

**Desperate Measures: Truman, Eisenhower, and the Lead-up to Operation Ajax**

**Theodore L. Leonhardt**

A thesis submitted to the Department of History for Honors  
Duke University  
Durham, NC  
Under the advisement of Professor Hal Brands

2015



*In August 1953, the American CIA and British SIS collaborated with the Shah of Iran and elements of the Iranian military to overthrow the government of Prime Minister Mohammed Mossadegh in Operation Ajax. The coup marked the culmination of an ongoing crisis that had begun when Mossadegh nationalized the holdings of the Anglo-Iranian Oil Company in 1951. Operation Ajax has become one of the controversial episodes of the early Cold War on account of what many see as its role in creating the “blowback” of the 1979 Iranian Revolution. However, historians cannot properly engage in the blowback debate without understanding why the United States undertook such a bold policy. This thesis interrogates explanations for the decision to approve Operation Ajax and analyzes their strengths and shortcomings using primarily archival evidence, some not available to many previous scholars, and accounts of participants in the crisis. In doing so, I engage theories of American policy in the larger Cold War. Finally, the thesis questions the limits that scholars impose between those different theories and advocates a multilayered approach to Cold War history.*

## **Acknowledgments**

I would like to thank a number of people for helping me bring this project from scattered conversations about a compelling Cold War event to a senior honors thesis. My advisor, Professor Hal Brands, also taught me in his Cold War and American Grand Strategy courses. His willingness to work with me yet again, and for an entire year at that, speaks to the interest he takes in his students. Professor Brands pushed me to develop my research and writing skills by nudging me in the right direction instead of telling me where to look for sources or what to write (as much as I sometimes hoped he might!). I am honored to have worked so closely with Professor Brands and look forward to reading his own works in the coming years.

Professor Anna Krylova did far more than just teach the honors thesis seminar; she involved herself deeply in each student's paper, including my own. In addition to helping facilitate productive criticism of my paper in the seminar, Professor Krylova was always willing to meet with me and offer detailed comments. Her perspective on the Cold War encouraged me to examine other angles, and her love for storytelling drove me to ensure that I did not lose the compelling narrative of Operation Ajax amidst my analysis.

During my four years at Duke, the History Department has always supported my research interests and encouraged me to continually improve as a writer and researcher. I would not have been equipped to write an honors thesis without earlier lessons from Professor Philip Stern, Professor Vasant Kaiwar, and the other instructors who taught me at Duke. On short notice in the final weeks of this project, the History Department offered me funding to travel to the United Kingdom for one week to locate key documents in the British National Archive and the BP Archive to fill out the British perspective on the coup. Such support for undergraduate projects sets both Duke University and its History Department apart from peer institutions. I would like to

thank Director of Undergraduate Studies Professor Adriane Lentz-Smith and the rest of the Department for making that trip possible.

Finally, I would like to thank my parents and sister for the interest they have always taken in my studies and this project, in particular. I am sure they learned far more about Operation Ajax than they ever intended, but their encouragement was critical to the completion of this thesis.

## Table of Contents

<b>List of Illustrations</b>	<b>6</b>
<b>Note on Transliteration</b>	<b>7</b>
<b>Introduction</b>	<b>8</b>
<b>Chapter One – The Presidential Synthesis</b>	<b>23</b>
<b>Chapter Two – Structural Explanations for Operation Ajax</b>	<b>53</b>
<b>Chapter Three – The “Pericentric” and “Seven Sisters” Schools</b>	<b>85</b>
<b>Conclusion – Operation Ajax as a Cold War Event</b>	<b>122</b>
<b>Bibliography</b>	<b>138</b>

## **Illustrations**

<b>Figure 1. W. Averell Harriman and Dr. Mohammed Mossadegh</b>	<b>29</b>
<b>Figure 2. Secretary of State Dean Acheson</b>	<b>39</b>
<b>Figure 3. Ambassador to Iran Loy Henderson</b>	<b>49</b>
<b>Figure 4. Secretary of State John Foster Dulles</b>	<b>77</b>
<b>Figure 5. General Fazlollah Zahedi</b>	<b>79</b>
<b>Figure 6. Foreign Secretary Anthony Eden</b>	<b>92</b>
<b>Figure 7. First session of the negotiations between the International Oil Consortium and Representatives of the Iranian Government, Tehran, 14th April 1954.</b>	<b>118</b>

### **Note on Transliteration**

There is no uniform method for the transliteration of Persian names and words into English. This is most apparent in this study in the case of Dr. Mohammed Mossadegh, the Prime Minister of Iran from 1951 to 1953. As readers will notice, American and British officials and historians have spelled his name perhaps ten different ways over the years. I have adopted the Persian spellings from recent literature on the crisis.

## Introduction

In August 1953, CIA operatives and Iranian collaborators with British assistance fomented the overthrow of Iranian Prime Minister Dr. Mohammed Mossadegh. Operation Ajax, as the coup was termed, installed a friendly government under the Shah and his military that would remain in power until the Iranian Revolution in 1979. The coup itself has become one of the controversial episodes of the early Cold War. Yet Operation Ajax was the culmination of years of tensions between the British-owned Anglo-Iranian Oil Company (AIOC) and the Iranian government that reached a head when Mossadegh nationalized the AIOC's holdings in May 1951. American policy evolved over the course of the long crisis. President Harry S. Truman tenaciously pursued diplomacy, initially as an arbiter between Iran and the United Kingdom before gradually leaning toward the British side. Mere months after taking office, President Dwight D. Eisenhower authorized Operation Ajax following the failure of a final round of diplomacy.

Much discussion of Operation Ajax, both in the academic literature and the popular discourse, centers on the covert operation and the “blowback” of the 1979 Iranian Revolution. Some historians and participants in the operation have argued that the coup was worthwhile: it secured an American ally in a key region for twenty-five years during a dangerous stage of the Cold War. The CIA's chief operative in Iran, Kermit Roosevelt, captured that spirit when he titled his memoir *Countercoup*, implying that the communist Tudeh Party or Islamic fundamentalists would have toppled Mossadegh if the CIA had not interceded.<sup>1</sup> Others hold that the coup was ultimately a result of Iranian politics; a change of government would have taken

---

<sup>1</sup> Kermit Roosevelt, *Countercoup: The Struggle for the Control of Iran* (New York: McGraw-Hill, 1979), 210.



place without the CIA.<sup>2</sup> Perhaps the largest group blames the past three and a half decades of strife between the United States and Iran on the coup, with some even going so far as to locate the origins of other events like the 1991 Gulf War in Operation Ajax.<sup>3</sup>

This thesis attempts a more thorough comparison of the different explanations for the decision to undertake Operation Ajax. By closely examining archival evidence, memoirs, and other primary sources, I evaluate existing schools of thought to offer an account of American policy that synthesizes elements of some of those theories while questioning scholarly boundaries between them. In doing so, the thesis engages broader theories about the Cold War and questions the practice of dividing historical concepts at the expense of potential intersections.

#### **A Brief History of American Policy toward Iran, 1946-1954**

The story of Operation Ajax began years before the coup. Britain first entered the Iranian oil industry in 1901 when William Knox D'Arcy purchased a concession to drill for oil from the bankrupt Shah. In 1913, First Lord of the Admiralty Winston Churchill convinced Parliament to purchase a majority stake in D'Arcy's Anglo-Persian Oil Company, which became the AIOC, in preparation for converting the Royal Navy's ships to oil fuel.<sup>4</sup> During World War II Britain and the Soviet Union jointly occupied Iran in order to protect oil and supply lines for Lend-Lease military aid to the Russians. After the war, the British quickly removed their troops from Iran, but the Soviets lingered in the country after the deadline for withdrawal. The Kremlin attempted

---

<sup>2</sup> Ray Takeyh, "What Really Happened in Iran: The CIA, the Ouster of Mosaddeq, and the Restoration of the Shah," *Foreign Affairs* 93, no. 2 (July / August 2014), pp. 2-13, [http://heinonline.org/HOL/Page?handle=hein.journals/fora93&div=81&g\\_sent=1&collection=journals](http://heinonline.org/HOL/Page?handle=hein.journals/fora93&div=81&g_sent=1&collection=journals) (accessed February 20, 2015), 2.

<sup>3</sup> Mostafa Elm, *Oil, Power, and Principle: Iran's Oil Nationalization and its Aftermath* (Syracuse, NY: Syracuse University Press, 1992), 343; Stephen Kinzer, *All the Shah's Men: An American Coup and the Roots of Middle East Terror* (Hoboken, NJ: John Wiley and Sons, 2003), 203.

<sup>4</sup> Daniel Yergin, *The Prize: The Epic Quest for Oil, Money, and Power* (New York: Simon and Schuster, 1991), 134-164; R.W. Ferrier, *The History of the British Petroleum Company, Vol. 1: The Developing Years 1901-1932* (Cambridge: Cambridge University Press, 1982), 42-45, 202.

to force an oil concession agreement on Iran and instigate the independence of the northern Iranian province of Azerbaijan. Secretary of State James Byrnes protested the Soviet aggression, warning, “[T]he United States...can not [sic] remain indifferent.”<sup>5</sup> That vague threat, coupled with the United States’ decision to refer the issue to the United Nations Security Council, forced the Soviet Union to reach an accord with Iran and eventually remove its troops.<sup>6</sup> Despite the Soviet danger, in the years that followed the Truman administration was preoccupied with other Cold War theaters and the rising costs of its containment strategy and, therefore, believed that Britain needed to continue its traditional hegemonic role in the Middle East.<sup>7</sup>

Disputes between the Anglo-Iranian Oil Company and the Iranian government during the renegotiation of the AIOC’s oil concession called into question the ability of the British to fulfill those expectations and fostered greater American involvement. On July 17, 1949, the Iranian government had signed the so-called Supplemental Agreement with the AIOC. The Supplemental Agreement would have increased royalties per barrel for Iran by fifty percent, but ignored issues like the employment of Iranians in management roles. That agreement quickly became anachronistic when the Arabian-American Oil Company (ARAMCO) agreed to a “fifty-fifty” profit-sharing plan with Saudi Arabia in late 1950. In the interim, Iranian politician Mohammed Mossadegh formed the National Front, uniting a number of political factions in opposition to the British and agitating for the nationalization of the AIOC’s resources. The assassination of the centrist Prime Minister Ali Razmara on March 7, 1951 opened the way for the National Front-dominated Majlis, the Iranian legislature, to rapidly reject the Supplemental

---

<sup>5</sup> *FRUS*, 1946, vol. 7, The Near East and Africa, 339-341.

<sup>6</sup> Louise L’Estrange Fawcett, *Iran and the Cold War: The Azerbaijan Crisis of 1946* (Cambridge: Cambridge University Press, 1992), 127.

<sup>7</sup> *FRUS*, 1952-1954, vol. 10, Iran, 1951-1954, Document 124.

Agreement, elect Mossadegh prime minister, and nationalize the AIOC's properties by May 1951.<sup>8</sup>

In an attempt to overcome the impasse between the stubborn British and Iranian negotiators, the Truman administration sent experienced diplomat W. Averell Harriman to Iran at Acheson's urging to attempt to negotiate a settlement in July 1951. The sides could not reach an agreement. As tensions grew, the British had planned to withdraw the AIOC's workforce into the massive island refinery at Abadan, but waited on account of an American request to avoid provoking Iranians during Harriman's visit.<sup>9</sup> Nonetheless, the Labour government authorized the half measure of stationing the cruiser H.M.S. *Mauritius* off Abadan during the summer of 1951.<sup>10</sup> Britain sent Lord Privy Seal Richard Stokes to negotiate with Mossadegh, but their talks faltered, and Mossadegh threatened to nullify the residency permits of AIOC workers.<sup>11</sup> Meanwhile, the International Court of Justice had issued an injunction allowing British workers to remain in Iran.<sup>12</sup> When the British responded to Mossadegh's threats by ending negotiations and pursuing further economic sanctions, Mossadegh called for Britain to withdraw all workers. Britain sent four more destroyers to the region.<sup>13</sup> The British military had been planning for further operations, the most ambitious code-named Plan Y, to retake the Abadan refinery and, potentially, the southern oil fields. Yet Prime Minister Clement Attlee did not authorize them.

---

<sup>8</sup> James A. Bill, *The Eagle and the Lion: The Tragedy of American-Iranian Relations* (New Haven: Yale University Press, 1988), 61-62; James F. Goode, *The United States and Iran: In the Shadow of Musaddiq* (New York: St. Martin's Press, 1997), 19-21.

<sup>9</sup> Philip M. Williams, ed. *The Diary of Hugh Gaitskell 1945-1956* (London: Jonathan Cape, 1983), 260.

<sup>10</sup> "Commons Sitting of Thursday, 5<sup>th</sup> July, 1951," House of Commons Hansard, 1950-51, *House of Commons Parliamentary Papers*, [http://gateway.proquest.com.proxy.lib.duke.edu/openurl?url\\_ver=Z39.88-2004&res\\_dat=xri:hcpp-us&rft\\_dat=xri:hcpp:rec:CDS5CV0489P0-0014](http://gateway.proquest.com.proxy.lib.duke.edu/openurl?url_ver=Z39.88-2004&res_dat=xri:hcpp-us&rft_dat=xri:hcpp:rec:CDS5CV0489P0-0014) (accessed November 16, 2014).

<sup>11</sup> "Letter from the Persian Prime Minister to Mr. Harriman, dated 12 September, 1951," 1951-52 Persia no. 1 (1951) Correspondence between His Majesty's government in the United Kingdom and the Persian Government, and related documents concerning the oil industry in Persia, February 1951 to September 1951, [Cmd. 8425], *House of Commons Parliamentary Papers*, [http://gateway.proquest.com.proxy.lib.duke.edu/openurl?url\\_ver=Z39.88-2004&res\\_dat=xri:hcpp-us&rft\\_dat=xri:hcpp:rec:1951-042687](http://gateway.proquest.com.proxy.lib.duke.edu/openurl?url_ver=Z39.88-2004&res_dat=xri:hcpp-us&rft_dat=xri:hcpp:rec:1951-042687) (accessed November 16, 2014).

<sup>12</sup> Dean Acheson, *Present at the Creation: My Years in the State Department* (New York: W.W. Norton, 1969), 506.

<sup>13</sup> *Ibid*, 508-510.

The hawkish British service chiefs themselves admitted that success was less likely without American support. Attlee's government refused to rule out military moves through the summer and early autumn, but gradually acquiesced to the *de facto* American veto of an invasion and eventually evacuated the workers in October 1951.<sup>14</sup>

Throughout 1951 and 1952, the Truman Administration refrained from taking drastic action. Mossadegh traveled to New York in October 1951 for the meeting of the United Nations General Assembly and continued his trip to Washington, where he met with American officials who received him cordially, if somewhat warily.<sup>15</sup> Awed by the audacity of Mossadegh, *Time* magazine named him its "Man of the Year." However, over the course of 1952 American attitudes gradually swung toward Britain amidst frustrations with Mossadegh and growing concerns that he might fall to the Tudeh Party or Islamic extremists. On April 29, 1952 the United States announced the suspension of military aid to Iran, although a technical assistance program continued.<sup>16</sup> Mossadegh briefly resigned as prime minister on July 16, 1952 after the Shah would not grant him an additional appointment as minister for war. The new prime minister, Qavam al-Saltana, could not consolidate authority amidst muddled Anglo-American policy and violent protests in Tehran. Mossadegh returned to power five days later with expanded constitutional powers. On August 27, an emboldened Mossadegh broke off diplomatic relations with the United Kingdom.<sup>17</sup>

Despite those shows of strength, Mossadegh was facing increasing domestic and international pressure. The United Kingdom and the AIOC had developed other sources of

---

<sup>14</sup> *Diary of Hugh Gaitskell*, 260-265.

<sup>15</sup> Acheson, 509-511.

<sup>16</sup> *FRUS* 1952-1954, vol. 10, Iran, 1951-1954, Document 174.

<sup>17</sup> Steve Marsh, *Anglo-American Relations and Cold War Oil: Crisis in Iran* (Hampshire: Palgrave Macmillan, 2003), 106, 115-116, 122; Ervand Abrahamian, "The 1953 Coup in Iran," *Science and Society* 65, no. 2 (Summer 2001), pp. 182-215, <http://www.jstor.org/stable/40403895> (accessed September 22, 2014), 195.

Middle Eastern oil and were imposing a tight international boycott of what little oil Iran's crumbling infrastructure could produce. The Royal Navy intercepted tankers that attempted to ship oil from Abadan. The largest American companies, eager to keep prices high, cooperated.<sup>18</sup> Mossadegh's fractious National Front coalition began to break.

The Truman administration still sought a settlement. Throughout early 1952, Secretary of State Dean Acheson had thought that World Bank or International Monetary Fund could craft a solution.<sup>19</sup> In October 1952, he proposed a settlement that would pay the AIOC a lump sum and set up an international distribution company to market Iranian oil. The consortium (with funding from the United States government), would advance \$100 million to the National Iranian Oil Company (NIOC), which Mossadegh had formed after nationalization. Mossadegh rejected the plan, because he felt that President-elect Eisenhower would give him a better settlement.<sup>20</sup> Talks continued through the end of the Truman administration, but did not succeed. Meanwhile, the CIA had begun a propaganda campaign against the Tudeh Party in Iran, code-named Operation TPBEDAMN, which it turned against Mossadegh in late 1952.<sup>21</sup>

Domestic obstacles also impeded the consortium proposal. The Department of Justice alleged that the American and European "supermajor" oil companies (the so-called "Seven Sisters"), operated as a cartel. After the war, investigations continued despite opposition by government agencies concerned with foreign policy. Truman was initially sympathetic to the Justice Department's proposed criminal lawsuit and called for a grand jury investigation on June 23, 1952. As Iran looked less stable throughout 1952, Truman quickly changed course at the

---

<sup>18</sup> Ibid.

<sup>19</sup> *FRUS* 1952-1954, vol. 10, Iran, 1951-1954, Document 152; Acheson, 679.

<sup>20</sup> *FRUS* 1952-1954, vol. 10, Iran, 1951-1954, Document 223; Acheson, 683; Marsh (2003), 127; Robert L. Beisner, *Dean Acheson: A Life in the Cold War* (Oxford: Oxford University Press, 2006), 563.

<sup>21</sup> Mark J. Gasiorowski, "The CIA's TPBEDAMN Operation and the 1953 Coup in Iran," *Journal of Cold War Studies* vol. 15, no. 4. (Fall 2013), pp. 4-24, [http://muse.jhu.edu/journals/journal\\_of\\_cold\\_war\\_studies/v015/15.4.gasiorowski.pdf](http://muse.jhu.edu/journals/journal_of_cold_war_studies/v015/15.4.gasiorowski.pdf) (accessed October 20, 2014).

urging of foreign policy officials and oil executives once the 1952 elections had passed. He ordered the Justice Department to reduce its investigation of the oil companies to a civil case. The consortium plan remained the government's preferred framework for an oil settlement.<sup>22</sup> But in 1952, American companies awash in newly-developed Middle Eastern oil reserves were reluctant to collaborate with the government.<sup>23</sup>

In November 1952, the British SIS approached American CIA Middle East chief Kermit Roosevelt with a plan, code-named "Operation Boot," to topple Mossadegh.<sup>24</sup> British and American intelligence officials and diplomats met repeatedly to discuss proposals between November 1952 and January 1953. When the new Eisenhower Administration took office in January 1953, it continued Acheson's diplomatic proposals until Mossadegh rejected them for a final time in March. The Eisenhower administration then revisited the coup plans and renewed contacts with the British to conduct an operation. President Eisenhower, Secretary of State John Foster Dulles, and Director of the CIA Allen Dulles approved Operation Ajax on July 11, 1953 after Allen Dulles had authorized funding for it on April 6.<sup>25</sup>

Operation Ajax was nearly a failure. The CIA ordered Roosevelt in Tehran to call off the coup after Mossadegh arrested the men who had delivered a decree from the Shah demanding Mossadegh's resignation. Mossadegh's chosen replacement, General Fazlollah Zahedi, fled to a nearby hiding place while the Shah left for Baghdad and then Rome. Persevering nonetheless,

---

<sup>22</sup> United States Congress, Senate Committee on Foreign Relations, Subcommittee on Multinational Corporations, *Multinational oil corporations and U.S. foreign policy: Report Together with Individual Views to the Committee on Foreign Relations*, (1975), Hathi Trust, <http://hdl.handle.net/2027/umn.3.1951t00205914p> (accessed November 23, 2014), 60-65.

<sup>23</sup> George McGhee, *Envoy to the Middle World: Adventures in Diplomacy* (New York: Harper & Row, 1983), 337; Steve Marsh, "Anglo-American Crude Diplomacy: Multinational Oil and the Iranian Oil Crisis, 1951-53," *Contemporary British History* 21, no. 1 (February 2007), pp. 25-53, <http://dx.doi.org/10.1080/13619460600785259> (accessed September 4, 2014), 44-46.

<sup>24</sup> Roosevelt, 107.

<sup>25</sup> Donald N. Wilber, *Cladestine Service History: Overthrow of Premier Mossadeq of Iran: November 1952-August 1953*, [www.cryptome.org/cia-iran-all.htm](http://www.cryptome.org/cia-iran-all.htm) (accessed September 15, 2015), 18; Central Intelligence Agency, "Support for Special Operation: TPAJAX," April 4, 1953, CREST, CIA-RDP78-04913A0001000300034-5.

Roosevelt set about distributing funds to provoke violent pro-Shah riots while distributing copies of the Shah's decree through Iranian agents. Zahedi won the collaboration of elements of the Iranian Army, which soon surrounded Mossadegh's house and sent tanks through Tehran. Mossadegh briefly escaped over his garden wall, only to turn himself in shortly thereafter.<sup>26</sup> The coup was complete.

In the wake of Operation Ajax, negotiations began between the United States, Britain, Iran, and the major international oil companies for a new consortium agreement. Continuing Truman's policy, Eisenhower ordered the Justice Department to exempt the Iran consortium from antitrust laws.<sup>27</sup> According to the October 1954 agreement, Iran continued to own its oil industry in name, but an international consortium operated the industry and distributed Iranian oil. The AIOC retained a forty percent stake, while the other companies compensated the AIOC for their shares. American companies exited the crisis with a combined forty percent stake of their own. More importantly, the United States had gained a compliant ally in the government of Prime Minister Zahedi and the increasingly dictatorial Shah.<sup>28</sup>

### **The Major Historiographical Schools**

Historians of the Iranian oil dispute have developed four major schools of thought for explaining the trajectory of American policy, which I classify as the "presidential synthesis," "structural," "pericentric," and "Seven Sisters" explanations, adapting several terms used in Cold War and Operation Ajax scholarship. Each offers a different rationale for American actions, although some historians combine aspects of different schools.

#### *1. The Presidential Synthesis*

---

<sup>26</sup> Takeyh, 8-10.

<sup>27</sup> Acheson, 684.

<sup>28</sup> Yergin, 476-478.

The presidential synthesis holds that presidents attempt to differentiate their policies from those of their predecessors. In the case of Operation Ajax, the presidential synthesis would dictate that the election of Eisenhower in November 1952 altered the course of American policy. The application of the theory rests largely on the timing of the coup within the first year of the Eisenhower administration. Historians who adapt the presidential synthesis theory to the Iran crisis point to four main differences between the Truman and Eisenhower administrations. First, they contend that Eisenhower intended to pursue the Cold War more aggressively to “roll back” the threat of communism. Second, they argue that the Eisenhower administration, more than its predecessor, feared that Mossadegh’s increasingly dictatorial style amidst challenges from communists and Islamic fundamentalists would result in the fall of his government. Third, another group of historians posits that Eisenhower and his advisors were more willing to use covert operations and optimistic about their potential for success. Fourth, some presidential synthesis historians argue that the Eisenhower administration was more prone to influence by the British government and the major oil companies. Presidential synthesis historians employ various combinations of these concepts while weighing the relative importance of individual factors differently.<sup>29</sup> However, they see the election of the Eisenhower administration as the necessary factor for the coup.

## 2. *The Structural School*

In contrast with the presidential synthesis, several historians place the decision to carry out Operation Ajax in a larger Cold War context to argue that factors beyond the White House

---

<sup>29</sup> For the presidential synthesis theory in the literature, see the following: Mark J. Gasiorowski, *U.S. Foreign Policy and the Shah: Building a Client State in Iran* (Ithaca: Cornell University Press, 1991), 74, 82-83; Goode, 100-101, 108-109; Barry Rubin, *Paved with Good Intentions: The American Experience in Iran* (Oxford: Oxford University Press, 1980), 55-57, 79, 88; Richard W. Cottam, *Iran and the United States: A Cold War Case Study* (Pittsburgh: University of Pittsburgh Press, 1988), 102-103; Moyara de Moraes Ruehsen, “Operation ‘Ajax’ Revisited: Iran, 1953,” *Middle Eastern Studies* 29, no. 3 (July, 1993), pp. 467-486, <http://www.jstor.org/stable/4283579> (accessed September 29, 2014), 469-470; Abrahamian (2001), 197; Kinzer (2003), 4, 206-209.



prompted the shift in American policy. I classify those explanations, which I call “structural” scholarship, on three levels. At the “Cold War” level, Francis J. Gavin contends that the balance of power in the struggle against the Soviet Union impacted American moves in Iran. During the early stages of the crisis, the United States felt militarily weak vis-à-vis the Soviet Union; by 1953, a dramatic arms buildup had resulted in a position of strength and created the confidence for bold measures like Operation Ajax.<sup>30</sup> At a middle, regional level, H.W. Brands argues that American aspirations to create a defense organization in the Middle East altered the Iran policy. When it became clear that Egypt would not participate in a proposed Middle East Defense Organization (MEDO), the United States needed a friendly government in Iran to pursue a “Northern Tier” coalition that would defend the Middle East from Soviet aggression in the mountains of Turkey, Iran, and Pakistan.<sup>31</sup> At a country-specific level, Steve Marsh posits that the United States had simply run out of options for resolving the crisis with the intransigent Mossadegh amidst what it felt was the growing threat of a Tudeh takeover.<sup>32</sup> Structural explanations emphasize a level of continuity between the policies of the Truman administration in late 1952 and the Eisenhower administration, contrary to the discontinuity of the presidential synthesis.

### *3. The Pericentric Argument*

A third line of reasoning contends that the British government influenced the American decision to carry out the coup. Authors who adopt this narrative contend that British intelligence officials allied with sympathetic figures at the CIA to gradually shift American policy toward the

---

<sup>30</sup> Francis J. Gavin, “Politics, Power, and U.S. Policy in Iran, 1950-1953,” *Journal of Cold War Studies* 1, no.1 (Winter 1999), pp. 56-89, [http://muse.jhu.edu/journals/journal\\_of\\_cold\\_war\\_studies/v001/1.1gavin.html](http://muse.jhu.edu/journals/journal_of_cold_war_studies/v001/1.1gavin.html) (accessed September 3, 2014), 59-63, 89.

<sup>31</sup> H.W. Brands, “The Cairo-Tehran Connection in Anglo-American Rivalry in the Middle East, 1951-1953,” *The International History Review*, vol. 11, no. 3 (August 1989), pp. 434-456, <http://www.jstor.org/stable/40106043> (accessed November 16, 2014), 445-451.

<sup>32</sup> Marsh (2003), 190.

British position, with the eventual result of the United States promoting British imperialism through Operation Ajax. This explanation fits in a larger historiographical framework that Tony Smith has called “pericentrism.” The pericentric theory holds that during the Cold War, smaller allies could often influence the superpowers to a greater degree than would be expected.<sup>33</sup> Historians who adapt the pericentric framework to the Operation Ajax see the ingredients for British influence: traditional American reliance on the United Kingdom in the Middle East, coupled with the self-interest of struggling imperialists in Whitehall. Often, these authors combine pericentrism with the presidential synthesis to posit that the Eisenhower administration was more susceptible to British influence. To them, the coup showed that the United States, historically the champion of self-determination, engaged in the same neocolonialism as the British Empire in Iran.<sup>34</sup>

#### 4. *The “Seven Sisters” Theory*

A fourth group of historians pins the coup on another special interest: the oil companies. Members of the “Seven Sisters” school contend that the government carried out the coup to protect American oil companies from the precedent of successful nationalization, which might have spread to other third world countries. Moreover, the government may have seen an opportunity for American companies to enter an Iranian market heretofore held captive by the British AIOC. Historians in the Seven Sisters camp accuse the federal government of advancing the goals of the Seven Sisters, the group of major international oil companies dominated by the American successors of the original Standard Oil trust. Like the pericentric group, those who

---

<sup>33</sup> Tony Smith, “New Bottles for New Wine: A Pericentric Framework for the Study of the Cold War,” *Diplomatic History* 24, no. 4 (Fall 2000), pp. 567-591, <http://onlinelibrary.wiley.com/doi/10.1111/0145-2096.00237/abstract> (accessed February 21, 2014), 568-569, 582.

<sup>34</sup> For examples of the pericentric argument see Mary Ann Heiss, *Empire and Nationhood: The United States, Great Britain, and Iranian Oil, 1950-1954* (New York: Columbia University Press, 1997), 3; Kinzer (2003), 206-209; Abrahamian (2001), 190; Elm, 202, 215; Homa Katouzian, *Musaddiq and the Struggle for Power in Iran* (London: I.B. Tauris and Co., 1990), 177.

highlight the role of the oil companies often see the Eisenhower administration as cozier with corporations than the Truman administration. In Iran, these historians argue, Cold War concerns were secondary to opening Iran to American producers.<sup>35</sup>

### **Evaluating the Competing Schools**

Since the Iranian Revolution, the State Department and CIA have gradually opened their archives on the American handling of the Iranian oil dispute, although certain critical documents remain classified. There is now sufficient available evidence to study American decision-making more thoroughly than when literature on Operation Ajax began to appear in the late 1970s and early 1980s. A close comparison of each theory against that source base enables a better evaluation of them.

The subject of Chapter One, the presidential synthesis, dominated early literature on the coup, but American estimates and policy statements that are now available undermine its explanatory power. Of course, the Truman administration's initial policy of mediation drastically contrasted with Operation Ajax. However, by late 1952 the Truman administration had begun to place American policy on a track that would lead to the coup. As Francis Gavin first explained, there were important elements of continuity between the administrations' estimates and policies in Iran that clash with the discrepancies that the presidential synthesis would predict.<sup>36</sup> Unfortunately, important CIA documents that would reveal the nature of the Agency's activities in Iran prior to Operation Ajax remain classified, so it is difficult to assess the CIA's covert activities under Truman and whether or not they enjoyed presidential approval. While the availability of those documents could significantly strengthen or weaken the presidential

---

<sup>35</sup> Kinzer (2003), 206; Elm, 227, 276, 292, 337-338; Abrahamian (2013), 4-5.

<sup>36</sup> Gavin, 58-61.

synthesis, based on current evidence the presidential synthesis is not alone sufficient to understand the coup.

A multi-layered structural outlook thus emerges as the most powerful explanation for the coup's approval, as I discuss in Chapter Two. At a Cold War level, a review of the balance of power vis-à-vis the Soviet Union shows that, indeed, the United States emerged from a position of relative weakness to a station of strength between 1951 and 1953. At an alliance politics level, the adoption of the Northern Tier strategy altered American needs from the government in Iran. An anti-communist but intransigent leader like Mossadegh was no longer enough; an ally was necessary. Finally, at a country-specific level, Mossadegh's rejection of an oil settlement plan soon after Eisenhower took office called the viability of a deal and the survival of his regime into question. Few policy options remained that the United States had not attempted. Leaders respond to events around them, and the situation in early 1953 largely dictated the decision to topple Mossadegh.

The importance of Cold War considerations that pervade the structural outlook largely debunks the pericentric and Seven Sisters theories, which emphasize factors outside the East-West struggle. Documentary evidence shows that for American policymakers, Cold War concerns trumped the Special Relationship and the influence of the oil companies. Policies toward those parties followed from larger Cold War strategy. Moreover, the oil companies were not even eager to enter Iran. While rhetorically powerful, I show in Chapter Three that those theories underestimate the power and independence of the federal government in this period and its single-minded pursuit of victory in the Cold War.

The Iranian oil dispute was a complicated crisis, full of offers and counteroffers, moves and countermoves between three nations and a number of non-state actors. The difficulty of

tracing the crisis and its dramatic conclusion in the coup makes simpler narratives, like the presidential synthesis, pericentric framework, or Seven Sisters theory, attractive. Reliance on them enables historians or commentators who wish to focus on Operation Ajax itself or its aftermath to explain away the disorderly details of the dispute.

Yet a careful review of events and American responses highlights the need for a more nuanced narrative. Structural factors were most influential in determining American policy. However, individuals still decided policy. Although CIA assessments and other factors pointed to covert action, Eisenhower made the final decision. Kermit Roosevelt chose to persevere against orders when the coup looked like a failure. A new “synthesis” must recognize the predominance of structural factors while acknowledging the role of individuals implicit in the presidential synthesis.

### **The Significance of this Study**

As Iranian-American relations continue to fill the headlines, returning to a foundational moment for the relationship is worthwhile. If we are to understand the legacy of Operation Ajax for both sides, we must grasp why the United States selected the coup strategy. Gaining such an understanding involves moving beyond the strong emotions that have generally characterized bilateral relations and discussion of the coup since 1979 to investigate American policymaking, Cold War conditions, Iranian domestic politics, and other key elements that shaped the period from 1951 to 1953. This thesis ought to enable readers to know the basis of Operation Ajax before they debate its influence on the Iranian-American relationship and subsequent Middle Eastern history.

In examining several explanations for the decision to undertake Operation Ajax, this thesis engages a number of larger Cold War theories and debates. It considers alliance politics,

motivations for American intervention in the Third World, the role of the CIA, the context and views that shaped leaders' decisions, and other topics. I approach those debates with skepticism toward the universal application of sweeping theories and openness toward connections between different lines of argument. This combined approach may call into question the traditional tendency of scholars to identify and separate different theories without recognizing potential intersections. As Cold War historians seek the perfect paradigm to explain the decades-long conflict, studying Operation Ajax can ground us in the ultimate complexities of the East-West struggle and reinforce the importance of nuance.

“One can never be sure about revolutions,” Christopher Montague Woodhouse, the British planner of the coup, concluded in his memoirs. “Perhaps, like wars, they illustrate the truth of Tolstoy’s theory that events just happen.”<sup>37</sup> This thesis refuses to accept Tolstoy’s theory. The forthcoming chapters will examine the factors that made Operation Ajax “just happen.”

---

<sup>37</sup>C.M. Woodhouse, *Something Ventured* (London: Granada Publishing, 1982), 130

## Chapter One – The Presidential Synthesis

One of the central problems for historians of the 1953 Iran Crisis is understanding why the Eisenhower administration carried out Operation Ajax after the Truman administration refrained from forceful action. The Truman administration watched tensions between Britain and Iran grow over the course of several years, but vetoed British military strikes and pursued diplomacy. Contrarily, Eisenhower and his advisors began to consider British plans for Iranian regime change soon after assuming office in January 1953. Operation Ajax was complete by the end of August.

The theory of policy discontinuity between administrations that Francis J. Gavin has called the “presidential synthesis framework” is the most popular explanation for the decision to carry out the coup in the historical literature on the crisis.<sup>38</sup> John Lewis Gaddis succinctly summarizes the logic behind the presidential synthesis: “Newly elected administrations tend to define their view of the world, not by an objective and dispassionate assessment of what is going on in it, but rather by a determination to distance themselves from their immediate predecessor’s policies.” Gaddis cites 1953, the year of Operation Ajax, as a key transition year under the presidential synthesis framework.<sup>39</sup> That effect may have been particularly strong in 1953, because the Democrats had held the White House for five consecutive terms.

In this chapter, I identify and analyze four main presidential synthesis lines of analysis. The first argument sees Operation Ajax as an early application of Eisenhower’s “New Look” foreign policy. “This strategy retained Truman’s perimeter defense approach,” Mark J. Gasiorowski explains, “but sought to regain the initiative against the Soviet Union by acting

---

<sup>38</sup> Francis J. Gavin, “Politics, Power, and U.S. Policy in Iran, 1950-1953,” *Journal of Cold War Studies* 1, no.1 (Winter 1999), pp. 56-89, [http://muse.jhu.edu/journals/journal\\_of\\_cold\\_war\\_studies/v001/1.1gavin.html](http://muse.jhu.edu/journals/journal_of_cold_war_studies/v001/1.1gavin.html) (accessed September 3, 2014), 59-60.

