

Elizabeth Bishop

(History Department, Texas State University)

Proxy Battle of the Cold War: Taxation in Hashemite Iraq

Introduction

“Proxy warfare” is commonly used to refer to opposing powers using third parties as substitutes for fighting each other directly as opposing military forces; as one example from the Middle East, conflict between Israel and the surrounding Arab countries has been recognized as taking place within a global framework; during the Cold War, Israel was understood to have acted as a proxy for the United States’ interests, with Egypt, populations in Jordan, Lebanon and Syria acting on behalf of the Soviet Union¹. While “proxy warfare” usually refers to conventional military forces, it can extend to other forms of conflict; and, to a discussion in which the unit of analysis is relations *between* states, I offer the additional observation that, during the 1950s, different political parties’ relation *within* states can also be characterized as “proxy warfare” as well, in some surprising and unexpected ways². In Iraq, these espoused differing political positions took up opposing approaches on the issue of taxation in public discussions. Some groups sought to shift the tax burden to other forms of government revenue; these were allied with one side of the Cold War. Other groups insisted that paying taxes served as a crucial component to political subjectivity; these were allied with the other side of the Cold War.

¹ Leslie Susser, “Will New ‘Cold War’ Play Out in the Middle East?” *Jewish Journal* (27 August 2008); Thomas A. Dine, “Peace Process: American Diplomacy and the Arab-Israeli Conflict since 1967”, *Journal of Cold War Studies* 6, 2 (Spring 2004); Hughes, Geraint, *My Enemy’s Enemy: Proxy Warfare in International Politics* (Portland, Or.: Sussex Academic Press, 2012).

² Stanley George Payne, *The Spanish Civil War, the Soviet Union and Communism* (New Haven: Yale University Press, 2004); Dominic Tierney, *FDR and the Spanish Civil War: neutrality and commitment in the struggle that divided America* (Durham: Duke University Press, 2007); Steve Zaloga and Tony Bryan, *Spanish Civil War tanks: the Proving Ground for Blitzkrieg* (Oxford: Osprey Pub., 2010).

Iraqis continued to use Ottoman honorifics—*bey*, *pasha*, and *sayid*—after the Ottoman Empire ended. So, too, was suffrage a privilege of property-owning adult men, as it had been under the 1876 constitution. A British civil servant working in Iraq, who wrote under the pseudonym “Caractacus” pointed out that: “Politically, the regime was based upon a parliament chosen by a complicated voting system which made it easy to pack”³. The 1946 electoral law retained a two-stage process, in which 100 citizens voted for one elector (either a local notable or someone loyal to them); these electors, in turn, chose representatives to the legislature’s lower house⁴.

In Iraq during the Hashemite monarchy, the ruling political parties were the Constitutional Union (*Hizb al-Itihad Dastouri*) and People’s Socialist (*Umma al-Ishtiraki*)⁵. Nuri *pasha* al-Said chaired the first, which was predominantly Sunni in membership; and Saleh *pasha* Jabr chaired the second, of which most in its ranks were Shi’i Muslims. Both represented landowners, notables, and tribal leaders; both also sustained patronage networks. In addition, “both... were founded less on a body of agreed principles than on the personalities of their leaders, on their hopes of freedoms from disturbance and on a natural fear of sudden and unpredictable changes”,⁶ with “sudden and unpredicted changes” serving among their members as a euphemism for “taxation”.

In postcolonial Iraq, the legally-registered opposition started with *al-Hizb al-Watani al-Dimuqrati* [the National Democratic Party] led by Kamil al-Jaderji⁷, which A.J. Toynbee described as “leftish”⁸. Even though the National Democrats spoke the language of reform did not mean that they could therefore be taken at face value as a reforming party;⁹ a large number of the urban bourgeoisie (including left-to-center intellectuals, students, and professionals) found their political home in this party. Jaderji’s principles of “democratic socialism” recognized private ownership and free enterprise, while promoting the nationalization of industry and state ownership of essential utilities¹⁰. Since the National Democratic Party articulated the interests of entrepreneurial capitalists (especially local manufacturers), it experienced some of its most interesting dynamics with the far¹¹.

³ “Revolution in Iraq. An Essay in Comparative Public Opinion” (London: Gollancz, 1959), 36.

⁴ Michael Eppel, *Iraq from Monarchy to Tyranny from the Hashemites to the Rise of Saddam* (Gainesville: University Press of Florida, 2004), 101.

⁵ *New Statesman*, 45 (1953): 115.

⁶ Stephen Hemsley Longrigg, *Iraq, 1900–1950 a Political, Social, and Economic History* (London: Oxford University Press, 1953), 362–363.

⁷ “Turmoil in Iraq”, *The New Statesman and Nation*, 45 (31 January 1953): 115.

⁸ *Survey of International Affairs* (1955), 200.

⁹ Matthew Elliot, *‘Independent Iraq’: the Monarchy and British Influence, 1941–58* (London: Tauris Academic Studies, 1996), 27.

¹⁰ Majid Khadduri, *Arab Contemporaries. The Role of Personalities in Politics* (Baltimore: the Johns Hopkins University Press, 1973), 138.

¹¹ Samira Haj, *The Making of Iraq, 1900–1963 Capital, Power, and Ideology* (Albany, NY: State University of New York Press, 1997), 87.

Also during the Hashemite monarchy, the *al-Hizb al-Istiqlal* [the political party of National Independence] had been licensed in April 1946. Established by prominent statesmen Muhammad Mahdi Kubba, Khalil Kanna and ‘Abd al-Razzaq al-Zahir, it enabled “parliament to perform its traditional role as a place for opposition to the government to let off steam”,¹² including many who had sympathized with Rashid ‘Ali al-Gaylani’s 1941 coup. After World War II, this party organized student demonstrations against the draft language of the Portsmouth Treaty, articulating wide-spread hostility toward Britain’s policies in the region (in general) and in Palestine (in particular)¹³. With its own patronage network, this party’s deputies in the legislature’s lower house advocated the country’s unification with Jordan¹⁴.

Finally, *al-Hizb al-Sha’ab* [the People’s Party] began its existence as a clandestine organization, also registering in 1946. The People’s Party’s leaders included ‘Aziz Sharif, Tawfiq Munir, and ‘Abd al-Amir Abu Trab¹⁵, Tawfuiq Munir, ‘Amir Abdullah, Jirjis Fathallah, and Salim ‘Issa¹⁶. One foreign observer called this “a group of extreme socialists”,¹⁷ and another to describe it as “extreme[ly] left wing”¹⁸. Together, they published a daily newspaper, *al-Watan* [*The Homeland*], until its assets were seized a year later when Sharif (as its editor) was tried on charges of having received foreign funds¹⁹, on allegations that his party allegedly enjoyed the support of the Syrian communist party²⁰, as well as from the U.S.S.R.²¹. Convicted, Sharif went into Damascus exile during 1952, where he continued his activities in the *Ansar al-Salaam* [“Partisans of Peace”] movement.

At conflict in these political parties’ members’ debates about the electoral law, landownership, and taxation were questions regarding the nature of civil subjectivity. Key issues in this discussion (carried out in parliamentary chambers, on the pages of newspapers, and in diplomats’ offices) included, “who should exercise power in the country?” as well as, “who should benefit from state resources, and how?” This discussion of specific events in Iraq can be understood as growing out of those regarding civil subjectivities of the broader Cold War outside the Middle East. On the one hand, Dylan Rodríguez describes “freedom” in the

¹² Elliot, *Independent Iraq*, 27.

¹³ Marion Sluglett and Peter Sluglett, *Iraq Since 1958 from Revolution to Dictatorship* (London: I.B. Tauris, 2001), 43, 48.

¹⁴ Elie Kedourie, *Arabic Political Memoirs and Other Studies*, chapter 1 (London: Cass, 1974).

¹⁵ Kedourie, *Political Memoirs*, chapter 1.

¹⁶ Edmund Ghareeb and Beth Dougherty, *Historical Dictionary of Iraq* (Lanham, Md.: Scarecrow Press, 2004), 182.

¹⁷ Henry Gibbs, *Crescent in Shadow* (London: Jarrolds, 1952), 184.

¹⁸ Royal Institute of International Affairs, *The Middle East: A Political and Economic Survey* (1951), 250.

¹⁹ “The Week-end Review”, *New Statesman* (1947): 187.

²⁰ Haj, *Making of Modern Iraq*, 176.

²¹ William Spencer, *Political Evolution in the Middle East* (Philadelphia: Lippincott, 1962), 243.

United States as an intersection between property and subjectivity;²² and, on the other, David Shearer points to the importance of taxation in the Soviet Union, to discipline speculators and to augment municipalities' budgets²³.

1. Ottoman Roots for Taxation in Iraq

It can be argued that Iraqis' political positions regarding taxation during the Cold War era grew from their communities' nineteenth-century experiences. Some of the atomic-era anxieties regarding taxation (particularly the answers proposed to the questions, "Should the tax burden be borne proportionately? And if not, who should bear a disproportionate part of the burden?") reflect the fact that such successor states as Iraq had inherited the multinational Empire's state-building experiments.

