



Book Review

Oil Crisis in Iran: From Nationalism to Coup d'état. Ervand Abrahamian.

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The *coup d'état* of August 19th, 1953 against the government of Prime Minister Mohammad Mossadegh is seared in the nation's historical memory and has generated many grievances among Iranians. The coup was undertaken by British and American intelligence services with the full approval of their government leaders, in reaction to the 1951 decision by the Mossadegh government to nationalize Iran's oil industry. Quite apart from the sheer audacity of foreign elements blatantly violating state sovereignty, the coup arguably changed the course of Iran's political history, leading to the Shah's personalist rule, the 1979 revolution, Islamization, hostage-taking, and continued fraught relations with the United States and United Kingdom.

Ervand Abrahamian, the preeminent historian of modern Iran, has discussed the coup before, especially in his magisterial *Iran Between Two Revolutions* (1982), which describes Iran's political history from the Constitutional Revolution of the early twentieth century to the Iranian Revolution of 1978–1979. Inspired by the likes of Christopher Hill and Eric Hobsbawm, Abrahamian brings a Marxian historical sociology to bear on his prolific writings, along with careful analysis of extensive archival and other documentary data. His latest book, *Oil Crisis in Iran*, considers just the two-year period leading up to the momentous 1953 coup but offers details based on recently declassified documents.



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Iran was not the first oil-producing country to seek full control over its oil sector; in 1938 the Mexican government, acting on a clause of its 1917 constitution, nationalized the oil sector and expropriated the foreign holdings—without an externally-fomented military coup. At the time of their respective nationalizations, neither Iran nor Mexico was fully reliant on oil as the major source of revenue, given the predominantly agrarian nature of both peripheral economies. But contextual differences help explain why Iran’s nationalization plan, even with the promise of fair compensation, was unacceptable in 1951–1953. In 1938 the United States and Europe were preoccupied with the rise of fascism and impending war. In the early 1950s, however, Britain was highly dependent on Iranian oil for post-war reconstruction, which was produced, refined, and exported by the Anglo-Iranian Oil Company (AIOC, later to be known as British Petroleum, or BP). For its part, the United States was obsessed with containing Communism—recall its role in the Korean war—while also agreeing with Britain on the importance of “preserving the sanctity of contracts” (pp. 10, 73). Hence both states embarked upon a plan to actively undermine the Mossadegh government, exaggerate the role of the communist Tudeh Party in domestic politics, and prevent nationalization. In fact, the coup helped the United States replace Britain as the world-system’s hegemon. On the heels of the successful coup in Iran, in 1953–1954 the United States fomented a coup against the progressive Guatemalan government of Jacobo Arbenz.

Abrahamian does not consider the world-historical context so much as present a deep dive into the 1951–1953 oil crisis through declassified intelligence archives that confirm the significant U.S. involvement enabling the coup to take place, Premier Mossadegh removed, and Shah Mohammad Reza Pahlavi restored to power. His core question is whether U.S. involvement was driven by anti-communism, as some scholars have argued based on available documentary evidence, or by the desire to control Iran’s oil. He chooses to emphasize the latter motivation. Documents released in 2017, notably *Foreign Relations of the United States, 1952–54, Vol. X, Iran, 1951–54 (FRUS)*, along with two newly available internal CIA documents on the coup itself, form the basis of Abrahamian’s richly detailed narrative. As Abrahamian notes in his Introduction, the documents reveal the longstanding use of “fake news” and “electoral collusion” by what we now call the “deep state.”

A slender but riveting text, *Oil Crisis in Iran* consists of an introduction and five chapters and includes a chronology and a list of notable persons, which will be especially useful to non-specialists. The chapters cover the U.S. involvement, the question of whether oil or communism motivated the United States, parliamentary politics in Iran, the road to the coup, and “memory revised,” wherein Abrahamian takes issue with revisionist historians and journalists who play down external intervention and highlight Mossadegh’s errors of judgement. For Abrahamian, Mossadegh was a principled politician who believed strongly in procedural parliamentary politics, attempted social reforms that would go against his own class interests, and preferred an inclusive, multi-party democracy—elements that constituted the progressive nationalism that was shared by allies in the Mossadegh cabinet, the National Front (Mossadegh’s ruling party), and the Tudeh Party. The rogues gallery includes several Iranian clerics (Behbehani, Boroujerdi, and especially Kashani), General Zahedi and the other senior officers behind the military coup, and of course the

CIA and MI6 spooks (Kermit Roosevelt, the Dulles brothers, and Donald Wilber, along with the British intelligence officer Norman Darbyshire), especially the ones who bribed the military coup leaders as well as encouraged tribal chieftains and urban lumpen elements to oppose the government and engage in violent uprisings and protests. The details of the CIA dirty tricks make for distressful reading.

The coup has been the subject of numerous academic studies, many of them cited in Abrahamian's book, whether in approval or contestation. What is new about Abrahamian's study is his careful examination of the declassified documents to defend Mossadegh's position vis-à-vis the British and American proposals for an alternative to outright nationalization. The proposals included a continuation of the 50/50 oil revenues arrangement; a kind of symbolic nationalization that would still leave intact foreign management and control; and (rather impertinently) compensation that would include projected profits over decades. During the protracted negotiations, Premier Mossadegh was willing to discuss compensation, but the British and American governments were keen on maintaining control and avoiding a precedent for other oil-producing countries such as Venezuela to emulate and thus endanger worldwide concessionary interests and contracts. The book also shows that the young Shah was keen on enhanced powers as early as 1942–1943, hence putting him on a collision course with the parliamentarian Mossadegh.

Abrahamian's narrative reminds the reader that the present array of sanctions against Iran began in the early 1950s, when first Britain and then the U.S. instituted an asset freeze and economic embargo, boycotted Iranian oil and organized a naval blockade, and refused Iran's request for a loan. (More recently, the United States has blocked Iran's request for a \$5 billion loan from the International Monetary Fund, or IMF.) Even today's notorious "third party sanctions" were imposed in the early 1950s. In late 1951 Mossadegh was read the "Battle Act", named after a congressman, which threatened U.S. termination of aid to any country selling "strategic goods" to the Soviet Union and its allies (see p. 121).

To many Iranians, Mossadegh remains a hero, and they look back nostalgically to a time before ostentatious monarchical rule followed by Islamization. My own reading of Abrahamian's analysis is that democratic parliamentary politics during Iran's interregnum (1943–1953) was too novel, fractious, and fragmented to be effective or sustainable. Thus, hardly any of Mossadegh's social reforms could be adopted, much less implemented. In addition, Mossadegh made two strategic errors. The first was in trusting the United States, and in his belief that the United States differed from the UK on fundamental issues pertaining to nationalization—something that Abrahamian himself mentions in passing (p. 123). Mossadegh's other mistake was in refusing to call on his allies in the army to intervene in the August coup, evidently for fear of "adding fuel to the fire" (p. 151). That many of those allies were later executed or forced into exile—while the elderly Mossadegh was allowed to live out his days under "house arrest" on his estate—is part of the tragic outcome of the coup. And what of the oil sector? Following the coup, BP and six American oil companies formed a consortium that regained control of Iran's oil production, refining, export, and pricing.