<sup>39</sup> John Lewis Gaddis, *Strategies of Containment: A Critical Appraisal of Postwar American National Security Policy* (Oxford: Oxford University Press, 1982), 354.

more aggressively and using a broader variety of policy instruments, including covert action.”

Gasiorowski cites evidence that the Dulles brothers had been discussing a coup in Iran since the Republican victory in November 1952 to show that the brothers’ policy was not a product of new information. He concludes, “The timing of the initial U.S. decision to overthrow Mosaddeq...suggests that this decision was due primarily to the more activist foreign policy views of the new administration rather than to the evolving situation in Iran at the time.”<sup>40</sup>

Historians including Barry Rubin see key differences in their policies toward the third world:

“[W]hile Truman and Acheson felt social change was inevitable – and thus should be encouraged in a manner consistent with American interests – Eisenhower and Dulles tended to see reform movements as disruptive and as likely to be captured by local communists.”<sup>41</sup>

The second presidential synthesis line of argument contends that the administrations’ different policies had more to do with disparate assessments of Mossadegh’s regime and the Soviet danger than ideology. “The U.S. Department of State, under the leadership of Dean Acheson, persisted in the view that, however irrational he appeared to be, Musaddiq and his movement were the source of great strength in dealing with the Soviet threat,” Richard Cottam claims. They argue that, in contrast to Acheson, Eisenhower’s Secretary of State John Foster Dulles was a strongly ideological anticommunist who believed that the communist Tudeh Party could overwhelm Mossadegh’s tottering nationalist regime and bring Iran into the Soviet sphere of influence.<sup>42</sup> In this line of reasoning, Eisenhower and Dulles feared that possibilities for negotiation had been exhausted, and Mossadegh’s increasingly dictatorial government had lost its legitimacy and become vulnerable to a Tudeh Party takeover.<sup>43</sup> James F. Goode even

---

<sup>40</sup> Gasiorowski (1991), 74, 82-83.

<sup>41</sup> Rubin, 55-57.

<sup>42</sup> Cottam, 102-103; Kinzer (2003), 208; Ruehsen, 469-470.

<sup>43</sup> Rubin, 79, 88.



hypothesizes that Eisenhower's experiences in the Philippines before World War II, when the Filipinos had reneged on American assistance deals only to be invaded by Japan, motivated him to avoid a similar outcome in Iran crisis.<sup>44</sup>

The third argument holds the Eisenhower administration's "infatuation" with low cost covert operations responsible for Operation Ajax. Historians have paired Eisenhower's interest in covert operations with his desire to cut costs after Truman's expensive rearmament program.<sup>45</sup> Further, some argue that Eisenhower and John Foster Dulles held greater faith than Truman in the capabilities of the CIA, headed by the Secretary of State's brother, Allen Dulles.<sup>46</sup> Operation Ajax was an early test of the CIA's new covert capabilities, and scholars cite subsequent regime change missions like Operation PBSUCCESS in Guatemala in 1954 as evidence of Eisenhower's predilection toward covert action.<sup>47</sup>

Finally, the fourth presidential synthesis argument posits that the United Kingdom and oil companies could more effectively influence Eisenhower than Truman. Historians in this group hold that the United States pursued a neo-imperialist foreign policy to advance British and oil interests. Key evidence for this argument includes the traditional view of the Republican Party as the champion of big business and the fact that the Dulles brothers had been partners at Sullivan and Cromwell, the American legal representative of the AIOC.<sup>48</sup> This form of the presidential synthesis is related to but distinct from the pericentric and Seven Sisters theories about the coup, which I discuss in Chapter Three. The presidential synthesis emphasizes the agency of the

---

<sup>44</sup> Goode, 107-108, 117.

<sup>45</sup> Abrahamian (2001), 197; Gaddis (1982), 158, 164, 177-178.

<sup>46</sup> Rubin, 57.

<sup>47</sup> Douglas Little, "Mission Impossible: The CIA and the Cult of Covert Action in the Middle East," *Diplomatic History* 28, no. 5 (November 2004), pp. 663-701, <http://dh.oxfordjournals.org/content/28/5/663.full> (accessed February 2, 2015), 664-667, 681, 694.

<sup>48</sup> Abrahamian (2001), 197; Ruehsen, 469-470.

president, while the pericentric and Seven Sisters schools center on the power of forces outside the United States government. Nonetheless, some authors tie the presidential synthesis to them.

A comparison of the arguments of historians who adopt the presidential synthesis logic with the records of the Truman and Eisenhower administrations exposes the limits of the application of the presidential synthesis in the Iran case. Presidential synthesis arguments are prevalent in the Iran crisis literature, but authors often posit them quickly without reviewing evidence or assumptions rigorously. The validity of all variations of the presidential synthesis argument rests on locating discontinuity between administrations and the direct impact of the election of the Eisenhower on policy. In this chapter, I will trace government policy through State Department cables, National Security Council reports, CIA estimates, and the statements of leaders to assess the level of continuity in the period and the importance of presidential agency in the policy trajectory. First, I will discuss the Truman administration's reaction to the crisis in Iran. Although Truman's policies evolved with events, he generally held to diplomacy and international institutions as the best means of resolving the crisis. Second, I will examine the Eisenhower administration's policies upon assuming office and the decision to carry out the coup. Finally, I will evaluate the presidential synthesis arguments in light of the evidence. I conclude that the continuities between the end of the Truman administration and the Eisenhower administration run counter to the discontinuity predicted by the presidential synthesis. Accordingly, the presidential synthesis cannot stand alone as an explanation for American policy, despite the insights it offers for the role of presidents in reacting to world conditions.

## **II. The Truman Administration**

By the time of the Iran crisis in 1951, President Harry S. Truman had already weathered some of the greatest crises of the twentieth century. After authorizing the deployment of nuclear

weapons against Japan to conclude World War II, Truman had spent the immediate postwar years adjusting to the new Soviet threat. As the Cold War set in between 1946 and 1948, Truman adopted a policy of containment, famously articulated by George Kennan in his “Long Telegram” and “X Article.” Though he enjoyed a level of Congressional consensus on confronting the Soviets, Truman continually worked to overcome fiscally conservative Republicans and isolationists for the United States to take up a broader role in the world through measures like the Marshall Plan.<sup>49</sup> Offering aid to Greece and Turkey, in March 1947 the President declared the “Truman Doctrine” of giving assistance to foreign countries to halt communism around the world and began efforts to form what would become the North Atlantic Treaty Organization (NATO).<sup>50</sup> Amidst his 1948 reelection campaign, Truman orchestrated the Berlin Airlift after the Soviets blockaded the divided city.<sup>51</sup> His Republican adversary, Governor Thomas E. Dewey of New York, did not challenge Truman on defense, and the President won a famously surprising victory.<sup>52</sup> However, Truman continued to battle Congress over the costs of fighting communism in the years that followed, even as war erupted in Korea in 1950.<sup>53</sup>

Though concerned about Soviet expansionism, Truman did not react to Mossadegh’s rise as strongly as he had to the more imminent Soviet threat during the Azerbaijan Crisis in 1946. The Truman administration attempted a neutral stance in the oil dispute, despite its close relations with the United Kingdom. Secretary of State Dean Acheson’s reaction to the rise of Mossadegh in a cable to the American embassy in Iran on March 17, 1951 was remarkably measured. “While in general [the] US does not favor nationalization,” he wrote, “US recognizes

---

<sup>49</sup> Hal Brands, *What Good Is Grand Strategy? Power and Purpose in American Statecraft from Harry S. Truman to George W. Bush* (Ithaca: Cornell University Press, 2014), 21-36.

<sup>50</sup> Melvyn Leffler, *A Preponderance of Power: National Security, the Truman Administration, and the Cold War* (Stanford: Stanford University Press, 1992), 145.

<sup>51</sup> David McCullough, *Truman* (New York: Simon & Schuster, 1992), 630, 648.

<sup>52</sup> Leffler, 221; Hal Brands, 41.

<sup>53</sup> Hal Brands, 43.

the right of sovereign states to nationalize provided prompt payment just compensation made [sic].” Acheson stressed that the United States should take care not to be linked to British hardball tactics. Nonetheless, Acheson added that the State Department would “consult closely with Brit[ain] and support them where possible within [the] limitations imposed by [the] above considerations.”<sup>54</sup> This middle course and relative lack of concern for British oil interests reflected the American strategy for Iran articulated in a National Security Council policy study from July 17, 1951: “The primary objective of our policy toward Iran is to prevent the domination of that country by the USSR and to strengthen Iran’s association with the Free World.”<sup>55</sup>

Acheson’s carefully-balanced response reflected the strategic dilemma that the United States was facing in the Middle East. The United States wanted Britain to continue defending the Middle East for the West. Even as British weakness became more and more clear, the Truman administration was wary of the costs of filling the vacuum. Yet American officials also felt that ongoing British imperialism could cause a surge of Middle Eastern nationalism and the expulsion of the Western powers. They urged the British to acquiesce to growing nationalist movements in Egypt, Iraq, and Iran and reach power-sharing agreements that would keep those nations close to the West.<sup>56</sup> As H.W. Brands has shown, the dispute between Iran and the AIOC and Britain’s quarrel with Egypt over the basing rights at Suez, a bulwark of Western defense strategy, became tied together. Americans felt that British intransigence was impeding progress in both sets of negotiations and threatening Western control of the vital region.<sup>57</sup> American officials’ criticisms of British imperialism turned personal. Acheson bridled at his counterpart

---

<sup>54</sup> *FRUS*, 1952-1954, vol. 10, Iran, 1951-1954, Document 9.

<sup>55</sup> *FRUS*, 1952-1954, vol. 10, Iran, 1951-1954, Document 6.

<sup>56</sup> Leffler, 122.

<sup>57</sup> H.W. Brands, 439.

Herbert Morrison's "natural abrasiveness of temperament." Assessing the Labour Foreign Minister in his memoirs in 1969, Acheson wrote that Morrison "knew nothing of foreign affairs."<sup>58</sup>



**Figure 1. W. Averell Harriman and Mohammed Mossadegh could not reach an agreement (Reproduced with permission of BPArchive)**

While Averell Harriman's July 1951 mission failed to create a feasible settlement, it demonstrated the Truman administration's faith in the power of diplomacy and desire to at least appear a neutral arbiter during the early stages of the crisis. During his attempt at mediation, Harriman found himself exasperated by Mossadegh's obstinacy, but focused on resuming oil production to reduce popular Iranian discontent stemming from fiscal shortfalls, which threatened to cause a communist revolution.<sup>59</sup> Harriman did not advocate any bold policy moves like covert action when he cabled the State Department:

Under the circumstances the less talk by the Brit and ourselves about possible change in govt, the better. If dangerous crisis is to be avoided we must try to deal with Mosadeq,

---

<sup>58</sup> Acheson, 505.

<sup>59</sup> *FRUS*, 1952-1954, vol. 10, Iran, 1951-1954, Document 42.

and every effort shld be made to find solution which will protect basic Brit interests, but which will not admit that the nine points of the nationalization law are not being adhered to. Rather, results might be achieved through interpretation of law and perhaps additional legislation [sic].<sup>60</sup>

The Special Relationship and clear American interest in British strength made the appearance of neutrality difficult to maintain.

The British did not share the American confidence in compromise. The Labour government in London publically discussed the possibility of military action in order to take the southern oil fields, guard and operate the island Abadan refinery or, at the very least, protect British workers there. In the House of Commons on June 20, 1951, Foreign Secretary Morrison said, “His Majesty’s Government are not prepared to stand by idle if the lives of British nationals are in jeopardy.”<sup>61</sup> In reality, the Labour government was divided on the issue. Former Labour minister Hugh Dalton chided Morrison for his aggressive stance on Iran, because Morrison had been a conscientious objector during World War I.<sup>62</sup> Chancellor of the Exchequer Hugh Gaitskell was reluctant to pursue a strike, unless rescuing British nationals required it. However, he observed in his diary that Minister of Defence Emanuel Shinwell and military officials preferred a strike. Likewise, the Conservative opposition was bellicose. Leader of the Opposition Winston Churchill and Shadow Foreign Secretary Anthony Eden proposed that Britain seize and operate the Abadan refinery, ceding the AIOC’s possessions on the Iranian mainland if necessary.<sup>63</sup> Conservative backbenchers were still more aggressive. Churchill’s son-in-law Duncan Sandys

---

<sup>60</sup> *FRUS*, 1952-1954, vol. 10, Iran, 1951-1954, Document 44.

<sup>61</sup> Commons Sitting of Wednesday, 20<sup>th</sup> June, 1951, House of Commons Hansard, Fifth Series vol. 489, columns 487-674, [http://gateway.proquest.com.proxy.lib.duke.edu/openurl?url\\_ver=Z39.88-2004&res\\_dat=xri:hcipp-us&rft\\_dat=xri:hcipp:hansard:CDS5CV0489P0-0003](http://gateway.proquest.com.proxy.lib.duke.edu/openurl?url_ver=Z39.88-2004&res_dat=xri:hcipp-us&rft_dat=xri:hcipp:hansard:CDS5CV0489P0-0003) (accessed November 16, 2014).

<sup>62</sup> Ben Pimlott, ed. *The Political Diary of Hugh Dalton 1918-1940, 1945-1960* (London: Jonathan Cape, 1986), 557.

<sup>63</sup> *Diary of Hugh Gaitskell*, 260-264.

argued for occupying southern Iran, even if doing so resulted in the Soviet Union seizing the northern regions.<sup>64</sup>

Yet Attlee did not take bolder action. By October 8 the beleaguered Labour government had definitively decided not to strike Abadan.<sup>65</sup> Instead, Britain brought the dispute before the United Nations Security Council. This also irked the United States, because Security Council deliberations would move Iranian grievances into the open, alienate Iran from the United Nations, and allow the Soviets to spin the issue in their favor.<sup>66</sup> For their part, the British felt that the United States was not supporting them wholeheartedly in the United Nations. In Washington, Acheson understood that Britain's restraint would expose its weakness in the Middle East, undermine containment, and be a highly unpopular policy for the Labour government prior to the coming general election. The International Court of Justice injunction allowing the AIOC to remain in Iran would make it appear to Britons that Iran was breaking international law and providing grounds for intervention. However, Acheson was uncomfortable with the risks of a strike. He directly addressed the Truman administration's policy in his memoirs: "Only on invitation of the Iranian Government, or Soviet Military intervention, or a Communist *coup d'état* in Teheran, or to evacuate British nationals in danger of attack could we support the use of military force."<sup>67</sup>

The Truman administration's extended exertion of pressure to thwart aggressive British action through 1951 highlights the Americans' broader stance vis-à-vis Britain and the Middle

---

<sup>64</sup> Commons Sitting of Thursday, 21 June, 1951, House of Commons Hansard, [http://gateway.proquest.com.proxy.lib.duke.edu/openurl?url\\_ver=Z39.88-2004&res\\_dat=xri:hcpp-us&rft\\_dat=xri:hcpp:rec:CDS5CV0489P0-0004](http://gateway.proquest.com.proxy.lib.duke.edu/openurl?url_ver=Z39.88-2004&res_dat=xri:hcpp-us&rft_dat=xri:hcpp:rec:CDS5CV0489P0-0004) (accessed November 16, 2014).

<sup>65</sup> *FRUS* 1952-1954, vol. 10, Iran, 1951-1954, Document 107.

<sup>66</sup> *FRUS* 1952-1954, vol. 10, Iran, 1951-1954, Document 101.

<sup>67</sup> Acheson, 506.

East. Ambassador to Iran Loy Henderson expressed that position in a cable to the State Department:

Our whole foreign policy for last five years has been based on opposition to aggression. If now we acquiesce in action smacking of aggression on part our ally and friend, we shall stand before world stripped of all pretense to idealism and obviously guilty of grossest hypocrisy. We shall have thrown away banner of principle around which we have thus far been able to rally most nations of world [sic].<sup>68</sup>

Although the United States wanted to avoid the “gunboat diplomacy” of Britain, policymakers considered other forms of pressure. In an important instance of continuity with the Eisenhower administration, Acheson proposed that United States and Britain approach the Shah about resolving the situation by forcing a change of government.<sup>69</sup> Early plans involved the Shah dismissing Mossadegh without the help of British or American operatives. The Shah was unwilling to remove Mossadegh by decree or through parliamentary machinations, because he felt that Mossadegh could galvanize opinion against any oil agreement.<sup>70</sup>

The time for regime change had not yet arrived, and the Truman administration did not change tack as negotiations stalled in late 1951. Mossadegh held what Acheson described in his memoirs as Kafkaesque negotiations with American officials in his pajamas from a bed in Walter Reed Hospital during his visit to the United States in October 1951. Noting Mossadegh’s famously theatrical speaking style, Acheson respected him as “a demagogue of considerable shrewdness and ability.” Yet Acheson followed the Truman administration’s early line in refusing to consider Mossadegh a major threat. He later mocked Mossadegh’s “birdlike” physique and “pixie quality.” Acheson concluded that Mossadegh “was essentially a rich, reactionary, feudal-minded Persian inspired by fanatical hatred of the British and desire to expel them...regardless of cost.” The Secretary of State did not fear “neutral freebooters like

---

<sup>68</sup> *FRUS* 1952-1954, vol. 10, Iran, 1951-1954, Document 94.

<sup>69</sup> *FRUS* 1952-1954, vol. 10, Iran, 1951-1954, Document 89.

<sup>70</sup> *FRUS* 1952-1954, vol. 10, Iran, 1951-1954, Document 93.



Mossadeq.”<sup>71</sup> The Iranian leader remained a nuisance, but not a great danger to the Truman administration in the early stages of the crisis.

Changing conditions and new intelligence began to alter the Truman administration’s view, and the government slowly shifted its position in a manner that foreshadowed the abandonment of its posture as a neutral broker. A February 4, 1952 CIA estimate predicted the fracturing of Mossadegh’s National Front, as the British oil blockade made it difficult for the government to fund basic services. Mossadegh needed a settlement financially, but coming to terms with the British would alienate nationalist hard-liners and give the Tudeh Party new openings to seize power.<sup>72</sup>

Accordingly, the Truman administration slowly leaned toward the British side during 1952, ending military aid to Iran that April. Yet the Americans remained cautious in working with the British too openly. Churchill attempted to convince Truman to jointly sign a telegram to Mossadegh proposing to submit the dispute to the International Court of Justice, end the embargo on Iranian oil, and advance the Iranian government \$10 million from the United States. “I thought that it might do good if we had a gallop together such as I often had with F.D.R.” Churchill explained in an August 22, 1952 letter to the President.<sup>73</sup> Truman first rebuffed Churchill, but then agreed to sign a joint communique. He refused to sign a second letter with Churchill after Mossadegh’s reply.<sup>74</sup> Truman would not side with the British too frequently, let alone authorize a joint covert operation at that stage.

---

<sup>71</sup> Acheson, 501-504.

<sup>72</sup> Central Intelligence Agency, “National Intelligence Estimate: Probable Developments in Iran in 1952 in the Absence of an Oil Settlement,” February 4, 1952, Digital National Security Archive, [http://gateway.proquest.com.proxy.lib.duke.edu/openurl?url\\_ver=Z39.88-2004&res\\_dat=xri:dnsa&rft\\_dat=xri:dnsa:article:CIR00274](http://gateway.proquest.com.proxy.lib.duke.edu/openurl?url_ver=Z39.88-2004&res_dat=xri:dnsa&rft_dat=xri:dnsa:article:CIR00274) (accessed September 15, 2014), 5-6.

<sup>73</sup> Churchill to Truman, August 22, 1952, in G.W. Sand, ed., *Defending the West: The Truman-Churchill Correspondence, 1945-1960* (Westport, CT: Praeger, 2004), 198.

<sup>74</sup> Truman to Churchill, October 1, 1952, *Ibid.*, 202.

However, Truman was not ideologically opposed to covert operations. For a leader whom some presidential synthesis historians accuse of being lukewarm on covert operations, Truman gave the CIA a broad mandate that in principle allowed the activities in Operation Ajax. Though he had abolished the Office of Strategic Services (OSS) after World War II, Truman signed the bill creating the CIA in 1947. The CIA had covertly funded anticommunist parties in France and Italy in 1947 and had begun operations in places like Albania, where the Agency unsuccessfully sought to overthrow the communist Hoxha regime in 1949.<sup>75</sup> Approved by the National Security Council on June 18, 1948, NSC 10/2 ordered that “the overt foreign activities of the US Government must be supplemented by covert operations.”<sup>76</sup> Authorized actions for the CIA’s new Office of Special Projects included “propaganda; economic warfare; preventive direct action, including sabotage, anti-sabotage, demolition and evacuation measures; subversion against hostile states, including assistance to underground resistance movements, guerrillas and refugee liberation groups, and support of indigenous anti-communist elements.”<sup>77</sup> Even while blocking a British invasion of Abadan in October 1951, Truman ordered “the immediate expansion of the covert organization established in NSC 10/2 and the intensification of covert operations” in NSC 10/5.<sup>78</sup> Further, Truman created the Psychological Strategy Board (PSB) through a secret presidential directive on April 4, 1951 to coordinate American psychological warfare and propaganda activities worldwide.<sup>79</sup> Altogether, covert operations funding expanded to \$82 million in 1952 from \$4.7 million in 1949. The CIA also joined its intelligence collection and operations units in August 1952 and allocated greater funding to those activities, suggesting

---

<sup>75</sup> John Ranelagh, *The Agency: The Rise and Decline of the CIA* (New York: Simon and Schuster, 1986), 131, 156.

<sup>76</sup> *FRUS*, 1945-1950, Emergence of the Intelligence Establishment, Document 292.

<sup>77</sup> *Ibid.*

<sup>78</sup> *FRUS*, 1950-1955, The Intelligence Community, Document 90.

<sup>79</sup> Psychological Strategy Board, “Memorandum for: General W. Bedell Smith from Alan G. Kirk,” January 6, 1953, CREST, CIA-RDP80R01731R003200040021-4,

[http://www.foia.cia.gov/sites/default/files/document\\_conversions/5829/CIA-RDP80R01731R003200040021-4.pdf](http://www.foia.cia.gov/sites/default/files/document_conversions/5829/CIA-RDP80R01731R003200040021-4.pdf) (accessed January 10, 2015), 1.

that the Truman administration may have been moving toward a more favorable view of covert operations.<sup>80</sup>

Truman-era covert operations initiatives extended to the Middle East and Iran. As early as 1951, the CIA ordered a “psychological plan for Iran and measures for its immediate application” from the PSB.<sup>81</sup> The CIA planned to produce propaganda films in Iran in October 1951.<sup>82</sup> In April 1952, the National Security Council proposed covert operations to create the political preconditions to win the Middle East over to the West:

[T]he United States should make the fullest practicable use of psychological and political programs (including special political measures)... to influence the process of political change into channels that will effect [sic] the least compromise of Western interests and will offer the maximum promise of stable non-communist regimes.<sup>83</sup>

Iran was central in that strategy. On September 4, 1952, CIA Director Walter Bedell Smith met with Assistant Secretary of State Henry Byroade and Allen Dulles to discuss “various operational projects” in Iran.<sup>84</sup> A September 30, 1952 CIA review of policies for the objectives outlined in NSC 10/2 also called for the revision of plans for Iran to include “an extensive stay-behind and stock-piling program designed to cover situations short of Soviet occupation, such as Tudeh coup, civil war, or political fragmentation of the country.”<sup>85</sup> Such planning demonstrated growing American concerns about a Tudeh coup in late 1952.

One of the several psychological warfare activities in Iran under Truman was an ongoing operation code-named Operation TPBEDAMN (i.e. “Tudeh Party, be damned”). The United

---

<sup>80</sup> Gaddis (1982), 157-158.

<sup>81</sup> Central Intelligence Agency, “Problems for the Immediate Attention of the PSB,” June 23, 1951, CREST, CIA-RDP80-01446R000100140004-8.

<sup>82</sup> Central Intelligence Agency, “Inventory of Cold War Weapons,” October 17, 1951, CREST, CIA-RDP80R01731R003500170002-8, [http://www.foia.cia.gov/sites/default/files/document\\_conversions/5829/CIA-RDP80R01731R003500170002-8.pdf](http://www.foia.cia.gov/sites/default/files/document_conversions/5829/CIA-RDP80R01731R003500170002-8.pdf) (accessed January 6, 2015).

<sup>83</sup> *FRUS*, 1952-1954, vol. 9, Part 1, The Near and Middle East, Document 71.

<sup>84</sup> Central Intelligence Agency, “Official Diary,” September 4, 1952, CREST, CIA-RDP79-01041A000100020137-2.

<sup>85</sup> Central Intelligence Agency, “Review of National Policies and Their Adequacy to Support the Clandestine Effort,” September 30, 1952, CREST, CIA-RDP80-01065A000100020021-2.

States government has not declassified documents regarding TPBEDAMN, and most information about it comes from interviews of retired CIA officers by Mark J. Gasiorowski. The United States had stationed propagandists in Iran as early as 1948, including Donald Wilber, the author of the CIA official history of Operation Ajax, but the starting date of TPBEDAMN itself is unclear. In TPBEDAMN, the fledgling CIA conducted “black propaganda” in which it acted behind other sources, sometimes pretending to be the Tudeh Party itself, and “grey” propaganda in which the source was not obvious. The CIA also reinforced anti-communist groups. After the CIA moved its station into the American embassy in Tehran in 1950, the TPBEDAMN budget grew to \$1 million annually by 1952-1953. CIA officers working with Iranians distributed print materials on a large scale and organized “black” protests, including a protest of the Harriman mission designed to damage the credibility of the Tudeh Party.<sup>86</sup>

In late 1952 and 1953, the CIA redirected some its TPBEDAMN resources against Mossadegh. Gasiorowski concludes that Truman probably was not aware of the decision to wage psychological warfare against Mossadegh and the National Front, and attributes the CIA’s apparently independent move to what he calls its “maverick organizational culture.” Though he cannot identify an individual who approved the decision, Gasiorowski concludes, “[I]t seems likely that [Kermit] Roosevelt, [Donald] Wilber, and probably also [Deputy Director of Plans Frank] Wisner...decided to turn TPBEDAMN against Mossadeq and the National Front.” He shows that the CIA’s first use of TPBEDAMN against Mossadegh occurred during a time when Truman was still publically supporting the Mossadegh regime.<sup>87</sup> The fact that Wisner, Wilber, Roosevelt, and Allen Dulles all remained at the CIA under Eisenhower suggests that they could have altered TPBEDAMN with an eye to a coup under a new president.

---

<sup>86</sup> Gasiorowski (2013), 4-5, 7-13

<sup>87</sup> Ibid, 13-14.

If Gasiorowski's assessment is correct, it may buttress the presidential synthesis theory. Gasiorowski claims that the Eisenhower administration consciously used the pre-existing TPBEDAMN apparatus against Mossadegh before and during Operation Ajax, building on the CIA's earlier independent efforts.<sup>88</sup> Though he does not state definitively whether or not President Truman was aware of TPBEDAMN, it would seem likely that Truman would have been aware of a project with a large budget in a critical country. If he had, in fact, been unaware of the program, Truman's decision not to use TPBEDAMN against Mossadegh would represent an example of discontinuity between the Truman and Eisenhower administrations.

Conversely, the existence of TPBEDAMN also highlights a level of continuity by augmenting evidence that Truman was not entirely averse to covert operations. Because the record shows that Truman did not oppose covert operations on principle, factors other than Truman and Eisenhower's covert operations philosophies must have caused the shift in policy. As Gasiorowski explains, TPBEDAMN was in many ways a prerequisite for Operation Ajax.<sup>89</sup> Should it ever come to light that the Truman had actually approved the expansion of TPBEDAMN against Mossadegh, TPBEDAMN would suddenly offer some of the strongest evidence of continuity. There are hints that the Truman administration was aware of plans for more aggressive covert operations in Iran. Acheson and Truman mentioned in their letters in 1961 that they had turned down plans for a coup in Iran, but did not specify exactly which plans they had rejected or when.<sup>90</sup> Perhaps they were referring to early plans for the Shah to force out Mossadegh. It is also possible that they learned of the early British plans for "Operation Boot" when British SIS operative Christopher Montague "Monty" Woodhouse presented it to CIA

---

<sup>88</sup> Ibid, 23.

<sup>89</sup> Ibid, 22.

<sup>90</sup> Acheson to Truman, May 3, 1961; Truman to Acheson, May 13, 1961, in *Affection and Trust: The Personal Correspondence of Harry S. Truman and Dean Acheson, 1953-1971* (New York: Alfred A. Knopf, 2010), 259-260.

State Department planners in Washington in November and December 1952.<sup>91</sup> Until further evidence emerges, the role of high-level Truman administration officials in TPBEDAMN will remain murky.

Independent or not, the CIA's covert actions meant that the policy of *the United States* consistently weakened Mossadegh from late 1952. Changing estimates of the situation in Iran may have prompted the CIA officials behind TPBEDAMN to take action on their own to weaken Mossadegh. After Mossadegh briefly resigned on July 16, 1952, only to return five days later with expanded powers, the CIA noted that Mossadegh would need to rely a more dictatorial style to remain in power amidst economic turmoil and pressure from the Tudeh Party and right-wing nationalists. Still, the Agency predicted that he would remain in power for at least another year.<sup>92</sup>

Likely influenced by that timeframe, the Truman administration persevered in diplomacy. Kermit Roosevelt, who had worked under Dean Acheson on Lend-Lease projects during World War II, considered the Secretary of State “patient in the foreign field, where his instinct was to avoid or at least postpone confrontation.” Roosevelt maintained in his memoirs that Acheson clung to the wartime division of responsibility between the British and Americans even as British weakness and Iranian instability became clear.<sup>93</sup> Patient and pro-British or not, Acheson had the backing of the president. Truman had appointed Acheson as Secretary of State because he felt comfortable with Acheson's views on foreign affairs, his earlier record as Undersecretary of

---

<sup>91</sup> Woodhouse, 117.

<sup>92</sup> Central Intelligence Agency, “National Intelligence Estimate: Probable Developments in Iran Through 1953,” November 13, 1953, *Declassified Documents Reference System*, [http://galenet.galegroup.com.proxy.lib.duke.edu/servlet/DDRS?vrsn=1.0&slb=KE&locID=duke\\_perkins&srchtp=basic&c=4&ste=4&txb=Probable+Developments+in+Iran+through+1953&sortType=RevChron&docNum=CK2349174831](http://galenet.galegroup.com.proxy.lib.duke.edu/servlet/DDRS?vrsn=1.0&slb=KE&locID=duke_perkins&srchtp=basic&c=4&ste=4&txb=Probable+Developments+in+Iran+through+1953&sortType=RevChron&docNum=CK2349174831) (accessed November 13, 2014), 5.; Maziar Behrooz, “Tudeh Factionalism and the 1953 Coup in Iran,” *International Journal of Middle East Studies* 33, no. 3. (August 2001), pp. 363-382, <http://www.jstor.org/stable/259456> (accessed September 25, 2014), 376-378.

<sup>93</sup> Kermit Roosevelt, *Countercoup: The Struggle for the Control of Iran* (New York: McGraw-Hill, 1979), 7, 36, 54, 88.

State, and their personal friendship. Truman generally deferred to the State Department.<sup>94</sup> He wrote in his own memoirs, “Acheson always kept me fully informed about every move he intended to make.” Acheson maintained that he spent about one third of his working hours with Truman.<sup>95</sup>



**Figure 2. Secretary of State Dean Acheson favored a diplomatic solution  
(Reproduced with permission of BP Archive)**

Acheson’s portrait of the President would suggest that Truman’s decision not to conduct a coup in Iran arose not from a fear of force or a tendency to dither, but rather from his assessment of the situation. Praising the president at length in his memoirs, Acheson described Truman as a decisive leader capable of forceful action, even if he did not approve Operation Ajax. “With the President a decision made was done with and he went on to another,” Acheson claimed. To the Secretary of State, Truman “did not share the indiscriminate condemnation of power in politics, domestic or foreign, that American liberals had learned.”<sup>96</sup> Of course, Acheson

---

<sup>94</sup> Acheson, 135-138, 213-217, 249-256, 736; Leffler, 174-179, 268.

<sup>95</sup> Harry S. Truman, *Memoirs Volume Two: Years of Trial and Hope* (Garden City, NY: Doubleday, 1956), 253.

<sup>96</sup> Acheson, 731-733, 736.

and Truman's friendship was famous and Acheson's remarks were not impartial, but the Secretary of State was uniquely qualified to evaluate Truman's leadership style.

Acheson's discussion of the coup with Truman after leaving office suggests that they may have felt the proper conditions did not exist for an operation like Ajax. In a letter to Truman on October 8, 1953, Acheson wrote:

As for Iran, there the Shah's attempted coup, its failure, and the counter-attack and success of Zahedi, together with developments since, show again what we always urged on the British; that so far as relations with the West and the oil dispute were concerned, the problem was deeper than the personality of Mossadegh.<sup>97</sup>

Acheson's belief that "the removal of the crazy man does not change the dimensions of the problem" likely explains the administration's reluctance to support an invasion or a covert coup.<sup>98</sup> After the Bay of Pigs invasion in Cuba in 1961, Acheson and Truman both recalled rejecting plans for a coup in Iran and lamented the Eisenhower and Kennedy administrations' reliance on covert operations.<sup>99</sup> It would have been easy for both former leaders to criticize a failed operation like the Bay of Pigs debacle; as John F. Kennedy himself famously observed after the invasion's failure, "Success has a hundred fathers and defeat is an orphan." Yet Francis Gavin has suggested that historians ascribed an aversion to covert operations to Truman only after Truman criticized the Bay of Pigs invasion and similar projects in a review of a book by Allen Dulles in 1963.<sup>100</sup>

By mid-1952, the Truman administration was indeed beginning to veer toward an anti-Mossadegh stance based on heightened concerns about the politics and viability of the Mossadegh regime. As discussed further in Chapter Three, President Truman removed antitrust impediments to allow Acheson to push his preferred international consortium solution during the

---

<sup>97</sup> Acheson to Truman, October 8, 1953, in *Affection and Trust*.

<sup>98</sup> *Ibid.*

<sup>99</sup> Acheson to Truman, May 3, 1961; Truman to Acheson, May 13, 1961, *Ibid.*, 259-260.

<sup>100</sup> Gavin, 88 (footnote 129).



administration's final weeks.<sup>101</sup> Truman's personality suggests that he would not have been afraid of other bold actions if he felt them necessary. Truman may not have taken the final step of approving a coup, but he set American policy on a course that Eisenhower largely followed.

## II. The Eisenhower Administration

President Eisenhower campaigned on the promise of a "policy of boldness" in 1952, and Secretary of State John Foster Dulles had been the major public proponent of that policy.<sup>102</sup> Eisenhower and Dulles condemned Truman's policies in Korea and the "loss" of China and claimed that they wanted to contest communist parties in Eastern Europe and the third world. Famously, they felt that the threat of "massive retaliation" by the United States could deter a Soviet nuclear strike or conventional invasion of Western Europe.<sup>103</sup> Through their nuclear diplomacy and covert operations, Eisenhower and Dulles hoped to reduce the costs of Truman's containment strategy. An avid reader of Clausewitz, Eisenhower believed in the use of force to pursue political means, but only at an appropriate price.<sup>104</sup> Instead of a global war, the administration concluded in NSC 153/1 on June 10, 1953, "[T]he most immediate danger facing the United States is that a progressive or cumulative loss of positions of importance to the United States (either as a result of deterioration within the free nations, or of communist cold war actions, or of a process involving both) could eventually reduce the United States...to an isolated and critically vulnerable position." That assessment led to a policy prescription for countries like

---

<sup>101</sup> Yergin, 474.

<sup>102</sup> John Foster Dulles, "A Policy of Boldness," *Life* (May 19, 1952), pp. 146-148, <https://books.google.com/books?id=G1YEAAAAMBAJ&pg=PA146&lpg=PA146&dq=John+Foster+Dulles+a+policy+of+boldness&source=bl&ots=NzPK0RtBxv&sig=3KR74O4S1n2WHADIAKdg5kQOBtI&hl=en&sa=X&ei=knMpVaL3POXHsOTC94C4Cg&ved=0CDEQ6AEwAg#v=onepage&q=John%20Foster%20Dulles%20a%20policy%20of%20boldness&f=false> (accessed November 10, 2014).

