments were imperative to secure ‘the continued smooth operation of our military facilities’. The State Department augmented the Wheelus agreement in 1956 with a \$12 million grant and 30,000 more tons of relief wheat. This was given with ‘the assumption that the Libyan Government would not be willing to jeopardize its independence and collaboration with the free world’. In other words, Libya would not accept Soviet aid. Although Ben Halim defended Libya’s ‘sovereign right’ to receive diplomats, Libya refused to grant the Soviet Union flyover rights, permission to build a cultural centre or radio transmitter, or to apply for petroleum concessions.³¹

But the United States would find that sovereignty was not something that once bought could always be owned. Libya continued to use Wheelus as the lever of an aid ratchet, and between 1953

²⁹The Secretary of State, June 3, 1953, *FRUS 1952–1954*, XI, Part 1, *Africa and South Asia*: 280; The Secretary of State, July 20, 1954, *FRUS 1952–1954*, XI, Part 1, *Africa and South Asia*: 296; Letter from the Ambassador, March 11, 1955, *FRUS 1955–1957*, XVIII, *Africa*: 147. On the Cold War, the Global South, and US strategy: Odd Arne Westad, *The Global Cold War: Third World Interventions and the Making of Our Times* (New York: Cambridge University Press, 2005); John Lewis Gaddis, *Strategies of Containment: A Critical Appraisal of American National Security Policy during the Cold War* (New York: Oxford University Press, 2005); Paul Thomas Chamberlin, *The Cold War’s Killing Fields: Rethinking the Long Peace* (New York: HarperCollins, 2018). On Dulles at the United Nations, see: Richard Immerman, *John Foster Dulles: Piety, Pragmatism, and Power in U.S. Foreign Policy* (Boston: Rowman & Littlefield, 1998), 25–27.

³⁰Ronald Bruce St. John, *Libya: Continuity and Change*, 2nd ed. (New York: Routledge, 2015), 40–1; Dispatch from the Embassy, November 30, 1955, *FRUS 1955–1957*, XVIII, *Africa*: 149; Memorandum from the UN Representative, March 5, 1956, *FRUS 1955–1957*, XVIII, *Africa*: 155. See also: Richard John Worrall, ‘The Strategic Limitations of a Middle East Client State by the Mid-1950s: Britain, Libya and the Suez Crisis,’ *Journal of Strategic Studies* 30, no. 2 (2007): 309–47.

³¹Letter from the Acting Secretary, November 12, 1955, *FRUS 1955–1957*, XVIII, *Africa*: 148; Letter from the Deputy Undersecretary, March 13, 1956, *FRUS 1955–1957*, XVIII, *Africa*: 156.

and 1961 the United States paid \$178 million for base rights. The rising cost also reflected a shift in bilateral relations caused by the discovery of oil in commercial quantities. Oil gave Libya more income, a better bargaining position, and further justified the US practice of accommodating sovereignty on national security grounds.³²

Libyan Oil Law and Relinquishment

Libya was no longer an economic lost cause for Americans. Underdevelopment seemed such a natural force to Villard that he began the economics chapter in his 1956 memoir with a description of the 'infamous Ghibli, or south wind', a dry blast symbolizing the 'almost impossible hurdle of Libya's primitive economy'. But once oil flowed, Libya's economic and geopolitical value grew. So did the risks associated with Libyan vulnerability. Oil became a factor in Libyan-US relations as early as 1954, when officials from both nations wrapped it in the same cloth as military aid. Amidst base negotiations in Washington, the Conorada (later Oasis) Oil Company took Ben Halim on a weekend jaunt by chartered plane to its Texas and Louisiana oilfields. The tour helped him to 'make the final plunge' and sign the new Wheelus agreement, one official reported. American decision-makers thought that private oil investment would help keep Libya in their Cold War fold. This in turn formed part of an overriding belief in 'the vital importance of petroleum to our national security and, in fact, to the security of the entire free world', as Hoover, Jr. told the American Association of Petroleum Geologists in 1957. Free world security relied upon oil from areas relatively immune to Soviet designs 'to beguile and subvert', he continued. Libya was one such place.³³

But Libyan leaders' model for sovereignty also relied on connections with similarly situated nations, as the history of the 1955 Libyan Petroleum Law reveals. The Palestinian lawyer Anes Qasem wrote the law to remedy the problems he saw in the concessions granted in the 1920s and 1930s by Saudi Arabia, Kuwait, Iran, and Iraq. Those concessions covered most of national territory and were granted to single concessionaires, the joint operating companies of some combination of the seven major international oil companies. The companies were vertically and horizontally integrated, and they dominated global production, transportation, and refining, as well as most countries' consumer markets. They used their bargaining power and home nation support to pressure the oil-holding nations to accept contractual provisions that limited sovereignty; the concessions were of long duration, disallowed the upward revision of royalties, and granted company control over production and price.

Qasem wrote the Libyan Petroleum Law at a moment in which more actors challenged the 'old' concessions. His work, which followed a decade of rising concern over the persistence of imperialistic inequality even as empire ebbed, underscores the internationalism of economic sovereignty. From 1948 to 1950, Venezuela and the main Middle Eastern areas, with the exception of Iran, successfully pressed the concessionaires to rewrite the profit-sharing clauses into 'fifty-fifty agreements'. In Iran, the failure to secure a fifty-fifty agreement led to Mohammed Mossadegh's election as Prime Minister, the 1951 oil nationalization, and a CIA-supported coup in 1953. Although wary of overstepping because of Iran's grim lesson, Qasem joined those who criticized the

³²Letter from Prime Minister, April 20, 1956, *FRUS 1955-1957*, XVIII, *Africa*: 159; U.S. Agency for International Development, *U.S. Overseas Loans and Grants*, Statistical Annex I (Washington, D.C., 2013), 12.

