

The United States, Iran and Operation 'Ajax': Inverting Interpretative Orthodoxy

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In August 1953 American agents covertly assisted a coup to depose the Iranian Prime Minister, Muhammad Mosadeq, and paved the way for his country to become a US client state under the rule of the Shah. This marked the climax of over three years of crisis brought about by the failure of the Anglo-Iranian Oil Company (AIOC) and successive Iranian governments to agree terms for a revision of the 1933 oil concession. These years witnessed informal and formal American mediation efforts and a complicated diplomatic waltz as Britain and Iran each cut in to woo the US into partnership against the other. What began as a straight-forward commercial dispute rapidly escalated into an international crisis, particularly once the British government greeted Mosadeq's nationalization of the AIOC's Iranian assets on 1 May 1951 with threats of military intervention.

The actual events of the coup have been quite comprehensively reconstructed over the years, especially with the release in 2000 of the Wilber Report that provides a secret inside history of the coup.¹ A whole raft of explanations has likewise been posited for Eisenhower's decision to launch Operation 'Ajax' against Mosadeq. These include claims that Eisenhower's entrance to office brought a co-ordinated Anglo-American front against Iran,² that Republican connections with Big Business allowed the oil companies to exert greater influence on US policy,³ and that Eisenhower's administration was simply more willing than its predecessor to adopt assertive policies that used a wider range of instruments, including the use of the CIA for covert operations.⁴ Still other explanations offered for Eisenhower's decision emphasize structural changes in the international system, such as an armistice in Korea, new Soviet leadership following Stalin's death, and a shift by 1953 in the East-West balance of power due to massive US re-armament after National Security Council Resolution 68 (NSC-68) formally globalized containment policy in 1950.⁵

All of this has combined to create what might be termed an interpretative orthodoxy of the coup, which stresses policy change between the Truman and Eisenhower administrations and that consequently explains it in terms

of various 'change factors'. However, whilst not denying the significance of some changes, notably the greater willingness of the Dulles brothers to consider a coup compared to key officials in the Truman administration,⁶ this article argues that there is something new and important to add to the debate about why the Eisenhower administration resolved upon Operation 'Ajax'. It does so by inverting the interpretative orthodoxy to argue that there was actually a high level of policy continuity between the Truman and Eisenhower administrations and that, cast in this light, the coup can be seen as due less to the change in administration than to its being a logical option of last resort when all other courses consonant with their mutual considerations had been closed off. What Eisenhower did in August 1953 so, logically, might Truman have done had he still been in power and conditions remained the same.

The article is divided into four sections. The first contextualizes the decision to launch the coup by outlining US interests in what was nominally a commercial dispute between Iran and the British-owned AIOC. The second section identifies and explores the shared objectives, assumptions and policy considerations of the Truman and Eisenhower administrations that together provided for policy continuity and delimited the policy options at their disposal to deal with the crisis in Iran. The third section analyses how the Truman administration slowly whittled away those policy options that were consonant with its objectives, assumptions, and policy considerations. The final section demonstrates how US Iranian policy made an almost seamless transition between the Truman and Eisenhower administrations and how the latter systematically closed off what options remained until all that was left was a choice between Operation 'Ajax' and writing Iran off to communism as an expendable asset.

The oil dispute began in late 1948 when the Iranian government invited the AIOC to re-negotiate the 1933 oil concession. There was nothing unusual or unexpected in this. A Single Article law passed by the Iranian Majlis (Parliament) on 22 October 1947 had committed the government to re-examine the concession,⁷ and the AIOC acknowledged that over time an unjust situation had developed and that this was being exacerbated by the British Labour government's income tax and dividend restriction policy.⁸ Indeed, the dispute was seemingly resolved when protracted negotiations finally arrived on 17 July 1949 at a Supplemental Oil Agreement.⁹

To this point the US had been an idle spectator. US policymakers regarded Iran initially with 'disinterested optimism' and, with the exception of their Ambassador in Tehran John Wiley, deemed the country as safe from communism.¹⁰ Their only interest in the oil dispute was whether the terms

of its settlement would set a precedent for American oil companies operating in the Middle East. However, matters changed when Iranian opponents of the Supplemental Oil Agreement filibustered out the term of the 15th Majlis, which ended on 28 July 1949. The eight months it took to elect its successor allowed the newly formed National Front to consolidate the position of Iranian nationalists and to put itself in the vanguard of those demanding more radical concessions from the AIOC. Even more importantly, these eight months witnessed a dramatic shift in US attitudes towards Iran as the Truman administration prepared to globalize its containment strategy.

Encapsulated in NSC-68, the globalization of containment strategy rapidly propelled Iran upwards in America's list of 'vitals' and policymakers quickly shelved disinterested optimism in favour of desperate concern about its new-found vulnerability to communist subversion. Iran's oil, proximity to the USSR, and geo-strategic location to the Persian Gulf made it simultaneously a western asset and a weak spot in the perimeter fence. If the Soviets secured access to the Persian Gulf, they would acquire advance bases for military and subversive activities that were hundreds of miles nearer potential US-UK lines of defence in the Middle East. They would also be able to disrupt western communication and supply lines, especially shipping in the Persian Gulf and continental air routes across Iran and adjacent areas. Furthermore, the will of Middle Eastern countries to resist Soviet aggression would be gravely damaged and western rearmament and economic reconstruction jeopardized by Soviet control of part of the Middle Eastern oil reservoir and their ability to threaten the remainder.¹¹

An associated US interest in Iran stemmed from its concern for Middle Eastern defence. This was a region of little traditional US influence. There was, too, little prospect for some time to come of projecting sufficient US power into the region to safeguard it against Soviet incursion. Post-war demobilization and several years of austerity in military expenditure meant that there were simply not the resources adequate to defend the burgeoning list of US strategic vitals. Also, primary US security interests outside of the western hemisphere remained in the North Atlantic area and the Korean war tied down the bulk of US conventional forces in the Far East, particularly once the Chinese intervened in October 1950. All of this meant that no significant American forces could be devoted to the Middle East¹² and that alternatives had to be found.¹³ This is where Iran came into the picture. In addition to relying on Britain's traditional presence in the area, the US looked towards regional collective security arrangements. Although Iran was not militarily strong, its geo-strategic location made it invaluable in such endeavours. For example, US efforts to bolster Turkey and Pakistan

against the Soviets would be undermined if Iran were to remain a 'soft underbelly'.¹⁴ This thinking in 1950 crystallized later into the Northern Tier concept for Middle Eastern defence, which became more prominent in US planning once the Middle East Defence Organization failed to take hold. If a defence of Iran could be made at the Zagros mountain range in the north of the country, then a Soviet attack might be delayed, if not deterred.

US interest in the oil dispute stemmed also from multiple dangers inherent in Britain and Iran failing to reach a settlement. First, oil revenues were Iran's principal source of foreign exchange and internal investment. Were these to be disrupted or lost, then the Iranian economy would be dislocated and the conditions for communist subversion would be served up on a platter for the Tudeh Party. Second, American policyplanners relied heavily upon British co-operation in the battle against communism, so much so that, amongst all US international relationships, the UK was 'in a special or preferred position – the facts of the world situation require it'.¹⁵ However, Britain had been gravely weakened by World War Two, its economic cost in particular, and slow post-war British recovery threatened their ability to retain all of the overseas commitments that Washington wanted them to. This meant that the US needed wherever possible to assist Britain to safeguard its precarious economic position, which in Iran meant ensuring that British interests were protected as best possible. After all, the AIOC's Iranian operation was Britain's single largest overseas asset and of vital importance to its balance of payments. Third, Mosadeq's nationalization of the AIOC's Iranian assets and Britain's consequent imposition of an oil embargo threatened to jeopardize western rearmament and economic reconstruction because these depended upon adequate and reliable sources of oil.¹⁶ More alarming still was that if Iran fell to communism then not only might neighbouring Middle Eastern states topple like dominoes around it, but all of Western Europe could be lost. As the Eisenhower administration explained, it was anticipated that by 1975 the region would be 90 per cent dependent on Middle Eastern oil. Without such supplies 'Western Europe is not defensible, our investment in its rehabilitation will be dissipated, and it will be lost and become a liability to the free world.'¹⁷ Finally, the US had to consider the possibility that the dispute could escalate into a superpower confrontation. This concern peaked in the summer of 1951 when Britain considered military intervention to safeguard its economic interests in southern Iran, especially the huge oil refinery at Abadan. This would theoretically allow the USSR to invoke a clause in a 1921 Treaty of Friendship with Iran whereby it could intervene in Iran if the country were occupied by the forces of another power. The British downplayed this fear and a number of key officials privately accepted that, if necessary, the protection of their interests in southern Iran would probably be worth seeing

the country partitioned between Britain and the USSR. All of this was, of course, totally unacceptable to the United States. The US had led the battle to guarantee Iranian independence in 1946, when Stalin delayed the withdrawal of Soviet troops from the north of the country. Five years later Iran was an important strategic asset along the free world's perimeter fence and it was vital that the situation there be contained and then resolved peacefully.

Traditional interpretations of US Iranian policy have often seen the transition between the Truman and Eisenhower administrations as bringing about significant changes. Whilst there were undoubtedly some, this overweening focus on change factors has inflated their significance and obscured the fact that US Iranian policy from 1950 through to the resolution of the oil dispute in October 1954 enjoyed considerable continuity. There was, in fact, an unusually strong sharing between the administrations of policy objectives and guiding principles, and of conclusions about what options these considerations allowed when dealing with the crisis in Iran.

The Truman and Eisenhower administrations both viewed Iran and the oil crisis predominantly as a Cold War issue, an approach helped by the fact that there were precious few vested US economic interests to consider in Iran.¹⁸ As George McGhee, US Assistant Secretary for Near Eastern and South Asian Affairs, noted: 'were it not for the Cold War, there is no reason why we shouldn't let the British and the Iranians fight it out'.¹⁹ Their principal objective was to hold Iran in the western orbit and the principal threat to this was communist subversion. It is true that Truman fretted in the summer of 1951 about possible British military action provoking Soviet intervention in Iran and escalating the crisis, at least until strong and consistent US opposition forced Britain to stand down its threat in September that year. Likewise, Eisenhower speculated in March 1953 whether an assertive Soviet move against Iran would necessitate full US mobilization.²⁰ However, neither actually rated Soviet military action against Iran as likely and both concentrated on the threat that the communist Tudeh Party would feed on Iranian socio-economic discontent until it was able to seize power.

These fears of communist subversion were underpinned by a combination of perceived Iranian socio-economic weakness and the debilitating effects of Britain's decision to impose legal and economic sanctions upon Iran in retaliation for Mosadeq's nationalization of the AIOC's Iranian assets in May 1951. For example, in 1950 US officials glumly noted that the Iranian Seven Year Plan, which envisaged £210 million of economic and social development, lay moribund.²¹ In addition

there was a lack of investment, a decline in industrial activity and purchasing power, a significant foreign exchange account deficit, and an alarming flight of capital from the country that signalled plummeting confidence in the economy and the national government.²² Matters threatened to spiral out of control once Britain imposed sanctions. The most significant of these was a cessation of oil production in Iran and an oil embargo to ward off any prospectors trying to capitalize on the situation. British Chancellor of the Exchequer Hugh Gaitskell noted it as a policy of 'allowing the Persians to impose economic sanctions on themselves'.²³ In addition, Britain prevented the export to Iran of materials such as steel rails and sugar, and suspended its economic privileges under the 'Memorandum of Understanding'.²⁴ Britain's gamble was that economic sanctions would build pressure upon Mosadeq to accept an oil deal without precipitating a Tudeh take-over because Iran was a primitive agricultural community and a country where 80 per cent of the population lived off the land at bare subsistence level 'does not "collapse" economically. It sags ...'.²⁵

The Truman and Eisenhower administrations branded British tactics as reckless brinkmanship that threatened to gift Iran to the communists rather than to deliver to Britain an oil deal. They were united in their belief that the best hope of keeping Iran in the western orbit was to improve, not to worsen, the socio-economic conditions of the Iranian people and to encourage long overdue political and administrative reforms. As for how to do this, they were again in agreement: the Seven Year Plan had to be resurrected. This, however, required considerable investment capital, which Iran simply did not have in the absence of the oil revenues that comprised over 50 per cent of its foreign exchange income and a third of its total income.²⁶ The US therefore quickly came to regard a settlement of the Anglo-Iranian oil dispute as a vital Cold War measure in its battle to safeguard Iran against communist subversion. Once a settlement was made, then Iran would have the resources necessary to drive through the Seven Year Plan and assets sufficient to cover any temporary investment shortfalls through loans from the International Bank for Reconstruction and Development and the ExIm Bank.