During the mid-nineteenth century, the Ottoman state's route to financial self-sufficiency was to extract taxes from the rural population²⁴, and Mesopotamian tribes were settled to ensure the orderly collection of taxes²⁵. Laws introducing private property were introduced to the three provinces that would become Iraq during the governorate of Midhat *pasha* (that is, between 1869 and 1872)²⁶. During the first half of the twentieth century, the vast majority of the women and men living in the provinces, from North to South, continued to earn their livelihoods from cultivation.

Albertine Jwaideh pieced together the new laws governing landed property from records groups in Baghdad, Istanbul, and London²⁷. Governor Midhat Pasha alienated state-owned (*miri*) properties. Those watered by rivers or canals were offered for sale on special terms, which included an enhanced tax liability. Those state lands, left vacant for extended periods of time, were offered for sale at auction. Finally, those watered by rainfall or waterwheels were handed over to their cultivators without charge²⁸. Noting that the code was probably designed to fit conditions in Anatolia and the Balkans where individual peasant proprietors

²² Dylan Rodriguez, *Forced Passages Imprisoned Radical Intellectuals and the U.S. Prison Regime* (Minneapolis, MN: University of Minnesota Press, 2006), 27.

²³ David R. Shearer, *Policing Stalin's Socialism Repression and Social Order in the Soviet Union, 1924–1953* (New Haven: Yale University Press, 2009), 49.

²⁴ Toby Dodge, *Inventing Iraq: the Failure of Nation-Building and a History Denied* (New York: Columbia University Press, 2003), 107.

²⁵ Orit Bashkin, *The Other Iraq: Pluralism and Culture in Hashemite Iraq* (Stanford, Calif.: Stanford University Press, 2009), 195.

²⁶ Dodge, *Inventing Iraq*, 54; Haj, *Making of Iraq*, 25; Sluglett, Peter, *Britain in Iraq Contriving King and Country, 1914–1932* (New York: Columbia University Press, 2007), 166.

²⁷ Albertine Jwaideh, "Midhat Pasha and the Land System of Lower Iraq", *St. Antony's Papers*, III (London, 1963): 106–136.

²⁸ Gökhan Çetinsaya, *Ottoman Administration of Iraq, 1890–1908* (London: Routledge, 2006), 9.

predominated, the law conflicted with local customs in the Arab and Kurdish provinces. Fearing that the new law might compromise their rights, many opted instead to pass their title deeds to tribal leaders, to former tax farmers—and even urban merchants²⁹.

During this period, tribal areas were an exception to this general trend. In the region, dozens of large and powerful Kurdish tribes were generally commanded by an *ağa* (chieftain) who led the inhabitants of extensive territories³⁰. Passage of the 1858 land law had far-reaching effects on tribes' structure³¹, as the law did not recognize communal ownership of landed property;³² even as central Ottoman authorities did not object to their practice of demanding tribute from settled villagers until late in the nineteenth century³³. Into this environment, a generation of statesmen was born who would rule during the Hashemite monarchy. Nuri *pasha* was from Kirkuk; at the age of 14 he enrolled as a cadet in the Ottoman military academy in Istanbul³⁴. During his youth, the state waged war on tribes.

Nuri *pasha*, on attaining his commission in the Ottoman Army at the age of 17, his “principal task was to collect taxes, mostly on sheep, from unwilling tribesmen all over the country”³⁵. An attempt was made at the end of 1910 to exact from members of the Jaf tribe a heavy annual tribute; previously, they had paid little or nothing in the way of taxes. Mahmud *pasha beg* Zadah, was called into Mosul and retained as a hostage for a year. While Mahmud *pasha* was allowed to return home, further negotiations for the settlement of the tribe led to no result and no headway was made for a period of time³⁶.

At the same time, the Hashemite family of the *sharif* Hussein and his sons (who became monarchs in postcolonial Iraq and Jordan) were abandoning the Ottoman governorship of the Red Sea *hijaz* district. Once the Arab Revolt began, Sunni Arab officers (among them, Nuri *pasha* and his brother-in-law Jafar al-Askari) defected from the Ottoman Army in support of the *sharif* Hussein and his sons; later, these came to be known, collectively, as “the Sherifians”. Having supported the eldest son, Feisal, on the battlefield, King Feisal I appointed these

²⁹ Yitzhak Nakash, *The Shi'is of Iraq* (Princeton, N.J.: Princeton University Press, 2003), 34.

³⁰ Uğur Ümit Üngör, *The Making of Modern Turkey: Nation and State in Eastern Anatolia, 1913–1950* (Oxford: Oxford University Press, 2012), 12.

³¹ Ebubekir Ceylan, *The Ottoman Origins of Modern Iraq Political Reform, Modernization and Development in the Nineteenth-century Middle East* (London: I.B. Tauris, 2011), 102.

³² Noga Efrati, *Women in Iraq: Past Meets Present* (New York: Columbia University Press, 2012), 193.

³³ Dawn Chatty, *Displacement and Dispossession in the Modern Middle East* (New York: Cambridge University Press, 2010), 247.

³⁴ Khadduri, *Arab Contemporaries*, 21.

³⁵ *Ibidem*, 21–22.

³⁶ Elie Podeh, *The Quest for Hegemony in the Arab World: the Struggle over the Baghdad Pact* (Leiden–New York: E.J. Brill, 1995), 149.

men to the upper house of a new legislature in Baghdad, when Iraq's bicameral legislature was established in 1924 by a constituent assembly³⁷.

During the British military occupation of 1915, the Norfolk regiment stationed in Amara, on the southern border with Iran, apparently took all the municipal building's local land records and threw them into the Tigris. The consequences of such actions extended to the accumulated wealth these papers represented³⁸. Destruction of these land records permitted creation of new forms of political power. By persuading the tribal leaders their interests would be protected, the British were able to deliver a substantial rural vote in favor of Feisal I's programs³⁹. In Baghdad, the "Sherifians" also used civilian offices to build patronage networks among their own followers. Yasin al-Hashimi serves as an example; while serving as Minister of Finance, he distributed tax exemptions, as well as contracts, jobs, and title deeds, so that "by the mid-1930s he had become a large land-owner and investor, the possessor of sixteen estates, each of which was between 1,000 and 2,000 acres"⁴⁰.

Feisal I's British advisors designed a constitutional system to balance the crown's centralizing powers with the tribal leaders' regional influence. This organic law permitted the King to appoint individuals to the legislature's upper house; which included 99 members, of whom 34 were tribal leaders. Its articles 45, 90 and 100, granted members of legislature the power to abolish or reduce taxes⁴¹. Both Nuri *pasha* and Salah *pasha* Jabr served in the upper house; from this new location, these individuals continued the legal modernization of the Ottoman period—to their own benefit.

Eventually, many Amara landlords joined the Constitutional Union political party. Elizabeth Fernea visited the home of one of these; there, she described an eclectic mixture of Ottoman heirlooms and *nouveau riche* vulgarity; "on the mantelpiece of the artificial fireplace stood, reflected in an oval gold-framed mirror, a full-size Coca-Cola advertisement (a girl in white shorts and sailor blouse lounged beside a bright blue sea and smiled before the pause that refreshes), a fine Turkish silver coffee service, a painted plaster Dutch girl, and two glass candlesticks. In one candlestick stood a red twisted candle; in the other a green twisted candle; 'Merry Christmas' was spelled out on each candle in vertical gold paper letters"⁴².

³⁷ Guntram Henrik Herb and David H. Kaplan, *Nations and Nationalism: a Global Historical Overview* (Santa Barbara, Calif.: ABC-CLIO, 2008), 728.

³⁸ Sluglett, *Britain in Iraq*, 235–236.

³⁹ Martin Walker, *The Making of Modern Iraq*, *Wilson Quarterly* (2003), 33.

⁴⁰ Haim Gerber, *The Social Origins of the Modern Middle East* (Boulder, Colo.: L. Rienner; 1987), 93.

⁴¹ "A Baghdad Diary", *Iraq Times* (22 April 1953).

⁴² Elizabeth Warnock Fernea, *Guests of the Sheik: an Ethnography of an Iraqi Village* (Anchor Books ed. New York: Doubleday, 1989), 91.

While some tribal leaders served in the legislature, other groups refused to pay taxes to the government. The Kurdish Kara Dagh villages (home to about 600 men) successfully defied the authorities, paying their dues to the separatist *sheikh* Ahmed Barzani. An officer in Royal Air Force of the British armed forces stationed in Iraq left the field to his counterparts in the Iraqi Army. The Hashemite monarchy sent a force of 350 mounted police, which did not succeed in pacifying the area; when the tribesmen trapped them, the Iraqi government was forced to tender a formal request for aerial assistance to the British High Commissioner in Baghdad. As a result, the Royal Air Force bombed the Kani Kermanj, Shawazi and Bagh Anan villages⁴³.

As the Cold War heated up, the United States came to broker an entente of sorts between the Hashemite family and their regional rivals, the Saud family. One of the public ceremonies celebrating this rapprochement indicated the extent to which, a half-century later, public figures retained Ottoman attitudes, when the king of Saudi Arabia paid a state visit to Iraq during 1957. Iraq's King Faisal II, his uncle the Crown Prince Abdul Ilah, and Nuri *pasha* (who was serving Iraq as its Prime Minister for the past three years) greeted King Saud bin Abdulaziz in a ceremonial reviewing tent at Baghdad airport.