³³Villard, *Libya*, 59, 67-68; The Chargé in Libya, July 29, 1954, *FRUS 1952-1954*, XI, Part 1, *Africa and South Asia*: 298; Herbert Hoover, Jr., 'Petroleum and Our National Security,' *Bulletin of the American Association of Petroleum Geologists* 41, no. 7 (July 1957): 1416-7. Conorada received a choice concession in 1955, beginning what journalist John K. Cooley described as 'an orgy of corruption' that tied together Ben Halim's family, prominent Libyans, and US companies such as Conorada, Brown and Root, and Bechtel ('The Libyan Menace,' *Foreign Policy* 42 (Spring 1981): 74-93). On Suez and strategic lessons: Diane Kunz, *The Economic Diplomacy of the Suez Crisis* (Chapel Hill, 1991), 180-2. On Libyan production: Judith Gurney, *Libya: The Political Economy of Oil* (New York: Oxford University Press, 1996).

concessions as anachronisms in an age of decolonization. But he sought to balance liberation with stability. To walk that tightrope, he and other members of the Libyan Petroleum Bureau consulted with Mohammed Salman and Nadim Pachachi of Iraq and Abdullah al-Tariki of Saudi Arabia under the auspices of the Arab League's Petroleum Bureau. Building on resolutions at the 1955 Bandung Conference about 'collective action' to increase raw material prices, they convoked an Arab Petroleum Congress for 1959 in Cairo, with the goal of identifying their 'combined rights'.³⁴

Qasem and the better-known (and less subtle) rabble-rouser Tariki planned the First Arab Petroleum Congress's most important meeting, the plenary panel of the Committee of Petroleum Economics and Legislation. Around 500 delegates heard papers on the law governing the relationships between nations and companies. Two papers – one by Frank Hendryx, an American lawyer employed by Tariki, and another by Egyptian Secretary General of Mines Farouk Muhamed al-Bakkary – turned to a basic question: Could nations legitimately invoke national sovereignty to abrogate oil concessions? Both men answered yes. National constitutions and mining codes worldwide affirmed 'the principle of state ownership', Bakkary said, citing reports from the UN's Economic and Social Council and Commission on Permanent Sovereignty. Qasem, the panel chair, discussed the 1955 Libyan Petroleum Law as a prototype of such codes. Libyans claimed as national property all oil found 'in its natural state in the layers of the earth'. They imposed strict limits on concession sizes – a 'checkerboard division' that barred individual companies' 'retention of large areas'. And they established regulations for the forcible surrender of untapped concessions. That point, the concept of relinquishment, was crucial to Ben Halim. Relinquishment forced each concessionaire to explore efficiently, 'or else it would lose its chance to find oil'.³⁵

Qasem and others explained the 1955 law over the next half decade in reports for the Libyan Petroleum Commission. At the root of relinquishment and other stipulations was a basic concept: no contract between a sovereign nation and a private corporation could be 'fossilized'. In an argument echoing Hersch Lauterpacht's studies for the UN International Law Commission, Qasem wrote that, to the contrary, 'a concession deals with a developing situation and it has to develop and grow to meet changing circumstances'.³⁶

Changing circumstances, like relinquishment, would be used over the next decade to rewrite the laws governing the oil industry. The concepts became meaningful because they could perpetually extend sovereignty. Sovereignty meant more than asserting the right to national control, it also meant finding policies that put power in government hands. But Qasem did not seek to upend the global balance of power. His strategy was also one of accommodation, and he safeguarded sovereignty while creating a lucrative basis for oil production. (Remember that, prodded by Ben Halim, Nixon celebrated the law as a paragon of capitalist principle.) Libya attracted

³⁴'Recommendations of the Oil Experts Committee,' November 1955, *OPEC: Origins and Strategy*, I: 144–5; Arab League, Secretariat-General, Permanent Petroleum Bureau, 'Report of the Commission of the Arab Oil Experts,' April 1957, *OPEC: Origins and Strategy*, I: 178–83; Simon Siksek, 'Oil Concessions – An Arab View,' *Middle East Forum* (July 1960): 36–8. On this era's oil history: Giuliano Garavini, *The Rise and Fall of OPEC in the Twentieth Century* (New York: Oxford University Press, 2019), 53–87.

³⁵Committee of Petroleum Economics and Legislation, Minutes of the First Session, *Papers of the First Arab Petroleum Congress* (PFAPC), No. 39; Farouk Muhamed El-Bakkary, 'A Treatise (Submitted to the Conference) on The Legal, Economic and Political Effects resulting from The Principle of the State Ownership of the Mineral Wealth in its Territory,' PFAPC; Anis Qasem, 'Petroleum Legislation in Libya,' PFAPC, Appendix 15; Ben-Halim, *Libya: The Years of Hope*, 187. On natural resources in constitutions: Nico Schrijver, *Sovereignty over Natural Resources: Balancing Rights and Duties* (New York: Cambridge University Press, 1997), 66–70.

³⁶Petroleum Commission, *Petroleum Development in Libya: 1954 through 1958* (Tripoli, 1958), 4; Petroleum Commission, *Petroleum Development in Libya, 1954 through mid-1960* (Tripoli, 1961), 7; Hersch Lauterpacht, 'Codification and Development of International Law,' *American Journal of International Law* 49 (1955): 16–43. For the international legal debate: Kenneth Rodman, *Sanctity vs. Sovereignty: The United States and the Nationalization of Natural Resource Investments* (New York: Columbia University Press, 1988).

companies and stimulated exploration by offering low entry fees and friendly royalty and tax provisions.³⁷

Libya thus encouraged production while reserving the sovereign right to change its terms. Qasem and Nadim Pachachi, who as Iraqi oil minister before the 1958 revolution had helped plan the Arab Petroleum Congress, amended the law in 1961. The amendments came at a crucial moment, nationally and internationally. On the national scale, the Esso oil company (previously Standard Oil of New Jersey, later Exxon) began commercial production in the prolific Zelten Field of the Sirte Basin in June 1959. On the international scale, four months before the Zelten strike, Esso and the other multinationals angered Qasem, Tariki, Venezuela's Juan Pablo Pérez Alfonso and other attendees of the First Arab Petroleum Congress when they lowered the posted price of oil, which set the oil nations' royalty income. The companies again lowered posted prices in April 1960, famously leading to OPEC's founding. Lesser known, Pachachi and Qasem worked to defend Libya against future unilateral decisions. They increased bidding competition, tightened relinquishment provisions, increased royalty payments, and revised taxes to meet OPEC standards. Any companies that refused the terms would be denied consideration for new concessions.³⁸

Libyan Sovereignty and American Security in the Global 1960s

Libyan oil law was a bid for foreign investment and national control. It also became an experiment in pushing outward the limits of economic sovereignty through the use of internationally shared knowledge. Even as the United States became more commercially and military involved in Libya, Libyan law transformed into an object lesson of how to use independence to win sovereignty. The 1955 Petroleum Law came to be seen above all as a rebuttal to the old concessions, those symbols of lost sovereignty that Tariki called in 1965 'a perfect example of economic colonialism'.³⁹

Tariki's sweeping interpretation did not exist in a vacuum. It formed part of a pervasive conviction that the colonial past continued to unduly taint the international economy. The Afro-Asian People's Solidarity Organization, to cite one example of many, collapsed arguments about decolonization and economic sovereignty into a single statement written in 1960. 'Archaic feudal exploitation' continued to limit the growth of nations still 'ravaged by imperialist plunder', delegates wrote. Calls for modernization would prove 'a mirage' if decolonized nations could not work together to 'restore full mastery over their wealth and resources'. Libya and other OPEC members joined several groups in the 1960s – including the Arab Petroleum Congresses, the Organization of African Unity, the Non-Aligned Movement, and the UN Conference on Trade and Development – that emphasized the potential economic transformation offered by decolonization. Libyans shared strategies and documents at meetings in New York, Geneva, Vienna, Algiers, Cairo, Baghdad, and elsewhere.⁴⁰

To understand the place of Libyan foreign relations within that unfolding dynamic, one must spell out basic facts of the oil industry. First, smaller US companies faced depleted reserves at home and turned abroad. National companies from the United States' industrial allies – most importantly Italy, France, Germany, and Japan – joined them in a drive to break the supply

³⁷Frank Waddams, *The Libyan Oil Industry* (Baltimore: Johns Hopkins University Press, 1980), 61–66. For a sharp analysis using German archives: Nicholas Robert Ostrum, 'The Black Chimera: West Germany and the Scramble for Arab Oil, 1957–1974,' Ph.D. dissertation, Stony Brook University, 2017, 73–79.

