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A significant stage in Iran-US political relations and the Nationalization of Iranian oil (Mohammed Mossadegh)

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Abstract

In the early stages of the Cold War, Iran attracted significant attention from global powers, a development clearly demonstrated by the 1953 coup d'état. During this period, various political factions emerged on Iran's political scene, particularly the nationalists led by Mohammad Mossaddegh (1879–1967). At the core of Mossaddegh's nationalist ideology was the protection of the country from foreign influence, specifically, liberating Iran's oil resources from foreign control.

By the late 1940s, liberal, anti-monarchist, and nationalist groups had united under the "National Front," founded by Mossaddegh. He was a vocal opponent of foreign economic concessions and spearheaded anti-colonial efforts in Iran during the 1950s. Although monarchists held the majority in Iran's parliament at the time, Mossaddegh and his small but active National Front bloc began campaigning to annul the Anglo-Iranian Oil Company's contract. Their goal was the nationalization of Iran's oil industry, an idea that gained significant traction and widespread support across the country.

Notably, the groundwork for this movement had been laid before Mossaddegh's rise. As early as 1947, the Iranian parliament had voted to reconsider the British oil concession, and the government had presented the company with a memorandum demanding more favorable terms for Iran.

Mossaddegh was acutely aware that nationalizing Iran's oil industry would present serious economic challenges and provoke strong resistance from the British. Nevertheless, he considered such action necessary for securing Iran's full sovereignty. Mossaddegh especially hoped for support from the United States. He and his supporters believed that, following nationalization, the U.S. would provide loans and purchase Iranian oil. This belief was rooted in the perception of the United States as a non-imperialist force in Iran at the time.

However, the reality proved quite different. Despite its seemingly positive image, it was the U.S. Central Intelligence Agency (CIA) that played a leading role in orchestrating the 1953 coup in Iran. Through the nationalization of oil, Mossaddegh became the first leader from the Global South to directly challenge foreign control over natural resources. This gave rise to what came to be known as "Mossaddeghism" and the "Mossaddegh Syndrome"—a form of anti-colonial nationalism that soon became a source of inspiration for leaders across the developing world, reshaping the geopolitical landscape of the Middle East.

Keywords: Mossaddegh, Oil, Iran, Anti-colonialism, Nationalism, Leadership.

Introduction

In discussing the recent and contemporary history of the Middle East, one cannot overlook the themes of colonialism and anti-colonial movements. It is important to note that Western colonial expansion into the Middle East began in the 19th century and extended well into the 20th century. Among the various anti-colonial actions in the region, a particularly significant role was played by Mohammad Mossaddegh (1882–1967)¹ and the issue of the nationalization of Iran's oil industry.

A brief overview of Mossaddegh's biography helps illuminate the formative experiences that shaped his political career. His public service began during the final years of the Qajar dynasty, when, as a sign of respect towards his father, the Shah appointed him head of finances for the Khorasan province at the age of fifteen [1]. "Mossaddegh held high-ranking positions during different periods: he served as the Governor of Fars (1920–1921), Governor of Iranian Azerbaijan (1922), and Minister of Finance (1921–1922). He was also twice appointed as Minister of Foreign Affairs (in 1921 and 1923). Additionally, he was a member of the Majlis (the Iranian parliament) during several terms. (1915–1917, 1925–1928, and 1944–1953), and served as Prime Minister of Iran from 1951 to 1953 [2]. He also held the position of Minister of National Defense in 1952–1953.

"Mossaddegh's political worldview, which later defined his open opposition to British colonialism in Iran, began to take shape during his time in Europe. He pursued his studies in France and obtained a doctoral degree in law from the University of Neuchâtel in Switzerland. His dissertation was entitled 'Iran and Capitulations Granted to Foreigners'. He was the first Iranian to earn a PhD degree in Europe." [3].

In his doctoral dissertation, Mohammad Mossaddegh regarded the privileges granted to foreign companies as a threat to Iran and considered them degrading to the country [4].

It should be noted that the main contours of Iranian nationalism were formed long before Mossaddegh, beginning in the second half of the 19th century. However, in the mid-20th century, Mossaddegh introduced a distinct model of nationalism to the Iranian people—one that was rooted in an anti-colonial narrative and emphasized national territory and natural resources as its core components.