Even after two World Wars had passed, Nuri *pasha* retained a set of attitudes toward taxation that dated back to the Ottoman Empire. Now independent Iraq's Prime Minister, this man turned a general conversation regarding the weather to the political priorities of landowners and the state that reflected the needs of government. "It's humid here; in our country the weather is dry", observed King Saud; to which Nuri *pasha* countered, "this is unusual for Iraq; it usually doesn't rain this time of year", and King Saud further observed, "we have had unusual weather, too; more rain than last year". To this, Nuri *pasha* replied: "That's good for sheep. Lots of rain increases the value of meat"⁴⁴. Banal though it was, such exchanges can be understood as the observation of a former Ottoman tax collector on prospects for state revenue in postcolonial Iraq.

2. Iraq's Underground Opposition

The Baghdad Penal Code of 1919 had forbidden publication of "newspapers, books, or printed matter exciting hatred or contempt against the Government or those invested with public authority, or in such a way to endanger the public peace against any class of persons;" those convicted under article 89 would be fined up to 50 Turkish pounds.

⁴³ Sluglett, *Britain in Iraq*, 79.

⁴⁴ "Gathering of the Kings", *Time Magazine* (20 May 1957).

Underground even before they joined together, a group of Iraqi leftists met and agreed to form a *Lajnat Mukafahat al-Istimar wa al-Istithmar* [Committee for Combating Imperialism and Exploitation] under Asim Flayyih's gavel during 1934⁴⁵. He later recalled, "This committee was the first formal organization of any communist group in Iraq; previous groups were basically pseudo-intellectual exercises that did not include in their ranks any workers or peasants"⁴⁶. Members included 'Abd-ul-Qadir Isma'il al-Bustani, 'Abd-ul-Wahab Mahmud, Dhafir Salih, Hamid Majid, Mahdi Hashim, Musa Habib, Nuri Rufa'il, Sami Nadir, Wadi' Talyah, Yunan Frankul, Yusuf Matti, Yusuf Salman (party name, "Fahd") and Zaki Khairi; they represented communities in Baghdad, Basra, and Nasiriyah.

By the end of the year, the committee had decided to call itself the Communist Party of Iraq (*Hizb al-Shuyu'i al-'Iraqi*). As local activist Salim Aboud reported: "Iraq is an agrarian country; the chief occupations of its inhabitants are agriculture and cattle-breeding. A large part of the products of the peasants falls into the hands of the numerous feudal chieftains, sheikhs, and big landowners who, moreover, are often themselves in the clutches of usurers and foreign banks and companies"⁴⁷. The committee's policies called for the dictatorship of workers and peasants; also, full protections for mothers; abrogation of both national and personal debts and mortgages; and finally, nationalization of all petroleum facilities, railways, and banks. The 1938 penal code of permitted those found guilty of propagating "communism, anarchism, or immorality" to be sentenced to seven years' imprisonment (law 51). Within the police, the Criminal Investigation Department (CID) concentrated on communists⁴⁸.

A plan to settle the Assyrian levies on Barzani tribal land led to the mobilization of tribal fighters⁴⁹. This marked the bringing closer together of the organized left, and Kurdish tribal elements. A rebellion led by *sheikh* Mahmoud Barzani and his Kurdish followers lasted until 22 June 1932, when the government surrounded the *sheikh* near the northern border and he was forced to surrender to Turkish patrols⁵⁰. Following these events in the North, the "Sherifians" in the legislature allied with both the old urban landholding elite and the tribal leaders to ensure passage of legislation to their mutual benefit⁵¹.

⁴⁵ Majid Khadduri, James P. Piscatori, and George S. Harris, *Law, Personalities, and Politics of the Middle East: Essays in Honor of Majid Khadduri* (Boulder, Colo.: Westview Press, 1987), 174.

⁴⁶ Interview with 'Asim Flayyih, Baghdad (18 February 1959), Tareq Y. Ismael, *The Rise and Fall of the Communist Party of Iraq* (Cambridge: Cambridge University Press, 2008), 21.

⁴⁷ Salim Aboud, *The Struggle for Democracy in Iraq and Universal Peace, Communist International*, 14, 2 (February 1937): 151.

⁴⁸ Uriel Dann, *Iraq under Qassem: A Political History, 1958-1963* (New York: Praeger, 1969), 9.

⁴⁹ David Romano, *The Kurdish Nationalist Movement: Opportunity, Mobilization and Identity* (Cambridge: Cambridge University Press, 2006), 189.

⁵⁰ Edmund Ghareeb, *The Kurdish Question in Iraq* (Syracuse, N.Y.: Syracuse University Press, 1981), 32.

⁵¹ Peter Wien, *Iraqi Arab Nationalism: Authoritarian, Totalitarian, and Pro-Fascist Inclinations, 1932-1941* (London: Routledge, 2006), 16.

Together, these two groups passed a law granting extensive rights in virtually all spheres to landlords. Law no. 28 of 1933 strengthened landlords' powers; according to the terms of this "Law Governing the Rights and Duties of Cultivators", cultivators (*fellahin*) were held responsible for almost any disaster that might befall crops, on grounds of negligence⁵². Consequently, land taxes (expressed as a percentage of national income) fell from 42% (reported in 1911) to 14% (in 1933)⁵³. The 1933 regulation also opened the way for acquisition of even more extensive estates⁵⁴, since the law permitted *fellahin* to be evicted, if found guilty of "an act leading to the disturbance of peaceful relations between himself and others with a view to obstructing the management of the farm"⁵⁵. Cultivators were not able to move from the land if they have not paid their debts⁵⁶. The law also hindered development of a cooperative movement among rural residents⁵⁷.

The party's policies changed and developed as individuals joined and left the leftist movement for a variety of intensely personal reasons; the party enjoyed many supporters among both students and teachers. The myth of October 1917 drew Zaki Khairi (party name, "*Jalil*", "Grand") to leftist politics: "I was fourteen years old and at [a Baghdad] elementary school at the time... I still remember how the instructor—a humble man from the quarters of Abu Shibl—interrupted the reading exercise". The students had just read an Arabic text from the British-approved school curriculum, the author of which had "painted Bolshevism in a very dark color". The adolescent Zaki Khairy recalled that his teacher (responded to the text) explaining to the students, "The Bolshevik government... is the government of the poor. This is why it is regarded with hatred". Of himself, the former student recalled, "I was at a malleable and receptive age and the memory imprinted itself on me"⁵⁸.

Recognizing the significance of the union of Kurdish tribes and the domestic left the fortunes of Iraq's communist party would rise and fall with developments outside the country's borders. Even though the local authorities had suppressed leftists during the Communist International's initial success, the government dropped its harassment of the organization when the U.S.S.R. became Great Britain's ally. By 5 March 1946 when Winston Churchill declared, "nobody knows what Soviet Russia and its Communist International organization intends to do in the immediate future" to his audience at Westminster College, political

⁵² Sluglett, *Britain in Iraq*, 180.

⁵³ Leften Stavros Stavrianos, *Global Rift: the Third World Comes of Age* (New York: Morrow, 1981), 540.

⁵⁴ Charles Tripp, *A History of Iraq* (Cambridge: Cambridge University Press, 2002), 69–70.

⁵⁵ Efrati, *Women of Iraq*, preface.

⁵⁶ Sadun Lawlah Hammadi, *Agricultural Taxation in Iraq*, Ph.D. thesis, University of Wisconsin/Madison (1957), 92.

⁵⁷ Joseph Sassoon, *Economic Policy in Iraq, 1932–1950* (London, England: F. Cass, 1987), 152.

⁵⁸ Ilario Salucci, *A People's History of Iraq: the Iraqi Communist Party, Workers' Movements and the Left, 1924–2004* (Chicago: Haymarket Books, 2005), 9.

groups in Iraq had already started to build bridges with the nationalist bourgeoisie⁵⁹. This party's program came to prioritize "cooperation with the forces of peace" internationally, above the nationalist "liquidation of imperial domination", feudalism and capitalism within the country. Only then would it struggle with the "terroristic, dictatorial, fascist... regime", annul its reactionary laws, and restore the democratic freedoms of workers, peasants, and the working masses⁶⁰.

After World War II. the tax burden shifted to the urban working and middle classes⁶¹. Other dues, including sales taxes on fresh fruits and vegetables and customs duties on such imported items as fabric and tea, fell heavily on the lower economic strata of city dwellers⁶². Law no. 5 of 1948 raised the tax on agricultural products from 10% to 12.5%⁶³. Even the following year, when the *istihlak* taxes on animal and agricultural products were reduced, the tax burden remained on the cities' poorer classes⁶⁴. For the 1950–1951 fiscal year, the government eventually collected 4 million Iraqi dinars from the *istihlak* taxes along⁶⁵.

following Moscow's dissolution of the Communist International during 1943, Iraqi leftists abandoned their anti-British nationalism⁶⁶. Later, activists recalled instructions, that: "Our party regards the British Army, which is now fighting Nazism, as an army of liberation... we must, therefore, help the British Army in Iraq in every possible way"⁶⁷. For the duration of the war (in a total break with their pre-war policy), the communists sided with the monarchy and its supporters among the landowners⁶⁸. This brief reversal in domestic policy, eventually culminated in an exchange of diplomatic missions between Iraq and the USSR. The diplomatic notes exchanged during 1944 referred to the "victories [that] crown the strong forces of Soviet armies, those glorious armies that by means of great sacrifice brought happiness to liberated peoples"⁶⁹. This exchange of diplomatic

⁵⁹ Nader Entessar, *Kurdish Politics in the Middle East* (Lanham: Lexington Books, 2010), 76.