³⁸Abdul Amir Q. Kubba, *Libya: Its Oil Industry and Economic System* (Baghdad, 1965), 78–97; Petroleum Commission, *Petroleum Development in Libya: 1954 through mid 1961* (Tripoli, 1961), 8; Ostrum, 'Black Chimera,' 195–6. For the key events in the founding of OPEC: Garavini, *The Rise and Fall of OPEC*, 88–134; Anna Rubino, *The Queen of the Oil Club*, 165–98.

³⁹Abdullah el Hammoud el Tariki, 'Nationalization of the Arab Petroleum Is a National Necessity,' Arab League, *Papers of the Fifth Arab Petroleum Congress*.

⁴⁰H. D. Malaviya, *Report on Problems of Economic Development of Afro-Asian Countries* (Cairo: Dar el Hana Press, 1960), 1–2, 12–15, 70–80. For a recent analysis of Iraq's place in this constellation, see: Brandon Wolfe-Hunnicut, *The Paranoid Style in American Diplomacy: Oil and Arab Nationalism In Iraq* (Palo Alto, 2021).

stranglehold of the major multinationals. Second, new drilling technology allowed those companies to operate in areas that were once too costly. Third, Libyan oil was 'light' and 'sweet': its low density and sulphur content made it easier to refine. Fourth, Libyan fields were close, by pipeline and then tanker, to Western Europe's thirsty markets. These factors led production to explode. More than 100 companies had jumped at the opportunity to enter Libya by 1965. By the September 1969 revolution, Libya was the fourth largest producer in the world, the second largest exporter, and supplier of a quarter of Western Europe's energy needs.⁴¹

In that decade of rising production, Wheelus Base continued as a key site for Libyan-American relations. Libya requested that the Air Force increase its payments to \$45 million per year in March 1959. Wheelus was by then the primary site for NATO air training and averaged a landing or take-off every minute during daylight hours. It was 'the only factor in North Africa which enabled us to use military forces in the Middle East', one official told the National Security Council. Eisenhower agreed – 'we must keep Wheelus' – and ordered the Air Force to increase payments. NSC Directive 6004/1 captured the rationale for US policy until 1969. Like earlier discussions, this one revolved around questions of both sovereignty and security. Because Libya was the United Nations' 'artificial creation', it was intrinsically unstable. Both Wheelus and the new oil discovery made 'the outcome of this instability... of considerable importance to the United States'. To again preempt a public airing on sovereignty in the Chamber of Deputies, the Eisenhower administration quickly approved a commitment of \$15 million a year.⁴²

The Kennedy and Johnson administrations inherited the consensus. The military relationship deepened in 1961 when the United States promised six C-47 transport planes and two T-33 jet trainers to the new Libyan Air Force. The Joint Chiefs of Staff wrote that sales, like training, helped 'preclude Communist influence' and added two helicopters and ten M-113 armoured personnel carriers to the procurement list in 1962. 'All in all, though I hate these rug merchant deals (and these particular rug merchants) as much as you do, I would endorse State's judgment that the rug cannot be had for less', presidential adviser William Bundy told Secretary of Defense Robert McNamara. Bundy's terse Orientalism reveals cultural prejudice; he abhorred what he saw as craven submission to unworthy demands. But one also finds an important operating assumption: oil money and the military relationship created a virtuous-enough feedback loop. Secretary of State Dean Rusk even foresaw a future in which the United States would provide 'virtually unlimited credit' for military purchases 'on the basis of prospective oil revenues'. When Libya requested more arms in 1964, he advised President Johnson that rejecting the request would jeopardize Wheelus and imperil US power elsewhere – a negative response would be 'a serious precedent endangering other essential base arrangements'. A US military mission set terms for \$12 million more of arms and services, including eight F-5 fighter jets and twenty M-48 tanks.⁴³

Rusk hoped military hardware would create a goodwill spillover into other fields. This included the 'responsible' use of Libya's oil wealth in regional affairs, for example, by helping finance Jordan's military. The United States and Libya shared 'a mutual interest' in Jordan's 'modernization by an evolutionary process', Rusk wrote in 1967. Jordan's King Hussein needed 'adequate

⁴¹Bureau of Petroleum Affairs, *Petroleum Development in Libya, 1954–1964* (Tripoli, 1965); William D. O'Brien, 'Libya's Revenue from Petroleum,' Paper for Esso Seminar Series at Libyan University, February 22, 1968, Record Group 59, Central Foreign Policy Files 1967–1969, Box 1365, National Archives and Records Administration (hereafter, RG 59, CFP, NARA).

⁴²Memorandum of Discussion, March 10, 1960, *FRUS 1958–1960*, XIII, *North Africa*: 338; NSC Report, March 15, 1960, *FRUS 1958–1960*, XIII, *North Africa*: 339; Editorial Note, *FRUS 1958–1960*, XIII, *North Africa*: 343.

