

## A PERSIAN TRAGEDY

# Mossadeq's Fight for National Sovereignty

by Muriel Mirak-Weissbach

A tragedy of untold dimensions is threatening in Persia, a tragedy which could unleash a process leading to World War III, and the destruction of civilization as we know it. Neo-conservative circles in London and Washington have targeted this key Persian Gulf nation, in the context of their imperialist policy of permanent war. Two main policy options have been openly discussed in the Anglo-American circles vis-à-vis the Islamic Republic: military aggression, either by the United States or proxy Israel, aimed at eliminating the Bushehr nuclear power plant and other sites related to the nation's civilian nuclear program; or, failing that, political destabilization, leading to regime change.<sup>1</sup>

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1. Preparations for political destabilization are quite advanced, at least in planning. Following the modus operandi adopted in the cases of Iraq and, more recently, Lebanon-Syria, whereby congressional legislation has laid the basis for political action, and threatened military follow-up, so in the case of Iran: The Iran Freedom Support Act (H.R. 282), presented by Rep. Ileana Ros-Lehtinen (R-Fla.), and the Senate version (S. 333) presented by Sen. Rick Santorum (R-Penna.). At the same time, neo-con circles inside the United States, in tandem with co-thinkers in Europe, have mobilized to dress in a garb of legitimacy the anti-Iranian terrorist organization Mujahideen-e-Qalq (MKO/MEK), which had enjoyed refuge in Iraq under Saddam Hussein, and now enjoys the same, under U.S.-led occupation forces. This group represents a credible military and paramilitary capability, which it has successfully demonstrated over the past decades: It can organize and conduct bombings and political assassinations inside Iran. Its political front organization, the National Council for the Revolution in Iran (NCRI) under Maryam Rajavi, has been campaigning in Europe, among parliamentarians, as well as in the United States, with congressional support, to remove the MKO/MEK from the lists of terrorist organizations filed at the State Department and the European Parliament. With a clean bill of health, these groups could be deployed for sabotage operations aimed at overthrowing the current regime in Tehran. Other parallel operations against Tehran are already being

If the precedent for a possible military attack is to be found in the Israeli bombing of the Osiraq nuclear plant in Iraq, in 1981, the precedent for regime change is the 1953 overthrow of the democratically elected government of Mohammad Mossadeq in Iran, by an Anglo-American combination. This, identified by John Perkins, in his book *Confessions of an Economic Hit Man*,<sup>2</sup> as the first U.S. coup against a foreign country, was a British-authored and -designed operation, carried out through the good graces of the notorious Dulles brothers, Allen and John Foster.

Reviewing the dramatic history of that coup is crucial today for several reasons. First, it provides insight into the way Iranian history has shaped the mentality and outlook of the country's leadership and population today. The issue then was ostensibly oil: Mossadeq had nationalized the country's rich petroleum resources, and offered a negotiated settlement with the British, who had asserted imperial control over them. London refused. The actual issue was not only oil, but national sovereignty, and the right of the nation to develop. Today, the ostensible issue is Iran's nuclear program, alleged to be a weapons program; but again the real issue is national sovereignty, and the right to advanced technologies for economic development.<sup>3</sup>

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run by the British, among the Arab minority in Iran, in Khuzestan province, and by the United States, out of Iraq, among the Kurdish minority in northern Iran. For the NCRI and MKO, see [www.maryam-rajavi.org](http://www.maryam-rajavi.org).

2. *Confessions of an Economic Hit Man* (San Francisco: Berrett-Koehler, 2004).

3. See Muriel Mirak-Weissbach, "Law vs. Brute Force: The Fight Over Iran's Nuclear Program," *EIR*, Sept. 30, 2005.



Truman Library

*Prime Minister Mohammad Mossadeq (right) with Britain's Sir Gladwyn Jebb at the UN Security Council in New York, October 1951. Addressing the Council, Jebb proclaimed the imperial view that Iran's oil belonged to the Anglo-Iranian Oil Company, which was utilizing it to the benefit of the Iranian people. Mossadeq countered by upholding the right to national sovereignty, underlining that "my countrymen lack the bare necessities of existence. Their standard of living is probably one of the lowest in the world. Our greatest natural asset is oil."*

Secondly, reliving the Mossadeq experience would also revive appreciation of his unique understanding of the political, cultural, and epistemological issues in the fight against British imperialism. Finally, the case of the 1953 coup is a precedent-setting event, in which British imperialist circles succeeded in manipulating American forces, whose principled approach to Iran—and the entire region—had been diametrically opposed to British 18th Century methods. President Franklin Delano Roosevelt had a completely different plan for post-World War II Iran, than the British, a plan based on helping that country become a model in the region, for advanced economic and political development. Roosevelt's premature death was a crucial event in the tragedy that was to unfold.

## The Lessons of History

As Lyndon LaRouche has repeatedly demonstrated, one cannot grasp the significance of a particular political event or problem, unless one locates it within the long waves of historical and cultural processes in which it occurs. In the case of Iran (or Persia, as it was known until the 20th Century), a pattern emerges time and again, whereby external influences, in the form of colonial or imperial subjugation, loot the country's riches, thereby triggering a response in the form of a

national upsurge or revolution, to expel the foreign oppressors.<sup>4</sup>

Since the 18th Century, Persia had been a pawn in the strategic conflict known as the Great Game, whereby the British Empire and the Russian Empire competed for influence over what British geopolitician Halford Mackinder called the "Heartland" of Eurasia, mainly Central Asia, the Caucasus, and Persia. Repeatedly, into the 20th Century, Iran was divided up between the two powers, whereby Russia prevailed in the north, and Britain in the south. Repeatedly, patriotic nationalist forces looked to the United States for support in their fight for national sovereignty, against the two great imperial forces.

Beginning in the early 20th Century, after the first huge oil deposits had been found by the British, petroleum assumed an important role in the great power rivalry. The general tendency of the Iranian ruling elites, was to sell out the country's national assets and interests, including concessions over oil, the which sparked social opposition in the form of popular revolt, leading to the Tobacco Revolution of 1891, followed by the Constitutional Revolution of

1906, and so on. The social layers leading such revolts, included typically intellectuals, political figures, and—most importantly—the Shi'ite clerical leadership.

The drama played out again and again, albeit in different forms, saw leading nationalist figures on center stage often including kings (or Shahs), who strove to wrest control from imperialist British forces, and to steer the nation on a course of economic development, always looking to America for support against the British and the Russians; but who never succeeded in making the final break with London.

Noble attempts in this direction were made, and great strides forward, in social and economic development, were registered. But they fell short of the mark, as a result of the failure, on the part of the leadership, to fully grasp the nature of the British enemy, and its strategic aims, and to understand the need for institutional political change toward republicanism within the country.

The exception to the rule was Mohammad Mossadeq, who, because of his fine understanding of the British, shaped by an in-depth study of history, succeeded in the fight for national independence, through the nationalization of the

4. This pattern is already identifiable in ancient Persian history, from the conquest by Alexander the Great, to the Arab conquest.

country's oil industry and the expulsion of the British from the land. That great triumph was short-lived, however; although his effective leadership won the day, that victory was dashed, because of the corruptibility of major institutions in the country, which were effectively bought off by the British, in what was dressed as an Anglo-American coup d'état.

## Colonialism via Concessions

The term "concession" is most apt to depict the mechanism of imperial takeover exercised by the British in Persia. A concession was a license to loot, which then became the basis for assertion of imperial control. Although Persia was never, formally speaking, a colony, or part of the British Empire, its entire national patrimony was sold off time and again to the British, who thereby became de facto rulers.

