

RECONSIDERATIONS

Mostafa T. Zabrani is the representative of the Iranian Institute for Political and International Studies of the Foreign Ministry to the Permanent Mission of the Islamic Republic of Iran to the United Nations.



The Coup That Changed the Middle East

Mossadeq v. The CIA in Retrospect

Mostafa T. Zabrani

Few upheavals in the Middle East have had wider aftershocks than the 1953 coup that overthrew the Iranian nationalist leader Mohammed Mossadeq. As seen by Mossadeq and his National Front Party, the chief issue was Iran's right to nationalize a British oil giant that held exclusive rights to drilling and selling the country's petroleum. As seen by the incoming Eisenhower administration in Washington, something very different was at stake—a possible Soviet takeover in Tehran, its way prepared by Tudeh, the Iranian Communist Party. But to many Iranians, the United States betrayed its own values by covertly joining with Britain to depose an elected leader, and then abetting the imperial ambitions of Shah Mohammed Pahlevi. For Americans, the unintended result was the rise of political Islam, leading to the 1979 revolution and the present continuing impasse in Iranian-U.S. relations.

Containing communism was the justification for the coup, but by the coldest reckoning the price was excessive. The Shah's legitimacy was irreparably compromised by owing his throne to Washington. It is a reasonable argument that but for the coup Iran now would be a mature democracy. So traumatic was the coup's legacy that when the Shah finally departed in 1979, many Iranians feared a repetition of 1953, which was one of the motives for the student seizure of the U.S. embassy. The hostage crisis, in turn, precipitated the Iraqi invasion of Iran, while the revolution itself played a part in the Soviet decision to invade Afghanistan. A lot of history, in short, flowed from a single week in Tehran.

With this in mind, it is worth looking again at what happened in August 1953, when the Shah dismissed Mossadeq as prime minister, and then fled the country after National Front demonstrators took to the streets. This was followed by counterdemonstrations promoted by the Central Intelligence Agency (CIA) and Britain's Secret Intelligence Service, and when it appeared that Operation Ajax was succeeding, the Shah returned to reclaim the Peacock Throne. Once back in his palace, the Shah thus thanked Kermit Roosevelt, grandson of Theodore and head of the CIA's Middle East Department: "I owe my throne to God, my people, my army—and to you!" Or so Roosevelt quoted him in his 1979 memoir, *Countercoup*.

Yet nothing about the 1953 events was that simple. This essay will attempt to explore the complex factors—the people, the countries, and the parties—that played a part in what was hardly an inevitable outcome. What is striking is that until the final months Washington resisted joining with Britain to unseat Mossadeq, and that even within the CIA, the Tehran station chief was reportedly opposed to "putting U.S. support behind Anglo-French colonialism."

The Background

First, the essential background. Exclusive rights to explore and exploit oil in Iran's southern provinces were granted in 1901 to William Knox D'Arcy, a British-born investor who had gained a fortune in the Australian gold rush. The initial drilling was disappointing, but his gamble paid off in

1908 when oil was struck just as the British navy was fully converting from steam to petroleum. So strategically important was Iranian oil that in June 1914, just before the outbreak of the First World War, the British Parliament took the unusual step of approving the government's investment of 2.2 million pounds to acquire 51 percent of the stock in the Anglo-Persian Oil Company. The effect was to raise the diplomatic stake when differences developed over the company's 60-year concession.