When Truman and Eisenhower devised their Iranian policy they also shared four key assumptions that acted as parameters in the formulation of policy options. The first of these was that they needed to find and work with those people in Iran who offered the best hope of strong, pro-western government and who would be able to drive through an oil deal and socio-political reforms. As Secretary of State Dulles warned in June 1953, an oil settlement 'would not in itself bring stability to Iran'.²⁷ Moreover, the US should, wherever possible, seek to channel Iranian nationalism against communism and avoid associating itself with western imperialism. For

example, in spring 1951 the Truman administration withheld support from the Supplemental Oil Agreement in part because of the 'undue risk that we would be placed in opposition to those forces demanding nationalization'.²⁸ Similarly, even after the coup in August 1953, the Eisenhower administration felt that it should 'Recognize the strength of Iranian nationalist feeling; try to direct it into constructive channels and be ready to exploit any opportunity to do so'.²⁹

The second shared assumption was that due and sympathetic consideration had to be given to British interests. Although the Americans disagreed with British priorities, they were forced to acknowledge that Britain had at stake an enormous investment in Iran and wider considerations for its prestige and other overseas assets. As Secretary of State Dean Acheson noted in November 1951, 'Either one discounts completely their sincerity or one must accept the strong indication which we have had that they really believe that to yield to Iran is to write a vitally important chapter in the decline of the U.K.'³⁰ Even more importantly, the globalization of containment strategy had placed Britain in a unique category as America's principal and only indispensable ally in the battle against communism. It was a principal partner in strategic and economic planning, could offer leadership in Western Europe, and supplied numerous strategic staging posts and military bases. It also safeguarded the cohesion of the Commonwealth and exerted significant economic influence at the head of the Sterling Area. Moreover, and this was particularly important in the formulation of US policy towards Iran, Britain had military responsibility for the Middle East,³¹ including strategic responsibility for Iran.³² All of this meant an Anglo-American Special Relationship and considerable interdependence. On the one hand, this was beneficial in terms of restraining Britain from dangerous courses of action, such as military intervention in Iran. On the other, the Truman and Eisenhower administrations both conceded that it circumscribed their freedom of manoeuvre to force an oil settlement against British wishes in Iran. In September 1951 the Truman administration explicitly acknowledged that 'broad strategic considerations limit the extent to which we may force the U.K.'s terms for the purpose of achieving a compromise on the oil question'.³³ In March 1953 the Eisenhower administration echoed this in its own conclusion that it 'could not afford to achieve our objectives in Iran if we "did in" the British at the same time'.³⁴

Truman and Eisenhower's third assumption was that neither the dispute nor its settlement could be allowed to destabilize world oil markets or to endanger the sanctity of contract. This had important implications for their Iranian policies because it meant that they could not sanction any solution to the oil crisis that could be seen to countenance the abrogation of contract

without payment of due compensation, the amount preferably being arbitrated by the International Court of Justice (ICJ). Furthermore, Cold War and commercial considerations combined to make it vitally important that any settlement must be defensible as just to Iran but must not destabilize other concessions in the Middle East by offering Iran terms better than its oil producing neighbours. Moreover, the flow of oil to the west needed to be maintained in terms both of quantity and of price. Overproduction or dumping of Iranian oil on world markets threatened to drive prices downwards unacceptably. Conversely, Britain's oil embargo threatened to create an oil shortage that would drive prices upwards and jeopardize western economic reconstruction and rearmament programmes. All of this meant that the US would have to intervene to regulate the volume and destination of world oil supplies, which meant relying on the co-operation of the oil majors because only they had the markets, tankers, contracts and world market share to do this. It meant, too, that the two administrations would need to find terms and arrangements for Iran that neither undermined the sanctity of contract and the stability of world oil markets nor had ripple effects that might destabilize other vulnerable Middle Eastern oil producing states.

The final assumption that the administrations shared was that, for reasons of anti-communism and of American domestic political and world opinion, they had to be seen to do something to prevent the loss of Iran to the Soviet Bloc. As was concluded at an NSC meeting in March 1953, if the US stood idly by and allowed Iran to fall into the hands of communists, the knock-on effect throughout the Middle East would be disastrous and 'Congress would take a poor view of this eventuality.'³⁵ This was very significant for the Truman and Eisenhower administrations' Iranian policy. It coloured their assessments of the seriousness of the position in Iran, American estimates of impending communist take-over almost always being more alarmist than those of the British. For example, in the winter of 1950/51 Iran banned BBC and 'Voice of America' broadcasts. The US saw this as an Iranian move away from the west. Britain, though, simply deemed it 'a sop to the Russians' and in January 1951 argued that the communist threat had actually receded.³⁶ Viewing the oil crisis through the Cold War prism naturally also inclined the Truman and Eisenhower administrations to search for quick solutions because they needed to be seen to do something to counter what they perceived as a pressing communist threat. As time went by this led them to numerous differences with Britain, whose war of attrition was diametrically opposed to the US search for a quick resolution. Thus, whilst the Americans felt that 'the persistent and unusual stupidity of the Company and the British Government'³⁷ had gifted the Tudeh with a real opportunity to seize power,³⁸ the British resented increasingly American

impatience,³⁹ their significantly 'more elastic'⁴⁰ ideas of a tolerable agreement, and their habit of producing 'scheme after scheme at short notice in the hope that something can be found acceptable to Musaddiq'.⁴¹

The Truman and Eisenhower administrations thus shared the primary objective of combating communist subversion in Iran, the conclusion that this depended upon an oil settlement to stimulate socio-economic improvement through the Seven Year Plan, and four key assumptions that acted as parameters when they came to devise their Iranian policy. In addition, they also shared a complicating factor: Britain and Iran each assumed uncompromising positions and neither shared America's Cold War priorities. In Iran the oil dispute, although nominally a conventional commercial disagreement, quite rapidly became a symbol of the Iranian nationalist struggle to exorcize British imperial power from their country. This became particularly problematic once the movement was conferred Islamic legitimacy and widespread support by the mullahs, led by the influential Ayatollah Kashini, coming out in opposition to the Supplemental Oil Agreement in autumn 1950.⁴² The consequent cocktail of religious fervour and nationalist ground swell made Iranian politics particularly volatile and limited the prospects for compromise from an early stage. For example, when Iranian Prime Minister General Razmara was assassinated on 7 March 1951 the new US Ambassador to Iran, Henry Grady, attributed his death to his support of the Supplemental Oil Agreement.⁴³ As for Britain, it too quickly adopted a hard-line stance. It was determined to protect its premier overseas asset and saw the oil crisis as a litmus test of its determination to 'transform the barbican of empire, the Middle East, into its new keep and stronghold'.⁴⁴ Once Mosadeq nationalized the AIOC's Iranian assets, Britain resolved to use Iran as a demonstration to others of the fate that would befall any nation that challenged British interests.⁴⁵ A failure of will invited disaster for 'once the prestige of a country has started to slide there is no knowing where it will stop'.⁴⁶ Besides, the British government was the majority shareholder in the AIOC, Iranian oil was vital to Britain's balance of payments, and the Abadan oil refinery was the largest in the world and a source of national pride that no government could stand idly by while it was 'stolen' by Mosadeq.⁴⁷ All of these considerations meant that Britain had priorities very different to those of the US, which British officials captured neatly in February 1952: 'For the United States the cold war is paramount, whereas for the United Kingdom our economic strength is at the moment fundamental.'⁴⁸ This inclined the British to see American judgement as 'completely clouded'⁴⁹ by their fear of losing Iran to communism, whilst US officials saw British determination to 'save every possible penny' as causing them 'in our opinion to put undue weight on the financial aspects of their foreign problems'.⁵⁰

When the Truman and Eisenhower administrations examined policy options in Iran they were therefore constrained by their own assumptions, a relatively weak US position in the Middle East, and a need to steer between two rival but important Cold War allies. What, then, could and could not comprise US Iranian policy? At the macro level, US defence of Iran against communism would certainly have to be non-military. Its ability to project power into the Middle East remained very limited throughout the crisis, despite the massive rearmament programs initiated to realize the prescriptions of NSC-68. Also, plans for regional defence co-operation, such as MEDO or the Northern Tier, made little headway, British capabilities were declining, and initiatives such as the ANZUS Pacific security treaty, which had been concluded 'precisely to free up Australian and New Zealand forces for the Middle East', could not deliver any forces to the area inside the first year of hostilities.⁵¹ Indeed, in 1953 Secretary of State Dulles felt that the US could do nothing in the event of a determined Soviet move on Iran short of accepting it as a *casus belli* for world war three. Even if token US forces could be found from elsewhere as a symbol of American support for Iran, they could not be deployed in Iran without risking the Soviets invoking the 1921 Treaty of Friendship.

This meant that US Iranian policy had to be devised from a position of relative weakness. In addition, the Truman and Eisenhower administrations' shared assumptions ruled out several other options. For a start, the US could not conclude a unilateral deal with Iran to lift oil supplies without British approval and Iran's agreement to pay Britain compensation for its nationalization of AIOC Iranian assets. To do so would jeopardize the sanctity of contract and place the US in a position where it would be seen to have tacitly underwritten Iran's abrogation of its 1933 concession with the AIOC. Also, it would infuriate Britain and compromise its ability and willingness to co-operate in American grand strategy for the global containment of communism. As the British themselves noted in August 1952, 'there could hardly be a worse blow to British interests than the example of a country which, after finally and successfully expropriating a British interest in breach of its constitutional obligations, is rewarded by American aid'.⁵²

The option of providing large-scale US aid to feed Iranian socio-economic reform in the absence of an oil agreement also carried unacceptable consequences. It would entail a bruising battle with Congress given that Iran potentially had from its oil all the income it needed. Even if this were won, there was no guarantee either that the effects of aid would not be dissipated by Iranian corruption and mismanagement or that Iranian nationalism would not turn against aid dependency as neo-imperialist, with devastating implications for US prestige. Also, substantial US aid would impact gravely upon Anglo-American relations as it would undercut

Britain's war of attrition. It might even prolong the oil crisis by so relieving the pressure on Iran that it would never accept an oil deal and leave the US faced with an indefinite aid commitment. Furthermore, being seen to 'bail out' Iran of its predicament again threatened to cast the US in the role of rewarding states that abrogated the sanctity of contract.

All of these considerations threw the emphasis firmly on a negotiated settlement of the oil dispute. Also, because the US needed a quick resolution and, as Acheson told Eisenhower in a transition meeting on 18 November 1952, 'Both parties had been wholly unreasonable',⁵³ it had to adopt the position of mediator to inject the necessary momentum. Furthermore, the shared assumptions and objectives of the Truman and Eisenhower administrations meant that once in that role they would have to tread a very careful path between Britain and Iran. To veer towards Iran's case would alienate Britain, with potentially grave repercussions for Anglo-American relations and for containment strategy. To veer too close to Britain, though, threatened to allow the standing of the US to become tarnished by association with imperialism and to jeopardize its efforts to steer nationalism against communism. And in doing all of this, the US had to work with pro-western leaders in Iran, against the clock if Iran's slide towards either neutrality or communism were to be stopped, and in a way that sent the right signals to the free world about US determination and fair-mindedness, which was especially important in the battle for unaligned developing countries.

So in practice, what policy options emerged for the Truman and Eisenhower administrations from the complex interplay of shared objectives, assumptions, and complicating factors? The answer was very few, and US ability to pursue even these was limited by its relative weakness in the Middle East. Both administrations resolved to mediate the dispute, treading a precarious path between their two rival Cold War allies. They aimed to educate, persuade and cajole them into a negotiated oil deal at a speed acceptable to the US and on terms that could be defended as just for Iran but that would neither destabilize concessions elsewhere nor undermine the sanctity of contract. And the variables that they had to play with in doing this were just extracting concessions from Britain to appease Iranian demands and a change of government in either country that would bring to power leaders who were less obstinate in reaching an oil settlement.

The Truman administration quickly began to defend US interests and to narrow down the already limited policy options in Iran. One of the first things it did was to investigate how to maintain oil supplies to the west and what terms would strike a practical balance between the interests of oil

companies in the Middle East and the provision of a more equitable return for their host countries. The former consideration became acute once Mosadeq nationalized the AIOC's Iranian assets and Britain imposed its oil embargo. Western Europe suddenly faced an oil shortage that jeopardized rearmament and reconstruction programmes and threatened to incur it an additional dollar oil charge of \$700,000,000.⁵⁴ The Truman administration responded with Plan of Action No. 1. Antitrust protection was granted under the Defense Production Act for nineteen American oil companies operating abroad to form a voluntary arrangement to compensate for the oil shortfall created by the Iranian crisis. 19,429,000 barrels of crude oil and 26,558,000 barrels of refined products were subsequently supplied to areas in need in the free world,⁵⁵ and on 4 December 1952 Truman administration officials happily concluded that these efforts had prevented any overall shortage of crude petroleum or petroleum products.⁵⁶ However, with this success came also a problem that later haunted Truman and Eisenhower's search for an oil settlement. So successfully was the loss of Iranian oil compensated for that Iran effectively lost its market. To reintegrate these supplies would be extremely expensive and require voluntary cut-backs in production elsewhere if world oil markets were not to be destabilized.⁵⁷ Indeed, by 1953 the British were disposed not to reach an oil settlement for as long as Middle East crude oil was in surplus and tankers were plentiful. Meantime they 'could be content to leave Persia to scrape a living on the marginal oil she could sell, together with what dollar aid the Americans might offer her'.⁵⁸

As for what terms would be needed to secure an oil deal in Iran, the Truman administration sought to take into account growing Middle Eastern nationalism, Western Europe's dependency on Middle Eastern oil supplies, and the sanctity of contract. It also took into account the interests of the US oil majors for they were *de facto* representatives of the US and western capitalism in the developing world, guarantors of essential oil supplies to the west, and galvanizers of socio-economic development in their host nations on account of revenues paid to local governments, employment opportunities, and demands that they created for ancillary services.⁵⁹ In what was to have a major bearing on the Iranian oil crisis, the Truman administration endorsed in December 1950 a concession settlement between the Arabian-American Oil Company (ARAMCO) and Saudi Arabia.⁶⁰ This set a 50:50 profit-sharing precedent that marked 'an economic and political watershed no less significant for the Middle East than the transfer of power for India and Pakistan'.⁶¹ Not surprisingly Iran instantly claimed this precedent in the Middle East as the basis for its own demands. More importantly, the Truman administration accepted it as a practical balance between the interests of oil companies and the provision

of a more equitable return for their host countries, with additional revenues contributing to economic stability in the Middle East and thereby to combating the appeal of communism. Moreover, the manipulation of tax credits meant that ARAMCO-style arrangements with US oil majors gave them a competitive advantage over other companies and provided the US government with a means of supplying relatively inexpensive indirect aid free from charges of 'economic imperialism' and the need of Congressional approval.⁶² From December 1950 the Truman administration thus set about defending the 50:50 basis across the Middle East and, in the process, set the terms it felt would be acceptable in Iran. In short, Anglo-American interests were effectively joined at the 50:50 profit-sharing boundary because neither the Truman nor the Eisenhower administrations would extract from Britain concessions that crossed it in the interests of a settlement in Iran.