It began with the comprador regime of the Qajar Dynasty (1794-1924), whose decadence was legion: Shah Nasir al-din Shah, (ruled 1848-96) with his 1,000-plus harem of wives, concubines, eunuchs, and God-knows-what, was a caricature of oriental decadence. It was not so much his obsession with grandeur, epitomized by the plethora of royal titles he assigned to himself, which alienated the population, but his sellout of national interests.

In 1872, the Shah granted to the German-born British Baron Julius de Reuter, rights to the entire economic patrimony. Reuter not only sat on top of industry, farming, and rail transportation, but enjoyed the right to issue currency and to set up a national bank, euphemistically called the Imperial Bank of Persia (under British control). The Shah at one point had to revoke Reuter's original concession, under pressure from Russia, which itself then received a concession for fishing rights, as well as for a branch of the Russian state bank.

The next big concession was granted in 1890, to the Imperial Tobacco Corporation of Persia, a £15,000 British consortium, which thereby obtained a monopoly on the production, sale, and export of tobacco in Iran—for 50 years! The population, which suffered the economic consequences of foreign exploitation and royal waste, revolted in 1891, in the so-called Tobacco Revolution. A coalition of farmers, tradesmen, intellectuals, and—most important—clergy, had emerged to challenge the British monopoly. The religious authority who led the movement, Sheikh Mirza Mohammad Hasan Shirazi, issued a *fatwa* (religious decree) banning smoking. And that was it. The tobacco concession had to be cancelled in 1892.

The Qajar dynasts refused to read the writing on the wall, and blithely proceeded to sell out other of the country's assets. The hapless Nasir al-Din Shah met his fate in 1896, when he was shot dead by an assassin; his son, Muzzaffar al-Din (ruled 1896-1907), who succeeded him, seemed not to have learned the lesson. In 1901, he negotiated what became known as the D'Arcy Contract, the most infamous of all concessions to foreign imperial interests.

William Knox D'Arcy was a wealthy London financier, living in Australia. Muzzaffar granted D'Arcy a concession

for "special and exclusive privilege to obtain, exploit, develop, render suitable for trade, carry away, and sell natural gas [and] petroleum . . . for a term of 60 [!] years."<sup>5</sup> In exchange, D'Arcy was to give him £20,000, plus 20,000 £1 shares, and 16% of the annual revenues from oil, if found.<sup>6</sup> The concession covered the entire country, except the Caspian and Korrasan provinces.<sup>7</sup>

Such an outrageous agreement was bound to provoke popular reaction. In parallel, the Qajar dynast was going deeper into debt with the Russians, whose influence over the country was also increasing. Popular protests broke out in late 1905, against the foreign influence, and, fed by democratic ideas from Europe, soon took the shape of a political demand for giving the people a voice in national affairs—specifically, for a "national consultative assembly," which Muzzaffar was forced to accept. In 1906, the protests swelled. A draft constitution, modelled on that of Belgium, was forced on the Shah, limiting his powers and calling for national elections, which took place in October. The first session of the Majlis (parliament) was convened on Oct. 7, 1906 and on Dec. 30, the Constitution was adopted.

The existence of a parliament constituted a clear threat to British as well as Russian imperial pretensions, so it was no surprise that the two great powers should sign an agreement in 1907, dividing the country into three Zones: The north was designated the Russian sphere of influence; the south, Britain's; and the area in the center, around Tehran, neutral, for Iran. Each imperial power could pursue political and economic (oil) concessions in its defined zone. The British then plotted with Mohammad Ali Shah Qajar (Muazzaffar's son and successor: 1907-1909), to dissolve the parliament, following an unsuccessful attempt on the Shah's life, and set up a puppet government, which rendered the Constitution a dead letter.

Here, the U.S. factor came into play. The Iranian parliament had hired Morgan Shuster, an American banker, to function as treasurer, and to rework the various tax schemes, whereby the British and the Russians had been able to loot Iran. But, both Moscow and London demanded that he be sent packing, and in 1911 the Russians deployed troops into Iran. The Majlis was shut down.

The issue for the British was imperial power, but it was also oil, which was to become a crucial instrument of power. Already, in the later 19th Century, the British had been granted concessions for oil exploration in the country. On

5. Stephen Kinzer, *All The Shah's Men: An American Coup and the Roots of Middle East Terror* (Hoboken, N.J.: John Wiley & Sons, Inc., 2003), p. 33.

6. *Ibid.*, p. 48.

7. Gerard de Villiers, *Der Schah: Der unaufsame Aufstieg des Mohammed Reza Pahlawi* (German translation of *L'Irresistible Ascension de Mohammed Reza Shah d'Iran*) (Vienna, Düsseldorf: Econ Verlag, 1975), p. 238. Interestingly, D'Arcy explored areas where ancient temples were located, because there oil (naphta) was used to feed the eternal flames.



rezapahlavi.org

Reza Pahlavi, based in Maryland, is the son of the late Shah, Mohammad Reza Pahlavi, and has made known his availability to lead a regime change in Iran today.

May 26, 1908, D'Arcy, with the help of the Burmah Oil company (which worked for the Royal Navy), struck pay-dirt, a huge oil field in the south, in Masjed-e Solayman. On the order of the British Admiralty, Britain set up the Anglo-Persian Oil Company (APOC) in 1909, to absorb the D'Arcy concession and Burmah Oil.<sup>8</sup> Five years later, First Lord of the Admiralty Winston Churchill ordered the Admiralty to purchase 52.5% of APOC. This was to ensure the free flow of oil, on an economical basis, to the British navy.

The huge oil refinery at Abadan, built by the British and opened in 1911, became a classic example of imperial looting: Workers slaved for low wages under terrible working and living conditions, and Iran received only 16% of the royalties on the oil (in 1920).

Although Britain did not formally establish control over the country as part of the Empire, it pursued total control, through economic "agreements," expanding its oil interest to other spheres. In the notorious Anglo-Persian Agreement of Aug. 19, 1919, London turned Iran into a de facto protectorate, run by British "advisors" who were placed in the military, transportation, and communications infrastructure, as well as the Treasury. To answer Iranian objections to the agreement, negotiations were held in 1920. But the game was rigged from the start: The man who was to represent Iran's interests was one Sir Sydney Armitage-Smith, a British Treasury official!<sup>9</sup>

The British were the masters of Iran's natural riches. "By

8. *Ibid.*, p. 239.

9. Robert B. Stobaugh, "The Evolution of Iranian Oil Policy, 1925-1975," in *Iran Under the Pahlavis*, George Lenczowski, ed. (Stanford, Calif.: Hoover Institution Press, 1978), p. 202.

1925," according to analyst Robert B. Stobaugh, "the Anglo-Persian Oil Company still had complete control over the oil produced in Persia. The company owned and operated the oil fields, transportation networks, and refinery. The managers, of course, were British, not Persian. The company determined export destinations, quantities, and prices. It used a complicated set of formulas to determine profits derived from Persian oil and to set prices on oil sales to the British navy. . . . Persia's oil revenues were calculated as a percentage of the company's profits."<sup>10</sup> The country did not even get oil from APOC for domestic consumption, but had to import it from the Soviet Union!

## The Creation of the Pahlavi Dynasty

To cement its political control, Britain organized a coup in 1921 against Ahmad Shah (who had succeeded Muzzaffar), a coup led by one Reza (later Reza Shah the Great), who was an officer in the Cossack Brigade, together with journalist-turned-politician Seyyed Ziya ad-Din Tabataba'i. The Cossack Brigade had been formed in 1898, as a result of an offer made by the Russian Czar to Nasir al-Din, to train an armed force to be the Shah's bodyguards.<sup>11</sup> Following the February 1921 coup, Reza successively took over several posts: Army Commander (1921), Prime Minister (1923), Minister of War (1923), and Head of State (1925). Although from a humble background with no aristocratic connections, he (under British control) was designated king by divine right. The parliament issued a ruling in 1925 to the effect that the corrupt Qajar dynasty had been terminated, and that Reza was the new Shah, head of the Pahlavi dynasty, which was to be perpetuated through male inheritance.