⁴³Telegram from the Department of State, October 19, 1962, *FRUS 1961–1963*, XXI, *Africa*: 95; Memorandum from the Joint Chiefs of Staff, October 31, 1962, *FRUS 1961–1963*, XXI, *Africa*: 99; Memorandum to McNamara, December 1, 1962, *FRUS 1961–1963*, XXI, *Africa*: 102; Telegram from the Department of State, November 23, 1962, *FRUS 1961–1963*, XXI, *Africa*: 101; Memorandum for the President, 'Discussions with the Libyan Government Regarding the Future of Wheelus,' March 17, 1964, National Security File, Country File, Africa, Box 92, Folder 9, Lyndon Baines Johnson Presidential Library (hereafter, NSF, CF, LBJL); State to AmEmbassy Tripoli, June 11, 1964, NSF, CF, Box 92, Folder 8, LBJL; Baida to SecState, June 8, 1964, NSF, CF, Box 92, Folder 8, LBJL.

protection against threats to its internal security' – protection for which Libya could pay. Weapons would bring stability, according to this logic, which would allow for the economic growth necessary to prove the superiority of Jordan's capitalism over neighbouring Iraq's 'Arab socialist ideology'. Military modernization was as crucial to US Cold War diplomacy in the Middle East as it was elsewhere.⁴⁴

The frequently amended 1955 Petroleum Law governed Libyan oil production all the while. Occidental Oil faced the strongest terms in world history when it outbid twenty other competitors for the King Idris Field in 1965. In an outgrowth of Esso's anti-desertification projects, Libya required companies to add sweeteners to their concession proposals in the form of development projects. Occidental promised 5% of its pre-tax profits to agricultural programs, including the construction of a fertilizer plant. Such projects became common addendums owing to the work of the Ministry of Petroleum Affairs, which replaced the Petroleum Commission in 1963. They also became common in new concessions elsewhere in the Arab world. Abdul Amir Kubbah, the NYU-trained Iraqi economist who directed the Ministry's Economics Department, described Libyan policy as part of a wider 'petroleum consciousness' that had developed around stronger assertions of sovereignty. That view was central to Libyan diplomacy. Prime Minister Muntasir told the US ambassador in 1965 that Libya 'could not tolerate a situation that would reduce Libya's income from petroleum'. The United States must accept that Libya could change the terms of oil concessions. Since independence, he and his predecessors had 'made a major point of their belief that their own national sovereignty overrides such pledges when circumstances change'.⁴⁵

But when the Chamber of Deputies passed a retroactive tax provision in 1966, the American response was curt. Rusk protested that 'it would not seem in Libya's future interest to be on record as unilaterally abrogating contractual relations'. The US ambassador added that Libya and the United States shared an interest in the 'security' of the oil industry; Libyans should avoid 'any action that might be cited as precedent for weakening this stability'. But when Libya's foreign minister asserted the sovereign right to amend the law, the State Department yielded. Rusk admitted that he could take no formal measures; taxation of foreign-owned companies was 'primarily an internal matter'.⁴⁶

His concern over Libyan domestic politics soon grew. As tensions heightened between Israel and Arab states in 1967, 'an outburst of Libyan nationalism' led the 'aroused' Chamber of Deputies to call for the abrogation of the Wheelus agreement. The National Security Council again advised that no alternative existed but to agree to demands for higher payments. Base rights again were a rallying point for sovereignty, and payment-based accommodation was urgent for overlapping strategic and economic reasons. 'We want to save this regime (the best we could have) and also protect our oil investment, now \$670 million', advisers told Johnson.⁴⁷

Tamping down tension was difficult. As historian Elisabetta Bini writes, the US and Libyan governments sought to empower less radical trade unions in the 1960s, even as US companies transferred discriminatory labour hierarchies to North Africa.⁴⁸ Yet when Radio Cairo broadcast accusations that the United States used Wheelus to support Israel in the 1967 war, frustration boiled over. Libyan workers stopped production, forcing the nation to join an Arab oil embargo on the United States and Great Britain. The embargo temporarily threatened the US Cold War

⁴⁴State to AmEmbassy Tripoli, February 3, 1967, NSF, CF, Box 93, Folder 1, LBJL; AmEmbassy Tripoli to State, 'Eyes Only Secretary of Treasury Fowler,' March 27, 1967, NSF, CF, Box 93, Folder 1, LBJL. On military modernization: Bradley Simpson, *Economists with Guns: Authoritarian Development and U.S.-Indonesian Relations, 1960–1968* (Palo Alto: Stanford University Press, 2008).

⁴⁵Dirk Vandewalle, *A History of Modern Libya*, 2nd ed. (New York, 2012), 58–62; Abdul Amir Kubbah, 'Editorial: The Ideals We Intend to Serve,' *Review of Arab Petroleum Economics* 1, no. 1 (February 1965): 2; Ostrum, 'Black Chimera,' 199.

⁴⁶State to AmEmbassy Tripoli, January 3, 1966, NSF, CF, Box 93, Folder 1, LBJL; AmEmbassy Tripoli to State, 'Libyan Oil Law,' January 5, 1966, NSF, CF, Box 93, Folder 1, LBJL.

⁴⁷Bundy and Komer, Memorandum for the President, March 17, 1967, NSF, CF, Box 92, Folder 9, LBJL.

⁴⁸Bini, 'From Colony to Oil Producer,' 49–53.

policy of ensuring its allies stable access to cheap oil. The major Free World importing countries depended on Arab oil for at least 60% of their supply. This included the most important European economies – Germany, Great Britain, France, and Italy – and the largest in Asia – Japan, India, and Australia. King Idris told the US ambassador that Libya’s participation was regrettable, but ‘for appearances’ sake’ he needed to maintain the embargo. The same week, the US Foreign Petroleum Supply Committee secured an exception to anti-trust law from the Justice Department under the 1950 Defense Production Act, which allowed the multinational companies to pool their oil and tanker fleets. Iran, Venezuela, and the United States increased production, and Libya joined Kuwait and Saudi Arabia in breaking the embargo by mid-July.⁴⁹

Changing circumstances and relinquishment had by then become influential arguments for economic sovereignty. OPEC Secretary General Francisco Parra, a Venezuelan economist who had worked his way up within the organization since its founding, and the Iraqi director of the OPEC Legal Department, Hasan Zakariya, drafted a general policy paper in 1968. Called the OPEC Declaratory Statement, it drew on the prescriptions of UN bodies like the Permanent Sovereignty Commission, the Economic and Social Council, and the Council on Trade and Development. But Parra and Zakariya also scoured over national laws collected by OPEC over the previous half-decade. The Statement called upon OPEC members to use national legislation to bring about several changes, many of which were first evident in the 1955 Libyan Petroleum Law: competitive bidding, smaller concessions, and relinquishment. Together these measures would bring the old concessions in line with UN resolutions in 1962 and 1966 supporting ‘the inalienable right of all countries to exercise permanent sovereignty over their natural resources’.⁵⁰

‘Forced to Give in to the Libyans’

The OPEC Declaratory Statement joined the 1955 Libyan Petroleum Law as a signature economic policy in the history of decolonization. Such advances were not well-understood at the highest levels in Washington, where leaders rarely saw beyond the failure of the 1967 Arab embargo to end US support for Israel. Nixon restated the most common stereotype in his first year as president: ‘The Arab oil producers cannot drink their oil’. More astute observers worried about a range of problems with Cold War energy security, including Libya’s internal stability. ‘Western Europe needs to get Libyan oil turned on, but the Libyan Government is the most fragile of all the Arab regimes’, McGeorge Bundy told Johnson during the embargo. Esso executives identified Libya as ‘the most sensitive place’ where the company operated.⁵¹

⁴⁹Telegram from the Embassy, June 22, 1967, *FRUS 1964–1968, XXXIV, Energy Diplomacy and Global Issues: 247*; Intelligence Note, September 1, 1967, *FRUS 1964–1968, XXI, Near East Region: 458*. On oil apartheid: Robert Vitalis, *America’s Kingdom: Mythmaking on the Saudi Oil Frontier* (Palo Alto: Stanford University Press, 2006). On the Six Day War: Guy Laron, *The Six Day War: The Breaking of the Middle East* (New Haven: Yale University Press, 2017); Shaul Mitelpunkt, *Israel and the American Mind: The Cultural Politics of U.S.-Israeli Relations, 1958–1988* (New York: Cambridge University Press, 2018), 119–176.