With regard to Britain and Iran, the Truman administration resolved upon 'the difficult twofold task of attempting [to] seek [a] parallel although not identical UK-US approach [to] Iran problems which will further our aims in Iran without undermining Brit[ain's] position at same time as taking every appropriate action [to] disabuse Iran's impression [that a] basic pol[icy] cleavage exists'.⁶³ Prior to nationalization this amounted in practice to informally pressing Britain to sweeten the Supplemental Oil Agreement and searching for strong and pro-western Iranian leadership with which to work towards an oil settlement and socio-economic reform. Early in 1950, the US was convinced that the Supplemental Oil Agreement was insufficient, that Britain's 'take it or leave it' approach⁶⁴ smacked of arrogant colonialism,⁶⁵ and that the British were misreading the extent to which a commercial negotiation had become entwined with Iranian nationalist opposition to foreign interference. In January 1950 McGhee told the AIOC to be less parsimonious and more responsive to the dynamics of the Middle East situation. Acheson reinforced this message during a Foreign Ministers meeting in May, and in September 1950 McGhee flew to London to appeal once more for relatively minor, but timely, concessions from the AIOC Board of Directors.⁶⁶ US officials became convinced that the AIOC had to adopt a more realistic approach to the oil crisis and, even, to appoint new management, particularly once Iran's Special Oil Committee passed a resolution on 25 November unanimously condemning the Supplemental Oil Agreement as insufficient to secure the rights of Iran.⁶⁷ Once news of the ARAMCO deal broke, the US pressed Britain for nothing less than 50:50 profit-sharing terms for Iran and 'special measures' that would frame the agreement in language and arrangements that would be acceptable to Iranian nationalists.⁶⁸

Meantime, the Truman administration searched for suitable leaders to work with in Iran. It seized first on General Razmara who became Prime

Minister in June 1950 after the collapse of Ali Mansur's government, which the Americans had opposed strongly.⁶⁹ After a series of weak Iranian governments, Razmara offered a chance to push through essential domestic reforms and the Supplemental Oil Agreement.⁷⁰ Thereafter, the Americans leaned on Britain to make concessions to sweeten the oil deal, not only because Razmara needed them to get an agreement through the Majlis,⁷¹ but also because they were not convinced that British terms could be defended as just, particularly once the ARAMCO deal was signed. The same basic line was continued after Razmara was assassinated in March 1951, with the Truman administration pragmatically adopting Mosadeq instead as the next best hope for pro-western leadership. He was deemed a 'violent nationalist' and an 'unknown quantity',⁷² but options were few, his nationalist credentials promised to help the US channel nationalism against communism, and his undoubted popularity might allow him to get some type of oil deal past the Majlis.⁷³

The Truman administration was forced to change tactics and emphasis when Mosadeq nationalized the AIOC's Iranian assets on 1 May 1951. Added urgency was created by Britain's threat to take military reprisals, which could potentially escalate the crisis into superpower confrontation because of the 1921 Treaty of Friendship. Also, Mosadeq's failure to pay the AIOC due compensation threatened the sanctity of contract, which the US could not possibly condone. Furthermore, it was becoming more difficult to demand concessions of Britain. Iran was behaving unreasonably and a combination of US pressure and the impact on the oil world of the ARAMCO precedent had persuaded the AIOC to improve its offer to a level that its chairman, Sir William Fraser, considered equivalent to the 50:50 profit split. The AIOC had even suggested additional incentives, such as measurement regulators; gas provision for, and special rates on, certain goods to the Iranian government; and a £1 million grant to the Tehran University.⁷⁴ Moreover, the British government had manoeuvred in ways that made it hard for the Truman administration to withhold some support for it. First, at US behest, it had publicly conceded that some form of nationalization was possible, which offered Mosadeq an opportunity to reach an oil settlement without losing face.⁷⁵ Second, Prime Minister Attlee met Truman's request, against his better judgement, to send a mission in June headed by the AIOC's Basil Jackson⁷⁶ to negotiate with Mosadeq in Tehran.⁷⁷ Although this came to nothing, Britain had at least shown willingness to negotiate. Third, Attlee's government had secured a *locus standi* in the dispute when the ICJ awarded it an interim injunction preventing Iran from taking further steps toward nationalization until the Court ruled on Britain's application of 28 May that Mosadeq's action was contrary to international law.⁷⁸ As British Foreign Secretary Herbert

Morrison pointed out, the ICJ ruling put the US 'in a position in which it cannot help supporting us, if not so fully as we might wish' because the US would be bound to uphold the credibility of the Court and international law.⁷⁹

All of this led the Truman administration into its first formal effort to mediate the crisis. In July 1951 Averell Harriman was dispatched to Iran as Truman's Special Envoy. The mission failed to find a compromise but was instructive for what it ascertained about the positions of Britain and Iran. Although Britain had finally conceded the principle of nationalization, British attitudes had not changed commensurably with the developments in Iran and there seemed to be little immediate likelihood of them revising their hard-line stance.⁸⁰ However, US sympathy for Iran waned as Harriman found that its position was too rigid and impractical. As for Mosadeq, he seemed to have little grip on the realities of the oil business, was unwilling to heed American advice, and was apparently 'obsessed with the idea of eliminating completely British oil company operations and influence in Iran'.⁸¹ US Ambassador to Iran, Henry Grady, warned in July 1951 that 'we are dealing here with passions and not with sense', and on 24 August Harriman confirmed that 'it appears utterly hopeless to get any sense out of Mosadeq'.⁸²

By January 1952 the Truman administration had successfully deterred Britain from potentially disastrous military intervention, drawn the limits of concession to Iran at the 50:50 profit-sharing boundary, and come to see Iran and Britain as equally recalcitrant. Iran's position was uncompromising and Mosadeq was seemingly unreliable, unrealistic, and unsympathetic to US interests. Britain was locked into a war of attrition that changed little when Churchill's Conservative government replaced Attlee's Labour government in autumn 1951. The only discernible difference was a harsher tone that 'starts from Churchill with the roar of a wounded lion, becomes more articulate with [Foreign Secretary] Eden, as he remembers twitting the Laborites for weakness during the campaign, and is fully rationalized by the civil servants'.⁸³ Worse still, the US had adopted a mediatory role in the dispute due to its Cold War concerns but had found that it had insufficient influence either to force an oil settlement or to extricate itself. Moreover, US policy had been unable to tread the fine line between Britain and Iran. Neither side would regard American actions as neutral and both saw US support as the key to securing its interests. Britain held US attempts to deal with Mosadeq to be a 'policy of despair'⁸⁴ and instead wanted the US to stop undercutting its war of attrition and to join in an Anglo-American front to force Iran into an oil deal. Iran wanted to exploit Anglo-American differences so that it could use Washington to extract more concessions from London.

US policymakers regrouped in early 1952. The situation seemed unpromising. Their protégé in Iran, Mosadeq, had quickly shown himself not to be the pliable bulwark against communism that they had hoped for. In fact, as early as September 1951 the Psychological Strategy Board had concluded that 'There is limited agreement that Mossadegh will have to be replaced before the chances for an oil agreement can improve.'⁸⁵ With this the British were in strong agreement. Prompted by the analyses of A.K.S. Lambton, who was regarded as a leading expert on Iran, they saw Iranian nationalism as a negative force born of discontent with the internal structure of Iran and transmuted into a desire to be liberated from supposed foreign domination.⁸⁶ This cast the AIOC as an unfortunate scapegoat for internal Iranian problems and reinforced firmly held beliefs that nationalization could not strengthen Iran internally. Most importantly, though, it meant that Mosadeq would not conclude a reasonable oil deal because he could harness the disparate sources of internal discontent only by appealing to extreme nationalism.⁸⁷ However, whereas the British were content to await Mosadeq's fall, the US was anxious to force a settlement to arrest Iran's slide to neutralism or communism. Considerations of world opinion also meant that the US had to demonstrate that Mosadeq could not be dealt with rather than to assume that this was the case. Besides, there were few viable alternative Iranian leaders with which the US could potentially work with.

As for negotiating a settlement, the best hope still lay in finding a formula within the 50:50 principle that could be accepted by Iran. But this meant leaning on Britain to take new initiatives, which was particularly difficult given that the British did not want to inject anything new into finding an oil settlement and that the US had limited leverage to force them to do so because of its dependence on Britain's military and strategic responsibility for Iran and the Middle East. As the Truman administration conceded in September 1951, '[the] U.S., in the absence of any overall plan of approach to Iran or the Middle East as a whole, has been placed in the position of following the British line'.⁸⁸ In addition, Anglo-American relations had become very strained over Iran. For example, at an Anglo-American summit meeting in January 1952 the American delegation had been brutally frank about 'how maladroitness we thought their handling [of the situation] had been'⁸⁹ and strongly critical of the British 'foot-dragging'⁹⁰ that threatened to gift Iran to the Soviets. In turn, Prime Minister Churchill had bemoaned the lack of US support, had argued that British problems in Egypt were a 'bastard child of the Iranian situation',⁹¹ and had declared that if there was, as he wanted, a closer Anglo-American identification of interests⁹² in the Middle East then it would 'divide our difficulties by ten'.⁹³ This combined Anglo-American position, the British thought, would remain exceedingly difficult to achieve for so long as 'we were continually asked

to whittle our ideas away to meet those of Dr Musaddiq⁹⁴ and US anxiety to do something undercut British economic sanctions and encouraged Mosadeq to exploit Anglo-American disharmony.⁹⁵ British feelings were summed up in instructions sent to their embassy in Washington in February 1952. It should:

present the issues in such a way that the State Department realise that, if they continue to press us to accept arrangements which endanger our vital interests, they will be confronting themselves with a choice between having an effective British ally and risking Persia going over to communism (a risk we believe they exaggerate). You should also warn them that British public opinion would be likely to react strongly if it learned that the United States Government was urging us to make agreement calculated to prejudice our interests not only in Persia but throughout the world.⁹⁶

The Truman administration thus had only two variables left with which to play in order to force an oil settlement: extracting more concessions from Britain or convincing the Iranian leadership, be that Mosadeq or a successor government, to accept an oil settlement with a 50:50 profit-share. During 1952 it tried both of these options. In February 1952 Mosadeq demanded that all revenues from Iranian oil must accrue to Iran and declared that he would 'prefer to obtain for the oil 100 per cent of 50 cents rather than 50 per cent of a dollar'.⁹⁷ This seemingly confirmed Mosadeq's unreasonableness and in spring 1952 the Truman administration decided that it might be best to look to a successor government in order to possibly ease Anglo-American tension, to settle the oil dispute and to lead Iran away from the Soviet orbit.⁹⁸ The US thus took measures that, whilst stopping short of active conspiracy with the British, *de facto* assisted their sponsorship of Qavam al-Saltana as a rival for Iran's leadership. It temporarily stopped its third-partying to resolve the oil dispute, which, in March 1952, it acknowledged might have encouraged Iranian intransigence.⁹⁹ It rejected Iranian suggestions that the US should purchase oil at a 50 per cent discount¹⁰⁰ and refused to provide them with budgetary assistance.¹⁰¹ Furthermore, Ambassador Henderson repeatedly told Iranian officials that Mosadeq was leading Iran to ruin and was authorized to comment on specific names for a replacement that the Iranians might suggest. Meantime the State Department considered what emergency funds could be offered to a suitable successor government.¹⁰² On 16 July Mosadeq duly resigned when the Shah, his resolve strengthened by Anglo-American support, refused to appoint him as Minister for War. However, the opportunity was short-lived as the British failed to act swiftly enough with aid and an oil deal to maintain Qavam in power, despite their having waited for this opportunity for over a year. After a matter of days,

Mosadeq swept back into power with his position vis-à-vis the Shah, the Majlis and the public stronger than ever. Moreover, there were no opposition elements expected to be able to undertake responsibility in Iran 'for a long time if ever'.¹⁰³ And this meant that it was futile either to wait in the hope that Mosadeq would again fall from power or to consider 'most unorthodox methods', such as sponsoring a coup.¹⁰⁴

The Qavam debacle convinced the Truman administration that Iran was slipping away and so, cast back upon supporting Mosadeq for want of a better option,¹⁰⁵ it turned its attention to the option of pushing Britain into more concessions. This required a better bargaining position, which the Truman administration set about securing by loosening the shackles that Britain had on US Iranian policy on account of American dependency on Britain for Middle Eastern defence. In late 1949/1950 there had been heated disagreement between the State Department and the Joint Chiefs of Staff about the relative importance of the Middle East. In November 1949 the State Department hailed it as a key area in the struggle against communist subversion and wanted to extend to it grant aid and military assistance programmes.¹⁰⁶ Concurrently, the US military de-prioritized the Middle East and in January 1950 concluded that 'the military strategic interests in the N.E.A. area were now viewed as being almost negligible in light of interests in other areas'.¹⁰⁷ Regional defence was a British responsibility and would remain so for the foreseeable future.