Reza Shah Pahlavi was an ambivalent, enigmatic figure: On the one hand, he sought to emulate the leader of neighboring Turkey, Kamal Ataturk, to modernize Iran, and, like him, was a staunch nationalist who sought to free his country of foreign control. To the extent he seriously pursued independence, he could and did become a thorn in the British side. On the other hand, he pursued political and social policies which alienated broad layers of the population.

His central challenge to the British regarded oil. Reza Shah opposed the 1920 agreement, on the grounds that it had not been ratified by the Majlis. New negotiations were opened

10. *Ibid.*

11. Reza saw the brigades as a tool of Russian interests. He wrote: "After I had chosen the soldier's profession, I became more sunk in grief, as I saw the destinies of Iran's forces determined by Russian officers, who intervened directly in all the affairs of the army and compelled the Iranian officers to accept their dictatorial ways. These Russian officers were ostensibly in the service of the Shah, but in reality gave priority to the interests of their own country." L.P. Elwell-Sutton, "Reza Shah the Great: Founder of the Pahlavi Dynasty," in *Iran Under the Pahlavis*, *op. cit.*, p. 6. For the British role in the installation of Reza Shah, see David Fromkin, *A Peace to End All Peace: The Fall of the Ottoman Empire and the Creation of the Middle East* (Avon Books, 1989), Chapter 52.

between Iran and the APOC in 1929, which went on for two years, without any tangible result. Then, on Nov. 28, 1932, the Shah announced that he had cancelled the concession to APOC. Iran's oil revenues, in the wake of the 1929 depression, had been falling more sharply than the profits of the company, but that was not the main reason. Rather, it was that the British had consistently underpaid Iran over years, from 1919 to 1930, and had massaged the company's figures, to cut payments in 1931.<sup>12</sup>

The British, whose Navy depended on cheap Iranian oil, refused to bend. The issue was referred to the League of Nations, but, before it could rule, a compromise was reached through bilateral negotiations. The British maintained their hold, by extending the concession until 1993 (!), but the Iranians did manage to win some important concessions of their own.<sup>13</sup>

Iran had forced the British to pay a higher price, but it still did not control its own oil. Twenty-five years later, Reza's successor, Shah Mohammad Reza Pahlavi, was to sum up the situation in the following terms: "We were hearing that the oil company was creating puppets—people just clicking their heels to the orders of the oil company—so it was becoming in our eyes a kind of monster—almost a kind of government within the Iranian government."<sup>14</sup>

It was at this time (1936) that Reza changed the name of the country from Persia to Iran, and the APOC, accordingly, became the Anglo Iranian Oil Company (AIOC). The name change was part of his campaign to resurrect the pre-Islamic, "Aryan" tradition of the country, associated with the memory of the ancient Persian Empire, under the Achaemenid kings, Cyrus, Darius, and Xerxes. Such a cultural shift, which entailed a rejection of the Islamic component in the country's history, and open enmity to the clergy, pitted Reza against large sectors of the population.<sup>15</sup> His secularization drive imposed Western dress codes by law (1929 and 1936), and outlawed certain religious holidays. His ban on labor organizing, wide-ranging censorship, outlawing of the Soviet-backed,



40thbombgroup.org

Roosevelt's envoy to Iran Gen. Patrick Hurley (left). FDR, while in Iran for the Tehran conference in 1943, discussed with Hurley his concept that the United States should make Iran a model of American policy for the developing sector, based on national independence and raising the standards of living. The President later noted: "I was thrilled with the idea of using Iran as an example of what we could do by an unselfish American policy. We could not take on a more difficult nation than Iran. I would like, however, to have a try at it."

communist Tudeh Party, and independent intellectual groups, further alienated him from the population. Unlike Ataturk, Reza unfortunately had no leanings toward republicanism.<sup>16</sup>

Among his achievements, Reza unified the Armed Forces, and established a Navy, an Air Force, and military academies. He expanded communications by developing transportation infrastructure, building 15,000 miles of roads by 1940, and

16. Reza "swept away the mourning processions and spectacles performed annually in the month of Moharram, . . . abolished the ecclesiastical courts, and replaced the Koranic *maktabs* by modern primary schools. . . . He restricted the right to practice as a teacher of religion to those who had undergone a course of training and passed tests prescribed by the Moslem hierarchy under his direction. . . . The outlawing of Communist parties and movements in 1931 and the series of actions against left-wing politicians and 'freedom-loving' writers culminated in the mass arrest and trial of 'the Fifty-Three' in 1937, some of whom on their release in 1941 formed the nucleus of the left-wing Russian-oriented Tudeh party. Unfortunately, the Shah's alarm at the activities of these minority groups was extended to embrace intellectuals of all colors, so that the cream of the educated population, who ought to have been in the lead of the new movement, tended to find themselves alienated from it." Elwell-Sutton, *op. cit.*, pp. 40-41. Reza's views on the republic were explicitly negative. Following Turkey's abolition of the caliphate in 1924, there were calls for a republic in Iran. Reza gave a speech in which he said he had visited the divines of the holy city of Qom, and that "We discussed the present situation, and in consequence we came to the decision to recommend to our fellow countrymen that they should cease all talk of a republic and instead cooperate with me in strengthening the foundations of our faith, the independence of the country, and the national government. I therefore urge all patriots to desist from demanding a republic, and to work together with me for the achievement of our common goals." *Ibid.*, p. 24.

12. Stobaugh, *op. cit.*, p. 204.

13. The method of calculating Iran's share changed; now it would be the volume of oil produced and the amount stockholds received in dividends, that were base factors. In addition, Iran was to get £975,000 per year, as a minimum. Payment was made in gold, which protected purchasing power, and past claims were settled by one payment. Furthermore, Britain gave up some of the land under its control, allowed Iran to have a delegate with access to information available to stockholders, technicians, and personnel involved in trade for the company were to be hired among Persians, and the Naft-e Shah oil was to be developed, to provide for Iran's domestic consumption. *Ibid.*, p. 205.

14. *Ibid.*, p. 206. The Shah made the statement in a speech in the Chamber of Deputies, 1948, quoted in Ernest John Knapton, *France: An Interpretative History*, p. 389.

15. The significance of Shi'ite Islam for Iran is inestimable. The country's definition as a nation, under the first Safavid dynast Shah Ismail, in 1501, was synonymous with Shi'ism as the declared state religion. This was in juxtaposition to the Ottoman Empire, which was Sunni.



National Archives

*Stalin, Roosevelt, and Churchill at the wartime Tehran conference, Nov. 29, 1943. The three signed the Iran Declaration, prepared by Gen. Patrick Hurley, which guaranteed the territorial integrity and national sovereignty of Iran.*

the Trans-Iranian Railway, opened in 1938. This major rail project linked the Persian Gulf via Tehran, to the northern provinces. Administrative reforms, modernization of finances, and a new judicial system were also his work. He promoted industry and agriculture, and set up a modern education system, including the first the first modern university, in Tehran (1935).<sup>17</sup>

In 1941, Reza's enthusiastic support for Hitler (as well as for Franco and Mussolini) either proved an embarrassment to the British, or was simply exploited by them, as a pretext to remove him from the scene.<sup>18</sup> Using the argument that a pro-German Iran could become a launching pad for an attack against the Soviet Union, the British and the Russians moved into the country on Aug. 25, 1941 for several years' occupation. On Sept. 16, Shah Reza was forced by the British to abdicate and go into exile in South Africa, transferring power to his 22-year-old son, Mohammad Reza Shah.