⁶⁰ Russian State Archive of Contemporary History (Русский государственный архив новейшей истории), collection 5, sub collection 28, file 96, 44.

⁶¹ Bassam Yousif, *Human Development in Iraq: 1950–1990* (London: Routledge, 2012) 26.

⁶² "The Economic Development of Iraq: Report of a Mission Organized by the International Bank for Reconstruction and Development at the request of the Government of Iraq" (Baltimore: Johns Hopkins Press, 1952), 132.

⁶³ Arthur Salter, *The Development of Iraq* (Baghdad: Iraq Development Board, 1955), 155.

⁶⁴ *Annual Report* (Baghdad: al-Bank al-Markazi al-Iraqi, 1949), 55.

⁶⁵ Carl Iversen and Poul Winding, *A report on monetary policy in Iraq* (Copenhagen: Ejnar Munksgaard Publishers, 1954), 64.

⁶⁶ *Dissolution of the Communist International*, 15 May 1943; Jane Tabrisky Degras, *The Communist International, 1919–1943; Documents*, Vol. 3 (London: Oxford University Press, 1956–1965).

⁶⁷ Хамид Дулиаб Дедан, *Иракская коммунистическая партия и узловые моменты и проблемы революционного прогресса в стране* (Moscow, 1990), 9.

⁶⁸ Salucci, *People's History*, 23.

⁶⁹ Exchange of telegrams about the establishment of diplomatic relations between the USSR and Iraq (that of the USSR dated 25 August, that of Iraq dated 9 September); both published

correspondence was followed by arrival in Baghdad of a staff of diplomats for a new Soviet embassy.

British-trained, the CID had been devoted to political intelligence, counterespionage, and penetration of subversive organizations⁷⁰. However, its head Bahjat Atiyah wrote: “close upon Britain’s alliance with Russia in the World War, police measures against the Communists were relaxed... the Communists were regarded as a sort of ‘sixth column’ in the struggle against Nazi propaganda”⁷¹. Following the USSR’s joining the Allies and for the rest of World War II, the Hashemite government suspended harassing its citizens for their leftist beliefs. Official directive no. s 6.145 of 22 April 1943 prohibited law courts from hearing any cases involving communists without prior permission from the Ministry of Justice. A British advisor articulated this attitude of qualified tolerance, commenting on ‘Aziz Sharif’s application to register the *Hizb al-Sha’ab* [People’s Party]: “I do not think that the fact that any particular signatory is not rich, or that others do not come from a well known family, or is not otherwise well known has anything to do with the question of their suitability to form a political party... One is reported to have been arrested for communism; is that a disqualification? There are many others who also have been so arrested but against whom it would be difficult to allege that they are otherwise unworthy citizens”⁷².

Also as a consequence of relaxation in the monarchy’s harassment of the Left⁷³, Moscow Radio broadcasts in English and Arabic came to reach just about every home in Iraq. Rural residents preferred to listen to broadcasts from the USSR and “countries with national democracies” as closer and more understandable than the broadcasts of western radio⁷⁴. A contemporary described “a man would seek his employer’s recommendation to enable him to buy a wireless set on hire purchase; if he was illiterate, as he probably was, this was his best source of information... a middle-class employer would be proud of the growing social awareness of his protégé”⁷⁵. The number of people listening to these broadcasts increased every day, correspondents in Baghdad reported; “many send us your comments

in *Известия* (13 September 1944); *СССР и арабские страны, 1917–1960 г.: документы и материалы* (Moscow, 1961), 85–86.

⁷⁰ George Lawrence Harris, *Iraq: its people, its society, its culture* (New Haven, Conn.: HRAF Press, 1958), 128.

⁷¹ “Survey of the Situation of the Communists in Iraq as of the 1st March 1945”, 12 March 1945, in Hanna Batatu, *The Old Social Classes and the Revolutionary Movements of Iraq: a Study of Iraq’s Old Landed and Commercial Classes and of its Communists, Ba’thists, and Free Officers* (Princeton, N.J.: Princeton University Press, 1978), 479.

⁷² Letter from the technical adviser to CID director, 24 March 1946, in: Batatu..., 479.

⁷³ Exchange of telegrams about the establishment of diplomatic relations between the USSR and Iraq (that of the USSR dated 25 August, that of Iraq dated 9 September); both *Известия* (13 September 1944); “СССР и арабские страны”, 85–86.

⁷⁴ Abdullah Zalzalakh, 12 November 1958, in the State Archive of the Russian Federation (Государственный архив Российской Федерации), collection R-9576, sub collection 12, file 10, 33ff.

⁷⁵ “Revolution in Iraq”, 42.

about the audibility of the transmission, offering their help and so forth”⁷⁶. They asked Moscow to increase the quality of broadcasts to Arab countries in general (and Iraq in particular)⁷⁷. Listeners complained about the content: “the script is bad and almost never used”,⁷⁸ and Aziz Sharif compiled a series of suggestions as to how the technical quality of radio broadcasts to the Arab world could be improved⁷⁹.

This shortwave service reported in Arabic that editors of the opposition newspaper, *Sada al-Ahali* (which had taken the place of the repressed *al-Ahali*). They wrote, “from 1941 to 1942 until 1949 to 1950, tax revenues increased from 13 million dinars to 25 millions”. These monies—which the state collected overwhelmingly from the urban poor, leaving the rural landowners untapped—had come to exceed 36 million Iraqi dinars, “two-fifths of which are allocated for the expenses of the terror police, the Army, and the purchase of arms from the British and American death merchants”. Simultaneous with the defense budget’s satisfied demands, editors of this nationalist publication quoted the *Manchester Guardian*’s report that 60% of Iraq’s children: “die before the age of five because of the poor health conditions, lack of treatment, and the meager allocations for public health”⁸⁰.

To the voice of the legally-registered opposition parties, *al-Qaida* (the Iraqi communist party’s unregistered newspaper) added: “Behold... the landlords have invested nothing... irrigation is provided through public funds that obviously served the interests of landlords without comparable tax collection due to their obstructive political power. During the Cold War, a ‘green revolution’ was taking place, as a series of research and development initiatives to increase agricultural production in the developing world, with its promise of food security for those who lived in ‘New Nations.’ This ‘green revolution,’ the communists in Iraq, were concerned was leaving Iraq behind: “even promoting better agricultural production through the use of improved techniques in farming and the use of machinery and better seed and fertilizer are being neglected by landlords”⁸¹.

It would seem that, after 12 years of implementation, the law on the “Rights and Duties of Cultivators” had not succeeded in subduing cultivators. Of Iraq’s

⁷⁶ 4 October 1946, in the State Archive of the Russian Federation (SARF), collection 5283, sub-collection 19, file 7, 13.

⁷⁷ 26 October 1945, in the State Archive of the Russian Federation (SARF), collection 5283, sub-collection 19, file 7, 1.

⁷⁸ 10 December 1945, in the State Archive of the Russian Federation (SARF), collection 5283, sub-collection 19, file 8, 1.

⁷⁹ 1 March 1959, in the State Archive of the Russian Federation (Государственный архив Российской Федерации), collection R-9518, sub-collection 1, file 498, 12, 13.

⁸⁰ “Plight of Iraqi Workers Discussed”, Daily Report, Foreign Radio Broadcasts, FBIS-FRB-52-071 on 09 April 1952.

⁸¹ Rony Gabbay, *Communism and Agrarian Reform in Iraq* (London: Croom Helm, 1978), 82.

population of six million, 750,000 were Kurds, and during 1945, *mullah* Mustafa Barzani led another revolt against the country's Hashemite rulers. Eventually overpowered by government forces, he fled over the eastern border: first to the Mahabad independent zone in northwest Iran, and then to the USSR⁸² (there, he and 25 of his followers eventually recovered at the Usinsky Polytechnic College, in Tambov *oblast'*)⁸³. At the same time, government harassment of the legally-registered political parties had the result of pushing their policies further to the left. Three journals were closed: *al-Siyasa* [Politics], for allegedly serving communists' interests. Also, Chadirchi's *al-Ahly* [National], and 'Aziz Sharif's *Liwa al-Istiqlal* [Banner of Independence] was shuttered for printing a poem, "The Statue of Slavery" which allegedly depict the statue of Faysal I near the royal family's mansion⁸⁴. Under the circumstances, Iraq's leftists found expression via Radio Moscow—and the radio reported back news from the editors of the suppressed publications.

In the North, while only 46 dues-paying members of the communist party lived in Erbil and Sulaymaniyah⁸⁵, the entire Turcoman population from 300 surrounding villages staged an uprising to gain title to their lands. In the course of the following days and weeks, the police forced these activists out of their homes⁸⁶. Nearby Kurdish cultivators⁸⁷ also attempted to found their own communal farms;⁸⁸ the authorities broke these up with military force⁸⁹. Similarly, during 1953, approximately 6,000 of the predominantly Shi'a peasants from the tribal areas in Amara province (where members of the Constitutional Union party had estates) took part in demonstrations to express their discontent and their demand for economic security⁹⁰. Communists claimed to have organized these protests; landlords called on the gendarmes, who drove cultivators from their huts and then destroyed the dwellings⁹¹.

