The 1953 Coup in Iran: U.S. and British Foreign Policy in Iran, 1951-1953 and the Covert Operation to Overthrow the Elected Government of Mohammad Mosaddeq

by

Stephen Revell

Canterbury Christ Church University

Thesis submitted for the degree of Masters by Research

2018
Abstract

The 1953 coup in Iran that overthrew the elected government of Mohammad Mosaddeq had a profound effect on Iranian history and U.S.-Iranian relations. The covert operation by the U.S. and British intelligence agencies abruptly ended a period of Iranian democracy and with it, efforts to nationalise the Iranian oil industry. This thesis analyses recently released primary source material to re-examine how the U.S. was drawn into Iranian affairs and contended with often conflicting considerations of maintaining stability in Iran, supporting Britain, its primary Cold War ally and protecting its own economic self-interests. It considers why the U.S. abandoned its attempts to mediate a negotiated settlement to the oil dispute and supported British calls for the removal of Mosaddeq. It also examines the domestic political situation in Iran to evaluate the role of internal opposition forces in the success of the coup but also the long term legacy of the foreign intervention. This thesis argues that the clarion protestations by the U.S. that Iran was in imminent danger of being lost to Communism were a smokescreen for the primary objective of maintaining control of the Iranian oil supply to protect U.S. economic and strategic interests. It challenges existing scholarship by demonstrating that far from being passive, the Truman administration established a pattern of intervention that set the course for U.S. policy in Iran.
<table>
<thead>
<tr>
<th>Contents</th>
<th>Page Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Introduction</td>
<td>3</td>
</tr>
<tr>
<td>Chapter 1 America and Iran: The Early Days</td>
<td>12</td>
</tr>
<tr>
<td>Chapter 2 The Road to Intervention</td>
<td>26</td>
</tr>
<tr>
<td>Chapter 3 Steps to a Coup</td>
<td>47</td>
</tr>
<tr>
<td>Chapter 4 Aftermath</td>
<td>74</td>
</tr>
<tr>
<td>Conclusion</td>
<td>89</td>
</tr>
<tr>
<td>Bibliography</td>
<td>97</td>
</tr>
</tbody>
</table>

Word Count: 31,776 words
Introduction

The nationalisation of Iranian oil on 1 May 1951, propelled Iran to the centre of world politics, as it sought to escape Britain's imperialist grip over the nation. Just over two years later, on 19 August 1953, U.S. and British intelligence services responded by engineering a coup to overthrow Mohammad Mosaddeq, the democratically elected Prime Minister of Iran. The motivation for U.S. participation in the coup is much debated, as is the efficacy of the foreign covert operation. A traditionalist argument that the U.S. intervened to prevent the imminent loss of Iran to Communism is challenged by a revisionary viewpoint that protecting strategic economic interests and maintaining control over the oil supply was the primary U.S. motivation. The Western perspective of the coup is also questioned by Iranian scholars who attribute far greater significance to internal Iranian forces. Newly released documentation by the U.S. government has afforded the opportunity to re-assess these contentious debates.

This thesis examines how the U.S. first became entangled in Iranian affairs before closely analysing the period between the oil nationalisation in May 1951 and the coup in August 1953. It also considers the aftermath of the coup and the consequences of the intervention for both Iran and its western perpetrators. It is a mainly American focussed study but provides analysis on British actions and policies in Iran that were fundamental to how events unfolded. In this thesis it is argued that U.S. participation in the coup was the result of an intricate amalgam of anti-Communism, strategic and economic concerns. Whilst the overarching U.S. ambition was for Iran to remain firmly in the Western camp, free from Communism, oil nationalisation presented an unacceptable threat to U.S. economic and strategic oil interests in the region. The priority was, therefore, to negate the effects of nationalisation by maintaining control of the Iranian oil supply. It was when it became evident that this could not be achieved through negotiation that the U.S. acquiesced to
British calls for Mosaddeq's removal. Cold War rhetoric was then used to justify the coup and mask the principal motivation of protecting U.S. and British commercial interests and hegemony in the developing world. This thesis challenges the predominant scholarship by showing that it was the Truman administration that took the first steps to remove Mosaddeq, thereby setting the direction of travel for U.S. policy in Iran that would ultimately lead to the participation in the coup. It also demonstrates that whilst internal opposition forces made the coup feasible, it would not have happened without the intervention of the external intelligence services.

My main body of research has focussed on the new volume of the *Foreign Relations of the United States, 1952-1954, Iran, 1951-1954* (FRUS) that was released in June 2017.\(^1\) The volume contains over 1,000 pages of previously unreleased or hitherto redacted documentation. This new documentation is a companion piece to the earlier *Foreign Relations of the United States, 1952-1954, Iran, 1951-1954, Volume X*, released in 1989, that provides a substantial record of U.S. diplomatic activity regarding Iran but omitted any references to covert activities or indeed U.S. interference in internal Iranian affairs.\(^2\)

Further editions of the FRUS series have also provided a valuable source of archival material to consider how U.S. policy evolved in Iran in both the pre and post-coup period. The *National Security Archive* website has provided additional access to primary source documentation that has since been declassified. My thesis is, however, an international archival study also analysing primary source material from the British National Archives and secondary Iranian sources that have become available since the 1979 revolution. Research into the 1953 coup is constrained by the continued reluctance of governments

---


on all sides to declassify documentation to an event that took place over 65 years ago. In addition, in the early 1960's the CIA destroyed a number of original files pertaining to the coup.\(^3\) Ultimately, there is only so much that will ever be known concerning a covert operation that by definition was shrouded in secrecy.

Scholarship on the 1953 coup was for decades hampered by the co-ordinated efforts of U.S. and British governments to portray the overthrow of the Mosaddeq regime as an entirely “spontaneous up-rising” by the Iranian people.\(^4\) Indeed, it was not until 2000 that Secretary of State, Madeleine Albright, officially acknowledged U.S. involvement by apologising for “American intervention in their (Iranian) internal affairs”.\(^5\) The British government meanwhile, to this day stoically refuses to acknowledge its participation. In 1964, the Central Intelligence Agency (CIA) exposé *The Invisible Government* by David Wise and Thomas B Ross identified Kermit Roosevelt as the CIA’s main operative in Iran but it would take until 1979 and the publication of Roosevelt’s own recollections in *Countercoup: The Struggle for Control in Iran* before any substantive details would emerge.\(^6\)

Roosevelt’s memoirs, written in the style of a spy novel, have provided scholars with a rich source of quotations if not necessarily historical accuracy. The book gives a detailed account of the covert operation, however, it is evident that at times Roosevelt changed the sequence of events for dramatic effect. Furthermore, Roosevelt overplays his role to the extent that it appears that he almost single-handedly assured the success of the operation. In part, this was no doubt due to the amendments he was required to make to

---


secure publication. In total, the CIA objected to 156 passages in the original draft with an agency officer proclaiming the final version was “essentially a work of fiction”. Nevertheless, as the key American operative in the coup with access to all the main protagonists, his first-hand account has remained a valuable if not entirely reliable source.

An alternative British perspective of events was soon available as C.M ‘Monty’ Woodhouse, the Head of the British Intelligence (MI6) station in Tehran, published his own sanitised recollections in *Something Ventured* (1982). Woodhouse, who devised the original plot for the coup, acknowledges the crucial role Roosevelt played in directing events but places far more importance on the network of British agents that was made available to the CIA. Woodhouse and Roosevelt are unanimous in presenting the rationale for the foreign intervention as the imminent loss of Iran to Soviet Communism. However, not only does neither book produce any supporting evidence but also Woodhouse’s characterisation of the Soviet threat is contradictory. *Something Ventured* gives the impression that Britain deviously used the U.S. fear of Communism to persuade them to take part and yet at the same time presents a Communist takeover as a real and present danger. For all their faults, these selective memoirs provided a breakthrough for meaningful research into the coup.

Mark Gasiorowski was now able to interview all the surviving CIA participants of the joint Anglo-American operation for his seminal article “The 1953 Coup D’Etat in Iran” (1987) exposing the extent of American involvement. His later article “The CIA’s TPBEDAMN Operation and the 1953 Coup in Iran” (2013) examined in detail how a covert propaganda operation that had been established to discredit the communist Tudeh

---

Party, was then used directly to destabilise the Mosaddeq government. Gasiorowski contends that the establishment of the BEDAMN network before Mosaddeq came to power, indicates that the primary concern for American policy in Iran was indeed the fear of a Communist takeover. Ervand Abrahamian challenges this traditionalist viewpoint in *The Coup: 1953, The CIA, and The Roots of Modern U.S.-Iranian Relations* (2013) arguing that the real concern for the U.S. and Britain was to maintain control of the oil supply to avoid the perilous repercussions that oil nationalisation presented to their oil assets elsewhere in the Third World.

The mechanics of the coup as set out by Gasiorowski were largely borne out by a CIA review of the operation that was leaked to the *New York Times* in 2000. Donald Wilber's 200 page report written in 1954, *Clandestine Service History: Overthrow of Premier Mossadeq of Iran, November 1952-1953* provided a detailed record of the planning and execution of the coup. Indeed, it was more detailed than the *New York Times* planned. The paper had digitally removed the names of many Iranian participants to the coup to protect their families still living in Iran but initially, due to poor encryption, these names were visible and became widely available on the internet. The review was intended to provide guidance for future operations and was clearly written with the aim of putting the CIA in the best light. It, nonetheless, provides a wealth of primary source material. It did not though, shed any more light on the confusing events between the first failed and second successful coup, principally as Roosevelt was its main source. Ali Rahnema has

---

13 Donald Wilber, “Clandestine Service History: Overthrow of Premier Mossadeq of Iran’ November 1952-1953”, *The National Security Archive*, Available at:
provided a forensic study of this four day period in *Behind the 1953 Coup in Iran: Thugs, Turncoats, Soldiers, and Spooks* (2015). Rahnema makes extensive use of Iranian oral and written sources to provide a coherent analysis of how the coup itself unfolded. Rahnema gives credence to CIA claims that the uprising on the 19th August was created at the behest of the CIA, in part to mask the introduction of military forces to complete the coup.\(^{14}\)

The effectiveness of the CIA operation is challenged by a number of Iranian scholars. Fariborz Mokhtari in his article *Iran’s Coup Revisited: Internal Dynamics versus External Intrigue* (2008) highlights that newspapers controlled by the CIA were vastly outnumbered by pro-Mosaddeq publications and in any case, the state run radio was a far more effective tool to reach the masses.\(^{15}\) Darioush Bayandor argues in *Iran and the CIA* (2010) that the CIA played little or no part in the second coup. Bayandor also makes the specific claim that Grand Ayatollah Seyyed Hossein Borujerdi played a pivotal role in organising the crowds, although this is hotly disputed by other scholars.\(^{16}\) A criticism of this version of events is that it is largely based on a selective use of the existing literature rather than any new source material.\(^{17}\)

The internal struggle for power in Iran is considered by Fakhreddin Azimi in his chapter “*Unseating Mosaddeq: The Configuration and Role of Domestic Forces*” (2004). Azimi analyses the political dynamics within the ruling National Front coalition and the relationship between parliament and the monarchy. Azimi is highly critical of what he

---

sees as the shallow, self-serving reasons for the break-up of the National Front coalition. Furthermore, Azimi gives far more credit to the astuteness and effectiveness of the Shah than the image projected by Britain and the U.S. of a completely timid, vacillating monarch.18

The accessibility of Iranian material has also enabled greater assessment of the central character in the Iranian crisis, Mohammad Mosaddeq. Homa Katouzian was able to access the memoirs of Mosaddeq for his fascinating analysis of the crisis from an Iranian perspective in Musaddiq and the Struggle for Power in Iran (1990). Katouzian provides an in depth study on the life of Mosaddeq to illustrate how he came to form his unshakeable belief in the importance of Iranian sovereignty. It is far from uncritical of Mosaddeq, noting his lack of organisation, but completely refutes the claims by his opponents that he was a demagogue. Katouzian argues that Mosaddeq was the leader of a Popular Movement in Iran that genuinely sought political, economic and social reform through a democratic process along Western lines.19 This is far from the U.S. and British government’s portrayal of Mosaddeq as a madman leading Iran into the arms of a Communist Soviet Union.

An assessment of the real level of threat of a Communist takeover has remained problematical due to the unavailability of Soviet records. Vladislav Zubok was able to access declassified files for his article Soviet Intelligence and the Cold War: The Small Committee of Information, 1952-53 (1994) that indicated that the Soviet leadership essentially misread or ignored intelligence information emanating from Iran. Zubok contends that rather than seeking to work with Mosaddeq, the Soviets were convinced that the oil crisis was part of a master plan by Mosaddeq to enable American oil

companies to gain entry into Iran. The difficulty of evaluating Soviet intentions is exemplified by the fact that Artemy M. Kalinovsky in his article “The Soviet Union and Mosaddeq: A Research Note” (2014) was able to obtain access to the documents of Politburo member Vysacheslav Molotov but not the files accessed by Zubok a decade earlier. Kalinovsky’s research suggests that the Soviets were at best attempting to limit U.S. and British influence in Iran rather than seeking to significantly extend their power within the country.

The British perspective of events in Iran is examined by Stephen Dorril in MI6: Fifty Years of Special Operations (2000). Dorril reveals the concerted efforts by the British government to overthrow Mosaddeq from the moment that he came to power and their frustration at what they saw as a lack of American support. Dorril’s superbly researched book is, however, hindered by the shift of control in mid-1952 of the anti-Mosaddeq activities from the Foreign Office to MI6, whose files remain classified.

In this study, Chapter One examines how the U.S. first became involved in Iran and how as its strategic economic interest in the region grew, it began to directly intervene in Iranian politics. Chapter Two covers the period from May 1951 to December 1952 as the Truman administration sought a negotiated settlement to the oil dispute whilst the British government covertly tried to remove Mosaddeq by political means. It shows how U.S. policy evolved to support the British position. Chapter Three considers the period from January 1953 to August 1953 when the incoming Eisenhower administration developed British plans to execute a coup to overthrow Mosaddeq. Chapter Four examines how in

---

the aftermath of the coup the U.S. consolidated its strategic gains and the implications of these policies for the Iranian people.
Chapter 1

America and Iran: The Early Days

The first tentative steps by Americans into Iran were through a Presbyterian Church mission, established in 1835 at Urumiyeh in the present day province of Azerbaijan. For the next 100 years, apart from a brief period in the 1920’s, United States interests in Iran remained minimal, limited in the main to religious, cultural and educational contacts. A diplomatic mission was set up in Tehran in 1883 but by 1941 it still had only 18 members of staff, to a large extent dealing with parochial matters such as the “Elimination of Latin Characters from Scientific Courses”. Nonetheless, the work of individuals such as the esteemed educator, Dr Samuel Martin Jordan whose schools provided education for thousands of Iranians in Tehran between 1898 and 1941, saw the U.S. being viewed in Iran as a benevolent, progressive force. Indeed, Iranians were keen to draw U.S. interests into the country to lessen the pervasive influence of their traditional imperialist imposers Russia and Britain.

Iran, once a great empire herself, had from the early nineteenth century become beholden to the Russian Empire in the north and the British Empire in the south. Russia viewed Iran in expansionist terms with a desire for warm water ports whilst Britain required the lines of communication to remain open to the riches of India. Iran was, however, at that time an impoverished country with no significant resources. Both Britain and Russia were, therefore, content to view the country as a buffer zone between their two Empires but over which they each sought to exercise maximum control. Symptomatic of these imperialistic designs was the 1907 Anglo-Russian Agreement that divided Iran into

---

spheres of influence; Russia controlling the north, Britain the south, with a neutral central zone.\textsuperscript{25} However, it was the discovery of oil in 1908 in the south-west of the country that fundamentally shaped future developments in Iran.

The British entrepreneur William Knox D’Arcy had already obtained an oil concession from the ruling Qajar dynasty in 1901 that granted rights over 480,000 of Iran’s 628,000 square miles, excluding only the five northern provinces. In 1914, the British government secured these potential riches for the nation by taking a controlling 51 percent stake in what would become Anglo-Iranian Oil Company (AIOC). The oil discovery was, however, situated in the neutral zone of the 1907 Anglo-Russian Agreement. This was rectified in 1915 with a secret treaty that reassigned much of the neutral zone to Britain in return for post-war Russian rights to Istanbul and the Turkish Straits. From this point onwards, Russian policy towards Iran was underpinned by a demand for their own oil concession in the northern provinces.\textsuperscript{26}

It was in the aftermath of the First World War that Iran first saw an opportunity to entice American oil interests into the country. U.S. objections to the 1919 Anglo-Persian Agreement that attempted to turn Iran into a British protectorate, fostered Iranian hopes that the U.S. could provide a genuine alternative to British and Russian designs over the country.\textsuperscript{27} The U.S. State Department had no interest in becoming politically entangled in Iran, but was keen to promote an ‘open door’ trade policy based on the “principle of equal treatment of the nationals of all foreign countries”.\textsuperscript{28} It was with this in mind that

\textsuperscript{27} OTH, “The Secretary of State to the Ambassador in Great Britain (Davis)”, 19 December 1919, \textit{FRUS, 1919, Volume II}, Doc.690.
\textsuperscript{28} OTH, “The Secretary of State to the Minister in Persia (Caldwell)”, 16 August 1920, \textit{FRUS, 1920, Volume III}, Doc.403.
in the summer of 1921, the Iranian government dispatched its first dedicated minister to Washington, Hussein Ala, to press its case for U.S. investment.  

However, the realities of gaining an economic foothold in Iran without the requisite geopolitical influence proved to be insurmountable. The Iranian government made two attempts to grant an oil concession to American companies over the northern provinces but on each occasion the concession failed to proceed. Firstly, in November 1921, a fifty year concession was granted to the Standard Oil Company of New Jersey. When this faltered, a further concession was granted in December 1923 to Sinclair Consolidated Oil Corporation. However, on 18 July 1924 the American Vice Consul in Tehran, Robert W Imrie, was brutally murdered bringing an almost instantaneous end to the Sinclair concession. The reasons for the failure of the two concessions were complex, but owed much to constant British and Russians objections. The Russians considered the north of Iran as their rightful sphere of influence, whilst the British sought to maintain their oil monopoly. The U.S. Chargé in Iran remarked that the value to Britain of a “negative victory is not to be underestimated”. In British eyes, the continued exclusion of American oil companies was far more important than winning new contracts for themselves.