The military reason for this was that Iran was the crucial land route for shipping Western military supplies to the Soviets. All well and fine. But the Shah was not happy with the joint occupation, and sought an American military presence as a counter to the imperial pretensions of both Russia and Britain. The Shah sent a message to President Franklin D. Roosevelt on Aug. 25, 1941, asking him to "be good enough to interest yourself in this incident. . . . I beg

17. Elwell-Sutton, *op. cit.*, p. 30.

18. *Ibid.*, p. 44. Reza talked to a retiring German minister in 1935 of his pro-Nazi leanings.

Your Excellency to take efficacious and urgent humanitarian steps to put an end to these acts of aggression." This was the context in which Gen. H. Norman Schwarzkopf was deployed to Iran to oversee the military supply effort. Roosevelt pledged that, once the war were over, both the Russians and the British would leave Iran. In addition, U.S. policy for postwar Iran was diametrically opposed to both British and Soviet imperial designs. Roosevelt had sent Gen. Patrick Hurley as his special representative, to Iran, to help prepare what was to become the Iran Declaration, finally adopted at the Tehran Conference of Stalin, Roosevelt, and Churchill, and which guaranteed the territorial integrity and national sovereignty of Iran.<sup>19</sup>

The plans of the British, notwithstanding, were of another nature. At the close of the war, although Britain maintained its hold on the country, it faced a rising tide of social protest. The joint Soviet-British occupation during the war, had bled the country and its people dry. There was famine in the north. Workers at the Abadan

19. *Ibid.*, p. 3. Abbas Milani, "Hurley's Dream," Hoover Institution, *Hoover Digest*, 2003, No. 3. Hurley reported on a long discussion he had with Roosevelt, as the latter was leaving Tehran. In it, Roosevelt outlined what he envisioned as U.S. foreign policy for Iran, and what later became known as the Hurley Report. Roosevelt's idea was that the United States should make Iran an example of what American policy for the developing sector should be. He said that U.S. policy should be "to establish free governments and free enterprise and to lend expert advice and leadership in developing the resources and the commerce and building up generally the industry of each of the less favored nations so that the citizens through their own efforts, could raise their own standard of living."

On the basis of this discussion, Hurley wrote up his report, in which he said the U.S. policy was to support Iranian independence and to ensure Iranian access to the rights enshrined in the Atlantic Charter. Hurley spoke of the need to eliminate illiteracy, as an enemy to democracy, and to defeat the external enemies of imperialism and communism. Hurley also outlined plans for economic development of Iran, based on infrastructure "and improvement of all facilities contributing to the health, happiness, and general welfare of the Iranian people."

Roosevelt received Hurley's report with enthusiasm. In a note to his Secretary of State, accompanying Hurley's report, he wrote: "Enclosed is a very interesting letter from Pat Hurley. It is in general along the lines of my talk with him. . . . I was thrilled with the idea of using Iran as an example of what we could do by an unselfish American policy. We could not take on a more difficult nation than Iran. I would like, however, to have a try at it." Churchill, to whom Roosevelt also sent a copy of Hurley's report, was less than enthusiastic. He was particularly irked by Hurley's notion that British imperialism were in conflict with democracy. Roosevelt's untimely death put an end to his dreams for a democratic Iran under American auspices.

The Shah was devastated by the destruction of Iran under the wartime occupation. "The country seemed to be falling apart. The insatiable demands of the Allied forces and the hoarding of supplies by profiteers were causing not only rampant inflation—a sevenfold increase in the cost of living between the autumn of 1941 and the spring of 1944—but also acute food shortages, amounting in many areas to actual famine." Elwell-Sutton, *op. cit.*, p. 3.

refinery, in March 1946, organized strikes demanding better working conditions, health care, and housing, which the British answered with repression, and casualties.

The British attempted to deal with the Iranians' demands for better conditions, by offering what was called the Supplemental Agreement (supplemental to the renewal of the D'Arcy concession, the APOC, which the Shah had signed in 1932). This entailed a guarantee of £4 million in royalties, but still denied Iran any oversight over accounts or any other form of control.

Although the Shah ordered his government to accept the deal—and it did—the parliament refused. It went into a filibuster lasting four days, to the end of the Majlis's term, which meant that the issue would have to be debated and resolved through the next parliament.

## Enter Mossadeq

The elections for the 16th Majlis in 1949 were to determine the fate of the nation. In the elections, a new political force emerged, the Jebhe Melli, or National Front, led by Mohammad Mossadeq. Their campaign was centered on the demand to nationalize the oil company. In 1947, Mossadeq had authored a bill, which the Majlis passed, establishing that there would be no concessions, and demanding that the AIOC be renegotiated. In the 1949 elections, Mossadeq and six other National Front members, including the religious figure Ayatollah Abolqasem Kashani, were elected.

Who was Mohammad Mossadeq?

Born on May 19, 1882, he was the son of a Qajar princess (granddaughter of the Crown prince Abbas Mirza) and Heydayat Ashtiani, a Finance Minister serving under Nasir al-Din Shah (the one with the 1,000-woman harem). He grew up at court, in an elite environment, highly political, and witnessed the Tobacco Revolution at the age of eight. He was politically involved in the Constitutional Revolution of 1906, and was elected to parliament from Isfahan, but could not serve, since he was under the age of 30. Following the repression of the first parliament in 1909, he travelled abroad, to study at the Political Science Institute of Paris, and Neuchatel Law School in Switzerland, where he received a Ph.D. in law in 1914. From this early period, he already had developed a commitment to establishing justice and independence for his nation. His first book, *How Iran Can Grow*, dealt with legal instruments to regulate Iranian and foreign economic activity. He also wrote books on *Civil Legal Procedure* and *Capitulation*.

On return home, Mossadeq soon became Deputy Finance Minister, in 1916, and opened a campaign against waste and corruption, which earned him death threats. In 1919 he strongly opposed the 1919 Anglo-Persian Agreement, on the grounds that it would turn Iran into a "British Protectorate." He again travelled to Europe. Then, after Prime Minister Vosough al-Doleh, who had signed the deal, had been ousted, Mossadeq returned to Iran, where he served as governor of

Fars province until the 1921 coup of Seyed Ziya and Reza Khan, the legitimacy of which he questioned. After Ziya had been replaced by Ghavam al-Saltaneh as Prime Minister, Mossadeq became Finance Minister in 1922. In 1923, he assumed responsibility as Foreign Minister. During the rule of Reza Khan as Shah, whom he opposed, Mossadeq withdrew to his home, and was later arrested, exiled for months, and then put under house arrest.

After Reza Khan's 1941 abdication and exile, Mossadeq returned to public life, and was elected first deputy from Tehran, in the 14th Majlis elections. In the 15th Majlis elections, which were reportedly fixed, Mossadeq was not re-elected. It was this parliament which approved the disastrous extension of the 1933 oil agreement.

In the historic 16th Majlis elections, however, he was returned to parliament, with his companions from the National Front, to lead the fight for nationalization.<sup>20</sup>

The British resorted to every strategem, to force the Supplemental Agreements through, even imposing their candidate, Gen. Ali Razmara, as Prime Minister. But to no avail. Mossadeq headed up the Majlis Oil Committee, which was tasked to study the Supplemental Agreement. His primary concern was not oil per se, but the defense of the nation's resources as an expression of national sovereignty and independence.

The coalition of political forces which Mossadeq pulled together, reflected a constant feature of Iranian history: the leading role of the religious authorities. Here, the key figure was Ayatollah Kashani, a man who, exiled by Mohammad Reza Shah, had run for the Majlis from Beirut, and won.