By 1952 the US military retained their aversion to military commitments to the Middle East and still ascribed to Britain responsibility for its defence.¹⁰⁸ However, this hampered non-military US efforts to combat communism in the region and was increasingly unrealistic. Britain's hard-line against Iran and Egypt was a major handicap in the development of regional defence co-operation, and US association with British imperialism was considered to be damaging US values and standing throughout the Middle East.¹⁰⁹ Also, US efforts, as in Iran, to 'follow the middle-of-the-road' between imperial powers and local governments in the Middle East had satisfied neither side and rendered basic US policies ineffective in combating neutralism and communism.¹¹⁰ Furthermore, British decline meant both that reliance on Britain to defend the Middle East was a 'Never-Never Land kind of analysis'¹¹¹ and that there would be a Middle Eastern power vacuum that 'whether we like it or not, will be filled by someone'.¹¹² Throughout 1952 policymakers favouring a more independent US role increasingly drove US Middle Eastern policy until it was concluded that 'a US assumption of leadership in the NEA area [is] increasingly essential if not inevitable'.¹¹³ Finally, under great pressure, the Joint Chiefs conceded that it was unrealistic to continue to rely on Britain and agreed to examine the creation of a forward defence of the Middle East.¹¹⁴

The critical importance of this for US Iranian policy was that it gave the Truman administration additional leverage vis-à-vis Britain. Shortly after the Qavam episode, it delivered to Britain a new plan for an oil settlement:

- (i) An immediate US grant of \$10 million.¹¹⁵
- (ii) Purchase by the AIOC or another British nominated company of all oil products stored in Iran at Persian Gulf prices less an appropriate discount.
- (iii) No opposition to Iranian sales of oil in excess to that purchased by the AIOC.¹¹⁶
- (iv) An arbitration committee of three people to consider compensation but which would not have to commence prior to aid.
- (v) Prompt undertaking of negotiations for a settlement.

These proposals contradicted aspects of Britain's long-established negotiating principles of fair compensation, security for the effective payment of compensation, the unacceptability of a settlement based on discrimination against British nationals, and no better deal for Iran than other concession-granting countries.¹¹⁷ Moreover, the Truman administration backed them with a threat of independent US action in Iran if Britain did not co-operate. British officials considered the proposals unacceptable and reliance on Mosadeq as a bulwark against communism as futile.¹¹⁸ However, they also felt that their ability to hold the US off from independent action, which held potentially grave consequences for British interests, had greatly diminished.¹¹⁹ Britain needed US co-operation more than ever to shore up its wavering hegemony in the Middle East. It also had to consider the impact of the Qavam debacle, American desperation to do something to save Iran from communism, and its loss of the moral highground on account of the ICJ upholding on 22 July 1952 a complaint by Mosadeq that the Court did not have competence to rule in the Iranian oil nationalization case.¹²⁰ There was little choice but to co-operate. As Victor Butler, under-secretary in the Ministry for Fuel and Power, conceded: 'while, in the ordinary way I would advocate sinking with guns firing rather than to surrender the cards, being of American manufacture, are heavily stacked against us'.¹²¹

The outcome was an Anglo-American compromise born of mutual reluctance to break decisively over Iran and of the Truman administration's desperation to try something both before Mosadeq fulfilled a threat to sever Anglo-Iranian relations and before American voters went to the polls in the forthcoming presidential election. On 30 August Britain and the US made Iran a joint proposal, despite Truman's reluctance about overt demonstrations of Anglo-American co-operation for fear both of being perceived as 'ganging-up' on third parties¹²² and of 'being tied to the

umbilical cord of the British Empire'.¹²³ The ICJ would settle compensation claims and the Iranian government would make an arrangement with the AIOC to distribute and market Iranian oil. If these provisos were met, then Iran would be free to manage and control its own oil industry, the British government would relax its financial and trade restrictions, the US would advance \$10 million to the Iranian government, and the AIOC would move the oil held in storage in Iran.¹²⁴

When Mosadeq rejected the joint proposal, the Truman administration persisted with its efforts to force Britain to make more concessions to Mosadeq's perspective. On 8 October Acheson outlined another formula for an oil settlement that might meet Iranian approval without sacrificing the 50:50 profit-sharing benchmark. First, the problems of arbitrating compensation would be avoided by a lump sum settlement, which involved the purchase of 15 million tons of crude oil and a further 15 million tons of oil related products. Second, an international oil distribution company would be created, which comprised primarily of the oil majors, to deal in Iranian oil. This was essential because Iran had long ago lost its oil market. To reactivate and reintegrate Iranian supplies without destabilising the world oil market required the oil majors to finance some of the start-up costs and to orchestrate voluntary reductions of production elsewhere and the re-routing of tankers, etc. As for the details of the deal, the international oil distribution company would purchase up to 25 million tons of oil and related products per annum from the National Iranian Oil Company for at least a decade. It would also advance \$100 million against future oil purchases, half of this paid immediately and the remainder in \$10 million monthly tranches thereafter.¹²⁵

Britain fought a rearguard action against the plan throughout the autumn of 1952. A bad agreement threatened disastrous repercussions for Britain's overseas interests and, spearheaded by the Treasury and the Ministry of Fuel and Power, the British were convinced that the US plan fell squarely into that category.¹²⁶ The lump sum element was especially unacceptable because it abandoned arbitration and with it the principles of the joint proposal.¹²⁷ Nevertheless, the Truman administration stepped up its threats of independent US action. And to demonstrate the seriousness of its intent, it undercut British economic sanctions by tacitly withdrawing its support from the oil embargo,¹²⁸ by reactivating consideration of granting Iran an ExIm Bank loan,¹²⁹ and by establishing at the end of December a joint US-Iranian Economic and Social Development Commission.¹³⁰ Ultimately, though, the Republican presidential election victory in November 1952 made the Truman administration desperate to settle the oil dispute before it left office and forced it to accept a series of British amendments. In mid January Mosadeq was offered *inter alia*:

- i. International arbitration to be calculated on the basis of Britain's Coal Nationalisation Act of 1946.
- ii. \$100 million advance against future deliveries of oil to the Defence Materials Procurement Agency dependent on an arbitration agreement and an oil sales contract.
- iii. The AIOC or a subsidiary, either alone or as part of a consortium, should have the right to market Iranian oil.¹³¹

When Eisenhower assumed office the oil deal was still on the table but the British expected that he and his administration would be more sympathetic to their position¹³² and probably more susceptible to the arguments of US oil interests,¹³³ who disliked the prospect of bailing out Mosadeq from the consequences of his own foolishness.¹³⁴ The British also hoped to rekindle the wartime Churchill-Eisenhower relationship¹³⁵ and thought the General likely to take a strong line with Mosadeq, even to the extent of telling him that unless he repressed communism and made a reasonable oil agreement they would have no further use for him.¹³⁶ Indeed, this expectation of policy change has since been repeated and expounded in numerous ways within the interpretative orthodoxy of why Eisenhower launched Operation 'Ajax'. Eisenhower's actions, however, were both to disappoint the British and to challenge, in retrospect, many traditional interpretations of the coup.

The Eisenhower administration shared strongly the assumptions of its predecessor. Mosadeq was a weak defence against communism but from July 1952 he had seemed the only person with whom the US could deal. Even the British had at that time conceded that Mosadeq's immediate position seemed secure¹³⁷ and that, in the slightly longer term, a coup 'would need active encouragement and possibly support from outside'.¹³⁸ Besides, consideration of world opinion still meant that if it were not possible to deal with Mosadeq then this had to be demonstrated rather than assumed. Also, it was imperative that the sanctity of contract, the 50:50 profit-sharing precedent, and stable world oil supplies all be maintained. As for the US stance vis-à-vis Britain, the Eisenhower administration fully endorsed Truman's move towards making the US the senior partner in the Middle East¹³⁹ and his transition to a much more assertive Iranian policy. Much to British chagrin, it shared, too, its predecessor's aversion to overt demonstrations of Anglo-American co-operation and the personalization of diplomatic ties. Their co-operation remained vital in the fight against communism but it was best exercised informally to avoid the impression of 'ganging up'.¹⁴⁰ Moreover, much though Eisenhower valued Churchill's friendship, he and his administration felt that he was 'stretching - if not outlived - his usefulness'¹⁴¹ and were deeply critical both of Churchill's preoccupation with summit meetings¹⁴² and of his 'almost child like faith

that all of the answers are to be found merely in British-American partnership'.¹⁴³

In January 1953 the Eisenhower administration felt that there was still scope for a negotiated agreement without either compromising the 50:50 precedent or humiliating Britain by forcing its complete capitulation. Eisenhower and Dulles were therefore convinced that the oil plan they inherited from the Truman administration had to be given every chance to succeed.¹⁴⁴ Anyway, Eisenhower had underwritten it in autumn 1952 by paving the way for the participation in it of the US oil majors through his promise to guarantee them anti-trust immunity beyond the expiry of Section 708 of the Defense Production Act on 30 June 1953.¹⁴⁵

However, Mosadeq began to backtrack on the agreed basis for compensation shortly after receiving the oil plan and threatened in early February 1953 to sell Iranian oil at a 50 per cent discount to all-comers if Britain insisted that Iran pay compensation for the loss of future profits. On 14 February he repeated this threat, but added that he would fulfil his intent if, in the absence of an agreement with Britain, the US government or American nationals themselves did not indicate their willingness to lift substantial quantities of oil.¹⁴⁶ This threatened to jeopardize the stability of world oil supplies and to force the US to terminate aid to Iran as oil sales to communist countries would contravene US Mutual Security legislation. Moreover, a greater availability of oil tankers meant that Mosadeq was potentially well placed to carry out his threat to sell oil to all-comers and to dump Iranian oil on world markets.¹⁴⁷

Matters had come to a head. The British now expected Eisenhower to take firm action against Mosadeq for he had blatantly reneged upon the agreed basis for compensation and his latest ultimatum threatened to move Iran irrevocably towards communism. They accordingly demanded State Department assurances that Britain would not be pressed for any further concessions.¹⁴⁸ It had conceded all that it would.¹⁴⁹ Besides, to redraft the proposals would give succour to Mosadeq's belief that 'by maintaining pressure and striking emotional attitudes, he will prevail upon the United States Government to reduce HMG eventually to make further concessions even to the point of capitulation to his full demands'.¹⁵⁰ Crucially, the Eisenhower administration disagreed. It did not regard as unreasonable Mosadeq's determination to establish, and limit, the amount of compensation that Iran had to pay prior to signing an oil deal. Nor was it prepared to accept the British line that their interests elsewhere meant that no agreement in Iran was preferable to making even more concessions to conclude a bad one.¹⁵¹ Eisenhower, like Truman before him, had to have an oil deal to safeguard the long-term future of Iran and was prepared to deal with any Iranian leader that would assist in this regard, including Mosadeq

for as long as he demonstrated some reasonableness in his demands. Eisenhower, as Truman had so often done before him, thus turned to Britain to meet Iran's position rather than to turn decisively against Mosadeq. Indeed, on 27 January British Embassy officials concluded glumly that 'U.S. views had changed little with the change in administration.'¹⁵²

On 20 February 1953 the British, judging that the Eisenhower administration would otherwise take independent action and desiring a joint Anglo-American front if negotiations broke down,¹⁵³ offered Mosadeq a compensation formula that addressed his concern about Iran accepting a priori an unquantified burden. Iran would not be required to make cash payments of more than 25 per cent of its annual oil proceeds, regardless of whatever compensation award the ICJ made. If in any year its annual oil revenue fell below five per cent of the compensation payable, the shortfall could be made up in free oil deliveries. In practice, this meant that Iran would make cash payments representing 25 per cent of its annual oil export revenue for twenty years with the balance of the ICJ compensation award to be made in free oil.¹⁵⁴

Whilst the British offer was yet another in a long line of British retreats in the face of American pressure, it actually marked a critical juncture in US Iranian policy. On 3 February Acting Secretary of State Matthews concluded that three years of pressure had reduced Britain to a 'position [which] is relatively close to rock bottom on principles'.¹⁵⁵ Once the concessions of 20 February were made then, as Peter Ramsbotham, Head of Britain's Oil Desk at the Economic Relations Department, pointed out, 'We are, in fact, now down to our last principle, viz.: impartial arbitration on the amount of compensation due for the loss of the concession.'¹⁵⁶ The point had finally been reached when Under-Secretary of State General Walter Bedell Smith could assure Britain that he and Dulles 'had now reached the limit of concession'.¹⁵⁷ Anglo-American interests had become joined. There were no more formulas within the 50:50 profit-sharing arrangement through which to improve the offer to Iran, and the US could accept no oil settlement that either broke this precedent or that threatened the sanctity of contract.