In 1937, there would be a further attempt to introduce U.S. oil interests into northern Iran. On this occasion, Amiranian Oil Company was forced to withdraw from the concession when the discovery of oil on the Arabian mainland made oil produced in Northern Iran

29 OTH, “The Chargé in Persia (Engert) to the Secretary of State”, 21 June 1921, FRUS, 1921, Volume II, Doc.576.
31 OTH, “The Chargé in Persia (Murray) to the Secretary of State”, 19 September 1924, FRUS, 1924, Volume II, Doc.479.
economically unviable. In any case, by now the monarch, Reza Shah, had turned to Germany as a means of balancing British and Russian influence over his country. The increase in trade with Germany was such that in 1940-41, 47 percent of Iran's imports and 42 percent of its exports were with Germany whilst trade with Russia had reduced to less than one percent. Eventually, however, the increasing German presence in Iran would be fateful for Reza Shah as war broke out in 1939.

Reza Shah immediately declared Iran's neutrality but the German invasion of Russia in June 1941 made the securing of Iran a strategic imperative for the allies. Consequently, on 25 August 1941, 40,000 Russian troops invaded from the north and 19,000 British troops moved in from the south. The Iranian army was easily overwhelmed with few allied casualties and a ceasefire was reached in only three days. The German threat in Iran may have been exaggerated but there were genuine fears of a German 'fifth column' that would have threatened both the British oilfields in Southern Iran but also Russian oilfields in Baku. Moreover, the overland passage through Iran to eastern Russia was considered a crucial supply route to enable the Soviet Union to resist the advancing Nazis. It was the strategic importance of Iran to the war effort that now inexorably drew the U.S. into the heart of Iranian affairs.

The increased American role was soon evident as Secretary of State, Cordell Hull, induced Russia and Britain to formalise the terms of their invasion with the Tripartite Treaty of Alliance, signed in Tehran on 24 January 1942. The Treaty between Russia, Britain and Iran promised to “respect the integrity, sovereignty and political independence

33 Kuniholm, Origins of Cold War, 137.
34 Ibid, 140.
of Iran”. However, despite numerous Iranian requests, the U.S. government refused to join in the treaty, mainly because it sought to avoid entering into any unrealistic commitments to guarantee Iranian independence. Indeed, the reality, as Thomas V Motter argues, was that the “normal exercise of sovereignty was so circumscribed by the demands of war as to be virtually suspended for the duration”. Such was the cynical disregard of the terms of the treaty by Britain and in particular Russia that the Iranian government and the new monarch, Mohammad Reza Shah were soon directly appealing for a U.S. presence in their country.

The Iranian strategy was clear, summarised by one of the Chiefs of Staff; “Our policy was to bring as many Americans as possible to Iran” to act as “a deterrent for the more open violations of our independence”. By early 1943, the State Department acknowledged that only the U.S. was “in a position to build up Iran” to withstand Russian and British interference. However, this was far from an altruistic desire for Iranian independence. It was, as Secretary of State Hull, commented in August 1943, motivated from a “selfish point of view”. Hull elaborated that “it is to our interest that no great power be established on the Persian Gulf opposite the important American petroleum development in Saudi Arabia”. Indeed, President Franklin D Roosevelt went further in declaring that “the defense of Saudi Arabia is vital to the defense of the United States”.

40 Bill, Eagle and the Lion, 19.
It was with this clear economic interest in mind that three military related missions were swiftly established within Iran.

The struggle for internal supremacy in Iran was closely tied to the requests for U.S. intervention. The Shah, reliant on his leadership of the armed forces for his status in Iran, sought U.S. military assistance to strengthen the army whilst the Iranian government aimed to bolster the Iranian rural police (Gendarmerie). The army mission, led by General Clarence Ridley and the Gendarmerie mission (GENMISH) led by Colonel H. Norman Schwarzkopf restored order to urban and rural areas but were not unqualified successes. They ran independently of each other, often competing for the same resources, and also suffered from interference by the occupying British and Russian forces as well as internal Iranian factions. They did though, establish an American presence that would be extended beyond the end of the war and signalled a firm U.S. commitment to an independent Iran.42

The third military mission was the Persian Gulf Command (PGC) that directed the movement of lend-lease materials through the 'Persian Corridor' to Russia. At its peak, the PGC contained 30,000 men, enabling the movement of over 7,900,000 tons of imports from Iran to Russia during the war years including over 180,000 trucks and 4,800 aircraft. The construction of infrastructure such as the port of Khorramshahr saw the U.S. leave behind over $100 million worth of assets at the end of the war.43

American presence in Iran was not limited to the military missions. Arthur C. Millspaugh, who had led an economic mission to Iran in the 1920’s, returned in January 1943 with another attempt to reform the Iranian economy. However, little had been learned from the earlier mission with Millspaugh facing obstructions from powerful interested parties and lacking the authority of State Department support. His demise centred on the budget for

43 Kuniholm, Origins of Cold War, 146 & Buchan, Days of God, 82.
the military that highlighted the restrictions encountered by all of the American missions. Millspaugh supported a proposal by the Iranian government to reduce the size of the army from 60,000 to 30,000 troops to release funds for social causes. In effect, this was a direct challenge to the power of the Shah, so Millspaugh was dismissed.44

The U.S. were also now willing to adopt a more dynamic approach to Iranian efforts to entice American oil interests into the Iranian oil market. In November 1943, Secretary of State, Hull, urged the legation in Tehran to “render all possible assistance” to the representatives of Standard-Vacuum Oil Company during negotiations for a concession in Balichustan province.45 Furthermore, the State Department facilitated the employment by the Iranian government of two American oil consultants Herbert Hoover Jr and A.A Curtice to provide advice on allocating concessions.46 British concern at the threat to their monopoly was such that in February 1944 President Roosevelt had to assure the British Ambassador in Washington, Lord Halifax that “Persian oil is yours. We share the oil of Kuwait and Iraq. As for Saudi Arabian oil it’s ours”.47 Both the U.S. and Iran had, however, overplayed their hand as an incensed Russia demanded its own concession in the north.

In September 1944, the Russian Commissar of Foreign Affairs, Sergei Ivanovich Kavtaradze visited Tehran to insist that 216,000 square kilometres of Northern Iran be set aside for Iranian-Soviet exploration.48 When the Iranian government suspended all oil negotiations until the end of the war, the Soviet backed Tudeh Party engineered the

44 Ward, Immortal, 175 & Buchan, Days of God, 64-71.
46 Bill, Eagle and the Lion, 28.
47 Christopher Davidson, Shadow Wars: The Secret Struggle for the Middle East, (London: Oneworld, 2016), 50.
removal of Prime Minister Muhammad Sa'id. This created an opportunity for the Iranian nationalists led by Mohammad Mosaddeq to introduce a bill on 2 December 1944, forbidding the government from granting any oil concessions to foreigners without the approval of the Majlis.\(^4^9\) It ended the drive for concessions, diffusing the immediate crisis, but the episode brought into sharp focus the unwillingness of the American government to confront Russian aggression. There was, the Iranian government was told, a reluctance “to take any action that would interfere with the conduct of the war and with our vitally important relations with Soviet Russia”.\(^5^0\) A change of attitude was required if the U.S. ambition of an independent Iran was to be maintained.

It became apparent during 1945 that the Russian leader, Joseph Stalin, intended to utilise the Russian occupation of Northern Iran to further Russian influence in the region. Stalin and his Foreign Minister, Vyacheslav Molotov deflected calls for troop withdrawals at successive conferences in Yalta, Potsdam and Moscow, insisting on a strict adherence to the Tripartite Agreement that permitted Russian troops to remain for six months after a peace agreement. A change of American President following the death of Roosevelt on 12 April 1945 resulted in a far more sceptical viewpoint of Russian activities. President Harry S Truman, fearful that Russia was adopting the same tactics as in Eastern Europe, observed “Only one language do they understand – how many divisions have you… I'm tired ofbabying the Soviets”.\(^5^1\) American fears certainly appeared to be prescient as Stalin encouraged breakaway movements in Azerbaijan and neighbouring Kurdish

\(^{49}\) Bill, Eagle and the Lion, 28-29 & Kuniholm, Origins of Cold War, 200.

\(^{50}\) OTH, “Memorandum of Conversation by the Director of the Office of Near Eastern & African Affairs (Murray)” 3 November 1944, FRUS, 1944, The Near East, South Asia, and Africa, The Far East, Volume V, Doc.503.

\(^{51}\) Kuniholm, Origins of Cold War, 215, 295-297.
It appeared that the West was being presented with a de facto break up of Iran, as the Red Army prevented Iranian troops from suppressing the new regimes.

It was against this background that the latest Iranian Prime Minister, Ahmad Qavam visited Moscow in February 1946, where Stalin and Molotov exerted extreme pressure to obtain an agreement beneficial to the Russians. Soviet troops were due to be withdrawn on 2 March 1946 under the terms of the Tripartite Agreement, but rather than withdraw, Stalin moved an armed force including over 200 tanks into Iran through Azerbaijan. In Tehran, Tudeh supporters prevented the Majlis from convening. An alarmed U.S. now intervened with diplomatic support for the beleaguered Iranian government. It ensured that Iran was able to present their case for Russian troop withdrawals through the new forum of the United Nations (UN). In addition, U.S. disapproval was directly conveyed to Stalin, even if this did not amount to the ultimatum later claimed by President Truman. The note delivered to Stalin in early March by George Keenan, the Chargé in the Soviet Union, was couched in far more diplomatic language. It expressed “the earnest hope” that the Soviet Union would begin “withdrawing immediately all Soviet forces from the territory of Iran” An agreement was reached on 4 April 1946 that saw the withdrawal of Red Army troops in exchange for an oil concession that required ratification by the Majlis. It appeared that Stalin had achieved his historic ambitions of not only acquiring an oil concession but also providing security to the Soviet southern flank through the breakaway regimes in northern Iran. Furthermore, the increasing strength of the Tudeh Party seemed to offer a realistic means of gaining full control of the country.

52 Keddie, Roots of Revolution, 119-120.
53 Kuniholm, Origins of Cold War, 319.
54 OTH, “The Secretary of State to the Charge in the Soviet Union (Kennan)”, 5 March 1946, FRUS, 1946, The Near East and Africa Volume VII, Doc.247.
55 Kuniholm, Origins of Cold War, 334.
It certainly appeared that Qavam was acceding to Soviet pressure. In June 1946 an agreement was reached with the Azerbaijan regime, whilst in August following a Tudeh-led general strike, three Tudeh members were appointed to Qavam's new government.\textsuperscript{56} The deteriorating position in Iran persuaded the new U.S. Ambassador, George Allen, to take matters into his own hands. On 14 October, without prior State Department approval, Allen met with the Shah and strongly suggested that the Shah should demand that Qavam remove the Tudeh members from the cabinet or face dismissal. The Shah pleaded for an overt display of U.S. support to counter the inevitable Soviet protests and on 28 October, shortly after the Tudeh members were dismissed, it was agreed to furnish Iran with arms up to the value of $10 million.\textsuperscript{57} Emboldened by U.S. support, Qavam set about rectifying the seemingly powerful Soviet position. In December 1946, Iranian troops repatriated both Azerbaijan and Kurdish Mahabad. No longer threatened by either occupying Soviet troops or the breakaway republics, the Majlis rejected the Soviet Oil concession in October 1947 thereby rescinding all of the Soviet gains.

The Azerbaijan crisis is generally portrayed as an early victory for the U.S. in the Cold War. The traditionalist praise for the firm line taken by Truman in the dispute has to a degree been diminished by the revelation that the ‘ultimatum’ sent to Stalin is a myth.\textsuperscript{58} The emergence of Iran from the perils of the 1946 crisis was facilitated by the shrewd manoeuvrings of Prime Minister Qavam but equally shaped by Soviet objectives that were more limited than they first appeared. The principal aim was to secure an oil concession. Molotov’s remarks that the Azerbaijan leader, Jafar Pishevari “could die or become ill should he prove awkward” emphasised a willingness to sacrifice the

\textsuperscript{56} Bill, Eagle and the Lion, 35-36.
\textsuperscript{57} Kuniholm, Origins of Cold War, 390-392.
breakaway republics. Furthermore, Stalin believed that retaining the Soviet troops in Iran would have “undercut the liberationist policies in Europe and Asia” as he hoped that the process of decolonisation would sap the strength of the Western colonial powers. Ultimately, as Fawcett contends Soviet policy was being driven by interests rather than ideology.

There is no doubt that the Azerbaijan crisis focussed American policy on supporting Iran and indeed the whole of the Middle East. The U.S. and Britain sought to define a parallel policy for the region at the Pentagon Talks of 1947. The region was now considered to be “essential to the security” of both countries but Britain retained the “primary responsibility” for the defence of the region. The allies were not, however, unanimous in their approach to Iran. The U.S. were firm in their belief that a Russian oil concession in the north would inevitably result in the effective annexation of territory. Britain, paradoxically, saw a Russian concession as a means of protecting their own oil assets. Not only would it deter a Russian takeover of the country, but also make it far more difficult for Iran to nationalise its oil industry. This signified an emerging pattern whereby Britain placed the threat of nationalisation above any Russian threat to northern Iran.

U.S. policy now centred on strengthening “Iran’s orientation to the West” by deepening U.S. ties to the country. In October 1947, the small military advisory mission was replaced by a much larger U.S. Army Mission known as ARMISH, whilst the GENMISH

---

mission was also extended.\textsuperscript{64} American economic influence also increased as Iran turned to the U.S. for development aid with Max Weston Thornburg, an oil executive and consultant to the State Department playing a pivotal role. A contract with Morgan-Knudsen International in late 1946 was followed on 8 October 1948, by the appointment of Overseas Consultants Inc. (OCI) to survey and then administer a seven-year plan. The plan was considered vital for the economic development of the country even if its fairly modest aims made no attempt to reform Iran’s unbalanced social structure.\textsuperscript{65} This support was, however, extremely modest compared to the $400 million commitment given to the other Northern Tier nations, Greece and Turkey in the Truman Doctrine.\textsuperscript{66} In part, this was due to the prominent role still played by Britain in the region but also due to the fragmented nature of Iranian politics that made it impossible to identify a group or party to support. The best that the U.S. was willing to offer Iran was that it would be supported “not only by words but by appropriate acts”, provided that it continued to resist external Soviet pressure.\textsuperscript{67}

The State Department assessment was that Soviet actions in Iran would not go beyond subversive activities as they were fearful of provoking an open conflict with the U.S. To that end, they were content to resist Iranian requests for further aid amid mounting Soviet complaints during 1948 that Iran was being turned into “a strategic base of the U.S. government”.\textsuperscript{68} The little aid that was being given was concentrated on strengthening relationships with the Shah. It was recognised that the personal rapport with the Shah that


\textsuperscript{65} Keddie, \textit{Roots of Revolution}, 130-131.


had initially been built up by Ambassador Allen offered the most effective means of extending U.S. influence over Iranian affairs. Accordingly, when the Shah made an extended visit to the U.S. in the autumn of 1949 he met President Truman and all the leading members of the administration. The fragile nature of the relationship was exposed, however, when the visit achieved no substantive new initiatives.  

The lack of success of the visit became a problem for the U.S. when in March 1950, the Shah appointed Ali Mansur as Prime Minister. Mansur was viewed by the State Department as a “notorious corrupt politician with a record of dallying with the Soviets”. Consequently, the Tehran Embassy were instructed to consider “any action which might influence Mansur’s removal”. The increasingly interventionist policy resulted in Gerald Dooher, a U.S. diplomatic officer in Tehran, playing an active role in the appointment in June 1950 of General Ali Razmara as Prime Minister. Dooher energetically canvassed support for Razmara, even approaching the radical cleric, Ayatollah Sayyed Abulqasim Kashani. He also provided a platform for Razmara to present his programme to the Embassy. The programme concentrated on decentralisation and anti-corruption measures dear to the U.S. heart so that the State Department were happy for Ambassador John C. Wiley to urge the Shah to appoint the General. This both signalled a U.S. preference for autocratic leadership but also revealed the extent to which

72 OTH, “Dispatch from the Station in Iran to the Central Intelligence Agency”, 10 January 1952, FRUS, 1952-1954, Iran, 1951-1954, Doc.61.
they had abandoned any idealistic principles to directly intervene in internal Iranian affairs.

Iranian politics was, however, subsumed by a nationalistic fervour inflamed by British attempts to secure the ratification of the 1949 Supplemental Oil Agreement. The failure of the agreement to seriously address 25 areas of concern that had been raised by Iranian government provided impetus for nationalist politicians.⁷⁴ Despite only having a small representation in the Majlis, the National Front coalition led by Mohammad Mosaddeq, was able to effectively paralyse the functions of the parliament. Furthermore, U.S. attempts to support Razmara with a $25 million Export-Import Bank loan were blocked by Britain. An exasperated Ambassador Henry Grady was left to bemoan “It can only be concluded that UK (is) bent on sabotaging our efforts to strengthen Iran”.⁷⁵ The U.S. found it unfathomable that the British government would not to improve the terms of the oil agreement. The State Department gave fair warning that the British position was untenable as a 50:50 agreement was imminent with Aramco in Saudi Arabia. Ultimately, the British offered Razmara an equal share of income in February 1951 but it was too late.⁷⁶ On 7 March 1951 Razmara was assassinated by a member of the Feda'iyan-e-Islam terrorist group, without the offer becoming public.⁷⁷ The overt U.S. interference into internal Iranian affairs had been a complete failure. The very particular U.S. vision of an independent Iran would now also be put into question as a nationalist government swept into power.

---

Chapter 2

The Road to Intervention

The assassination of Prime Minister Razmara was greeted with dismay by the Truman administration. U.S. foreign policy was now being guided by National Security Paper NSC 68 that in April 1950 had concluded that the Soviet Union was determined to “impose its absolute authority over the rest of the world”.78 The outbreak of the Korean War in June 1950 had only cemented this belief, even if it was accepted that the Kremlin was unlikely to contemplate an overt military attack on Iran. The U.S. fear was that political and economic instability would gradually move Iran away from the West enabling Soviet subversive activities to create a “second Czechoslovakia”.79 In the eyes of the CIA, the chief danger to the continuation of a pro-Western government in Iran was considered to be “the unholy alliance” of the “ultra-nationalists” Mohammad Mosaddeq and Ayatollah Kashani.80 The immediate response was to authorise a programme of covert operations.

The Truman administration increasingly saw covert operations as a routine part of Cold War strategy. The adoption of NSC 68 heralded an exponential growth of the covert arm of the CIA, the Office of Policy Coordination (OPC) to the extent that its budget increased from $4.7 million in 1949 to $82 million in 1952.81 Consequently, on 21 March 1951 NSC 107 called for “special political operations” to be undertaken by the U.S. and U.K. in Iran. In fact, the CIA had been operating a covert campaign, known as TPBEDAMN,
against the Tudeh Party in Iran since the late 1940’s but NSC 107 accelerated the programme. The CIA immediately increased subsidies to “selected Iranian papers” and “extended guidance” and funds to opponents of “ultra-nationalism and terrorism”. In addition, the programme called for disruption of “forces hostile to U.S. security interests”. 82 In effect, the CIA was working against both of the main political opposition elements in Iran, the Tudeh and the coalition National Front led by Mosaddeq. U.S. policy focussed on their continued support of the Shah and Razmara's replacement as Prime Minister, the veteran politician Hussein Ala. The desire to intervene went as far as Ambassador Grady approving an “independent OPC approach” to Ala with an offer of funds to be used “entirely at his discretion”. 83 The momentum for oil nationalisation, however, was unstoppable and Ala resigned before the OPC proposal could be put in force.