When, on Nov. 25, 1950, the Supplemental Agreement was put to a vote in the committee, this patriotic coalition delivered a resounding "no" vote. Faced with continuing British intransigence and refusal to negotiate, the nationalist forces mobilized around Mossadeq and Kashani for a rally in January 1951, calling for nationalization of AIOC. Again, as in the case of the Tobacco Revolution, the role of the clergy was decisive: A *fatwa* was issued condemning the government of British puppet Razmara.

Momentum for nationalization continued to grow, and, despite a panicked 11th-hour British offer to make a 50:50 deal—something the Americans had urged them to do—96 members of the Majlis voted, on March 15, 1951, for nationalization, and "a crowd of two thousand carried the deputies on their shoulders."<sup>21</sup> On March 20, the Senate gave its approval. On May 1, the Shah signed into law the revocation of the

20. "The Biography of Dr. Mohammad Mossadegh," Jebhemelli.org.

21. Stobaugh, *op. cit.*, p. 207. The Shah, in his memoirs, repeats that he was in favor of the nationalization, but did not agree with Mossadeq's methods. He characterized Mossadeq and his National Front as "xenophobic," and thought Mossadeq was "a trusted man of the British." He thought a deal should have been negotiated with the British.

concession to AIOC, and the renaming of the entity to National Iranian Oil Company (NIOC). Razmara had been forced out by weeks of strikes, and was later killed by Khalil Talmsibi, a member of a nationalistic religious organization, Fedayeen-i-Islam. Hussein Alaa became Prime Minister, but soon after resigned. He was replaced by Mossadeq on May 6, 1951, on request of the Majlis and by order of the Shah.

## The ‘Empah’ Humbled

What could the British do? They had essentially four options: to negotiate an agreement with Iran; to get the “international community” to back their stance; to move militarily, and invade the country; or, to overthrow Mossadeq and put in their puppet.

Negotiations were *never* an option for London. The British simply refused, even when pressed by Washington.

Twice they tried to argue their case before the international community, once, in May 1951, at The Hague, and again in October, at the United Nations Security Council. Both times, Mossadeq won, hands down. At The Hague, he argued against Britain’s complaint that Iran had broken an agreement, saying that since the contract had been signed between a company and Iran, rather than between two states, the court at The Hague had no jurisdiction. In June 1952, the issue was again dealt with at The Hague, and the case was decided in favor of Iran.

Speaking before the UN Security Council in October 1951, Mossadeq demonstrated that the 1933 contract was illegal, because the Parliament which approved it had been stacked with British stooges, who were told either to vote for it, or go to prison. Mossadeq rejected a proposed British resolution, demonstrating “goodwill” on both sides, saying that the Security Council had no authority to pass such a motion. On Oct. 19, the body ruled “to postpone the discussion of the question to a certain day or indefinitely.”<sup>22</sup> It was a smashing victory for Mossadeq.

The debate at both The Hague and New York, was anything but technical. It was a principled conflict between the British, who asserted imperial rights over what they considered “their” oil, and Iran, which pleaded the case for national sovereignty.

The British delegate, Gladwyn Jebb, who addressed the UN, was explicit in claiming that Iran’s oil “was clearly the property of the Anglo-Iranian Oil Company.” He stated:

“The plain fact is that, by a series of insensate actions, the Iranian Government is causing a great enterprise [AIOC], the proper functioning of which is of immense benefit not only to the United Kingdom and Iran but to the whole free world, to grind to a stop. Unless this is promptly checked, the whole of the free world will be much poorer and weaker, including the deluded Iranian people themselves. . . .

22. Kinzer, *op. cit.*, p. 127.

“The Iranian Government, for obvious reasons of its own, perpetually represents the Anglo-Iranian Oil Company as a gang of unscrupulous blood-suckers whose one idea is to drain the Iranian nation of any wealth it may possess. . . . These wild accusations are simply not true. . . . Quite apart from its financial contributions to the Iranian economy, the record of the company in Iran has been one which must arouse the greatest admiration from the social point of view and should be taken as a model of the form of development which would bring benefits to the economically less-developed areas of the world. Far from trying to keep down the Iranian people, as has been alleged, the company has strained every effort to improve the standard of living and education of its employees so that they might be able to play a more useful part in the great work which remains to be done in Iran. . . . To ignore entirely these activities and to put forth the company as responsible for oppression, corruption, and treachery could be described as base ingratitude if it were not simply ridiculous.”<sup>23</sup>

Mossadeq powerfully presented his case in defense of national sovereignty and the common good.

“My countrymen,” he said, “lack the bare necessities of existence. Their standard of living is probably one of the lowest in the world. Our greatest natural asset is oil. This should be the source of work and food for the population of Iran. Its exploitation should properly be our national industry, and the revenue from it should go to improve our conditions of life. As now organized, however, the petroleum industry has contributed practically nothing to the well-being of the people or to the technical progress or industrial development of my country. The evidence for that statement is that after fifty years of exploitation by a foreign company, we still do not have enough Iranian technicians and must call in foreign experts.

“Although Iran plays a considerable role in the world’s petroleum supply and has produced a total of 315 million tons over a period of 50 years, its entire gain, according to accounts of the former company, has been only one hundred ten million pounds sterling. To give you an idea of Iran’s profits from this enormous industry, I may say that in 1948, according to accounts of the former Anglo-Iranian Oil Company, its net revenue amounted to £61 million pounds; but from those profits Iran received only £9 million pounds, although £28 million went into the United Kingdom treasury in income tax alone. . . .

“I must add here that the population living in the oil region of southern Iran and around Abadan, where there is the largest oil refinery in the world, is suffering conditions of absolute misery without even the barest necessities of life. If the exploitation of our oil industry continues in the future as it has in the past, if we are to tolerate a situation in which the Iranian

23. *Ibid.*, p. 121.



plays the part of a mere manual worker in the oil fields of Masjid-i-Suleiman, Agha Jari, and Kermanshah and in the Abadan refinery, and if foreign exploiters continue to appropriate practically all of the income, then our people will remain forever in a state of poverty and misery. These are the reasons that have prompted the Iranian parliament—the Majlis and the Senate—to vote unanimously in favor of nationalizing the oil industry.”<sup>24</sup>

While in the United States, following the UN session, Mossadeq repeatedly compared his defense of Iran’s right to the oil, to the cause of the American Revolution. His appearances on television, as well as a high-profile trip to Philadelphia, where he visited the Liberty Bell, earned him the admiration and support of the American people. He was named *Time* magazine’s Man of the Year in 1951.

The military option is one that the British did entertain. Immediately after the nationalization, in April, they posted seven additional warships and 4,000 British paratroopers to the Mediterranean, and in May drew up scenarios for an invasion and occupation, but did not pursue them.<sup>25</sup>

What they finally settled on, was a plan to throw Mossadeq out of government. One problem was that, since Mossadeq had expelled all their personnel from the country, they had no national network of agents to work through. For this and other political reasons, they turned to the Americans for help. The British were hated as an exploiting, racist colonialist power, whereas the United States was viewed as a republic that had successfully defeated the British. Relations between the United States and Iran had been positive, and, as the Roosevelt case showed, leading American forces sought to support Iran’s aspirations toward becoming a modern industrial nation. Thus, the British had to organize the support of the United States, as the only partner Iran would trust.