Although some contract modifications were made in 1919, the oil company's one-sided contract remained in effect until the 1930s—it paid only 16 percent of its profits to Iran, had complete control over export prices, kept its records secret (including the below-market prices the British navy paid for its oil), and did little to replace expatriate technicians with Iranians. In 1932, Iran canceled the contract, and after prolonged negotiations involving the Court of International Justice, the company increased Iran's share of royalties under a new formula in a fresh concession that was to last a further 32 years. Yet Tehran's justifiable grievances persisted with what was now called the Anglo-Iranian Oil Company, or AIOC. The world's oil economy was transformed in 1949–50 when Saudi Arabia and the Arabian-American Oil Company, or Aramco, negotiated a 50-50 revenue split—this at a time when AIOC was paying more in British taxes than it was in royalties to Iran. On July 19, 1949, in a surprising display of legislative muscle, the Iranian Parliament, or Majlis, refused to ratify a too-little, too-late supplemental oil agreement meant to improve concession terms, dealing a blow to both the Shah and AIOC. By the time the oil company belatedly agreed to match Aramco's 50-50 split, opposition forces were fully committed to nationalization. On March 15, 1951, the Majlis approved a measure that required the government to take all necessary steps to regain for Iran the rights to its own natural resources. To ensure compli-

ance, the parliament also proposed the premiership of Mossadeq, a veteran upholder of Iranian nationhood and constitutional rule, but scarcely a radical—indeed he was a wealthy landowner. The Shah complied, and Mossadeq became prime minister.

Mossadeq's strongly held views about Great Britain were based on a long history of foreign interference in Iranian internal affairs. This reached a climax in 1907 when Britain and Russia reached a formal agreement to divide Iran into zones of influence, this being done without consultation with, or the consent of, Iran. Thus the country's southern areas became the British zone; the northern region, including Tehran, went to Russia, with a neutral zone in between. The two great powers adhered to this agreement from 1907 through the Second World War, when Russian troops occupied the northern territories, and British troops the south, including the oilfields and Gulf refineries at Abadan. Thus Mossadeq viewed the oil issue as a test of sovereignty; fearing the Shah would equivocate, he put the matter to him bluntly: "Did the Shah desire to carry on the battle to victory...or to compromise, and again fall under British rule?" For his part, the Shah saw Mossadeq and his allied opposition groups as a threat to his legitimacy, power, prestige, and personal safety, and to the territorial integrity of Iran. He later wrote, "The worst years of my reign, indeed of my entire life, came when Mossadeq was Prime Minister... Every morning I awoke with the sensation that today might be my last one on the throne."

In Britain, meanwhile, Clement Attlee's Labor government vainly tried to reverse nationalization and sought unsuccessfully to install a pro-British politician as prime minister in Tehran. Foreign Secretary Herbert Morrison informed the Iranian ambassador in London on May 2, 1951, that Britain refused to recognize the takeover of the oil company. Mossadeq replied on May 8 that nationalization was the sovereign right of all states but that Iran would consider British

claims for restitution. The Labor government, despite its anti-imperial traditions, retaliated by imposing an embargo on Iran's oil exports. In collusion with U.S. companies, Anglo-Iranian increased its output from non-Iranian sources to offset losses of Iranian crude. The British announced that it was henceforth illegal to buy Iranian oil, and that violators would be held criminally accountable. In the escalating duel, Mossadeq reacted by ordering the expulsion of all British employees of AIOC by October 4, 1951. As a last resort, Britain weighed covertly removing Mossadeq from office with the help of a network of pro-British politicians, business interests, military officers and influential elites. When this failed, Britain in November broke off diplomatic relations, closed its embassy in Tehran, and recalled its staff, symbolically ending the long era of British dominion of Iran.

The U.S. Response

Washington's response to these developments changed fundamentally as the Truman administration gave way to the Eisenhower team. Initially, the United States tacitly supported Iran and its right to nationalize its oil, if it provided sufficient compensation, and in time this support evolved into efforts to mediate the dispute. There was a consensus in Washington that the overriding objective was to prevent Iran from falling under Soviet domination. In the Truman era, the United States opposed British use of force since it might lead to Soviet intervention, or to an Iranian request for Soviet help.

While Truman was in office, Mossadeq met with American officials, including the president, Secretary of State Dean Acheson, and Assistant Secretary of State George McGhee, in an attempt to resolve the oil dispute. The administration then regarded Mossadeq and his movement as a potential barrier against Soviet domination of Iran, and persisted in trying to broker a compromise in the oil dispute. But there were lim-

its to how far America was willing to go; when the prime minister asked for financial assistance or for help in operating the oil industry, the Truman administration declined.