⁵⁰The United Nations Resolution on Permanent Sovereignty over Natural Resources,’ OPEC Bulletin, January 1967, OPEC Information Center (hereafter OIC), Vienna; Resolution No. 90, XVI Conference, June 1968, *Resolutions Adopted at the Conferences of OPEC*, OIC; Hasan S. Zakariya, ‘OPEC Resolution XVI.90: It’s Background and Some Analytical Comments,’ January 1969, OIC.

⁵¹Memorandum of Conversation, June 5, 1970, *FRUS, 1969–1976, XXIV, Middle East Region and Arabian Peninsula: 23*; McGeorge Bundy, ‘Memorandum for the President,’ June 27, 1967, White House Central Files (hereafter, WHCF), EX CM/O, Box 6, LBJL. Occidental and supportive New England senators noted the effects of instability when they turned to the Johnson administration for an exception to US oil import law to construct a 330,000 barrel per day refinery at a Free Trade Zone in Maine. Producers in the American southwest viscerally opposed this, also on national security grounds. See: Jim Langdon to Larry Temple, August 13, 1968, WHCF, GEN TA 6/Oil, Box 22, LBJL; Dara Orenstein, *Out of Stock: The Warehouse in the History of Capitalism* (Chicago, 2019).

That regime faced growing discontent among students, workers, and soldiers, even as its Petroleum Ministry continued to pressure oil concessionaires. In particular, Libya sought improved terms from Occidental. Unlike Esso and larger companies, the company relied on Libya for most of its crude. After Occidental struck a bonanza in the Idris Field in 1967, the Petroleum Ministry pressured it to immediately begin construction of its promised ammonia and naphtha plants. The ministry released more comprehensive regulations in December 1968 with Order 8, an addendum to Libyan Petroleum Law that sought to 'conserve oil wealth resources'. Order 8 followed OPEC's directive to increase control over upstream oil operations, including exploration, drilling, production, and the secondary recovery of natural gas. The Libyan measures were written by a group including Minister of Petroleum Affairs Khalifah Muusa; Ibrahim Hangari, who that year chaired OPEC's Board of Governors; and long-time British adviser Frank Waddams. Frank Hendryx, the American who sat next to Qasem at the 1959 Arab Petroleum Congress, also consulted.⁵²

The penultimate article of Order 8 stated that 'any violation' of new laws would constitute 'a violation of the basic principles of the oil industry'. Muusa explained the purpose of the omnibus phrase to the US ambassador: it portended more aggressive policies. Muusa also took the moment to criticize 'moderate' actors within OPEC, taking aim at the 'meaningless' arguments of Saudi Oil Minister Ahmed Zaki Yamani about host country 'participation'. Yamani, who took over Saudi oil policy in 1962 after Tariki was ousted, had criticized the 1967 embargo and called the relationship between petrostates and companies 'indissoluble, like a Catholic marriage'. His conservative attempts at increasing sovereignty gave 'little of real value to governments', Muusa complained. Libya planned instead to empower its new national company, Lipetco, to direct joint ventures, control natural gas production, and take over relinquished concessions.⁵³

The hardening conditions for oil rights did not hurt the military relationship. Sales actually increased. When Libya purchased ten more F-5 fighters in 1967, the US rationale remained the same. Sponsoring the Royal Libyan Air Force would help maintain control over Wheelus, which 'for the foreseeable future [was] an important training facility for which there is no suitable alternative', wrote the interdepartmental group that set policy. Libya had plenty of oil money to buy weapons from US dealers, who were in fierce competition with French and British manufacturers. A \$150 million contract for 70 aircraft was within Libya's means, the National Security Council reported in 1969, predicting that arms sales would give the US government 'a measure of influence and restraint' over Libya. From its Benghazi headquarters, Lipetco negotiated joint ventures with United States, German, Japanese, and Italian companies the same year. The Petroleum Ministry accelerated the Order 8 schedule for tax and royalty payments and negotiated the construction of new plants by Hispanoil, Spain's national company. These would join Occidental's plants in 'the nucleus of a petrochemical complex' southwest of Benghazi, to be supplied with natural gas from Esso's fields through an Italian-built pipeline.⁵⁴

⁵²Airgram A-30, Amembassy Tripoli, 'Petroleum Regulation No. 8,' February 10, 1969, RG 59, CFP 1967-1969, Box 1365, NARA. A student of the 1955 Libyan Petroleum Law, Hangari was deeply involved in OPEC meetings in the late 1960s. See: Ibrāhīm Hanqārī, *Libyan Petroleum Law 25 of 1955* (Tripoli: Kibyan Advertising & Pub. Establishment, 1966). Waddams and other Western experts also helped write Libyan oil law in the 1950s: D.B. Eicher, with J.S. Royds and J.F. Mason, 'Part II. Libya,' in *AAPG Memoirs: Trek of the Oil Finders* (1975), 1436-1445.

⁵³Airgram A-104, Amembassy Tripoli, 'Memorandum of Conversation with Petroleum Minister,' April 25, 1969, RG 59, CFP 1967-1969, Box 1364, NARA.

⁵⁴NSC Interdepartmental Group for Africa, 'Transmittal of Papers on Aircraft Sales to Libya,' April 29, 1969, RG 59, CFP 1967-1969, Box 1574, NARA; Joseph Palmer to the Under Secretary, 'NSC/IG Decisions on Sale of Aircraft to Libya: Action Memorandum,' May 5, 1969, RG 59, CFP 1967-1969, Box 1574, NARA; Amembassy to Secstate, 'Oil: Joint Venture Decisions by GOL,' May 6, 1969, RG 59, CFP 1967-1969, Box 1365, NARA; Airgram A-139, Amembassy Tripoli, 'Oil Company Payments to GOL,' June 2, 1969, RG 59, CFP 1967-1969, Box 1364, NARA; Airgram A-160, Amembassy Tripoli, June 20, 1969, RG 59, CFP 1967-1969, Box 1364, NARA.