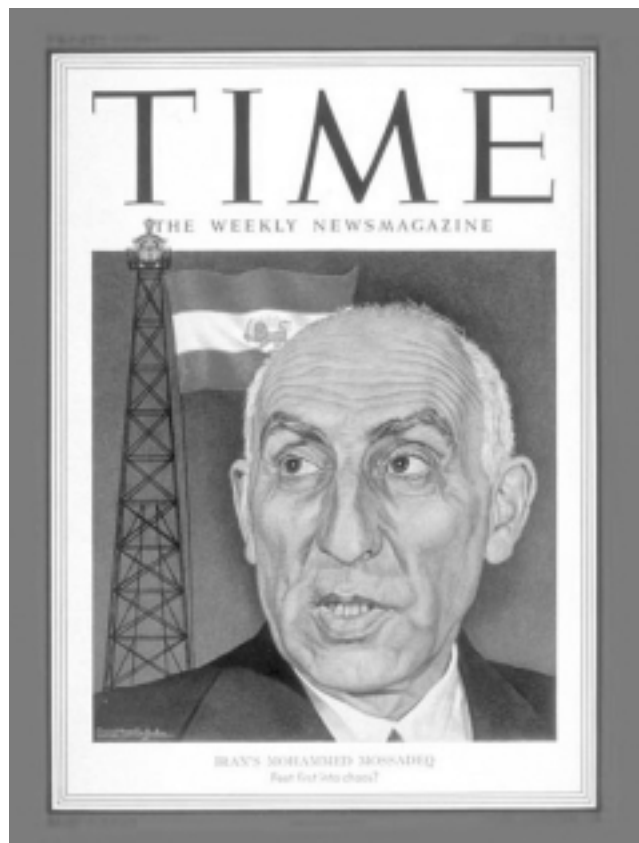
### The Dulles Brothers’ Dirty Work

The usual story retailed in historical accounts, is that the British tried, but failed, to convince Harry Truman of the

24. *Ibid.*, pp. 123-4. Arguing the case at The Hague, Mossadeq focussed on the imperial claims of the British. “The history of relations between Iran and England is longer than the short time I have now. In the 19th Century, Iran was the scene of competition between two imperialists. England and Russia made an agreement and divided Iran in two parts, in 1907, north and south. After the revolution in Russia, England won; it was more powerful and became the sole power in the Middle East.

“In 1919 they tried through a contract to establish control over the army and domestic policy, so that Iran would be under their control, economically, militarily and politically, but due to the resistance in Iran and protests, they resorted to a coup, and put in place a dictatorial regime which lasted 20 years. Thus they could take over the oil. . . . One cannot calculate how much they made in profits, and how much they made . . . for example in 1948, of 61 million lira, only 9 million were for Iran; England made 28 million lira only from income taxes.”

25. Stobaugh, *op. cit.*, p. 209: Foreign Secretary Herbert Morrison on Sept. 21, 1951, called for military action, but Prime Minister Clement Attlee objected.



*Mossadeq, Time magazine’s Man of the Year in 1951, toured the United States, comparing his defense of Iran’s right to its oil, to the cause of the American Revolution.*

wisdom of their coup plan, and managed to get the U.S. on board, only after Dwight D. Eisenhower, elected President in November 1952, had assumed office in January 1953. Nothing could be further from the truth. As the official documents show, the U.S. decision to go for “regime change” in Iran was made by Truman in November 1952, long before Ike took office. And it was the British agents, the Dulles brothers—Allen and John Foster—who ran the operation with their British partners, while Eisenhower remained in the background, almost in the dark.

In June 1951, Truman reported to the National Security Council on the British-Iranian crisis, arguing that if the British were to invade Iran, there would be a danger that Iran could turn to the Soviets for help. In July, he dispatched Averell Harrimann to Tehran, to try to persuade Mossadeq to come to terms with the British, but Mossadeq responded: “You don’t know how crafty they are. You do not know how evil they are. You do not know how they sully everything they touch.”<sup>26</sup> Kashani’s response was similar.

Mossadeq was right: During the Summer, the British

26. Kinzer, *op. cit.* p. 105.

slapped sanctions on Iran, confiscated Iranian assets, sabotaged the Abadan refinery, and blocked Iran's trade with European nations. In October, Truman dispatched Secretary of State Dean Acheson and Assistant Secretary of State for Near Eastern, South Asian, and African Affairs George McGhee to see Mossadeq, while he was in the United States, to offer a new compromise: that a "neutral" British company could produce and distribute the oil. Mossadeq predictably refused.

The turning point came in 1951, when Winston Churchill became British Prime Minister again. He had no hesitations regarding regime change. Churchill deployed Anthony Eden to the United States, to *inform* Dean Acheson of the British decision to get rid of Mossadeq. In November, according to the documented record,<sup>27</sup> Truman made the decision to go with the British plot. In two documents, NSC 136 and 136/1, written in November, after extensive debate in the previous months, the doctrine was laid down that Truman would promote direct intervention in Iran, through covert operations and even military forces.<sup>28</sup> The document spoke of "special political measures" needed to establish stability in Iran, which referred to covert operations. A detailed plan for such covert operations was approved by the Psychological Strategy Board on Jan. 8, 1953, which was 12 days before Eisenhower was inaugurated.<sup>29</sup>

### Mossadeq Prepares for British Onslaught

Mossadeq, who indeed "knew how evil they are," had no illusions that the British would back off. He therefore had to prepare for their attempted coup, which required shoring up his position inside the country. In July 1952, he went to the Shah, with a plan for a government reshuffle, in which he would assume the Defense Minister position in addition to remaining Prime Minister. The Shah, who feared that such an appointment might undermine the military's loyalty to the throne, refused, at which point Mossadeq made a power-play: He resigned on July 17. The man chosen to replace him was a British favorite, Ahmed Qavam, who unwisely launched a confrontationist policy against the Mossadeq nationalists, something which merely exacerbated the social-political conflict. National Front activists took to the streets, shouting, "Mossadeq or death!" Strikes followed, and—what was to prove crucial again—the religious establishment threw its weight behind Mossadeq. Ayatollah Kashani issued another *fatwa*, making it incumbent on the troops to join the "holy war against imperialism," which they did. The Soviet-backed Tudeh Party also sided with the nationalists.

The decision by the Shah (or the British), and imple-

mented by Qavan, to order Iranian soldiers to shoot on the striking demonstrators, was fatal, not only to those who died in the melee, but to the new puppet government as well. Qavam was forced to resign. Thereupon the Shah named Mossadeq Prime Minister, and Defense Minister as well.

Mossadeq had won the day, but he was not content with this. His desire was to win over the Shah to the nationalist cause, in a more profound sense. In a historic meeting with the Shah, Mossadeq appealed to his sense of history: "Your own father, despite his many services to the country," he said, "interrupted the process of constitutional developments along those lines in 1925. You could go down in history as an immensely popular monarch, if you fully cooperated with democratic and nationalist forces in Iran to move our nation as close to that ideal concept as possible."<sup>30</sup> But the Shah was like King Philip in Schiller's great tragedy, *Don Carlos*: Challenged by the fighter for the republican cause, Marquis of Posa, to "become/ Amidst a thousand kings, a king indeed!" Philip failed.<sup>31</sup> The Shah was too obsessed with personal security and other considerations, to rise to the occasion. As a result, he would go down in history as anything but an "enormously popular king."

Mossadeq, now in control of the prime ministry and defense, prepared for the British move. As coup rumors circulated, and reports were rife of British contacts being sought with military officers, Mossadeq severed diplomatic relations with the United Kingdom. This was Oct. 16, 1952. The British, humiliated, had to leave the country, taking their agents with them.