⁸² Zedalis, Rex J., *Oil and Gas in the Disputed Kurdish Territories: Jurisprudence, Regional Minorities, and Natural Resources in a Federal System* (Milton Park, Abingdon, Oxon: Routledge, 2012), 10.

⁸³ 8 March 1955, in the Russian State Archive of Contemporary History (Русский государственный архив новейшей истории), collection 5, sub-collection 28, file 348, 81.

⁸⁴ Salucci, *Other Iraq*, 106, 111–112.

⁸⁵ Anne Alexander, "Political Opportunities and Collective Action in the Iraqi Revolution. 1958–1959", *International Journal of Contemporary Iraqi Studies*, 2, 2 (2008): 262.

⁸⁶ *New Outlook*, 10 (1967): 27.

⁸⁷ Jan Morris, *Islam Inflamed: A Middle East Picture* (New York: Pantheon Books, 1957), 277.

⁸⁸ P.A. Арутюнов, Е.М. Примаков, *Поучительный урок: Вооруженная агрессия против Египта* (1957), 14.

⁸⁹ *Ibidem*, 14.

⁹⁰ *Saddam's Iraq: Revolution or Reaction?* (London: Zed Books, 1986), 146.

⁹¹ Fuad Baali, "Social Factors in Iraqi Rural-Urban Migration", *American Journal of Economics and Sociology*, 25, 4 (October 1966): 359–364.

3. Iraq's Legal Opposition

Even as it remained a concern among the shifting priorities of the political left, the question of taxation was central to the legal opposition's strategies state-building at the time. Again, developments outside Iraq influenced political discussions within the country. English being the most widely known foreign language in Iraq, local citizens read the *Economist*, the *London Times*, the *New York Herald Tribune*, and *Time* magazine, which were "more influential than their limited circulation would indicate"⁹². In addition, the USIA distributed free copies of the *New York Times* and the *New York Herald Tribune* to keep Baghdad residents up to date on North American news⁹³.

During the post-war period, the country's petroleum reserves offered the prospect of state income, which would diffuse class struggle between cultivators and landowners.. While previously, the country's principal exports were barley, date fruits, and rice; and while the currency remained stable, a new 24-inch pipeline would carry Basra oil to the port at Fao. The Development Board called for expenditure of \$57,288,000 during fiscal year 1952, on irrigation, education, industry, mining, and construction of new roads across the country⁹⁴. In celebration of the coronation of young King Faysal II, the directorate of propaganda within the Ministry of the Interior's prepared an album illustrated with a hundred photographs- and a map of key sites in the petroleum industry⁹⁵.

It was in such publications that Fred Twine introduced his idea that the social rights which states granted directly challenged the perpetuation of a stratified society. His idea grew from a group of concepts derived from T.H. Marshall's *Citizenship and Social Class* (1950), in which he observed that civic belonging had the capacity to diffuse class struggle⁹⁶. According to Twine, Marshall observed that the "social rights of citizenship should be regarded as providing an equality of status that cuts across social classes;" along with civil liberties and political democracy, the social rights of citizenship challenged market capitalism's free operations⁹⁷. The editors of *Time* magazine noted, "tax reform could be one of the new frontiers... that we shall need for our next long full-employment boom"⁹⁸.

The Constitutional Union Party's domination of the legislature remained, however, a political fact. While Mustafa Mahmud al-Umari served as Prime Minister,

⁹² Harris, *Iraq*, 140.

⁹³ "Cut 7 Million More in Funds of State Department", *Chicago Tribune* (17 April 1957).

⁹⁴ Albion Ross, "Oil Income Spurs Progress in Iraq", *New York Times* (6 January 1953).

⁹⁵ *Iraq Today* (May 1953).

⁹⁶ T.H. Marshall, *Citizenship and Social Class, and Other Essays* (Cambridge: Cambridge University Press, 1950).

⁹⁷ Fred Twine, *Citizenship and Social Rights: the Interdependence of Self and Society* (London: Sage, 1994), 103.

⁹⁸ "Editorial", *Life* (5 May 1958): 39.

students at the Royal College of Pharmacy protested when the administration changed the rules governing examinations during November 1952⁹⁹. A visiting scholar noted, “The Iraqi educational system is an examination system;... Fewer than fifty per cent of all pupils who take the examinations pass them”, so student dissatisfaction in the existing system was well-recognized¹⁰⁰. Like their colleagues around the world, “the vast majority of men [on campus were] more conservative, and prefer dark suits... [among women] skirts and sweaters are definitely second choice to the ‘regular’ dress of wool or cotton”¹⁰¹. Campuses were multi-national communities; an academic visitor noticed, “several displaced Palestinians, some [Jordanians], some Kuwaitis, some Saudi Arabians, and one from the Trucial Coast” of Oman¹⁰². Even among these conservatively-dressed students, another academic visitor had noted the extent of internationalism on campuses, “communist organizers have also attempted to ally themselves and their objectives with those of the nationalists, and in this way have also been able to increase their following in the past academic year”¹⁰³.

Certainly, the College of Pharmacy students were open to alliances with those in other faculties. Over the following days, 1,081 enrolled in the College of Law supported the pharmacists’ strike, and the 300 at the Faculty of Medicine joined them; together, Baghdad’s students staged the largest crowd the country had witnessed for several years¹⁰⁴. Soon, students in other cities began to organize protests, and activists from opposition political parties began to join the students as well¹⁰⁵. While some dismissed “the communist claim that their party prepared and headed this revolt” as “exaggerated;”¹⁰⁶ others added, “the small [legally-registered] opposition parties [with the National Democratic Party in the lead]

⁹⁹ “Survey of International Affairs” (London: Oxford University Press for the Royal Institute of International Affairs, 1955), 200.

¹⁰⁰ George Mannello, “Impressions of Iraqi Education”, *The Phi Delta Kappan*, 36, 9 (June 1955): 347.

¹⁰¹ Walter J. Mehl, “Student Life in Baghdad”, *Bulletin of the American Association of University Professors*, 40, 4 (Winter 1954/1955), 606.

¹⁰² John O. Nigra, “Fulbright Professor in Iraq”, *Bulletin of the American Association of University Professors*, 41, 3 (Autumn 1955): 497.

¹⁰³ Mehl, “Student Life”, 609–610.

¹⁰⁴ “Reviews and summaries of section of newspapers from the Middle East, and leaflets issued by the Iraqi Communist Party and a group of Sharif Aziz, Iraqi journalist Taha Tikrit’s book, *World Festival of Youth for Peace*, and information from the Foreign Ministry regarding Muhammad Mahdi al-Jawahiri’s final prime ministership, March 1952 to March 1953, Russian State Archive of Social-Political History (Русский государственный архив социально-политической истории), collection 17, sub-collection 137, file 960.

¹⁰⁵ George Grassmuck, “The Electoral Process in Iraq, 1952–1958”, *Middle East Journal*, 14, 4 (Autumn 1960).

¹⁰⁶ Walter Laqueur, *Communism and nationalism in the Middle East* (New York: Praeger, 1956), 196.

acted as a catalyst for the riots¹⁰⁷. Together, these varied groups presented petitions demanding electoral reforms, white-collar government jobs, social security programs—and tax equality¹⁰⁸. While the legally-registered parties had initially encouraged the students to chant slogans against the regime, they soon lost control over the crowd¹⁰⁹. Some shouted rhyming couplets against the Americans, the cabinet, the English, and imperialism; others called on Kamil al-Jaderji to establish a people's government;¹¹⁰ still others proclaimed their support for Aziz Sharif and the "Partisans of Peace"¹¹¹. The recently-formed Ba'th party organized the largest group of demonstrators behind the slogan "we want bread, not lead" as they confronted a solid line of police.

Three days of bloody fighting, paralyzed work in government offices, the police scattered¹¹², and the government of Prime Minister Mustafa Mahmud al-Umari toppled¹¹³. Iraq's *intifada* of November 1952 was "an intoxicating moment and gave heart to all those who were frustrated with the *status quo* [when] demonstrations continued in the streets of Baghdad and spread to other towns"¹¹⁴. The British ambassador dispatched two oral messages to the prime minister: take all necessary measures to protect foreigners and their property, immediately¹¹⁵. Toward that end, the authorities in Baghdad appointed General Nureddin Mahmud as Prime Minister; to placate the crowd, they drafted Ordinance Number 6 of 1952 for the direct election of deputies, putting an end to the two-stage electoral system which had made the legislature so "easy to pack".

A candidate could be duly elected should he win a plurality greater than 40 percent of the valid popular votes¹¹⁶. With its implicit challenge to Nuri *pasha's* control over the legislature, the success of the College of Pharmacy demonstrations re-opened the opposition political parties' discussion on taxation. Editors of *al-Akhbar* reminded the Ministry of Finance that reassessment of taxation was "not new; it [had been] recommended by the mission of the International Bank

¹⁰⁷ Elliot, *Independent Iraq*, 67.

¹⁰⁸ Ismail Arif, *Iraq Reborn: a Firsthand Account of the July 1958 Revolution and After* (New-York: Vantage press, 1982), 32.