Pressure, already substantial, increased dramatically after the Revolutionary Command Council deposed King Idris in September 1969. Two men, Mahmood Maghribi and Ezzedin al-Mabruk, directed policy in the critical year that followed. Developments in the global oil industry gave them decisive advantages. In addition to Libya's ascendant position in European supply, increases in international demand had outpaced supply, causing a shift from a buyers' to a sellers' market. At the same time, the Revolutionary Command Council continued to use the notion of sovereignty to tie oil extraction to military affairs. When Muammar Qaddafi ordered the removal of US troops from Wheelus in April 1970, the month that new oil negotiations began, he linked the decision to the 'battle with the foreign oil companies'. He also echoed the narrative logic of sovereignty used since Libyan independence. 'After political freedom comes the phase of industrial and economic freedom', he said. Just as it no longer gave away base rights, his government would 'recover their full rights from the oil companies'.⁵⁵

The policies underneath that vision of unremitting change continued to be in concert with other actors. Maghribi and Mabruk invited Tariki, Anes Qasem's old Arab League colleague and now director of the Kuwait-based Arab Oil Research Center, to Benghazi. Tariki and his business partner, the Lebanese lawyer Nicolas Sarkis, saw an opportunity. One effect of Libya's diffusion of concessions was that smaller companies, especially Occidental, depended on Libya for the majority of their oil. When the Libyans demanded that all concessionaires increase the posted price 44 cents a barrel with back payments to 1961, they charged Occidental a further back payment of 35 cents a barrel to 1967, when it brought Idris Field online. In addition, Libya imposed a new tax rate of 55%, breaking with the fifty-fifty principle in place across the Middle East since 1950. When the companies refused to comply, Libya targeted Occidental as the weak link. Soldiers and engineers arrived at Idris Field to force down production in April 1970. The US government attempted to cover the loss through a deal with the Iran Consortium and the Central Bank of Iran, but this and other efforts failed.⁵⁶

The Nixon administration influenced the course of events when it followed the precedent of accommodation. Occidental and the other companies requested diplomatic support in June 1970, warning that the industry teetered on 'the verge of a crisis worse than the Iranian oil crisis in the early 1950s'. The State Department demurred, advising the companies to use 'every means available to deal imaginatively with the problem of seeking to accommodate themselves with the foreseeable evolution of events'. When the chairmen of British Petroleum and Shell flew across the Atlantic in September 1970 to argue for a change in policy, British Foreign Secretary Alec Douglas-Home cabled Secretary of State William Rogers

⁵⁵ME/3349/A/1, 'Qadhafi's Bayda Rally Speech,' April 8, 1970, Foreign and Commonwealth Office: Commodities and Oil Department, Registered Files, Folder 432, National Archives of the United Kingdom (hereafter FCO 67/432, UKNA). A number of factors combined to make the market dry: increased US, European, and Asian consumption; energy intensive development projects in the 'Third World'; 'peak oil' production in the United States; the closures of the Suez Canal and the Trans Arabian Pipeline; a tanker shortage; and the Nigerian Civil War. On Qaddafi: Douglas Little, 'To the Shores of Tripoli: America, Qaddafi, and Libyan Revolution, 1969-1989,' *The International History Review* 35, no. 1 (2013): 70-99. Maghribi, a former lawyer for Esso's Libyan holdings, had been jailed for more than two years after organizing strikes during the 1967 war. His 1966 George Washington University Law School thesis analyzed 'the new transnational law' of sovereignty in Libyan oil production. See: Maghribi, 'Petroleum Legislation in Libya,' LL.M Thesis, George Washington University, 1966. Special thanks to Layla Maghribi for insight regarding his life.

⁵⁶'Price "Correction" is What it Wants,' *Petroleum Intelligence Weekly* 13, no. 29 (May 11, 1970): 5; AmEmbassy Tehran, 'Shah's Request for U.S. Assistance,' June 15, 1970, National Security Council Files, Country Files, Box 601, Richard Nixon Library (hereafter, NSCF, CF, RNL); SecState to AmEmbassy Tehran, 'U.S. Assistance in Increasing Iran's Oil Offtake,' June 27, 1970, NSCF, CF, Box 601, RNL. Notably, a similar dynamic of accommodation occurred in US relations with Iran at the same time.

insisting that he 'encourage the US majors to maintain a united front'. Rogers refused. State Department policy remained that the companies had 'no real option but to settle on the Libyan's terms'. Occidental assented to Libya's price hike within days and by October 1970 the Revolutionary Command Council had extracted agreements from all concessionaires for the new 55% rate. 'With ill-conceived hostility', BP Director Sir Eric Drake told one US official 'it was really the fault of the US Government that oil companies had felt forced to give in to Libyans'.⁵⁷

Sir Eric gave Libyans too little credit. At the Seventh Arab Petroleum Congress in Kuwait City in March 1970, OPEC Legal Director Hasan Zakariya met with Tariki and Sarkis, who were beginning their Libyan consulting gig. Zakariya fleshed out the concept of relinquishment in the meeting of the Economics Committee, the successor to the group Tariki had founded with Anes Qasem eleven years earlier. He told a legal history with morals; it refined arguments about a shared history and common strategic orientation made in the previous decade within OPEC. Relinquishment in concessionary law had begun with the 1925 Iraqi concession, but lamentably had remained 'embryonic'. Articles in the Iranian and Saudi concessions of the 1930s even outlawed it in all but dire circumstances. 'It was not until the mid-1950s that the application of relinquishment first gathered momentum', Zakariya said. The 1955 Libyan Petroleum Law and Iraqi laws passed after the 1958 revolution had been 'significant and far-reaching' because they led to advances elsewhere. Zakariya rattled off these 'more modern contractual arrangements' like bingo numbers: 1960 in Iraq, 1961 and 1962 in Qatar, 1963 in Saudi Arabia and Kuwait, 1965 in Abu Dhabi, and 1966 in Iran.⁵⁸

'Prior to the revolution, there was no one who cared to impose any kind of control on the companies', Mabruk, now Libya's oil minister, told a reporter from the weekly newspaper *Al Ahrām* a month later. He knew very well that this was hyperbole; as a recent graduate of the University of London years earlier, he had worked for Zakariya at OPEC. In a paper on concessionary law at the Fifth Arab Petroleum Congress in 1965, Mabruk held that it should be 'a general rule' that governments could 'unilaterally impose modifications' on oil concessions if they sustained the public good. This was a clear definition of what Libyans meant when they talked about economic sovereignty in the 1950s and 1960s. Importantly, he sought to quicken the pace of change. The 'piecemeal amendment of concession agreements' was no longer the solution, he forcefully argued. Instead, he called for 'a radical new approach to the question of oil concessions' that would overturn the 'rigid and outdated concession agreements'. In 1967, when first employed by Libya, Mabruk told the members of the Sixth Arab Petroleum Congress that 'the oil-exporting countries should adopt a unanimous attitude' towards using sovereignty to control supply.⁵⁹

