

Chapter 3: Chapter exercises

Iran: The Middle East as a 'buffer' in the Cold War

The overthrow of the Iranian Prime Minister Mohammad Mosaddeq in 1953 is a telling example of the influence of western democracies in Iran during the Cold War period. Traditionally, the majority of Iranian oil reserves in the Persian Gulf had been developed and administered by the Anglo-Persian Oil Conglomerate (APOC) (later to become British Petroleum), and exported to the United Kingdom. However, the Iranians had for some time felt somewhat disgruntled by the profit-sharing arrangement between themselves and APOC that had been settled upon in 1933. The 1933 agreement had been based upon the provision of a 60-year concession for APOC. The conglomerate's jurisdiction of control was reduced to 100,000 square miles, requirements were enforced for annual payments in lieu of Iranian income tax, and guarantees were given for a minimum yearly payment of £750,000 to the Iranian government (Yergin 1993).

Although the concessions made by APOC appeared largely favourable to Iran, many in the Iranian administration considered the agreement to be a squandered opportunity. The specified area restrictions allowed for APOC to select the best 100,000 square miles of land, the annual royalty payment was far too modest, and the company was to be exempt from any kind of import/export tariffs. The settlement therefore allowed APOC's Abadan facility to develop into the world's largest oil refinery by 1950 whilst the country's entire oil supply was effectively under the control of a foreign power.

Compounded by a number of other grievances, including unequal pay and workers' rights for Iranian citizens employed by the firm and the decision by the Arabian American Oil Company (based in Saudi Arabia) to share its profits equally with the Saudi government, support began to grow for the nationalization of Iran's oil resources. By March of 1951, the Parliament had reached an agreement and begun to legislate towards the nationalization of APOC (now referred to as AIOC: Anglo Iranian Oil Company). This was followed by the election of one of the key advocates of nationalization as Prime Minister, Mohammed Mossadeq.

The nationalization initiative was to have widespread international consequences. By August of 1953, the Shah, who had retained close links with the British and American governments and opposed nationalization, attempted to dismiss Mossaddeq. Yet Mossaddeq had now gained such popular support that the plan backfired and the Shah himself was forced to leave the country.

Arguing that the Iranian administration was in breach of contract and effectively participating in economic theft, the British government began a process in conjunction with other countries, most notably the United States, to isolate the Iranian regime by arguing that the administration was acting in a manner that was ideologically 'communist' in principle. Along with economic sanctions against the administration, Royal Navy warships began to blockade the port of Abadan, at the mouth of the Euphrates, whilst intercepting foreign vessels carrying oil out of the country and hindering oil exports.

Feeling the full detrimental effects of economic sanctions, the Iranian administration began to rapidly lose domestic support and having skillfully convinced the US government that the Iranian administration was communist in all but name, British and American intelligence initiated a coup d'état. As a result of this, pro-Western/anti-Soviet former Shah Mohammad Reza Pahlavi was restored to power and the country's oil reserves were divided up amongst the Western powers (Owen 2004).

A Western attitude towards the Middle East's role as a 'buffer' against communism is perfectly demonstrated by the events of the 1953 Iranian crisis. The subsequent rise in arms sales to various Middle Eastern regimes by western (most notably Anglo-American) arms manufacturers can be viewed as a further explicit attempt by western governments to support undemocratic anti-communist regimes in the region. In turn, this process served to suppress any attempts by the Soviet Union to unduly influence key socio-economic sectors of the Middle East.

Do you feel that the Abadan crisis explicitly sets out the West's attitude towards the Middle East during the Cold War period?

In your opinion, were Iran and the wider region used as pawns for global resource dominance by Anglo-American interests during the Cold War?

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Owen, R. (2004) *State, Power and Politics in the Making of the Modern Middle East*, 3rd edition (London: Routledge)