Mossaddegh's oppositional speeches and political activism began as early as 1925, when he openly challenged the rule of Reza Shah (1925–1941), the founding figure of the Pahlavi dynasty. In 1943, he addressed the Majlis, speaking out against foreign interference in Iran's political and economic affairs. A year later, he introduced a bill that prohibited any minister from engaging in negotiations with foreign powers without prior approval from the Majles [5]. In 1944, Mossaddegh also strongly criticized a proposed exploitative oil agreement with the Soviet Union. His political efforts were aimed, on the one hand, at combating the colonial manifestations present in Iran, and on the other, at resisting the rule of Shah Mohammad Reza Pahlavi (1941–1979). Mossaddegh was dissatisfied with the Shah's attempts to consolidate power after World War II—a move that faced opposition not only from Mossaddegh himself but also from several other factions. Those dissatisfied with the Shah's policies in postwar Iran can be broadly categorized into three groups:

1. **The left-wing Tudeh Party**, which primarily united students and workers;
2. **The right-wing Fada'iyan-e Islam**, a party composed mainly of religious organizations, anti-secularists, and activists opposing foreign influence;
3. **Anti-monarchist and nationalist groups**, which in 1949 merged to form the *National Front (Jebhe-ye Melli)* [6].

Starting in 1949, Mossaddegh and his supporters began engaging in active political campaigning. Their pre-election speeches in Iran centered around the slogan demanding an end to the Shah's interference in the electoral process. Due to the rising political tensions, a state of emergency was declared in the country. Participants in these rallies, including Mossaddegh himself, called for the abolition of martial law, the conduct of free and fair elections, and the protection of freedom of the press and expression. In addition, Mossaddegh stood out for his demands for the formation of a just government, the Shah's adherence to constitutional limits, and his unwavering opposition to granting foreign economic concessions.

On February 19, 1951, a special committee of the Majlis, chaired by Mohammad Mossaddegh, demanded the full nationalization of the oil company. In response to this initiative, Iran's then-Prime Minister Haj Ali Razmara declared on March 3 that he would not support the bill. Just days later, on March 7, he was assassinated by

¹ "Mossaddegh" is an honorary title bestowed upon him by Naser al-Din Shah, meaning "the one who has endured a trial with dignity."

a member of the Fada'iyān-e Islam group. Subsequently, on March 15, 1951, the Majlis passed the Oil Nationalization Law, through which Iran successfully nationalized the Anglo-Iranian Oil Company. In retaliation for Iran's move, Western countries drastically reduced their imports of Iranian oil. As a result, the largest oil refinery in Abadan, located in southeastern Iran, was forced to shut down. This chain of events became known in history as the Abadan Crisis (1951–1954) [7].

In an effort to ease the escalating tensions in the country, Mohammad Reza Shah appointed Mohammad Mossadegh as Prime Minister. The newly appointed Prime Minister was fully aware that the political steps he was taking would, on the one hand, lead to severe social and economic difficulties within the country, and on the other, provoke harsh international economic sanctions in response to the nationalization of oil. Despite these looming threats, Mossadegh remained unwavering in his position. For him, nationalization of oil was a matter of national principle essential for achieving full independence. This conviction is reflected in a statement he made in June 1951, where he emphasized: "The moral aspect of oil nationalization is far more important than its economic aspect." [8]

It is a fact that Mossadegh's firm defense of Iran's national interests alarmed London. For Britain, oil was a resource of strategic importance. Mossadegh's bold move was perceived not only as a threat to Britain's economic interests but also as a challenge to its imperial prestige and international image.

Although Britain quickly managed to mobilize its military forces in the Persian Gulf, it refrained from using them against Iran. This restraint stemmed from the understanding that military intervention would likely be counterproductive. There was a clear and realistic risk that the use of force would severely strain Britain's relations not only with the Soviet Union but also with the United States [9].

Following the collapse of the Labour government in the United Kingdom, Winston Churchill returned to power as Prime Minister. Through diplomacy and economic leverage, Churchill achieved far more than could have been accomplished through a military campaign against Iran. One of the key outcomes of Britain's cooperation with the Truman administration in the United States was Washington's decision to revoke its earlier promise to provide Iran with a loan.

Moreover, Mossadegh's move to nationalize Iranian oil signaled a deepening crisis that had the potential to impact even the economy of the United States. There was also a growing concern that oil nationalization could pave the way for Iran to pursue an independent foreign policy and establish itself as a neutral actor. Such a development would imply Iran's departure from the Western-aligned bloc in the Middle East. The prospect of Iran moving closer to the Soviet Union was, understandably, the worst-case scenario for the West. As a result, the Truman administration began to consider a so-called "reasonable solution," which ultimately involved orchestrating the overthrow of Mossadegh's democratically elected government [10].