For their part, the British tried to persuade Washington that Iranian nationalism was not deeply rooted but "artificially stimulated," that aid to Mossadeq would only delay his fall, that economic pressure would compel him to comply with British terms, and that the collapse of his government would not bring about Communist rule in Iran. The Truman administration disagreed, and continued to the end to consider Mossadeq as a bulwark against communism.

The political calculus changed, however, after the election in November 1952 of Dwight D. Eisenhower and a Republican Congress in the United States, and after the return of Winston Churchill and the Conservatives in Great Britain. That same November, a new British foreign secretary, Anthony Eden, sent a team of officials to Washington to discuss plans for removing Mossadeq. C. M. (Monty) Woodhouse, then SIS station chief in Tehran (and later a well-known author and Conservative parliamentarian) met at CIA headquarters with Frank Wisner, director of covert operations, and with Kermit Roosevelt, chief of Middle East operations. Woodhouse found that while Truman would not approve the British plan, President-elect Eisenhower was more open to the idea. As Woodhouse put it to the Americans, "Even if a settlement of the oil dispute could be negotiated with Mossadeq, which is doubtful, he was still incapable of resisting a coup by the Tudeh [Communist] Party, if it were backed by Soviet support. Therefore he must be removed."

On February 3, 1953, two weeks after Eisenhower's inauguration, top U.S. and British officials met to review the situation. They decided to develop and implement a plan to overthrow Mossadeq and install Gen. Fazlollah Zahedi as premier. The British had originally viewed Zahedi as "unscrupulous" and "an opportunist," but now

saw him as a strong leader capable of guiding Iran back into the Western camp. On June 25, 1953, the Eisenhower administration approved the operation under the code name AJAX. In the words of Kermit Roosevelt, it was intended as a “cooperative venture. It allied the Shah of Iran, Winston Churchill, Anthony Eden and other British representatives with President Eisenhower, John Foster Dulles, and the Central Intelligence Agency.”

Complicating the plans was the Shah’s distrust of the British. Before accepting their aid, he wanted assurances that Britain would continue to support his rule. He complained to Loy Henderson, the new U.S. envoy in Tehran, that the British “had thrown out the Qajar Dynasty, had brought in his father and had thrown out his father. Now they could keep him in power or remove him in turn as they saw fit.” To reassure the Shah of continued British support, Roosevelt met secretly with him, saying he spoke for both Eisenhower and Churchill. He explained that support by both countries “would be confirmed by the inclusion of two specific code phrases in broadcasts which he could hear: one in a speech by President Eisenhower, and one in a Persian-language broadcast by the BBC.” The Shah heard both messages.

American Motives

What changed Washington’s position? There are different hypotheses. Some argue that the primary motive was the desire to advance the interests of U.S. oil companies by gaining them a share in Iran’s oil industry. Before the coup, it was claimed that a “big deal” had been struck between British and U.S. oil companies to divide up Iranian oil. In fact, an agreement announced after the coup gave U.S. firms a 40 percent share of Iran’s petroleum output, which previously had been exclusively controlled by the British. The Eisenhower team was avowedly pro-business, and Secretary of State John Foster Dulles and his brother Allen, the di-

rector of central intelligence, had been prominent Wall Street lawyers specializing in international business. Given the strategic importance of oil in the aftermath of the Second World War, the commercial motivation theory is a plausible one.

Against the theory is the fact that it ignores the contemporary realities of the international oil market. Since a glut already existed in the early 1950s, U.S. companies had no compelling reason to seek new sources. The U.S. “majors” had increased output in Saudi Arabia and Kuwait, more than compensating for the loss of Iranian oil. Their operating in Iran would have forced them to reduce production elsewhere, potentially creating tensions with the Saudis and Kuwaitis. Furthermore, the intense nationalism in Iran made operations there seem risky. For these reasons, U.S. oil executives repeatedly told Washington officials that they were not interested in Iranian oil. At one point, to counter this lack of interest, the Truman administration even tried to persuade U.S. companies to take part in an Iranian oil consortium by offering to scale back a major antitrust suit the Justice Department had brought against them.