Mabruk's message of a break with the past was thus set within a deeper awareness of the long-term foundations of economic sovereignty. The Revolutionary Command Council would 'safeguard' Libya's oil through legislation, he told oil executives in early 1970. Like his predecessors, he invoked a higher authority. Libyan actions were 'a most legitimate right'

⁵⁷Action Memorandum, July 28, 1970, *FRUS 1969–1976*, XXXVI, *Energy Crisis*: 51; State to Certain Diplomatic Posts, September 26, 1970, *FRUS 1969–1976*, XXXVI, *Energy Crisis*: 56; Memorandum by the Secretary of State for Foreign and Commonwealth Affairs, September 30, 1970, FCO 67/435, UKNA; Memorandum of Conversation, October 3, 1970, *FRUS 1969–1976*, XXXVI, *Energy Crisis*: 58; National Intelligence Estimate 36.5-71, April 30, 1971, *FRUS 1969–1976*, E-5, Part 2, *Documents on North Africa*: 74; DOS to Embassy United Kingdom, 'Middle East Oil,' October 14, 1970, *FRUS 1969–1976*, XXXVI, *Energy Crisis*: 59.

⁵⁸Zakariya, 'Progressive Relinquishment under OPEC Declaratory Statement,' Seventh Arab Petroleum Congress, *Volume I: Economics (Papers)*, No. 30 (A-2).

⁵⁹Libyan Oil Minister Reviews Oil Policy Issues,' *Middle East Economic Survey* 13, no. 31 (May 29, 1970): 5–6 (hereafter *MEES*); 'From Concessions to Contracts,' *MEES* 8, no. 21 (March 26, 1965): 22; 'Panel Discussion on Proration and its Effect on Price Levels,' *Papers of the Sixth Arab Petroleum Congress*, March 12, 1967, OIC. Like other oil elites, Mabruk began his professional studies in Europe or the United States in another field and gravitated to oil: Ezzedin Mabruk, *Limitation of Shipowner's Liability: A Study in English and Libyan Law* (University of London, 1959).

supported by UN resolutions on ‘the permanent sovereignty of nations over their natural wealth and resources’. Furthermore, he expected support from ‘collective action through OPEC’. Indeed, OPEC provided a political subsidy to Libya after the October 1970 tax and price breakthrough. Upon meeting in Caracas in December, OPEC ministers supported Libya’s measures ‘to safeguard their legitimate interests’. They also demanded revenue adjustments to existing concessions, including the 55% tax rate and the uniformity of posted price. ‘Justified by changing circumstances’, those decisions corrected ‘the unjustifiable basis’ of company-dictated oil production and pricing. OPEC members now showed a new ‘sense of entitlement’, one executive complained.⁶⁰

At this point, US accommodation again proved decisive. The oil companies and the Nixon administration sought ‘global talks’ with all OPEC members, in order to pit Libya against more ‘moderate’ producers like Saudi Arabia and Iran. OPEC settled on a counter-strategy by which Persian Gulf producers would conduct a first round of negotiations in Tehran, after which oil executives would be forced to face the Libyans in Tripoli. To the companies’ frustration, Nixon’s envoy to Saudi Arabia and Iran, John Irwin, yielded to arguments by the Shah and King Faisal that global talks would be ‘hijacked by the extremists’. (Concerned with his own Iran diplomacy, National Security Adviser Henry Kissinger ordered Irwin to ‘get out of the line of fire when the firing starts’.) Given the ‘law of changing circumstances’, Irwin wrote the next year, the United States needed to accept the ‘new relationship between the oil companies, the producer governments, and the consumers’. The Tehran negotiations concluded on February 14, 1971. The London Policy Group representing the major oil companies, led by former World Bank and Council of Foreign Relations president John McCloy, accepted new terms for oil production: the 55% tax rate and posted price increases to compensate for inflation. In negotiations that began the next week, Mabrak threatened ‘drastic action’ in concert with Algeria, Iraq, and Saudi Arabia, including the possibility of selective nationalization. Algeria assumed majority control of French oil companies in the middle of the negotiations. After five weeks, Qaddafi used the one-year anniversary of his Wheelus withdrawal speech to warn the companies publicly that any delays in meeting Libyan demands risked a full stop to all oil production.⁶¹

In an affirmation of the reality popularly known as ‘Libyan leapfrog’, the companies acquiesced in April 1971 to the higher tax rate negotiated in Tehran, an even higher posted price, and a freight premium for Mediterranean crude. Libya had ‘succeeded in recovering a large part of the people’s right, their wealth, which the companies have been plundering for the past ten years’, wrote the editors of *Al Ahram*. Nadim Pachachi, the Secretary General of OPEC ten years after working with Qasem in Libya, compared the Tehran and Tripoli victories to calls for a New International Economic Order in the UN Conference on Trade and Development. ‘We, like they, are raw material producers trying to get an equitable price of the primary product on which our economies depend’, he said.⁶²

Conclusion: Sovereignty, Decolonization, and Globalization

This essay has explained one way in which decolonization became an economic event. The expansion of the US military base and oil production may have discredited the Libyan government in the eyes of a younger generation of nationalists, but the Revolutionary Command

⁶⁰Address by the Minister of Petroleum and Minerals,’ January 20, 1970, FCO 67/432, UKNA; AmEmbassy Tehran, ‘Oil Situation,’ January 28, 1971, NSCF, CF, Box 602, RNL; ‘Text of Resolutions of XXI OPEC Conference,’ *MEES* 14: 10 (January 1, 1971), 1–2; ‘Press Release No. 7-70,’ December 28, 1970, *OPEC: Official Resolutions and Press Releases, 1960–1983*, OIC.

⁶¹Dietrich, *Oil Revolution*, 213–21; Garavini, *The Rise and Fall of OPEC*, 195–200.

⁶²‘Oil Pact is Hailed,’ *New York Times* (April 4, 1971), 4; ‘Interview given in Beirut on February 17, 1971, by OPEC’s Secretary General,’ *OPEC Bulletin* 2 (1971), OIC.