In essence, Ala and the Shah were beholden to the deliberations of the Oil Commission, led by Mosaddeq. Any lingering hope that nationalisation could be avoided was virtually extinguished by the decision of the Anglo Iranian Oil Company (AIOC) to reduce wages paid to local Iranian workers. The resultant strike that lasted from 22 March to 27 April 1951 led to violent protests as over 20,000 workers were left idle. The complete ignorance of the deep swell of anti-British feeling was symptomatic of the colonial outlook of both AIOC and the British government. AIOC management enjoyed their swimming pools and private clubs whilst Iranian workers lived in a shanty-town with no running water and electricity. 84 Furthermore, the British decision to dispatch the Royal Navy cruiser HMS

82 OTH, “Memorandum by the Deputy Director for Plans, Central Intelligence Agency (Dulles) to Director of Central Intelligence (Smith)”, 28 March 1951, FRUS, 1952-1954, Iran, 1951-1954, Doc.11.
83 OTH, “Memorandum from the Assistant Director for Policy Coordination, Directorate of Plans (Wisner) to Deputy Director for Plans, Central Intelligence Agency (Dulles)”, 23 April 1951, FRUS, 1952-1954, Iran, 1951-1954, Doc.18.
Gambia to the region, following the death of three British citizens in riots on 12 April, could only be seen by Iranians as a direct threat to their sovereignty. The imperialistic posturing was in vain as on 27 April 1951 the Oil Commission presented a nine-point law for the nationalisation of the oil industry that was passed by the Majlis on 28 April and ratified two days later by the Senate. Such was the overwhelming political and public support that the Shah had little option but to sign the Bill into law on 1 May 1951 and also confirm the appointment of Mosaddeq as Prime Minister. Britain now faced the prospect of losing what they recognised as their “single most important overseas investment”. The AIOC accounts for 1950 revealed both the importance of Iranian oil to the British economy but also the extent of the iniquitous arrangements with Iran. The British government received £50.7 million in income tax from AIOC's profits of £170 million, whilst the Iranian government only received £16 million in royalties.88

The initial British response was of outrage, declaring that nationalisation was illegal and instructing the Chiefs of Staff to draw up military plans to protect their prized asset. An application was made to the International Court of Justice (ICJ) in The Hague to arbitrate in the dispute, whilst the 16th Independent Parachute Brigade were dispatched to Cyprus. The Truman administration, however, made it clear to the British government that it would only support military action if there was a Tudeh attempt "to subvert the legal government of Iran". The American concern was that British military action in the south would allow the Soviet Union to invoke Article 6 of the 1921 Soviet-Iranian

86 Kinzer, All The Shah's Men, 91 & Rahnema, Behind the 1953 Coup in Iran, xv.
89 Speller, “Splutter of Musketery”, 43.
Friendship Agreement to occupy northern Iran, if not the whole country. The State Department publicly urged both parties to negotiate in a press release on 18 May that was reinforced by personal letters from President Truman to both the British and Iranian Prime Ministers.\(^9\)

The U.S. government was keen to publicly maintain a neutral position in the dispute, but from the very start, sought a resolution that would not only maintain control of Iranian oil for the West but also deter any further moves for oil nationalisation in the Third World. It was feared that the unilateral breach of contract by the Iranian government could set a precedent leading to a “highly contagious situation that we should do all in our power to check”.\(^2\) For this reason, it was in the U.S. national interest to “support the British by all appropriate means” provided that they adopted a reasonable position in negotiations.\(^3\)

The central basis was that the ‘principle of nationalisation’ could be conceded to the Iranian government but control of the oil was to remain in Western hands. It was with this in mind that a delegation led by Basil Jackson, the Vice Chairman of AIOC, arrived in Tehran on 11 June for negotiations with the Iranian government.

Jackson offered an immediate £10 million advance on the basis that Iran would not interfere with AIOC’s operations during negotiations, together with a monthly payment of £3 million until an agreement was reached. In addition, Iranian assets of AIOC would be placed in an Iranian National Oil Company that would then grant the use of these assets


\(^{92}\) OTH, “Memorandum for the Record”, 16 May 1951, FRUS, 1952-1954, Iran, 1951-1954, Doc.27.

to a new company established by AIOC. It was a proposal that the U.S. Secretary of State, Dean Acheson considered to be an “excellent offer” and a “good basis for a satisfactory agreement”. In essence, the U.S. were fully supportive of the AIOC position that “we can be flexible in profits, administration or partnership but not in the issue of control”. The Iranian government, however, flatly rejected the offer within 30 minutes as it did not meet the requirements of the 'nine-point' nationalisation law. In truth, the financial sweetener was far from generous as AIOC had already put aside £16.5 million in royalties that were due under the defunct 1949 Supplemental Agreement. In any case, regaining sovereignty over their oil assets rather than economic gain was the principal Iranian motivation behind nationalisation. Mosaddeq fervently believed that the power of AIOC had to be “eliminated” so that Iran could achieve “economic and political independence”. It soon became evident that the consequence of this ‘independence’ would be the closure of the oil fields.

Following the failure of the Jackson negotiations, the Iranian government moved swiftly to take ownership of the oil installations sparking inevitable tensions with AIOC officials. The position of the British AIOC personnel became untenable when the Iranian government introduced an ‘Anti-Sabotage’ Bill threatening trials by military court for any obstruction to the operation of the Iranian oil industry. On 25 June Eric Drake, the AIOC manager at Abadan, hastily left the country fearing arrest. Furthermore, when Iranian officials requested that tanker captains sign a receipt confirming that the oil was the

---

96 Kinzer, All The Shah’s Men, 93.
property of the National Iranian Oil Company (NIOC), the British government instructed all tankers to leave Abadan having first unloaded any oil.99 With storage facilities full, oil production was brought to a standstill. The deteriorating situation persuaded President Truman to offer his personal envoy, W. Averell Harriman to facilitate talks between Mosaddeq and the British government100 Mosaddeq was keen to accept, to draw the U.S. into the dispute as a counterweight to British imperialistic attitudes. He somewhat idealistically put faith in American rhetoric that championed the right of self-determination for Third World nations.101 The far more pragmatic U.S. hope was that Mosaddeq would soften his position when the harsh realities of the oil industry were made explicit.

Mosaddeq certainly held the naïve belief that there would be no difficulty in finding international replacements for AIOC engineers and also that Iran would easily be able to independently sell its oil on the world market. The international oil cartel had, however, already decided to close ranks behind AIOC, partly at the instigation of the U.S. government. On 14 May 1951, the Assistant Secretary of State for Near Eastern and South Asian Affairs, George McGhee met with representatives of all of the major U.S. oil companies operating in the Middle East. The oil executives confirmed that the entry of U.S. oil companies into Iran’s oil market would be tantamount to “cutting the industry’s own throat” and would be “fatal for concessionaires elsewhere in the world”.102 In addition, the U.S. government had already established the Foreign Petroleum Supply

100 OTH, “President Truman to Prime Minister Mosadeq”, 8 July 1951, FRUS, 1952-1954, Iran, 1951-1954, Volume X, Doc.37.
Committee to consider proposals on how to make up any shortfall caused by the potential loss of Iranian oil.\textsuperscript{103} It must be noted that at the same time as urging the Iranians to negotiate, the U.S. government was driving forward secret plans to deny Soviet access to the Middle Eastern oil fields. The ‘oil denial’ policy that was approved in NSC 26/2 by President Truman in January 1949 called for oil facilities to be destroyed and the oil wells to be plugged in the event of “a determined attack” by the Soviet Union. Indeed, it was during the early part of 1951 that AIOC were for the first time “brought into oil denial planning” by the British government.\textsuperscript{104} These plans did not allow for a self-determining Iran deciding on its own oil sales.

Harriman arrived in Tehran on 15 July and was able to persuade Mosaddeq to agree to meet a negotiating team from the British government led by Lord Privy Seal, Richard Stokes. Stokes, however, could only offer an eight point plan that was essentially the same as the Jackson offer, whilst Mosaddeq, despite the strenuous efforts of Harriman and his assistant, Walter Levy, was unwilling to compromise on either ultimate sovereignty over the oil or removal of AIOC. In essence, the talks were a facade. On 22 August 1951, Britain announced economic sanctions and an oil embargo against Iran, with Mosaddeq responding on 6 September by declaring that all British personnel would be expelled from Abadan in two weeks.

The British had in fact continued to fine tune military preparations whilst the Stokes talks were taking place. The British Foreign Secretary, Herbert Morrison, consistently pressed for military action, announcing to the British Cabinet on 20 July 1951 that it was now

\textsuperscript{103} OTH, “Memorandum from the Assistant Director of the Office of National Estimates (Langer) to Director of Central Intelligence Smith”, 6 July 1951, \textit{FRUS, 1952-1954, Iran, 1951-1954}, Doc.37.

feasible that Abadan could be secured and held for an indefinite period.\textsuperscript{105} By September, the operation known as Buccaneer was ready to be launched with 12 hours’ notice. In preparation, the British Secret Service (MI6) operative Norman Darbyshire had bribed the Commander in Chief at Khorramshahr to offer only token resistance to any attack.\textsuperscript{106} Ultimately, however, the British government could not afford to act against U.S. wishes and finally abandoned plans on 27 September 1951 when President Truman again flatly refused to support military action. On 4 October, British humiliation was complete as the remaining AIOC officials were evacuated from Abadan.\textsuperscript{107} It was, as Prime Minister Clement Attlee observed, impossible to “flout the U.S., on whose aid we depend so much”.\textsuperscript{108} British dependency, however, by no means indicated that U.S. and U.K. policy in Iran was in any way aligned.

The British government’s sole objective in Iran now became to reverse nationalisation and it firmly believed that this could not be achieved with Mosaddeq in power. In part, this was due to what can only be considered as a racist antipathy towards Mosaddeq who Francis Shepherd, the British Ambassador in Tehran, described as “looking like a cab-horse” and a “lunatic”.\textsuperscript{109} It also reflected a widely held belief in government circles that opposition to British control over Iranian oil was “superficial” and would easily be overcome by a “more friendly government”.\textsuperscript{110} Foreign Office philosophy was being guided by Ann K S (Nancy) Lambton, considered to be the leading British scholar on modern Iran. Lambton argued that it was pointless to negotiate with Mosaddeq as his

\textsuperscript{105} Speller, “Splutter of Musketry”, 62.
\textsuperscript{106} Dorril, MI6, 560/1.
\textsuperscript{107} Rahnema, \textit{Behind the 1953 Coup}, 13.
\textsuperscript{109} Rahnema, \textit{Behind the 1953 Coup}, 12.
entire rationale was built around his anti-British stance. The inevitable conclusion, Lambton contended, was that even if a deal was reached, in order to satisfy his core support and remain in power, Mosaddeq would be forced to renege on any agreement.111

British policy was to let economic sanctions take their course in weakening public support for Mosaddeq, whilst at the same time taking covert action to politically engineer his removal. Lambton recommended fellow academic Dr Robin Zaehner, a fluent Persian speaker who had worked covertly in Iran during the Second World War, to run the operation. Zaehner was personally briefed by Prime Minister, Attlee, and Foreign Secretary, Morrison, and in the summer of 1951 departed for Tehran charged with overthrowing the regime by “legal or quasi-legal means”. 112 Zaehner reactivated his Second World War contacts with three Anglophile brothers, Asadollah, Saifollah and Qodratollah Rashidian. From August 1951 onwards, Zaehner paid the Rashidians a stipend of £10,000 per month for anti-Mosaddeq activities with the promise of additional funds if required. It is claimed that in total over £1.5 million was funnelled through their network.113 Activities included placing anti-Mosaddeq propaganda in the press, influencing attitudes in the bazaar and bribing politicians, clerics and the military. Such was the extent of these activities that Mosaddeq estimated that at one time at least one third of the Majlis were in the payroll of the Rashidians, whilst up to 20 newspapers were believed to be at the very least manipulated by the three brothers.114 The covert operation

111 Wm. Roger Louis, “Britain and the Overthrow of the Mosaddeq Government”, p126-177, in Mohammad Mosaddeq and the 1953 Coup in Iran, 137.
113 Rahnema, Behind the 1953 Coup, 66 & Azimi, “Unseating Mosaddeq”, 43.
was, however, far from discreet as the Rashidians were widely recognised in Iran as MI6 operatives, whilst Zaehner, a heavy drinker, lacked the resolve to maintain secrecy.\(^{115}\)

The U.S. fundamentally disagreed with the British analysis, arguing that such was the widespread support for nationalisation that any replacement for Mosaddeq would undoubtedly have to continue with the same policy objectives. Furthermore, the alternatives within the National Front coalition, such as the radical cleric, Ayatollah Kashani, would only move Iran away from Western values to the benefit of the Tudeh Party. In that sense, Mosaddeq was seen as a bulwark against a drift towards Communism. In any case, British hopes of replacing Mosaddeq with their preferred candidate, Seyed Zia were totally dependent on persuading the Shah to take action at a time when, as the Americans recognised, his influence “was practically nil”.\(^{116}\) U.S. efforts, therefore, concentrated on diplomatic efforts to restart oil negotiations whilst at the same time covertly seeking to prevent any increase in Tudeh support.

The Tudeh had operated in a semi-legal state in Iran since 1949 when they were banned following a failed assassination attempt on the Shah. The CIA recognised that neither Mosaddeq nor his principal supporters had Communist sympathies but were fearful that his populist style of leadership would become dependent on Tudeh support in order to survive. Mosaddeq did indeed make it easier for the Tudeh to operate by lifting martial law and removing press restrictions but his relationship with the Tudeh remained equivocal. The CIA themselves recognised that the “fundamental aims” of the two parties were “diametrically opposed”.\(^{117}\) The Tudeh were intrinsically opposed to oil nationalisation as they still pursued a Russian concession in the north and were virulently

\(^{115}\) Stephen Dorril, *MI6*, 564.


35
opposed to any U.S. involvement whatsoever in Iran. Nonetheless, CIA covert operations in Iran gathered pace as soon as Mosaddeq came to power.

The primary objective of the TPBEDAMN covert operation was now defined “to counter Tudeh communist activities and awaken Iranian authorities to communist dangers”. The operation had received a significant boost in late 1950 by the recruitment of two Iranian journalists, Ali Jalali and Farrokh Keyvani. The two journalists, who the CIA believed to have previous clandestine experience, were flown to the U.S. for training before returning to Iran in early 1951. The agents known under the code names Nerren and Cilley founded a commercial front company to enable CIA money to pass anonymously to anti-Communist organisations. The CIA were also by October 1951 gaining a measure of success in penetrating Tudeh circles so that the police could be informed of Tudeh activities.

The activities of the two intelligence agencies reflected the divergent aims of the British and American governments and to an extent nullified the ambitions of the other agency. U.S. covert action to discredit the Tudeh almost inevitably strengthened Mosaddeq’s position even if that was not the direct intention. Black propaganda highlighting the dangers of Communism for the clergy could only benefit the secular Mosaddeq regime. Any indirect American strengthening of Mosaddeq was clearly problematical for the British as they sought to undermine his regime. The one area of cooperation between the two intelligence agencies in Iran at this time was in preparations for “stay-behind” activities in the event of a Soviet invasion. It was considered impossible to build up the Iranian military to resist the Soviets and so the plan was to arm the tribes in the south of the country to mount a guerrilla campaign. The U.S. were approached by the leaders of

119 Roosevelt, Countercoup, 78-81.
120 Rahnema, Behind the 1953 Coup, 84.
the Qashqai tribe in June 1951, whilst the British had long term links with the Bakhtiari tribe.121 These alliances highlighted the compromises that were required to navigate the tangled web of Iranian politics. U.S. policy and influence was centred on support for the Shah, and yet substantial funds were being provided to the Qashqai who were staunchly pro-Mosaddeq and vehemently anti-Shah.

In October 1951, the British government referred the oil dispute to the UN Security Council. This was part of the overall British strategy to challenge the legality of nationalisation but owed more to the demands of British internal politics. With an election looming, the Labour government were desperate to be seen to be taking strong international action. The decision, however, spectacularly backfired as the UN forum provided Mosaddeq with an enormous propaganda victory. Mosaddeq travelled to New York to personally present Iran’s case and on 15 October 1951, in French, eloquently placed Iran’s struggles in the context of the right of nations to break free from colonial exploitation.122 Despite U.S. support, it soon became clear that Britain could not obtain sufficient votes even to pass a watered-down resolution. On 19 October, the Security Council adjourned the debate until the ICJ had delivered its own verdict.123 Not only did the result provide Mosaddeq with international acclaim but his trip to the U.S. took on the appearance of a State visit as he met all the leading members of the Truman administration.

In particular, Mosaddeq held a series of meetings with Assistant Secretary of State, George McGhee, in a concerted effort by the Americans to produce a compromise

solution to the oil impasse. McGhee secured Mosaddeq’s agreement to a set of proposals that appeared to meet the central objectives of both the Iranian and British government. From the Iranian viewpoint, the removal of AIOC from the country would be achieved by the sale of the Abadan refinery to a non-British company, whilst nationalisation would be recognised as NIOC would be responsible for the exploration, production and transportation of crude oil. In addition, the proposed pricing scheme would see an approximate 50:50 profit sharing arrangement. The British would, however, achieve their primary goal of maintaining control over the oil supply as AIOC would establish a purchasing organisation to buy, ship and sell Iranian oil by way of a contract that would be for a minimum of 15 years.\footnote{Bill, \textit{Eagle and the Lion}, 77.} It also, of course, preserved the stated U.S. national interest of securing Iranian oil for the West. U.S. hopes were high as Secretary of State Acheson left for Paris in early November 1951 to meet with officials from the new Conservative government. The Conservative Foreign Secretary, Anthony Eden, however, dismissed the proposals as “totally unacceptable to the British government”. After a series of tense meetings Acheson lamented that the new British government was “depressingly out of touch with the world of 1951” as it tried to hold on to the vestiges of its colonial power.\footnote{OTH, “Memorandum of Conversation by The Secretary of State”, 4 November 1951, \textit{FRUS, 1952-1954, Iran, 1951-1954, Volume X}, Doc.120.} Eden argued that if the British were seen to be weak in Iran, the damage to their prestige would be disastrous for their other interests in the Middle East. In addition, Prime Minister, Winston Churchill, was hardly in a position to agree to the sale of the refinery having lambasted the previous incumbent for betraying “solemn undertakings” not to abandon Abadan.\footnote{Kinzer, \textit{All The Shah’s Men}, 125.} Furthermore, Churchill had a long-standing connection to AIOC having been instrumental in securing the British government’s controlling interest in the company in
That being said, the new government were merely continuing the policies put in motion by the previous Labour administration. Eden simply did not believe repeated American warnings that the only alternative to Mosaddeq was Communism and crucially was willing to call their bluff to claims that the U.S. would grant immediate aid to Iran if an oil agreement was not forthcoming. Indeed, Acheson was forced to concede that “circumstances” in Iran should be allowed to “operate to the detriment of Mosadegq” provided that it did not seriously imperil “Iran’s orientation to the West”. To an extent, the failure of the negotiations signalled the beginnings of a shift in U.S. policy in Iran as personnel sympathetic to Mosaddeq were moved on. McGhee became U.S. Ambassador to Turkey, whilst in Tehran, Henry Grady had been replaced as U.S. Ambassador by the experienced diplomat and Soviet hardliner Loy Henderson.