Besides, the timing of the initial U.S. approval of the plan to overthrow Mosadeq—two weeks after Eisenhower’s inauguration—suggests that the initiative was due more to the new team’s activist foreign policy views than to commercial opportunities. The coup was in fact something of a test of the administration’s new strategy for combating Soviet expansionism. During the 1952 election campaign, Republicans had accused the Truman administration of dealing ineffectively with communism, arguing that Democrats had “lost” China and Eastern Europe, and had become bogged down in a seemingly endless war in Korea. Once in power, the Eisenhower team began to formulate a new global strategy, which became known as the “New Look.” The strategy sought to retain the Truman defense policies while acting more aggressively and using a

wider variety of initiatives against communist adversaries. After the success of the Iran coup in August 1953, marking America's first use of covert means to overthrow a foreign government, the United States undertook similar efforts in Guatemala, Egypt, Syria, Indonesia, and Cuba.

Washington's decision to involve itself in Iran was shaped by historical experience. In violation of agreements made during the Second World War, Soviet troops had remained in Iran after the war. This began to fuel an internal debate about Soviet intentions, and although Moscow pulled back its forces from northern Iran in 1946, this did not assuage U.S. fears of ultimate Soviet intentions.

The Consequences

The most significant consequence of the 1953 coup, a drama that reached its climax in a week that saw the Shah flee from Tehran, and then return when orchestrated demonstrations brought down Mossadeq, was its impact on Iran's domestic politics. In the coup's immediate aftermath, the Shah and Prime Minister Zahedi put in place a rigid authoritarian regime that banned all forms of opposition. In an attempt to bolster royal legitimacy, the Shah in the early 1960s launched his "White Revolution." The introduction of mass mobilization in the fascist style marked a new chapter in Iranian politics. To portray himself as a progressive, the Shah embarked on a land reform program—the centerpiece of his White Revolution—that eliminated almost all of Iran's large landowners, thereby essentially destroying the traditional upper class, economically and politically. Unfortunately, land reform, together with Iran's rapid economic growth, led many Iranian peasants to migrate to urban areas, swelling the ranks of an urban lower class, setting the stage for future events.

The White Revolution was also a test-case for the new Shia leadership among the dominant Islamic clergy. It was during the

1960s that Ayatollah Ruhollah Khomeini, whom the Shah initially labeled as "fanatic and backward," emerged as a powerful dissenting voice. It is true that the ayatollah saw aspects of the Shah's program as potentially corrupting, but did this mean he was against rural development or empowering women? As to the latter, the ayatollah responded with an ironic question, "Are the men free now that the Shah wants to free women?" More importantly, his was an expression of indigenous religious nationalism in reaction to the increasing incorporation of Iran into the Western political and economic system under the authoritarian aegis of the Shah.

In October 1964, responding to what he perceived as a capitulation of national sovereignty, Ayatollah Khomeini denounced the adoption by the Majlis of a Status of Forces Agreement, under which U.S. personnel received certain legal immunities. His statement appealed to many Iranians, especially university students, and the government responded by arresting and then sending the ayatollah into exile, first in Turkey and later Iraq, where he remained until 1978. The suppression of the old established opposition, exemplified by Mossadeq, resulted in the emergence of new and much more radical groups, some Marxist, some secular Islamic. But by early 1976, aided by the boom resulting from the quadrupling of output by the Organization of Oil Exporting Countries, the country appeared stable—indeed was toasted as "an island of stability" by a visiting President Carter in 1978.

What went wrong for the Shah? Some point to the gap between economic development and political reform. Others suggest that the perceived relationship of dependence on the United States played a role. Yet the influence of Islamic ideology is also vitally important. It should be remembered that by contrast with Sunni Islam, Shia jurisprudence did not articulate an authoritative position on politics. Previously, there

had even been a debate on whether one could revolt against a king. The prevailing opinion was that in the absence of the Immaculate Imam, no one had a right to rebel against a ruler. In the 1960s, the opposition of the *ulama*, or clergy, against the Shah paved the way for doctrinal rethinking.