The Eisenhower administration was now virtually out of policy options that were consonant with the objectives and assumptions it shared with its predecessor. Like its predecessor, it was not prepared to destabilize world oil markets and the basis of international trade to save Iran. Also, an oil deal independent of the British and without their permission was not an option because of the inherent damage to Anglo-American relations and to the sanctity of contract. Similarly, a unilateral US deal with British approval was just as much a non-starter because Mosadeq's track record of unreliability,¹⁵⁸ which the Eisenhower administration had seen at first-hand in January 1953, meant that he was no more likely to respect a settlement

with the US than with Britain.¹⁵⁹ Finally, with the proposals of 20 February came the closing of the option of extorting from Britain concessions against British interests to appease Mosadeq. This left only the option of either Mosadeq accepting the 20 February proposals or the US working with a new government in Iran. And if Mosadeq rejected the latest terms, he would have finally proven himself to be either unwilling or unable to reach a settlement.

In March 1953 Mosadeq made two fatal miscalculations that set in motion the train of events that led to his removal from power. First, when Ambassador Henderson told him that it was impossible to justify US purchase of Iranian oil until Britain's outstanding claims were settled, he replied that 'You could tell them that you were saving Iran from Communism.' After two years of successfully exploiting Anglo-American differences, Mosadeq had overplayed his communist card and effectively 'given the show away'.¹⁶⁰ Second, on 20 March Mosadeq made a speech rejecting the proposals of 20 February. These acts together marked the denouement of his American patronage. The Republicans had demonstrated that it was impossible to deal with him and, as the Democrats had done almost exactly one year before them, looked to divest themselves of their protégé. Indeed, the significance that completion of this process had becomes even more apparent when cross-referenced with the chronology of covert planning provided by Wilber. Whilst British officials raised Operation Boot to remove Mosadeq with their US counterparts in late 1952, it was not until March 1953 that Bedell Smith determined that the US Government could no longer approve of Mosadeq's government and 16 April before a comprehensive study, 'Factors Involved in the Overthrow of Mossadeq', was completed.¹⁶¹

The Eisenhower administration had thus arrived at the final option of a policy that it had inherited from the Truman administration, the objectives and assumptions of which it fully shared, and which had consequently made an almost seamless transition between administrations. Britain could be pushed no further. The US could not make a unilateral oil deal with or without British permission. And Mosadeq's miscalculations in March 1953 had publicly demonstrated him to be either unable or unwilling to reach what the US regarded as a reasonable settlement.

This left only a change of Iranian leadership but, in and of itself, still did not make a coup inevitable. Like Truman one year earlier, Eisenhower had the choice of either waiting for Mosadeq to fall or actively precipitating it. However, action was preferable because his administration shared Truman's assumption that an oil settlement was a race against time to save Iran from communism and that the leader of the free world needed to be seen to do something to bring this about. Also, consideration of the sanctity of contract

and world oil supplies meant that it could not risk a disorderly breakdown of the oil embargo on Iran. And most importantly, unlike the spring of 1952, there was no immediate likelihood of Mosadeq falling from natural causes. Iran's agrarian economy seemed capable of carrying on for quite some time without an oil settlement, particularly with limited technical assistance from the US.¹⁶² Indeed, CIA Director Allen Dulles disingenuously observed in February 1953 that Iran 'could hardly be described as in crisis since the crisis had been going on for many months'.¹⁶³ The longer that Mosadeq stayed in power, though, the more likely it was that when he fell the Tudeh would take over because he was leaning heavily on their support as the National Front fragmented and as he sought to undermine the Shah.¹⁶⁴ He was positioned to become the Dr Benes of Iran¹⁶⁵ and, set against this background, the risks involved in a change of government 'would not be too great',¹⁶⁶ especially as not acting threatened much the same result as acting but failing to succeed.

Yet even now, as Mosadeq's reliance on Tudeh support demanded a quick regime change, the Eisenhower administration still preferred to effect a change of leadership with the minimal level of interference in Iran. It first built overt and covert pressure on Mosadeq by attacking both the impression of his having American patronage and his support base. When that did not work in its own right, Wilber's Secret History reveals that it preferred to buy votes in the Majlis to effect a seemingly quasi constitutional change of leadership. Only when Mosadeq prevented this by suspending the Majlis was a desperate attempt made to find new leadership in Iran through a pre-emptive military coup. This was the last logical course of action open to Eisenhower, brought about by the progressive closure of all other options during his and the Truman administrations.¹⁶⁷ And just how desperate this was is demonstrated by US recognition on 29 July of the weak materials it had to work with,¹⁶⁸ CIA operatives in the US Embassy having no way of knowing what was happening for parts of the coup,¹⁶⁹ and the fact that before the coup succeeded an abort mission instruction was issued and a default position of cosyng-up once more to Mosadeq accepted.

Numerous accounts of the August 1953 coup against Mosadeq have explained Eisenhower's decision to launch it by referring to differences between his administration and Truman's. This article, however, has sought to invert this interpretative orthodoxy in order to provide an alternative explanation that escapes often-made assumptions that each administration has a policy that is distinctive from its predecessor and that will, in turn, be revised by its successor. Instead of policy change, this article has argued that

the launch of the coup can be better explained in terms of policy continuity between the administrations and the progressive elimination of options until Operation 'Ajax' was all that was left.

The Truman and Eisenhower administrations had an unusually strong shared appreciation of the principal problem in Iran, the preferred way to tackle it, and the assumptions and complicating factors that acted as parameters within which policy options had to be devised. Both administrations saw the threat of communist subversion rather than Soviet military action as the major threat to Iran. Likewise, both administrations considered the solution to lie in improving Iranian socio-economic conditions and encouraging long overdue political and administrative reform. And both of them saw the resurrection of the Seven Year Plan and finding strong pro-western leadership in Iran as prerequisites in working towards these objectives.

The Anglo-Iranian oil dispute posed the administrations particular problems. Oil revenues were essential to finding the investment capital necessary to resurrect the Seven Year Plan. Their loss also exacerbated what the US perceived to be an economic crisis that threatened to render Iran increasingly vulnerable to communist subversion. In addition, the US had limited influence in the Middle East and wanted to co-operate with both oil disputants, albeit for different and conflicting reasons. It wanted to co-operate with Britain because it greatly needed its help in containment strategy generally and for Middle Eastern defence specifically. And it wanted to co-operate with Iran because it needed both to channel Iranian nationalism against communism and to send the right signals to watching unaligned developing world countries about US anti-imperialism.

When the administrations examined what they could and could not do in Iran, their decisions were taken in reference to shared assumptions and complicating factors. Four key assumptions were the need to work with pro-western leadership in Iran, to give sensitive consideration to the high stakes that Britain had vested in the dispute, to protect the sanctity of contract and the stability of the world oil market, and the need to be seen to do something to save Iran from communism because of considerations of domestic political, and world, opinion. The complicating factor that they also shared was that Britain and Iran were important Cold War allies but each was recalcitrant in the oil dispute, both sought to use US policy to force the other into concessions, and neither shared US Cold War priorities.

These considerations cumulatively ruled out certain policy options. US defence of Iran against communism had to be non-military. Despite the ultimate decision to become Britain's senior partner in the Middle East, commitments elsewhere meant that the US had no forces or sufficient

power projection capabilities to safeguard the Middle East. In addition, token forces, if they could be found, could not be put into Iran without allowing the USSR to invoke the 1921 Treaty of Friendship that would permit its reciprocal intervention. Non-military options were limited too. The US could not conclude a unilateral deal with Iran to lift oil supplies without British approval and Iran's payment of due compensation. The damage to Anglo-American relations would be severe, it would jeopardize the sanctity of contract, and it would place the US in a position where it could be seen to have tacitly underwritten Iran's abrogation of the 1933 oil concession. Nor could the US provide large-scale aid to stimulate Iranian socio-economic reform without an oil agreement. Any such programme would have been likely to fall in Congress and, even if it did not, would have entailed too many risks. It would have infuriated the British because it would have undercut their economic sanctions, and being seen to bail out Iran again would have risked casting the US in the role of rewarding states that abrogated the sanctity of contract. Also, it might have prolonged the crisis and left the US facing an indefinite aid commitment if the pressure on Iran were so relieved that it decided never to accept an oil deal. Besides, Iranian corruption and mismanagement might have dissipated the effects of aid and Iranian nationalism could have turned against aid dependency as neo-imperialist, with severe repercussions for US prestige.

This interplay between shared objectives, assumptions and complicating factors threw the onus onto the US to mediate a negotiated oil settlement; and it had to do this from a relatively weak position and whilst concurrently treading a precarious path between its two rival Cold War allies. It had to encourage, guide and push Britain and Iran into a negotiated oil deal at a speed acceptable to the US and on terms that could be defended as just for Iran but that would neither destabilize concessions elsewhere nor undermine the sanctity of contract. And the only variables that the two administrations had to play with in finding an oil settlement were extracting concessions from Britain to appease Iranian demands and a change of government in either country that would bring about more compromising leadership.

The Truman administration was first in play and over almost three years of informal and formal mediation it acted to preserve world oil supplies and to whittle away the policy options in Iran. It gave antitrust protection to US oil companies to allow them to co-operate in offsetting the loss of Iranian oil and resolved upon ARAMCO's 50:50 profit-sharing precedent as the terms it thought were just for Iran but that would not destabilize concessions elsewhere by bettering the deal achieved by Saudi Arabia. It also pushed Britain into making ever greater concessions, within the 50:50

profit-sharing principle, to appease Iranian demands. When in 1952 US policy seemed to be stuck with too little influence either to force a settlement or to extricate itself from the dispute, the Truman administration secured additional leverage vis-à-vis Britain by slowly reducing US dependency on it for Middle Eastern defence. In addition, it sought to educate Iran into the realities of the oil business, working first with Razmara and then with Mosadeq as the leaders that it thought offered the best hope of pro-western policies and an oil deal. When Mosadeq proved unreliable, conditions in the spring of 1952 seemed to offer the prospect that he would fall from power and so the US stood by whilst Britain sponsored Qavam. Once this ploy failed, Mosadeq again seemed the only, if slim, hope of securing US interests and the Truman administration duly re-adopted him.

By the time that Truman left office, Britain had begrudgingly made endless concessions to an increasingly assertive US policy, despite the change of British government in autumn 1951 bringing no greater willingness to compromise. Also, the 50:50 profit-sharing principle had become the benchmark beyond which the US would not go for fear of destabilising oil flows and concession contracts elsewhere. And Mosadeq still seemed to offer the best leadership that the US could find. At least he was still negotiating for an oil deal within the bounds of reason. This was Eisenhower's inheritance and, contrary to those who emphasize policy change due to the transition between US administrations as an explanation for the coup, he continued Truman's policy almost seamlessly. When in February 1953 Mosadeq backtracked on the basis for compensation he had agreed in January and implicitly threatened to sell discounted oil to communist countries, the Eisenhower administration did not turn against him. Rather, it turned to Britain for still more concessions because it considered Mosadeq to be acting reasonably in wanting to establish, and to limit, the amount of compensation that Iran had to pay prior to signing an oil deal.

However, the Truman administration had left its successor with precious few options, and once Britain made the proposals of 20 February 1953, another one was closed off. Nothing more could be extracted from Britain without undermining US interests in the 50:50 principle and the sanctity of contract. This left either Mosadeq to accept the terms or for him to demonstrate his unwillingness, or inability, to reach a reasonable oil settlement by rejecting them. When he overplayed his communist card and then rejected the oil deal on 20 March, he publicly showed that there was little prospect of him ever signing an oil settlement, not even a unilateral one with the US. The Eisenhower administration was therefore left only with the option of working with a new government in Iran, and it needed

this quickly before Mosadeq's reliance on Tudeh support delivered Iran irremediably into the arms of the communists. The big problem was that, unlike one year previously, conditions in Iran did not hold immediate promise of Mosadeq's fall from natural causes. And so Eisenhower was delivered to the final dilemma of US Iranian policy: to topple Mosadeq or to abandon Iran to communism.

Whilst it seems true that the Eisenhower administration's advent to office brought to power officials in key positions more receptive to covert operations than their Truman administration counterparts, just how it arrived at this critical decision is best explained not by change factors between administrations but by inverting the interpretative orthodoxy and acknowledging instead the impact of policy continuity. Indeed, even when forced to accept the necessity of a quick regime change in Iran, the Eisenhower administration preferred the minimum intervention possible. Ultimately the stark choice between orchestrating a military coup or passively abandoning Iran to communism was thrust upon it by the systematic closure of all other policy options in Iran that were consonant with the objectives, assumptions and complicating factors that it shared so strongly with the Truman administration. Moreover, these same considerations demanded that everything possible be done to retain Iran within the western orbit, including, if necessary, covert operations to bring about more amenable government in Iran. And so it is that Operation 'Ajax' can be explained less as a product of change factors than as a product of policy continuity across the administrations and as the last logical, desperate option of an exhausted policy.

NOTES

My thanks go to the Harry S. Truman Library and to the British Academy for their research grants.