¹⁰⁹ Karol Sorby, "The 1952 Uprising in Iraq and the Regent's Role in its Crushing: Iraq from *al-Wathba* to *al-intifada*: 1949–1952", *Asian and African Studies*, 12, 2 (2003): 184.

¹¹⁰ Eppel, *From Monarchy to Tyranny*, 112.

¹¹¹ "Unrest in Iraq", *Free China Review*, 3 (1953): 5; Alfred Michaelis, "Economic Recovery and Development of Iraq", *Middle East Affairs*, 3–4 (1952): 53.

¹¹² Ja'far Abbas Humaydi, *At-tatawwurat as-siyasiya fi al-'Iraq, 1941–1953* (1976): 715, cited in Sorby, "1952 Uprising."

¹¹³ Tareq Mohammed, "Борьба иракского народа за свободу и независимости", *Современный восток* 5 (1957).

¹¹⁴ Tripp, *History*, 131.

¹¹⁵ "Disturbances in Baghdad, Events of 22–24 November 1952", FO 371/98736 cited in Sorby, "1952 Uprising."

¹¹⁶ Grassmuck, "Electoral Process."

for Reconstruction and Development”, several years earlier¹¹⁷. Following student demonstrators’ success, the nationalist members of the Chambers of Commerce pointed out that the Government had extended tax exemptions to practically all who received agricultural incomes. Such a ‘discriminating’ policy was “unfair to the citizens and out of line with the country’s economic interests”. Members of the Chamber regretted that government policy forced those who made money in commerce, invest it in agriculture, with the result that investments in industrial enterprises topped of at 5 million Iraqi dinars (1952)¹¹⁸. Speaking to al-Jaderji’s National Democratic Party’s core values, Iraq’s Minister of Finance promised a revision of the tariff system, effectively closing local markets to the Coca-Cola advertisements, painted plaster ornaments, and twisted candles dear to the Constitutional Union Party’s members. The Ministry of Finance simultaneously initiated a series of modest steps to ease the poorest Iraqis’ tax burden, rescinding the *istihlak* (consumption) tax on fruits and vegetables, lowering customs duties on such staples as tea, sugar, and textiles¹¹⁹, and putting a ceiling on the price of most foodstuffs¹²⁰.

The “*Sherifians*” in the Senate organized their response. Nuri *pasha* al-Said and the Minister of the Interior, Sa’id al-Qazzaz, drafted a new law on associations, to suppress all existing political parties and non-governmental organizations—from the Pece Partisans, to their own Constitutional Union Party. When the first elections had been carried out in January 1953 under conditions of martial law and censorship; “most members of the former opposition parties boycotted the elections, claiming with some justification that they were being rigged;¹²¹ as a result, the overwhelming majority of those elected to the legislature’s lower house were supporters of Nuri *pasha*’s recently-suspended Constitutional Union Party. While the Palace asked Dr. Fadhil al-Jamali to form a cabinet “representing a younger and more progressive generation;” it contained only two members from Nuri *pasha*’s extended patronage network—which meant it enjoyed little support within the legislature.

As the editors of *al-Shaab* noted, the current system (which taxed consumption, not land) had been established by those in power, for their own benefit, and the proposed legislation threatened their tax-free enjoyment of rental income from their estates. The editors of *al-Shaab* cited independent reports that “stated that a large number of merchants and businessmen try to avoid income tax payments”, adding “most landowners, lawyers, doctors, and a host of other

¹¹⁷ “Iraqi Press Roundup”, *Iraq Times* (9 February 1953).

¹¹⁸ 29 June 1953.

¹¹⁹ “Further Correspondence Respecting Iraq, part 7”, 1953, Foreign Office 481/7.

¹²⁰ “Iraqi to Cast First Direct Deputy Votes”, *Washington Post* (15 January 1953).

¹²¹ “Internal Situation in Iraq”, P.V. Mallet, 1 February 1954, FO 371/110988, *Records of Iraq*,

free profession men do their best to get away from any sort of tax"¹²². The *Iraq Times* cited a survey currently in hand by two American specialists from the Point IV program, with the proposal that the country's tax and customs may be revised to the nation's benefit. Donald Jackson and Robert Kennedy were assigned to the Ministry of Finance. Jackson had lead the taxation department in the United States Department of Agriculture, and Kennedy had served as a lawyer in the U.S. tariff commission, previously assigned to Saudi Arabia. Jackson's assignment was to survey the existing tax structure and suggest means "to spread the tax burden equitably" and draft any necessary legislation; Kennedy would survey customs and tariff structures, drafting legislation to "stimulate foreign trade in ways helpful to Iraq"¹²³.

While Nuri *pasha's* political clients continued their conversations with the Palace and the British Embassy, members of the repressed National Democratic Party and civil servants continued to pressure the Prime Minister. Editors at *al-Zaman* reminded Dr. al-Jamali that, "the condition of the Treasury since the end of the war has warranted the increase of taxes for more funds", continuing, "the objective of these taxes should be to realize social justice, elevate the standard of living, [and] invigorate trade and economic activity"¹²⁴. Former finance minister Ali Mahmud al-Sheikh Ali published some of his concerns about the current budget on the pages of *al-Zaman*. Budgets contain mistakes, he wrote; the fault was not of a particular government, or a certain minister; rather, faults became compounded between successive governments, and under different ministers; there was, he acknowledged, "no adequate comprehension of financial rules whether in enforcing taxes or allocating funds"¹²⁵.

Under these circumstances, Dr. al-Jamali as Prime Minister proposed a new bill to tax agricultural outputs in Amara governorate (where members of the Constitutional Union party furnished their homes with silver coffee services, painted plaster Dutch girls, and glass candlesticks)¹²⁶. The land tax bill, "naturally aroused the strong opposition of the powerful sheikhs and other landowners. Nuri appears to have promised the government his support over this measure, though he is critical of the way they are handling it, and it is the members of his own party (on which Dr. al-Jamali relies for support in the chamber) whose interests will be affected"¹²⁷. By January, however, Nuri *pasha* was speaking "gloomily to Her Majesty's Ambassador about communists, student riots, the possible

¹²² "Iraqi Press Roundup", *Iraq Times* (24 April 1953).

¹²³ 29 June 1953.

¹²⁴ "Iraqi Press Roundup", *Iraq Times* (9 February 1953).

¹²⁵ "Iraqi Press Roundup", *Iraq Times* (15 March 1953).

¹²⁶ "Said has Talks with Premier", *Iraq Times* (31 March 1953).

¹²⁷ "Internal Situation in Iraq", P.V. Mallet, 1 February 1954, FO 371/110988, *Records of Iraq*,

return of Rashid Ali, the weakness of the cabinet and the party system, and he now considers that 'repressive' reforms should precede progressive reforms"¹²⁸.

In King Faisal II's first "speech from the throne" before the parliament, the young monarch promised: "the just distribution of the benefits derived from the policy of development, which would be based on the following: "the spreading of the small land ownership to enable the greatest number of farmers to enjoy the right of property; the widening of social services of the State to the maximum extent; the amendment of the taxation laws to insure that the State burdens are justly distributed among taxpayers in conformity with their income", among other factors. While the newly-crowned king further promised that the "Government will submit several financial bills, the most prominent of which are the land tax bill and the unified civil service bill, for dealing with matters concerned with the civil service and its wages", he imperiled his most vulnerable ally, the Prime Minister.

The income tax bill brought down Fadhil al-Jamali's government¹²⁹. Any bill that touched on questions of land ownership, land settlement or taxation alarmed the dominant landed interest in parliament¹³⁰. While he had long been a target not only for leftist and nationalist opposition, this proposal imperiled his support among the supporters of Nuri *pasha* deputies in the parliament. Too conservative for the opposition, he was deemed too progressive for the old guard, who took strong exception to some agrarian and taxation projects of his cabinet"¹³¹.

4. Regional Roots for Taxation in Iraq

While a 1925 concession agreement's Article 27 permitted the Iraq Government the ability to tax the Iraq Petroleum Company, little revenue accrued to the state from these rights—at least, initially. During the first decade, political figures' competition hampered local government's ability to negotiate terms with a transnational company. A new concession signed in 1931 converted any taxes which might have been enforceable under Article 27 to a fixed annual payment of L9,000 until commercial exports began (and then, a paltry L6,000 on the first 4 million tons exported and L20,000 on each additional million tons). Contemporaries observed that such limited oil revenues were

¹²⁸ *Ibidem*.

¹²⁹ "King Outlines Foreign, Domestic Policy", Baghdad, Iraqi Home Service, 1 December 1953, 1500) (Speech from the Throne delivered by King Faysal in Parliament on 1 December). Daily Report, Foreign Radio Broadcasts, FBIS-FRB-53-234 on 1953-12-02.

¹³⁰ Tripp, *History*, 130.

¹³¹ George Lenczowski, *The Middle East in World Affairs* (Ithaca, N.Y.: Cornell University Press, 1962), 282.

not sufficient to support construction of a civilian infrastructure for the country¹³². Finally, King Faisal's unexpected death during September 1933 foreclosed further negotiation between the government and the petroleum company. While a shift in the basis of wealth offered a new political group the potential to challenge landowners' access to public institutions, production and export of petroleum even declined—from 4.5 million tons in 1938, to 1.8 million tons in 1941—and lack of revenue resulted in shortages in the funds available to the government¹³³.