The British hoped that if Mosaddeq returned from his extended stay abroad empty handed it would provide impetus for his downfall. Eden urged Churchill to ensure that new oil proposals would be ready at short notice if a more favourable government was installed. However, upon his return in late November, Mosaddeq convincingly won a vote of no confidence securing the support of 90 of the 107 members of the Majlis. The elections for the 17th Majlis that began in January 1952 also provided Mosaddeq with the opportunity to greatly strengthen his political base. National Front candidates won all of the 12 seats in Tehran and were also largely successful in other cities and large towns. The results from the rural areas, however, favoured the conservatives and in June 1952,

1914.

---

130 Rahnema, *Behind the 1953 Coup*, p.16.
Mosaddeq suspended the elections with 80 out of the 136 deputies having been elected.\textsuperscript{131} Whilst Mosaddeq held legitimate concerns over vote rigging in the remaining rural areas the expedient move signalled a break from the democratic principles that he so ardently advocated.

The U.S. priority in the elections had been to prevent any Tudeh representation in the Majlis. The BEDAMN operation ran a robust propaganda campaign to highlight the danger of Communist representation. Their cause was certainly helped by the Tudeh led, anti-Mosaddeq demonstrations on 6 December 1951 that resulted in five deaths and over 200 injured.\textsuperscript{132} The CIA were quick to claim credit for the failure of the Tudeh to win any seats but it is impossible to evaluate the significance of their campaign.\textsuperscript{133}

U.S. hopes for a negotiated settlement to the oil dispute now rested on an intervention from the World Bank. The Bank offered an interim measure during negotiations in February and March 1952 whereby it would act as a neutral trustee so that oil production and exports could be restored for a minimum of two years. The Bank’s proposals included the provision to use non-Iranian personnel where appropriate. This was unacceptable to Mosaddeq as it opened up the possibility of AIOC engineers and managers returning to the country. The other significant reason for the failure of the talks was Mosaddeq’s unfeasible insistence that the Bank act as an agent for the Iranian government rather than as a neutral party.\textsuperscript{134} Iran’s rejection of the World Bank’s proposals was Katouzian contends, a misjudgement as it allowed Britain to capture the moral high ground at a time when they had no intention of reaching an agreement that accommodated Iranian

\begin{footnotesize}
\begin{enumerate}
\item Katouzian, Musaddiq, 119-120.
\item OTH, “Memorandum from the Acting Chief of the Near East and Africa Division, Directorate of Plans to the Deputy Directorate of Plans, Central Intelligence Agency (Dulles)”, 20 February 1952, FRUS, 1952-1954, Iran, 1951-1954, Doc.66.
\item De Bellaigue, Patriot of Persia, 192-193.
\end{enumerate}
\end{footnotesize}
interests. It also persuaded the Americans that a deal was not possible with Mosaddeq in power. This represented a major turning point in U.S. policy from which time onwards the Truman administration’s antipathy towards Mosaddeq laid the foundation for his removal by the Eisenhower administration.

The State Department now formally rejected Mosaddeq’s earlier request for a loan of $120 million to cover Iran’s monthly budget deficit of $10m, insisting that economic aid could not be considered until the oil dispute was settled. Then, in May 1952, State Department officials met with the former Oriental counsellor at the British Embassy in Tehran, Lancelot Pyman to consider a list of 18 possible candidates to replace Mosaddeq. At the top was the former Prime Minister, Ahmad Qavam. In reality, the covert activities led by Zaehner had been trying to manoeuvre Qavam into power since October 1951. This was hardly a surprise to the Americans who had maintained back channel communications with Qavam’s representatives throughout this period. The British had learned from their previous efforts that their overt support would only hinder Qavam and therefore, at least initially, Qavam negotiated with the British through U.S. Ambassador, Henderson. In early June 1952, Henderson met with Qavam for a private dinner during which Qavam asked for Henderson’s opinion on how the oil dispute could be settled. Henderson was careful to comment that he was “not sufficiently acquainted” with the situation “to venture an answer” only to then set out the broad terms of what eventually would be the agreement reached in 1954.

For the past year, the Shah had been a virtual bystander, powerless to significantly affect

---

135 Katouzian, Musaddiq, 139-141
136 Blake, U.S.-Soviet Confrontation, 76.
139 OTH, “Telegram from the Embassy in Iran to the Department of State”, 12 June 1952, FRUS, 1952-1954, Iran, 1951-1954, Doc.78.
events in his country. He was fearful that Mosaddeq, a descendant of the Qajar dynasty, was intent on manoeuvring Iran towards a republic. Upon becoming Prime Minister, Mosaddeq had made his dislike of the Pahlavi family apparent by forcing the Shah's twin sister, Princess Ashraf, into European exile.\textsuperscript{140} Mosaddeq's decision to suspend the elections to the 17\textsuperscript{th} Majlis persuaded the Shah that action now needed to be taken. The Shah was, however, seen by both the British and the Americans as weak and “vacillating”. Henderson was now crucial in 'guiding' the Shah towards Qavam by offering assurances that Qavam would not be a threat to his own ambitions.\textsuperscript{141} Meanwhile, in June 1952, British and American officials met in London to discuss a future oil settlement, confident that Mosaddeq would fall by August.\textsuperscript{142}

Mosaddeq was, however, aware of the plans to oust him. Kashani later advised the Americans that by the beginning of July 1952 he had evidence of the joint U.S.-British actions.\textsuperscript{143} On his return from The Hague, where he had been representing Iran at the ICJ, Mosaddeq decided to force the issue. First he resigned on 5 July, only for the Majlis to vote him back into power on the following day. Ten days later, in a private meeting with the Shah he demanded control over the War Ministry, a post that was traditionally appointed by the monarch.\textsuperscript{144} It was a deliberately confrontational manoeuvre that enabled Mosaddeq to resign when the Shah refused to acquiesce. The Shah duly appointed Qavam as Prime Minister on 17 July 1952. Henderson swiftly confirmed to Qavam that the U.S. government had no objections if Qavam sought powers to dissolve

\footnotesize{\textsuperscript{140} Amanat, \textit{Iran: A Modern History}, 538.  
\textsuperscript{143} OTH, “Memorandum from the Director of the U.S. Technical Cooperation Administration Mission in Iran (Warne) to the Ambassador to Iran (Henderson)”", 12 August 1952, \textit{FRUS, 1952-1954, Iran, 1951-1954}, Doc.115.  
\textsuperscript{144} Rahnema, \textit{Behind the 1953 Coup}, 17.}
the Majlis and confirmed limited American aid would be available provided that Qavam followed a programme that was agreeable to both Britain and the U.S. It was envisaged that $26 million aid would initially be made available that would meet Iran's budgetary requirements until 20 September 1952.145

Emboldened, Qavam announced his appointment with a harsh radio broadcast threatening to “court-martial the opposition” and end religious interference in politics.146 This missive clearly aimed at Kashani resulted in the Ayatollah calling for the armed forces to disobey the Prime Minister. Furthermore, the Iran Party joined forces with the Tudeh as a general strike took hold on 20 July. The following day violent clashes swept through Tehran resulting in up to 20 deaths and 200 casualties as crowds chanted “Death to British and American imperialists and down with the Shah”. Qavam was powerless to respond as the Shah refused to give him the powers to impose a dictatorial government, in what the furious British saw as a lack of moral courage and an abdication of his responsibilities.147 Qavam resigned and the Shah reappointed a jubilant Mosaddeq, whose dominance seemed assured as the Majlis granted him plenary powers. The British strategy to force his removal was now in tatters as the ICJ ruled that it had no jurisdiction to intervene in the oil dispute as it could only rule in disputes between states and not between Iran and a corporate entity, AIOC.148

The British and Americans were guilty of overestimating the public appeal of Qavam but also of a shocking lack of organisation. They were caught completely unawares by the

---

146 Amanat, Iran: A Modern History, 539 & Katouzian, Musaddeq, 130.
147 The National Archives, “Political Crisis in Persia, Mr Middleton to Mr Eden”, 28 July 1952, F/O 419/119. The National Archives.
sudden resignation of Mosaddeq, to the extent that the head of the MI6 operation in Iran, Christopher ‘Monty’ Woodhouse, and the CIA Station Chief, Roger Goiran, were absent for the whole period on a trout fishing holiday. In effect, the Shah was abandoned, with neither the TPBEDAMN nor Rashidian networks playing any part in events.

Alarmed by the highly visible Tudeh support for Mosaddeq, the U.S. were now inclined to take unilateral action, in part as their status as an honest broker in the oil negotiations had lost all credibility. With the Shah discredited and Mosaddeq “the only anti-Communist force left in Iran”, the Director of the CIA, Walter Bedell Smith even mused that it might be time to let the tribal leaders have a “whack at the royal power” to effect a change of dynasty. Ultimately, however, Truman was persuaded by Churchill to present a united front and for the first time make a joint proposal to Mosaddeq. The Truman-Churchill communiqué of September 1952 offered Iran a $10 million grant from the U.S. and the end of the British economic embargo, provided that Mosaddeq agreed to arbitration regarding compensation at the ICJ based on the legal position of all parties prior to nationalisation. Unsurprisingly, the proposals were swiftly rejected, given that they yet again failed to recognise the legitimacy of oil nationalisation. Mosaddeq countered with a request for a payment in advance of £49 million owed by AIOC to Iran. In essence, a year of negotiations had produced hardly any tangible changes to the British and Iranian positions, at a cost of increased animosity on both sides.

The dilemma for the Truman administration was that it saw a settlement of the oil dispute, and the income that it would provide, as vital to any hopes of socio-economic change in

---

Iran that would nullify the appeal of the Tudeh. It did not have sufficient leverage, however, to force either side to substantially alter their stance. It could not completely abandon Mosaddeq due to the strategic importance of Iran; but it could not afford to irreparably damage relations with Britain, which was by far America’s most important Cold War ally. The carefully nurtured relationship with the Shah was of little value as Mosaddeq was not reliant on the Shah’s patronage to remain in power. Equally, as the British were well aware, the alternatives to an oil settlement held their own inherent risks. Any U.S. aid would have to be substantial, possibly resulting in an indefinite commitment, whilst to break the oil embargo put at risk oil agreements throughout the developing world. The administration had shown an increasing appetite to intervene directly in Iranian politics but was unwilling to countenance regime change by way of a military coup d'état. Following the Qavam debacle, the British and American Embassies in Tehran agreed that the only way to remove Mosaddeq was by way of a coup but CIA estimates did not believe that there was either a credible leader or sufficient support within the army for any chance of success.153 In any case, there is no indication that Truman or Acheson would have sanctioned such a move.

The British were far more receptive to the concept of overthrowing Mosaddeq and from early August 1952 the British Embassy in Tehran had been in discussions with General Fazlollah Zahedi who was seeking support for a military coup. Zahedi had been introduced to the British Embassy by Asadollah Rashidian but had some months earlier been identified as their preferred candidate. The nascent plot, however, was soon discovered and provided a pretext for Mosaddeq to finally remove British presence from Iran. On 22 October 1952, Iran broke off diplomatic relations with Britain and expelled

all diplomatic staff.¹⁵⁴ British plans for regime change were effectively brought to a standstill. Any hopes for their revival now relied on the incoming Eisenhower administration in the U.S.

¹⁵⁴ Rahnema, Behind the 1953 Coup, 19-26.
Chapter 3

Steps to a Coup

The new Republican administration took office in January 1953 with a clear desire for a more assertive policy in Iran. The rhetoric of the Republican presidential election campaign directly linked the troubles in Iran to a Truman administration that had failed “to check and turn back communism”. The new Secretary of State, John Foster Dulles claimed that Iran had become “a second China”. The structure of the top echelons of the administration certainly facilitated a more interventionist foreign policy with the CIA granted a predominant role. The appointment of the Secretary of State's brother, Allen Dulles as Director of the CIA (DCI) guaranteed that the agency would have a direct line to the president. Furthermore, the fraternal link removed the inherent tension between the circumspect State Department and the pro-active CIA. The bias towards the CIA was completed as the former DCI, Walter Bedell Smith became second in command at the State Department. The capabilities of the CIA were seen as fundamental to President Dwight G. Eisenhower's 'New Look' strategy that sought to reduce military expenditure through a reliance on nuclear weapons, combined with an increased use of psychological warfare and covert actions. The new DCI was also decidedly inclined towards the removal of Prime Minister Mosaddeq.

Allen Dulles first became involved in Iran in April 1949 working for law firm Sullivan

---

and Cromwell. He acted as the legal adviser for the OCI contract that was part of the seven year plan. He forged a particular loyalty to the Shah and, in November 1949, used his position on the Council on Foreign Relations to host a “small private dinner” in New York for the visiting monarch. The event was attended by 100 of New York's finest including such luminaries as Nelson Rockefeller.\textsuperscript{159} The OCI contract was, however, bitterly opposed in Iran by the coalition opposition led by Mosaddeq and was voted down by the Majlis in December 1950.\textsuperscript{160} Dulles was certainly unequivocal in his reaction to Mosaddeq's appointment as Prime Minister in May 1951. Only days later, in his role as Director of Plans for the CIA, Dulles commented that “only one thing could save the situation in Iran, namely to have the Shah throw out Mossadeq”.\textsuperscript{161} It was a viewpoint that Dulles would unswervingly maintain. Upon his appointment as DCI, he was keen to revisit British plans to overthrow the Iranian regime.

The plans for a coup were first presented in a meaningful way to the Americans in November 1952, shortly after Eisenhower's election victory. Informal discussions had been taking place following a British approach to the U.S. Embassy in Tehran on 8 October but by mid-November the British were ready to press their case.\textsuperscript{162} The architect of the plan, known by the British as Operation Boot, was the former MI6 Chief of Station in Tehran, Christopher 'Monty' Woodhouse. In late November and early December, Woodhouse, and British diplomat, Sam Falle held a series of meetings with CIA officials in Washington.\textsuperscript{163} On 2 December 1952, the British Ambassador to Washington, Sir

\textsuperscript{163} Wilber, “Clandestine Service History, p1.
Christopher Steele, also met State Department representatives, H. Freeman Matthews, Paul Nitze and John Jernegan. Given that the Truman administration was about to be replaced, the State Department was predictably diffident to the British plan. Nitze questioned why the British network in Iran could not be used against Kashani and the Tudeh so that Mosaddeq could remain in power.164 It was a view that Woodhouse later dismissed as typical of the “clever silliness” of Americans who “dreaded Mosaddeq's downfall”.165 The CIA were far more receptive to the British overtures but equally recognised that the plans would need to wait for the new administration. Indeed, Allen Dulles remarked to the Chief of the Near East and Africa Division (NEA), Kermit Roosevelt “Let’s not get this thing evolved until the Republicans and my brother Foster take over”.166

Consequently, on 3 February 1953, only 14 days after Eisenhower's inauguration, Woodhouse returned to Washington for further discussions with CIA officials.167 On 18 February the Head of MI6, Sir John Sinclair, and Foreign Office Liaison, George Clutton, met with the Dulles brothers, Smith and Roosevelt. It was agreed that Roosevelt should lead the operation, given the code name TPAJAX, and that General Zahedi was the preferred choice to replace Mosaddeq.168 In truth, Zahedi was not considered an outstanding candidate but at least, as a previous Nazi collaborator, his anti-Communist credentials were undoubted. The rapidity with which the plans were advanced clearly illustrates the determination of the Dulles-Smith axis to enact their preconceived agenda. Moreover, there are indications that the CIA independently began to work against

---

165 Woodhouse, Something Ventured, 121.
166 Bill, Eagle and the Lion, 85.
167 Mark J. Gasiorowski, "The 1953 Coup D'Etat in Iran", 271.
Mosaddeq prior to the change of administration. In the autumn of 1952 the TPBEDAMN covert operation made a concerted attempt to fracture the National Front coalition to weaken Mosaddeq’s hold on power. A propaganda campaign attacked Ayatollah Kashani, whilst in October alone, a CIA official had five separate meetings with the leader of the Toilers Party, Muzaffar Baqa’i.169 Approaches were also made to the co-founder of the National Front, Hussein Makki and the cleric Ayatollah Sayyed Mohammad Behbahani. On 20 November 1952, President Truman approved an expansion of ‘political operations’ in NSC 136/1, but this only related to the ‘stay-behind’ operations with the Qashqai tribe.170 It did not authorise the TPBEDAMN operation to move away from their remit of counteracting Tudeh activities. These actions were completely at odds to government strategy, as Secretary of State, Acheson, was making one final concerted effort to broker an oil settlement.

The negotiations overlapped into the new administration with Eisenhower unwilling to give approval for TPAJAX to move forward until all efforts to reach an oil agreement were exhausted. The joint Anglo-American offer put to Mosaddeq on 15 January 1953 proposed that the U.S. would make a payment in advance to Iran of $100 million against future oil sales, provided that an agreement was reached for the sale of Iranian oil to an international consortium that would include AIOC. In addition, compensation would be set through arbitration at the ICJ.171 The U.S. was fully committed to these proposals. Acheson continually pressed the British government to soften their stance and also persuaded President Truman to abandon anti-trust proceedings against the major U.S. oil companies in order that they could participate in the proposed settlement. The Eisenhower

administration received assurance from the Justice Department that the enforcement of the anti-trust laws against “Western oil companies operating in the Near East” was secondary to “national security interests”, but it was a Truman administration initiative.\textsuperscript{172} Existing scholarship rarely recognises that the original intention of introducing American oil companies into the equation was to reach an agreement that would have potentially maintained Mosaddeq in power, rather than as part of the plot to overthrow him. The underlying factor, however, remained that control of the oil supply was imperative.