As Iran's social and economic situation continued to deteriorate, tensions between political factions intensified. In an effort to stabilize the country, Mossadegh presented a program to the Majlis titled "Economy Without Oil" (*Eghtesad-e Beduneh Naft*), aimed at restructuring the national economy independently of oil revenues [11]. The initiation of this program proved to be futile, as by 1953

the complex domestic and international developments had already taken on an irreversible character.

Against the backdrop of the escalating crisis in Iran, the United States and the United Kingdom agreed to carry out a joint covert operation known as Operation "Ajax". On May 19, 2000, U.S. Secretary of State Madeleine Albright officially acknowledged the United States' involvement in the 1953 coup in Iran. A month earlier, in April, *The New York Times* had published a CIA report detailing the agency's role in the overthrow. After the declassification of documents related to the joint Anglo-American operation, it was definitively confirmed that both the United States and the United Kingdom had orchestrated a coordinated special operation aimed at toppling Mossadegh's democratically elected government [12].

Although our research does not focus on the rise of American imperialism in the Middle East, it is nevertheless important to note that U.S. influence in the region expanded significantly after the end of World War II. In his work *The New Imperialism*, Professor David Harvey emphasizes quantitative data showing that between 1940 and 1977, the share of Middle Eastern oil reserves controlled by the United States increased from 10% to 60%, while Britain's share declined from 72% to 30% during the same period. This statistical trend clearly illustrates the rapid growth of American influence in the region, occurring in parallel with the decline of British dominance [13].

Following the 1953 coup, the expansion of American hegemony in the Middle East took on an irreversible character. In 1957, through joint cooperation between the U.S. Central Intelligence Agency (CIA) and Israel's Mossad, Shah Mohammad Reza Pahlavi established the Organization of Intelligence and National Security, known as "SAVAK." [14]. The establishment of "SAVAK" laid the foundation for one of the leading intelligence agencies in the region. Its operational scope extended far beyond the boundaries of the Middle East, reflecting its strategic importance not only in domestic surveillance and political control but also in broader geopolitical operations.

In conclusion, the 1953 coup in Iran led to changes of local, regional, and global significance. It resulted in the overthrow of Mohammad Mossadegh's democratically elected government and ultimately paved the way for the consolidation of absolute power by Shah Mohammad Reza Pahlavi. Following the dismantling of Mossadegh's administration, opposition forces became fragmented and weakened. Foreign interference in Iran's internal affairs not only seriously undermined the legitimacy of the monarchy but also had far-reaching ideological consequences. Specifically, the suppression of nationalist movements and the erosion of liberal and socialist ideals created a political vacuum, which was gradually filled by Islamic fundamentalism. This laid the ideological groundwork for enduring anti-Western and anti-American sentiments within the country. In this context, the Islamic Revolution of 1979 can be seen, to a considerable extent, as a logical outcome of the 1953 coup and the subsequent developments it set in motion. The Shah's promotion of Western values and modernization initiatives provoked fears among Iranians of a forced cultural transformation. Thus, the Islamic Revolution may be interpreted as a defensive response by the Iranian people—a reaction aimed at preventing the perceived threat of cultural and political transformation imposed from above and from abroad.

Britain's withdrawal from the Indian subcontinent clearly marked the beginning of the end of imperialism. The process of decolonization further underscored the decline of British imperial power—a reality that became even more evident during the Suez Crisis, following the nationalization of oil in Iran. The weakening of British authority in the Middle East created space for the expansion of American influence, ultimately stripping European colonial powers of their traditional levers of control in the region. In the broader context of Western policymaking in the Middle East, clear signs of competition emerge, particularly a pronounced desire to gain control over natural resources. This dynamic reveals the underlying motivations behind Western strategic behavior in the region during the post-colonial era.

Finally, through the nationalization of Iran's oil industry, Mohammad Mossadegh became the first leader of the so-called "Third World" to successfully eliminate British control over his country's natural resources. "*Mossadeghism*"—also referred to as the "*Mossadegh Syndrome*"—emerged as a powerful symbol of anti-colonial fervor. It catalyzed resistance against foreign domination and went on to inspire numerous leaders across the developing world in the years that followed [15]. Among those inspired by Mossadegh's actions was Egyptian President Gamal Abdel Nasser, whose nationalization of the Suez Canal can be seen as a direct echo of Mossadegh's policy. Nasser's move reflected a similar assertion of sovereignty over strategic national resources and symbolized the broader anti-colonial struggle that Mossadegh had helped to ignite.

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