Council relied on the earlier establishment of ‘base rights’ and ‘oil rights’ to overhaul the production terms for the modern world’s most important raw material. Libya’s postcolonial history is one in which concerns about security reinforced sovereignty and facilitated the dramatic expansion of the nation’s oil industry. As such, that history reveals continuity over time. It also points to the challenges faced by scholars who study sovereignty and decolonization. These are knotty concepts. For at the root of continuity, at least here, lay policies that embraced change: relinquishment and changing circumstances. As with the Wheelus negotiations, the evolving 1955 Petroleum Law deployed new rules of international conduct to forge economic sovereignty. Quite literally, relinquishment and changing circumstances expanded sovereignty step-by-step – ‘piecemeal’, as Mabruk complained at the Sixth Arab Petroleum Congress.

The slow pace of change frustrated Mabruk in 1967, but the burgeoning system of international negotiation around sovereignty had crucial consequences. When Qaddafi announced the nationalization of British Petroleum’s Sarir Field in November 1971, international support was widespread. Algerian president Houari Boumediene told him, ‘Your decisions rightly represent a new gain acquired by the glorious Libyan Revolution in the field of recuperating and liberating the resources of the Arab nation’. A message from Yasser Arafat was read on Libyan National Radio: ‘On behalf of all our people and all the Palestine revolution fighters, we congratulate you and shake your hand for the great revolutionary step you have taken’. Even the Cuban publicity organ, *El Tricontinental*, expressed satisfaction over Libya’s ‘conquest of its sovereignty’. Mabruk negotiated deals to produce and sell nationalized oil, first with the Soviet Union, then with Yugoslavia, Bulgaria, and Romania, and finally with Hispanoil. BP tried and failed to stop the production of the ‘black oil’. When the British ambassador in Tripoli complained to his Yugoslavian counterpart over dinner, the response was curt: ‘The nationalization of BP had been legitimate’.⁶³

The anticolonial history behind that belief reveals important truths about decolonization that are often buried in narratives about the Cold War and globalization in the 1970s and after. The rhetoric of decolonization justified sovereign oil power, which culminated in the 1973–1974 Arab oil embargo and a multi-year period known in the United States and other industrialized nations as the ‘oil shock’ or the ‘energy crisis’. Although the American response to the energy crisis is beyond the scope of this article, it is clear that the Arab embargo, subsequent OPEC price increases, and the UN Declaration of a New International Economic Order spawned a backlash. Henry Kissinger, whose diplomacy with Iran unwittingly affirmed Libyan policy, depicted economic sovereignty as a threat to the future of the international political economy. ‘The OPEC cartel pushed prices far beyond the level that economics would dictate’, he told Congress members. His economic adviser, Fred Bergsten, began in 1973 to warn of the ‘threat of Third World commodity collusion’, and Kissinger described OPEC price increases publicly as ‘blackmail’ or ‘hostage-taking’ until he left office in 1977. Oil remained essential to the security of the United States and its allies, and OPEC’s use of economic sovereignty became the grounds for denying its broader validity. A more ‘responsible’ strategy of decolonization, to Kissinger’s and others’ minds, would acknowledge that petrostates had a ‘duty’ to global stability.⁶⁴

⁶³Summary of World Broadcasts, December 10, 1971, FCO 67/610, UKNA; ‘Algeria and Iraq Support BP’s Nationalization,’ *Arab Oil & Gas* 1: 6 (December 16, 1971); ‘Libya: The Conquest of Its Sovereignty,’ *El Tricontinental* 5: 57 (December 1971); 36, Reference Center for Marxist Studies, Pamphlet Collection, Box 2, Tamiment Library, New York University; Telegram 713, Tripoli to FCO, ‘BP/Libya,’ June 25, 1972, FCO 67/795, UKNA.

⁶⁴Memorandum of Conversation, June 10, 1975, *FRUS* 1969–76, XXXVII, *Energy Crisis*: 65; C. Fred Bergsten, ‘The Threat from the Third World,’ *Foreign Policy* (1973): 102–24; Memorandum of Conversation, November 16, 1975, L. William Seidman Files, Box 312, GFL. For discussions of scarcity: Paul Sabin, *The Bet: Paul Ehrlich, Julian Simon, and the Gamble over the Earth’s Future* (New Haven: Yale University Press, 2013); Roger J. Stern, ‘Oil Scarcity Ideology in US Foreign Policy, 1908–97,’ *Security Studies* 25, no. 2 (2016): 214–57. On the ‘Arab oil weapon’: David S. Painter, ‘Oil and Geopolitics: The Oil Crises of the 1970s and the Cold War,’ *Historical Social Research/Historische Sozialforschung* 39, no. 4 (2014): 186–208; Salim Yaqub, *Imperfect Strangers: Americans, Arabs, and U.S.-Middle East Relations in the 1970s* (Ithaca: Cornell University Press, 2016), 122–24, 183–94.

For Kissinger, the ‘Arab oil weapon’ became a symbol of decolonization gone awry. To conflate the Arab embargo with price increases supported by all of OPEC was a useful foil that depicted economic sovereignty at best as a temptation for the immature and at worst as a looming threat to ‘global economic health’. The United States would successfully exploit divisions among OPEC’s member nations and between oil producers and consumers, as well as position itself as the recipient and distributor of the petrodollars that accompanied skyrocketing prices. The curtailment of sovereignty through aid, finance, trade, and even human rights is an important historical legacy of the story of Libyan sovereignty and American security. Rational discussion about economic sovereignty became more difficult in the wake of the energy crisis, and the embryonic politics of globalization eroded the potential of decolonization.⁶⁵

⁶⁵On US policy: Daniel Sargent, *A Superpower Transformed: The Remaking of American Foreign Relations in the 1970s* (New York: Oxford University Press, 2015); Hal Brands, *Making the Unipolar Moment: U.S. Foreign Policy and the Rise of the Post-Cold War Order* (Ithaca: Cornell University Press, 2016); Michael Franczak, ‘Human Rights and Basic Needs: Jimmy Carter’s North-South Dialogue, 1977–81,’ *Cold War History* 18: 4 (2018): 447–464; David Wight, *Oil Money: Middle East Petrodollars and the Transformation of the U.S. Empire* (Ithaca: Cornell University Press, 2021). On Saudi Arabia’s crucial role: Victor McFarland, *Oil Powers: A History of the U.S.-Saudi Alliance* (New York: Columbia University Press, 2020). On the New International Economic Order: Jennifer Bair, ‘Taking Aim at the New International Economic Order,’ in *The Road from Mont Pelerin: The Making of a Neoliberal Thought Collective*, ed. Philip Mirowski and Dieter Plehwe (Cambridge, Mass.: Harvard University Press, 2015), 347–85. For parallels within the United States, where foreign policymakers played key roles, see: Meg Jacobs, *Panic at the Pump: The Energy Crisis and the Transformation of American Politics in the 1970s* (New York: Hill and Wang, 2017); Kim Phillips-Fein, *Fear City: New York’s Fiscal Crisis and the Rise of Austerity Politics* (New York: Metropolitan, 2017).