The January 1953 proposals, whilst certainly more favourable to Iran than previous offers, completely failed to meet Mosaddeq's basic requirement for sovereignty over the nation's oil and also opened the possibility of AIOC returning to Iran. Furthermore, under the arbitration terms, Britain was seeking compensation for loss of future profits that under the 1933 concession ran until 1990. Mosaddeq was willing to compromise from his previous stance that AIOC should only be compensated for the market value of their property in Iran but was unwilling to risk arbitration without Britain declaring its maximum compensation demand.\textsuperscript{173} When Mosaddeq was presented with a final offer containing only minor changes, he terminated talks on 9 March 1953. It must be noted that Eisenhower allowed negotiations to run their course, even when Ambassador Henderson reported that he was “beginning to lose hope”.\textsuperscript{174} At the beginning of March 1953, the president even lamented that “if I had $500 million to spend I would get $100m to Iran right now”.\textsuperscript{175} What he was not willing to do was jeopardise the sanctity of U.S. contracts. He swiftly dismissed any thoughts of a unilateral deal with Mosaddeq as the

\textsuperscript{172} Bill, \textit{Eagle and the Lion}, 82.
\textsuperscript{173} Katouzian, \textit{Musaddiq}, 143-144.
\textsuperscript{175} OTH, “Memorandum of Discussion at the 135\textsuperscript{th} Meeting of the National Security Council”, 4 March 1953, \textit{FRUS, 1952-1954, Iran, 1951-1954, Doc.171}. 
“example would have very grave effects on United States oil concessions in other parts of the world”. In reality, this was merely a reiteration of the stance adopted by the Truman administration at the very beginning of the dispute in May 1951. Satisfied that there was no value in further negotiations, Eisenhower gave the green light for coup planning to begin in earnest. Consequently, on 18 March 1953, Frank Wisner contacted British Intelligence to confirm that the CIA now wished to discuss “detailed tactics”. The U.S. was also influenced by events in Iran that indicated that for the first time opposition forces were beginning to coalesce against Mosaddeq.

Fissures had begun to open in the National Front coalition as soon as Mosaddeq returned triumphantly to power in July 1952. Baqā’i, Makki and Kashani played pivotal roles in his restoration but swiftly became resentful of Mosaddeq’s increased personal authority. As leading members of the coalition, they were unable to reconcile their marginalisation from key government decisions. To that extent, personal ambition rather than overtures from the BEDAMN operation provided the key motivation for the fractures in the coalition. Baqā’i was the first to break with Mosaddeq and from September onwards persistently criticised the government for failing to prosecute Qavam. The split with Kashani was more gradual and less overt, but his antipathy grew as Mosaddeq ignored his suggestions for government appointments and removed a key supporter, Dr Reza Shervin as head of the Religious Endowments Office. The rupture became complete in January 1953 when Mosaddeq was able to extend his plenary powers for another 12 months despite Kashani’s public opposition. The consequences of the rift became evident

177 Rahnema, Behind the 1953 Coup, 19-26.
179 Katouzian, Musaddiq, 167.
as Mosaddeq sought to strengthen his hand even further by nullifying the Shah's ability to work against him.

On 20 February 1953, Mosaddeq advised the Shah that he would resign in four days’ time unless the monarch agreed to a set of measures that would have drastically reduced his already diminished influence. Mosaddeq demanded that the Shah transfer Crown lands to the State, relinquish his income from the wealthy Meshed Shrine and forsake any vestiges of control that he still had over the armed forces. On 23 February, in anticipation of Mosaddeq's resignation, General Zahedi, sent word to the Tehran Embassy that he was expecting to replace Mosaddeq as Prime Minister. The following day, however, the Shah capitulated and acceded to Mosaddeq’s demands. Furthermore, recognising that Mosaddeq's intention was to reduce his role to what Court Minister, Ala described as “servile dependence”, the Shah advised Mosaddeq that he intended to leave Iran, with his wife Queen Soraya, on 28 February for a trip to Europe. A gleeful Mosaddeq withdrew his threat to resign and promptly had Zahedi arrested.

Ambassador Henderson now felt impelled to directly intervene to prevent the Shah's departure. On the morning of 28 February, he telephoned the Shah imploring him to remain in Iran only to be advised that the monarch had no option to leave, otherwise Mosaddeq would issue a proclamation attacking him and his family. Undeterred, Henderson then visited Mosaddeq at his home and somewhat menacingly stated to the Prime Minister that he hoped that he would cooperate in halting the Shah’s departure to prevent “consequences unfavourable to Iran”. Henderson’s willingness to so openly

---

182 Rahnema, Behind the 1953 Coup, 36.
183 OTH, “Telegram from the Embassy in Iran to the Department of State”, 28 February 1953, FRUS, 1952-1954, Iran, 1951-1954, Doc.166.
and forcefully intercede was a desperate attempt to salvage U.S. influence in Iran that was unequivocally centred on the monarchy. It also highlighted how insubstantial this influence really was, as it was internal Iranian forces rather than foreign interference that induced the Shah to stay.

Kashani had now decided to shift his support away from Mosaddeq to the monarchy, even though the Shah had previously sent him into exile for his alleged involvement in the attempt on the Shah’s life in 1949. On 28 February 1952, Kashani, in alliance with Ayatollah Behbahani, organised a mob to prevent the Shah from leaving. Kashani issued a provocative public declaration warning that “if the Shah goes, whatever we have will go with him. Rise up and stop him, and make him change his mind”.184 From midday, crowds of up to 3,000 people surrounded the palace. At around 2pm, the Shah announced the cancellation of his trip, at which point the mob were redirected towards Mosaddeq’s house, forcing Mosaddeq to escape and seek refuge in the Majlis.185 Mosaddeq was able to restore public order but the events both emboldened his opponents and boosted the Shah’s morale. It also showed U.S. and British intelligence that it would be feasible to mobilise opposition forces to overthrow Mosaddeq, even if their own covert networks had played no part in the disturbances.

The fact that Kashani was the key component in rescuing their strategy in Iran presented a serious predicament for the U.S. The CIA viewed Kashani as a “venal, unreliable opportunist” and was far more fearful of him than Mosaddeq.186 It was considered that Kashani, with his “narrowly Moslem outlook, severely warped by many years of bitter conflict with British authorities” would inevitably steer Iran away from the West.

184 De Bellaigue, Patriot of Persia, 213.
185 Rahnema, Behind the 1953 Coup, 36-44.
Ironically, in an assessment at the end of March, it was conceded that Mosaddeq possessed an “underlying respect for certain aspects of Western liberalism”. In any case, on 1 March 1953, DCI Dulles briefed the president that a “Communist victory in Iran is becoming more and more of a possibility”. He argued that if Kashani was to assume power, his narrow support base would force his regime to act with a degree of ruthlessness that would inexorably provide opportunities for the Tudeh to increase their influence. Equally, it was contended that the loss of Kashani’s backing and his ability to mobilise the masses would leave Mosaddeq dependant on Tudeh support to survive. The rising threat of a Communist takeover was now a common theme adopted by almost all parties in the dispute, in an attempt to further their own interests.

The British had been careful to pitch their coup plans to the Americans emphasising the “Communist threat to Iran rather than the need to recover control of the oil industry”. It was a very deliberate change of tone designed to appeal to the new administration but in reality, British opinion on the Communist danger remained unaltered. In May 1953, Churchill confided that “there were no indications that Persia was nearer to Communism now, in spite of our refusal to give away everything, than she was 19 months ago”. The U.S. own estimates also played down any imminent Tudeh threat. The National Intelligence Estimate, NIE 75/1 of 9 January 1953 predicted that the National Front would remain in power throughout 1953 and had the capability to control any Tudeh agitation. It concluded that the Tudeh was not likely to have the strength to overthrow Mosaddeq

188 OTH, “Memorandum from the Director of Central Intelligence Dulles to President Eisenhower”, 1 March 1953, FRUS, 1952-1954, Iran, 1951-1954, Doc.169.
189 Woodhouse, Something Ventured, 117.
by either constitutional or military means.\textsuperscript{191} As Mosaddeq would later succinctly comment, “I had no concerns about the Tudeh, because they had not a single tank or machine gun”.\textsuperscript{192} However, in much the same way as the British, Mosaddeq played up to U.S. concerns. As far back as January 1952, he had threatened that if U.S. aid was not received within 30 days “there will be Commie revolution”.\textsuperscript{193} To an extent, this was counterproductive in stoking American fears but ultimately both the Truman and Eisenhower administrations recognised that Mosaddeq was as fervently anti-Soviet as he was anti-British. Indeed, Under Secretary of State, Smith, later stated “Whatever his faults, Mussaddiq had no love for the Russians”.\textsuperscript{194} Furthermore, the Soviets viewed Mosaddeq with a similar level of mistrust.

The Soviets simply saw Mosaddeq as an imperialistic tool of the U.S. Molotov even argued that Mosaddeq only nationalised Iranian oil in order to remove one of the strongest competitors to the U.S. oil monopoly.\textsuperscript{195} For that reason, when Mosaddeq approached the Soviet Ambassador Ivan Sadchikov in the summer of 1952, to explore the possibility of a trade deal, he was firmly rebuffed.\textsuperscript{196} The Soviet leadership continued to believe that Iran had little potential for revolution. The Tudeh were weaker than their zenith of 1946 and lacked any public support in rural areas, where over 70 percent of Iranians still lived.\textsuperscript{197} Consequently, although Soviet analysts were aware from October 1952 that the U.S. and Britain were plotting against Mosaddeq, with Zahedi as the likely replacement,

\textsuperscript{192} Abrahamian, \textit{The Coup}, 174.
\textsuperscript{195} Zubok, “Soviet Intelligence in the Cold War”, 21-22.
\textsuperscript{196} Kalinovsky, “The Soviet Union and Mosaddeq”, 401-418.
they took no action to strengthen the Tudeh. The death of Stalin in March 1953 also left
the Soviets concentrating on internal succession rather than foreign policy issues. The
lack of real threat made Iran an enticing, low risk option for the Eisenhower
administration to seemingly make good on their election promise to take a firm stance
against Communism whilst at the same time protecting their economic interests both in
the region but also in the rest of the developing world.

Preparations for a coup to install Zahedi as Prime Minister now moved on apace. On 4
April 1953, Allen Dulles approved a budget of $1 million to be used by the Tehran Station
in any way that it saw fit “to bring about the fall of Mossadeq”. The only proviso was that
any action was approved by both Ambassador Henderson and CIA Station Chief, Roger
Goiran. Covert contact was then made with Zahedi that provided much of the basis for
an in depth study entitled “Factors Involved in the Overthrow of Mossadeq”, produced
by Donald Wilber, of the Iran Branch of the NEA. The report concluded that provided
a “Shah-Zahedi combination” could produce the largest street mobs and ensure that a
sizeable portion of the Tehran garrison refused to support the Prime Minister, “the
overthrow of Mosaddeq would be certain”. That being said, the report also highlighted
the fractious relationship of the conspirators as it acknowledged that Zahedi did not trust
Kashani and would “get rid” of him “in due course”.

Opposition forces were, however, not content to wait for the Americans to formalise their
proposals. Encouraged by $50,000 of funding from MI6, a plan was devised to kidnap
key officials to destabilise the government. The first target was the Chief of Police,

---

199 OTH, “Information Report Prepared in the Central Intelligence Agency”, 8 April 1953, FRUS, 1952-
1954, Iran, 1951-1954, Doc.188.
200 OTH, “Memorandum from the Chief of the Iran Branch, Near East and Africa Division Waller) to the
Chief of the Near East and Africa Division, Directorate of Plans, Central Intelligence Agency (Roosevelt)”,
201 Wilber, “Clandestine Service History”, Appendix B p2.
Mahmud Afshartus. On 20 April 1953, Afshartus was kidnapped at the house of Baqâ'i's close associate, Hoseyn Khatibi and found murdered six days later in a cave north of Tehran. Although it appears that the killing of Afshartus was not part of the plan, General Zahedi was swiftly implicated in the murder due to the involvement of officers from the Retired Officers' Association. Kashani’s support for Zahedi was now undoubted as the Ayatollah personally provided Zahedi with access into the Majlis in order to avoid arrest. With unrest in Iran fermenting nicely, the CIA and MI6 now drew up an initial plan for a coup.

Donald Wilber and Norman Darbyshire met in Nicosia, Cyprus between 13 and 30 May. A crucial part of the preparations was the sharing of the respective CIA and MI6 covert networks. Not unsurprisingly, considering that the two networks had been working towards different objectives, it was discovered that the strengths of the Rashidian and TPBEDAMN organisations complemented each other. Whilst the CIA Station in Tehran claimed the Rashidian assets were “overstated”, the reality was that the TPBEDAMN operation had long recognised that it was only able to call on anti-Tudeh assets and completely lacked the anti-Mosaddeq agitators that the Rashidians could provide. Wilber did, however, conceal the names of their key agents, Jalali and Keyvani by substituting the names of two other agents. The Americans were no doubt still wary of the security of British intelligence following the unmasking of Soviet spies Guy Burgess, Donald Maclean and Kim Philby. In particular, Philby, who was the MI6 liaison in Washington between 1949 and 1951, had contributed to the abject failure of U.S. and British covert attempts to overthrow the Communist regime of Enver Hoxha in

---

202 Rahnema, *Behind the 1953 Coup*, 40-44.
Albania. U.S. caution may have been prescient given that George Clutton, part of the BOOT team, was also later investigated as a suspected Soviet spy.

In these discussions, Wilber revived a set of proposals that had first been considered by the CIA in September 1952. At the instigation of Allen Dulles, Max Thornburg, an oil executive that Dulles regarded as “an expert on Iran”, produced a paper that essentially called for the Shah to lead a military coup to overthrow Mosaddeq. In a critique of Thornburg’s paper, the chief of the Iran branch of the NEA, John H. Leavitt put forward recommendations on how the U.S. could support the Shah to change the Iranian government. At the time, Wilber rejected these proposals as impractical but the resemblance to the final coup plans is undoubted. Evidently, the CIA were now playing the dominant role in preparations as Wilber, Roosevelt, Goiran and CIA paramilitary expert George Carroll met in Beirut to refine the plans. Wilber and Roosevelt then presented the plan to British Intelligence in London on 15 June 1953. However, by this point, the British had little to add as they were totally reliant on the CIA to deliver the operation.

Ambassador Henderson was now playing a vital role in the preparations. On 30 May, he met with the Shah and pressed the monarch for his opinion on Zahedi, making it apparent that the U.S. government was considering action but needed an unambiguous statement. The best the Shah was able to offer was that he would welcome Zahedi as Prime Minister.

but believed that this could only be achieved through legal means rather than through a coup. Consequently, on returning to Washington to discuss the draft plans for TPAJAX, Henderson forcefully pointed out that it was fallacious to consider that the Shah could be relied on. He even went as far as suggesting it may be time to consider replacing the Shah with his brother Prince Abdul Reza.

Henderson was, however, fully convinced of the need to replace Mosaddeq as there “was no hope in settling the oil problem” with him remaining in power. He therefore, put his misgivings to one side and played a crucial role in the meeting on 25 June where the TPAJAX plan was presented to top State Department and CIA officials. The plan was unanimously approved following Henderson's urging that “we are confronted by a desperate, dangerous situation of a madman who would ally himself with the Russians. We have no choice but to proceed with this undertaking”. British approval was given by Churchill, MI6 Chief, Sinclair and acting Foreign Secretary, Lord Salisbury on 1 July with final sanction coming from President Eisenhower and Secretary of State Dulles on 11 July. The State Department did, however, seek one last assurance from the British that they would maintain a degree of flexibility in settling the oil dispute. Evidently, the price of American involvement in a coup was entry into the Iranian oil industry. The British government confirmed on 23 July that they would “be ready to cooperate” with a new government based on the proposals that were presented to Mosaddeq in January 1953. In essence, the participation of American oil companies in any future settlement

---

213 Roosevelt, Countercoup, 17-18.
214 Cormac, Disrupt and Deny, 103.
was now assured.

The coup plan basically consisted of three stages designed both to mask the coup as a popular uprising but also to give it a veneer of legality. Firstly, it called for an intensive psychological and propaganda campaign portraying Mosaddeq as both pro-Tudeh and anti-Islam. A series of staged attacks purportedly by Mosaddeq, against respected religious leaders would then culminate in mass religious protests that would occupy the Majlis. With a public uprising in motion, the second stage required the Shah to appoint Zahedi as Chief of Staff who would immediately arrest Mosaddeq. The Majlis, having been “purchased” by CIA bribes would then dismiss Mosaddeq and appoint Zahedi as Prime Minister. The final stage was for the military network established by Zahedi with TPAJAX money, to step in to enforce control. If the “quasi-legal” attempt was unsuccessful Zahedi’s troops would simply take power by force. The overall budget for the operation was anticipated to be $285,000, with $147,500 being provided by the CIA and $137,500 by MI6. 216 How this is reconciled with the $1 million already allocated in April to the Tehran Station is not readily apparent.

The groundwork for the coup was underway well before final plan was approved. On 20 May 1953, the Tehran station was allocated $11,000 per week to “purchase” members of the Majlis, whilst Zahedi started to receive the $60,000 that had been allocated to build up a military network and establish a military secretariat.217 The U.S. also began to deploy overt diplomatic pressure to further destabilise the Mosaddeq regime. In May 1953, Secretary of State, Dulles pointedly omitted Iran on his tour of the region. On 28 May, Mosaddeq secretly wrote to Eisenhower requesting urgent U.S. aid. Not only did the president take over a month to respond, but on 9 July, the State Department publically

released his reply starkly stating that aid would not be forthcoming without an oil settlement being reached.\textsuperscript{218} U.S. dissatisfaction was made even more explicit by Secretary of State, Dulles in a press conference on 28 July. In response to a planted question devised by the CIA, Dulles professed U.S. concern at the increased activity of the “illegal Communist party”.\textsuperscript{219} The ratcheting up of rhetoric was complete when Eisenhower stated in a speech on 4 August that the situation in Iran was “very ominous for the United States”.\textsuperscript{220} In addition, to remove any opportunity for Mosaddeq to claim that he still enjoyed U.S. support Ambassador Henderson remained noticeably absent from Iran.