<sup>103</sup> John Lewis Gaddis, *We Now Know: Rethinking Cold War History* (Oxford: Oxford University Press, 1997), 107, 232-233; William Stueck, "Reassessing U.S. Strategy in the Aftermath of the Korean War," *Orbis* 53, no. 4 (July 2009), pp. 571-590, <http://www.sciencedirect.com/science/article/pii/S0030438709000556> (accessed September 25, 2014), 572.

<sup>104</sup> Gaddis (1982), 127-135.

Iran: “Develop the political unity, strength, and determination of the free world by political and psychological measures designed to promote internal stability in critical areas.”<sup>105</sup>

The “New Look” did not immediately mean new policies for the Iran crisis. Historians who adopt the presidential synthesis often overlook the fact that the Eisenhower administration continued negotiations over Acheson’s final proposal for an oil deal. Even when Mossadegh rejected the proposal and threatened to sell oil to any country, potentially including the Soviet Union, Eisenhower continued to pressure the British to relax their demands still further.<sup>106</sup> In many ways, Eisenhower’s view of the United Kingdom was similar to Truman’s. He admitted in his diary that Churchill had “developed an almost childlike faith that all of the answers are to be found merely in British-American partnership.” Despite his friendship with and admiration for Churchill, Eisenhower felt it was time for him to resign. “The free world’s hope of defeating communist aims does not include objecting to national aspirations,” Eisenhower summarized.<sup>107</sup>

The Eisenhower administration advanced Truman’s oil policies, as well. Like Truman, Eisenhower at first continued to seriously consider the possibility of separate American action to restart Iranian oil production. On March 4, 1953, the National Security Council resolved to investigate the chances of persuading the British to agree to such a move.<sup>108</sup> However, Eisenhower settled on Truman and Acheson’s international consortium solution. Although he also generally supported antitrust measures, Eisenhower continued Truman’s line of lifting lawsuits against companies in the interest of foreign affairs. The National Security Council declared in a directive to the Attorney General’s office that “the enforcement of the antitrust laws of the United States against the Western oil companies operating in the Near East may be

---

<sup>105</sup> *FRUS*, 1952-1954, Vol. 2, Part 1, National Security Affairs, Document 73.

<sup>106</sup> Marsh (2003), 146-149.

<sup>107</sup> Ferrell, Robert H., ed., *The Eisenhower Diaries* (New York: W.W. Norton, 1981), 223-224.

<sup>108</sup> *FRUS* 1952-1954, vol. 10, Iran, 1951-1954, Document 312.

deemed secondary to the national security interest.”<sup>109</sup> That positive inducement was just the *quid pro quo* needed to push the oil majors into the new Iranian consortium after Operation Ajax.<sup>110</sup>

Similarly, historians who emphasize the administrations’ different views of Mossadegh contrast Eisenhower’s moves with early Truman policies, while ignoring the similarity between Eisenhower’s assessments of Iran and Truman’s outlook in late 1952. The intelligence services that both presidents relied on grew pessimistic over time. “The Iranian situation has been slowly disintegrating,” the Office of National Estimates at the CIA concluded in a March 1, 1953 report. “The result has been a steady decrease in the power and influence of the Western democracies and the building up of a situation where a Communist takeover is becoming more and more of a possibility.”<sup>111</sup> John Foster Dulles viewed Iran in the starkest terms of all; he stated before the National Security Council that the Soviets could take Iran whenever they liked due to the lack of a sizeable American military presence in the Middle East.<sup>112</sup> While Dulles’ tone may have been more alarmist than that of Truman administration officials, strong pronouncements from the Secretary of State were typical of what Eisenhower called the Secretary of State’s “curious lack of understanding of how his words and manner may affect another personality.”<sup>113</sup> The difference in speaking style should not overshadow the similarity of outlooks.

Eisenhower himself considered Iran an urgent priority. “If I had \$500,000,000 of money to spend in secret,” the President said in a meeting of the National Security Council on March 4, 1953, “I would get \$100,000,000 of it to Iran right now.” Many of his proposed solutions were

---

<sup>109</sup> *Multinational oil corporations and U.S. foreign policy: report together with individual views to the Committee on Foreign Relations*, 65.

<sup>110</sup> Burton I. Kaufman, “Oil and Antitrust: The Oil Cartel Case and the Cold War,” *The Business History Review* 51, no. 1 (Spring 1977), pp. 35-56, <http://www.jstor.org/stable/3112920> (accessed November 21, 2014), 35-47.

<sup>111</sup> *FRUS*, 1952-1954, vol. 10, Iran, 1951-1953, Document 310.

<sup>112</sup> *FRUS* 1952-1954, vol. 10, Iran, 1951-1954, Document 312.

<sup>113</sup> *The Eisenhower Diaries*, 237.

similar to Truman's. At the March 4 meeting, he spoke of his desire to finally form the Middle East Defense Organization (MEDO). The idea was not new. State Department Policy Planning chief Paul Nitze and others in the Truman administration had proposed reorganizing the defense of the Middle East through military aid to regional powers and placating them by reducing the apparent influence of Britain.<sup>114</sup> As it became clear after the rise of Colonel Gamal Abdel Nasser that Egypt would not participate in MEDO, the Eisenhower administration moved toward a "Northern Tier" alliance centered on Turkey, Iran, and Pakistan. Securing Iranian support was vital to that strategy.<sup>115</sup> The NSC debated offering more aid to Mossadegh in order to buy time to buttress the Northern Tier, but Secretary of the Treasury George M. Humphrey convinced Eisenhower that such a policy risked the fall of Mossadegh and the loss of Iran. Foreshadowing future interventionism, Eisenhower noted that although the situation in Iran was not amenable to an invasion by American troops, he was willing to invade other Middle Eastern countries, if necessary. Echoing Acheson's statements in November 1952, he believed that it was "about time for the British to allow us to try our hand," but hoped that any solution could preserve a modicum of British prestige in the region.<sup>116</sup>

The Eisenhower administration began to consider more aggressive policies. Near the conclusion of the March 4 NSC meeting, Eisenhower expressed his wish that Middle Easterners would rally in favor of the United States, instead of protesting perceived Anglo-American imperialism. Special Assistant to the President C.D. Jackson then said ambiguously that "if the president wanted the mobs he was sure he could produce them." The NSC discussed a previously proposed "possible action" by the United States with the aid of the British (probably Operation Ajax), and approved funding. President Eisenhower concluded that "of course, this was a

---

<sup>114</sup> *FRUS*, 1952-1954, vol. 9 Part 1, The Near and Middle East, Document 70.

<sup>115</sup> H.W. Brands, 452.

<sup>116</sup> *FRUS* 1952-1954, vol. 10, Iran, 1951-1954, Document 312.

gamble, but if upon examination it seemed a good gamble, he was prepared to take it.”<sup>117</sup> In a letter to Winston Churchill on May 8, 1953, Eisenhower underscored the importance of a settlement in Iran: “I still regard the area as one of potential disaster for the Western world.” Eisenhower alluded to the possibility of bold action, saying he wanted “a new approach to the Iranian affair.”<sup>118</sup>

Eisenhower’s calculation that covert action was worth the risk is characteristic of the now prevailing view of Eisenhower as a decisive leader with an illustrious military background. Despite the perception in the 1950s and 1960s of Eisenhower as former attorney John Foster Dulles’s passive “client,” Richard Immerman and others have since pointed out Eisenhower’s lifelong record of audacity, such as his decision to continue with Operation Overlord in bad weather during World War II. Eisenhower found Dulles an important adviser, but made critical decisions himself.<sup>119</sup> In his diary on May 14, 1953, Eisenhower offered a frank assessment of Dulles: “Personally, I like and admire him; my only doubts concerning him lie in the general field of personality, not in his capacity as a student of foreign affairs.”<sup>120</sup> While Dulles’ “boldness” may have received headlines, Eisenhower’s commanding presence meant that policies like Operation Ajax could not be undertaken without the president’s heavy involvement.

Traditionally, historians have noted that Eisenhower was more enthusiastic about covert operations than Truman. In particular, they observe that brothers Secretary of State John Foster Dulles and Director of Central Intelligence Allen Dulles had the proximity to the president to together promote operations.<sup>121</sup> The Eisenhower administration’s record on covert operations in

---

<sup>117</sup> Ibid.

<sup>118</sup> Eisenhower to Churchill, May 8, 1953, in *The Churchill-Eisenhower Correspondence, 1953-1955*, 53.

<sup>119</sup> Richard H. Immerman, “Eisenhower and Dulles: Who Made the Decisions?,” *Political Psychology* vol. 2, no. 3 (Autumn 1979), pp. 21-38, <http://www.jstor.org/stable/3791100> (accessed November 19, 2014), 31-36.

<sup>120</sup> *The Eisenhower Diaries*, 237.

<sup>121</sup> Richard H. Immerman, *The Hidden Hand: A Brief History of the CIA* (West Sussex: John Wiley and Sons, 2014), 43-44; Gaddis (1982), 156-159.

Iran and Guatemala, and in overseeing planning for the Bay of Pigs operation, is well-known. Depicting the Eisenhower administration as eager to conduct covert operations may be valid, but the traditional view overstates the differences between the two administrations. After all, NSC 68, the document that guided much of the Truman administration's policy in its final two years, had called for covert operations as a means of promoting "the establishment of friendly regimes not under Kremlin domination."<sup>122</sup> Eisenhower's policies grew from Truman's foundation. For instance, NSC 5412/2, approved in December 1954, reinforced Truman's earlier expansion of covert operations while promoting consultation in the National Security Council.<sup>123</sup> Truman had created a CIA capable of completing Operation Ajax by the time Eisenhower came to office, much as his arms buildup had strengthened the military.

As Gasiorowski's belief that the CIA independently turned TPBEDAMN against Mossadegh would indicate, the view of the Eisenhower administration as more sanguine about covert operations came from within the British and American intelligence services themselves. "We had, I felt sure, no chance to win approval from the outgoing administration of Truman and Acheson," Roosevelt later claimed. "The new Republicans, however, might [have been] quite different."<sup>124</sup> Likewise, Monty Woodhouse claimed that "those in the CIA...could foresee an improvement in their standing under the Republican presidency."<sup>125</sup> In a way, the CIA's outlook may have resulted in a cycle of the Agency withholding plans from the White House and State Department, only to then complain about the administration's aversion to covert operations. Roosevelt maintained in his memoir he kept the coup plan the British had given him during a visit to London in the fall of 1952 from non-CIA officials. CIA leaders who knew they would

---

<sup>122</sup> "A Report to the National Security Council – NSC 68," April 12, 1950, President's Secretary's File, Truman Papers, [http://www.trumanlibrary.org/whistlestop/study\\_collections/coldwar/documents/pdf/10-1.pdf](http://www.trumanlibrary.org/whistlestop/study_collections/coldwar/documents/pdf/10-1.pdf), 56-57.

<sup>123</sup> *FRUS*, 1950-1955, The Intelligence Community, "National Security Council Directive," undated.

<sup>124</sup> Roosevelt, 107.

<sup>125</sup> Woodhouse, 117.

remain in the Eisenhower administration could conceivably have begun quietly planning for action after the inauguration. Roosevelt remembered that Eisenhower's Undersecretary of State General Walter Bedell Smith, the CIA Director under Truman, asked him about the plans for an operation before Eisenhower took office.<sup>126</sup> Woodhouse claimed to have briefed Bedell Smith and Allen Dulles, then Smith's deputy, on the plan in November 1952 and found them more receptive to a plan than the State Department officials he met.<sup>127</sup>

Roosevelt's description of the meeting at the State Department to approve the coup similarly ascribes beliefs in aggressive covert action to the Republicans. He says that Undersecretary Smith "was personally inclined to favor clandestine operations." Smith's deputies were "totally convinced even before reading [Roosevelt's] paper." Assistant Secretary of State Henry Byroade would not attempt to oppose his boss, John Foster Dulles. Ambassador to Iran Loy Henderson was no proponent of covert operations, but felt that the situation had become desperate enough to warrant Operation Ajax. In Roosevelt's dramatized telling, John Foster Dulles' position on the planned coup was simple: "So this is how we get rid of that madman Mossadegh!"<sup>128</sup>

However, the Eisenhower administration may not have been as uniformly optimistic about the operation as Roosevelt makes it out to have been. Progress toward the coup was not straightforward. A March 1, 1953 intelligence estimate by the CIA noted that General Fazlollah Zahedi, who replaced Mossadegh after the coup, was intriguing to become prime minister. "It is unlikely that he will succeed," the estimate concluded.<sup>129</sup> Likewise, Ambassador Henderson cabled that "Zahedi as Prime Minister might be no improvement over Mosadeq" on March 31. In

---

<sup>126</sup> Roosevelt, 115, 119.

<sup>127</sup> Woodhouse, 117-119.

<sup>128</sup> Roosevelt, 1-8.

<sup>129</sup> *FRUS*, 1952-1954, vol. 10, Iran, 1951-1954, Document 310.

that same cable, Henderson mentioned that he had told Iranian Minister of Court Hosein Ala that the “US [was] not supporting Mosadeq or anyone else as Prime Minister.” Henderson added to Ala that the “US government could not be associated with [a] *coup d’etat*. If patriotic Iranians should consider [a] coup necessary in order to save Iran, they should act on their own responsibility.” Henderson cryptically stated that Ala “promised to keep [him] informed of developments.”<sup>130</sup> It seems reasonable to infer that Henderson was aware of the coup plan and was attempting to retain cover for it, but his cables show that the policy was likely still tentative.



**Figure 3. Ambassador to Iran Loy Henderson had doubts about siding with the British (Reproduced with permission of BP Archive)**

The exact timing of the approval of Operation Ajax is also the subject of disagreement. Records released in 2001 show that Kermit Roosevelt requested funds for “TPAJAX” on April 4, 1953 and received approval from CIA Director Dulles and Deputy Director for Plans Frank

---

<sup>130</sup> *FRUS*, 1952-1954, vol. 10, Iran, 1951-1954, Document 322.



Wisner on April 6.<sup>131</sup> Roosevelt recalls that the approval meeting at the State Department took place on June 25, 1953.<sup>132</sup> However, the CIA official history records the Dulles brothers' approval of the operation on June 11, with President Eisenhower that same day.<sup>133</sup> A record of a telephone conversation between the Dulles brothers on July 24 notes that they discussed the "other matter" in Iran and that "it was cleared directly with the President, and still active."<sup>134</sup>

The approval of Operation Ajax in the first year of the Eisenhower administration is the strongest basis for the presidential synthesis. After one last attempt at negotiations, the former general was unwilling to accept the impasse in Iran. Nonetheless, there were important areas of continuity with the Truman administration which suggest that factors other than Cold War doctrine and personality may have influenced the shift in American policy.

#### **IV. Conclusion**

The application of the presidential synthesis to the decision to undertake Operation Ajax rests on the appearance of discontinuity between the two administrations. However, historians have mistakenly allowed the break apparent in Eisenhower's prompt approval of the coup to overshadow key similarities. As Francis Gavin has pointed out, Truman's 1951 policies may have been quite different than Eisenhower's, but there was strong continuity between Truman's

---

<sup>131</sup> Central Intelligence Agency, "Support for Special Operation: TPAJAX," April 4, 1953, CREST, CIA-RDP78-04913A000100030032-7.

<sup>132</sup> Roosevelt, 1. There are reasons to look askance at Roosevelt's memoir as a source. The first edition of it was pulled from shelves due to inaccuracies resulting from a British law that prohibits mention of the United Kingdom's intelligence services and a threatened lawsuit by British Petroleum, the successor company of the AIOC. Critics observed Roosevelt's reputation for having a bad memory, and claimed he exaggerated his role. Nonetheless, the CIA approved Roosevelt's book, and its publication followed quickly after the Iranian Revolution. Although Roosevelt's close involvement in Operation Ajax and the lack of other retellings of the operation mean that his memoir remains an important source, the limits of *Countercoup* as an accurate account must be recognized. See Nancy E. Gallagher and Dunning S. Wilson, "Suppression of Information or Publisher's Error? Kermit Roosevelt's Memoir of the 1953 Iranian Countercoup," *Middle Eastern Studies Association Bulletin* 15, no. 1 (July 1981), pp. 14-17, <http://www.jstor.org/stable/23057891> (accessed September 18, 2014).

<sup>133</sup> Wilber, 18.

<sup>134</sup> *FRUS*, 1952-1954, vol. 10, Iran, 1951-1954, Document 335.

later policies and Eisenhower's stance.<sup>135</sup> Truman set American policy on a trajectory that Eisenhower carried to its conclusion in Operation Ajax.

In fact, important continuities existed between the administrations in all four presidential synthesis lines of argument that I identified in the literature: Cold War strategy, assessments of the situation in Iran, philosophy on covert operations, and the role of British and oil interests. In the first category, the Eisenhower administration adhered to a variation of Truman's containment doctrine that differed primarily in its view of the best means of limiting the Soviet Union and the costs of doing so. Each president considered Iran critical to the defense of the larger Middle East and viewed a communist takeover as a grave threat to the West. Second, by mid-1952 Truman had abandoned his earlier, more optimistic belief in the possibility of a settlement in favor of the darker assessment that Eisenhower also adopted. Truman and Acheson considered pressuring the Shah into removing Mossadegh as early as September 1951. In the third category, covert operations occurred during the Truman administration in Operation TPBEDAMN. Eisenhower and Dulles may have been the more famous covert operations enthusiasts, but Truman did not morally oppose clandestine measures. Fourth, Truman's proposal of an international consortium for the production and distribution of Iranian oil and his softening of antitrust lawsuits against the oil companies set the course that Eisenhower followed. Each president similarly dismissed British negotiating tactics yet recognized the importance of maintaining the Special Relationship for the larger Cold War.

The presidential synthesis rightly calls attention to the role of presidents' beliefs and personalities in decision-making, but a study of Eisenhower and Truman yields still more continuity. Both presidents were decisive leaders. Truman had the courage to deploy the atomic bomb against Japan and fire General Douglas MacArthur. Eisenhower had planned some of the

---

<sup>135</sup> Gavin, 59

largest military operations in human history and managed the domineering military personages of his era. Both exerted control over strong-willed advisors in their administrations like Acheson and Dulles. Though important in determining outcomes, personalities and decision-making styles were not a major source of discontinuity between the administrations. Truman's famous sign on his desk reading "The Buck Stops Here" could appropriately have remained in the Oval Office under Eisenhower.

Of course, there were some differences between the two administrations. Were there none, accomplished historians would not have adopted the presidential synthesis framework. To begin with, the simple narrative of Truman's drawn-out diplomacy and Eisenhower's prompt approval of the coup makes the presidential synthesis argument seem plausible without a close examination of the evidence. Since many historians have addressed the coup decision only passingly within larger studies of the Cold War or American-Iranian relations, it is not surprising that they adopt this convenient explanation. Further, Truman's early attempts to act as a neutral arbiter in the crisis during 1951 did contrast starkly with the coup. Truman and Acheson's accounts of the Iran crisis in their letters and memoirs later reinforced the sense of differing views on clandestine activities.

The actions of the CIA present a more complicated problem, and the evidence to resolve it is not available. Perhaps the perception of differences between the two administrations did impact the Agency's possibly independent decision to turn TPBEDAMN against Mossadegh. Maybe Kermit Roosevelt and others simply did not want to raise a controversial new policy in the final weeks of a "lame duck" administration. As the case of Roosevelt withholding knowledge of the British coup plan in late 1952 shows, the perceived attitudes of presidents affect behavior through the whole bureaucracy. Documentation of the decisions behind

TPBEDAMN could either reinvigorate or destroy the presidential synthesis. Until it is available, we must tentatively accept Mark Gasiorowski's informed study of TPBEDAMN as evidence in favor of the presidential synthesis theory.

At its root, confirming the presidential synthesis theory requires answering a question of causality: did the change of commander-in-chief cause a corresponding change in policy? The level of continuity in policy from late 1952 to 1953, coupled with the similarity of Truman and Eisenhower's decision-making styles and philosophies on covert action, suggests that other factors outside the Oval Office must have caused the United States to change course. Therefore, the presidential synthesis argument cannot stand as the sole explanation of American policy toward Iran in the period. The forthcoming chapters identify some of the outside factors that may have influenced Truman and Eisenhower.

## Chapter Two – Structural Explanations for Operation Ajax

At the root of the competing explanations for the decision to undertake Operation Ajax lies a larger philosophical debate about the roles of individuals and structural factors in history: do individuals shape events or do events shape individuals? The presidential synthesis centers on the outlooks of leaders. Presidential synthesis historians hold that decisions depend largely on the philosophy and management style of the commander-in-chief. Change emanates from the White House. In contrast, historians who emphasize what I call “structural” factors focus on the conditions that informed leaders’ decisions. The structural outlook proposes that leaders react to a changing context around them, and understanding history rests on identifying key factors. Several scholars have examined Operation Ajax from that perspective. They discuss a range of influences on American policy from the dynamics of the global Cold War down to the level of Iranian politics in the bazaar of Tehran. My analysis will center on the works of three structural scholars.

Francis J. Gavin proposes that systemic factors involving the Cold War balance of power influenced the decision to go forward with Operation Ajax. Explicitly condemning the presidential synthesis, which he identifies as the dominant outlook, Gavin offers his own “alternative view, linked to the classical realist tradition in American political thought.” Gavin emphasizes “such factors as the global balance of power and the specific dynamics of local and regional political conflicts that became enmeshed in the Cold War.” He argues that “permanently operating factors” in the global conflict, to use a Soviet term, created continuity in the Cold War strategies of both superpowers despite leadership transitions. Based on that framework, Gavin posits that Truman refrained from aggressive policies in 1951 and the first half of 1952 due to relative American military weakness. The progress of the American arms buildup that

commenced in 1950 changed Truman's calculus by mid-1952: "Favorable shifts in both the global balance of power and the perceived threat from the Soviet Union allowed for more aggressive measures to guarantee that Iran remained out of the Soviet orbit." Accordingly, Truman expanded covert operations and leaned toward the British side. Eisenhower's authorization of Operation Ajax marked the culmination of the policies that Truman had begun. Gavin argues that Truman would have ordered the coup in 1953 had he remained in office.<sup>136</sup>

Gavin's argument implicitly applies Marc Trachtenberg's theory on "window thinking," which holds that the balance of military power between the United States and Soviet Union dictated the two rivals' positions. The superpowers pursued assertive strategies during "windows of opportunity" when the balance was in their favor, and retrenched during "windows of vulnerability." For instance, Trachtenberg shows that the United States refrained from aggressive action in the Korean War during a window of vulnerability in the winter of 1950-51. Contrarily, he contends that the arms build-up begun by Truman created a window of opportunity by 1953 that allowed for aggressive action.<sup>137</sup> Gavin studied under Trachtenberg and acknowledges him in his article about Operation Ajax.<sup>138</sup> His structural explanation of the decision to undertake the coup applies the same logic as Trachtenberg's window thinking.

Gavin admits that, superficially, the story of Operation Ajax presents "an easy case for the presidential synthesis view and a hard case for realism." As discussed in Chapter One, Eisenhower's decision to undertake the coup during his first year in office on the surface appears to represent a major break from Truman's years of diplomacy. Gavin also points out that the combativeness of the 1952 election overemphasized the differences between Democrats and

---

<sup>136</sup> Gavin, 58-61.

<sup>137</sup> Marc Trachtenberg, "A 'Wasting Asset': American Strategy and the Shifting Nuclear Balance, 1949-1954," *International Security* 13, no. 3 (Winter 1988/89), pp. 5-49, <http://www.jstor.org/stable/2538735> (accessed December 7, 2014), 6.

<sup>138</sup> Gavin, 89.

Republicans in ways that continue to resonate with “presidential synthesis” historians. Recognizing the traditional interpretation of Operation Ajax, Gavin lays out a criteria for evaluating the broader application of his historical theory: “[I]f structural factors like the balance of power and threat drove U.S. policy in a hard case like Iran, we may have good reason to question the accuracy of historical accounts that rely largely on ideology, domestic politics, and presidential personality to explain U.S. policy during the Cold War.”<sup>139</sup>

H.W. Brands also argues that structural factors influenced American strategic planning for a Middle East defensive alliance and, therefore, policy toward Iran. However, his analysis focuses on the American desire to create a defensive alliance in the Middle East. In the early 1950s, Egypt became embroiled in a dispute with Britain over rights for the massive Suez base, a centerpiece of NATO defense strategy. In July 1952, General Muhammad Naguib and Colonel Gamal Abdel Nasser led the overthrow of King Farouk in the Free Officers’ coup. However, the new government hardened its stance toward Britain and the United States on Suez and a proposed defense pact. Brands argues that Egypt’s refusal to commit to the planned Middle East Defense Organization (MEDO) meant that the United States needed a stronger ally in Tehran for a new defensive alliance based on the “Northern Tier” of Turkey, Iran and Pakistan. Regime change was necessary to secure Iranian cooperation.<sup>140</sup>

Finally, Steve Marsh’s structural argument centers Anglo-American perceptions of Iranian domestic politics in late 1952 and early 1953 and the status of the ongoing oil negotiations. Marsh argues that Operation Ajax resulted from the “exhaustion” of all other options. Mossadegh’s refusal to acquiesce to a variety of negotiated solutions meant that diplomacy looked hopeless. His own control of the situation in Iran appeared to be slipping.

---

<sup>139</sup> Ibid, 62.

<sup>140</sup> H.W. Brands, 445-451.

Conditions dictated a new approach, and a covert operation was one of the few options that American policymakers had left to try.<sup>141</sup>

In this chapter, I will analyze and evaluate the works of structural scholars in the above order by examining the progression of American assessments of structural factors and the effects of their estimates on policy. First, I will discuss the Truman administration's policies through 1951 and the first half of 1952. I will determine whether or not the United States did in fact face an unfavorable balance of power vis-à-vis the Soviet Union globally. For the balance of power theory to hold, the United States must not only have *been* vulnerable in the period; Truman and his advisors must have *felt* vulnerable, and their policies must have matched their pessimism. Second, I will survey the period from the summer of 1952, which Gavin identifies as a turning point, to the end of the Truman administration. Did the balance of power, American assessments of it, and Truman's policies actually change? Third, I will examine the Eisenhower administration's estimates and policies to ascertain if they reflected continuity with Truman's final outlook. Each of the structural factors identified by Gavin, Brands, and Marsh affected American policies in the lead-up to Operation Ajax. However, none entirely explains the course of American actions. A more complete account of the structural influences on the Operation Ajax decision emerges from studying the three factors together.

### **I. The Balance of Power up to Mid-1952**

Key events of the early Cold War influenced American strategy in the first stages of the Iranian oil dispute. As Gavin points out, the onset of the Korean War in 1950 followed other major setbacks for the West in 1949: the "loss" of China, the Soviet development of a nuclear weapon, and the creation of the East German state.<sup>142</sup> The Soviet Union was engaging in a

---

<sup>141</sup> Marsh (2003), 190.

<sup>142</sup> Gavin, 63.



conventional and nuclear arms buildup. In 1949, American analysts believed that it devoted 13.8% of its gross national product (GNP) to defense spending, while the United States spent only 6.5%.<sup>143</sup> Indeed, the Soviet Union spent about twice as much of its GNP on defense as the United States did.<sup>144</sup> The Soviet Union still had completed only about five nuclear weapons in 1950.<sup>145</sup> Nonetheless, the CIA predicted that the Soviets would produce one hundred warheads of the kind that the United States had dropped on Nagasaki by 1953 and up to two hundred by 1955.<sup>146</sup> American analysts sometimes inadvertently overestimated both Soviet conventional and nuclear capabilities.<sup>147</sup> Even so, Soviet industrial output grew, and militaries expanded throughout the Eastern bloc.<sup>148</sup> The Soviet Union increased its military's manpower twofold during the Korean War to a force of six million men.<sup>149</sup>

In comparison, American forces in 1950 were miniscule. The Army was comprised of ten divisions and 591,497 soldiers. The Navy had an additional 450,780 sailors manning 237 large ships. The Air Force numbered forty-eight wings and 411,277 personnel. This represented a decline from a total military force of twelve million men during World War II.<sup>150</sup> American forces were concentrated in the occupations of Japan and Germany, and planning centered on

---

<sup>143</sup> NSC 68, 25.

<sup>144</sup> Walter S. Poole, *History of the Joint Chiefs of Staff: The Joint Chiefs of Staff and National Policy Volume IV, 1950-1952* (Washington, DC: Office of Joint History, 1998), 6.

<sup>145</sup> Marc Trachtenberg, *A Constructed Peace: The Making of the European Settlement 1945-1963* (Princeton: Princeton University Press, 1999), 181.

<sup>146</sup> Central Intelligence Agency, "Estimate of the Effects of the Soviet Possession of the Atomic Bomb Upon the Security of the United States and Upon the Probabilities of Direct Soviet Military Action," April 6, 1950, *Digital National Security Archive*,

<http://nsarchive.chadwyck.com.proxy.lib.duke.edu/quick/displayMultiItemImages.do?Multi=yes&queryType=quick&QueryName=cat&&ResultsID=149A1AAF340&QueryName=cat&ItemNumber=1&ItemID=CSE00085> (accessed December 11, 2014), 3.

<sup>147</sup> Phillip A. Karber and Jerald A. Combs, "The United States, NATO, and the Soviet Threat to Western Europe: Military Estimates and Policy Options, 1945-1963," *Diplomatic History* 22 no. 3 (Summer 1998), pp. 399-429, <http://dh.oxfordjournals.org/content/22/3/399.full.pdf> (accessed February 2, 2015), 417-418.

<sup>148</sup> Leffler, 440.

<sup>149</sup> "Testimony of Mr. William T. Lee," *Hearings Before the Subcommittee on Oversight of the Permanent Select Committee on Intelligence, House of Representatives: Ninety-Sixth Congress, Second Session, September 3, 1980* (Washington: U.S. Government Printing Office, 1980), 21.

<sup>150</sup> Trachtenberg (1999), 87; Leffler, 444.

Western Europe, the Mediterranean, Japan, and the Middle East. The United States attempted to compensate for its lack of manpower with its atomic advantage, but the successful Soviet nuclear test in late 1949 threatened that strategy.<sup>151</sup> Moreover, American policymakers felt that the Soviets were building an atomic arsenal faster than the United States was rearming conventionally and might destroy American industrial infrastructure through a preventive strike if they gained sufficient nuclear capabilities.<sup>152</sup> The United States' entry into the Korean War in the summer of 1950 highlighted the weakness of American conventional forces.<sup>153</sup>

Major setbacks and the apparent rise of Soviet military led to the recalibration of American strategy in NSC 68, presented to the National Security Council on April 14, 1950. The primary author of NSC 68, State Department Policy Planning Staff Director Paul Nitze, began the piece with a long and gloomy characterization of Soviet capabilities and intentions, concluding that “the cold war is in fact a real war in which the survival of the free world is at stake.” Based on that outlook, NSC 68 called for “[a] more rapid building up of the political, economic, and military strength of the free world.” Nitze argued that the massive economic potential of the United States would allow it to sustain an arms buildup as a prerequisite for “a firm policy intended to check and to roll back the Kremlin’s drive for world domination.”<sup>154</sup> He noted that the United States spent a combined 22% of its gross national product on the military (6%), foreign investment (14%), and foreign aid (2%) in 1949 compared to total levels above 50% during World War II. Nitze claimed that the United States could maintain World War II spending levels again if necessary, and prescribed increased military spending, expanded foreign

---

<sup>151</sup> *History of the Joint Chiefs of Staff Vol. IV*, 20-21; Gaddis (1982), 60.

<sup>152</sup> Trachtenberg (1988/89), 11-12.

<sup>153</sup> *History of the Joint Chiefs of Staff Vol. IV*, 21.

<sup>154</sup> Nitze’s interest in the “roll back of the Kremlin’s drive for world domination” could be seen as presaging Eisenhower’s 1952 campaign promise of rollback in yet another instance of continuity between the administrations. See Gaddis (1982), 128.

aid, and research on the controversial hydrogen bomb.<sup>155</sup> After reading NSC 68, members of the National Security Council began to plan for spending levels around \$40 billion, vastly higher than the tentative \$15 billion cap on defense dollars Truman had set in the 1948 campaign.<sup>156</sup> Truman's approval of the report on September 30, 1950, after the onset of the Korean War, initiated the buildup that Nitze and the Policy Planning Staff proposed.<sup>157</sup>

By 1951, the NSC 68 rearmament program had begun to impact American strategic thinking, but policymakers remained cautious. "The Soviet sphere will probably continue to increase its military, economic, and political strength over the next two years," a September 24, 1951 CIA estimate concluded. "Its absolute strength will be considerably greater in over-all terms by mid-1953 than at present."<sup>158</sup> Increased Soviet strength was a problem given the CIA's view of Soviet aims: "the ultimate Soviet objective is a Communist world dominated by the USSR."<sup>159</sup> State Department Counselor and Soviet expert Charles Bohlen concluded that there was a risk of a Soviet nuclear attack if the Kremlin felt it could permanently defeat the United States with a nuclear strike, if the Soviets misunderstood American actions and thought a nuclear attack was imminent, or if an "accident" occurred during a crisis.<sup>160</sup> Fears of the fatal contingencies that Bohlen identified loomed over American calculations during the Iran crisis.

The Korean War demonstrated the importance of the third world and the interconnectivity of Cold War theaters while raising the stakes of provocative action in other

---

<sup>155</sup> NSC 68, 44, 55-58, 65.

<sup>156</sup> Samuel F. Wells, Jr., "Sounding the Tocsin: NSC 68 and the Soviet Threat," *International Security* 4, no. 2 (Fall 1979), pp. 116-158, [www.jstor.org/stable/2626746](http://www.jstor.org/stable/2626746) (accessed September 9, 2014), 123, 130.

<sup>157</sup> *FRUS*, 1950, vol. 1, National Security Affairs, Foreign Economic Policy, Document 114.

<sup>158</sup> Central Intelligence Agency, "Probable Developments in the World Situation Through Mid-1953," September 24, 1951, *Declassified Documents Reference System*, [http://galenet.galegroup.com.proxy.lib.duke.edu/servlet/DDRS?vrsn=1.0&slb=KE&locID=duke\\_perkins&srchtp=basic&c=2&img=.25&ste=4&txb=Probable+Developments+in+the+World+Situation&sortType=RevChron&docNum=CK2349163062](http://galenet.galegroup.com.proxy.lib.duke.edu/servlet/DDRS?vrsn=1.0&slb=KE&locID=duke_perkins&srchtp=basic&c=2&img=.25&ste=4&txb=Probable+Developments+in+the+World+Situation&sortType=RevChron&docNum=CK2349163062) (accessed December 8, 2014), 1.

<sup>159</sup> Central Intelligence Agency, "Probable Soviet Courses of Action to Mid-1952," August 2, 1951, [http://www.foia.cia.gov/sites/default/files/document\\_conversions/89801/DOC\\_0000269243.pdf](http://www.foia.cia.gov/sites/default/files/document_conversions/89801/DOC_0000269243.pdf) (accessed December 8, 2014), 1.

<sup>160</sup> *FRUS*, 1952-1954, vol. 2, Part 1, National Security Affairs, Document 5.

countries. According to Melvyn Leffler, “The [Truman] administration was convinced that its military tactics in Korea must complement and reinforce its larger national security strategy.” This meant avoiding both the escalation of the war in Korea and bellicose moves against China that might expand the conflict to directly include the Soviet Union.<sup>161</sup> The fact that the United States was hamstrung by the Korean War led Truman to attempt to redress the balance of power by again accelerating rearmament. The United States aimed to reach its 1954 rearmament goals by 1952. The State Department Policy Planning Staff’s assessment of the situation on December 11, 1950 reflected the Truman administration’s belief that the United States was still enduring a window of vulnerability:

During the period of military weakness vis-à-vis the U.S.S.R. our basic objective must be to survive with honor and to build a platform from which we can subsequently go on to a successful outcome of the life-and-death struggle in which we are engaged with the Kremlin. We must avoid becoming involved in general hostilities with the U.S.S.R. in our present position of military weakness if this is at all possible without sacrificing our self-respect and without endangering our survival.<sup>162</sup>

The balance of power rendered bold tactics like Operation Ajax too risky in 1951 and early 1952.