Petroleum-exporting states in the region began to re-negotiate the basis on which they collected revenues after World War II. These developments offered Iraqis both new opportunities, and cautionary tales. Would it be better to tax foreign petroleum companies than local landowners? should the Hashemites follow the example of their former rivals, the al-Saud family, and increase the percentage of royalties received on the value of petroleum exported? Should Iraq follow Iran's example, and nationalize petroleum? If it did, what were the risks? And if Iraq—following either model—were to increase government income, were land taxes merely one component of the kind of land reform which would yield an egalitarian political community?

As the U.S. brokered a rapprochement between the Hashemite kings and their regional rivals in Saudi Arabia, the Saudi experience had started to influence politics in Hashemite Iraq. During the early 1950s, Saudi Arabia's King Ibn Saud (and by extension, the government of Saudi Arabia) demanded and received a 50% royalty on the value of oil exported from the Arab-American Oil Company, ARAMCO. Then, the U.S. Treasury Department had allowed the petroleum companies to deduct the full value of any royalties paid to Saudi Arabia from their U.S. taxes; effecting the transfer of U.S. taxpayer dollars to the Saudi government without the consent of Congress¹³⁴. As a U.S. journalist noted, "Iraq shows resentment that Britain or the United States should get such tax revenue from 'their oil.'"¹³⁵

In neighboring Iran, local political interests called for nationalization of petroleum, which concerned citizens felt would liberate the state from a series of agreements which they felt were unfair to local interests. As a US diplomat observed, "when the Anglo-Iranian Oil Company (AIOC) wants to be, it's just a private concern; and when it wants to be, it's an arm of His Majesty's government"¹³⁶.

¹³² Mohamed Ebrahim al-Naqbi, *Oil Concession Agreement: An exploration of the effect of asymmetric negotiations on conflict creation in three Middle Eastern countries between the years of 1990–1975*, Ph.D. thesis, George Mason University (2002), 189.

¹³³ *Ibidem*, 191.

¹³⁴ Salim Yaqub, *Containing Arab Nationalism: the Eisenhower Doctrine and the Middle East* (Chapel Hill: University of North Carolina Press, 2004), 35.

¹³⁵ "Mid East Oil Deal Stirs Up Tax Issue", *New York Times* (8 January 1951).

¹³⁶ Robert T. Hartmann, "Britain Itself Seen To Blame in Iran, English May Yet Muddle Through Oil Row", *Los Angeles Times* (4 June 1951).

The AIOC enjoyed “great flexibility in accounting procedure” to allocate the largest part of its profits in downstream activities¹³⁷. Even before dividends had been declared, British taxes skimmed off an amount three or four times greater than the dividends; from what was left, the AIOC had made significant investments outside Iran (including in Iraq, where the Iranian company was one of the owners of the Iraqi Petroleum Company). The Iranian government was left with a percentage of whatever remained¹³⁸.

In Iran the legislature’s lower house (*majlis*) formed a special committee to study the Supplementary Agreement which regulated the relationship between the government and the AIOC¹³⁹. Deputies of the Iranian opposition persuaded retired parliamentarian Mohammed Mussaddiq to return to politics in order to lead the campaign against the agreement¹⁴⁰. Mussaddiq drafted a nationalization act, “all petroleum production will henceforth be managed by the Iranian government”¹⁴¹. With his draft in hand, the *majlis* petroleum committee responded with a demand for a 50–50 deal similar to that Saudi Arabia’s King Ibn Saud had recently signed¹⁴², and announced it would only negotiate with the AIOC, not Britain’s government¹⁴³.

The editors of the Iraqi newspaper *al-Akhbar* followed the fortunes of embargoed petroleum from neighboring Iran closely. Readers learned of the arrival of Italian tanker in Venice; Fifty days *en route*, the *Miriella* arrived laden with 5,000 tons of Abadan crude¹⁴⁴. As soon as she put into port, AIOC lawyers convinced a Venetian court to seal her hulls. The newspaper’s editor carefully laid out both positions: “the Oil Company lawyers have claimed that the Iranian nationalization is illegal and that therefore the shipment was stolen property;” however, “the lawyers of the *Miriella* will base their defense upon the fact that the Venice court has no jurisdiction”¹⁴⁵. The *Iraq Times*’ following issue splashed a photograph of the diminutive wife of Iran’s ambassador in Rome, Mrs. Effat

¹³⁷ James A. Bill, *The Eagle and the Lion: the Tragedy of American-Iranian Relations* (New Haven: Yale University Press, 1988), 53.

¹³⁸ “What’s behind British-Iranian Dispute on Oil”, *Chicago Daily Tribune* (30 September 1951).

¹³⁹ John Foran, *A Century of Revolution: Social Movements in Iran* (Minneapolis: University of Minnesota Press, 1994), 112.

¹⁴⁰ Homa Katouzian, “Mosaddeq’s Government in Iranian History; Arbitrary Rule, Democracy, and the 1953 Coup”, in *Mohammad Mosaddeq and the 1953 Coup in Iran*, Mark J. Gasiorowski and Malcolm Byrne (Syracuse, NY: Syracuse University Press, 2004), 4.

¹⁴¹ Soraya Esfandiary-Bakhtiary, *Soraya; The Autobiography of her Imperial Highness* (NY: Doubleday, 1964), 55.

¹⁴² Robert T. Hartmann, “Britain Itself Seen To Blame in Iran, English May Yet Muddle Through Oil Row”, *Los Angeles Times* (4 June 1951).

¹⁴³ Edward Hughes, “Britain’s Iranian Fumble”, *Wall Street Journal* (5 June 1951).

¹⁴⁴ “Iraqi Press Roundup”, *Iraq Times* (24 February 1953).

¹⁴⁵ *Ibidem*.

Khadyennourj, presenting an enormous bouquet of lilies to the *Miriella's* skipper, Mr. Amilearo Mazzeo¹⁴⁶.

For Iraqi readers, the question of whether petroleum revenues would replace land, extended to include the international business environment's willingness to undertake risk. This development enhanced the financial autonomy of the Iraqi state: the share of taxes in total government revenue fell from an annual average of \$64.2 in 1932–1952 to 31.1% in 1953–1955, while that of oil revenues rose from 15.5% to 63%. Iraq's government no longer had to depend as much on its citizens (or on Britain) to finance its activities; now it had a major income stream of its own. In addition, as revenues rose in absolute terms from 28 million Iraqi dinars in 1950 to 90 million in 1955, so did the state's efficacy; general expectations regarding the state's ability to intervene in and transform Iraqi society¹⁴⁷.

Iraqis reported rumors that Iran's Prime Minister had, "ordered the Persian employees at Abadan to stop working for the English company"¹⁴⁸. A twelve-day strike at the Abadan refinery meant that production dropped from the March average of 700,0098 barrels a day, to 565,335¹⁴⁹. Britain announced it would bring suit against Iran in the International Court of Justice¹⁵⁰. It was observed at the time, "Dr. Mussaddiq refused... from the beginning to accept the Court's verdict, for he was quite convinced that he could get the refineries going again with native labor and that he would have no trouble selling our oil all over the world"¹⁵¹. The Prime Minister's refusal allegedly took the form of 15 pages of foolscap paper, "watered down considerably from first drafts"¹⁵². The International Court rejected Britain's request for arbitration¹⁵³, leaving the entire AIOC concession had become property of the Iranian state¹⁵⁴, and the oil company's holdings were scheduled to be formally seized the following month¹⁵⁵.

"The cabinet's domestic policy program", the editor of *Liwa al-Istiqlal* wrote, "was based mainly upon utmost development of Iraq's resources towards a greater national income and upon just distribution of this income among the people through such means as wide-spread small agricultural holdings, expansion

¹⁴⁶ "Flowers for Miriella Commander", *Iraq Times* (26 February 1953).

¹⁴⁷ Malik Mufti, *Sovereign Creations: Pan-Arabism and Political Order in Syria and Iraq* (Ithaca, N.Y.: Cornell University Press, 1996), 39.

¹⁴⁸ Esfandiary-Bakhtiary, *Soraya*, 78.

¹⁴⁹ "Anglo-Iranian Oil's Output Reduced in April by Strike", *Wall Street Journal* (6 June 1951).

¹⁵⁰ "World Court Set to sift Case", *New York Times* (7 June 1951).

¹⁵¹ Esfandiary-Bakhtiary, *Soraya*, 78.

¹⁵² "Iranian Note to Britain Says Oil Firm Broke Agreements", *Christian Science Monitor* (8 June 1951).

¹⁵³ "British Plea Rejected by World Court, Iran Says", *Los Angeles Times* (1 June 1951).

¹⁵⁴ Polyzoides, "Russ Pull Strings, Puppets hit West: New Red Attacks in Iran, Korean, and Indo China Indicate Pattern", *Los Angeles Times* (1 June 1951).

¹⁵⁵ "Iran's Premier Reads Not from Truman to Senate", *Christian Science Monitor* (2 June 1951).

in social services, modification of taxes, increasing workers' share of the national income and last but not least increasing the pay of government employees. "We are not being unjust to the cabinet," the paper wrote, "if we ask it after being in power three months, to explain to the public what it has decided about those promises it made early in its assumption of office. The people are tired of promises and have come to realize that any reforms in domestic affairs or improvement in living standards they hope for cannot be achieved by cabinets that come to power through incorrect procedures and without the public having something to say in the matter"¹⁵⁶.