Roosevelt arrived in Tehran on 19 July, followed two days later by George Carroll who was responsible for coordinating the military aspects of the coup. They were joined by Joseph Goodwin, who very late in the day, replaced Roger Goiran as Chief of the Tehran Station. Goiran, despite playing a pivotal role in the planning of the coup, continued to harbour doubts on the morality of the project, likening it to “putting U.S. support behind Anglo-French colonialism”.\textsuperscript{221} The agents’ arrival was timed to coincide with celebrations planned to commemorate the July 1952 uprisings that had restored Mosaddeq to power. It was hoped that the demonstrations that saw Tudeh crowds far outnumbering government supporters would provide a catalyst for the short but intense propaganda campaign planned prior to the coup. To that end, the Tehran station had planted reports in the press designed to reduce the number of government supporters

\textsuperscript{221} Gasiorowski, “The 1953 Coup D’Etat Against Mosaddeq”, 231 & 246.
attending the event.\textsuperscript{222} On 22 July, the TPBEDAMN and Rashidian networks began distributing the anti-Mosaddeq propaganda that had been couriered from Washington. The efficacy of the operation was such that CIA operative, Richard Cottam claimed that “any article I would write would almost appear almost instantly in the next day’s Iranian press”.\textsuperscript{223} The propaganda campaign was supported by ‘black’ operations to heighten fears of a communist takeover amongst the clergy. Abusive phone calls were made purporting to be from the Tudeh, threatening “savage punishment” if clerics continued to support Mosaddeq, whilst a number of religious leader’s houses were bombed.\textsuperscript{224} Carroll was now able to work on the military network that was supposed to have been established by Zahedi. The CIA had been horrified to find out on 15 July that Zahedi did not have any substantive contacts in the five garrisons in Tehran, without which TPAJAX was considered certain to fail.\textsuperscript{225} Furthermore, on making the first direct contact with Zahedi, Goodwin’s assessment was that the General lacked the required “forceful leadership qualities” to remedy the situation. A crucial role was now played by Colonel Abbas Farzanegan who had been working as a translator for the TPBEDAMN operation at Fort Leavenworth in Kansas. After receiving training in covert activities, Farzanegan returned to Tehran in mid-July. It was through Farzanegan that contacts were made with Colonel Hasan Akhavi and Colonel Zand Karimi who were able to procure “40 line commanders” within the Tehran brigades.\textsuperscript{226} By 13 August, Carroll was satisfied that military preparations were complete. Despite being the figurehead for the coup, Zahedi


\textsuperscript{223} Dorril, \textit{MI6}, 588.


\textsuperscript{226} Rahnema, \textit{Behind the 1953 Coup}, 87-92.
actually played no part in the military planning and indeed only a minor role in its execution.

With the destabilisation campaign in full swing and military preparations complete, the remaining part of the jigsaw was to establish a legal basis for the coup. To that end, the CIA had received an unexpected boost by Mosaddeq’s decision in mid-July to dissolve the Majlis. Fearful of losing a vote of confidence, Mosaddeq persuaded his supporters in the Majlis to resign their seats in order to end the parliamentary session. Given the CIA efforts to “purchase” members of parliament, it was no doubt with some justification that Mosaddeq claimed that the disruption in the Majlis was the work of “agents of foreigners”. He then called a referendum to approve the dissolution and to authorise new elections. In a blatantly rigged vote, 2,043,389 votes were received in favour and only 1,207 against. This not only gave a huge boost to opposition calls that Mosaddeq was acting as a dictator but crucially the dissolution of parliament gave the Shah the power to dismiss Mosaddeq and appoint his successor. Mosaddeq was aware of the danger this presented but it was a risk he was willing to take. He just did not believe that the Shah would have the courage to act, dismissively commenting “The Shah would not dare”. It did, however, greatly simplify the coup process provided that the Shah could be persuaded to participate.

It had been recognised from the very start of the planning preparations for the coup that special measures were required to put pressure on the Shah. He was after all regarded as a “creature of indecision, beset by formless doubts and fears”. Firstly, contact was made with the Shah’s feisty twin sister, Princess Ashraf who was living in exile in Europe. Asadollah Rashidian met with the Princess on 15 July on the French Riviera and

---

227 Gasiorowski, “The 1953 Coup D’Etat Against Mosaddeq”, 244.
228 Rahnema, *Behind the 1953 Coup*, xxv.
229 Mokhtari, “Iran’s 1953 Coup Revisited”, 475.
persuaded her to meet Norman Darbyshire from MI6 and Lt Colonel Stephen Johnson Meade from the CIA. The Princess, no doubt impressed with Darbyshire’s present of a fur coat and cash, agreed to return to Tehran to impress on her brother the need to take action.231 She flew in to Tehran on 25 July 1953, under her married name Madame Chafik, but returned to Geneva five days later after a brief, unsatisfactory meeting with her brother. She did, however, manage to pass a letter to the Shah forewarning him of visits from representatives of the British and U.S. governments.

Asadollah Rashidian, having now returned to Tehran, saw the Shah on 30 and 31 July and was able to convince him that he was acting for the British by arranging for the BBC to amend its' usual broadcast on BBC Persian Radio from “It is now midnight” to “It is now...exactly midnight”.232 With Henderson still out of the country, the plan now required General Norman Schwarzkopf to present the coup plans to the Shah. Schwarzkopf was well known to the Shah having been in charge of the Iranian Gendarmerie from 1942 to 1948, even if his relations with the monarch had become “slightly strained” prior to his departure.233 On 1 August, Schwarzkopf flew in to Tehran under his own name using the cover of a regional tour advising on security matters. The Shah, refused to sign any royal decrees (firmans) but Schwarzkopf did persuade him to meet Roosevelt. Over the next week, Roosevelt and Asadollah Rashidian held a series of meetings with the Shah before finally on 10 August he agreed to sign two firmans, one to dismiss Mosaddeq and the other to appoint Zahedi as Prime Minister. On the following day, however, he left for his Caspian Sea hunting lodge at Kilardshat with the firmans still unsigned.234 On 12 August, Colonel Ne'matallah Nasiri was forced to fly to

231 Dorril, MI6, 588.
234 Katouzian, Musaddiq, 188.
Kilardshat to obtain the Shah's signature. With the firmans now secured, the coup was set for the night of 15 August.

The plan was now simple. Nasiri was assigned to deliver the firman and arrest Mosaddeq, whilst at the same time the military network would arrest cabinet ministers and key pro-Mosaddeq military officials. The coup attempt was, however, an abject failure. Mosaddeq had been tipped off, most probably by a Tudeh source within the secret military organisation assembled for the coup. Certainly, the Tudeh newspaper Shojat appeared to have access to inside information. On 13 August the newspaper had urged the government to prevent an impending coup and on 16 August, within hours of the coup failing, correctly revealed the basis of the plot.\textsuperscript{235} In any case, Nasiri was arrested when he tried to deliver the firman and the Tehran garrisons rallied behind Mosaddeq's Chief of Staff, General Taqi Riahi. At 7 a.m. on 16 August, Tehran Radio announced that a coup had been foiled. All seemed lost as the Shah and Queen Soraya fled to Baghdad in neighbouring Iraq. Mosaddeq's position seemed assured as forces loyal to the government took control of Tehran and several of the high ranking officers in the secret military network including Zand Karimi were arrested.

The main protagonists in the coup plot, however, remained at large. Farzanegan and the Rashidian brothers were able to take refuge at the U.S. Embassy, whilst Zahedi first hid in the house of Farzanegan's brother, Azizollah before being moved to the house of CIA operative, Theodore Hotchkiss.\textsuperscript{236} On the morning of 16 August, Roosevelt met with Zahedi and his son Arshedir at their hideout in Shimran, in the hills north of Tehran. It was decided to explore whether the operation could be salvaged by publicising the fact that the Shah had dismissed Mosaddeq and legally appointed Zahedi as Prime Minister.


\textsuperscript{236} Rahnema, \textit{Behind the 1953 Coup}, 87 and 111-112.
The message would be that in effect, it was Mosaddeq who had carried out a coup by ignoring the legal edict of the Shah. To that end, CIA Station Chief, Goodwin contacted Kennett Love of the *New York Times* and Donald Schwind of the *Associated Press* and arranged for them to meet Arshedir Zahedi. They were given copies of the firmans together with a signed statement from General Zahedi that had actually been written by Arshedir, Farzanegan and the Rashidian brothers. Meanwhile, Keyvani and Jalali disseminated the firmans to the local Iranian press together with a fabricated interview from Zahedi that they had written themselves.\(^{237}\) The Rashidians arranged for the firmans to be distributed amongst the army. The widespread circulation of the royal edicts by the intelligence service networks was pivotal in securing support for a further coup attempt. With the key Iranian members of the coup leadership team determined to press ahead, Roosevelt reported to CIA headquarters that the “Project is not quite dead”.\(^{238}\)

Efforts to engender a backlash against Mosaddeq in support of the monarchy were helped by the furious reaction of Foreign Minister, Hossein Fatemi to his arrest and mistreatment in the initial stages of the coup. Fatemi used an editorial in the newspaper *Bakhtar-e Emrooz* to declare to the Shah “You looted the wealth of the nation...and now like a thief or a whore you use the black of the night to launch a coup”. Then, in a public rally on the evening of 16 August, Fatemi’s denouncement of the Shah calling for him to abdicate was broadcast on Tehran radio, revealing to the public for the first time that the Shah had left the country.\(^{239}\) Sensing an opportunity to exploit the anti-Shah vitriol, on 17 August the CIA provided Jalali and Keyvani with $50,000 to arrange a 'black' Tudeh mob to march into central Tehran. Crowds, swelled by genuine Tudeh members, attacked symbols of

---

\(^{237}\) Ibid 133-134 & OTH, “Telegram from the Embassy in Iran to the Department of State”, 16 August 1953, *FRUS, 1952-1954, Iran, 1951-1954,* Doc.266


\(^{239}\) De Bellaigue, *Patriot of Persia*, 234.
the monarchy, tearing down statues of the Shah and his father, Reza Khan. The Tudeh leadership emboldened by what appeared to be a popular uprising, called for the abolition of the monarchy and the establishment of a republic.\textsuperscript{240} Having helped create a sense of anarchy and chaos, the CIA were still dependant on the Iranian public and in particular the army, continuing to view the Shah as a viable alternative. To that end, they were helped by the Shah issuing a statement from Baghdad. Whilst less definitive than the CIA hoped, the Shah at least confirmed that the firman dismissing Mosaddeq was genuine and that he had not abdicated.\textsuperscript{241} However, his immediate departure to Rome where he commented that he would “probably” return to Iran but “not in the immediate future” hardly suggested a firm resolve.\textsuperscript{242}

Encouraged by the day’s events, a “council of war” was held on the evening of 17 August at the U.S. Embassy. Roosevelt and Carroll met with their chief Iranian conspirators, General and Arshedir Zahedi, Farzanegan, the Rashidian brothers and General Guilanshah. Having determined that the secret military network still had sufficient resources to undertake a coup, it was decided to return to the original plan of a staged mass demonstration supported by military action. Ayatollah Behbahani, although not present at the meeting, was assigned a pivotal role of helping organise the demonstration and travelling to Oom to try to persuade Iran's leading cleric Grand Ayatollah Mohammad Hossein Borujerdi to issue an anti-communist fatwa. There is, however, no evidence to suggest that Borujerdi deviated from the politically neutral stance that he had maintained throughout the dispute.\textsuperscript{243} It was also considered prudent to try to augment the military resources available to the coup from outside of Tehran. In an effort to secure the support

\textsuperscript{240} Gasiorowski, “The 1953 Coup D’Etat Against Mosaddeq”, 252.
\textsuperscript{243} Azimi, “Unseating Mosaddeq”, 67-69.
of the local garrison commanders, Farzanegan and CIA agent, Gerald Towne travelled to Kermanshah, whilst Arshedir Zahedi and Carroll went to Isfahan. The Isfahan commander, Colonel Amirqoli Zarham refused to cooperate but at Kermanshah, Colonel Teymur Bakhtiar agreed to send an armoured brigade. Ultimately, however, the military convoy failed to reach Tehran in time to play a direct role in the coup. In order to maintain secrecy and the element of surprise, action was to take place in two days’ time, on 19 August.244

It is evident that to a large extent Roosevelt was now acting on his own initiative. CIA headquarters were clearly unaware of the evolving plans when on 18 August they directed that “operations against Mossadegh should be discontinued”.245 In London, Sir William Strang, the permanent undersecretary at the Foreign Office had come to the same conclusion. A frantic cable was sent to the MI6 relay station in Cyprus advising that “we must regret that we cannot consider going on fighting”. However, in a show of solidarity with his CIA colleagues, Norman Darbyshire, the MI6 station chief in Nicosia ensured that a “failure in communications” at the relay station delayed the abort transmissions reaching the Tehran station until after the second coup was in operation.246

On 18 August, alarmed by the levels of disorder, Mosaddeq sought to restore a semblance of control. Firstly, he personally directed the National Front leaders to keep their activists off the streets. Then, a military communiqué was issued prohibiting demonstrations without prior military permission and offering a 100,000 Rial reward for Zahedi’s arrest.247 Tudeh demonstrations, however, continued unabated, with the offices of the Iran

244 Wilber, “Clandestine Service History”, p57.
245 OTH, “Telegram from the Central Intelligence Agency to the Station in Iran”, 18 August 1953, FRUS, 1952-1954, Iran, 1951-1954, Doc.278.
246 Cormac, Disrupt and Deny: Spies, 105.
Peoples Party ransacked and shops looted. It is far from clear the extent that the violence was led by CIA provocateurs but in any case it fed into a prevailing sense of fear and insecurity. Ambassador Henderson who had returned to Iran on 17 August, now also played his part. On the evening of 18 August, he demanded that Mosaddeq restore control otherwise all U.S. personnel would be forced to leave the country. In response, the Prime Minister ordered the Chief of Police to break up the crowds. The security forces savagely attacked the Tudeh crowds resulting in the Tudeh leadership ordering its agitators to stand down. In effect, the streets were left clear for the 'pro-Shah' demonstrations of the following day.

The morning of 19 August began with pro-Shah mobs moving northwards from Southern Tehran. An unlikely collection of ruffians, acrobats and weightlifters put together by the Rashidians were joined by protesters organised by Behbahani. Efforts were also made to enlist Kashani in the efforts as Carroll passed $10,000 through an intermediary Ahmad Aramesh. As the crowds chanted “Death to Mosaddeq, death to the Tudeh”, numbers swelled to nearly 4,000. This must, however, be put into perspective given that only weeks earlier both the Tudeh and the National Front had been able to summon crowds that were measured in the tens of thousands. Nevertheless, as news of the protest spread, Mosaddeq made the fateful decision to appoint General Mohammad Daftari as police chief. Unbeknown to Mosaddeq, Daftari was already part of the Zahedi camp and rather than crush the protests, he allowed his troops to remain bystanders. As he later conceded “we had no quarrel with the demonstrators”.

249 Maziar Behrooz, “The 1953 Coup in Iran and the Legacy of the Tudeh”, p102 – 125, in Mohammad Mosaddeq and the 1953 Coup in Iran, 120.
250 Dorril, MI6, 593.
251 Cormac, Disrupt and Deny, 106 & Rahnema, Behind the 1953 Coup, 183.
252 Katouzian, Musaddiq, 191.
253 Rahnema, Behind the 1953 Coup, 186.
By mid-morning the protesters were joined by covert agents who began to direct the crowd. Pro-Mosaddeq and Tudeh newspapers were attacked along with government offices. Jalali and Keyvani are credited by the CIA with guiding the mobs to the required targets. By early afternoon, armed military personnel were actively taking part in the protest that was by now, essentially a full scale military coup. Key government sites including the Military Police Headquarters were secured, with Radio Tehran being captured at around 2.20pm. General Guilanshah collected Zahedi from the CIA safe house in a tank so that at 5.25pm Zahedi was able to broadcast that he was the legal prime minister and his troops were for the most part in control of Tehran. The final strategic but also symbolically crucial target was Mosaddeq's heavily guarded house. It took three waves of attacks lasting nearly five hours before at around 6.00 pm its defences were finally breached. The battle left up to 200 dead with a further 100 lives lost elsewhere in the city. Looters then moved in, completely ransacking the house, before it was set on fire. Mosaddeq was able to escape into a neighbouring property but his premiership was over as he handed himself in to Zahedi’s forces on the following day. All that was left was for the Shah to reclaim his throne. He returned from Rome on 22 August, where he had been staying at the same Excelsior hotel as a 'vacationing' Allen Dulles. His gratitude was apparent as he confided to Roosevelt “I owe my throne to God, my people, my army - and to you”.

The overthrow of Mosaddeq was in effect the culmination of two years of covert destabilisation activities by British and American intelligence services. The impact of the covert operations is nevertheless difficult to judge. Post war politics in Iran was, after all,

---

254 IBID, 227.
256 Grose, Gentleman Spy, 366.
257 Roosevelt, Countercoup, ix.
in a constant state of turmoil. The average life of a government in the ten years before Mosaddeq came to power was only seven months.\textsuperscript{258} Furthermore, the willingness of Mosaddeq to draw on the support of the masses for his authority alienated the majority of the traditional sources of Iranian power. The Shah, the army, the Majlis and much of the religious establishment each had a vested interest in Mosaddeq's demise. Kashani did not need foreign inducements to persuade him to work against Mosaddeq. Indeed, it was his split from Mosaddeq in February 1953 that helped create the conditions that made a coup feasible. That being said, the sheer scale of the activities must have had some effect. The annual budget for the TPBEDAMN operation alone, was at its peak up to $1 million.\textsuperscript{259} However, even allowing for the economic hardships imposed on Iran by the overt oil embargo, there is no suggestion that the disparate Iranian factions reined against Mosaddeq were sufficiently organised to depose him. It is possible, even probable that this would have occurred at some time in the future but it would not have happened at the time that it did without direct CIA intervention.

The decision by the U.S. to intercede added a level of coordination and sense of urgency absent from any tentative Iranian plans to replace Mosaddeq. Opposition forces had been trying to coalesce behind Zahedi for the previous year but without the support of the Shah were powerless to act. It was only U.S. involvement that coerced the Shah into action. The signing of the firmans was crucial to the success of the coup. It is highly unlikely that the army and the security forces would have acted without the apparent approval of the Shah. The CIA also performed a vital role in assembling the secret military network. It was Colonel Farzanegan, a CIA agent, rather than Zahedi who was able to garner support in the critical Tehran garrisons. Jalali and Keyvani, together with the Rashidians also

\textsuperscript{258} Mokhtari, “Iran’s 1953 Coup Revisited”, 462.
\textsuperscript{259} Gasiorowski, “CIA’s TPBEDAMN Operation”, 11.
played essential roles in distributing the firmans and mobilising the protesters.