Rearmament gradually improved the Western position and engendered optimism. “The actual and potential capabilities of the U.S. and of allied and friendly states are very large,” Nitze wrote in a memorandum to Deputy Undersecretary of State H. Freeman Matthews on July 14, 1952. Previously pessimistic about American capabilities, Nitze explained, “As our total power – political, economic, and military – increases we can reasonably hope that opportunities will arise for making progress by peaceful means toward our objectives.”<sup>163</sup> American military gains in the period were impressive. From June 1950 to June 1951, the Army added eight new divisions to obtain an eighteen division force. The Navy now had 1,037 ships, compared to 646 previously,

---

<sup>161</sup> Leffler, 401; Central Intelligence Agency, “Probable Developments in the World Situation Through Mid-1953,” September 24, 1951, 8. The United States assumed a close Sino-Soviet alliance.

<sup>162</sup> *FRUS*, 1950, vol. 1, National Security Affairs, Foreign Economic Policy, Document 146.

<sup>163</sup> *FRUS*, 1952-1954, vol. 2, Part 1, National Security Affairs, Document 13.

and the Air Force nearly doubled its number of combat wings to eighty-seven.<sup>164</sup> As jet technology rapidly improved, spending on the Air Force grew disproportionately in a manner that presaged the Eisenhower administration's reliance on strategic nuclear capabilities.<sup>165</sup>

Despite the arms buildup, the United States remained weak in the Middle East and Iran specifically. As a practical matter, fending off a Soviet intervention in Iran was not viable. "The USSR should still be able to overrun Western Europe and the Near East by mid-1953," the CIA predicted in September 1951. The Soviets could easily deploy their forces in Iran because of their shared border.<sup>166</sup> In May 1952, the CIA counted Iranian military forces at 130,000 ground troops with only 278 tanks. "[The Iranian] Army would be incapable of anything more than harassing actions or a very brief delaying action against [an] invasion by a major power," the CIA concluded. Iran owned a mere 298 aircraft, and its navy was negligible. In contrast, the Soviet Union stationed 240,000 troops in the Caucasus and an additional 460,000 in what the CIA identified as "Middle Asia." The Soviets maintained 3,110 aircraft in the CIA-designated Southwest USSR and an additional 2,300 in the South USSR.<sup>167</sup> While the British possessed a number of bases throughout the Middle East, most notably stationing 34,400 men at Suez, the United States held only the Dhahran airfield in Saudi Arabia.<sup>168</sup>

American policymakers did not feel that an unprovoked Soviet invasion of Iran was imminent. "Overt Soviet intervention remains unlikely unless the UK intervenes with armed force, in which case the USSR might occupy Azerbaijan," the CIA forecasted, explaining the

---

<sup>164</sup> Leffler, 444.

<sup>165</sup> *History of the Joint Chiefs of Staff Vol. IV*, 50-53.

<sup>166</sup> CIA, "Probable Developments in the World Situation through 1953," 4.

<sup>167</sup> Central Intelligence Agency, Untitled Report, Volume 3, May 1, 1952,

[http://www.foia.cia.gov/sites/default/files/document\\_conversions/5829/CIA-RDP80B01676R002700110004-9.pdf](http://www.foia.cia.gov/sites/default/files/document_conversions/5829/CIA-RDP80B01676R002700110004-9.pdf) (accessed October 29, 2014), Iran section, 1 and Soviet section, 2.

<sup>168</sup> *History of the Joint Chiefs of Staff Vol. IV*, 175.

rationale for the American veto of a British operation.<sup>169</sup> The Soviet Union could have justified such an intervention under Article IV its 1921 Treaty of Friendship with Iran, and the precedent of the 1946 occupation of the province of Azerbaijan loomed large.<sup>170</sup> British advocates of an invasion of Abadan themselves admitted that an intervention would likely have forced Britain to countenance the bifurcation of Iran into a northern, Soviet sphere and a southern, British one.<sup>171</sup> The prediction of Soviet restraint had less to do with the balance of power than conditions in Iran itself. “[T]he Kremlin probably estimates that the political and economic instability and the widespread anti-British feeling offer good prospects of increasing Communist influence and eventually of establishing Communist control without direct Soviet intervention,” the author of the August 2, 1951 estimate explained.<sup>172</sup>

The American understanding of Soviet strategy lay at the root of that prediction. Charles Bohlen offered a four part “criteria” for Soviet expansion outside the Iron Curtain:

1. That the territory’s accession to Soviet power would have a direct and important effect in improving the Soviet strategic position
2. That the territory could be brought under total Stalinist control
3. That the internal situation would be such as to indicate the ‘objective’ conditions for revolution, at least to the extent of providing cover of revolutionary or civil war activity to which Soviet or satellite forces would bring assistance; and
4. That the use of open armed force would not carry with it a major risk of general hostilities involving the Soviet Union.<sup>173</sup>

The first and third conditions may have existed in Iran, but the second and, more importantly, fourth stood in question. The strength of nationalist leaders including Mossadegh, the opposition of royalist forces in the military, tribal sentiment in the southern provinces, and the traditional

---

<sup>169</sup> CIA, “Probable Developments in the World Situation through 1953,” 20.

<sup>170</sup> *FRUS*, 1952-1954, vol. 10, Iran, 1951-1954, Document 22.

<sup>171</sup> “Commons Sitting of Thursday, 21<sup>st</sup> June 1951,” House of Commons Hansard, 1950-51: Fifth Series, vol. 489, columns 675-868, *House of Commons Parliamentary Papers*, [http://gateway.proquest.com.proxy.lib.duke.edu/openurl?url\\_ver=Z39.88-2004&res\\_dat=xri:hcpp-us&rft\\_dat=xri:hcpp:hansard:CDS5CV0489P0-0004](http://gateway.proquest.com.proxy.lib.duke.edu/openurl?url_ver=Z39.88-2004&res_dat=xri:hcpp-us&rft_dat=xri:hcpp:hansard:CDS5CV0489P0-0004) (accessed February 25, 2015).

<sup>172</sup> Central Intelligence Agency, “Probable Soviet Courses of Action to Mid-1952,” 4.

<sup>173</sup> *FRUS*, 1952-1954, vol. 2, Part 1, National Security Affairs, Document 5.

Iranian skepticism of Russian designs likely would have rendered consolidating control of Iran difficult. Furthermore, the United States had threatened action if the Soviets did not withdraw from Azerbaijan in 1946.<sup>174</sup> That history likely stoked Soviet fears that aggression in Iran could have prompted global war. Rightly so: Dean Acheson observed in his memoirs that a Soviet invasion would have given the United States grounds for a military response.<sup>175</sup> With Bohlen's standards in mind, Paul Nitze reached "the conclusion that there is probably no area on the Soviet periphery which meets all these criteria."<sup>176</sup>

That did not preclude those conditions from arising in Iran in the future. The United States feared a communist Tudeh Party takeover in Iran and conducted covert psychological warfare operations against the Tudeh Party in Operation TPBEDAMN during 1951 and 1952 to prevent revolutionary conditions from developing.<sup>177</sup> However, the CIA predicted in a February 1952 estimate, "The possibility of Mossadeq or another National Front leader continuing as Prime Minister at least for the present appears strong." While economic weakness would increasingly fragment Mossadegh's unwieldy National Front coalition, the CIA felt that the Iranian Prime Minister could perform key government functions through most of 1952. The CIA noted that Mossadegh was "basically hostile to Soviet imperialism," though he did sometimes collaborate with the Tudeh Party.<sup>178</sup> Analysts concluded that Mossadegh was merely conducting Iran's traditional policy of balancing between Britain and Russia that it had followed since the "Great Game" of the nineteenth century.<sup>179</sup>

---

<sup>174</sup> *FRUS*, 1946, vol. 7, The Near East and Africa, 339-341.

<sup>175</sup> Acheson, 506.

<sup>176</sup> *FRUS*, 1952-1954, vol. 2, Part 1, National Security Affairs, Document 13.

<sup>177</sup> Gasiorowski, "The CIA's TPBEDAMN Operation and the 1953 Coup in Iran."

<sup>178</sup> Central Intelligence Agency, "National Intelligence Estimate: Probable Developments in Iran in 1952 in the Absence of an Oil Settlement."

<sup>179</sup> Central Intelligence Agency, "Analysis of the Iranian Political Situation," October 12, 1951, *Declassified Document Reference System*, <http://callisto10.ggimg.com/imgsrv/FastPDF/DDRS/DDRS-252721-i1-4.pdf> (accessed December 8, 2014), 1.

Even after repeated failures in negotiations, some American policymakers were optimistic about the chances of working with Mossadegh, including Secretary of State Dean Acheson. The oil negotiations had shown that Mossadegh was not a steady partner, but the United States preferred him to the Tudeh Party and feared his overthrow could risk chaos. “If oil settlement reached Mosadeq cld be expected to channel nationalist fervor in other directions [sic],” Acheson cabled. “Since Commies will fight settlement satis to West and Tudeh can be made principal target for Nationalists, it is likely Mosadeq wld take increasingly firm action vs Tudeh. He may also embark program social and econ reform to keep popular support [sic].”<sup>180</sup>

In sum, the United States remained weak vis-à-vis the Soviet Union both globally and in the Middle East, although the West was primed to grow stronger as rearmament continued. The Soviet window of opportunity gradually may have been closing globally, but the Western powers did not have the capability to defend Iran against a Soviet intervention. Simultaneously, American policymakers did not yet believe that a Soviet attack or, more likely, a Tudeh Party takeover were imminent. They were wary of the situation in Iran and monitored it closely, but the conditions did not justify action beyond diplomacy and psychological warfare operations against the Tudeh Party. Remarkably, as of June 5, 1952 the United States operated on “[t]he assumption that hostilities in Korea will end on or before 30 June 1952.”<sup>181</sup> Policymakers likely hoped that internal conditions in Iran would allow American patience and restraint until after the conclusion of the Korean War. All of those factors pointed to what was increasingly becoming almost a policy by default: the continuation of diplomacy. Gavin is right; until mid-1952, “there were few viable alternatives to a policy that sought a diplomatic solution.”<sup>182</sup>

---

<sup>180</sup> *FRUS*, 1952-1953, vol. 10, Iran, 1951-1954, Document 155.

<sup>181</sup> *FRUS*, 1952-1954, vol. 2, Part 1, National Security Affairs, Document 10.

<sup>182</sup> Gavin, 73.



## II. Mid-1952 to the End of the Truman Administration

Conditions changed quickly. In mid-1952, Truman began to abandon the American pretext of neutrality and shift toward a pro-British posture. As Gavin has observed, new American audacity was a response to the more favorable global balance of power that resulted from the massive American arms buildup.<sup>183</sup> Structural factors at other levels also played a role. Furthermore, American policymakers began to identify troubling trends in Iranian politics as Mossadegh's popularity and control waned. The result was that Truman and his advisors charted a policy course that Eisenhower and his advisors would follow.

The American defense buildup proved as impressive as the authors of NSC 68 had envisioned. Between mid-1950 and mid-1952, the manpower of the American military more than doubled to about 3.6 million.<sup>184</sup> By January 1953, the United States produced \$8 billion of armaments on a quarterly basis. Total military production had increased by a factor of seven since the initial call for rearmament.<sup>185</sup> American industrial capacity was twice as large in 1952 as in 1940, and the United States could quickly expand its output still further in the event of a general war.<sup>186</sup> Such production not only increased American capabilities, but also allowed for the provision of sought-after military aid to allies and third world countries that the United States was attempting to woo. Notably, the broader build-up focused on preparations for a general war, rather than the conflict in Korea.<sup>187</sup> The United States tested the world's first hydrogen bomb in November 1952, and the government predicted that it would have 2,250 nuclear warheads compared to the Soviet Union's projected 200 by 1955.<sup>188</sup> American production outpaced

---

<sup>183</sup> Ibid, 79.

<sup>184</sup> *FRUS*, 1952-1954, vol. 2, Part 1, National Security Affairs, Document 18.

<sup>185</sup> Leffler, 488-490.

<sup>186</sup> *FRUS*, 1952-1954, vol. 2, Part 1, National Security Affairs, Document 10.

<sup>187</sup> Trachtenberg (1999), 156.

<sup>188</sup> Leffler, 488.

predictions: the United States possessed 2,422 nuclear weapons by 1955, compared to about 200 in the Soviet Union.<sup>189</sup>

The success of rearmament and ensuing change in the balance of power bolstered policymakers' confidence. "The United States and its major allies have responded to the perilous situation of 1950," the authors of NSC 135/3 declared in September 1952.<sup>190</sup> Although the growth of European industrial production was proceeding more slowly than the Truman administration had hoped, the United States and its NATO allies produced nearly five times as much steel as the Soviet Union and Eastern bloc in 1951. "In terms of both available resources and productive capacity, the Soviet bloc is in a position of marked inferiority vis-à-vis the free world," American policymakers held in August 1952.<sup>191</sup> The scale of Soviet rearmament was hard to quantify since the Kremlin intentionally omitted procurement numbers from official budgets lest the United States obtain them, but one later estimate measured Soviet spending growth from 9 billion rubles in 1950 to 14 billion rubles by 1955.<sup>192</sup> The National Security Council concluded that the Soviet economy was improving and spending was growing, but not at rates that would allow it to catch up to the West.<sup>193</sup> "The Kremlin almost certainly estimates West is stronger than it was in the early postwar years," the CIA believed in December 1952. The Agency also forecasted that North Korea and China would not further escalate the Korean War, preferring to stall in diplomacy and wage political warfare.<sup>194</sup>

Ironically, the opening of a window of opportunity appeared to make third world conflicts more likely, even as a general war seemed increasingly improbable. "Although there

---

<sup>189</sup> Trachtenberg (1999), 181.

<sup>190</sup> *FRUS*, 1952-1954, vol. 2, Part 1, National Security Affairs, Document 29.

<sup>191</sup> *FRUS*, 1952-1954, vol. 2, Part 1, National Security Affairs, Document 18.

<sup>192</sup> *Hearings Before the Subcommittee on Oversight*, 21.

<sup>193</sup> *FRUS*, 1952-1954, vol. 2, Part 1, National Security Affairs, Document 18.

<sup>194</sup> Central Intelligence Agency, "National Intelligence Estimate: Probable Soviet Bloc Courses of Action, Through Mid-1953, NIE-64 (Part II)," December 11, 1952, CREST, CIA-RDP79R01012A002200010001-7.

remains a serious risk of general war,” the annex to NSC 135/1 explained in August 1952, “[I]t is our present view that the most immediate dangers are of such a progressive and cumulative loss of positions of importance (either as a result of deterioration within the free nations or of communist cold war actions or a process involving both) that the United States would eventually be reduced to an isolated and relatively impotent position.”<sup>195</sup> That September, NSC 135/3 identified third world threats to the United States that resonated with the American assessment of conditions in Iran:

Serious internal instability in many areas, caused in varying degrees by the activities of indigenous communist parties, rabid nationalism, economic and political backwardness, and defeatist neutralism, and stimulated by aggressive Soviet and satellite propaganda directed chiefly against the United States, threatens to create conditions where communist influence and control may be extended without Soviet aggression unless effective countermeasures are taken.<sup>196</sup>

The CIA thought that the Soviets would not intervene militarily due to the risk of an American reprisal, but could attempt covert actions in the northern provinces to divide the country, as they had in 1946. The Agency observed, “The USSR appears to believe that the Iranian situation is developing favorably to its objectives.”<sup>197</sup> However, the improved balance of power also meant that the United States could take stronger actions to hold countries like Iran with less risk of provoking a general war.<sup>198</sup>

Developments in Iran validated structural concerns about the third world. The oil talks had reached an impasse by mid-1952. Britain and Iran appeared to have settled into their respective positions, especially as the British oil embargo grew more effective. “An early settlement of the oil dispute with the UK is unlikely,” an October 14, 1952 CIA estimate

---

<sup>195</sup> *FRUS*, 1952-1954, vol. 2, Part 1, National Security Affairs, Document 18.

<sup>196</sup> *FRUS*, 1952-1954, vol. 2, Part 1, National Security Affairs, Document 29.

<sup>197</sup> Central Intelligence Agency, “National Intelligence Estimate: Probable Developments in Iran Through 1953,” November 13, 1952.

<sup>198</sup> William Stueck, *The Korean War: An International History* (Princeton: Princeton University Press, 1995), 202-203.

predicted. “Political forces which Mossadeq himself encouraged in the past now require him to insist on greater concessions than the British have given any indication of finding acceptable.”<sup>199</sup> Acheson felt by October that most viable options in negotiations had been attempted.<sup>200</sup> The Shah did not seem to offer any hope as an alternative; the CIA feared that he had “almost completely lost his capability for independent action.”<sup>201</sup> This was clear when the Shah reluctantly granted Mossadegh increased powers after his initial refusal had prompted Mossadegh’s resignation and riots in July 1952.<sup>202</sup>

Simultaneously, the CIA became more concerned about Mossadegh’s ability to prevent the rise of the Tudeh Party. On May 1, 1952, the CIA had reckoned the Tudeh Party’s membership at 15,000, with several times as many passive supporters.<sup>203</sup> In a lengthy October 20, 1952 report dedicated solely to the Tudeh Party, Foreign Service officer Anthony Cuomo observed that the Tudeh Party seemed to be growing stronger. “[I]t is apparent that the objective of the Tudeh Party is to seize control of the central government,” Cuomo concluded, “as opposed to the more limited objective of a few years ago, when Communist leadership seemed to have an immediate aim of gaining control of the two regions of Azerbaijan and Kurdistan.” Cuomo called the party “a remarkably efficient internal security organization.” He felt that the worsening

---

<sup>199</sup> Central Intelligence Agency, “Prospects for Survival of Mossadeq Regime in Iran,” October 14, 1952, *Digital National Security Archive*, <http://nsarchive.chadwyck.com.proxy.lib.duke.edu/nsa/documents/IR/00292/all.pdf> (accessed September 26, 2014), 1.

<sup>200</sup> *FRUS*, 1952-1954, vol. 10, Iran, 1951-1954, Document 225.

<sup>201</sup> Central Intelligence Agency, “Prospects for Survival of Mossadeq Regime in Iran,” October 14, 1952.

<sup>202</sup> Marsh (2003), 106, 115-116, 122; Abrahamian, 195.

<sup>203</sup> Central Intelligence Agency, Untitled Report, Volume 3, May 1, 1952, [http://www.foia.cia.gov/sites/default/files/document\\_conversions/5829/CIA-RDP80B01676R002700110004-9.pdf](http://www.foia.cia.gov/sites/default/files/document_conversions/5829/CIA-RDP80B01676R002700110004-9.pdf) (accessed October 29, 2014), Iran Section, 2.

economic conditions and political confusion in Iran were conducive to the Tudeh Party's growth and warned that Tudeh members may have infiltrated the Iranian military.<sup>204</sup>

The CIA also feared the rise of Mullah Abol Pasem Kashani, a conservative cleric who often broke with Mossadegh's National Front. Kashani favored an even harder line in the oil negotiations than Mossadegh. He had the support of elements within the National Front, large mobs in the bazaar in Tehran, a Muslim terrorist organization called the Fedayan, and even some Tudeh and tribal sub-groups. The CIA considered Kashani the most likely to topple Mossadegh, likely through parliamentary maneuvers, or replace him if Mossadegh died or resigned. This was a fearful prospect for the United States: "If Kashani should come to power, the most probable result would be the progressive deterioration of Iran, possibly leading to the eventual assumption of power by the Tudeh."<sup>205</sup> The Shah also opposed the conservative cleric.<sup>206</sup>

Yet the United States continued to predict the survival of the National Front through 1953. Despite difficulties paying for government services due to the lack of oil revenue, a strong harvest meant that Iran could export enough crops to meet citizens' basic needs. Mossadegh retained the support of the Shah and most of the military, and he could use the security forces to quash uprisings.<sup>207</sup> The CIA felt that the Tudeh Party had not yet built the strength to overthrow Mossadegh violently or politically. The party appeared patient. Kashani also seemed not to present an immediate threat "so long as no clear issues of disagreement arise between them, so long as his influence on Mossadegh remains strong, and so long as Mossadegh is willing to assume responsibility." More relevant for future American policy, the CIA held, "A military

---

<sup>204</sup> Anthony Cuomo, "The Tudeh Party Today," Department of State, October 20, 1952, *Declassified Documents Reference System*, <http://callisto10.ggimg.com/imgsrv/FastPDF/DDRS/DDRS-201535-i1-50.pdf> (accessed November 2, 2014), 3, 28-29.

<sup>205</sup> CIA, "Prospects for Survival of Mossadegh Regime in Iran," October 14, 1952, 1-3; Central Intelligence Agency, "National Intelligence Estimate: Probable Developments in Iran Through 1953," November 13, 1952.

<sup>206</sup> Roosevelt, 113.

<sup>207</sup> Central Intelligence Agency, "National Intelligence Estimate: Probable Developments in Iran Through 1953," November 13, 1952.

coup is not likely to succeed because Mossadeq has had the opportunity to eliminate elements in the Army hostile to him, and none of the Army personnel reported as currently being involved in plots against Mossadeq are believed to have the prestige or influence to obtain the necessary support from the Army.” Mob violence seemed to present the greatest danger.<sup>208</sup> Although the situation appeared precarious, it did not necessarily warrant drastic action. Mossadeq still appeared the best choice among bad options for the United States.

The United States continued believe that Mossadeq was playing off the great powers against one another, although it was now the Russians and the Americans, not the British, who played a “Great Game.” Iran interacted cautiously with the Soviets, and the CIA predicted, “The Mossadeq regime will not wish completely to alienate the US.”<sup>209</sup> American moves like the suspension of military aid to Iran in April 1952 and the expansion of psychological warfare measures against the Tudeh Party in Operation TPBEDAMN reflected the level of the CIA’s concern about Mossadeq turning toward the Kremlin.<sup>210</sup> Those measures recognized the gravity of the situation, but the CIA’s prediction that Mossadeq would remain in power forestalled stronger actions.

While there were strong elements of continuity between the administrations, Gavin sometimes overstates them. Most glaringly, Gavin argues that Truman authorized steps toward a coup during late 1952. He is right to point out that the Truman administration was not averse to covert operations in Iran, but in light of the limited sources available on the matter, he may take his claims of continuity too far. Gavin points to the fifth paragraph of NSC 136 and NSC 136/1 from November 1952, which called for “specific military, economic, diplomatic, and

---

<sup>208</sup> CIA, “Prospects for Survival of Mossadeq Regime in Iran,” October 14, 1952, 1-3.

<sup>209</sup> Ibid.

<sup>210</sup> *FRUS* 1952-1954, vol. 10, Iran, 1951-1954, Document 174; Gasiorowski, “The CIA’s TPBEDAMN Operation and the 1953 Coup in Iran.”

psychological measures which should be taken to support a non-communist Iranian Government or to prevent all or part of Iran or adjacent areas from falling under communist domination.”<sup>211</sup>

Gavin relies too heavily on a broad interpretation of the language of NSC 136. The document could have pertained only to the ongoing propaganda activities of Operation TPBEDAMN, which was intended to combat the Tudeh Party and, therefore, buttress Mossadegh’s rule.

Finally, Gavin’s interpretation contradicts the more detailed study of Operation TPBEDAMN by Mark J. Gasiorowski, who believes based on limited declassified evidence that the CIA turned TPBEDAMN against Mossadegh *without* Truman’s approval.<sup>212</sup>

Operation Ajax was not a foregone conclusion in late 1952. Gavin is correct to argue that Truman changed positions in 1952 and set in motion the policies that Eisenhower would continue.<sup>213</sup> Yet the incremental nature of the administration’s shift must be reiterated. Policy matched perception: as the CIA grew more fearful, the Truman administration became more active. The summer of 1952 was less a sudden “turning point” than the tentative beginning of a new American policy trajectory that slowly progressed before culminating in Operation Ajax. After all, the CIA believed in November 1952 that a military coup, the ultimate result of Operation Ajax, could not remove Mossadegh. The Shah remained a reluctant partner, at best. The United States was ambivalent about Mossadegh himself and preferred him to Kashani and the Tudeh Party. Diplomacy continued, even as the Truman administration recognized on its last day in office that “[t]here is a need for the U.S. to make its interests in the area [the Middle East] more explicit and to assume responsibility.”<sup>214</sup>

---

<sup>211</sup> NSC 136/1 in Gavin, 79-80.

<sup>212</sup> Gasiorowski, “The CIA’s TPBEDAMN Operation and the 1953 Coup in Iran,” 13-14.

<sup>213</sup> Gavin, 79-80.

<sup>214</sup> *FRUS*, 1952-1954, vol. 2, Part 1, National Security Affairs, Document 42.

### III. The Eisenhower Administration

The Eisenhower administration entered office on January 20, 1953 with a promise to cut the costs of containment. The levels of defense spending authorized by Truman were designed to peak in mid-1953.<sup>215</sup> In his first month in office, Eisenhower and his advisors made significant cuts to Truman's fiscal year 1954 budget in an attempt to decrease the deficit by \$9.922 billion. The new budget would reduce military expenditures from a projected \$45.5 billion to \$43.2 billion in FY 1954, with deeper cuts coming in later years.<sup>216</sup> The Eisenhower administration approved NSC 153/1, which focused on the reduction of "waste, duplication, and unnecessary overhead in the Federal Government."<sup>217</sup> Military manpower would also decrease over time, especially with the end of the Korean War.<sup>218</sup>

While these cuts would impact the balance of power over time, they did not substantially affect the global correlation of forces in the short period before Operation Ajax in August 1953. Most of the force cuts impacted the army, which would likely have become smaller with the end of the war in Korea anyway. Since the United States did not station significant ground forces in the Middle East, the reductions would not have altered balance of power calculations in the region. Spending on the Air Force and nuclear arsenal remained high as part of the "New Look."<sup>219</sup> In fact, Marc Trachtenberg has shown that Eisenhower enjoyed a window of opportunity to pursue bold policies in 1953 due to Truman's arms buildup.<sup>220</sup> The United States still held a dramatic nuclear advantage: it possessed seventeen nuclear warheads for every Soviet warhead in 1953 and the Soviets lacked effective delivery systems. The Soviets did not match

---

<sup>215</sup> *FRUS*, 1952-1954, vol. 2, Part 1, National Security Affairs, Document 30.

<sup>216</sup> Robert J. Watson, ed. *History of the Joint Chiefs of Staff, Volume V: The Joint Chiefs of Staff and National Policy 1953-1954* (Washington, D.C.: Historical Division, Joint Chiefs of Staff, 1986), 5-9.

<sup>217</sup> *FRUS*, 1952-1954, vol. 2, Part 1, National Security Affairs, Document 73.

<sup>218</sup> *History of the Joint Chiefs of Staff, Vol. V*, 5-9.

<sup>219</sup> Gaddis (1982), 171.

<sup>220</sup> Trachtenberg (1988/89), 6.



the United States' thermonuclear capability until August 12, 1953. As a result, the United States took a harder line in the Korea armistice negotiations. Eisenhower and Dulles were more willing to consider coercion to end the stalemate and appear to have even threatened the use of nuclear weapons to improve their leverage.<sup>221</sup> The United States also began to consider a tougher defense of Indochina and plan for a stronger response in the event of another Berlin Crisis.<sup>222</sup> Despite its cost-conscious message, Eisenhower's National Security Council called for an increase in aid to Middle Eastern countries.<sup>223</sup> American moves in strategic countries like Iran would not be subject to penny-pinching.

The death of Soviet dictator Josef Stalin on March 5, 1953 added to the sense of a window of opportunity. On March 12, 1953, an American estimate concluded that "[t]he problem of transfer of power is one of the most difficult which the Soviet system could face." While the basic nature of Soviet power would not immediately change, the estimate noted the potential for a leadership struggle.<sup>224</sup> For the time being, Ambassador to the Soviet Union Charles Bohlen predicted a more collective approach to Soviet leadership.<sup>225</sup> Accordingly, the CIA foresaw caution on the part of Stalin's replacement, Georgy Malenkov, and other leaders who lacked Stalin's prestige. The Kremlin would fear bold Western moves designed to exploit the succession period.<sup>226</sup> Bohlen noted that "the Soviet Government desire[d] a return to diplomacy and a lessening of world tension for an indefinite period of time," and Eisenhower

---

<sup>221</sup> Gaddis (1997), 103, 107, 110-111.

<sup>222</sup> Trachtenberg (1988/89), 6-7, 30-31.

<sup>223</sup> *FRUS*, 1952-1954, vol. 2, Part 1, National Security Affairs, Document 73.

<sup>224</sup> *FRUS*, 1952-1954, vol. 8, Eastern Europe; Soviet Union; Eastern Mediterranean, Document 567.

<sup>225</sup> *FRUS*, 1952-1954, vol. 8, Eastern Europe; Soviet Union; Eastern Mediterranean, Document 600.

<sup>226</sup> *FRUS*, 1952-1954, vol. 8, Eastern Europe; Soviet Union; Eastern Mediterranean, Document 567.

welcomed Malenkov's peaceful overtures and condemnations of Stalin.<sup>227</sup> The CIA concluded, "[W]e believe that the USSR is politically more vulnerable today than before Stalin's death."<sup>228</sup>

The Soviet Union's own reaction to events in Iran shows the extent to which Stalin's death affected its foreign policy. Using Soviet sources, Vladislav Zubok has shown that the Soviet Committee of Information (KI) was concerned about Mossadegh's anti-Tudeh Party stance. Stalin and Foreign Minister Vyacheslav Molotov had rejected Mossadegh's request for financial aid in 1952, recognizing that the wily Iranian was playing both sides. They also thought that nationalization was a ploy to allow American companies to enter Iran. When the Soviet Union became aware of the coup plans in October 1952 and, later, the success of Operation Ajax, the Kremlin did not act because the KI was paralyzed by its leader Lavrentiy Beria's arrest and execution at the hands of rivals, including future premier Nikita Khrushchev.<sup>229</sup> The impact of infighting on Soviet policy in Iran illustrates the reality that the Soviets did not wage the Cold War in Stalin's cold-blooded manner for a time after his death. Similarly, John Lewis Gaddis has also shown that Stalin's death was also influential in bringing the Soviet Union to pressure its communist allies to stop fighting in Korea.<sup>230</sup>

The timing of the decision to approve the coup indicates that the situation in Korea probably did not dictate events in Iran as much as the global balance of power did, but the end of the Korean War did contribute to that balance of power in a manner that was favorable for the United States. The final signing of the armistice in Korea on July 27, 1953 ended the largest American commitment abroad just weeks before Operation Ajax, but skirmishes were still

---

<sup>227</sup> *FRUS*, 1952-1954, vol. 8, Eastern Europe; Soviet Union; Eastern Mediterranean, Document 600; Eisenhower, 149.

<sup>228</sup> *FRUS*, 1952-1954, vol. 8, Eastern Europe; Soviet Union; Eastern Mediterranean, Document 567.

<sup>229</sup> Vladislav Zubok, "Soviet Intelligence and the Cold War: The "Small" Committee of Information, 1952-53," *Diplomatic History* 19, no. 3 (Summer 1995), pp. 453-472, <http://onlinelibrary.wiley.com/doi/10.1111/j.1467-7709.1995.tb00643.x/abstract> (accessed November 2, 2014), 464-468.

<sup>230</sup> Gaddis (1997), 108-110.

occurring along the Thirty-Eighth Parallel in early June 1953 when Eisenhower and Dulles appear to have given their final approval for the coup.<sup>231</sup> Korea amplified the importance of the third world and defensive alliances with countries like Iran in American grand strategy.<sup>232</sup> Korean War historian William Stueck has argued, “The Korean War magnified the U.S. inclination to extend a system of collective defense to the [Middle East].” A defensive alliance had the potential to prevent aggression of the sort seen in Korea, which Dean Acheson had famously left outside the perimeter that the United States would defend during his a speech in January 1950.<sup>233</sup> The favorable balance of power meant that the United States felt that encircling the Soviets with alliances would not provoke a general war.

Originally, the Truman administration had hoped to shore up Middle Eastern defenses and lock regional powers into the free world through the creation of a Middle East Command (MEC) for NATO under the leadership of a British Supreme Allied Commander, Middle East (SACME) in May 1951.<sup>234</sup> Throughout the spring of 1952, the Truman administration continued to push the MEC concept. Proposals evolved into the concept of a larger security alliance called the Middle Eastern Defense Organization (MEDO), centered on the massive British base at Suez. However, British conflicts with Egypt over basing rights increasingly called the feasibility of such a system into question.<sup>235</sup> Despite American hopes, the Egyptian government became increasingly anti-Western after the July 1952 Free Officers’ coup. Even so, MEDO remained an American aspiration. On the administration’s last day in office, Truman administration officials explained in NSC 141, “The establishment of a Middle East Defense Organization, when political conditions permit, would be of utility as a means of gaining the political cooperation of

---

<sup>231</sup> Stueck (1995), 326.

<sup>232</sup> Ibid, 365.

<sup>233</sup> Leffler, 367.

<sup>234</sup> *History of the Joint Chiefs of Staff Vol. IV*, 173.

<sup>235</sup> H.W. Brands, 445-451.

the states of the area and encouraging integrated defense planning.”<sup>236</sup> Simultaneously, the Joint Chiefs of Staffs had studied the alternate “Northern Tier” line since at least October 1952.<sup>237</sup>

H.W. Brands has proposed that the revelation that Egypt would not take part in MEDO forced the United States to turn to the Northern Tier strategy and shore it up by changing the government in Iran. That theory appears tenable. As Brands notes, Nasser began to supplant Muhammad Naguib in the new government, and American officials debating whether or not to provide military aid to Egypt found him more hostile toward the West than Naguib.<sup>238</sup> Secretary of State John Foster Dulles visited the region in May and early June 1953. During a meeting with Dulles on May 11, 1953, Egyptian Foreign Minister Mahmoud Fawzi said that MEDO was “definitely out of focus.”<sup>239</sup> The next day, Nasser told Dulles that Egyptians considered MEDO “perpetuation of occupation.” Dulles began to believe that MEDO was not feasible.<sup>240</sup>

The timeline for the approval of Operation Ajax suggests that the alliance politics of the Middle East impacted the Eisenhower administration’s decision to go forward with the coup in just the manner that Brands hypothesizes. A record of the June 1, 1953 meeting of the National Security Council recorded that Dulles had concluded, “[T]he old MEDO concept was certainly finished.”<sup>241</sup> Dulles now claimed that the Northern Tier “promised much more.”<sup>242</sup> Turkey, Pakistan, and perhaps Iran and Iraq could form a strong defensive barrier. As early as 1951, Turkish troops’ impressive fighting in Korea had demonstrated Turkey’s value as an ally.<sup>243</sup> Pakistan had sought out the United States’ help.<sup>244</sup> To Dulles, one hole in the defensive line

---

<sup>236</sup> *FRUS*, 1952-1954, vol. 2, Part 1, National Security Affairs, Document 42.

<sup>237</sup> *History of the Joint Chiefs of Staff*, Vol. V, 336-337.

<sup>238</sup> H.W. Brands, 451-454.

<sup>239</sup> *FRUS*, 1952-1954, vol. 9, Part 1, The Near and Middle East, Document 3.

<sup>240</sup> *FRUS*, 1952-1954, vol. 9, Part 1, The Near and Middle East, Document 5.

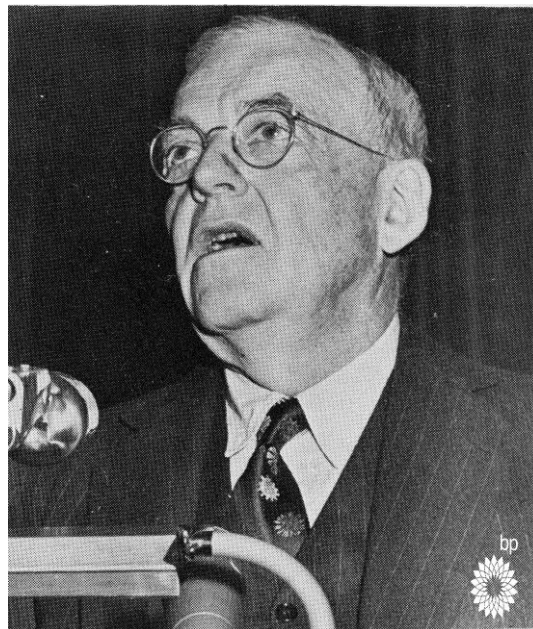
<sup>241</sup> *History of the Joint Chiefs of Staff* Vol. V, 336-337.