It was at this point that Churchill told the U.S. government that Britain would go for a coup d'état, and Truman soon after gave his okay. As indicated above, Eisenhower was extremely hesitant about the coup plan which he inherited, upon taking office in January 1953. In February, Eisenhower still wanted to provide Iran with financial support, to allow it to continue exports, in face of the British-sponsored embargo. Mossadeq himself did not view the U.S. President as an enemy, since he requested of him a loan of \$25 million, to help the economy survive the British embargo. Eisenhower, citing "advice" from Allen Dulles, told him he should mend fences with London. It was in fact the Dulles brothers who prevailed upon Eisenhower to deny the loan.<sup>32</sup> Ayatollah Kashani also appealed to Eisenhower for a loan, of \$100 million, and proposed that the United States help market Iranian oil. The Dulleses also told Eisenhower a pack of lies, about what "generous offers" they had made to Mossadeq, who had rudely refused any cooperation. This is how they finally got the President on board. In a June 3 briefing about the coup

27. Francis J. Gavin, *Politics, Power, and U.S. Policy in Iran, 1950-1953*, p. 58.

28. *Ibid.*, p. 78.

29. *Ibid.*, p. 80.

30. Sepehr Zabih, *The Mossadegh Era: Roots of the Iranian Revolution* (Chicago: Lake View Press, 1982), p. 66.

31. Friedrich Schiller, *Don Carlos*.

32. Zabih, *op. cit.*, p. 104. See also the Presidential papers of Dwight David Eisenhower, Document #281, "June 30, 1953, To Mohammed Mossadeq."



Dr. Mossadeq and supporters rally in front of the Majlis (parliament).

plans, Eisenhower was notable for his absence. Finally, on July 11, after all others had signed on to the plot, Eisenhower agreed.

## Planning the Coup

The actual planning of the coup took place beginning November 1952 and stretching through to June 1953. The events have been chronicled in a book written in 1954, by one of the protagonists, Donald N. Wilber.<sup>33</sup> He was in the CIA's Near East and Africa Division (NEA). In addition to his 1954 book, he reviewed the events in his memoirs, published in 1986. Then, there are the CIA official documents,<sup>34</sup> which were in part leaked by the *New York Times*, on April 16, 2000.<sup>35</sup>

A preliminary meeting, in Washington, saw representatives of the NEA, with British Intelligence. The key personalities were Christopher Montague Woodhouse, who had been station chief for British Intelligence in Tehran, and on the American side, Kermit Roosevelt, NEA Division Chief. At this meeting, it was, in fact, the British who proposed a "joint political action to remove Prime Minister Mossadeq," according to CIA documents. As noted, Truman okayed the British plan in November 1952.

In March 1953, Undersecretary of State Gen. Walter Bedell Smith officially "determined that the U.S. Govern-

ment could no longer approve of the Mossadeq government and would prefer a successor government in which there would be no National Frontists." The NEA and CIA were informed, and \$1 million was allocated to the Tehran station to be used by the Chief of Station and U.S. Ambassador Loy Henderson. On May 20, the station received authorization to spend 1 million rials a week (90 rials = \$1) to buy up parliamentarians.

In April, the first CIA study was issued, "Factors Involved in the Overthrow of Mossadeq," and in it was the idea that a combination of the Shah and Gen. Fazlollah Zahedi, backed by mobs in the street, could overthrow Mossadeq. The CIA made contact with Zahedi, initially through his son Ardeshir, then with him directly.

Zahedi was a malleable figure, vulnerable to blackmail. During World War II, he had supported Nazi Germany. He had been taken by British secret agent Fitzroy MacLean to a prison camp in Palestine. A search of his residence had yielded a treasure trove of German weapons, opium, and letters from German agents who had landed in Isfahan, where he was military governor. Following the war, he was released, and assumed posts as governor, before becoming Interior Minister under Mossadeq. The two were political enemies, and Mossadeq tried several times to jail him. Zahedi was the right man for the job.

The first joint Anglo-American planning session took place in Nicosia in late April 1953. Wilber, the covert NEA consultant, met with British Special Intelligence Service Officer Norman Matthew Darbyshire. They set up a three-way communications channel among Washington, Nicosia, and Tehran, and proceeded each to disclose to the other, whatever assets they had in Iran. The main assets of the British (whose larger network had been expelled by Mossadeq) centered on the three Rashidian brothers, Seyfollah, Asadollah, and Qodratollah, who had a network extending to "the armed forces, the Majlis, religious leaders, the press, street gangs, politicians, and other influential figures." The NEA gave two names to the Special Intelligence Service, while keeping their actual assets, Djalili and Keyyan, secret.

By June 1, they had worked up a plan. The basic assumptions they shared were: "that Zahedi alone of potential candidates had the vigor and courage to make him worthy of support; that the Shah must be brought into the operation; that the Shah would act only with great reluctance but that he could be forced to do so; that if the issue was clear-cut the armed forces would follow the Shah rather than Mossadeq; that the operation must, if possible, be made to appear legal or quasi-legal instead of an outright coup; that public opinion must be fanned to fever pitch against Mossadeq in the period just preceding the execution of the overthrow operation; that the military aspect would be successful only if the station were able to review the plan with the Iranians chosen by Zahedi to execute it; that immediate precautions must be taken by the new government to meet

33. Dr. Donald N. Wilber, "Overthrow of Premier Mossadeq of Iran," written March 1954, published October 1969.

34. "Overthrow of Premier Mossadeq of Iran, November 1952-August 1953," CIA archives, iranonline.com

35. "The Secrets of History. The CIA in Iran," *New York Times*, April 16, 2000.

a strong reaction by the Tudeh Party.”<sup>36</sup>

These “basic assumptions” were to prevail in the following planning meetings. The next meeting took place in Beirut on June 9, with Kermit Roosevelt, who was the project chief, George Carroll of the CIA, Roger Goiran, Chief of Station in Tehran, and Wilber. After meeting from June 10-14, Roosevelt and Wilber went to London with a copy of the Beirut draft. There they met with Darbyshire and Commander Maurice M. Firth of Special Intelligence Service, then left on June 18. An official report was typed up, and known as Appendix B.<sup>37</sup>

The final plan, codenamed TPAJAX, okayed by Kermit Roosevelt for the CIA and by British Intelligence, was presented to CIA Director Allen W. Dulles, the State Department, and Ambassador Henderson. The Special Intelligence Service presented it to the British Foreign office. Approval came from the various offices, on July 1, and July 11, 1953.

The final plan translated the basic assumptions, into a series of operational thrusts: Propaganda operations must be launched against Mossadeq, accusing him of corruption, anti-Islamic views, and sympathies with the Tudeh Party communists. This required purchasing a stable of journalists, editors, and publishers. Dirty operations were to be orchestrated in the streets, whereby Islamic clerics would be beaten up by thugs, who were to be identified with Mossadeq. The aim of such tactics was to drive a wedge between Mossadeq and his National Front, on the one side, and his clerical allies, especially Kashani, on the other. In the parliament as well, MPs were to be bought up, to oppose Kashani and oppose Mossadeq. Demonstrations against Mossadeq in the streets, were to provide the pretext for such MPs to hold a vote against him; if he refused to step down, the plan was to have Zahedi arrest him, and then seize strategic centers in the capital. To give Zahedi the forces he required, military officers had to be purchased.

## Implementation of the Plot

CIA agent Carroll went to Iran in mid-July, tasked with studying the military aspects of the plan. Wilber was responsible for psychological warfare. This operation had already begun, with the issuance of anti-Mossadeq articles in the (paid) press, and anti-Mossadeq cartoons, drafted by CIA cartoonists. The gist of the anti-Mossadeq propaganda was that he was a patsy of the communists, that the Tudeh Party was gaining strength, and that Iran could fall into the Soviet sphere of influence.

This was mainly for foreign consumption. Internally, the major thrust was to split Mossadeq from his supporters. This meant to alienate the religious establishment, especially Ayatollah Kashani, to counterorganize the Majlis against him, and to whip up mob violence in the streets.