1. Wilber Report, Secret History of the Coup, www.crytome.org/cia-iran-all.htm.
2. F. Azimi, 'The Politics of Dynamic Stalemate: Iran 1944-53' (PhD Thesis, St Antony's College Oxford, 1984), p.363; F. Diba, *Mohammad Mossadegh - A Political Biography* (London: Croom Helm, 1986), p.181.
3. D. Horowitz, *The Free World Colossus: A Critique of American Foreign Policy in the Cold War* (New York: Hill & Wang, 1971), pp.184-5; J. and G. Kolko, *The Limits of Power: The World and United States Foreign Policy, 1945-54* (New York: Harper & Row, 1972), pp.412-20; R.J. Barnet, *Intervention and Revolution: the United States in the Third World* (London: MacGibbon and Kee, 1970), pp.225-9; J. Frankel, *British Foreign Policy, 1945-73* (London: Oxford University Press, 1975), p.218; M. Elm, *Oil, Power, and Principle* (Syracuse: Syracuse University Press, 1992), p.276. Engler contends that 'the frank business orientation of the Eisenhower regime allowed this shadow government its most substantial footing'. R. Engler, *The Politics of Oil: A Study of Private Power and Democratic Direction* (New York: Macmillan, 1961), p.310.
4. S.E. Ambrose, *Eisenhower: The President. vol. 2, 1952-69* (London: Allen and Unwin,

- 1984), p.111; M. Gasiorowski, *US Foreign Policy and the Shah: Building a Client State in Iran* (Ithaca New York: Cornell University Press, 1991), pp.82-3; M. Heiss, *Empire and Nationhood: The United States, Great Britain, and Iranian Oil, 1950-54* (New York: Columbia University Press, 1997); K. Roosevelt, *Countercoup: The Struggle for the Control of Iran* (New York: McGraw-Hill, 1979).
5. W.A. Harriman, 'Leadership in World Affairs', *Foreign Affairs*, Vol.32 (1953-54), pp.525-40; H. Katouzian (ed.), *Musaddiq's Memoirs* (London: JEBHE, National Movement of Iran, 1988), p.272; F.J. Gavin, 'Politics, Power, and U.S. Policy in Iran, 1950-53,' *Journal of Cold War Studies*, Vol.1, No.1 (1999), pp.56-89.
 6. For example, on 17 June JF Dulles chaired a key meeting to discuss the coup plot with Roosevelt, Allen Dulles, Walter Bedell Smith, Henry Byroade, Charles Wilson and Henderson. According to Roosevelt the operation survived only because a number of those present dared not challenge the Dulles' brothers championing of it. K. Roosevelt, *Countercoup*, p.19.
 7. For details of the concession as revised in 1933 see J. Bamberg, *The History of the British Petroleum Company. Vol.2. The Anglo-Iranian Years* (Cambridge: Cambridge University Press, 1994), pp.48-50.
 8. In 1947 the British Treasury reaped £16.82 million in tax revenue whilst Iran received just £7.1 million in royalties and taxation, *Ibid.*, p.325. Labour's dividend restriction policy limited the amount Iran received as under the 1933 concession part of its remuneration was based upon 20 per cent of the dividend paid to ordinary shareholders above £671,250.
 9. Iran was to receive royalty payments of 6 shillings per ton retroactive to 1948 and an annual payment that was equal to 20 per cent of that placed in the General Reserve and which was grossed up by the standard rate of British income tax. It would also get a one-off payment of £5,090,909 within 30 days of the agreement coming into force, entitlement to increased discounts on oil products sold in the domestic market, and a minimum payment guarantee of at least £4 million *per annum* from its participation in dividends and the sum placed in the General Reserve.
 10. In March 1949 Wiley warned that 'A carefully engineered coup in the North of Iran might go down even more smoothly than the business of the Sudetan Germans' and that this was 'accentuated by the fact that most of the world is completely unaware whether Azerbaijan is a river, a mountain or merely a new religion.' However, the NSC in June 1949 rated Soviet military action unlikely and the communist Tudeh Party incapable of seizing power. Also, the economy was considered to be relatively stable and Iran able to borrow as much capital as it could utilize from the International Bank for Reconstruction and Development and the ExIm Bank. *Foreign Relations of the United States (FRUS) 1949*, Vol.6. Wiley to Acheson, 29 March 1949, p.496; *Ibid.*, NSC 54, 27 Jan. 1949, pp.545-52; *Ibid.*, Analysis and Comparison of US Policies with Regard to Aid to Greece, Turkey, Iran and Afghanistan, u.d. annex, p.4.
 11. *FRUS 1950*, Vol.5, NEA paper 'Political and economic factors involved in military assistance to Iran in FY 1951', u.d., p.466.
 12. *Ibid.*, memo. by Chief of Programme Staff MDAP (Bray) to Deputy Director MDA (Ohly), 25 January 1950, p.122.
 13. *FRUS*, 1949, Vol.6, memo. by G.P. Merriam of the Policy Planning Staff, 13 June 1949, p.39. The NSC accepted as early as November 1947 that the security of the Eastern Mediterranean and of the Middle East was vital to US security, *ibid.*, 1947, Vol.5, State Department memo., u.d., p.575.
 14. *FRUS 1950*, Vol.5, Wiley to Sec. State, 15 Feb. 1950, p.471.
 15. US National Archives (NA), RG 59, box 2768, H. R. Labouisse Jr. to Perkins, 27 Feb. 1950, p.4.
 16. *FRUS 1950*, Vol.5, NEA paper 'Political and economic factors involved in military assistance to Iran in FY 1951', u.d., p.466.
 17. *FRUS*, 1952-54, Vol.10, NSC Staff study on certain problems relating to Iran, attached to Statement of Policy by the NSC, 2 January 1954, p.881.
 18. The 1944 Culbertson Mission indicated some developing economic interest but in 1947 US

- interests throughout the Middle East were, with the exception of oil, still rated as 'not particularly outstanding'. *FRUS*, 1947, Vol.5, State Dept. memo., 'Specific Current Questions', u.d., pp.556-57; J.A. DeNovo, 'The Culbertson Economic Mission and Anglo-American Tensions in the Middle East, 1944-1945', *Journal of American History*, Vol.63 (1976-77), pp.913-36.
19. Harry S. Truman library (HST), Acheson Papers, Princeton Seminars, box 76, folder May 15-16 1954, folder 1, reel 5, track 1, p.6.
 20. *FRUS*, 1952-54, Vol.10, Memorandum of Discussion at the 135th Meeting of the NSC, 4 March, 1953, p.698.
 21. Cost of plan as given by Foreign Secretary Herbert Morrison to the House of Commons, 491, *H.C. Deb.*, 5s, comprising period 23rd July-4th October, 30 July 1951, c.966. The plan was developed by Overseas Consultants Inc., which was an organization of eleven American firms and one British firm of consulting engineers. For the plan's origins and development see Overseas Consultants Inc., *Report on Seven Year Development Plan for the Plan Organization of the Imperial Government of Iran*, 5 volumes (New York: Overseas Consultants, 1949); L.P. Elwell Sutton, *Persian Oil: A Study in Power Politics* (London: Lawrence & Wishart, 1955), pp.159-61.
 22. *FRUS*, 1950, Vol.5, Rountree to Jernegan, 23 March 1950, p.491-9; *ibid.*, State Dept. Paper, 'Present Crisis in Iran', u.d., pp.509-18.
 23. P.M. Williams (ed.), *The Diary of Hugh Gaitskell* (London: Cape, 1983), p.263. See also R. Graham, *Iran: The Illusion of Power* (London: Croom Helm, 1978), p.35.
 24. British Public Record Office (PRO), CAB 128, CM(51)51, 12 July 1951; CAB 128, CM(51)53, 19 July 1951. Under the Memorandum Iran enjoyed three principal areas of favourable treatment: a, Transferable account facilities - automatic privilege of making or receiving payments in respect of third countries in sterling, b, Gold revaluation guarantee (at the time of revaluation it cost Britain £11.4 million). c, Facilities to convert sterling to dollars for certain invisibles and goods not obtainable on equivalent terms in sterling.
 25. PRO, FO 371/98608, minute by Sarell, 22 Jan. 1952. For the Tudeh and the 1953 coup see M. Behrooz, 'Tudeh Factionalism and the 1953 Coup in Iran', *International Journal of Middle East Studies*, Vol.33 (2001), pp.363-82.
 26. *FRUS*, 1952-54, Vol.10, Statement of Policy by the NSC, 2 Jan. 1954, p.873.
 27. DDE, Ann Whitman file, NSC Series, box 4, file 147th meeting NSC June 1 1953, memo of discussion at 147th meeting NSC, 2 June 1953.
 28. *FRUS*, 1952-54, Vol.10, memo, by Rountree, 18 April 1951, p.39.
 29. *Ibid.*, Statement of Policy by the NSC, 2 Jan. 1954, p.870.
 30. *Ibid.*, Sec. State to State Dept., 7 Nov. 1951, p. 266.
 31. For example, in December 1951 it was felt that 'Under present war plans the US forces are not available for a specific commitment to the Middle East ... The US therefore considers ME defense a British strategic responsibility.' HST Acheson papers, box 167, Commonwealth capabilities and intentions in the Middle East, 31 December 1951.
 32. *FRUS*, 1952-54, Vol.10, NSC Statement of Policy, 27 June 1951, p.74.
 33. HST, Students research B file, Iran oil 1951-53, box 1, file 9, report by Psychological Strategy Board, 21 Sept. 1951.
 34. Dwight D. Eisenhower library (DDE), Ann Whitman file, NSC Series, box 4, memoranda of 136th meeting NSC on Wednesday 11 March 1953, 12 March 1953.
 35. *FRUS*, 1952-54, Vol.10, memoranda of 135th meeting NSC on 4 March 1953.
 36. PRO, CAB 129, CP(51)28, 'Persia', 22 Jan. 1951, p.1. A similar example was Ambassador Shepherd's assurance that a Tudeh inspired jailbreak did not mean that the Tudeh Party could stage a *coup d'état*. FO 371/82315, Shepherd to FO, 18 Dec. 1950.
 37. D. Acheson, *Present at the Creation: My Years in the State Department* (London: Hamilton, 1970), p.501. Truman held similar feelings: 'The British dealt ineptly with the Iran oil matter. We told them how to avoid it but they did not follow our counsel.' A. Krock, *Memoirs: Sixty Years in the Firing Line* (New York: Funk & Wagnolls, 1969), p.262.
 38. *FRUS*, Iran 1952-54, Vol.10, Sec. State to US Embassy Iran, 9 July 1951, p. 88; *ibid.*, NSC-107/2, Statement of Policy, 27 June 1951, p. 73.

39. PRO, FO 371/98685, Franks to FO, 12 Feb. 1952.
40. PRO, FO 371/98684, Franks to FO, 25 Jan. 1952.
41. PRO, FO 371/98685, minute by P.E. Ramsbotham, 6 Feb. 1952; FO 371/98689, Fergusson to Makins, 27 May 1952.
42. A.K.S. Lambton, 'The Impact of the West on Persia', *International Affairs*, Vol.33 (1957), p.24.
43. *FRUS*, 1952-54, Vol.10, Grady to State Dept., 9 March 1951, footnote 2, p.8.
44. D. Reynolds, 'A "Special Relationship"? America, Britain and the International Order Since the Second World War', *International Affairs*, Vol.62 (1986), p.6.
45. W.R. Louis, *The British Empire, 1945-51: Arab Nationalism, the United States and Postwar Imperialism* (Oxford: Oxford University Press, 1984), p.673; H. Morrison, *Herbert Morrison. An Autobiography by Lord Morrison of Lambeth* (London: Odhams Press, 1960), p.281. On 14 June Grady reported that Shepherd indicated that no settlement could be made with Mosadeq and that any change would be for the better. *FRUS* Iran 1952-54, Vol.10, Grady to State Dept., 14 June 1951, footnote, p.65. For similar early indications of this attitude see NA, LM 73, reel 39, Gifford to State Dept., 30 June 1951.
46. PRO, CAB 129, C(52)202, paper from the Foreign Secretary 'British overseas obligations', 18 June 1952.
47. *The Times*, 16 May 1951, p. 5, column b.
48. PRO, FO 371/98608, 'Brief for political discussions with Mr Nitze on Feb. 14th 1952', u.d.
49. PRO, FO 371/97593, Franks to Eden, 27 Jan. 1952; FO 371/98608, memo. by Logan recording discussion held at State Dept., 1 Feb. 1952.
50. NA, RG 59, box 2768, memo. by G.W. Perkins, 24 Jan. 1950, p.2.
51. *FRUS* 1952-54, Vol.9, minutes of State-Joint Chiefs of Staff Meeting, 18 June 1952, pp. 237-47; *Ibid.*, State Dept. minutes of State-Joint Chiefs of Staff Meeting, 28 Nov. 1952, pp. 319-26. For details see J. Williams, 'ANZUS: A Blow to Britain's Self-Esteem', *Review of International Studies* Vol.13 (1987), pp.243-63.
52. PRO, CAB 129, C(52)276, memo. by Foreign Secretary 'Persia', 5 Aug. 1952.
53. Cited by F.J. Gavin, 'Politics, Power, and U.S. Policy in Iran, 1950-53', p.81.
54. *FRUS*, 1951, Vol.5, National Intelligence Report 14, 8 Jan. 1951, p.269.
55. HST, PSF, report to the NSC by the Sec. Interior and Petroleum Administrator for Defense, 8 Dec. 1952, p.10.
56. NA, LM 73, reel 40, memo. by Eakins to Linder, 4 Dec. 1952.
57. PRO, POWE 33 1937, J.H. Brook (Ministry of Fuel and Power) to J.A. Beckett (Petroleum Attaché at the British Embassy Washington), u.d.,
58. PRO, FO 371/104615, paper drafted by P.E. Ramsbotham, 'Persian Oil - Future Policy', 14 April 1953.
59. In 1952, for example, the Texas Oil Company contended that American oil companies operating abroad 'constituted a private Point 4 program'. Cited by G.W. Stocking, *Middle East Oil: A Study in Political and Economic Controversy* (London: Allen Lane, 1971), p.122.
60. This was the jointly owned subsidiary of the US oil companies Socal, Standard Oil (New Jersey), Socony and the Texas Oil Company.
61. W.R. Louis, *The British Empire*, p.647.
62. See I.H. Anderson's argument that the agreement had the 'effect of transferring revenue from the American to the Saudi government'. This was based on modifications made to American tax laws in 1918 to encourage foreign investment of American capital. These removed the threat of double taxation by allowing taxes paid abroad to be written off against US obligations. I.H. Anderson, 'The American Oil Industry and the Fifty-Fifty Agreement of 1950', in W.R. Louis and J.A. Bill (eds.), *Mussadiq, Iranian Nationalism and Oil*; I.H. Anderson, *ARAMCO, the United States, and Saudi Arabia*, I.H. Anderson, *ARAMCO, The United States, and Saudi Arabia. A Study of the Dynamics of Foreign Oil Policy 1933-50* (Princeton: Princeton University Press, 1981).
63. *FRUS*, 1950, Vol.5, Sec. State to US Embassy Iran, 18 Nov. 1950, p.614.