<sup>242</sup> *FRUS*, 1952-1954, vol. 9, Part 1, The Near and Middle East, Document 137.

<sup>243</sup> Stueck (1995), 199-200.

<sup>244</sup> *History of the Joint Chiefs of Staff*, Vol. V, 336.

remained: “Iran...was the obvious weak spot in what could become a strong defensive arrangement of the northern tier of states.” Dulles had not visited Iran, as he did not want to inflame the situation there, but he had met with American Ambassador to Iran Loy Henderson in Pakistan and communicated directly with Mossadegh. Dulles lamented that under the current government, Iran “woefully lacked any prospect of effective political leadership.”<sup>245</sup> Dulles did, however, note his “more hopeful impression of the Iranian situation,” possibly alluding to a plan for an operation. According to the official CIA history of Operation Ajax, Eisenhower and the Dulles brothers approved the plan on June 11, 1953, ten days after the National Security Council had discussed the Northern Tier.<sup>246</sup>



**Figure 4. Secretary of State John Foster Dulles: “So this is how we get rid of that madman Mossadegh!” (Reproduced with permission of BP Archive)**

As Steve Marsh has shown, Mossadegh’s position in the ongoing oil negotiations and local conditions in Iran also dictated the Eisenhower administration’s decision. In its January 9 estimate, the CIA explained the root of Mossadegh’s intransigent diplomacy:

---

<sup>245</sup> *FRUS*, 1952-1954, vol. 9, Part 1, The Near and Middle East, Document 137.

<sup>246</sup> Wilber, 18.

Although [the] Mossadegh government desires and needs revenues from the sale of oil, its attitude is largely conditioned by political considerations. The National Front has manipulated oil nationalization into such a powerful symbol of national independence that no settlement would be acceptable unless it could be presented to the Iranian public as a clear political victory over the UK.<sup>247</sup>

At a National Security Council meeting on March 11, the President expressed “very real doubts about whether, even if we tried unilaterally, we could make a successful deal with Mossadegh.”

Although he continued Acheson’s negotiations over a consortium, Eisenhower felt that any deal could ultimately prove worthless if Mossadegh did not adhere to it. He feared the implications of non-compliance elsewhere in the third world.<sup>248</sup> On March 18, Iranian officials told American diplomats that Iran would reject the latest deal.<sup>249</sup> Steve Marsh has identified Mossadegh’s rejection of Eisenhower’s overtures as the move that prompted the American decision to go forward with a coup. “Operation Ajax was just the final, if desperate, option of a policy that traversed the change of administration easily but that had finally been exhausted with Mosadeq’s rejection of the 20 February proposals,” he argues.<sup>250</sup> The “policy exhaustion” argument is effective, because it accounts for both the continuity between the two administrations in diplomacy and the choice to organize the coup.

Though Mossadegh remained in power, a sense of foreboding dominated American analyses of the political situation in Iran. In a January 9, 1953 report, the CIA held, “On the basis of present indications...it appears probable that the National Front government will remain in power through 1953, despite growing unrest.” An oil deal remained unlikely. However, the Tudeh Party still appeared too weak to mount a serious takeover attempt. Kashani seemed content to pressure Mossadegh in the Majlis. Mossadegh’s authority to rule by decree, which the

---

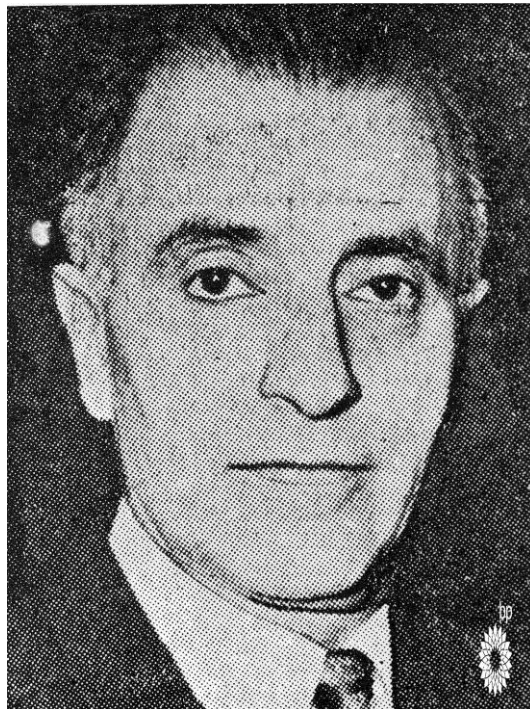
<sup>247</sup> CIA, “National Intelligence Estimate: Probable Developments in Iran through 1953,” January 9, 1953, 3.

<sup>248</sup> *FRUS*, 1952-1954, vol. 10, Iran, 1951-1954, Document 318.

<sup>249</sup> *FRUS*, 1952-1954, vol. 10, Iran, 1951-1954, Document 321.

<sup>250</sup> Marsh (2003), 190.

Majlis had granted him through February 1953, and control of the security forces meant that he could increasingly act as a dictator and suppress uprisings.<sup>251</sup> Although the CIA did not yet think the Tudeh Party would attempt a revolution, it observed that “the Iranian situation has been slowly disintegrating” on March 1, 1953. “The result has been a steady decrease in the power and influence of the Western democracies and the building up of a situation where a Communist takeover is becoming more of a possibility.”<sup>252</sup>



**Figure 5. General Fazlollah Zahedi replaced Mossadegh after Operation Ajax (Reproduced with permission of BP Archive)**

Moreover, the pieces did not appear in place for Operation Ajax. The CIA noted that General Fazlollah Zahedi, later the key participant in Operation Ajax and Mossadegh’s replacement as prime minister, remained imprisoned while his supporters intrigued in the Majlis.

---

<sup>251</sup> Central Intelligence Agency, “National Intelligence Estimate: Probable Developments in Iran through 1953,” January 9, 1953, *Digital National Security Archive*, <http://nsarchive.chadwyck.com.proxy.lib.duke.edu/nsa/documents/IR/00303/all.pdf> (accessed September 26, 2014), 1-8.

<sup>252</sup> Central Intelligence Agency, “Comment on Tudeh Position in Current Iranian Situation,” March 3, 1953, *Declassified Documents Reference System*, <http://callisto10.ggimg.com/imgsrv/FastPDF/DDRS/DDRS-211168-i1-1.pdf> (accessed November 2, 2014). *FRUS*, 1952-1954, vol. 10, Iran, 1951-1954, Document 310.

The CIA bluntly doubted the odds for a successful Zahedi coup: “It is unlikely the he will succeed.”<sup>253</sup> In Iran, Henderson feared that Zahedi would be no easier to work with than Mossadegh.<sup>254</sup> Mossadegh’s collaboration with the Tudeh Party against the Shah was particularly troubling for the United States, which had viewed the Shah as a source of stability and potential ally against Mossadegh since 1951.<sup>255</sup> The CIA admitted, “The Shah and the formerly dominant landowning class have lost the political initiative, probably permanently.”<sup>256</sup> The Shah was not responding strongly. “On basis foregoing it seems likely Mosadeq will retain power and that this will mean [the] early disappearance of [the] Shah from [the] Iranian political scene, rapid deterioration in relations between Iran and [the] West, and greatly increased probabilities of [a] communist takeover,” Dulles predicted on March 2.<sup>257</sup>

However, the prospects for a coup gradually began to appear brighter for the Agency, although its estimates still alternated between optimism and pessimism. The more frequent mentions of the Shah and the military in estimates and dispatches in the spring of 1953 suggest that the United States was beginning to see a chance to carry out Operation Ajax. “The present situation offers the Shah an opportunity which he has not yet seized,” the CIA concluded before adding the caveat, “His past record does not suggest that he will act.”<sup>258</sup> The same March 1 CIA estimate that observed the decline of Iran into chaos noted, “The institution of the Crown may have more popular backing than was expected.”<sup>259</sup> On March 3, after the Shah had refused to allow Mossadegh to force him into exile, the CIA observed that officers in the army and air force

---

<sup>253</sup> Central Intelligence Agency, “Comment on Tudeh Position in Current Iranian Situation,” March 3, 1953.

<sup>254</sup> *FRUS*, 1952-1954, vol. 10, Iran, 1951-1954, Document 322.

<sup>255</sup> *FRUS* 1952-1954, vol. 10, Iran, 1951-1954, Document 89.

<sup>256</sup> Central Intelligence Agency, “National Intelligence Estimate: Probable Developments in Iran through 1953,” January 9, 1953.

<sup>257</sup> *FRUS*, 1952-1954, vol. 10, Iran, 1951-1953, Document 311.

<sup>258</sup> *FRUS*, 1952-1954, vol. 10, Iran, 1951-1954, Document 310.

<sup>259</sup> *FRUS*, 1952-1954, vol. 10, Iran, 1951-1954, Document 310.



remained loyal to the Shah.<sup>260</sup> On March 6, Henderson reported that Mossadegh had begun arresting officers suspected of supporting the Shah, fomenting talk of a coup within the military. He qualified that the monarch retained “hope [that the] Mosadeq government will be overthrown by peaceful means in [the] not distant future.”<sup>261</sup> The next week, Henderson was more confident: “Although [the] Shah’s firmness in [the] face of pressure applied by Mosadeq and his supporters appears to fluctuate from time to time, nevertheless he seems still to be showing passive resistance.” Feeling out supporters in the military, the Shah was encouraged.<sup>262</sup> The task of convincing the Shah to act eventually fell to Kermit Roosevelt, who claims in his memoirs that he clandestinely met with the Shah after sneaking into the palace grounds concealed under a blanket in a car.<sup>263</sup>

Events during the spring and summer of 1953 bore out the United States’ worst fears. The CIA reported on April 4 that the Tudeh Party had “instructed its members to ‘protect’ Prime Minister Mossadeq’s government against a possible coup.” The CIA concluded that Mossadegh was “accepting Tudeh support.”<sup>264</sup> By July 14, the American embassy in Tehran was predicting that Mossadegh would compel the resignation of all National Front deputies (representatives) in the Majlis to force a referendum, so as to obtain martial law powers.<sup>265</sup> “If present trends persist over a period of time whereby each step Mosadeq takes gradually increases his dependence on Tudeh, [the] results [are] too obvious to need elaboration,” the chargé d’affaires in Iran cabled.<sup>266</sup> On August 12, the embassy forecasted that Mossadegh would win the referendum and disband

---

<sup>260</sup> Central Intelligence Agency, “The Iranian Situation,” March 3, 1953. CREST, CIA-RDP91T01172R000200290040-6, 1.

<sup>261</sup> *FRUS*, 1952-1954, vol. 10, Iran, 1951-1954, Document 313.

<sup>262</sup> *FRUS*, 1952-1954, vol. 10, Iran, 1951-1954, Document 320.

<sup>263</sup> Roosevelt, 156-168

<sup>264</sup> Central Intelligence Agency, “Tudeh party reportedly orders support for Mossadeq,” April 4, 1953, *Declassified Document Reference System*, <http://callisto10.ggimg.com/imgsrv/FastPDF/DDRS/DDRS-211169-i1-1.pdf> (accessed November 2, 2014).

<sup>265</sup> *FRUS*, 1952-1954, vol. 10, Iran, 1951-1954, Document 333.

<sup>266</sup> *FRUS*, 1952-1954, vol. 10, Iran, 1951-1954, Document 336.

the Majlis to achieve dictatorial power at the expense of the Shah.<sup>267</sup> Eight days later, Operation Ajax toppled Mossadegh. The declining conditions in Iran after the approval of the coup on June 11 confirmed the rationale for the decision.

#### **IV. Conclusion**

Three levels of structural factors influenced the decision to carry out Operation Ajax. At the highest, “Cold War” level, the favorable correlation of forces, the period of Soviet caution following the death of Stalin, and the end of the Korean War meant that the United States did not fear Soviet intervention to block a coup as much as it once had. On a middle, regional level, the United States needed a friendly government in Iran for the Northern Tier strategy after Egypt had torpedoed MEDO. The Soviet Union’s relative weakness had changed the risk calculus for a Middle East alliance, and the United States could no longer settle for a dangerous deadlock in Iran. Operation Ajax therefore had the potential to help the United States resolve the problems of both a Middle Eastern alliance and the Anglo-Iranian oil negotiations. At a local level, concern about a communist takeover amidst growing opposition to Mossadegh finally became urgent by the summer of 1953. The United States was more optimistic about the Shah and Zahedi’s ability to seize and hold power. Structural factors allowed for Eisenhower to authorize a covert operation that the exhaustion of other options had made viable.

Because Iran had been a key battleground of the Cold War as early as 1946, Francis Gavin rightly reemphasizes the role that larger strategic considerations and the balance of power vis-à-vis the Soviet Union played in American policy from 1951 to 1953. The favorable shift in the balance of power on account of the NSC 68 rearmament, coupled with increasingly pessimistic assessments about the situation in Iran, resulted in a “large degree of continuity

---

<sup>267</sup> *FRUS*, 1952-1954, vol. 10, Iran, 1951-1954, Document 341.

between the two administrations in their policies toward Iran.”<sup>268</sup> Gavin’s balance of power argument thus represents an effective critique of the presidential synthesis.

Though valid, Gavin’s argument cannot stand on its own. The balance of power approach may overstate the linear nature of the progression toward Ajax. The CIA itself produced estimates well into 1953 that did not appear to point toward aggressive covert action. Structural factors other than the systemic balance of power were vital to the decision. Gavin acknowledges the “specific dynamics of local and regional political conflicts” by frequently referring to events in Iran and elsewhere in the Middle East.<sup>269</sup> However, he does not explicitly draw attention to those factors often enough. Gavin may be right that many authors overrate the role of “presidential personality” and “ideology” when discussing the coup, but a fuller account would include a more detailed discussion of lower level structural factors. The nature of Gavin’s analysis suggests that he did not wish to distract from his main methodological point about the centrality of the balance of power in Cold War history, but the limits of his analysis must be recognized.

H.W. Brands and Steve Marsh’s analyses of lower level structural occurrences fill those gaps. At a “middle” level, the shift in American alliance strategy appears to have greatly impacted the thinking of Secretary of State John Foster Dulles. The timing of the approval of Operation Ajax, ten days after Dulles’ promotion of a new Northern Tier approach in the National Security Council, speaks to the role that alliance considerations played. Similarly, Steve Marsh does well to highlight the effects of deteriorating negotiations and conditions in Iran in creating a sense of “policy exhaustion” and a need for new solutions like covert operations. After all, the coup was a risky option that nearly failed in practice.

---

<sup>268</sup> Gavin, 87.

<sup>269</sup> Ibid, 60-61.

In assessing the role of structural factors, a methodological problem emerges: how well do estimates capture the feelings of American decision-makers? After all, it is hard to know the extent to which Truman, Eisenhower, and their advisors agreed with or relied on CIA or State Department assessments. Their opinions likely varied based on the moment, specific elements of the crisis, and the content of each estimate or report. A dual reliance on CIA records and other sources like the minutes of NSC meetings comes closest to capturing the fullest scope of American feelings on issues like the balance of power or the situation in Iran, but the dissonance of voices within a massive government bureaucracy must be recognized. That methodological limitation highlights the need for leaders' memoirs, diaries, and other personal sources, which the presidential synthesis emphasizes.

Despite those limitations, structural explanations for the coup are the most powerful. Earlier, I alluded to the counterfactual that Gavin raises: would Truman, had he remained in office into 1953, have ordered Operation Ajax? Based on the evidence and application of structural explanations, I agree with Gavin's assertion that "Truman in August 1953 may have taken actions similar to the ones Eisenhower took."<sup>270</sup> The situation dictated action, and the conditions allowed for a bold stroke. Yet it ultimately takes a strong leader to make a decision like the authorization of Operation Ajax. Just as the structural view should not be excluded from the debate over Operation Ajax, so too must it not entirely eliminate consideration of the presidents and other figures who made decisions. Structural explanations for the coup ought to be combined together then paired with leaders' views and decision-making styles for the fullest picture. Not all outside forces dominate individuals. Chapter Three illustrates the limits of outside influence on the White House during the Iran crisis.

---

<sup>270</sup> Ibid.

### Chapter Three – The “Pericentric” and “Seven Sisters” Theories

In the popular imagination and some academic literature, responsibility for Operation Ajax lies with forces outside the United States government. One group of authors, which I deem the “pericentric” school after a term invented by historian Tony Smith, holds that the United Kingdom successfully persuaded the United States to act in Iran to serve British interests.<sup>271</sup> Under the guise of preventing the fall of Iran to communism, the United Kingdom convinced the Eisenhower administration to authorize Operation Ajax in order to set in place a government that would resolve the longstanding oil dispute in favor of the AIOC and preserve the position and prestige of the British Empire. The second, “Seven Sisters” narrative contends that the United States carried out the coup in the name of the large oil companies. According to the Seven Sisters view, leaders saw in Operation Ajax the potential for American petroleum companies to gain a preponderant share of Persian profits while setting a precedent against nationalization.

These narratives oversimplify both the Special Relationship and government relations with oil companies while downplaying the key motivation for American decision-making, the Cold War. Of course, both the Special Relationship and the oil in Iran were key concerns of American policymakers. Britain’s role as the strongest ally of the United States and designated guarantor of stability in the Middle East made the oil dispute and the financial implications of the closure of the Abadan refinery particularly troubling. Similarly, oil resources gave Iran strategic value for fueling Western Europe and denying supplies to the Soviet Union in the event of a general war. However, just because these factors lent strategic importance to Iran does not mean that Britain and the oil companies dictated American policy. American policymakers viewed the Iran crisis through what historian Michael Connelly and others have referred to as a “Cold War

---

<sup>271</sup> Smith, 567.

lens.<sup>272</sup> Other aspects of the crisis, such as the Special Relationship with Britain and the profits of the oil companies, were secondary concerns. The eventual decision to carry out Operation Ajax was a Cold War measure that resulted from two years of monitoring the status of Iran and its larger place in the conflict with the Soviet Union.

Because of their superficial simplicity and political symbolism, the pericentric and Seven Sisters narratives have become ammunition for those who condemn Operation Ajax in the United States, Iran, and elsewhere. They are the most popular explanations for the coup amongst the general American and Iranian publics. Before any discussion of the ultimate morality or efficacy of the coup, a more thorough examination of these narratives can promote a better understanding of why the United States adopted a policy now considered controversial. A more nuanced narrative can engender a higher level of debate.

### **I. The United Kingdom and the “Pericentric” Explanation**

The argument that Britain substantially affected American actions in Iran can be seen as part of the recent de-emphasis on the centrality of the superpowers in Cold War scholarship. Tony Smith has promoted a view that he dubs “pericentrism” as a means of understanding Cold War alliance politics for both the United States and the Soviet Union. Smith’s “essential argument is that while junior members in the international system at times took actions that tried to *block, moderate, and end* the epic contest, they also took actions that played a key role in *expanding, intensifying, and prolonging* the struggle between East and West [author’s italics].” He contends that historians have sometimes underestimated the power that smaller alliance partners had once they locked themselves into an alliance with a superpower, which became

---

<sup>272</sup> Matthew Connelly, “Taking Off the Cold War Lens: Visions of North-South Conflict during the Algerian War for Independence,” *The American Historical Review* 105, no. 3 (June 2000), pp. 739-769, <http://www.jstor.org/stable/2651808> (accessed March 20, 2015), 741-742; Robert J. McMahon, “Eisenhower and Third World Nationalism: A Critique of the Revisionists,” *Political Science Quarterly* 101, no. 3 (1986), pp. 453-473, <http://www.jstor.org/stable/2151625> (accessed March 20, 2015), 457.

dependent on their collaboration. The Cold War provides numerous examples, Smith suggests, of “the tail wagging the dog.” Such diverse actors as Western European Christian Democratic parties, Fidel Castro of Cuba, and Kim Il Sung of North Korea exploited their larger allies’ reliance on them to buttress their support at home and spread their regional agendas.<sup>273</sup> Smith’s pericentrism offers a formal academic framework for investigating possible British influence on American decision-making before Operation Ajax.

*a. Charges of Pericentrism*

A number of authors charge that Operation Ajax was the result of British influence. “Throughout the oil crisis British officials skillfully maneuvered their U.S. counterparts into becoming ever more involved but always on terms that suited Whitehall’s purposes,” Mary Ann Heiss explains.<sup>274</sup> In a manner that would have resonated with Mossadegh himself, Mostafa Elm depicts the British as haughty diplomats and spies who were “under the illusion of their past imperial power,” but capable of duping the United States and the world community. For instance, he claims that the United States did not need to carry out a coup since Mossadegh had invited the American companies to help Iran operate its oil industry, but the British insisted on it for increased trade opportunities under the Shah. He contends that Britain prevented a settlement through the World Bank, because “[Foreign Secretary Anthony] Eden had succeeded in turning the World Bank into a vehicle for furthering the aims of Britain and the AIOC in Iran.”<sup>275</sup>

Some authors in this school see the CIA as a British agent within the American government. “The CIA co-operated in thus misleading their own government into taking hostile action against Musaddiq,” Homa Katouzian charges.<sup>276</sup> Ervand Abrahamian also posits that the

---

<sup>273</sup> Smith, 568-569, 573-574, 582.

<sup>274</sup> Heiss, 3.

<sup>275</sup> Elm, 202, 215, 337.

<sup>276</sup> Katouzian, 177.

British, frustrated by diplomacy, “harnessed the CIA” to win support for a bolder policy in Washington.<sup>277</sup> For others, top American leaders outside the CIA were also responsible. Stephen Kinzer argues that the Dulles brothers were anti-communist ideologues who bought into British fears and convinced a pliant Eisenhower of the need for action. “If Churchill and Eisenhower had not won, there would have been no Operation Ajax,” Kinzer declares, embracing the presidential synthesis.<sup>278</sup> Although the presidential synthesis’ emphasis on the power of the president would seem to contradict the power of pericentric actors, the two theories are not necessarily mutually exclusive. An election can produce a president who is more or less sympathetic to an ally’s concerns than his predecessor.

What all of these arguments share is a confidence in the persuasive power of Britain over the United States. They depict the United Kingdom as the British perhaps would have liked to have seen themselves at the time: a declining power, but one with great regional expertise that allowed it disproportionate influence as the “senior” guarantor of the Middle East and “tutor” to the inexperienced United States. For that argument to hold, there must be evidence that American officials shaped policy in response to British entreaties. There were a number of avenues through which Britain could have altered American policy: intelligence sharing, threats to collapse without American aid, unilateral economic measures against Iran, and posture in settlement negotiations. Examining British attempts to sway the United States exposes the limits of the pericentric case.

*b. The Trajectory of the Special Relationship in Iran, 1951-1953*

From the start of the crisis, the United States separated itself from the United Kingdom. American officials were concerned about Britain’s weakness as the key partner in the security of

---

<sup>277</sup> Abrahamian, 190.

<sup>278</sup> Kinzer (2003), 206-209.



the Middle East and alarmed by British colonial attitudes. “Although the UK has long been the dominant Western power in the Near East and has, by US-UK agreement, primary strategic responsibility for the area,” the CIA explained in National Intelligence Estimate 26 (NIE-26) in April 1951, “the progressive decline in British ability to protect Western interests in the region poses a major problem for the US.” The United Kingdom lacked the financial wherewithal or military forces to give necessary aid to Middle Eastern countries or protect territory outside the critical Suez base. All the while, Middle Eastern nationalism clashed with British imperialism. British power had reached such a low ebb that NIE-26 held in April 1951, “[T]he UK itself would welcome a greater degree of joint US-UK responsibility.” Yet that British desire for American aid also created the potential for conflict in the Special Relationship, as “the UK itself would expect to remain the senior partner in the area.” The estimate predicted that “divergent US and UK views over how to conduct relations with Near East countries, such as differing US and UK approaches to the oil problem, might cause friction between the two.”<sup>279</sup>

Such friction was evident in the American veto of a British invasion of Abadan during the summer of 1951, reviewed in Chapter One. The British chiefs of staff had produced three plans for military intervention in Iran. The least ambitious, dubbed Plan MIDGET, envisioned the evacuation of British technicians from Abadan and the oilfields of southern Iran. Plan X called for the seizure of Abadan Island and its refinery exclusively. The most ambitious, Plan Y, would see the British invading both Abadan and the southern oil fields to continue the operation of the AIOC’s concession on its full scale. The British chiefs saw the potential for Plan Y to quickly solve their Persian problems:

If...the publicity was well handled [Iranian] opinion might change fairly rapidly, and there might be a good chance of the emergence of a more conciliatory government,

---

<sup>279</sup> Central Intelligence Agency, “National Intelligence Estimate: Key Problems Affecting US Efforts to Strengthen the Near East, NIE-26,” April 25, 1951, CREST, CIA-RDP79R01012A000600030001-0.

whose object would be to settle the oil question quickly by negotiation, in hopes of getting our forces out of the country before the Russians had time to make a counter-move in the North.<sup>280</sup>

However, the British were concerned that Plan X or Plan Y would create an uproar in the international community. While the operations themselves may have been feasible, they would overstretch already-thin British manpower in the Middle East. From a practical standpoint, it would be impossible to operate the recaptured oil fields and refinery without the agreement of Iranian laborers. The British Chiefs themselves admitted that there was “no certainty that this major military operation...would have any effect that might not equally well be achieved by political or economic measures.”<sup>281</sup>

American officials thought that a British invasion of Abadan was more likely to trigger a Soviet invasion from the north under the justification of Article IV of the Soviets’ 1921 Treaty of Friendship with Iran than the British predicted.<sup>282</sup> During the early stages of the crisis, the Truman administration felt sanguine about a diplomatic solution. Even after the near invasion of Abadan, the CIA forecasted in NIE-46 on September 25, 1951 that an ongoing impasse was “the most unlikely outcome because it is working to the disadvantage of both the Iranians and the British.”<sup>283</sup> The CIA held on April 5, 1951 in NIE-6, “Iran’s Position in the East-West Conflict,” that from a policy perspective, “A satisfactory British-Iranian settlement on the oil issue is a prerequisite to improvement of Iran’s relations with the West.”<sup>284</sup> British gunboat diplomacy would torpedo the American effort to improve relations with newly-nationalist Middle Eastern countries like Iran. In a final blow to the British point of view, the CIA did not the idea of

---

<sup>280</sup> DEFE 5/31, “Political Implications of the Use of Force in Connection with Persia,” May 20, 1951.

<sup>281</sup> DEFE 5/31, “Chiefs of Staff Committees: Possible Military Action in Persia,” May 31, 1951.

<sup>282</sup> *FRUS*, 1952-1954, vol. 10, Iran, 1951-1954, Document 22.

<sup>283</sup> Central Intelligence Agency, “NIE-46: Current Outlook in Iran,” September 25, 1951, CREST, CIA-RDP79R01012A001400010006-8, 5.

<sup>284</sup> Central Intelligence Agency, “National Intelligence Estimate, Iran’s Position in the East-West Conflict, NIE-6,” April 5, 1951, CREST, CIA-RDP79R01012A000200050001-5, 7.

pressuring the Shah to remove Mossadegh: “It is extremely unlikely that Mossadeq’s overthrow would improve the situation. An attempt to replace him by a more moderate government might well precipitate a revolutionary situation.”<sup>285</sup>

Although the Attlee government ultimately acquiesced to the veto, many in Britain smarted under American authority, and the gulf between the allies widened. “If we are to admit the Persian point of view, we must also admit that many international agreements will become mere scraps of paper,” the British diplomats in Damascus wrote to the Foreign Office.<sup>286</sup>

Parliamentarians from both parties protested, and some blamed the American oil companies for impeding the invasion.<sup>287</sup> Americans were equally miffed when the United Kingdom submitted the oil dispute to the United Nations Security Council. “I am increasingly concerned at divergency which has developed in last few days between Brit and ourselves re nature of res which wld be put before SC on Iran [sic],” Ambassador to the Court of St. James’ Walter Gifford cabled Washington on October 1, 1951. He noted that the British felt the United States had abandoned them yet again in the United Nations Security Council.<sup>288</sup> Assistant Secretary of State for European Affairs George Perkins replied to Gifford that the British were “courting disaster.” His department was “very concerned that the British attitude on the fundamentals of the relationship with Iran made any reasonable resolution of the problem impossible.”<sup>289</sup>

While many American policymakers welcomed the election victory of the Conservative Party under Winston Churchill on October 25, 1951, it did not suddenly bridge Anglo-American

---

<sup>285</sup> Central Intelligence Agency Office of National Estimates, “Memorandum of Information No. 74, Anglo-Iranian Developments,” May 28, 1951, CREST, CIA-RDP79T00937A000100010027-1; BP 100652, “Government Telegram from Washington to London No. 3146 of 29<sup>th</sup> September, 1951,” October 1, 1951 (Reproduced with permission of BP Archive).

<sup>286</sup> FO 371/91543, “Addressed to the Foreign Office telegram No. 182 of 11<sup>th</sup> June,” June 11, 1951.

<sup>287</sup> Central Intelligence Agency Office of Current Intelligence, “Daily Digest,” June 22, 1951, CREST, CIA-RDP79T01146A000200470001-9.

<sup>288</sup> *FRUS*, 1952-1954, vol. 10, Iran, 1951-1954, Document 99.

<sup>289</sup> *FRUS*, 1952-1954, vol. 10, Iran, 1951-1954, Document 101.

divisions over Iran. “The only thing which is added to the Labor [sic] party attitude is a certain truculent braggadocio,” Acheson cabled from Paris on November 10, 1951. He lamented, “The new ministers are depressingly out of touch with the world of 1951.”<sup>290</sup> The new government in Britain allowed Acheson to work with his friend Anthony Eden, the Conservative Foreign Minister. Yet Acheson concluded that collaborating with Eden was “a great and signal improvement, except on Iran.”<sup>291</sup> The Secretary of State represented the Truman administration’s broadly anti-imperialist outlook when he belittled Churchill’s bold statements on Iran as being “the roar of a wounded lion.”<sup>292</sup>



**Figure 6. British Foreign Secretary Anthony Eden, Acheson’s friend “except on Iran” (Reproduced with permission of BP Archive)**

At the heart of the conflict lay the different interests that the United States and Britain brought to the crisis. “The British and United States attitude to the Persian problem is conditioned by the dominant preoccupation of their respective policies,” Foreign Office officials concluded in a brief before talks with the Americans. “For the United States the cold war is

---

<sup>290</sup> *FRUS*, 1952-1954, vol. 10, Iran, 1951-1954, Document 129.

<sup>291</sup> Acheson, 511.

<sup>292</sup> *FRUS* 1952-1954, vol. 10, Iran, 1951-1954, Document 129.

paramount, whereas for the United Kingdom our economic strength is at the moment fundamental.”<sup>293</sup> Kermit Roosevelt caricatured the division in his memoir: “The British motivation was simply to recover the AIOC oil concession. We were not concerned with that but with the obvious threat of Russian takeover.”<sup>294</sup> Acheson agreed, “[The] main incentive is polit and Brit are not willing to jeopardize Brit commercial arrangements neighboring countries and Brit prestige throughout the world solely reach agreement which would stabilize Iran situation [sic].”<sup>295</sup> In effect, the British would wage the Cold War alongside the United States, but not at the expense of their own attempts at survival as a great power.

Britain and the United States also squabbled over their assessments of conditions in Iran. “Recent discussions between State Department officials and British representatives have revealed a number of fundamental differences,” a February 15, 1952 CIA memorandum tellingly titled “Conflicting US and UK Estimates of the Iranian Situation” concluded. The State Department predicted that Mossadegh could make an earnest attempt to seek financial assistance and petroleum purchases from the USSR should the West spurn him. Foggy Bottom thought that Mossadegh was requesting American aid out of genuine concern for the stability of Iran and might soften his stance in the oil negotiations and crack down on the Tudeh Party if aid was forthcoming.<sup>296</sup> Contrarily, Britain believed Mossadegh was bluffing; he wanted to appear close to a deal with the Soviets to scare the United States into boosting Iran’s aid package. “The State Department appear to be obsessed by their over-riding fear of Communism,” a Foreign Office memo concluded.<sup>297</sup> Conversely, the Foreign Office thought that Mossadegh would not take a

---

<sup>293</sup> FO 371/198608, “Anglo-U.S. Talks in London,” February 18, 1952.

<sup>294</sup> Roosevelt, 3.

<sup>295</sup> *FRUS* 1952-1954, vol. 10, Iran, 1951-1954, Document 180.

<sup>296</sup> Central Intelligence Agency, Office of National Estimates, “Staff Memorandum No. 199: Conflicting US and UK Estimates of the Iran Situation,” February 15, 1952, CREST, CIA-RDP79T00937A000100030061-1.

<sup>297</sup> FO 371/198608, “Comments on Washington telegram No. 68 Saving of the 18<sup>th</sup> January,” January 18, 1952.

firm stance against the Tudeh Party: “The continuation of Mossadeq in office, therefore, presented the greatest danger of Iran going Communist.” Yet Britain forecasted that Mossadegh would hold onto power, even as American officials in 1952 increasingly predicted the collapse of the Iranian economy and his regime. “Critical situations frequently continued for a long time in Persia without any sudden deterioration,” Foreign Office officials told their American counterparts, asserting their superior expertise in the region.<sup>298</sup> Acheson was not convinced, explaining, “In general, Brit have taken less alarmist view concerning possibilities chaos Iran [sic] and continue to believe good settlement can eventually be reached if Brit and US both ‘stand firm.’ In any event Brit admittedly prepared assume much greater risk in Iran than US.”<sup>299</sup>

These conflicting estimates lay at the root of differing British and American policy prescriptions for Persia. Because the British were less concerned about Mossadegh turning to the Soviets, they were content to slowly bring about his fall through economic pressure. The British implemented a highly effective international boycott of Iranian oil with the tacit cooperation of the United States government and the supermajor American oil companies. The British government and AIOC together tracked international attempts to buy oil from Iran, and the AIOC threatened legal action to successfully stop most would-be purchasers, often small companies.<sup>300</sup> As the blockade grew more and more effective, the British felt that American attempts to negotiate a settlement were endangering their strategy. The British protested potential American aid packages to Iran and proposals that would have resumed Iranian oil production. Whitehall was concerned that making major concessions in Iran would endanger British oil deals in Iraq, Kuwait, and other Persian Gulf nations, and derided the idea of a “50/50” division of

---

<sup>298</sup> FO 371/98608, “Discussion of the Persian Political Situation Held at the State Department on February 1<sup>st</sup>,” February 1, 1952.

<sup>299</sup> *FRUS*, 1952-1954, vol. 10, Iran, 1951-1954, Document 151.

<sup>300</sup> BP 91032, “Summary No. 5 Persian Oil,” August 21, 1952.

profits with Iran as “an American fetish” that would actually devote a majority of profits to Iran.<sup>301</sup> Typical of British official and company opinion, the Vice Chairman of the AIOC Basil Jackson “did not think that Persia could be saved from Communism merely by the injection of sums of dollars.”<sup>302</sup>

The “blockade” was the means by which the United Kingdom and AIOC most influenced American policy, but it both helped and hurt the British position. In one sense, the oil embargo succeeded in weakening Mossadegh and piquing American interest in Iran. Yet it nearly backfired by encouraging the United States to seek a settlement on terms that the British did not want so as to prop up Mossadegh. The British were willing to make some concessions on issues like economic aid to Iran in order to keep the Americans on their side and continue the oil boycott.<sup>303</sup> However, the United States would not agree to a statement promising not to buy oil from Iran, and the British noted that many members of the National Security Council wanted American companies to purchase Iranian oil as a means of improving the Iranian economy and buttressing Mossadegh’s government.<sup>304</sup> The Department of Defense could even be forced to buy Iranian oil due to an American law mandating that it procure supplies at the lowest possible price.<sup>305</sup> The British wondered amongst themselves if a bad American-brokered deal was better than no deal at all: “If therefore we find eventually that we cannot restrain the Americans from taking some unilateral action of this kind, it will be for consideration whether we should acquiesce or allow a break in the joint Anglo-American front to become apparent.” British officials decided that their best move was to continue in negotiations to “keep the Americans in

---

<sup>301</sup> BP 100572, “A.I.O.C. and the American Proposals,” November 6, 1951 (Reproduced with permission of BP Archive).