It would be wrong, however, to overstate the effectiveness of the foreign interference. It has certainly suited the intelligence services to present the coup as a great victory for CIA ingenuity and resourcefulness. Even President Eisenhower described Roosevelt’s account of the operation as “more like a dime novel than a historical fact”. The reality was that internal Iranian factors, often completely outside the CIA’s control, were equally important in the success of the coup. Mosaddeq greatly contributed to his own downfall by his lackadaisical response to the first coup attempt. In truth, this merely reflected his somewhat fatalistic approach to his tenure. In the year preceding the coup, he spurned numerous opportunities to take forceful action against Zahedi and his other opponents. The Tudeh, firstly overplayed their hand with their strident calls for a republic and then, utterly failed to respond to the unfolding events on 19 August. Indeed, for all their planning and inducements, the CIA were entirely dependent on the willingness of Iranians to execute the coup. For that reason a number of Iranian scholars such as Darioush Bayandor give far greater agency to the Iranian participants, arguing that the CIA actually played little or no role in the second coup. Ironically, the contention that there was a genuine “spontaneous uprising” in support of the Shah is exactly the coordinated response that the British and American governments used to mask their true involvement. In any case, the landscape of Iranian politics had been profoundly altered as an era of democracy, however imperfect, was replaced by return to autocratic rule with the full support of the American government.

Chapter 4

Aftermath

The new Zahedi government moved swiftly to exert control and destroy any remnants of opposition. Martial law was declared and security forces arrested Tudeh members and Mosaddeq supporters. The direction of the new regime was undoubted, as a third of the new cabinet were military generals. Indeed, martial law would remain in place until 1957. Zahedi was not slow to keep his promise to the U.S. to “crush the Tudeh”.263

By mid-September around 3,000 “suspect” employees had been removed from government positions with 1,300 Tudeh members arrested. In the four years following the coup, in total over 3,000 Tudeh members were arrested with around 200 sentenced to life imprisonment. A further 40 were executed and 14 tortured to death.264 The new government also encouraged the growth of “quasi-military fascist type groups” to counter any Tudeh revival. At a Sports Festival arranged to celebrate the Shah's birthday, the Iranian Nationalist Socialist Party paraded before the crowds as 500 of their members marched “with a show of swastika-bedecked banners”.265 The U.S. appeared to have no qualms about these fascist tendencies, being fully aware that Tudeh suspects were being placed in a “concentration camp” in Luristan province in Western Iran. In truth, these “suppressive measures” were what the U.S. had in mind when they helped install Zahedi as Prime Minister.266

In an attempt to stabilise the regime, the U.S. moved swiftly to provide financial aid that had for so long been denied to Mosaddeq. A set of proposals to support a “successor government to Mosaddeq” had first been put forward in late July 1953 by John H Stutesman, Officer in Charge of Iranian Affairs at the NEA. Amongst a wide range of recommendations, Stutesman called for an immediate covert payment of $5 million to pay the wages of the security forces, to be followed by $45 million grant to cover the Iranian budget deficit for a further nine months. The loyalty of the security forces and the continued functioning of the economy were considered paramount for the survival of the new regime. Stutesman also suggested the clandestine provision of “riot quelling weapons” to the security forces, in anticipation of civil unrest in the aftermath of the coup.\textsuperscript{267} Planning for the provision of $45 million aid to Iran went back as far as March 1953, when the State Department called for a contingency fund to be set up.\textsuperscript{268} Consequently, with plans well advanced, two days after the successful coup the CIA gave Zahedi a cheque for $5 million, together with the small matter of $1 million in cash for himself.\textsuperscript{269}

On 26 August 1953, Zahedi wrote to Eisenhower requesting aid, with the President responding in a positive fashion on the same day. The administration had left nothing to chance as Zahedi’s request replicated the wording suggested by Harold E Stassen, head of the Foreign Operations Administration (FOA).\textsuperscript{270} On 3 September, the FOA announced $23.4 million of technical aid with Eisenhower confirming the $45 million grant two days

\textsuperscript{267} OTH, “Memorandum from the Officer in Charge of Iranian Affairs, Office of Greek, Turkish and Iranian Affairs (Stutesman) to the Director of Office of Greek, Turkish and Iranian Affairs, Bureau of Near Eastern, South Asian and African Affairs (Richards) ”, FRUS, 1952-1954, Iran, 1951-1954, Doc.256.


\textsuperscript{269} Rahnema, Behind the 1953 Coup, 269 & Gasiorowski, “The 1953 Coup D’Etat Against Mosaddeq, 257.

\textsuperscript{270} OTH, “Memorandum for the Record by the Deputy Director of Plans, Central Intelligence Agency (Wisner)”, 19 August 1953, FRUS, 1952-1954, Iran, 1951-1954, Doc.282.
The swift response was in stark contrast to the month that it took Eisenhower to reply to Mosaddeq's plea for aid in the run up to the coup. That being said, the amount of aid had been carefully calculated so that pressure was maintained on the new government to reach a timely settlement of the oil dispute. Indeed, Zahedi was most disappointed to learn that the amount of U.S. aid only covered Iran's existing obligations and left him limited funds to meet his ambitious plans for economic development. Moreover, the price of American help was clear. In his first meeting with Zahedi, Ambassador Henderson expressed his hopes that Iran would now fully support the U.S. position at the United Nations. It would become a recurring pattern that announcements of U.S. aid would only follow Iranian actions that benefited American interests. In essence, Iran was to become a client state.

It was immediately evident, however, that the U.S. would need to reappraise its viewpoint of the Shah. The monarch had returned a new man, determined to seize the opportunity to impose his authority. Despite his timorous role in the coup, he now portentously declared “Before 19 August 1953, I was the son of Reza Shah. Now I am the Shah in my own right”. He made it plain to Henderson that he was not going to make the same mistake as his supposedly “hands off” approach to the Razmara and Mosaddeq regimes. He would now directly intervene in government affairs. Perhaps, Max Thornburg had been correct in his assessment in February 1953 that the Shah was not “weak” but merely “young” and, “beaten-down” by the lack of support from the U.S. and Britain. In any

---

case, the Shah immediately set about undermining Zahedi and establishing his control over the army. Chief of Staff, General Nader Batmanqelich was encouraged to bypass the Prime Minister and deal directly with the monarch. Evidence of loyalty to the Shah was now a prerequisite for advancement in the military. Within two weeks of the coup, 43 officers who had played active roles in overthrowing Mosaddeq received promotions. The Shah would continue to rely on this core support for the duration of his reign. His most immediate concern, however, was how to deal with Mosaddeq.

The U.S. pressed the Shah for a swift trial, preferably in a closed court. It was believed that the best solution would be for Mosaddeq to be sentenced to death, with the sentence then commuted by the Shah to one of permanent exile. Zahedi, however, was keen to see Mosaddeq executed. Whilst the Shah dithered, he did leave instructions with prison guards to execute Mosaddeq if there was a Tudeh uprising. Mosaddeq finally came to trial at a military court on 8 November 1953 where his impassioned defence was widely reported in both local and international press. A guilty verdict was predetermined, as was the sentence of three years solitary imprisonment to be followed by a life under house arrest at his estate at Ahmad Abad. The publicity engendered by the trial, however, helped revive Mosaddeq's popularity ensuring his almost mythical status in Iranian history. Mosaddeq remained in prison during a series of failed appeals, before he was moved to his home in August 1956 where he lived a quiet life until his death in 1967, aged 85. The Shah adopted an equally lenient approach to other National Front leaders and activists. Only the ardent anti-royalist, Foreign Minister, Fatemi, was executed whilst most others

276 OTH, “Memorandum From the Chief of the Near East and Africa Division, Directorate of Plans Central Intelligence Agency (Roosevelt)”, 21 September 1953, FRUS, 1952-1954, Iran, 1951-1954, Doc.322.
277 Rahnema, Behind the 1953 Coup, 120.
278 OTH, “Despatch from the Embassy in Iran to the Department of State”, 26 September 1953, FRUS, 1952-1954, Iran, 1951-1954, Doc.325.
were either given short prison sentences or allowed to go into exile. They were not, though, permitted to take an active role in politics. This proved to be an effective manner of stifling meaningful opposition. Under the very real threat of arrest, the leading lights of the National Front such as Kashani, Makki and Baqa’i quietly faded from the political scene.

The conviction of Mosaddeq also signalled to the Qashqai tribe that it would be futile to continue with their support for the ex-prime minister. Such was their loyalty to Mosaddeq, and their hatred of the Shah, that at one point the CIA feared that the tribe was a threat to the whole TPAJAX operation. Even an offer of $5 million from the CIA had not been sufficient for the Qashqai to throw their support behind Zahedi to overthrow Mosaddeq. Nevertheless, the long term contacts that the CIA had established with the tribal leaders through the 'stay-behind' operation did enable the agency to help quell a rebellion in the immediate aftermath of the coup. CIA officials negotiated directly with the tribe, acting as intermediaries for the government and the Shah. Ultimately, the Shah was able to tighten his grip on power by forcing the four Khan Brothers that led the Qashqai into exile. The brothers appealed to the CIA for help as all of their assets in Iran were seized but with a compliant government in situ the CIA no longer had need for their services. The brothers had no option but to accept an offer of $25,000 from the Iranian government to depart.

With the security position stabilising, the Shah now felt confident enough to hold elections for the 18th Majlis. The U.S. was particularly keen for the Majlis to return, as any oil settlement would require ratification from the parliament. It was anything but a

280 De Bellaigue, Patriot of Persia, 258-270.
free election with every government backed candidate virtually guaranteed success. As a report from the CIA Station in Iran highlighted, it was crucial to ensure that the right candidates were put forward to achieve a “favorable Majlis for our purposes in Iran”. To that end, the CIA successfully concentrated their efforts in influencing the government’s choice of candidates.\footnote{OTH, “Despatch from the Station in Iran to the Chief of the Near East and Africa Division, Directorate of Plans Central Intelligence Agency (Roosevelt),” 13 November 1953 & “Monthly Report Prepared in the Directorate of Plans, Central Intelligence Agency, December 1953, FRUS, 1952-1954, Iran, 1951-1954, Doc.356 and 354.} It was clear that the CIA was now able to exert far more influence in government circles. Not only was the TPBEDAMN propaganda network being used to ‘prepare’ the Iranian public for a resumption of oil negotiations but the CIA was also assisting the government’s own propaganda department to support Zahedi.\footnote{Gasiorowski, “The 1953 Coup D’Etat Against Mosaddeq”, 257.} In the desire to exert its own influence, the U.S. had resorted to precisely the same imperialistic activities as previously undertaken by Britain.

The shift of power in Iran from Britain to the U.S. was obvious in the oil negotiations. No longer were the U.S. willing to accept the traditional British tactics of delay and obstinance. The U.S. supported Britain in the restoration of diplomatic relations with Iran in December 1953 but this was mainly to facilitate commencement of the oil discussions. A new British Ambassador, Sir Roger Stevens, arrived in Tehran in February 1954 but British political influence was much diminished. The Shah would later claim that the greatest achievement of the oil agreement was the removal of the British monopolistic hold of Iran so that the two nations could then deal “with each other on the basis of full equality”.\footnote{Gholam Reza Afkhami, The Life and Times of the Shah, (London: University of California Press, 2009), 203.}

Herbert Hoover Jr. led the U.S. oil negotiating team and he urged Roosevelt to remind the British government of its earlier assurances. Roosevelt duly passed on Churchill’s
comments that “AIOC had really fouled things up in the past few years and that he was
determined that they should not be allowed to foul things up any further”. The British recognised that AIOC would only be able to return to Iran as part of an
international consortium but were determined that AIOC would have at least a 50 percent
stake. The Americans, meanwhile, were looking at a 50 percent stake for U.S. oil
companies with AIOC only sharing 25 percent along with Royal Dutch Shell. In the
end, both sides compromised as a deal was reached that in many respects reflected the
final offer that had been made to Mosaddeq in early 1953.

The 1954 agreement finally recognised the ownership rights of NIOC and made it
responsible for all internal oil distribution. A foreign consortium known as the Iranian Oil
Participants Limited (IOP) was created to manage the operation. Iran now owned its oil
reserves but the foreign consortium was in full control of running the concession. It
decided on the international distribution of Iranian oil, production levels and the sale price
of the oil. In essence, the U.S. ambition of retaining control of Iranian oil for the West
had been achieved but with the added bonus of U.S. oil companies sharing in the bonanza.
It was not only big business that would profit. After leaving the CIA in 1958, Roosevelt
became a Director in Gulf Oil & Co, one of the U.S. firms in the consortium. The
crushing defeat of the Mosaddeq regime also secured the strategic aim of protecting
British and American oil concessions elsewhere in the world. It would take until the early
1970's before any further significant oil nationalisations would occur.

286 OTH, “Memorandum From the Director of Central Intelligence Dulles to Secretary of State Dulles”, 1
287 The National Archives, “Cabinet Minutes”, 25 August 1953, The National Archives, Available at:
288 OTH, “The Secretary of State to the Embassy in Iran”, 23 September 1953, FRUS, 1952-1954, Iran,
289 William Blum, Killing Hope: U.S. Military Interventions since World War II, (Monroe, Maine: Common
290 Bill, Eagle and the Lion, 93.
The structure of the new consortium was AIOC 40 percent, U.S. oil companies 40 percent, Royal Dutch Shell 14 percent & Compagnie Française des Pétroles six percent. The 40 percent U.S. share was split between five major oil companies who each held seven percent. The remaining five percent went to Iricon group, a collection of small independent U.S. oil companies. A complicated pricing structure saw profits shared 50/50 between NIOC and the consortium. AIOC may have lost their monopoly but could now enjoy the benefits from Iranian oil hidden behind the veil of the consortium. They also received $670 million in compensation. $70 million of this came from Iran payable in ten annual instalments but the rest came from the consortium members. $90 million was to be paid upfront and then 10 cents a barrel from future sales was siphoned off to AIOC until approximately $510 million had been paid. In that sense, this was a staggeringly good result for AIOC as the other companies were paying AIOC for the rights to oil that technically they no longer owned. Nevertheless, $600 million was a small price to pay for the billions in profits that the consortium members would subsequently enjoy.

Iranians were infuriated by the agreement. But the reality was it mirrored other concessions in the region and was the best that could be achieved at the time. The Majlis had little option but to ratify the agreement in October 1954 by a resounding 113 votes to five.\textsuperscript{291} Politically, the nationalist opposition had been crushed and western influence enhanced; and economically, the foreign oil consortium had been empowered. As Iranian economist Fereidun Fesharaki commented, “the monopolistic structure did not really change. Indeed, Iran was in a weaker position facing eight majors rather than facing a single major oil company”. This enabled the consortium to secretly agree to limit production from the Iranian oil fields to protect their investments elsewhere in the

The agreement did, however, for the first time allow the Iranian government to negotiate oil agreements for areas outside of the concession so that by 1960 a number of joint ventures had been signed. Most importantly, the agreement greatly increased Iranian revenue from oil. The paltry $45 million that was received in 1950 would rise to $285 million by 1960 and to $905 million by 1969. The increased revenue was seen by the U.S. as essential to help the Shah create stability through spending on economic development.

To add to this massive influx of oil income, the U.S. continued to provide aid. Reward for ratification of the oil agreement was a new $127 million aid package. In the seven years following the coup the Eisenhower administration granted $567 million in economic aid with a further $450 million in military aid. However, much of the economic aid was squandered on large ostentatious dam projects that proved to be of questionable value. There was no consideration for social reform. With corruption endemic and soaring inflation, aid was seen to benefit the rich and not the poor. The result was that as U.S. ties with Iran grew stronger, the perception of America within Iran significantly worsened. In a speech in 1961, Abol-Hasan Ebtehaj, who was originally in charge of Iran’s economic development plan, succinctly summarised the failings of the American strategy; “Not so very many years ago in Iran, the United States was loved and respected as no other country, and without having given a penny of aid. Now, after more than $1 billion of loans and grants, America is neither loved or respected; she is distrusted by most people and hated by many.”

In part, this was due to economic mismanagement but more so

---

due to the integral role that the U.S. was playing in the Shah's increasingly autocratic and repressive regime.

Once the oil agreement had passed the Majlis, the Shah no longer saw the need to tolerate Zahedi. In April 1955, he forced Zahedi to resign and dispatched him to Geneva as Iran's ambassador to the United Nations. In effect, the Shah was now in sole charge. To maintain the illusion of democracy, the Shah created two parties within the Majlis, the National Party (Melliyun) and People's Party (Mardom). Their compliance was such that they quickly became known in Iran as the 'Yes' and 'Yes Sir' parties. Now that the military leadership of the country was over, in 1957 the Shah created a new National Intelligence and Security Organisation (SAVAK). The CIA played a pivotal role in the establishment of the organisation whose name became synonymous with brutality and torture. In the immediate aftermath of the coup, Colonel Stephen Meade was sent to Tehran to organise and train a new intelligence body. Initially, the work of the unit benefited U.S. interests as in 1954 it was responsible for the discovery of a secret cadre of around 400 Tudeh officers within the army. However, as the unit evolved into SAVAK and Meade was replaced by five permanent CIA trainers, the undoubted U.S. association with such an inhumane organisation indelibly affected its standing in Iran. As Gasiorowski notes, by the time the CIA trainers were replaced by Israeli intelligence agents (MOSSAD) in 1961, almost all of the first generation of SAVAK interrogators had been trained by the CIA. It was too much for some in the agency; a disillusioned CIA operative Ted Hotchkiss departed Iran stating “I fought the fascists and the

295 Kinzer, All The Shah's Men, 198.
296 Axworthy, Revolutionary Iran, 58-59.
Nazis…my lesson was that we were becoming just like them”. 299

Successive administrations were, however, willing to turn a blind eye to the Shah's excesses in return for his strident anti-Communist stance. In 1955, the Shah signalled his commitment to the Western camp by joining the Baghdad Pact, a defensive alliance of Northern Tier countries Iraq, Turkey, Pakistan but also Britain. The U.S. then reaffirmed its allegiance to Iran with a bi-lateral defence agreement in 1959. 300 The greater emphasis on military aid that followed this agreement only increased popular Iranian dissatisfaction with the U.S. American military hardware was a highly visible element in the relationship as Iran began to resemble a police state. In April 1961, following a visit to Tehran, Senator Hubert Humphrey observed “That army isn't going to fight the Russians. It's planning to fight the Iranian people”. 301

In truth, this reflected the U.S. strategy for the Iranian military that had been in place from the time of the coup. The U.S. envisaged a fairly restricted role for the armed forces. To add to their primary function of maintaining internal security, the U.S. only sought to develop the Iranian armed forces to provide “defensive delaying tactics” in the face of external aggression. It was just not considered feasible or necessary to build up the Iranian army to a level where it could repel a Soviet invasion. 302 The commitment given in the 1957 Eisenhower Doctrine that the U.S. would, if necessary, deploy American military forces in the Middle East to protect the territorial integrity of any nation under attack from Communist instigated aggression, was considered sufficient to contain any direct Soviet threat. 303 This proved a constant irritation to the Shah who was obsessed with acquiring

299 Dorril, MI6, 596.
300 Buchan, Days of God, 160.
303 LaFeber, America, Russia and the Cold War, 191-192.
the strongest possible military resources for both for the security of his regime and his personal prestige in the region. To that end, the Shah lost no opportunity to emphasise the importance of Iran to the defence of the Middle East and also threatened to improve relations with the Soviet Union if he considered American interest to be waning. Indeed, the Shah and Queen Soraya visited Moscow in June 1956. The success of the Shah's protestations was such that in the decade following the coup the size of the army grew from 120,000 to almost 200,000. The aftermath of the coup had established a burgeoning military relationship between the Shah and the U.S. that would only continue to deepen.