64. Such differences were neatly captured by Sir John Le Rougetel, the British Ambassador to Iran, in January 1950: 'the [US] Ambassador said he did not believe we should reach agreement if we adopted a "take it or leave it" attitude. I told him that as far as I was aware that is precisely what we intend to do.' PRO, FO 371/82374, Le Rougetel to FO, 10 Jan. 1950.
65. HST, Grady Papers, General file, box 2, Articles by Henry F. Grady, 'Tensions in the Middle East with particular reference to Iran', 11 February 1952, p.12. Such sentiments were echoed by other US officials, including Truman who regarded AIOC representatives as '1850 Britishers', HST, Student research B file, Oil crisis in Iran 1950-53, box 1, file 9, minutes of meeting at the White House to discuss Churchill's joint proposal, 21 August 1952, p.4. Some scholars have likewise criticized the British 'antiquarian conviction that the Iran of 1951 differed little from the Iran of 1901' and their deeply entrenched assumptions about the submissiveness of the Iranian character. R.W. Cottam, *Nationalism in Iran* (Pittsburgh: University Pittsburgh Press, 1973), p.273; F. Azimi, *The Politics of Dynamic Stalemate*, p.277.
66. *FRUS* 1950, Vol.5, 'Discussions with the A.I.O.C.', recorded by R. Funkhouser, 24 Jan. 1950, pp.14-15; *Ibid.*, Vol.3, US Delegation at Tripartite Foreign Ministers Meeting to Acting Sec. State, 11 May 1950, pp.1027-31.
67. *FRUS* Iran 1952-54, Vol.10, Sec. State to Iran Embassy, 17 March 1951, pp.25-26; FO 371/82375, British Embassy Washington to Furlonge, 14 July 1950; *FRUS*, Vol.5, Grady to US Embassy London, 15 Aug. 1950, p.581.
68. *FRUS* 1951, Vol.5, McGhee to State Dept., 26 March. 1951, p.291.
69. *Ibid.*, memo. of meeting between McGhee, Ambassador Ala, et al by Ferguson, 26 April 1950, p.526-9; *ibid.*, Webb to Wiley, 22 May 1950, p.549. The Americans characterized Mansur as 'the Persian version of Uriah Heep', and thought him so inappropriate with regard to their objectives that recommendations were made that aid be advanced only to a suitable government and that 'The United States should be prepared to name the Iranian official it believes most effectively could meet these requirements.' *Ibid.*, Wiley to Sec. State, 30 Jan. 1950, p.462; *Ibid.*, State Dept. paper, 'The Present Crisis in Iran', u.d., pp.512-13; *ibid.*, p.517.
70. By the autumn of 1950 the British Middle Eastern Office regarded Razmara as simply 'indispensable'. FO 371/82377, Rodgers to Wright, 16 Oct. 1950. The Americans felt similarly. *FRUS* 1950, Vol.5, Grady to Sec. State, 13 Jul. 1950, pp.566-9. Interestingly, both countries had previously held a dim view of him. The Americans had described him as 'ambitious and xenophobic', whilst Geoffrey Wheeler, British Oriental Counsellor, evaluated him as 'probably the most feared and disliked man in Persia'. HST, PSE, Intelligence file, box 258, folder SR reports, No. 4-6, SR 6, Iran, April 1948; Minute by Wheeler, cited F. Azimi, *The Politics of Dynamic Stalemate*, p. 242.
71. Razmara pushed in particular for a guarantee that Iran's royalties would never be less than those received by Iraq, for free supplies of oil and gas in Iran, and for further Iranianization of the company's operation. J. Bamberg, *History of the British Petroleum Company*, p.403.
72. *FRUS*, 1951 Vol.5, State Dept. Draft minutes of State-Joint Chiefs of Staff meeting, 2 May 1951, p.118; *FRUS*, 1952-54, Vol.10, Sec. State to US Embassy Iran, 10 May 1951, pp.50-51; NA, LM 73, reel 44, State Dept. to US Embassy Iran, 7 May 1951.
73. *FRUS*, 1951, Vol.5, Memorandum of Conversation by Richard Funkhouser of the Office of Near Eastern Affairs, 14 May 1951, p.315; HST, PSE, box 180, Subject file Iran, CIA report 'Analysis of Iranian political situation', 12 Oct. 1951; *ibid.*, Subject file Iran - W. Averell Harriman, Harriman to Sec. State, 19 July 1951.
74. PRO, FO 371/82379, minute by Wright, 23 Oct. 1950; *Ibid.*, minute by Wright, 24 Oct. 1950.
75. PRO, CAB 128, CM(51)37, 28 May 1951. Morrison subsequently announced the decision to accept some form of nationalization to the House of Commons. *The Times*, 30 May 1951, p.7, column b; PRO, FO 371/91534, minute by Starkey, 14 May 1951.
76. The Jackson mission arrived in Tehran on 12 June and comprised HMG's director on the AIOC Board, Thomas Gardiner, the Chief AIOC representative in Tehran, Norman

Seddon, Basil Jackson and two other Directors, Neville Gass and Edward Elkington. The proposal made recognized *inter alia* the Iranian Nationalisation Law, offered a £10 million advance on oil revenues, £3 million per month and the vesting of Iranian assets of the AIOC in a new Iranian National Oil Company (NIOC).

77. *FRUS*, 1952-54, Vol.10, Truman to Attlee, 31 May 1951, p.59. For British doubts that Mosadeq was willing to negotiate see *Ibid.*, Attlee to Truman, 5 June 1951, p.62. Ironically, US reports from Iran supported Attlee's view rather than Truman's about the likelihood of an oil settlement. *Ibid.*, Richards to State Dept., 31 May 1951, footnote, p.57; *Ibid.*, Grady to State Dept., 14 June 1951, p.64.
78. The ICJ effectively gave HMG a *locus standi* because its injunction envisaged a Board of Supervision to be established between the two governments rather than between the Iranian government and the AIOC. For details of the interim judgement of the International Court see PRO, CAB 129, CP(51)200, Annex C, 11 July 1951.
79. PRO, CAB 129, CP(51)192, 6 July 1951.
80. HST, PSF, Subject file, box 180, Iran - W. Averell Harriman. Harriman to Sec. State, 24 July 1951.
81. *FRUS* Iran 1952-54, Vol.10, Harriman to State Dept., 17 Jul, 1951, p.93.
82. HST, Students research B file, Iran oil 1951-53, box 1, file 7, Grady to W.M. Kiplinger, 30 July 1951; HST, PSF subject file, box 180, Iran - Averell Harriman, Harriman to Sec. State, 24 August 1951. See also *ibid.*, 19 Aug. 1951; *ibid.*, 22 Aug. 1951; *ibid.*, 24 Aug. 1951.
83. *FRUS*, 1952-54, Vol.10, Sec. State to State Dept., pp.278-80.
84. A. Eden, *The Memoirs of Sir Anthony Eden: Full Circle* (London: Cassell, 1960), p.198.
85. HST, Students research B file, Iran oil 1951-53, box 1, file 9, report by Psychological Strategy Board, 21 Sept. 1951, pt.11.
86. A.K.S. Lambton had served as Press Attaché at the British Tehran Embassy during the war before becoming a Reader in Persian at the School of Oriental and African Studies at the University of London. A.K.S. Lambton, 'The Impact of the West on Persia', pp.12-25.
87. Ambassador Shepherd reported that Iranian nationalism was factional and he implied that the most extreme outbursts were artificially fomented. British Petroleum Archives (BP) 100652, UK Embassy Teheran to London, 20 Sept. 1951.
88. HST, Students research B file, Iran oil 1951-53, box 1, file 9, report by Psychological Strategy Board, 21 Sept. 1951.
89. *FRUS* 1952-54, Vol.6, part one, Sec. Defense (Lovett) to Supreme Allied Commander Europe (Eisenhower), 24 Jan. 1952, pp.859-61.
90. *Ibid.*, part one, memo. by the Sec. State of a dinner meeting at the British Embassy, 6 Jan. 1952, pp.742-6.
91. *Ibid.*, notes by the Chairman of the Joint Chiefs of Staff (Bradley) of a dinner meeting aboard the S.S. 'Williamsburg' on the evening of 5 Jan. 1952, pp.740-2.
92. PRO, PREM 11 708, Prime Minister to Lord Cherwell, 10 Nov. 1951; PRO, CAB 128, CC(51)5th conclusions, 8 Nov. 1951.
93. HST, PSF, box 116, Memos. and minutes of Churchill Truman meetings, memo. by Knight, 9 Jan. 1952; *FRUS* 1952-54, Vol.6, part one, memo. by the Sec. State of a dinner meeting at the British Embassy, 6 Jan. 1952, pp.742-46.
94. PRO, FO 371/98608, record of meeting held at State Dept. re IBRD mission, 11 Feb. 1952.
95. PRO, FO 371/98684, Makins (Washington) to Strang, 18 Jan. 1952; PRO, POWE 33 1933, minute by Butler, 15 Feb. 1952; PRO, FO 371/98689, minute by Logan, 23 May 1952.
96. BP 100571, London to Washington Embassy, 11 Feb. 1952 (date received at Britannic House). See also Burrows' warning that US pressure to 'make concessions on points which appeared vital to us' would have serious repercussions for Anglo-American co-operation. PRO, FO 371/98608, record of meeting held at State Dept. re IBRD mission, 11 Feb. 1952.
97. BP 101912, record of meeting held in Strang's room in FO, 27 Feb. 1952.
98. PRO, FO 371/98686, Washington Embassy to FO, 14 March 1952; FO 371/98687, Middleton to A.D.M. Ross, 17 March 1952; *FRUS* 1952-54, Vol.10, Henderson to State Dept., 13 March 1952, p.368; *Ibid.*, Henderson to US Embassy UK, 28 Feb. 1952, pp.361-63; HST, Acheson Papers, box 167, card reference, 3 June 1952.