It was following the Shah's postcoup suppression of Iran's existing constitution that Imam Khomeini first raised his voice in opposition, insisting that legislation would be valid only if enacted by Parliament and approved by the *ulama*, as previously provided. He made this distinction clear in 1962, when he stated: "We speak to the regime in its own accepted terms—not that the Constitution is, in our view, perfect. Rather, if the *ulama* speak in terms of the Constitution, it is because Article 2 of the Supplementary Fundamental Laws does not recognize any legislation opposed to the Koran as law; other than that, the only accepted law is the law of Islam and the traditions of the prophet Mohammad and the Imams. Whatever is in accord with Islam we shall accept and whatever is opposed to Islam, even if it is in the Constitution, we shall oppose." This was the new thinking that was to play so important a role in the Iranian Revolution.

Postrevolutionary Issues

In postrevolutionary Iran, three events—the taking of the U.S. embassy in Tehran, the Iraqi attack on Iran, and the Soviet invasion of Afghanistan—are relevant to this essay. Each had a profound effect on the international politics of the region.

First, the occupation of the embassy occurred in November 1979—a period of revolutionary fervor and domestic crisis—after the Shah was admitted to the United States for medical treatment. Despite warnings about the consequences of this action, including those from the U.S. chargé d'affaires Bruce Laingen, the Carter administration failed to anticipate the intensity of the Iranian reaction. Behzad Nabavi, an influential

figure in Iran's current reform movement, who supported the takeover, believed at the time that if the U.S. embassy had not been seized, a repeat of the 1953 coup would have occurred. This view was shared by Massoumeh Ebtekar, who became the spokesperson for the students who seized the embassy: "In the back of everybody's mind hung the suspicion that, with the admission of the Shah to the United States, the countdown for another coup d'état had begun. Such was to be our fate again, we were convinced, and it was to be irreversible. We now had to reverse the irreversible." The common belief among many Iranians was that the American hostages were held partly as a guarantee that Washington would not repeat its past mischief.

Second, a war between Iraq and Iran, one of the longest and bloodiest wars in the modern era, a war in which for the first time chemical gas was directed massively against civilians, as well as combatants, began in 1980, the first period of Iran's Islamic Revolution. An obvious motive for Iraq's aggression, though never declared, was Baghdad's fear that Iran's Shia would serve as a revolutionary example for Iraq. Whatever the motives of Iraq's aggression, the event was momentous for the region as a whole, highlighting the military ambitions and irredentist designs of the Baghdad regime—something the world would come to discover when Iraq tried to annex Kuwait ten years later. And yet Washington covertly helped the Iraqi regime during its war with Iran, sharing intelligence information with what it now terms a "rogue state" aligned in an "axis of evil" with, of all countries, Iran.

And third, the Soviet invasion of Afghanistan has been similarly pivotal. Regardless of the strategic goals of the Soviet Union at the time, the revolution in Iran provided Moscow with an excuse to involve itself in the internal affairs of Afghanistan. It was widely believed then, and corroborated in memoirs and by the release of once-

secret Soviet documents, that fear of a repetition of the Iranian Revolution prompted Leonid Brezhnev and his Politburo to authorize in December 1979 a massive invasion to protect an extremist Marxist regime that had seized power in Kabul the year before.

Thus, looking backward, we can say the 1953 coup and its consequences afforded the starting point for the political alignments in today's Middle East and inner Asia. With hindsight, can anybody say the Islamic Rev-

olution of 1979 was inevitable? Or did it only become so once the aspirations of the Iranian people were temporarily expunged in 1953? Was the radicalization of the clergy, for that matter, inevitable? This essay has proposed an examination of the 1953 coup as a starting point for objective discussion. Certainly looking back at that event, one might justly recall the famous epitaph for Sir Christopher Wren, the architect who rebuilt London after the Great Fire: "If you wish to see his monument, look around." ●