<sup>302</sup> BP 101912, “Cabinet Persia (Official) Committee,” November 8, 1952 (Reproduced with permission of BP Archive).

<sup>303</sup> FO 371/98608, “Anglo-US Talks London,” February 13, 1952.

<sup>304</sup> FO 371/98703, “Amendment to Mr. Byroade’s Record,” November 24, 1952; FO 271/98703, “Addressed to UKDEL New York telegram No. 69 of 24<sup>th</sup> November,” November 24, 1952.

<sup>305</sup> BP 91032, Mr. G. Archer to Mr. H. Heath Eves, October 5, 1952.

play as long as possible” while their blockade weakened Mossadegh.<sup>306</sup> Had Mossadegh agreed to an American proposal, the British strategy might have failed.

The United Kingdom at times adopted the classic tactic by which small allies gained the attention of the superpowers: threatening to collapse. Ironically, Britain and Iran adopted this same strategy, although Mossadegh adopted it far more often. Britain reprised its post-World War II strategy when Western European governments had repeatedly pointed out their weakness to prevent the United States from withdrawing from the international stage, as it had after World War I.<sup>307</sup> Retired AIOC official H. Heath Eves wrote to AIOC Vice Chairman Basil Jackson in June 1951, “I think they [the United States] have recognized the danger of being between two fires: that is, that if we walk out of Abadan and leave the Persians to perform the operation by themselves, we may bring home to them, through the medium of an economic collapse, the foolishness of their action.”<sup>308</sup> British warnings continued. In early 1952, a Foreign Office official wrote on the summary of an American message, “It must be brought home to the State Department that a bad oil settlement such as they now propose while undoubtedly helpful to the Persian government could put at risk all the UK overseas investments on which we largely depend for the invisible element in our balance of payments.”<sup>309</sup> The United States did not buy British threats of economic collapse, focusing instead on the Iranian economy. The Americans would not have proposed settlements that would have affected the British balance of payments so detrimentally had they not been confident in the Exchequer’s ability to withstand the loss of at least some of the AIOC’s Iranian revenues.

---

<sup>306</sup> FO 371/98703, “Forthcoming discussions with Mr. Nitze of the U.S. State Department,” November 27, 1952.

<sup>307</sup> Smith, 573.

<sup>308</sup> BP 66237, Eves to Jackson, June 22, 1951 (Reproduced with permission of BP Archive).

<sup>309</sup> FO 371/ 198608, “Washington Telegram No. 68 Saving,” undated.



The British position was also problematic in light of increasing American psychological warfare efforts in the region. Far from being a pawn of the British, the CIA regretted the effects of the Special Relationship on its psychological warfare campaign. In a report prepared by the CIA's Psychological Strategy Board in January 1953 titled "Psychological Strategy Program for the Middle East," the Agency noted the power of the traditional American association with the principle of self-determination. Britain and France detracted from the legitimacy of that principle. "If the U.K. and French positions in the Middle East are to be considered as part of U.S. capabilities they must be recognized for the moment as serious psychological burdens," the report held. Accordingly, the Psychological Strategy Board refused to commit itself to unwavering support for Britain and France: "The U.S. must carefully weigh its position vis-a-vis the French and the British in the Middle East on an ad hoc basis so as to obtain maximum psychological benefit from a position of independence or allied solidarity as the case requires."<sup>310</sup> In fact, the United States and United Kingdom deliberately left France out of defense planning for the Middle East, despite French protests.<sup>311</sup> The United States would work with its Old World allies only when it served American Cold War interests.

American policy in 1952 thus became a balancing act in which the United States gradually abandoned its position as an "honest broker" on account of its burgeoning concerns about Iran, but remained wary of becoming too boldly pro-British. The British believed that a joint Anglo-American statement of policy to Iran "would cut a lot of ground from under Dr. Musaddiq's feet."<sup>312</sup> Such a statement would target international opinion while also

---

<sup>310</sup> Central Intelligence Agency, Psychological Strategy Board, "A Psychological Strategy Program for the Middle East, PSB D-22," January 8, 1953, CREST, CIA-RDP80R01731R003200030029-7, [http://www.foia.cia.gov/sites/default/files/document\\_conversions/5829/CIA-RDP80R01731R003200030029-7.pdf](http://www.foia.cia.gov/sites/default/files/document_conversions/5829/CIA-RDP80R01731R003200030029-7.pdf) (accessed January 8, 2015), 29.

<sup>311</sup> DEFE 5/31, "Chiefs of Staff Committees: Record of Politico/Military Talks Held in Washington on 17<sup>th</sup> May, 1951," May 26, 1951.

<sup>312</sup> FO 371/91464, "Extract from Mr. Mustafa Fateh's 'Diary of Events' dated 19<sup>th</sup> October," October 26, 1951.

supplementing the overt propaganda that the British were already conducting in Iran.<sup>313</sup> Truman was willing to author one joint message on Iran after a months-long campaign by Churchill, but not a second one, as discussed in the Chapter One.<sup>314</sup> Acheson captured the American dilemma in a November 4, 1952 cable to Secretary of Defense Robert Lovett: “[I]f Iran is to be saved the initiative and, in the last analysis, the responsibility would have to come from us rather than from the British.” Yet Acheson cautioned, “The objective of our policy must be to save Iran without unnecessarily damaging our relations with the United Kingdom,” and added that Britain was “the most important element of strength in the Western alliance outside of the United States.”<sup>315</sup> The United States assessed both Britain and Iran through the same Cold War mindset. The Special Relationship would not result in special treatment as the United States single-mindedly waged the Cold War. Any American policies that favored Britain were grounded in the cold realities of the East-West struggle. Only Britain’s role in the Cold War tempered U.S. unilateralism.

The changing power dynamics of the Special Relationship frustrated both sides in ways that extended beyond Iran. The British cabinet saw close collaboration with the United States as the best means of retaining great power status in the Middle East:

In view of the ultimate dependence of the United Kingdom on American co-operation in the Middle East and the need to involve the Americans in active participation in any settlement in Persia, a lasting solution to the Persian Oil problem can only be reached by joint Anglo-United States action, and that this action must be fitted into the framework of a joint Anglo-United States policy for Middle East oil.<sup>316</sup>

Collaboration was difficult when American officials like Acheson and Lovett believed that only American leadership would end the crisis. That American attitude carried across other aspects of the alliance, as the United States pushed to take over responsibility for the defense of Kuwait,

---

<sup>313</sup> FO 371/91464, “Note on Mussadiq and his national movement,” October 29, 1951.

<sup>314</sup> Churchill to Truman, August 22, 1952 and Truman to Churchill, October 1, 1952 in Sand, ed., 198, 202.

<sup>315</sup> *FRUS* 1952-1954, vol. 10, Iran, 1951-1954, Document 234.

<sup>316</sup> CAB 1341145, “Cabinet Persia (Official) Committee: Anglo-American Oil Policy for the Middle East,” December 11, 1951.

Bahrein, and Qatar from the British.<sup>317</sup> At the January 1952 Washington summit, Acheson even compared Anglo-American cooperation in Iran to “a couple locked in warm embrace in a rowboat about to go over Niagara Falls.” Churchill, typically optimistic about collaboration between the English-speaking peoples, replied, “Take to the oars!”<sup>318</sup>

The two nations did not “take to the oars” to turn the World Bank against Iran, as Mostafa Elm has alleged.<sup>319</sup> Amjad Ali, the Minister of Economic Affairs for Pakistan’s embassy in the United States, had proposed the involvement of the World Bank in his capacity as *Iran’s* representative on the bank’s executive board in autumn 1951.<sup>320</sup> Acheson was pessimistic about the possibility of the World Bank operating Iran’s oil industry on a neutral, interim basis until an enduring settlement could be reached, although he claimed in his memoirs that he pressed the World Bank to aid the Iranians as much as possible. In another instance of Anglo-American disagreement, it was actually Anthony Eden who thought the World Bank could produce a settlement.<sup>321</sup> Foreign Office officials also hoped to prolong the World Bank negotiations, even if they looked fruitless, in order to stall a settlement while the oil boycott crippled Iran.<sup>322</sup>

Although Britain may have influenced the length of negotiations, it did not “manipulate” the World Bank to seek favorable terms as Elm has claimed. Former World Bank official Reza Ghasimi has demonstrated through unpublished World Bank archival documents that a World Bank solution collapsed due to the bank’s own requirements and Mossadegh’s stubborn position. On visiting Iran, the bank’s delegation found that Iran could not produce sufficient oil for global sales without foreign workers. The World Bank’s Articles of Agreement, ratified by both Britain

---

<sup>317</sup> DEFE 531, “Chiefs of Staff Committee: Oil Denial in the Middle East,” April 24, 1951.

<sup>318</sup> Acheson, 600.

<sup>319</sup> Elm, 194-214.

<sup>320</sup> Reza Ghasimi, “Iran’s Oil Nationalization and Mossadegh’s Involvement with the World Bank,” *Middle East Journal* 65, no. 3 (Summer 2011), pp. 442-456, [http://muse.jhu.edu/journals/the\\_middle\\_east\\_journal/v065/65.3.ghasimi.pdf](http://muse.jhu.edu/journals/the_middle_east_journal/v065/65.3.ghasimi.pdf) (accessed February 23, 2015), 444.

<sup>321</sup> Acheson, 597, 600, 679.

<sup>322</sup> FO 371/98608, “Anglo-American Talks on Persia,” February 16, 1952.

and Iran, required that the bank not interfere in the political affairs of its members and that its operations be conducted in an impartial manner with the goal of maximum financial gain. AIOC technicians were likely best qualified to operate the Abadan refinery, and the Articles of Agreement prevented the World Bank from acquiescing to Mossadegh's demand that no British citizen work for Iran's oil industry. In a bizarre twist, Mossadegh also insisted that Dr. Hjalmar Schacht, Nazi Germany's Minister of Economics during the 1930s, advise Iran in the negotiations with the World Bank. In light of Schacht's role in Nazi Germany's rearmament, the United States would not grant him a visa. However, Schacht refused to submit his views in writing, slowing the talks. The talks collapsed and, as Ghasimi shows, Mossadegh's stubbornness over British technicians and Schacht left the United States and Britain still more pessimistic about the chances for a deal with him.<sup>323</sup>

The British and Americans began to overcome their divisions when State Department Director of Policy Planning Paul Nitze visited London to discuss the crisis in February 1952. In large part, closer coordination was the result of a change in American estimates. Nitze "thought that the US view had moved more in the direction of the UK view" on issues including the likelihood of Mossadegh turning to the USSR for aid, the decline of Iran's economy, and the belief that Mossadegh led "a bad government."<sup>324</sup> The two sides agreed that their embassies would produce joint estimates.<sup>325</sup> In a move that presaged the coup, Nitze also asked the British for the names of "rightist" leaders who might take control, since the Shah seemed ineffectual.<sup>326</sup>

---

<sup>323</sup> Ibid, 445-446, 450-455. Any bias on the part of World Bank representatives likely favored American oil companies, not the AIOC. Torkild Rieber, a Norweigen who had become an American citizen and served on the bank's delegation, had run two American oil firms before working at the World Bank.

<sup>324</sup> FO 371/98608, "Memorandum of Conversation February 14, 1952 Afternoon Session," February 14, 1952.

<sup>325</sup> Ibid.

<sup>326</sup> FO 371/98608, "Memorandum of Conversation February 14, 1952 Morning Session," February 14, 1952.

Tempering expectations, he noted that the West was not as strong in Iran vis-à-vis the Soviets as it had been during the Azerbaijan crisis of 1946-47 due to the lack of troops in the region.<sup>327</sup>

However, the Americans and British continued to disagree on matters like the role of the World Bank and AIOC's stake in a settlement. The continued gap between the two parties suggests that the American shift in its estimates on Iran was independent of direct British influence. Had Britain been able to sway the United States on estimates, it probably could have been more successful in seeking its preferred settlement, as well. Even as they took the British side, the Americans pressed their "cousins." One British official told Nitze that "it was difficult for HMG to reach a common position with the U.S. if we were continually being asked to whittle our ideas away in order to meet those of Dr. Musaddiq."<sup>328</sup> British marginalia best captured their resentment: when the American embassy asked the Foreign Office to comment on minutes from the Nitze meetings, one British official scrawled, "What a waste of time!" on the document.<sup>329</sup>

Frustrated with negotiations, the British again turned to less diplomatic solutions. Shortly after nationalization, Britain had posted Christopher Montague "Monty" Woodhouse of the SIS to Tehran. Woodhouse maintained contacts with a network of Iranians, most notably the Shah's former tutor and two men known as "the Brothers" who had strong connections in the Tehran bazaar. "We probably had the means to overthrow Musaddiq and forestall a revolution by the Tudeh Party," Woodhouse concluded in his memoirs.<sup>330</sup> He noted that Anthony Eden was cautious about an operation, and Churchill would support it only with American collaboration. Woodhouse agreed with Churchill: "I was convinced from the first that any effort to forestall a

---

<sup>327</sup> FO 371/98608, "Memorandum of Conversation February 14, 1952 Afternoon Session," February 14, 1952.

<sup>328</sup> FO 371/98608, "Meeting Held at the State Department about the International Bank Mission to Persia," February 11, 1952.

<sup>329</sup> FO 371/98608, "U.S. Embassy remarks on meeting with Mr. Nitze and Mr. Linder on 14<sup>th</sup>, 16<sup>th</sup> and 20<sup>th</sup> February," undated.

<sup>330</sup> Woodhouse, 111, 114.

Soviet *coup* in Iran would require a joint Anglo-American effort.”<sup>331</sup> He conducted a transatlantic lobbying effort for a coup throughout 1952, although he asserted in his memoirs that the plan began in the Foreign Office under Labour in 1951. Woodhouse repeatedly met with American officials in London and Washington and recalled, “The CIA was still a youthful organization which had a high regard for its British counterpart.” He framed the potential operation with the Americans cleverly: “Not wishing to be accused of trying to use the Americans to pull British chestnuts out of the fire, I decided to emphasize the Communist threat to Iran rather than the need to recover control of the oil industry.”<sup>332</sup>

Woodhouse’s strategy may seem to vindicate the pericentric case. “[A] powerful leverage on US foreign policy was available, if I could influence CIA,” Woodhouse claimed.<sup>333</sup> However, the response he received from the CIA shows that the Americans acted of their own accord. Kermit Roosevelt wrote in his memoir that the “British, admittedly, struck us as dangerously overconfident” during their visits to Washington in late 1952 and early 1953. He had considered the British plan for Operation Boot too detailed and modified it for flexibility. According to Roosevelt, the Americans successfully asserted that they would take the lead in any operation. “You may be able to throw out Musaddiq, but you will never get your own man to stick in his place,” CIA Director Walter Bedell Smith told Woodhouse. Smith insisted that a coup install General Fazlollah Zahedi, whom Britain had imprisoned as a German sympathizer during World War II. According to Roosevelt, the United States refused to accept the British position on “the issue that divided us,” the fate of the AIOC’s oil: “We made it clear that if we undertook the operation, and if it were successful, the Shah would be under *no* obligation. Not on petroleum, nor on anything else. The British had to agree; they really had no other choice.” The break in

---

<sup>331</sup> Ibid, 110.

<sup>332</sup> Ibid, 110, 117.

<sup>333</sup> Ibid, 117

diplomatic relations between Britain and Iran made the American presence more valuable and boosted the CIA's clout. As a minor concession to British pride, the Americans gave the British the role of monitoring communications from Cyprus during the coup.<sup>334</sup>

The British initially adopted an outlook like the presidential synthesis after Eisenhower's election, but soon identified some of the same aspects of continuity that I discussed in Chapter One. Woodhouse sensed that "Eisenhower's victory was to have a major effect on our plans," since the Dulles brothers and Smith, who moved to the State Department as Undersecretary, favored a coup.<sup>335</sup> The Foreign Office also predicted that the Republicans would favor big businesses like the oil companies. Whitehall forecasted, "They will want to show some quick successes against communism and they will no doubt tend to favour clear-cut action as contrasted with the alleged 'shilly-shallying' of the present administration."<sup>336</sup> After a meeting with the incoming Secretary of State, officials concluded that "Dulles' views...were encouraging in a general way."<sup>337</sup> However, there were some doubts. The Foreign Office felt that Eisenhower would continue to overstate the communist threat and worried that he might seek a quick settlement.<sup>338</sup> The British remained wary of the underlying rationales for American policy, showing that that there was, in fact, a strong degree of continuity between the administrations.

In the last months of the Truman administration, the CIA and SIS continued to mull the plan.<sup>339</sup> Woodhouse concluded that "things did not move as quickly as I would have liked, because the Americans and ourselves were still somewhat at cross-purposes." Each side was reluctant to share its contacts in Iran. Additionally, other government departments impacted the

---

<sup>334</sup> Roosevelt, 22, 107-109, 114, 119-120.

<sup>335</sup> Woodhouse, 117.

<sup>336</sup> FO 371/98703, "Probable attitude of the new U.S. administration on the Persian oil question," December 5, 1952.

<sup>337</sup> FO 371/98703, "Persia, Telegram 5044," December 3, 1952.

<sup>338</sup> FO 371/98703, "Persian Oil: Resumed Discussions with Mr. P. Nitze of the State Department," undated.

<sup>339</sup> Woodhouse, 118.

operation on both sides. In Woodhouse's recollection, Loy Henderson and other officials at the State Department were still reluctant to pursue a coup and held out hope that Mossadegh could be tougher on communism if he agreed to an oil settlement in early 1953. On the British side, Anthony Eden vetoed a coup plan through the Foreign Office on February 21, 1953. In fact, it was the Americans rather than the British who revived the plan with a message to London on March 18 after Mossadegh had rejected another settlement plan. Eden's poor health during the summer of 1953 allowed Churchill to take control of the Foreign Office and quash resistance to a coup.<sup>340</sup>

The quick break between the intelligence services after Operation Ajax shows that collaboration was more a product of the brief coinciding of British and American interests and estimates in late 1952 and early 1953 than any deep-seated sentiment. After the success of Operation Ajax, Woodhouse concluded that "the Americans could be a powerful lever on British policy." Yet it was ultimately the Americans who exerted leverage on the British, not the "tail wagging the dog," Woodhouse emphasized. "So far as I know, Operation Boot was the first such operation successfully carried out by the Americans and probably the last by the British. It was the only one they ever carried out together." In his telling, antipathy between John Foster Dulles and Eden fractured the alliance, especially after the 1956 Suez Crisis. Similarly, the CIA's very public operations clashed with the discreet British style and resulted in a "parting of ways" between the secret services. The Americans grew skeptical of the SIS after the publicized defection of agents Donald Maclean and Guy Burgess to the Soviet Union in 1951. Woodhouse explained, "[T]he CIA became increasingly preoccupied with power and prestige, and increasingly confident that it no longer needed British expertise so much." Woodhouse lamented

---

<sup>340</sup> Ibid, 116-118, 123-125.



that he “missed the American connection.”<sup>341</sup> Much as he may have imagined himself to be swaying the American government through the CIA, American actions show that Woodhouse and his peers exerted limited influence. The American government made decisions on the basis of its own information, as demonstrated in Chapter Two.

The United States demonstrated its dominance in the consortium agreement that followed the coup, which the Shah signed on October 29, 1954. The AIOC received compensation for its former share, but its stake in the consortium was reduced to 40 percent, equal to the collective stake of the American participants. Although the British and American stakes remained formally equal (the British owned a majority if the Anglo-Dutch company Shell counted for them), the consortium agreement formalized the Anglo-American power shift, according to prominent energy historian Daniel Yergin: “With the establishment of the Iranian consortium, the United States was now *the* major player in the oil, and the volatile politics, of the Middle East.”<sup>342</sup> Rather than a reassertion of British authority through Westminster’s influence on its American ally, Operation Ajax represented the surrender of diplomatic and economic responsibility for the Middle East to the United States.

## **II. The “Seven Sisters” Narrative**

Of course, the crisis in Iran began as a dispute about oil. The AIOC was a key player in the settlement negotiations with Iran, and the British government’s majority ownership of the company raised conflict of interest questions. The involvement of large American oil companies in the consortium settlement has led some to suspect that they promoted Operation Ajax.

---

<sup>341</sup> Ibid, 133-135.

<sup>342</sup> Yergin, 476-477.

*a. Charges of the Oil Companies' Influence*

Many of the same scholars who see a British hand guiding Operation Ajax pin the coup more broadly on the AIOC and the other major oil companies that comprised the Seven Sisters. “The main responsibility [for the coup] lies with the obtuse neocolonialism tht guided the Anglo-Iranian Oil Company and with the British government’s willingness to accept it,” Stephen Kinzer contends. “If the company had shown even a modicum of good sense, it could have reached a compromise...Mossadegh might never even have come to power.”<sup>343</sup> Mostafa Elm claims that the obstinate, imperialistic AIOC forced the Iranian press to publish anti-American articles to stoke fears in Washington. He believes that AIOC officials operated in concert with the British government to personally present Kermit Roosevelt with a plan for the coup when he passed through London in November 1952. Moreover, Elm wholeheartedly adopts the presidential synthesis, citing the fact that the Eisenhower administration was comprised of pro-business and pro-oil figures, including the Dulles brothers, whose law firm Sullivan and Cromwell had represented the AIOC and other oil companies.<sup>344</sup>

What the pericentric and Seven Sisters explanations share is that they attribute the coup to concerns other than the strategic importance of Iran in the Cold War. “[A]lthough the United States and the UK used the language of the Cold War – the dominant discourse of the time – to justify the coup, their main concern was not so much about communism as about the dangerous repercussions that oil nationalization could have throughout the world,” Ervand Abrahamian contends.<sup>345</sup> The Seven Sisters argument rests on credence in companies’ ability to influence the government and a belief that the government prized petroleum profits over other aspects of the national interest. Elm, Abrahamian, and others ignore an important distinction: a government can

---

<sup>343</sup> Kinzer (2003), 206.

<sup>344</sup> Elm, 227, 276, 292, 337-338.

<sup>345</sup> Abrahamian (2013), 4-5.

concern itself with how the control of oil would impact the strategic balance without purposefully protecting corporate interests. Distinguishing between the *strategic* and *corporate* pursuit of oil exposes the subordinate role of the Seven Sisters in Operation Ajax.

*b. The Role of Oil Companies in the Crisis*

The AIOC's reserves in Iran and the Abadan refinery were strategically and financially critical to Britain and, reciprocally, the United States in the effort to strengthen Western Europe. As the dispute over Iranian oil escalated, the CIA observed in January 1951 that Iran produced 16 percent of Western Europe's required crude oil. The Abadan refinery alone had a capacity of 27 million metric tons of oil per year. Western Europe and Britain, in particular, were struggling with currency imbalances, and the Agency predicted that the cutoff of Iranian supplies would cost Europe \$700 million per year in dollar charges based on 1950 prices and levels of consumption. "Although the effect of the loss of Iran on the volume of petroleum which could be made available to Western Europe might be overcome in a relatively short time by developing reserves and building refineries elsewhere," the Agency stated, "the financial effects would be overcome slowly, if at all."<sup>346</sup> Mossadegh nationalized the AIOC concession in May 1951, and a subsequent reevaluation by the CIA that July affirmed the Agency's earlier conclusions but with a more optimistic strategic outlook. The West could compensate for the loss of Iranian oil in a few months, at the longest. Moreover, the estimate concluded, "Western rearmament would almost certainly sustain no appreciable setback in the form of an oil shortage resulting from the loss of Abadan."<sup>347</sup>

---

<sup>346</sup> Central Intelligence Agency, "National Intelligence Estimate: The Importance of Iranian and Middle East Oil to Western Europe Under Peacetime Conditions, NIE-14," January 8, 1951, CREST, CIA-RDP79R01012A000300070001-9.

<sup>347</sup> Central Intelligence Agency, Office of National Estimates, William L. Langer, "Memorandum to the Director of Central Intelligence: Re-evaluation of the Importance of Abadan," July 13, 1951, CREST, CIA-RDP79R00904A000100020051-5.

The belief that the loss of Iranian oil would not substantially harm the United States in the Cold War, even if it hurt Britain and other European powers financially, dictated the initial American reluctance to come the aid of the AIOC and Britain. Winning Iran over to the West was more important. In a meeting between State Department and oil industry officials on May 14, 1951, Assistant Secretary of State for Near Eastern and African Affairs George McGhee, a former oil man, placed American priorities in the Iran crisis in the following order: “to maintain peace, to keep Iran on the side of the West, to maintain the flow of oil, and to protect concession rights in Iran and other parts of the world.”<sup>348</sup> Even at that early stage of the crisis, Cold War concerns trumped oil interests in American policy toward Iran, and American officials were not afraid to admit that to the oil companies themselves.

Of course, the oil companies opposed nationalization on principle. Yet representatives of Standard Oil of New Jersey, Gulf, ARAMCO, Socony, Caltex, and others saw more to gain from siding with one of their competitors, the AIOC, to oppose the nationalization precedent than from seizing upon the crisis to enter Iran in 1951. The Seven Sisters shared a stance in the industry they dominated: they would not pressure the United States government to open Iran to them. At the meeting with McGhee, George Koegler of Standard Oil of New Jersey called for a statement from the United States condemning nationalization and even said that the United States should consider the use of force. However, Koegler and other oil executives showed no interest in involving their companies in Iran. B.B Howard of Standard Oil of New Jersey said that “if any U.S. group went in it would amount to cutting the industry’s own throat since ‘concession jumping’ would be fatal for concessionaires in other parts of the world.” J.C. Case of Socony agreed that American intervention in Iran would amount to “highway robbery.” The oil

---

<sup>348</sup> *FRUS*, 1951, vol. 5, The Near East and Africa, “Memorandum of Conversation, by Richard Funkhouser of the Office of Near Eastern Affairs,” May 14, 1951, 309.

executives collectively claimed that none of their companies planned to enter Iran and they were unaware of any other groups that wanted to do so, although W.H. Pinckard of Caltex did note “that the time might conceivably arrive however when it might be advisable to have U.S. technicians rather than technicians of an unfriendly country.” McGhee agreed.<sup>349</sup>

Government officials, not corporate executives, first began to consider seriously the possibility of American companies entering Iran. In a cabinet meeting on September 21, 1951, Secretary of Defense Robert Lovett proposed, in the absence of a settlement, “the sending in of American technicians and other personnel to operate the oil installations if this became necessary to prevent the USSR from acquiring the advantage of Iranian oil.”<sup>350</sup> Paul Nitze urged that the United States cut a separate oil deal with Iran to resume production and went so far as to meet with oil company executives on the matter.<sup>351</sup> Yet many policymakers remained concerned about upsetting British sensibilities.<sup>352</sup> Despite his own worries about the Special Relationship, Dean Acheson did not rule out an American intervention as diplomacy faltered. In an October 8, 1952 meeting of cabinet officials, Acheson considered solutions under which American tankers would ship Iranian oil to give Mossadegh needed funds for a settlement. Alternately, he proposed the formation of an American consortium that would sell Iranian oil to the AIOC for the British company to distribute with its large European network. Attorney General James McGranery vetoed both plans on antitrust grounds.<sup>353</sup>

Indeed, the British were the first to argue that the United States pursued a self-interested oil policy in Iran, foreshadowing the Seven Sisters school. British concerns were valid. On June

---

<sup>349</sup> Ibid, 310-312.

<sup>350</sup> *FRUS*, 1952-1954, vol. 10, Iran, 1951-1954, Document 87.

<sup>351</sup> *Multinational oil corporations and U.S. foreign policy: report together with individual views to the Committee on Foreign Relations*, 60-61.

<sup>352</sup> *FRUS*, 1952-1954, vol. 10, Iran, 1951-1954, Document 87.

<sup>353</sup> *FRUS 1952-1954*, vol. 10, Iran, 1951-1954, Document 234.

30, 1951, *The Times* reported that Rep. Oren Harris (Democrat – Arkansas) had introduced a bill giving the Secretary of the Interior the authority to supply American technicians to run the Abadan refinery and prevent it from falling into Soviet hands.<sup>354</sup> In Parliament, Labour MP Richard Crossman alleged that the machinations of former Caltex executive and oil consultant Max Thornburg, who allegedly promised Iran American technicians if the AIOC was expelled, had prevented a settlement.<sup>355</sup> The United States effectively forced Thornburg to leave Iran, and he felt that “the British had vetoed this employment.”<sup>356</sup> AIOC executives also learned through industry connections that the brother of the Deputy Premier of Iran was contacting American companies about forming a consortium under equal Iranian, American, and British ownership. The AIOC protested those moves and threatened legal action against many small American operators and brokers that attempted to purchase Iranian oil.<sup>357</sup>

To the AIOC and Whitehall’s chagrin, the Justice Department’s aversion to a solution involving the major oil companies seemed to open the way for the “independents,” smaller American oil companies that sought to reduce the power of the Seven Sisters. W. Alton Jones, the president of Cities Service Corporation, best exemplified the manner in which executives from the independents further strained the crisis. In the summer of 1952, Jones met with President Truman and Acting Secretary of State David Bruce to discuss his intention to travel to

---

<sup>354</sup> Our Special Correspondent, et al., "U.S. Ambassador's Efforts For Oil Compromise," *Times* [London, England], June 30, 1951, 6, *The Times Digital Archive*, [http://find.galegroup.com.proxy.lib.duke.edu/ttda/infomark.do?&source=gale&prodId=TTDA&userGroupName=duke\\_perkins&tabID=T003&docPage=article&searchType=&docId=CS102976734&type=multipage&contentSet=LTQ&version=1.0](http://find.galegroup.com.proxy.lib.duke.edu/ttda/infomark.do?&source=gale&prodId=TTDA&userGroupName=duke_perkins&tabID=T003&docPage=article&searchType=&docId=CS102976734&type=multipage&contentSet=LTQ&version=1.0) (accessed February 25, 2015).

<sup>355</sup> “Commons Sitting of Thursday, 21<sup>st</sup> June 1951,” House of Commons Hansard, 1950-51: Fifth Series, vol. 489, Columns 675-868, *House of Commons Parliamentary Papers*, [http://gateway.proquest.com.proxy.lib.duke.edu/openurl?url\\_ver=Z39.88-2004&res\\_dat=xri:hcpp-us&rft\\_dat=xri:hcpp:hansard:CDS5CV0489P0-0004](http://gateway.proquest.com.proxy.lib.duke.edu/openurl?url_ver=Z39.88-2004&res_dat=xri:hcpp-us&rft_dat=xri:hcpp:hansard:CDS5CV0489P0-0004) (accessed February 25, 2015).

<sup>356</sup> Central Intelligence Agency, “Daily Digest Supplement,” April 14, 1951, CREST, CIA-RDP79T01146A000100390001-9.

<sup>357</sup> BP 72116, Eves to Jackson, September 5, 1951; BP 91032, “Summary No. 5: Persian Oil,” August 20, 1952.

Iran on Mossadegh's invitation to consult for the Iranian government.<sup>358</sup> Churchill, running the Foreign Office in the absence of Eden, wrote a letter to Truman emphasizing his concern. "I hope you will do ur best to prevent Amer help for Musaddiq, either Governmental or commercial, from becoming powerful argument in mouths of those who care little for great forward steps towards Anglo-Amer unity in common cause which you and I have worked for so long [sic]," Churchill wrote. Yet Truman backed Jones. Truman was pessimistic about the possibility of the AIOC returning to Iran on its former footing and thought that Jones could help Iran produce the revenues necessary to compensate the AIOC. "I need not tell you that we have not slightest wish profit by ur present difficulties [sic]," Truman reassured Churchill. "We will do everything possible to avoid even appearance of this."<sup>359</sup>

The AIOC remained suspicious of Jones' motives. In a letter to Vice Chairman Basil Jackson, former AIOC official H. Heath Eves described how Jones had been put in touch with the Iranians by a former Cities Service employee turned small-time oil broker named Ray Carter, who had a contract that required buying oil from Iran before the end of 1952.<sup>360</sup> The AIOC noted that Jones had been trying to gain favor with President-elect Eisenhower and even predicted that he would receive a cabinet position, citing a trip Jones made to play golf with Eisenhower in Georgia.<sup>361</sup> In February 1953, Eisenhower and John Foster Dulles proposed to have Jones send Cities Service technicians to Iran to produce lubricating oil, supposedly for internal Iranian needs. The British reacted strongly against the idea.<sup>362</sup> Eventually, Eisenhower backed down, and

---

<sup>358</sup> Goode, 100.

<sup>359</sup> *FRUS*, 1952-1954, vol. 10, Iran, 1951-1954, Document 202.

<sup>360</sup> BP 91032, Eves to Jackson, October 7, 1952. Eves expressed his opinion of Jones in a letter to another oil industry executive: "It is indeed interesting to note the facility with which people on your side swallow and apparently digest stories of oppressive colonial tactics without making the slightest attempt to hear the other side of the case. I suppose the bait is too delicious to be kept for further investigation and must be consumed immediately." BP 91032, Eves to "David," October 16, 1952 (Reproduced with permission of BP Archive).

<sup>361</sup> BP 91032, Eves to Jackson, October 7, 1952; BP 91032, "Persian Oil," April 17, 1953.

<sup>362</sup> BP 100570, "Government Telegram from Washington to London Dated 26<sup>th</sup> January No. 168," January 27, 1953.

a British telegram recorded that the president “was embarrassed.” The President promised only to hold off on sending Jones before the outcome of the ongoing oil negotiations.<sup>363</sup>

Although policymakers considered it, the United States never seriously turned to a unilateral oil policy due to the risk of offending the British. In a way, limited pericentrism may have capped corporatism. British suggestions may not have influenced the United States, but Britain’s structural importance as a Cold War ally did. Most of the proposed solutions involving American companies also included the AIOC and Britain in some capacity. American interests also required the inclusion of the British. As the British liked to point out to the Americans, excluding the AIOC would have set a dangerous precedent for other American oil concessions in the Middle East and Latin America.<sup>364</sup>

Antitrust allegations in the United States also threatened to further fracture the Anglo-American alliance by raising questions of sovereignty and divided Truman’s cabinet. Beginning in 1949, the Federal Trade Commission (FTC) had subpoenaed documents from the major American and international oil companies to publish a report titled *The International Petroleum Cartel*.<sup>365</sup> President Truman, himself a failed wildcatter and former opponent of Standard Oil of New Jersey in the Senate, authorized a grand jury investigation in late June.<sup>366</sup> Seeking collaboration on yet another issue, the United Kingdom had requested joint talks on Middle Eastern oil, and the British used the first meeting as a platform to condemn the antitrust investigation.<sup>367</sup> A report from the Ministry of Fuel and Power called the FTC report “a witch-hunt on a grand scale” and noted that “the politics of election year, plus the well-known hatred

---

<sup>363</sup> BP 100570, “Government Cable from Washington to London of 10<sup>th</sup> February 1953,” February 12, 1953 (Reproduced with permission of BP Archive).

<sup>364</sup> BP 100570, “Government Telegram from Washington to London Dated 26<sup>th</sup> January No. 168,” January 27, 1953.

<sup>365</sup> Yergin, 472-475.

<sup>366</sup> Daniel Yergin, *The Prize: The Epic Quest for Oil, Money, and Power* (New York: Simon and Schuster, 1991), 475; *FRUS*, 1952-1954, vol. 9, Part 1, The Near and Middle East, Document 262.

<sup>367</sup> *FRUS*, 1952-1954, vol. 9, Part 1, The Near and Middle East, Document 267.



nursed by the small independents against the major companies, will all add fuel to the flames.” In the same report, the British complained, “It really is monstrous that we show all sorts of secret reports to the Americans (who as often as not then show them to the press) while, in a major case of this sort when British companies are formally accused of all sorts of things, we are not even allowed to know what they are accused of.”<sup>368</sup> Channeling those feelings, the British government instructed British oil companies, chief among them the AIOC, not to comply with the requests of the U.S. Justice Department.<sup>369</sup>

At the root of the conflict between the two countries lay different conceptions of proper relationships between industry and government. After World War II, Britain had nationalized many of its major industries (as critics of its stance on Iranian nationalization liked to point out), and large enterprises with close government supervision were normal.<sup>370</sup> After all, Winston Churchill himself had led the Admiralty’s purchase of a majority stake in the AIOC in 1913. “[T]he Americans don’t know where Anglo-Iranian leaves off and the British government begins in this mess,” one AIOC executive confided to another.<sup>371</sup> The traditional American antipathy for socialism and monopolies meant that the British outlook was politically toxic.