With such close attention to Iran's nationalization, the question of whether foreign entities' taxes would replace or supplement those of Iraqi taxpayers emerged to split the government in Baghdad from its Opposition. In a press conference of February 1952, Prime Minister Nuri al-Said *pasha* categorized additional political interests into two separate groups: "the first party asked 50% of the crude oil out of the mouth of the well as the Government's revenue; they alleged that this share is more profitable for Iraq than obtaining 50% of the profits before the deduction of any tax;" while the second group called for nationalization. The Prime Minister continued, "let us suppose, we took 50% of the crude oil out of the mouth of the well and wanted to sell it, do you think that we could easily find a buyer who would pay the price we want?"¹⁵⁷

Nuri es-Said regarded the Soviet legation in Baghdad as a center for subversive activities in support of taxes on agricultural land, for the nationalization of petroleum. Resources, and for Kurdish autonomy¹⁵⁸. He shared his impression—that the Soviet embassy had been actively supporting communist activities with the distribution of pamphlets, books, and possibly money—with foreign journalists¹⁵⁹. The Ministry of Foreign Affairs gave diplomatic staff at the USSR Embassy 24 hours to pack their personal effects and leave the country, without implying severance of ties between Iraq and the USSR¹⁶⁰. In a reprise of Egypt's dismissal of the Turkish ambassador the previous year, the ministry of foreign affairs informed the Soviet government that Iraq was about to close its legation in Moscow "for reasons of economy"¹⁶¹. Baha Awni (Iraqi ministry of foreign affairs' director general) handed a note to the Soviet *charge d'affaires* I.M. Yakushin, indicating that Iraq planned to "suspend" diplomatic relations¹⁶².

¹⁵⁶ "Iraqi Press Review", *Iraq Times* (11 January 1954).

¹⁵⁷ "Nuri Asks Approval of Oil Agreement", Daily Report, Foreign Radio Broadcasts, FBIS-FRB-52-031 on 12 February 1952.

¹⁵⁸ "Situation Summary", CIA, "Iraq: relations with the U.S.S.R." (7 January 1954).

¹⁵⁹ Weles Hangen, "Iraqis curb reds, end bid for power", *New York Times* (10 January 1955).

¹⁶⁰ "Soviet-Iraqi representation discontinued", Daily Report, Foreign Radio Broadcasts, FBIS-FRB-55-006 on 10 January 1955.

¹⁶¹ "Russ Recall Diplomats from Iraq", *Los Angeles Times* (9 January 1954).

¹⁶² *Ibidem*.

The Soviet Ministry of Foreign Affairs instructed the USSR's Embassy in Tehran to request emergency transit visas for diplomatic personnel coming from Iraq¹⁶³. Then, I.N. Yakushin handed Baha Awni his own note: "in view of the unfriendly attitude of the Iraqi government toward the USSR, as shown in a statement breaking off of relations with the USSR, the Soviet government has adopted the decision to recall its diplomatic mission from Iraq. The Soviet government deems it necessary to state that responsibly for these aforementioned acts is fully borne by the government of Iraq"¹⁶⁴. With the diplomatic expulsion, interior minister Sa'id al-Qazzaz reported to a foreign journalist that shuttering the embassy was one of "a series of administrative ordinances by the new regime had shattered the communist party's organization and crushed its bid for control of disaffected elements" in the country¹⁶⁵. According to the *al-Akhbar* editors, it was no accident that Iraq broke off relations with the Soviet Union¹⁶⁶.

Conclusion

The 'proxy warfare' that characterized conversations about taxation in postwar Iraq, are similar to developments in Eastern Europe. Writing on the post-World War II period in Poland, Daniel Stone has noted the role of the Cepelia's organization in the development of folk art industries under the jurisdiction (first) of the Central Agency for Small Production, and then (later) the Ministry for Small Industry and Crafts. In some ways, his discussion can be helpful in terms of contextualizing the role of petroleum in discussions of taxation during the last years of the Hashemite monarchy in Iraq.

As Stone points out, the Government tightened its control over Cepelia's operations during 1951, de-emphasizing art in favor of mass production¹⁶⁷. Delegates had already unleashed "a storm of criticism" on all aspects of Cepelia's work at a national conference held at the beginning of 1956, which proved to be a year of change. The delegates in attendance at this conference identified taxation to pose a particular problem, complaining that the existing system disadvantaged private contractors (even as they supported a centralized establishment and paid their turnover tax). The delegates demanded a 60% reduction in state taxes, in support of Cepelia's work. The Cepelia conference of January 1956 further approved

¹⁶³ "Situation Summary", CIA, "Iraq: relations with the U.S.S.R." (7 January 1954).

¹⁶⁴ "Soviet-Iraq Representation Discontinued", Daily Report, Foreign Radio Broadcasts, FBIS-FRB-55-006 on 10 January 1955.

¹⁶⁵ Welles Hangen, "Iraqis Curb Reds, End Bid for Power", *New York Times* (10 January 1955).

¹⁶⁶ "Menderes Pursues U.S. Near East Policy", Daily Report, Foreign Radio Broadcasts, FBIS-FRB-55-008 on 12 January 1955.

¹⁶⁷ Daniel Stone, "Cepelia and Folk Art Industries in Poland, 1949-1956", *The Polish Review*, 54, 3 (2009): 292, 307, 309.

a document, "Conclusions and Postulates", which demanded a return to the pre-communist cooperative movement, proclaiming that the political goal of such a movement was to harness the "joint help of members in their difficult material situation by working together... to combat in the difficult conditions of capitalism".

With the political changes which followed the 20th Congress of the Communist Party of the Soviet Union which occurred the following autumn, Cepelia came to enjoy greater autonomy in Poland—which, in Stone's opinion, enabled the organization to meet market conditions better. Its salary structure was revised, the organization reopened its own stores, took control of its own warehouses, and enjoyed a change in its tax status.

Discussion of Cepelia's tax status offers the opportunity to break down the exceptionalism that frequently characterizes assessments of petroleum in a "proxy battle" of rival political parties in Hashemite Iraq at the same point in time. In Iraq, the Constitutional Union and National Democratic political parties were local organizations embedded in networks that extended beyond the country's borders (in the first case, with the Ottoman Empire's state structures, as well as the Embassy of Great Britain; in the second case, with the communist party). In Iraq, these espoused differing political positions took up opposing approaches on the issue of taxation in public discussions. Before its dissolution, the Sunni members of the Constitutional Union party and the Shi'I allies in the Umma Socialist party enjoyed tax-free wealth from landholdings that came to them from their military service with the "Sharifian" army. Subsequently dominating the national legislature, this group enjoyed as much success shifting the tax burden to urbanites, as they were in security their privileges as landlords by law.

Daniel Stone goes to some effort to describe the values of Cepelia's founders; in particular, their efforts to alleviate rural poverty. Among that generation of Poles was a general impression that "land reform would not stop the migration of peasants to the city where they would fare poorly because most lacked technical skills and only a few were psychologically prepared for factory discipline"¹⁶⁸. In Iraq, local activists were also concerned for rural residents' futures; linked by ties of kinship and language, and informed by the shortwave radio broadcasts to which they listened, only the full violence of state organizations could dissuade them from founding their own cooperative associations.

In Iraq, some groups insisted that paying taxes served as a crucial component to political subjectivity. While these initially included the businessmen who had joined the Chambers of Commerce and al-Jaderji's National Democratic Party, a series of developments pushed them into alliance with political forces to their left. These historical shifts included a wartime alliance between Great Britain and the U.S.S.R., which led to both dissolution of the Communist International (and its support for anti-imperialism among local communist parties) and the temporary

¹⁶⁸ Stone, "Cepelia", 292.

cessation of local police harassment of internationalist groups. This temporary alliance between the nationalist and anti-imperialist forces established a collaboration that persisted, even deepened, when political parties were dissolved. In Iraq, the students' demonstration and new electoral law gestured toward a more inclusive political order; in order to foreclose political parties' further proposals to extend taxation to landed interests (an issue which brought down the cabinet of Fadhil al-Jamali), the authorities suspended all political parties—and finally expelling the Soviet diplomatic mission. Even these extraordinary measures were insufficient to displace the discussion about the role of taxation with regard to citizenship; a discussion which returned with signature of a new petroleum agreement.

Elizabeth Bishop

Proxy Battle of the Cold War: Taxation in Hashemite Iraq

Summary

After World War I, the Senate represented Iraq's landholding class, ensuring passage of the 1933 "Law Governing the Rights and Duties of Cultivators" to regulate landlord-tenant relations; after World War II, however, the legislature's lower house resisted the Senate with regard to the question of taxation. How were the country's new petroleum revenues to be disbursed? If these were directed to the national income, then they would become subject to the Constitutionally-ordained parliamentary process which governed passage of the national budget; if, however, they were directed to the Development Board, their expenditure would remain (unaccountably) in the hands of the Cabinet members who had negotiated the new agreement with the petroleum companies. This discussion contextualizes petroleum's role in Iraq's tax system during the Hashemite monarchy, via Poland. There, taxation of Cepelia disadvantaged private contractors; after 1956, the folk art industries cooperative's salary structure was revised, it reopened its own stores and took control of its own warehouses, and enjoyed a change in its tax status.