99. HST, Acheson Papers, box 167, card reference, 25 March 1952.
100. *FRUS*, 1952-54, Vol.10, Henderson to State Dept., 22 Jan. 1952, p.344.
101. HST, H.N. Howard papers, box 14, Middle East Chronological File 1950-54.
102. *FRUS*, 1952-54, Vol.10, Henderson to State Dept., 28 May 1952, pp.384-86; *Ibid.*, Sec. State to US Embassy Iran, 29 May 1952, footnote 2, p.386; Henderson to State Department, 13 June 1952, p.396.
103. PRO, FO 371/98691, Washington Embassy to FO, 26 July 1952.
104. PRO, FO 371/98691, Franks to FO, 29 July 1952; *FRUS*, 1952-54, Vol.10, Henderson to State Dept., 31 July 1952, p.427.
105. *FRUS*, 1952-54, Vol.10, Henderson to State Dept., 28 July 1952, p.416; PRO, FO 371/98691, Washington Embassy to FO, 26 July 1952; *ibid.*, FO 371/98691, Franks to FO containing copy of State Dept. instructions to Henderson, 31 July 1952.
106. *FRUS*, 1950, Vol.5, Secretary of State to Embassy Iran, 15 July 1950, p.173; HST, Acheson Papers, box 76, folder 1, Princeton Seminar, 15-16 May 1954, reel 5, track 2, p.16.
107. *FRUS*, 1950, Vol.5, memo. by Chief of Programme Staff MDAP (Bray) to Deputy Director MDA (Ohly), 25 Jan. 1950, p.122.
108. HST, PSF, Intelligence file, box 253, NIE-26, 'Key problems affecting U.S. efforts to strengthen the Near East', 25 April 1951, p.7; *ibid.*, box 258, Specific Estimates No. 21-35, 'Prospects for an inclusive Middle East Defense Organization', 17 March 1952, p.3; HST, Acheson papers, box 167, 'Commonwealth capabilities and intentions in the Middle East', 31 Dec. 1951; *FRUS*, 1952-54, Vol.9, memo. by the Acting Regional Planning Advisor, Bureau of Near Eastern, South Asian and African Affairs (Hoskins) to Assistant Secretary of State for Near Eastern, South Asian and African Affairs (Byroade), 'Reappraisal of US Policies in the NEA Area', 25 July 1952, pp.256-62.
109. HST, H.F. Grady papers, box 2, General File, Articles by Henry F. Grady, 'British American policy in Iran', 18 March 1952, p.4; *ibid.*, PSF, box 180, Subject file Iran - W. Averell Harriman, CIA report, 'Analysis of Iranian political situation', 12 Oct. 1951; *FRUS*, 1952-54, Vol.10, Henderson to State Dept., 5 Jan. 1952, p.304.
110. *FRUS*, 1952-54, Vol.9, memo. by the Acting Regional Planning Advisor, Bureau of Near Eastern, South Asian and African Affairs (Hoskins) to Assistant Secretary of State for Near Eastern, South Asian and African Affairs (Byroade), 'Reappraisal of US Policies in the NEA Area', 25 July 1952, pp.256-62; B.R. Kuniholm, 'U.S. policy in the Near East', in M.J. Lacey (ed.), *The Truman Presidency* (Washington: Cambridge University Press, 1989), pp.336-7.
111. HST, Acheson Papers, box 76, Princeton Seminar 15-16 May 1954, reel 6, p.7.
112. *FRUS*, 1952-54, Vol.9, memo. by the Acting Regional Planning Advisor, Bureau of Near Eastern, South Asian and African Affairs (Hoskins) to Assistant Sec. State for Near Eastern, South Asian and African Affairs (Byroade), 'Reappraisal of US Policies in the NEA Area', 25 July 1952, p.260.
113. *Ibid.*, pp.256-62.
114. *Ibid.*, footnote 3, p.267; *ibid.*, Matthews to Lovett, 15 August 1952, pp.266-7.
115. Acheson secured Truman's approval for this amount on 31 July. HST, Student research 'B file', Oil crisis in Iran 1951-53, box 1, file 8, memo. of telephone conversation by the Sec. State, 31 July 1952.
116. PRO, FO 371/98691, Franks to FO containing copy of State Dept. instructions to Henderson, 31 July 1952.
117. PRO, CAB 129, C(52)276, memo. by Foreign Secretary 'Persia', 5 Aug. 1952.
118. PRO, FO 371/98692, Teheran Embassy to FO, 2 Aug. 1952; FO 371/98691, FO to Washington Embassy, 9 Aug. 1952.
119. PRO, FO 371/98692, draft paper for submission by Sec. State to the Cabinet, 'Persia', with covering letter by Makins, 2 Aug. 1952; FO 371/98691, draft paper for the Cabinet by A.D.M. Ross, u.d..
120. *FRUS*, 1952-54, Vol.10, Sec. State to US Embassy UK, 26 July 1952, p.415.
121. BP 91032, memo. 'Persia' by Butler, 16 Aug. 1952.

122. For example, in Iran Ambassador Henderson had to refute allegations by Navab, the new Iranian Foreign Minister, of systematic US support for Britain and to assure Kashini that the US would never support imperialism. NA, LM 73, reel 44, Henderson to Sec. State, 14 Aug. 1952; *ibid.*, Henderson to Sec. State, 20 Aug. 1952.
123. HST, Student research 'B file' Oil crisis in Iran 1951-53, box 1, file 9, minutes of meeting at the White House, 21 Aug. 1952.
124. Cmd 8677, 1952, Correspondence between Her Majesty's Government in the United Kingdom and the Iranian Government, and Related Documents, concerning the Joint Anglo-American Proposals for Settlement of the Oil Dispute, August 1952 to October 1952, p.3.
125. For greater detail see *FRUS*, 1952-54, Vol.10, Sec. State to US Embassy Iran, 10 Oct. 1952, pp.488-90.
126. PRO, FO 371/98703, handwritten minute by Dixon, 30 Nov. 1952; FO 371/98704, C. Armstrong (Treasury) to Shuckburgh, 18 Dec. 1952.
127. PRO, FO 371/98704, FO to Washington Embassy, 20 Dec. 1952; *FRUS*, 1952-54, Vol.10, US Ambassador to France (Dunn) to State Dept., 16 Dec. 1952, p.550; *ibid.*, British aide-memoire, 20 Dec. 1952, footnote 2, p.556.
128. On 6 December, the State Department announced that the decision whether or not to purchase Iranian oil was at the discretion of individual companies and their appraisal of the legal risks involved. It was widely interpreted in America as an invitation to handle Iranian oil. BP 91032, A.E.C. Drake (New York) to Snow, 9 Dec. 1952.
129. On 8 December, Byroade recommended that the State Department withdraw its political reservations and encourage prompt consideration of the loan on commercial grounds. Shortly afterwards, with the support of Henderson, he secured Acheson's approval to approach Gaston, the ExIm Bank's President and Chairman, with a view to pushing the loan forward.
130. This allowed Iran to receive up to \$20 million during the American financial year ending 30 June 1953, in addition to funds already available through the ongoing Technical Co-operation Agreement.
131. J. Bamberg, *The History of the British Petroleum Company*, p.482.
132. George Middleton, British Chargé in Iran, predicted in November 1952 that 'the prospect was never better for the vital 100 per cent Anglo-U.S. front which has never yet really been established against Mossadeq', BP 91032, record of conversation with G.H. Middleton, 19 Nov. 1952.
133. PRO, FO 371/98703, handwritten note by Strang dated 29 Nov. 1952 on minute by Bowker 'Persia', 28 Nov. 1952.
134. The oil majors' concern for the sanctity of contract and solidarity in the oil industry cast them as stronger supporters of AIOC's interest in Iran than the US government, even to the extent of compromising government efforts to resolve the crisis. For details see S. Marsh, *Anglo-American Relations and Cold War Oil: Crisis in Iran* (London: Palgrave, forthcoming 2003).
135. PRO, PREM 11 572, Press notice, u.d. and unsigned.
136. PRO, FO 371/98703, Washington Embassy to FO, 6 Dec. 1952.
137. PRO, CAB 128 CC(52)74, pt. 6, 29 July 1952; FO 371/98691, minute by Logan, 29 July 1952; *ibid.*, Middleton to FO, 25 July 1952; BP 100571, Govt. telegram Teheran to London, 27 July 1952.
138. PRO, CAB 129, C(52)275, note by Foreign Secretary 'Persia' containing circular of Chargé d'Affaires Teheran to J. Bowker, 5 Aug. 1952; BP 100571, gov. telegram Teheran to London, 27 July 1952.
139. DDE, Ann Whitman file, NSC Series, box 4, memoranda of 136th meeting NSC on Wednesday 11 March 1953, 12 March 1953.
140. PRO, FO 371/103519, J.R. Colville (New York) to FO, 7 Jan. 1953; DDE, J.F. Dulles Papers 1951-59, Subject Series, box 8, Classified, memo. by J.F. Dulles to Eisenhower, 5 Jan. 1953; DDE, Ann Whitman file, International series, box 15, Great Britain (3),

Eisenhower to Eden, 16 March 1953; R.H. Ferrell, *The Eisenhower Diaries* (New York: W.W. Norton, 1981), diary entry 6 Jan. 1953, pp.222-4.

141. R.H. Ferrell, *The Eisenhower Diaries*, diary entry 13 Feb. 1953, p.230.
142. DDE, J.F. Dulles Papers, Subject series, box 10, Churchill Eden correspondence 1954 (3), Memo. for the Sec. from C.W. McCordle, 9 July 1954, p.2.
143. R.H. Ferrell, *The Eisenhower Diaries*, diary entry 6 Jan. 1953, pp.222-4.
144. DDE, J.F. Dulles Papers 1951-59, Subject Series, box 8, Dulles to David Bruce, 3 Dec. 1952; *ibid.*, J.F. Dulles to Eisenhower, 5 Jan. 1953.
145. DDE, J.F. Dulles Papers 1951-59, Subject Series, box 8, Classified, Dulles to Bruce, 3 Dec. 1952.
146. *FRUS*, 1952-54, Vol.10, Ambassador in Iran (Henderson) to State Dept., 14 Feb. 1953, p.665.
147. *Ibid.*, Sec. State to US Embassy UK, 10 Feb. 1953, p.663; PRO, CAB 128, CC (53)20th conclusion, 17 March 1953.
148. BP 100570, Washington Embassy to London, 27 Jan. 1953.
149. PRO, FO 371/104612, FO to Washington Embassy, u.d.; M. Elm, *Oil, Power, and Principle*, pp.277-78; J. Bamberg, *The History of the British Petroleum Company*, p.484.
150. PRO, FO 371/104610, Eden to Makins, 23 Jan. 1953; DDE, Ann Whitman file, International Series, box 16, folder Eisenhower - Churchill, November 4 1952 - January 20 1953, Churchill to Eisenhower, 6 Jan. 1953.
151. PRO, FO 371/104614, draft brief for the Cabinet, 16 March 1953; BP 9219, unsigned letter to Fraser, 13 Feb. 1953; BP 66834, B.R. Jackson to Fraser, 3 April 1953; DDE, Ann Whitman File, International Series, box 16, The President-Churchill (Vol.I), 20 Jan. - 28 May 1953 (4), Eisenhower to Churchill, 8 May 1953, p.2.
152. *FRUS*, 1952-54, Vol.10, memo. of conv. between Nitze, Byroade and Richards with British Embassy officials, 27 Jan. 1953.
153. PRO, FO 371/104612, Makins to FO, 10 Feb. 1953; FO 371/104610, Washington Embassy to London, 28 Jan. 1953; FO 371/104612, FO to Washington Embassy, 20 Feb. 1953.
154. J. Bamberg, *The History of the British Petroleum Company*, p.485.
155. *FRUS*, 1952-54, Vol.10, Acting Sec. State (Matthews) to US Embassy UK, 3 Feb. 1953, p.661.
156. PRO, FO 371/104614, draft brief for the Cabinet, 16 March 1953.
157. PRO, FO 371/104612, Washington Embassy to FO, 19 Feb. 1953.
158. This was something that delighted the British. A Foreign Office official noted on 31 January: 'I do not wish to say "I told you so", but I think the United States must agree that the latest news from Teheran shows that we were right in insisting on making the proposals which we put to Dr Musaddiq as watertight as possible. It also makes clear that if there is a deadlock this will not be because Her Majesty's Government have been excessively rigid in their attitude but because Dr Musaddiq has withdrawn from the position on which the whole of the proposals of the 15th January were based.' PRO, FO 371/104612, FO to Washington Embassy, 'Persian Oil', 31 Jan. 1953.
159. DDE, Ann Whitman file, NSC Series, box 4, memoranda of 136th meeting NSC on Wednesday 11 March 1953, 12 March 1953.
160. PRO, FO 371/104614, FO to Washington, 7 March 1953.
161. 161, Secret History, www.cryptome.org/cia-iran-all.htm, pp.1-2.
162. DDE, Ann Whitman file 1953-61, NSC Series, box 4, meeting NSC-147, 1 June 1953, p.4; PRO, FO 371/104614, FO to Washington Embassy, 7 March. 1953.
163. DDE, Ann Whitman file 1953-61, NSC Series, box 4, meeting NSC-132, 18 Feb. 1953.
164. PRO, FO 371/104566, copy of communication from US Embassy Iran, 10 April 1953.
165. *FRUS*, 1952-54, Vol.10, Ambassador Iraq (Berry) to State Dept., 17 Aug. 1953, p.748.
166. *Ibid.*, Ambassador in Iran (Henderson) to State Dept., 31 March 1953, p.721.
167. This conclusion is partially supported by Rubin who, while condemning the morality of the decision, sees Eisenhower's approval of the coup as 'not necessarily illogical'. Both J.A. Bill and M.J. Gasiorowski have contended that without the coup there was no certainty that

- Mosadeq would fall. B. Rubin, *Paved with Good Intentions: The American Experience in Iran* (Oxford: OUP, 1981), p.88; J.A. Bill, *The Eagle and the Lion: The Tragedy of American-Iranian Relations* (New Haven and London: Yale University Press, 1988), pp.86-97; M. Gasiorowski, *Building a Client State*, pp.72-84.
168. On 29 July the State Department Office of Intelligence and Research declared the opposition to Mosadeq weak and incapable of unified action (What was Learned, p.89). Also, agreement was never reached on the reliability of the Shah, it was considered that 'security...is a serious weakness in the Iranian character' (appendix B p.26), and that co-opted military officials could not be relied upon, not least because 'The Iranian officer is usually indecisive and covers his inferiority with bombast and chest beating' (Appendix E, p.21). Secret History, www.cryptome.org/cia-iran-all.htm
169. Secret History, www.nytimes.com/library/world/mideast/041600iran-cia-index.html

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