Naturally, the American oil companies also reacted strongly to the suit. On September 19, 1952, two representatives of ARAMCO, Terry Duce and Fred Davies, met with Acheson, Assistant Secretary of State Henry Byroade, and Nitze. Duce told the group that “the impression had been created that the U.S. Government considered the American oil companies as being criminals or potential criminals...this was having an adverse effect upon their effectiveness...and

---

<sup>368</sup> POWE 33/1920, “F.T.C. Report and Complications,” July 28, 1952; POWE 33/1920, “Action by the United States Government against the International Oil Industry, Memorandum by the Ministry of Fuel and Power,” September 2, 1952.

<sup>369</sup> *FRUS*, 1952-1954, vol. 9, Part 1, The Near and Middle East, Document 267.

<sup>370</sup> FO 371/91543, “116/3 Top Secret,” May 30, 1951. A British representative in Canada noted that a cadre of Canadians “find some glee in the United Kingdom encountering difficulties over nationalisation measures in Persia when a nationalisation policy has been applied wholesale at home.”

<sup>371</sup> BP 66237, C.D. Jackson to Geoffrey Keating, August 6, 1951 (Reproduced with permission of BP Archive).

that it might very possibly lead to a decision by the host countries to conduct investigations themselves.” Duce emphasized the dependence of the United States on oil and the importance of the companies in developing the massive resources of the Middle East. He suggested the alternative of a commission to review “the problems of the national interest with respect to the operation of American oil companies abroad.”<sup>372</sup>

Members of the American foreign policy community agreed with Duce. In the meeting, Acheson said he was “disturbed by the possible repercussions on our national interest of some of the consequences...from the publication of the Federal Trade Commission report” and blamed it on the upcoming 1952 presidential election.<sup>373</sup> After the November election had removed political impediments, foreign policy officials in the Truman administration sought to weaken the Justice Department’s case. Together, the Departments of State, Defense, and the Interior condemned *The International Petroleum Cartel* in NSC 138/1 on January 6, 1953, warning, “There is a serious danger that the trial of these oil companies on criminal charges would be harmful to critical foreign policy objectives.” Reprising some of Duce’s arguments, the report demonstrated the American reliance on oil, the role of the oil companies in the Cold War, and potential repercussions in the Third World. The report largely called for Duce’s solution: ending the grand jury investigation and appointing a commission to study the issue. In a concession to the Justice Department, the report suggested that the Attorney General file a civil complaint instead of a criminal case.<sup>374</sup>

Truman caved, and his final policies on the antitrust suit set the trajectory for Eisenhower. During a National Security Council meeting on January 9, 1953, Truman agreed to enact the recommendations of NSC 138/1. Three days later, he directed Attorney General

---

<sup>372</sup> *FRUS*, 1952-1954, vol. 9, Part 1, The Near and Middle East, Document 265.

<sup>373</sup> *Ibid.*

<sup>374</sup> *FRUS*, 1952-1954, vol. 9, Part 1, The Near and Middle East, Document 279.

McGranery to end the civil suit and instead initiate a civil complaint.<sup>375</sup> Demonstrating the role of election year politics, Truman emphasized to the NSC that “his whole record had been one in opposition to the trusts but in this case he felt the considerations of national security were overriding.”<sup>376</sup> The Eisenhower administration continued the Truman administration’s policy when it filed the civil suit on April 21, 1953 and dropped all charges against the AIOC, ARAMCO, and Royal Dutch-Shell “at the request of the State Department.”<sup>377</sup>

The government used the antitrust settlement to prod the companies into a consortium in Iran. During a March 4, 1953 meeting of the National Security Council, Eisenhower’s advisor Robert Cutler asked “whether it would not be possible, in the forthcoming conversations with the British, to induce them to waive their claims and let the United States proceed to negotiate unilaterally with Iran.” Eisenhower “was impressed with this argument” and asked for further study of it.<sup>378</sup> Yet the oil companies still preferred solidarity with the AIOC. The British reported that the oil companies promised not to enter a consortium “unless such a scheme had the full backing of Her Majesty’s Government and the British oil companies.”<sup>379</sup> At a meeting at the State Department on August 5, 1953, three weeks before Operation Ajax, the Chairman of Standard Oil of California, R.G. Follis, said that “it was probably fortunate that no settlement had yet been made” in Iran. He believed that the financial hardships suffered by Iran amidst higher production elsewhere in the Middle East would prevent other nations from nationalizing.<sup>380</sup> During another meeting immediately after the coup on August 26, Terry Duce of ARAMCO told the State Department that ARAMCO would have trouble pricing its Saudi

---

<sup>375</sup> *FRUS*, 1952-1954, vol. 9, Part 1, The Near and Middle East, Document 282.

<sup>376</sup> *Ibid.*

<sup>377</sup> *FRUS*, 1952-1954, vol. 9, Part 1, The Near and Middle East, Document 288.

<sup>378</sup> *FRUS*, 1952-1954, vol. 10, Iran, 1951-1954, Document 312.

<sup>379</sup> BP 100570, “Government Telegram from Washington to London Dated 2<sup>nd</sup> May 1953, No. 238,” May 2, 1953 (Reproduced with permission of BP Archive).

<sup>380</sup> *FRUS*, 1952-1954, vol. 9, Part 1, The Near and Middle East, Document 305.

Arabian oil if the AIOC brought Iran back online without reducing production in Kuwait. Duce added that “it was a little premature to consult with industry on situation [sic] as we are awaiting advice from our Ambassador at Tehran.”<sup>381</sup> The oil companies were not manipulating the government to gain Iranian reserves. Rather, they sought the aid of a sometimes unsympathetic government in maintaining a profitable *status quo*. The Officer in Charge of Lebanon-Syria-Iraq Affairs, Richard Funkhouser, considered their stance indicative of “an increasing tendency among modern-day oil executives to seek increased government control, involvement and so-called ‘protection.’”<sup>382</sup>

Despite the oil companies’ reluctance after the coup, Eisenhower revived the consortium plan for an oil settlement that had originated during the Truman administration. In the Iran policy statement NSC-5402 on January 2, 1954, the National Security Council noted the glut of oil in the Middle East and ruled out the independents as the primary operators of the Iranian oil industry on the grounds that solely the Seven Sisters had the capacity to distribute Iranian oil in the eastern hemisphere, the only viable market. “Settlement must not establish a precedent adversely affecting the presently established international oil industry in a way inimical to U.S. interests,” the report declared.<sup>383</sup> Including all of the Seven Sisters in a consortium meant that they could coordinate supplies to avoid a surplus.<sup>384</sup>

In January 1954, Eisenhower issued a statement through the National Security Council to the effect that antitrust laws would not apply to the Iran consortium, citing his authority under the Defense Production Act of 1950.<sup>385</sup> This had two important effects. First, it cleared the way

---

<sup>381</sup> *FRUS*, 1952-1954, vol. 9, Part 1, The Near and Middle East, Document 307.

<sup>382</sup> *FRUS*, 1952-1954, vol. 9, Part 1, The Near and Middle East, Document 298.

<sup>383</sup> *FRUS*, 1952-1954, vol. 10, Iran, 1951-1954, Document 403.

<sup>384</sup> Yergin, 475-477.

<sup>385</sup> *Ibid*; Acheson, 684; BP 79673, “Letter of 20<sup>th</sup> January, 1954 from U.S. Attorney General to National Security Council, Washington,” February 11, 1954.

for the consortium. Second, it offered the reluctant Seven Sisters a positive inducement to enter Iran. The ruling weakened the existing antitrust case against other consortiums like ARAMCO. The civil antitrust case eventually comprised only downstream distribution networks and proceeded slowly until the late 1960s.<sup>386</sup>

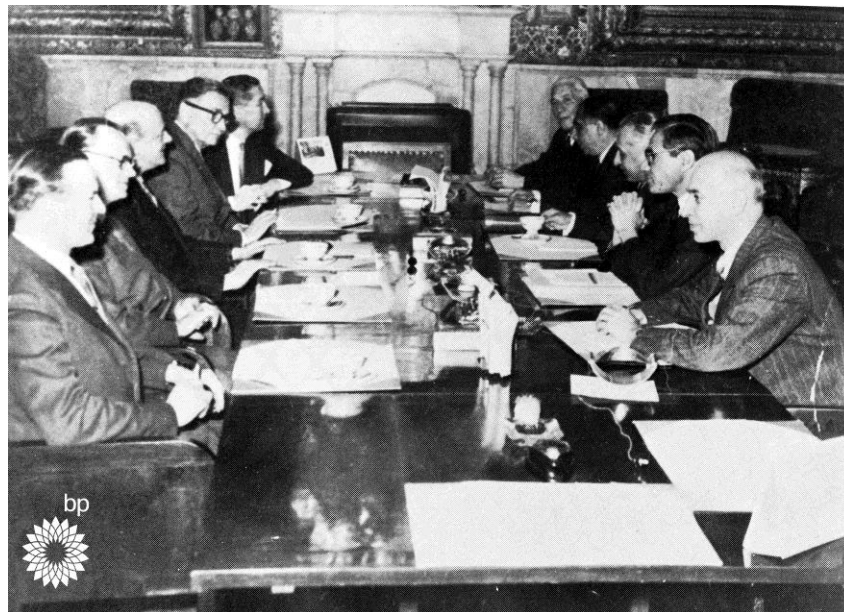
The United States demonstrated its power over both Britain and the AIOC through its handling of the negotiations for a new oil settlement. AIOC Chairman Sir William Fraser declared at an early meeting of potential consortium participants, “As it was the general desire that the AIOC should go back into Persia on its own, they consider that they should have the biggest share of the Consortium, subject possibly to their not having the complete control.” He added, “AIOC proposed a fifty percent share for the AIOC on the grounds that “it was important that their share should be a large one to demonstrate to the outside world that they could not throw out existing operators with impunity.” Fraser was not mischaracterizing the stance of the other companies. The chairman of Gulf Oil, Sidney Swensrud, wrote to Fraser in October 1953 that “the solution should not be one which in any sense appeared to be a ‘taking over’ by American interests,” asserting that American participation would occur only as needed to solve the political problem of a settlement.<sup>387</sup> However, the U.S. government took a hard line against Fraser’s stance, forcing the oil companies to side with it. On January 29, 1954 the American government representative at the consortium talks, Special Envoy Herbert Hoover, Jr., declared that the American companies felt a 50% share for the AIOC was not feasible. Yet their ongoing

---

<sup>386</sup> Kaufman, 45-47; Yergin, 475-478.

<sup>387</sup> BP 58246, Sidney Swensrud to Sir William Fraser, October 9, 1953 (Reproduced with permission of BP Archive).

reluctance to participate was clear when he added that “the companies want the smallest possible part in the consortium consistent with a sound solution.”<sup>388</sup>



**Figure 7. First session of the negotiations between the International Oil Consortium and Representatives of the Iranian Government, Tehran, 14th April 1954. Left to right: P. Kirby, K.H. Le Page, H.E. Snow, O. Harden, J. Loudon, M. Bayat, Dr. A.L. Amini, Niru Esfandiari, Fouad Rouhani and F. Naficy (Reproduced with permission of BP Archive)**

The ultimate result of the consortium negotiations, signed by the Shah on October 29, 1954, was that the Iran’s National Iranian Oil Company retained the legal rights to the nation’s resources. The consortium participants were contracted to operate and distribute Iran’s production. The AIOC kept a forty percent share and received the proceeds from the sales of consortium shares to other participants, in addition to a ten percent royalty on each barrel sold by the consortium up to \$500 million. Royal Dutch Shell purchased fourteen percent, and Compagnie Française des Pétroles (CFP) of France bought six percent. The five American majors (Standard of New Jersey, Texaco, Standard of California, Socony, and Gulf), purchased eight percent per company, but then sold one percent each to a smaller consortium of

---

<sup>388</sup> BP 79673, “Middle East Oil Committee – Persian Oil,” July 29, 1954 (Reproduced with permission of BP Archive).

independents called Iricon.<sup>389</sup> Naturally, the British were not pleased with the inclusion of the independents, and the Americans went so far as to tell the Foreign Office to initially withhold news of their inclusion from the AIOC.<sup>390</sup> The independents themselves did not necessarily want to join the consortium either, and the Eisenhower administration privately regretted it, but admitted to the British that their participation was necessary due to the “political situation here and the difficulty with which the anti-trust aspects of the consortium had been settled.”<sup>391</sup>

In assessing the role of the oil companies, Steve Marsh concludes that they operated in “a symbiotic relationship” with the U.S. government.<sup>392</sup> Indeed, the oil companies were important instruments of American power abroad and, accordingly, could demand limited concessions for their collaboration, such as the weakening of the antitrust suit. Yet the government remained the dominant player in the relationship. After all, only the government could pull the levers of power that would lead the companies to pursue favorable policies. Had the government not offered to limit the antitrust suit, the American companies likely would have preferred the British approach of waiting out Mossadegh’s fall while refraining from entering Iran due to their fears of oversupply and the implications for other oil concessions. Moreover, officials like Acheson often realized that the national interests at stake in the Cold War coincided with those of the oil companies on issues like the antitrust suit. They adjusted policies accordingly. The government was not the pawn of Big Oil. The oil companies were yet another weapon, albeit sometimes reluctantly, in the American effort to win the Cold War.

---

<sup>389</sup> Yergin, 476-478.

<sup>390</sup> BP 79673, “Telegram from Washington to London dated 15.1.54 Repeated to Tehran,” January 20, 1954.

<sup>391</sup> BP 79673, “Telegram from Washington to London dated 25<sup>th</sup> February, 1954 Reference Tel. No. 331 Persian Oil,” undated (Reproduced with permission of BP Archive).

<sup>392</sup> Marsh (2007), 26.

### **III. Conclusion**

The long Iranian oil dispute that eventually led to Operation Ajax was a major event of the early Cold War. Accordingly, historians should treat it as a Cold War policy, not an Anglo-American or corporate conspiracy. American policymakers shaped strategy by assessing the situation in Iran and the probable results of certain policies in the context of the confrontation with the Soviet Union. Strategy shaped economics, not vice versa. Because the Special Relationship with Britain and the availability of oil reserves were critical to the success of the West, both factors played into the Cold War calculus. However, neither the British nor the oil companies dictated American policies in Iran, and the government did not act chiefly for the interests of either party. American actions that benefited the British and the Seven Sisters therefore must not be considered as favors of a government captured by certain interests. Sometimes, a government policy chosen on its merits for the United States can also benefit allies and corporations collaterally.

Of course, the British and the oil companies could influence American foreign policy to a degree. The U.S. government gained from their collaboration, and both parties were positioned to seek some benefits of their own. The SIS could present sympathetic American operatives with a plan for a coup that was eventually adopted; executives like Terry Duce of ARAMCO could suggest certain stands to State Department officials who shared the oil companies' interest in ending the antitrust suit. Yet the government showed no compunction in brushing off the British or Big Oil. There is a difference between influencing the discussion and controlling policy. Neither Britain nor the oil companies ever reached the latter stage of power.

The presidential synthesis view of the coup undergirds the arguments of several authors who employ the pericentric and Seven Sisters narratives. Eisenhower and his cabinet, these



authors tend to argue, were more sympathetic to the British and the oil companies than the Truman administration. Often, these historians fall into the outdated view that the Dulles brothers, depicted as ideological Cold Warriors, dominated Eisenhower's foreign policy decision-making.<sup>393</sup> The overreliance on the presidential synthesis weakens the pericentric and Seven Sisters arguments because of the limits of the presidential synthesis, which this thesis exposed in Chapter One.

The pericentric and Seven Sisters arguments continue to appeal to the popular imagination because they are so simple. They fit the caricature of a United States government that intervenes in the Third World to advance corporate interests in a new form of imperialism. In Iran itself, the Supreme Leader Ali Khamenei continues to charge the United States and Britain with imperialism, noting the threat of foreign influence in the wake of the "Green Revolution" protests of 2009.<sup>394</sup> A full understanding of the role of the Special Relationship and oil in American policy during the Iranian oil dispute requires a more nuanced study of the interplay between the government, allies, and private corporations. If the crisis must be reduced to a simple question of agency, it was the national security officials of the United States government who dominated the other parties and shaped American policy with the larger Cold War in mind.

---

<sup>393</sup> Elm, 276-277; Kinzer (2003), 4, 208-209; Abrahamian, 197.

<sup>394</sup> Haroon Siddique, "Iran Elections: Khamenei warns protestors to stay off streets," *The Guardian*, June 19, 2009, <http://www.theguardian.com/world/2009/jun/19/iran-elections-ayatollah-ali-khamenei> (accessed April 2, 2015).

## **Conclusion – Operation Ajax as a Cold War Event**

Reviewing what he called “royalist coup” in his memoirs in 1969, Dean Acheson wrote, “[A]s the Iron Duke had said of Waterloo, it was ‘a damned near thing.’”<sup>395</sup> Of course, Operation Ajax itself nearly failed, and only Kermit Roosevelt’s disregard for orders allowed him to mount a second effort with his Iranian collaborators. Yet Acheson’s assessment also reflects the precariousness of the situation and American policy in Iran from 1951 to 1953. The early Cold War was a troubling time, and Iran was one of its key battlegrounds. The convergence of different aspects of Cold War history in Operation Ajax has made it the subject of heated academic and public debates on its role in causing the 1979 Iranian Revolution and souring Iranian-American relations to the present day. This thesis has attempted to evaluate the existing scholarship about the decision to undertake Operation Ajax and offer a fuller account of American policies culminating in the coup. Comprehending the course of American diplomacy and operations in Iran from 1951 to 1953 is a prerequisite for properly debating whether or not Operation Ajax was the right policy choice, and this thesis aims to promote that understanding.

### **Major Findings**

My survey of the academic literature on Operation Ajax began with the presidential synthesis, the theory which predicts discontinuity in policies between administrations because presidents attempt to distinguish themselves from their immediate predecessor. Chapter One of this thesis demonstrated that, superficial appearances to the contrary, there were important elements of continuity between the Truman and Eisenhower administrations. Truman’s early efforts to act as a neutral arbiter between Britain and Iran in 1951, evidenced by initiatives like the Harriman mission, contrasted with Eisenhower’s bold stroke. However, American assessments of the situation in Iran became starker over the course of 1952. By late 1952, they

---

<sup>395</sup> Acheson, 685.

largely matched the early 1953 estimates that informed Eisenhower's decision to carry out the coup. In turn, Truman adjusted American policy during his final months in office by taking a more pro-British stance and weakening the antitrust suit against the Seven Sisters. He set American policy on a course that Eisenhower would follow. Eisenhower continued negotiations over Truman and Acheson's consortium proposal before resorting to covert operations planning. The continuity in American policy from mid-1952 until the coup highlights the flawed application of the presidential synthesis to the Iran case.

The role of the CIA remains the less clear. While the Agency appears to have conducted covert psychological warfare efforts in Iran under Truman, known as Operation TPBEDAMN, the level of the President's knowledge of those operations remains classified. As best we can tell, the CIA turned Operation TPBEDAMN against Mossadegh without Truman's approval.<sup>396</sup> If that was the case, Truman's lack of approval would buttress the presidential synthesis' emphasis on discontinuity. However, other evidence shows that Truman was not ideologically opposed to covert operations and actually expanded covert capabilities during his presidency. Factors other than covert operations philosophy must have influenced the CIA's apparent independence. Further, the CIA's actions resulted in a consistent national policy from late 1952, when the TPBEDAMN organization first attacked Mossadegh, to the coup in August 1953 whether or not Truman approved it. More documentation is necessary to assess the presidential synthesis theory in the realm of covert operations.

On the basis of available evidence, the presidential synthesis theory cannot alone explain the trajectory of American policy from 1951 to 1953. That does not mean it is completely worthless. The presidential synthesis is not misguided in considering Truman and Eisenhower's ideas and idiosyncrasies, even if its predication of discontinuity is off the mark. The presidential

---

<sup>396</sup> Gasiorowski (2013), 13-14.

synthesis falters when it holds that presidential policy discontinuity is structural, but in another sense, interpersonal relations do become embedded in the structure of the events. After all, individuals at the CIA wrote the estimates on that Truman and Eisenhower used to understand the international situation and make decisions. Mossadegh's stubborn negotiating style, Churchill's faith in the Special Relationship, and Kermit Roosevelt's partnership with Monty Woodhouse all shaped the American decision-making context and calculus. The presidential synthesis' emphasis on the philosophies and deliberations of presidents and their major advisors can help us understand their interpretations of available information and resulting decisions.

The structural schools, the subject of Chapter Two, center on the context that influenced those presidents' decisions. A review of American assessments of the Iran crisis and the timing of policies based on external estimates validates earlier studies by Francis Gavin, H.W. Brands, and Steve Marsh. Gavin is right to argue on a "Cold War" level that by 1953 the United States had emerged from a position of relative military weakness vis-à-vis the Soviet Union in 1950 and 1951 to enjoy a window of opportunity based on the success of the arms buildup originally outlined in NSC 68. By the time of Operation Ajax, American officials felt stronger and acted accordingly with bold policies like the covert coup.<sup>397</sup> Likewise, H.W. Brands has correctly contextualized the coup in larger American Middle East policy. Egypt's refusal to join MEDO meant that the United States needed a compliant ally in Tehran to pursue the alternate "Northern Tier" strategy for a defensive alliance in the Middle East.<sup>398</sup> Finally, Steve Marsh has illustrated that growing American concerns about the situation in Iran, coupled with Mossadegh's

---

<sup>397</sup> Gavin, 58-61; Trachtenberg (1988-89), 6.

<sup>398</sup> H.W. Brands, 453.

continued intransigence, led policymakers to feel that all viable diplomatic solutions had been exhausted and a new alternative policy was necessary.<sup>399</sup>

These structural assessments are all valid, but none of them individually explains the American rationale for Operation Ajax. A complete account of American actions would bring together all three “levels” of structural factors and examine their interplay with one another. For instance, the window of opportunity in 1953 may have allowed the United States to seek to encircle the Soviet Union with alliances without fearing reprisals. In turn, the adoption of the new Northern Tier approach exacerbated the sense of policy exhaustion, because Mossadegh’s collaboration in an alliance likely would have been precarious, at best. The combination of the three levels of structural factors provides the most powerful explanation for the coup policy.

In Chapter Three, I examined two popular theories for American involvement in Iran: the pericentric argument that Britain influenced the American decision to topple Mossadegh and the Seven Sisters school, which posits that the coup served the interests of powerful American and international oil companies. Both theories confuse the ability of the British and the oil companies to influence the *discussion* amongst American policymakers with the capacity to dictate *policy*. In the pericentric case, siding with Britain was a strategic, not sentimental, move. The United States rightly recognized that its alliance with Great Britain was more important to overall Cold War strategy than attempting to build close relations with the difficult Mossadegh, and few should have doubted that the United States would ultimately back Britain if the situation in Iran grew dire. However, American leaders often ignored British assessments and recommendations and identified American interests separately from those of Britain. The CIA did not serve as a hatchet man for 10 Downing Street. American attitudes shifted in response to the CIA’s own

---

<sup>399</sup> Marsh (2003), 190.

view of Iran, not due to British persuasion. From vetoing the Abadan invasion plan to building the oil consortium, the United States asserted its dominant role in the Special Relationship.

Similarly, the oil companies did not direct the American government to topple Mossadegh. Awash in new Middle Eastern reserves and fearing low prices, American oil companies preferred solidarity with the AIOC's negotiating position and shared its willingness to wait out Mossadegh's fall during the oil boycott. It was the United States government that induced the oil companies to participate in the 1954 consortium by weakening the antitrust suit against them. That the Truman and Eisenhower administrations felt it necessary to take such steps is a testament to the oil companies' power and influence, and corporate executives did suggest some policies that were subsequently adopted. But as in the British case, the American government held the stronger position. Oil made Iran a strategic country, and the United States sought to secure those resources for the West, but the government did not concern itself with corporate profits, as its relative disregard for the potential supply glut showed. Whatever conspiracy theorists might claim, Operation Ajax was a Cold War decision. Therefore, structural Cold War factors were more influential in American policymaking.

What results from reviewing these different theories is an explanation for the coup in which structural concerns predominated, and individual leaders' responses to those factors determined policy. Studying structure explains *why* a decision was made, but studying people shows *how* they made it. The best combination of structural and personal approaches occurs when the presidential synthesis method of examining individuals builds on a foundation grounded in structure to understand how individual leaders seized on the conditions they inherited. Structural factors limit the number of reasonable choices that a leader can make,

thereby increasing the likelihood that a leader will select certain options. However, a choice remains. At that stage, personal agency impacts outcomes.

What narrative for the decision to undertake the coup emerges from that understanding of the factors that influenced policy and the leaders who decided it? Amidst Mossadegh's nationalization of the AIOC's reserves in mid-1951, the Truman administration did not immediately pressure Iran or allow a British invasion of Abadan for several reasons. First, the Truman administration felt that the Western allies were militarily weak compared to the Soviet Union and preferred a cautious strategy until its military buildup came on line. Moreover, an overt Soviet invasion of Iran seemed unlikely unless the British provoked it. Second, Iran and the AIOC had squabbled over oil arrangements before, and there was not yet reason to believe that a new deal could not be brokered, as in 1933. Diplomacy deserved a chance, and initiatives like the Harriman mission offered hope of a settlement. Third, allowing British imperialism in Iran could hurt American "soft power" throughout the third world and weaken the West in the larger Cold War. Finally, the popular Mossadegh seemed to have a firm grip on power and could hold off the communist Tudeh Party, even if he frustrated the West. This thinking dictated Truman's policies into 1952.

The United States slowly shifted strategies during 1952. The American arms buildup meant that Truman and his aides became more optimistic about the global balance of power with the Soviet Union. Simultaneously, Truman and his advisors began to fear rising discontent in Iran from financial hardships induced by the British oil embargo. Mossadegh's assumption of nearly dictatorial powers in July 1952 compounded the sense that he might alienate the Iranian public, leading to a Tudeh coup. His continued stubbornness in negotiations made a settlement seem less likely. Based on those conditions, Truman made the decision to align the United States

more closely with Britain while still attempting to avoid overt imperialism. He authorized covert propaganda activities against the Tudeh Party. Truman was not yet ready to resort to a coup, and Acheson continued negotiations over an oil consortium. Yet the president's late shift to reduce antitrust measures against the oil companies after the 1952 elections showcased growing American concerns and a willingness to try options previously deemed unacceptable.

When Eisenhower assumed office, he and his advisors felt that the United States enjoyed a window of opportunity for aggressive action vis-à-vis the Soviet Union. The arms buildup and Stalin's recent death compounded the sense of American strength and Soviet weakness. Since Acheson's consortium negotiations were already under way, Eisenhower and his advisors felt that they ought to give diplomacy one last chance. When Mossadegh rejected those proposals in March 1953, the administration raised the pre-existing British plan for a coup once again. As Mossadegh clung to power by skirting the Iranian constitution, his fall seemed more likely. The administration felt that it was running out of choices, except facilitating a change of government. Moreover, Egypt's rejection of MEDO and the shift to the "Northern Tier" alliance strategy necessitated a compliant regime in Iran. Replacing Mossadegh with a more malleable leader promised to block the Tudeh Party, set up the Northern Tier, and settle the oil crisis. Holding faith in an expanded CIA and the cost-effectiveness of covert action, Eisenhower settled on a strategy that held the potential to accomplish a number of American goals. He authorized Operation Ajax.

This new "synthesis" captures the nuances of American decision-making from 1951 to 1953 and presents a policy progression in which leaders responded to changing structural conditions. Recognition of the many inputs that resulted in the decision to undertake Operation



Ajax should improve the debate regarding its implications by reducing the reliance on oversimplified explanations for the coup.

### **Historiographical Implications**

The long crisis in Iran encapsulated many of the characteristics that defined the early Cold War: a focus on the global balance of power, alliance structures, third world nationalism, espionage, psychological warfare, and a pervasive sense of the Soviet threat. Today, we sometimes forget the intense rivalry and fear that existed between the United States and Soviet Union in the first stages of the Cold War. “Now that the ‘second world’ no longer exists, it is easy to dismiss these ‘first world’ concerns about the ‘third world’ as having been excessive, perhaps even manufactured,” John Lewis Gaddis explains. “They were real enough at the time, though...there was nothing predetermined about this outcome.”<sup>400</sup> Accordingly, we must understand Operation Ajax principally as an early Cold War event, not a colonial or corporate-driven one. In the early 1950s, the United States was still smarting from the crises of 1949: the “loss” of China, the Soviet development of nuclear weapons, and the creation of East Germany.<sup>401</sup> The possibility of another Berlin Crisis loomed, and the United States fought to a stalemate in Korea. These events made it easy for policymakers to overstate the threat of the Tudeh Party. Iran’s sheer proximity to the Soviet Union, the precedent of the 1946 crisis, and the chance of a Soviet invasion under the pretext of the 1921 Treaty signaled danger. “It seems quite clear in retrospect that Western anxieties about Soviet advances in the Middle East were, at least while Stalin was alive, quite exaggerated,” Gaddis concludes.<sup>402</sup> Yet we must judge leaders in their own times. In the context of 1951-1953, American fears were not unreasonable.

---

<sup>400</sup> Gaddis (1997), 153

<sup>401</sup> Gavin, 63.

<sup>402</sup> Gaddis (1997), 167.

Understanding the coup as a Cold War event requires revisiting the perspectives of American and British leaders in 1953. “It is easy to see Operation Boot as the first step towards the Iranian catastrophe of 1979,” Monty Woodhouse explained years later,

But what we foresaw in 1953 was something different from what happened in Iran in 1979. It was more like what happened in Afghanistan between 1973 and 1980: the overthrow of a weak monarchy by nationalist forces, which would then be overtaken by indigenous Communists, who would then be overwhelmed by the Red Army...At the time we were simply relieved that a threat to British interests had been removed.<sup>403</sup>

Notably, the United States feared an overthrow of Mossadegh by the fundamentalist Mullah Kashani nearly as much as the Tudeh Party. In some ways, the Iranian Revolution validated those early concerns about Islamic fundamentalism. “[O]ur assessment of the situation in Iran *was* correct,” Kermit Roosevelt later claimed.<sup>404</sup>

Placing the coup in the context of the Cold War further weakens the pericentric and Seven Sisters theories. As I showed in Chapter Three, the overriding American concern about the importance of Iran as a Cold War battleground trumped British interests, and the Seven Sisters that did not seek a coup anyway. Working with the British and the companies was a means to securing a strategic Cold War objective, not an end in itself. While it rightly “criticizes revisionism for exaggerating the activism of U.S. imperialism,” Tony Smith’s theory of pericentrism can be taken too far.<sup>405</sup> Smith contends that “[p]ull from the periphery, not ‘push’ from the core, usually best describes what happened” in the expansion of the Cold War.<sup>406</sup> That was not the case with Operation Ajax. Neither Britain nor Iran could successfully convince the United States to intervene on their side of the simmering oil dispute until American policymakers settled on their own rationale for the United States to abandon public neutrality. Truman’s

---

<sup>403</sup> Woodhouse, 131.

<sup>404</sup> Roosevelt, 210.

<sup>405</sup> Smith, 591.

<sup>406</sup> Ibid, 572.

restraint through 1951 and 1952 showed the limits of influence from peripheral countries, even important allies like the United Kingdom. Once the United States sided with Britain, it did so on its own terms. Tellingly, it was Eisenhower administration officials who revived the plan for Operation Ajax, not the British.

The coup operationalized American grand strategy within the Cold War context. What better epitomized “containment” than the decision to secure a country on the border of the Soviet Union, in a traditional area of strategic competition between Russia and the West, with significant oil resources? As Hal Brands explains, “U.S. planners came to see the entire area from Morocco to Iran as vital to American interests in the late 1940s, even as they counted on the British (and, to a lesser extent, the French) to bear primary responsibility for stability in the area.”<sup>407</sup> Another strategic goal at a regional level, the formation of a military alliance to protect the Middle East, also mandated the removal of Mossadegh.<sup>408</sup> Grand strategic principles affect local actions, and Operation Ajax was a natural product of American grand strategy under Truman and Eisenhower.

The so-called “Cold War consensus” thus provides an explanation for the continuity between the administrations. According to Eugene R. Wittkopf and James M. McCormick, the consensus held that “the United States would cooperate with others to solve global as well as national problems, but if need be would also intervene in the affairs of others, using force when necessary to protect its self-defined interests.”<sup>409</sup> Barry Rubin has noted that both administrations fell within the Cold War consensus that prioritized, in order, blocking Soviet expansion, maintaining the Western European alliance, and aiding the third world when doing so did not

---

<sup>407</sup> Hal Brands, *What Good Is Grand Strategy? Power and Purpose in American Statecraft from Harry S. Truman to George W. Bush* (Ithaca: Cornell University Press, 2014), 39.

<sup>408</sup> H.W. Brands, 453.

<sup>409</sup> Eugene R. Wittkopf and James M. McCormick, “The Cold War Consensus: Did it Exist?” *Polity* 22, no. 4 (summer 1990), pp. 627-653, <http://www.jstor.org/stable/3234822> (accessed February 3, 2015), 628.

conflict with other goals.<sup>410</sup> Gaddis observes that Eisenhower did not find Truman's containment strategy fundamentally flawed.<sup>411</sup> Moreover, a surprising number of high level officials served in both administrations. General Walter Bedell Smith was Director of the CIA for Truman before becoming Undersecretary of State for Eisenhower; Loy Henderson remained Ambassador to Iran; Allen Dulles served as Deputy Director and then Director of the CIA; and Kermit Roosevelt was the CIA's Near East chief in both administrations. At lower levels of the bureaucracy, many of the analysts at the State Department and CIA carried over.

Operation Ajax emerged from a long policy debate in the United States government that continued through the election of a new president. Stephen Kinzer's claim that "President Eisenhower and Secretary Dulles made their decision to overthrow Iran's democratic government without debate, without reflection, without analysis, without weighing costs and benefits" appears dubious.<sup>412</sup> The sheer volume of memorandums, estimates, and cables concerning Iran in the period speaks to the fact that the coup did not happen on a whim. Moreover, accounts by figures from Acheson to Woodhouse detail the long and heated debates within and between the American and British governments. The long decision-making process goes further to weaken the pericentric and Seven Sisters outlooks; no British diplomat or oil executive could override that process to dictate policy. American policymakers discussed all kinds of options to resolve the crisis at one time or another: an invasion, neutral operation of oil installations by the World Bank, the intervention of American oil companies, and, finally, a coup. The possibility that CIA operatives may have turned Operation TPBEDAMN against Mossadegh without Truman's approval complicates the policymaking picture, but the ultimate

---

<sup>410</sup> Rubin, 55-57.

<sup>411</sup> Gaddis (1982), 127.

<sup>412</sup> Stephen Kinzer, *Reset: Iran, Turkey, and America's Future* (New York: Times Books, 2010), 96.

debate and approval of the coup by Eisenhower signals the deliberate nature of American decision-making.

In addition to discussing the blowback it created, many authors have dwelt on Operation Ajax's legacy in the field of covert operations. Among others, Douglas Little has shown that Operation Ajax became a model for covert coups throughout the Middle East and elsewhere, but few operations achieved their intended objective in the manner of Operation Ajax.<sup>413</sup> Kermit Roosevelt himself recognized the difficult criteria for such an operation, claiming that he said at his White House debriefing, "If we, the CIA, are ever going to try something like this again, we must be absolutely sure that people and army want what we want." Roosevelt turned down command of the planned coup in Guatemala, which took place in 1954 under the code name "Operation PBSUCCESS," because he felt that those conditions did not exist there. "Later, I resigned from the CIA – before the Bay of Pigs disaster underlined the validity of my warning," Roosevelt explained in the last sentence of his memoir.<sup>414</sup>

The Bay of Pigs epitomized the excesses of the early CIA for many historians and the American public, and some traced the CIA's tactics and hubris back to Operation Ajax.<sup>415</sup> However, historians of Operation Ajax must not project the Agency's supposed infatuation with covert operations in the early 1960s onto the decision-making process in 1953. The success of Operation Ajax may have spawned some of the CIA's notorious tendencies, but the organization was only six years-old at the time of the coup and its culture was just beginning to emerge. Operation Ajax represented a relatively novel solution to a lingering crisis in which, as Steve Marsh has pointed out, all other options seemed exhausted. The lack of available documentary

---

<sup>413</sup> Little, 664-667, 681, 694. Also see Evan Thomas, *The Very Best Men: Four Who Dared: The Early Years of the CIA* (New York: Simon & Schuster, 1995), 110-111 for this line of argument.