However, as the Eisenhower presidency drew to a close, the principal threat to the stability of Iran was not external. The legacy of the coup was now jeopardised by what the U.S. recognised as “widespread dissatisfaction of many Iranians with domestic conditions”. The “Statement of U.S. Policy Toward Iran” presented in NSC 5821/1 on 15 November 1958, starkly concluded that “without internal reform, neither U.S. military nor economic aid is likely to suffice or maintain a stable, pro-Western Iran”. The statement contended that the monarchy itself was in peril if the Shah did not introduce anti-corruption measures, adopt land and tax reforms and modify “his present dictatorial role to allow some scope for the expression of opposition sentiment”. It was a situation, of course, that the U.S. had been complicit in creating. They had installed the corrupt Zahedi government and then, in their dealings with the Shah, had prioritised control over reform. The incoming Kennedy administration did make a brief concerted effort to re-prioritise social development in Iran to foster stability along the lines of the Alliance for

305 Ansari, *Modern Iran*, 171.
Progress programme in Latin America. The U.S. pressure led to the Shah introducing a number of social reforms in his 'White 'Revolution' that were based on U.S. proposals but came at a cost of accepting the primacy of his autocratic rule. Ultimately, the strategic gains that the U.S. had secured in the 1953 coup were considered too valuable to insist on a return to the unpredictability of Iranian democracy.

The manner in which the aftermath of the coup firmly moved Iran into the Western sphere also had a marked effect on the Shah's relationship with the clergy, with major implications for the U.S. standing in the Islamic world. Initially, relations were fairly harmonious, partly in recognition of the role the clergy played in overthrowing Mosaddeq. Ayatollah Borujerdi was content to support the monarch and in return the Shah allowed Borujerdi to instigate a purge of the minority Baha'i population. The death of Borujerdi in March 1961, however, brought the radical Ayatollah Ruhollah Khomeini to prominence. Khomeini directly tied the Shah’s moves towards Western values, away from Islamic principles, to a subservience to the U.S. In October 1964, he virulently objected to a bill granting legal immunity to American military personnel assisting the Iranian armed forces. He declared that U.S. President Lyndon B Johnson was “the most spiteful toward our nation than any human being” and “the Qur'an is his enemy; the people of Iran are his enemy”. This was too much for the Shah and on 4 November 1964, Khomeini was arrested by Iranian security forces and put on a plane to Turkey. He would remain in exile for 13 years but the underlying notion that America was the enemy of Islam had been well and truly established.

---

308 Amanat, Iran: A Modern History, 568-569.
309 Buchan, Days of God, 121.
The success of the coup led to a fundamental change in the manner in which both the U.S. and Britain conducted its foreign policy in the Third World. The Eisenhower administration now saw covert action as the panacea to any difficulties. This misguided belief was only strengthened by the success in the following year of a further coup operation to overthrow the government of Jacobo Arbenz in Guatemala. The CIA failed to recognise just how fortunate the operations had been to succeed, reliant on the weaknesses of the incumbent regimes rather than the flawlessness of their strategy. Moreover, a series of botched operations including unsuccessful coup attempts in Syria and Indonesia failed to dampen the agency's enthusiasm for intervention. The spectacular and very public humiliation at the Bay of Pigs in Cuba in 1961 was in many ways inevitable but the large paramilitary operation bore little resemblance to the small-scale Iranian covert action. The mythical 'Golden Age' of the CIA was, as Rhodri Jeffreys-Jones argues, more of a ‘Gilded Age’: in reality, the failures of the agency far outnumbered its successes.

The success of the Iranian coup also persuaded the British government that covert operations should be a pivotal part of their foreign policy. It would again have disastrous consequences. Buoyed by the discovery of a secret £1 million fund donated by MI6 well-wishers, the British turned their attention to the Egyptian President, Gamal Abdul Nasser, who ironically had been brought to power with the help of the CIA. Anthony Eden, who had replaced Churchill as Prime Minister on 6 April 1955, was determined to remove Nasser who he saw as a direct threat to Britain’s declining influence in the region. Firstly, an Iran style coup was contemplated with the Head of the Middle East desk, George Young, boasting that MI6 would “do a Mosaddeq with Nasser”. Eden was rather more

forthright, at one point proclaiming “I want him (Nasser) murdered”. British fears came
to fruition when on 26 July 1956, Nasser nationalised the Suez Canal Company. Keeping
the U.S. in the dark, Britain hatched a plot with Israel and France so that an attack by
Israel in the Sinai Peninsula provided a pretext for British and French troops to move in
to protect the canal. The U.S. was appalled at the deception of its supposedly close ally,
and immediately pressurised the British to accept a humiliating ceasefire. The debacle,
as Kyle contends, removed any pretence that Britain could take the lead role in the Middle
East. The shift in the regional balance of power from Britain to the U.S. that had started
with the Iran coup was now complete.
Successive presidential administrations certainly placed great importance on cementing
America's dominant position in Iran. From the time that Vice President Nixon visited
Tehran in December 1953, the Executive Branch of the U.S. government was only too
keen to show its support for the Shah. President Eisenhower visited the monarch in Tehran
in 1959 but from then on, the Shah was afforded an official visit to the U.S. by every
single presidential administration until the end of his reign in 1979. The regularity of
the visits illustrated the closeness of the relationship set in motion by the coup and the
strategic importance with which Iran was held by all U.S. governments.

313 Cormac, Disrupt and Deny, 112 & 120-127.
314 Dorril, MI6, 646.
316 OTH, “Visits by Foreign Leaders of Iran”, Department of State, Available at:
Conclusion

This thesis has shown how U.S. policy in Iran was driven by a complex entanglement of economics and anti-communism. What had been a focused objective of keeping Iran in the Western camp, free from Communist infiltration, became complicated by the nationalisation of Iranian oil by Mohammad Mosaddeq. The U.S. was suddenly faced with a balancing act between trying to maintain stability in Iran, supporting Britain, its principal Cold War ally and protecting its own commercial interests elsewhere in the Third World. The intransigent positions of Mosaddeq and the British government in the oil dispute made it almost inevitable that at some point the U.S. would be forced to make a judgement on how far the situation in Iran could be allowed to deteriorate, before taking decisive action. The central overriding factor, however, was that the oil dispute could only be settled in a manner that maintained control of Iranian oil for the West. Nationalisation could not be seen to benefit the host nation. In that sense, the U.S. position remained as inflexible as the Iranians and the British. At no point was Mosaddeq offered an oil deal that provided any substantive form of sovereignty over his nation's oil assets. It was when the U.S. concluded that Mosaddeq would not compromise on this principal that they decided to intervene. Contrary to the prevailing assumption, however, it was the Truman and not the Eisenhower administration that made the first move. Far from being passive, it was the Truman administration that set the direction of U.S. policy in Iran. In many ways, this was in keeping with a pattern of U.S. intervention that had been established as soon as the defence of Saudi Arabia became a U.S. priority in 1943. The Second World War brought the U.S. directly into Iranian affairs. From that point onwards, U.S. strategy centred on its relationship with the Shah as a means of imposing a level of control in Iran. It is often overlooked in the scholarship that in the seven years prior to the 1953 coup, the Truman administration intervened on three separate occasions to alter the
composition of the Iranian government. In 1946, U.S. influence with the Shah was used to remove Tudeh members from the cabinet whilst in 1950, lobbying by the U.S. Embassy in Tehran persuaded the Shah to appoint General Razmara as Prime Minister. The failed attempt to replace Mosaddeq with Ahmad Qavam in July 1952, however, highlighted the limitations of U.S. influence. The Shah was far more concerned with internal threats to his throne than furthering the interests of a foreign power.

The events of July 1952 were significant in that for the first time during the oil dispute, Britain and the U.S. worked in unison against Mosaddeq. British objectives throughout the dispute were simple: remove Mosaddeq to recover their oil assets and maintain their prestige in the region. The British government never had any real intention of reaching a negotiated settlement. Whilst the U.S. craved stability, Britain fostered instability. In effect, in the first year of the dispute the two allies were working in diametrically opposite directions. The U.S. were content for Mosaddeq to remain in power in the hope that the oil dispute would be resolved, whilst the British did everything that they could to unseat him. The supposedly neutral position of the U.S. in the dispute was, however, biased towards Britain. For all their frustration with the myopic British approach to the negotiations, the U.S. shared the same ultimate ambition. Maintain control of Iranian oil and protect their commercial interests in the region. The U.S. enforcement of the oil embargo signalled that it was always the intention to force Mosaddeq to forgo true nationalisation and accept the continued Western control of Iran's oil industry.

From July 1952 onwards, it was apparent to both the U.S. and the British that it was not going to be possible to engineer the removal of Mosaddeq by political means. It was, however, only when the internal forces in Iran turned against Mosaddeq that the possibility of a coup became feasible. The Iran coup revealed that success could only be achieved by harnessing internal forces against the regime; covert action purely based on
external force and manipulation, or on artificial internal forces that lack credibility or influence, would ultimately fail. The Eisenhower administration may have taken office determined to pursue British proposals to overthrow Mosaddeq but it was the fracturing of the National Front coalition and in particular the move by Ayatollah Kashani to support the Shah that gave impetus to these plans. Allen Dulles was clearly the driving force behind the change of U.S. approach, given that from the time Mosaddeq became Prime Minister in May 1951, Dulles insistently called for his removal. The appointment of his brother, John Foster Dulles, as Secretary of State effectively put the CIA in the vanguard of U.S. policy in Iran, fully supported by President Eisenhower who was convinced of the efficacy of covert operations.

In essence, the decision to participate in the coup was a logical extension of the escalating policy of the outgoing Truman administration. Indeed, the new administration were able to benefit from the groundwork that had already been put in place. The covert TPBEDAMN network in Iran had started to agitate against Mosaddeq, whilst the possibility of U.S. involvement in a foreign oil consortium had been broached with the British. Furthermore, the anti-trust legal proceedings against U.S. oil companies that would have prevented their participation was in the process of being suspended. There is, however, no indication that President Truman would have authorised direct action to overthrow a non-Communist government.

Equally, the Eisenhower administration did not believe that there was an imminent risk that Iran would be lost to Communism, either through a Soviet invasion or by way of a Tudeh takeover. Consistent with the stance of the Truman administration, it was also recognised that Mosaddeq was not a Communist. There was a fear that with an oil settlement considered impossible, there would be a slow drift towards Communism as Tudeh support grew as conditions in Iran worsened. However, the Iranian economy was
not in any immediate danger of collapse and the Mosaddeq regime was thought to be strong enough to maintain control over any Tudeh agitation. Given the momentum of internal opposition forces and the apparent disinterest of the Soviets who were distracted by the death of Stalin in early 1953, the coup was seen as a relatively low risk option to remove Mosaddeq. His overthrow would allow for an oil agreement to be reached and it would satisfy American strategic objectives to control Iranian oil and protect U.S. commercial interests in the region. By over emphasising the Communist risk, it also afforded the opportunity to keep an election promise to strike a blow against the Soviets. Gaining access for U.S oil companies to the Iranian oil industry was an added bonus rather than a priority.

The success of the coup was due to a combination of internal and external factors. It was the conclusion of two years of destabilisation activities by British and American covert networks that brought unrest in Iran to a fever pitch. The covert activities were, however, undertaken by Iranians. It was not a matter of Britain and the U.S. imposing their will on reluctant participants. The political forces that split from Mosaddeq did so of their own accord without the need of foreign inducements. Equally, the demonstrations and military coup on 19 August 1953, were entirely executed by Iranians. In this regard, there is some validity to Monty Woodhouse's claim that “We may have done no more than mobilize forces which were already there but that was precisely what needed to be done and it was enough”.317

That being said, the coup would not have happened without the resources and organisation provided by the foreign operatives, a factor that tends to be missed in Iranian narratives.318 The coup was financed and planned by the American and British

---

317 Woodhouse, Something Ventured, 130.
intelligence services. The British then played a small but significant role in the coup through the endeavours of the Rashidian brothers. It was CIA agents that co-ordinated the creation of the secret military network that proved pivotal in the execution of the coup. It was CIA resources that publicised and distributed the firmans in the period between the failed and successful coup and provided a safe haven for Zahedi. It is inconceivable that the Shah would have participated without the knowledge that the coup was being fully supported by Britain and the U.S. and even then he had to be coerced into action by the CIA. Above all, the success of the coup operation depended on the fallibility of its intended target. Mosaddeq was portrayed by Britain and the U.S. as a dictator but this was far from the truth. The plans for the coup could have been dealt a fatal blow if Mosaddeq had taken the numerous opportunities to take punitive action against Zahedi, who he knew full well was plotting against him. The openness of Iranian society also greatly facilitated the destabilising propaganda campaign mounted by the western intelligence services whilst it was only the lax security response to the first coup attempt that allowed the second operation to proceed.

The aftermath of the coup had far reaching consequences for all of its participants. On a pure strategic level, whilst there were some long term negative effects, in the short to medium term the U.S. government benefited from numerous positive outcomes that accrued from the coup. 319 A pro-U.S. regime was installed on the border of the Soviet Union without any adverse reaction from their Cold War opponent. The Tudeh party was effectively eliminated within only a few months and Iran would prove to be a reliable anti-Communist ally for the next 25 years. Iranian oil remained the prerogative of the West and was reintroduced to the world markets in an effective manner. Furthermore, U.S. oil companies now enjoyed a 40 percent share of the lucrative Iranian oil industry.

319 Blum, Killing Hope, 64-72 and Abrahamian, The Coup, 205-226.
The strategically important oil assets of Saudi Arabia and the Gulf remained safe from Soviet hands, protected by an Iranian buffer zone. A message had also been sent to Third World countries that the U.S. would take action to protect the sanctity of its contracts. In addition, the U.S. replaced Britain as the dominant foreign power in Iran. Britain, although the principal agitator for the coup, failed to achieve its primary objective as it was unable to reverse its inevitable decline in the region and on the world stage. The humiliation at Suez only confirmed Britain's fall from grace. The coup, however, did enable the British to protect their interest in Iranian oil, albeit at a reduced level. That being said, AIOC, despite receiving generous compensation, still lost 60 percent of its monopoly over Iranian oil. It paid a heavy price for its inflexible, colonial attitude as any deal that could have been reached in the late 1940's or early 1950"s would have been vastly more financially beneficial than the final consortium agreement. Prior to nationalisation, the U.S. was content for AIOC to retain its monopoly. It was nationalisation that provided the U.S. with an opening to take advantage of Britain's weakness to insist on a role for U.S. oil companies in the future arrangements.

The other significant losers were the members of the National Front coalition who turned against Mosaddeq and supported the coup. Baqa'i, Makki and Kashani were swiftly dispatched by Zahedi and the Shah into political oblivion. They would surely have not acted in the way that they did if they could have foreseen the consequences of their actions.

The Shah, much to the surprise of his foreign backers, was able to seize the opportunity to establish his primacy in Iran. In one fell swoop, the coup removed the principal opponents to the monarchy, leaving a military based government in power. With the help of the U.S. the Shah was then able to exploit his traditional support within the military to assume control and emerge as the supreme ruler in Iran. Given that the aim of the coup
was to introduce stability and not democracy, it can be argued that the plans that the U.S. put in place in the immediate post-coup period were in many ways effective, if lacking in morality. In terms of security, the United States provided military aid to build up the Iranian army, whilst training and resources were provided to establish an efficient security apparatus. To provide for much needed social development, the U.S. government gave millions of dollars of economic aid that was then enhanced by billions of dollars of increased oil revenue from the consortium agreement.

It was a policy, however, that concentrated on control and not reform. Ultimately, provided that the Shah remained securely in charge and promoted American interests, successive U.S. administrations showed little or no concern for the plight of the Iranian people. The cost to the majority of Iranians for the stability craved by the West was an autocratic, corrupt and deeply repressive regime. The level of repression was such that a 1976 *Amnesty International* report that claimed that “Iran had the highest rate of death penalties in the world, no valid system of civilian courts and a history of torture that is beyond belief. No country has a worse record in human rights than Iran”.  

The cost to the U.S. would only become apparent in the longer term. It would, however, be disingenuous to claim that the causes of the Islamic revolution in 1979 can be traced directly back to the coup of 1953. In the intervening period, there were many opportunities for the U.S. to re-evaluate their policies towards Iran that could have been grasped by either side of the American political divide. The coup did undoubtedly mark a sea change in how the U.S. was viewed in Iran. Prior to the coup, the U.S. was viewed sympathetically as distinct from colonial Britain. It was widely known in Iran and indeed the whole of the region that the U.S. was to some extent behind the overthrow of

---

320 Blum, *Killing Hope*, 72.
Mosaddeq. The CIA hardly helped dispel the claims when in 1954, Allen Dulles was the source behind three articles in the *Saturday Evening Post* that heralded the fall of the Mosaddeq government as “another CIA influenced triumph”.\(^{322}\) The goodwill that the U.S. had built up in Iran over many decades was lost at a stroke. The effect was that to many Iranians the U.S. simply replaced Britain as the imperialist oppressor. The continual U.S. fêting of the Shah and their close association with the repressive SAVAK only added to the growing anti-American sentiment. The U.S. also chose to ignore the deep resentment caused by the overt use of aid as an imperialistic tool that appeared to benefit U.S. rather than Iranian interests. In this way, the radical clergy managed to associate the U.S. and by definition the success of the coup as being the enemy of Islam. The coup and the overthrow of Mosaddeq was, however, not in itself anti-Islamic. The purpose of the coup was not to strike a blow against the clergy. The radical clerics actually supported the coup. Nevertheless, to many Iranians the coup would become a defining symbol of America's anti-Islamic tendencies.

The 1953 coup in Iran marked a turning point in U.S.-Iranian relations and indeed in Iranian history. Western intervention ended a period of unstable democracy and replaced it with stable autocracy. U.S. strategic objectives were secured but at a considerable price to the Iranian people.

Bibliography

Primary Sources


The National Archives, Kew, Richmond, Surrey.


**Secondary Sources**

**Books**


**Articles**