<sup>414</sup> Roosevelt, 210.

<sup>415</sup> Tim Weiner, *Legacy of Ashes: The History of the CIA* (New York: Doubleday, 2007), 92.

evidence on whether or not Truman approved the use of the TPBEDAMN propaganda apparatus against Mossadegh renders it difficult to know if the CIA acted independently. The CIA in 1953 was neither an independent actor nor a pawn of the British, even if it may have begun to show signs of a “rogue” culture

Another group of authors has focused on American rationales for third world interventions like Operation Ajax. Odd Arne Westad has argued that during the Cold War, “the United States and the Soviet Union were driven to intervene in the Third World by the ideologies inherent in their politics.”<sup>416</sup> Greg Grandin likewise pins Cold War interventions in Latin America on “the three elements that give today’s imperialism its moral force: punitive idealism, free-market absolutism, and right-wing Christian mobilization.”<sup>417</sup> This broader historiography underlies that arguments of scholars like Kinzer and Elm, whom I discussed in Chapter Three.

Operation Ajax was a strategic intervention, rather than one motivated by ideology or corporate interests. Yes, the communist ideology of the Tudeh Party made it a concern for the United States, but only because that ideology meant that a Tudeh government would ally with the United States’ strategic adversary, the Soviet Union. The defense of the Middle East and the denial of oil resources gave Iran strategic importance, and the United States would have felt compelled to defend it against a rival regardless of ideology. After all, the Allies had occupied Iran during World War II to deny Hitler those same strategic advantages. The American preoccupation with the defense of the Middle East, especially through alliance systems, demonstrates the strategic rather than ideological motivations for the coup.

---

<sup>416</sup> Odd Arne Westad, *The Global Cold War: Third World Interventions and the Making of Our Times* (Cambridge: Cambridge University Press, 2007), 4.

<sup>417</sup> Greg Grandin, *Empire’s Workshop: Latin America, the United States, and the Rise of the New Imperialism* (New York: Metropolitan Books, 2006), 6.

If anything, American dealings with Mossadegh showed a remarkable ideological flexibility. In 1951, American leaders were willing to cooperate with his nationalist program if it meant that he would hold off the Tudeh Party. Try as they might, Acheson, Dulles, and other figures simply could not reach an acceptable deal with Mossadegh. Only when it appeared that Mossadegh's stubborn negotiating style was jeopardizing the Iranian economy and his government did the United States decide to remove him.

Improving the bottom lines of American oil companies was neither a key national interest nor a government objective in Iran, as policymakers continually made clear to oil executives themselves.<sup>418</sup> Rather, the Truman and Eisenhower administrations induced oil companies to act in the national interest, perhaps against their own corporate concerns with managing a glut of Middle Eastern supplies, by weakening the antitrust suit against the companies. Far from wholeheartedly embracing the "free market absolutism" that Grandin identifies as a driver of American strategy, policymakers were concerned that the Iran consortium represented an international cartel.

Authors like Grandin propose that factors beyond Cold War strategic competition shaped American policy. Indeed, a major trend in Cold War history since the end of the Cold War has been to deemphasize the centrality of the superpowers. In that vein, Matthew Connelly has urged Cold War historians to "take off the Cold War lens." Examining policy toward French Algeria, he argues that "a 'Cold War lens' did not circumscribe the views of Eisenhower and his contemporaries as much as those of the historians who have studied them." In particular, he argues that Eisenhower and Dulles feared the strength of third world nationalist movements and

---

<sup>418</sup> *FRUS*, 1951, vol. 5, The Near East and Africa, "Memorandum of Conversation, by Richard Funkhouser of the Office of Near Eastern Affairs," May 14, 1951, 309.

sought to satiate them through aid.<sup>419</sup> Connelly explicitly challenges Robert J. McMahon, who criticizes Eisenhower's third world policies, saying, "The Eisenhower administration insisted on viewing the Third World through the invariably distorting lens of Cold War geopolitical strategy that saw the Kremlin as the principle instigator of global unrest."<sup>420</sup>

Distorting or not, Eisenhower, Dulles, and other leaders wore the "Cold War lens." We should not discard it if we wish to understand their actions. Eisenhower himself wrote, "[T]he Soviet problem loomed as the largest in global affairs and was never out of mind."<sup>421</sup> Connelly is right to point out that Eisenhower and his advisors did fear the forces of third world nationalism. For instance, in a March 4, 1953 National Security Council meeting, Eisenhower declared that "it was a matter of great distress to him that we seemed unable to get some of the people in these down-trodden countries to like us instead of hating us." Yet the foregoing analysis has shown that structural Cold War factors like the balance of power and alliance politics were more influential in presidential decision-making. Whether it was a strength in containing the Soviet Union or a weakness that resulted in "blowback" years later, Truman and Eisenhower's visions of the world bore a distinctly Cold War tint.

### **A "Multiple Causation" Approach to Cold War History**

"History, like cartography, is necessarily a *representation* of reality," the eminent Cold War historian John Lewis Gaddis has claimed.<sup>422</sup> In offering my own representation of the American decision to undertake Operation Ajax, I have attempted to craft a comprehensive picture of American policymaking by assessing the relative weight of different explanations,

---

<sup>419</sup> Connelly, 741-742.

<sup>420</sup> McMahon, 457.

<sup>421</sup> Dwight D. Eisenhower, *Mandate for Change 1953-1956* (Garden City, NY: Doubleday and Company, 1963), 149.

<sup>422</sup> John Lewis Gaddis, *The Landscape of History: How Historians Map the Past* (Oxford: Oxford University Press, 2002), 136.



rather than claiming to possess a single all-encompassing insight. That may not be entirely satisfying for a reader. However, this method comes closest to encompassing the complicated history of this complex crisis. Critiquing social scientists' insistence on sticking to one paradigm or another, Gaddis has argued that for historians, "[M]ultiple causation is the only feasible basis for explanation."<sup>423</sup> The job of the historian then is to assess each cause individually and present it within the fuller narrative. While ideas like pericentrism or the "Cold War lens" have intrinsic value, they cannot help us understand the Cold War unless they are applied properly and paired with other factors and theories. "Of course it's pragmatic, inconsistent, and often just plain messy," Gaddis concludes of his approach. "But it is, I believe, good science, for what we can learn should always figure more prominently in our set of priorities than the purity of the methods by which we learn it."<sup>424</sup> American policy in the Iran was also pragmatic, inconsistent, and messy, so it is only fitting that a history of Operation Ajax matches the character of events.

---

<sup>423</sup> Ibid, 105.

<sup>424</sup> Ibid, 109.

## Bibliography

### Primary Sources

#### Archival Collections

*BP Archive, University of Warwick, United Kingdom*

Records listings: BP 100652, BP 72116, BP 91032, BP 100570, BP 66237, BP 100572, BP 101912, BP 58246, BP 79673

*National Archives II, College Park, Maryland – CIA Records Search Tool (CREST) Database*

- Central Intelligence Agency. "Daily Digest Supplement." April 14, 1951. CREST, CIA-RDP79T01146A000100390001-9.
- . "Inventory of Cold War Weapons." October 17, 1951. CREST, CIA-RDP80R01731R003500170002-8.  
[http://www.foia.cia.gov/sites/default/files/document\\_conversions/5829/CIA-RDP80R01731R003500170002-8.pdf](http://www.foia.cia.gov/sites/default/files/document_conversions/5829/CIA-RDP80R01731R003500170002-8.pdf). Accessed January 6, 2015.
- . "National Intelligence Estimate, Iran's Position in the East-West Conflict, NIE-6," April 5, 1951, CREST, CIA-RDP79R01012A000200050001-5.
- . "National Intelligence Estimate: Key Problems Affecting US Efforts to Strengthen the Near East, NIE-26." April 25, 1951. CREST, CIA-RDP79R01012A000600030001-0.
- . "National Intelligence Estimate: The Importance of Iranian and Middle East Oil to Western Europe Under Peacetime Conditions, NIE-14." January 8, 1951. CREST, CIA-RDP79R01012A000300070001-9.
- . "National Intelligence Estimate: Probable Soviet Bloc Courses of Action, Through Mid-1953, NIE-64 (Part II)." December 11, 1952. CREST, CIA-RDP79R01012A002200010001-7.
- . "NIE-46: Current Outlook in Iran." September 25, 1951. CREST, CIA-RDP79R01012A001400010006-8.
- . "Official Diary." September 4, 1952. CREST, CIA-RDP79-01041A000100020137-2.
- . Office of Current Intelligence. "Daily Digest." June 22, 1951, CREST, CIA-RDP79T01146A000200470001-9.
- . Office of National Estimates. "Memorandum of Information No. 74, Anglo-Iranian Developments." May 28, 1951. CREST, CIA-RDP79T00937A000100010027-1.

- . Office of National Estimates, William L. Langer. “Memorandum to the Director of Central Intelligence: Re-evaluation of the Importance of Abadan.” July 13, 1951. CREST, CIA-RDP79R00904A000100020051-5.
- . Office of National Estimates. “Staff Memorandum No. 199: Conflicting US and UK Estimates of the Iran Situation.” February 15, 1952. CREST, CIA-RDP79T00937A000100030061-1.
- . Psychological Strategy Board. “A Psychological Strategy Program for the Middle East, PSB D-22.” January 8, 1953. CREST, CIA- RDP80R01731R003200030029-7. [http://www.foia.cia.gov/sites/default/files/document\\_conversions/5829/CIA-RDP80R01731R003200030029-7.pdf](http://www.foia.cia.gov/sites/default/files/document_conversions/5829/CIA-RDP80R01731R003200030029-7.pdf). Accessed January 8, 2015.
- . Psychological Strategy Board. “Memorandum for: General W. Bedell Smith from Alan G. Kirk.” January 6, 1953. CREST, CIA-RDP80R01731R003200040021-4. [http://www.foia.cia.gov/sites/default/files/document\\_conversions/5829/CIA-RDP80R01731R003200040021-4.pdf](http://www.foia.cia.gov/sites/default/files/document_conversions/5829/CIA-RDP80R01731R003200040021-4.pdf). Accessed January 10, 2015.
- . “Problems for the Immediate Attention of the PSB.” June 23, 1951, CREST. CIA-RDP80-01446R000100140004-8.
- . “Review of National Policies and Their Adequacy to Support the Clandestine Effort.” September 30, 1952. CREST, CIA-RDP80-01065A000100020021-2.
- . “Support for Special Operation: TPAJAX.” April 4, 1953. CREST, CIA-RDP78-04913A000100030032-7.
- . “The Iranian Situation.” March 3, 1953. CREST, CIA-RDP91T01172R000200290040-6.

*The National Archive, Kew, United Kingdom*

Cabinet Office: CAB 1341145

Foreign Office: FO 371/91543, FO 371/98608, FO 371/98703, FO 371/91464

Ministry of Power: POWE 33/1920

Ministry of Defence: DEFE 5/31

## Digital and Published Primary Source Collections

### *CIA Freedom of Information Act (FOIA) Electronic Reading Room*

- . “National Intelligence Estimate: Probable Developments in Iran Through 1953.” November 13, 1952. CIA Freedom of Information Act Electronic Reading Room. [http://www.foia.cia.gov/sites/default/files/document\\_conversions/89801/DOC\\_0000014050.pdf](http://www.foia.cia.gov/sites/default/files/document_conversions/89801/DOC_0000014050.pdf). Accessed October 29, 2014.
- . “Probable Soviet Courses of Action to Mid-1952.” August 2, 1951. CIA Freedom of Information Act Electronic Reading Room. [http://www.foia.cia.gov/sites/default/files/document\\_conversions/89801/DOC\\_0000269243.pdf](http://www.foia.cia.gov/sites/default/files/document_conversions/89801/DOC_0000269243.pdf). Accessed December 8, 2014.
- . Untitled Report. May 1, 1952. CIA Freedom of Information Act Electronic Reading Room. [http://www.foia.cia.gov/sites/default/files/document\\_conversions/5829/CIA-RDP80B01676R002700110004-9.pdf](http://www.foia.cia.gov/sites/default/files/document_conversions/5829/CIA-RDP80B01676R002700110004-9.pdf). Accessed October 29, 2014.

### *Declassified Documents Reference System (DDRS)*

- Central Intelligence Agency. “Analysis of the Iranian Political Situation.” October 12, 1951. *Declassified Document Reference System*. <http://callisto10.ggimg.com/imgsrv/FastPDF/DDRS/DDRS-252721-i1-4.pdf>. Accessed December 8, 2014.
- . “Comment on Tudeh Position in Current Iranian Situation.” March 3, 1953. *Declassified Documents Reference System*. <http://callisto10.ggimg.com/imgsrv/FastPDF/DDRS/DDRS-211168-i1-1.pdf>. Accessed November 2, 2014.
- . “National Intelligence Estimate: Probable Developments in Iran Through 1953.” November 13, 1953. *Declassified Documents Reference System*. [http://galenet.galegroup.com.proxy.lib.duke.edu/servlet/DDRS?vrsn=1.0&slb=KE&locID=duke\\_perkins&srchtp=basic&c=4&ste=4&txb=Probable+Developments+in+Iran+through+1953&sortType=RevChron&docNum=CK2349174831](http://galenet.galegroup.com.proxy.lib.duke.edu/servlet/DDRS?vrsn=1.0&slb=KE&locID=duke_perkins&srchtp=basic&c=4&ste=4&txb=Probable+Developments+in+Iran+through+1953&sortType=RevChron&docNum=CK2349174831). Accessed November 13, 2014.
- . “Probable Developments in the World Situation Through Mid-1953.” September 24, 1951. *Declassified Documents Reference System*. [http://galenet.galegroup.com.proxy.lib.duke.edu/servlet/DDRS?vrsn=1.0&slb=KE&locID=duke\\_perkins&srchtp=basic&c=2&img=.25&ste=4&txb=Probable+Developments+in+the+World+Situation&sortType=RevChron&docNum=CK2349163062](http://galenet.galegroup.com.proxy.lib.duke.edu/servlet/DDRS?vrsn=1.0&slb=KE&locID=duke_perkins&srchtp=basic&c=2&img=.25&ste=4&txb=Probable+Developments+in+the+World+Situation&sortType=RevChron&docNum=CK2349163062). Accessed December 8, 2014.

———. “Tudeh party reportedly orders support for Mossadeq.” April 4, 1953. *Declassified Document Reference System*.  
<http://callisto10.ggimg.com/imgsrv/FastPDF/DDRS/DDRS-211169-i1-1.pdf>. Accessed November 2, 2014.

Cuomo, Anthony. “The Tudeh Party Today.” Department of State. October 20, 1952. *Declassified Documents Reference System*.  
<http://callisto10.ggimg.com/imgsrv/FastPDF/DDRS/DDRS-201535-i1-50.pdf>. Accessed November 2, 2014.

Cutler, Robert. “Memorandum for the Secretary of State (Copy to the Attorney General).” January 4, 1954. *Declassified Document Reference System*.  
<http://callisto10.ggimg.com/imgsrv/FastPDF/DDRS/DDRS-240538-i1-2.pdf>. Accessed November 22, 2014.

#### *Digital National Security Archive*

Central Intelligence Agency. “Estimate of the Effects of the Soviet Possession of the Atomic Bomb Upon the Security of the United States and Upon the Probabilities of Direct Soviet Military Action.” April 6, 1950. *Digital National Security Archive*.  
<http://nsarchive.chadwyck.com.proxy.lib.duke.edu/quick/displayMultiItemImages.do?Multi=yes&queryType=quick&QueryName=cat&&ResultsID=149A1AAF340&QueryName=cat&ItemNumber=1&ItemID=CSE00085>. Accessed December 11, 2014.

———. “National Intelligence Estimate: Probable Developments in Iran in -1952 in the Absence of an Oil Settlement.” February 4, 1952. *Digital National Security Archive*.  
<http://nsarchive.chadwyck.com.proxy.lib.duke.edu/nsa/documents/IR/00274/all.pdf>. Accessed September 26, 2014.

———. “National Intelligence Estimate: Probable Developments in Iran through 1953.” January 9, 1953. *Digital National Security Archive*.  
<http://nsarchive.chadwyck.com.proxy.lib.duke.edu/nsa/documents/IR/00303/all.pdf>. Accessed September 26, 2014.

———. “Prospects for Survival of Mossadeq Regime in Iran.” October 14, 1952. *Digital National Security Archive*.  
<http://nsarchive.chadwyck.com.proxy.lib.duke.edu/nsa/documents/IR/00292/all.pdf>. Accessed September 26, 2014.

*Foreign Relations of the United States (FRUS)*

*FRUS* 1945-1950: Emergence of the Intelligence Establishment

*FRUS* 1946, vol. 7

*FRUS* 1950, vol. 1: National Security Affairs: Foreign Economic Policy

*FRUS* 1950-1955: The Intelligence Community

*FRUS* 1951, vol. 5: The Near East and Africa

*FRUS* 1952-1954, vol. 10: Iran, 1951-1954

*FRUS*, 1952-1954, vol. 2, part 1: National Security Affairs

*FRUS*, 1952-1954, vol. 9, part 1: The Near and Middle East

*FRUS*, 1952-1954, vol. 8: Eastern Europe; Soviet Union; Eastern Mediterranean

*House of Commons Hansard, House of Commons Parliamentary Papers Online*

“Commons Sitting of Thursday, 5<sup>th</sup> July, 1951.” House of Commons Hansard, 1950-51. *House of Commons Parliamentary Papers*.

[http://gateway.proquest.com.proxy.lib.duke.edu/openurl?url\\_ver=Z39.88-2004&res\\_dat=xri:hcpp-us&rft\\_dat=xri:hcpp:rec:CDS5CV0489P0-0014](http://gateway.proquest.com.proxy.lib.duke.edu/openurl?url_ver=Z39.88-2004&res_dat=xri:hcpp-us&rft_dat=xri:hcpp:rec:CDS5CV0489P0-0014). Accessed November 16, 2014.

“Commons Sitting of Wednesday, 20<sup>th</sup> June, 1951,” House of Commons Hansard: Fifth Series vol. 489. Columns 487-674. *House of Commons Parliamentary Papers*.

[http://gateway.proquest.com.proxy.lib.duke.edu/openurl?url\\_ver=Z39.88-2004&res\\_dat=xri:hcpp-us&rft\\_dat=xri:hcpp:hansard:CDS5CV0489P0-0003](http://gateway.proquest.com.proxy.lib.duke.edu/openurl?url_ver=Z39.88-2004&res_dat=xri:hcpp-us&rft_dat=xri:hcpp:hansard:CDS5CV0489P0-0003). Accessed November 16, 2014.

“Commons Sitting of Thursday, 21<sup>st</sup> June 1951.” House of Commons Hansard, 1950-51: Fifth Series, vol. 489. Columns 675-868. *House of Commons Parliamentary Papers*.

[http://gateway.proquest.com.proxy.lib.duke.edu/openurl?url\\_ver=Z39.88-2004&res\\_dat=xri:hcpp-us&rft\\_dat=xri:hcpp:hansard:CDS5CV0489P0-0004](http://gateway.proquest.com.proxy.lib.duke.edu/openurl?url_ver=Z39.88-2004&res_dat=xri:hcpp-us&rft_dat=xri:hcpp:hansard:CDS5CV0489P0-0004). Accessed February 25, 2015.

“Letter from the Persian Prime Minister to Mr. Harriman, dated 12 September, 1951.” 1951-52 Persia no. 1 (1951) Correspondence between His Majesty's government in the United Kingdom and the Persian Government, and related documents concerning the oil industry in Persia, February 1951 to September 1951, [Cmd. 8425]. *House of Commons Parliamentary Papers*.

[http://gateway.proquest.com.proxy.lib.duke.edu/openurl?url\\_ver=Z39.88-](http://gateway.proquest.com.proxy.lib.duke.edu/openurl?url_ver=Z39.88-)

2004&res\_dat=xri:hcpp-us&rft\_dat=xri:hcpp:rec:1951-042687. Accessed November 16, 2014.

### Other Primary Sources

“A Report to the National Security Council – NSC 68.” April 12, 1950. President’s Secretary’s File, Truman Papers.  
[http://www.trumanlibrary.org/whistlestop/study\\_collections/coldwar/documents/pdf/10-1.pdf](http://www.trumanlibrary.org/whistlestop/study_collections/coldwar/documents/pdf/10-1.pdf). Accessed November 10, 2014.

Dulles, John Foster. “A Policy of Boldness.” *Life*, May 19, 1952, 146-148.  
<https://books.google.com/books?id=G1YEAAAAMBAJ&pg=PA146&lpg=PA146&dq=John+Foster+Dulles+a+policy+of+boldness&source=bl&ots=NzPK0RtBxv&sig=3KR74O4S1n2WHADIAKdg5kQOBtI&hl=en&sa=X&ei=knMpVaL3POXHsQTC94C4Cg&ved=0CDEQ6AEwAg#v=onepage&q=John%20Foster%20Dulles%20a%20policy%20of%20boldness&f=false>. Accessed November 10, 2014.

Our Special Correspondent, et al. "U.S. Ambassador's Efforts For Oil Compromise." *Times* [London, England], June 30, 1951, 6. *The Times Digital Archive*.  
[http://find.galegroup.com.proxy.lib.duke.edu/ttda/infomark.do?&source=gale&prodId=T TDA&userGroupName=duke\\_perkins&tabID=T003&docPage=article&searchType=&docId=CS102976734&type=multipage&contentSet=LTO&version=1.0](http://find.galegroup.com.proxy.lib.duke.edu/ttda/infomark.do?&source=gale&prodId=T TDA&userGroupName=duke_perkins&tabID=T003&docPage=article&searchType=&docId=CS102976734&type=multipage&contentSet=LTO&version=1.0). Accessed February 25, 2015.

“Testimony of Mr. William T. Lee.” *Hearings Before the Subcommittee on Oversight of the Permanent Select Committee on Intelligence, House of Representatives: Ninety-Sixth Congress, Second Session, September 3, 1980*. Washington: U.S. Government Printing Office, 1980.

United States Congress, Senate Committee on Foreign Relations, Subcommittee on Multinational Corporations. *Multinational oil corporations and U.S. Foreign Policy: Report Together with Individual Views to the Committee on Foreign Relations*. January 2, 1975. Washington, D.C.: U.S. Government Printing Office, 1975. *Hathi Trust*.  
<http://hdl.handle.net/2027/umn.31951t00205914p>. Accessed November 23, 2014.

Wilber, Donald N. *Cladestine Service History: Overthrow of Premier Mossadeq of Iran: November 1952-August 1953*. [www.cryptome.org/cia-iran-all.htm](http://www.cryptome.org/cia-iran-all.htm). Accessed September 15, 2015.

### Published Memoirs and Letters

Acheson, Dean. *Present at the Creation: My Years in the State Department*. New York: W.W. Norton, 1969.

- Affection and Trust: The Personal Correspondence of Harry S. Truman and Dean Acheson, 1953-1971*. New York: Alfred A. Knopf, 2010.
- Boyle, Peter G., ed. *The Churchill-Eisenhower Correspondence, 1953-1955*. Chapel Hill: University of North Carolina Press, 1990.
- Eisenhower, Dwight D. *Mandate for Change 1953-1956*. Garden City, NY: Doubleday and Company, 1963.
- McGhee, George. *Envoy to the Middle World: Adventures in Diplomacy*. New York: Harper & Row, 1983.
- Pahlavi, Mohammed Reza Shah. *Mission for my Country*. New York: McGraw-Hill, 1961.
- Pimlott, Ben, ed. *The Political Diary of Hugh Dalton 1918-1940, 1945-1960*. London: Jonathan Cape, 1986.
- Roosevelt, Kermit. *Countercoup: The Struggle for the Control of Iran*. New York: McGraw-Hill, 1979.
- Sand, G.W., ed. *Defending the West: The Truman-Churchill Correspondence, 1945-1960*. Westport, CT: Praeger, 2004.
- Truman, Harry S. *Memoirs Volume Two: Years of Trial and Hope*. Garden City, NY: Doubleday, 1956.
- Williams, Philip M., ed. *The Diary of Hugh Gaitskell 1945-1956*. London: Jonathan Cape, 1983.
- Woodhouse, C.M. *Something Ventured*. London: Granada Publishing, 1982.

## **Secondary Sources**

### Books

- Abrahamian, Ervand. *The Coup: 1953, The CIA, and the Roots of Modern U.S.-Iranian Relations*. New York: The New Press, 2013.
- Ambrose, Stephen E. *Rise to Globalism: American Foreign Policy Since 1938*. London: Penguin Press, 1971.
- Beisner, Robert L. *Dean Acheson: A Life in the Cold War*. Oxford: Oxford University Press, 2006.
- Brands, Hal. *What Good Is Grand Strategy? Power and Purpose in American Statecraft from Harry S. Truman to George W. Bush*. Ithaca: Cornell University Press, 2014.



- Brands, H.W. *Inside the Cold War: Loy Henderson and the Rise of the American Empire 1918-1961*. Oxford: Oxford University Press, 1991.
- Cottam, Richard W. *Iran and the United States: A Cold War Case Study*. Pittsburgh: University of Pittsburgh Press, 1988.
- Elm, Mostafa. *Oil, Power, and Principle: Iran's Oil Nationalization and its Aftermath*. Syracuse, NY: Syracuse University Press, 1992.
- Ferrell, Robert H., ed. *The Eisenhower Diaries*. New York: W.W. Norton, 1981.
- Ferrier, R.W. *The History of the British Petroleum Company, Vol. 1: The Developing Years 1901-1932*. Cambridge: Cambridge University Press, 1982.
- Gaddis, John Lewis. *Strategies of Containment: A Critical Appraisal of Postwar American National Security Policy*. Oxford: Oxford University Press, 1982.
- . *The Landscape of History: How Historians Map the Past*. Oxford: Oxford University Press, 2002.
- . *We Now Know: Rethinking Cold War History*. Oxford: Oxford University Press, 1997.
- Gasiorowski, Mark J. *U.S. Foreign Policy and the Shah: Building a Client State in Iran*. Ithaca: Cornell University Press, 1991.
- Goode, James F. *The United States and Iran: In the Shadow of Musaddiq*. New York: St. Martin's Press, 1997.
- Grandin, Greg. *Empire's Workshop: Latin America, the United States, and the Rise of the New Imperialism*. New York: Metropolitan Books, 2006.
- Heiss, Mary Ann. *Empire and Nationhood: The United States, Great Britain, and Iranian Oil, 1950-1954*. New York: Columbia University Press, 1997.
- Immerman, Richard H. *The Hidden Hand: A Brief History of the CIA*. West Sussex: John Wiley and Sons, 2014.
- Katouzian, Homa. *Musaddiq and the Struggle for Power in Iran*. London: I.B. Tauris and Co., 1990.
- Kinzer, Stephen. *All the Shah's Men: An American Coup and the Roots of Middle East Terror*. Hoboken, NJ: John Wiley and Sons, 2003.
- . *Reset: Iran, Turkey, and America's Future*. New York: Times Books, 2010.
- Leffler, Melvyn. *A Preponderance of Power: National Security, the Truman Administration, and the Cold War*. Stanford: Stanford University Press, 1992.

- L'Estrange Fawcett, Louise. *Iran and the Cold War: The Azerbaijan Crisis of 1946*. Cambridge: Cambridge University Press, 1992.
- Marsh, Steve. *Anglo-American Relations and Cold War Oil: Crisis in Iran*. Hampshire: Palgrave Macmillan, 2003.
- McCullough, David. *Truman*. New York: Simon & Schuster, 1992.
- Poole, Walter S. *History of the Joint Chiefs of Staff: The Joint Chiefs of Staff and National Policy Volume IV 1950-1952*. Washington, DC: Office of Joint History, 1998.
- Ranelagh, John. *The Agency: The Rise and Decline of the CIA*. New York: Simon and Schuster, 1986.
- Rubin, Barry. *Paved with Good Intentions: The American Experience in Iran*. Oxford: Oxford University Press, 1980.
- Stueck, William. *The Korean War: An International History*. Princeton: Princeton University Press, 1995.
- Thomas, Evan. *The Very Best Men: Four Who Dared: The Early Years of the CIA*. New York: Simon & Schuster, 1995.
- Trachtenberg, Marc. *A Constructed Peace: The Making of the European Settlement 1945-1963*. Princeton: Princeton University Press, 1999.
- Watson, Robert J., ed. *History of the Joint Chiefs of Staff, Volume V: The Joint Chiefs of Staff and National Policy 1953-1954*. Washington, D.C.: Historical Division, Joint Chiefs of Staff, 1986.
- Weiner, Tim. *Legacy of Ashes: The History of the CIA*. New York: Doubleday, 2007.
- Westad, Odd Arne. *The Global Cold War: Third World Interventions and the Making of Our Times*. Cambridge: Cambridge University Press, 2007.
- Yergin, Daniel. *The Prize: The Epic Quest for Oil, Money, and Power*. New York: Simon and Schuster, 1991.

### Articles

- Abrahamian, Ervand. "The 1953 Coup in Iran." *Science and Society* 65, no. 2 (Summer 2001): 182-215. <http://www.jstor.org/stable/40403895>. Accessed September 22, 2014.

- Behrooz, Maziar. "Tudeh Factionalism and the 1953 Coup in Iran." *International Journal of Middle East Studies* 33, no. 3. (August 2001): 363-382.  
<http://www.jstor.org/stable/259456>. Accessed September 25, 2014.
- Brands, H.W. "The Cairo-Tehran Connection in Anglo-American Rivalry in the Middle East, 1951-1953." *The International History Review* 11, no. 3 (August 1989): 434-456.  
<http://www.jstor.org/stable/40106043>. Accessed November 16, 2014.
- Connelly, Matthew. "Taking Off the Cold War Lens: Visions of North-South Conflict during the Algerian War for Independence." *The American Historical Review* 105, no. 3 (June 2000): 739-769. <http://www.jstor.org/stable/2651808>. Accessed March 20, 2015.
- Gallagher, Nancy E. and Dunning S. Wilson. "Suppression of Information or Publisher's Error? Kermit Roosevelt's Memoir of the 1953 Iranian Countercoup." *Middle Eastern Studies Association Bulletin* 15, no. 1 (July 1981): 14-17. <http://www.jstor.org/stable/23057891>. Accessed September 18, 2014.
- Gasiorowski, Mark J. "The CIA's TPBEDAMN Operation and the 1953 Coup in Iran." *Journal of Cold War Studies* 15, no. 4. (Fall 2013): 4-24.  
[http://muse.jhu.edu/journals/journal\\_of\\_cold\\_war\\_studies/v015/15.4.gasiorowski.pdf](http://muse.jhu.edu/journals/journal_of_cold_war_studies/v015/15.4.gasiorowski.pdf). Accessed October 20, 2014.
- Ghasimi, Reza. "Iran's Oil Nationalization and Mossadegh's Involvement with the World Bank." *Middle East Journal* 65, no. 3 (Summer 2011): 442-456.  
[http://muse.jhu.edu/journals/the\\_middle\\_east\\_journal/v065/65.3.ghasimi.pdf](http://muse.jhu.edu/journals/the_middle_east_journal/v065/65.3.ghasimi.pdf). Accessed February 23, 2015.
- Gavin, Francis J. "Politics, Power, and U.S. Policy in Iran, 1950-1953." *Journal of Cold War Studies* 1, no.1 (Winter 1999): 56-89.  
[http://muse.jhu.edu/journals/journal\\_of\\_cold\\_war\\_studies/v001/1.1gavin.html](http://muse.jhu.edu/journals/journal_of_cold_war_studies/v001/1.1gavin.html). Accessed September 3, 2014.
- Immerman, Richard H. "Eisenhower and Dulles: Who Made the Decisions?" *Political Psychology* 2, no. 3 (Autumn 1979): 21-38. <http://www.jstor.org/stable/3791100>. Accessed November 19, 2014.
- Karber, Phillip A. and Jerald A. Combs. "The United States, NATO, and the Soviet Threat to Western Europe: Military Estimates and Policy Options, 1945-1963." *Diplomatic History* 22 no. 3 (Summer 1998): 399-429. <http://dh.oxfordjournals.org/content/22/3/399.full.pdf>. Accessed February 2, 2015.
- Kaufman, Burton I. "Oil and Antitrust: The Oil Cartel Case and the Cold War." *The Business History Review* 51, no. 1 (Spring 1977): 35-56. <http://www.jstor.org/stable/3112920>. Accessed November 21, 2014.

- Little, Douglas. "Mission Impossible: The CIA and the Cult of Covert Action in the Middle East." *Diplomatic History* 28, no. 5 (November 2004): 663-701. <http://dh.oxfordjournals.org/content/28/5/663.full>. Accessed February 2, 2015.
- Marsh, Steve. "Anglo-American Crude Diplomacy: Multinational Oil and the Iranian Oil Crisis, 1951-53." *Contemporary British History* 21, no. 1 (February 2007): 25-53. <http://dx.doi.org/10.1080/13619460600785259>. Accessed September 4, 2014.
- . "HMG, AIOC and the Anglo-Iranian Oil Crisis: In Defence of Anglo-Iranian." *Diplomacy and Statecraft* 12 no. 4 (2001): 143-174. <http://www.tandfonline.com/doi/pdf/10.1080/09592290108406230>. Accessed April 4, 2015.
- McMahon, Robert J. "Eisenhower and Third World Nationalism: A Critique of the Revisionists." *Political Science Quarterly* 101, no. 3 (1986): 453-473. <http://www.jstor.org/stable/2151625>. Accessed March 20, 2015.
- Ruehsen, Moyara de Moraes. "Operation 'Ajax' Revisited: Iran, 1953." *Middle Eastern Studies* 29, no. 3 (July, 1993): 467-486. <http://www.jstor.org/stable/4283579>. Accessed September 29, 2014.
- Smith, Tony. "New Bottles for New Wine: A Pericentric Framework for the Study of the Cold War." *Diplomatic History* 24, no. 4 (Fall 2000): 567-591. <http://onlinelibrary.wiley.com/doi/10.1111/0145-2096.00237/abstract>. Accessed February 21, 2014.
- Stueck, William. "Reassessing U.S. Strategy in the Aftermath of the Korean War." *Orbis* 53, no. 4 (July 2009): 571-590. <http://www.sciencedirect.com/science/article/pii/S0030438709000556>. Accessed September 25, 2014.
- Takeyh, Ray. "What Really Happened in Iran: The CIA, the Ouster of Mosaddeq, and the Restoration of the Shah." *Foreign Affairs* 93, no. 2 (July / August 2014): 2-13. [http://heinonline.org/HOL/Page?handle=hein.journals/fora93&div=81&g\\_sent=1&collection=journals](http://heinonline.org/HOL/Page?handle=hein.journals/fora93&div=81&g_sent=1&collection=journals). Accessed February 20, 2015.
- Trachtenberg, Marc. "A 'Wasting Asset': American Strategy and the Shifting Nuclear Balance, 1949-1954." *International Security* 13, no. 3 (Winter 1988/89): 5-49. <http://www.jstor.org/stable/2538735>. Accessed December 7, 2014.
- Wells, Jr., Samuel F. "Sounding the Tocsin: NSC 68 and the Soviet Threat." *International Security* 4, no. 2 (Fall 1979): 116-158. [www.jstor.org/stable/2626746](http://www.jstor.org/stable/2626746). Accessed September 9, 2014.

Wittkopf, Eugene R. and James M. McCormick. "The Cold War Consensus: Did it Exist?" *Polity* 22, no. 4 (summer 1990): 627-653. <http://www.jstor.org/stable/3234822>. Accessed February 3, 2015.

Zubok, Vladislav. "Soviet Intelligence and the Cold War: The 'Small' Committee of Information, 1952-53." *Diplomatic History* 19, no. 3 (Summer 1995): 453-472. <http://onlinelibrary.wiley.com/doi/10.1111/j.1467-7709.1995.tb00643.x/abstract>. Accessed November 2, 2014.