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36. CIA archives, *op. cit.*

37. Appendix B: “London” Draft of the TPAJAX Operational Plan,” Wilber, *op. cit.*

As outlined in the various planning meetings and documents, it was key to ensure the cooperation of the Shah, in order to give an aura of legitimacy to the overthrow. The specific plan was to get the Shah to sign two *firmans* (royal decrees) dismissing Mossadeq, naming Zahedi, and calling on the Army to maintain its loyalty to the Shah.

All official accounts of the coup show that the Shah represented a serious problem. He was overridden by fear, vacillating, and weak. He did not trust the British, for good reason, and was therefore focussed on getting guarantees that the United States was behind the coup. The British, who had his profile, knew they had to have U.S. cooperation.

In an attempt to soften him up, it was decided to deploy his twin sister, Princess Ashraf Pahlavi, who had been living in Paris, to persuade her brother to play the game. Gen. H. Norman Schwarzkopf, father of the “hero” of Operation Desert Storm, was to get the Shah to sign the *firmans*, and a leading U.K. agent was to assure the Shah that the entire endeavor was a joint U.S.-U.K. affair. If this plan failed, then Kermit Roosevelt, as official representative of the U.S. President, was to be deployed to get the Shah to put his signature on the dotted line. Once signed, the *firmans* were to be delivered to Zahedi, who would move to take power.

Getting the Shah to play the game was no easy job. Aso-dollah Rashidian, one of the notorious three brothers, called on Princess Ashraf on the Riviera in mid-July, and, together with two “official representatives,” overcame her lack of enthusiasm about the mission to persuade her twin. Allen Dulles also travelled to Switzerland to meet the Princess, and prevail upon her to play the game. Reportedly, a mink coat and \$5,000 helped her decide in their favor.<sup>38</sup> Neither the Shah nor Mossadeq was happy at the news of her arrival, given that she was known as an anti-Mossadeq figure, and had been banished. The Shah initially refused to see her, but, once informed that General Schwarzkopf, an American, was pursuing a similar mission, he relented. The meeting between the siblings took place on July 29, but bore no fruit.

Schwarzkopf was trusted by the Shah, because of their good relationship during the general’s tenure as head of the U.S. Military Mission to the Iranian Gendarmerie from 1942-48, a mission Iran had welcomed to counter British and Russian presence. Schwarzkopf’s new mission, as recounted by Wilber, “was to obtain from the Shah the three papers . . . (1) a firman naming Zahedi as Chief of Staff, (2) a letter indicating his faith in Zahedi which the latter could employ to recruit army officers for the plan in the name of the Shah, and (3) a firman calling on all ranks of the army to support his legal Chief of Staff. It was felt that it would be easier to get the Shah to sign such statements than to issue a firman dismissing Mossadeq.”<sup>39</sup>

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38. Kinzer, *op. cit.*, p. 7.

39. Wilber, *op. cit.*

The meeting between Schwarzkopf and the Shah took place on Aug. 1, after Ashraf's departure. The Shah was so paranoid, that he insisted that the general go and sit with him on top of a table in the middle of a grand ballroom, where, he believed, they would be out of the hearing range of planted microphones. He refused to sign the *firmands*, saying that he could not be sure of the Army's loyalty, and that he wanted to determine the makeup of a future Cabinet. The Shah's continuing preoccupation was to have assurances of *American* support; he demanded that President Eisenhower indicate in some way that he was in favor of the removal of Mossadeq. As Wilber relates, "By complete coincidence and good fortune, the President, while addressing the Governors' Convention in Seattle on 4 August, deviated from his script to state by implication that the United States would not sit idly by and see Iran fall behind the Iron Curtain." Kermit Roosevelt exploited this statement, to put pressure on the Shah, who was still vacillating.

Schwarzkopf left the palace empty-handed, so another American had to be deployed, this time as official representative of Eisenhower. The story of Kermit Roosevelt's nightly visits to the Shah, to get him on board, are the stuff of cheap novels. Kermit, a grandson of Teddy Roosevelt (and loyal to that faction of the family), came out of the wartime Office of Strategic Services (OSS), like Dulles, and was working in the Iran department of the CIA in November 1952. He was selected to be the project chief for the coup. To enter the Shah's palace unobserved, he would lie down in the back of a car, hidden under a carpet, and be driven into the palace, then to emerge to conduct his private soirées with the monarch.<sup>40</sup> Finally, after many of the visits by Roosevelt, the Shah agreed to sign two (not three) documents: one firing Mossadeq and the other designating Zahedi as Prime Minister.

This was Aug. 12. The propaganda campaign against Mossadeq, orchestrated and conducted by editors and journalists who were richly remunerated, was reaching a peak. Black propaganda was used to pit the religious establishment against Mossadeq and the Communist Party. Wilber writes: "CIA agents gave serious attention to alarming the religious leaders at Tehran by issuing black propaganda in the name of the Tudeh Party, threatening these leaders with savage punishment if they opposed Mossadeq. Threatening phone calls were made to some of them, in the name of the Tudeh, and one of the several planned sham bombings of the houses of these leaders was carried out."<sup>41</sup>

Meanwhile, the military apparatus of the "Colonels' Conspiracy" was being put into place. Zahedi named one Col.

Aban Farzanega as staff planner and liaison with the United States, in the person of CIA officer Carroll. On Aug. 13, Col. Sarhang Nematollah Nasiri, a pro-Shah Army officer and chief of the Imperial Guards, delivered the *firmands*, signed by the Shah, to Zahedi. The CIA station sent a cable saying the new Zahedi government would need \$5 million.

## Coup Day

Aug. 16 was chosen as coup day. By mid-month, the situation in Parliament had reached a state of chaos, as paid agents among the MPs had escalated their smear campaign against Kashani, which culminated in calls for his ouster as speaker of the Majlis. The anti-Kashani camp included several pro-Mossadeq figures, and the Prime Minister intervened to shut down parliament through a referendum.<sup>42</sup>

Demonstrations were raging in the streets, in a classical gang-countergang style. Protests against Mossadeq were arranged by the coup managers, and pro-Mossadeq demonstrators were also encouraged to take to the streets. Tudeh Party members who joined the latter, unwittingly provided the pretext to slander Mossadeq as pro-Communist. Paid press agents put out the call for the Prime Minister's resignation, on these grounds.

On the day designated for the coup, the demonstrations were organized personally by none other than the U.S. military attaché, Robert McClure. The pro-Mossadeq, pro-Tudeh demos were peppered with thugs and gangsters, who launched physical attacks against the other side, again to discredit Mossadeq. The carefully planned violence was the task of paid thugs, mainly from sports clubs, and under the direction of one "Shaban the Brainless."<sup>43</sup> At the same time, pro-Shah, anti-Tudeh demos, were characterized as manifestations of patriotic forces. Through a lawful process, citizens who had no inkling whatsoever of the orchestration, joined the protest marches of one or the other camp, to manifest their political preferences. Thus, if, as documented, the CIA paid 6,000 or more "extras" as in a play, thousands more joined in spontaneously.

Mossadeq responded by issuing a ban on *all* demonstrations. When the Tudeh Party sent a delegation to him, asking that he provide arms to the nationalists and the communists, he refused, saying he would rather be the victim of a lynch mob, than provoke civil war.

One military officer, Chief of Staff Gen. Taqi Riahi, was informed of the coup plans, and alerted Mossadeq in time.<sup>44</sup> Thus, when Nasiri went to Mossadeq's house the evening of

42. Zabih, *op. cit.*, pp. 111-112.

43. Shaban the Brainless met with Kermit Roosevelt, and offered 300-400 of his gangsters, promising they would beat up or fire upon anyone they were told to. All they needed was money and weapons.

44. Riahi was asked by McClure what the position of the army was. He responded: "Iran and its people are more important than the Shah or any government. The army is of the people and will be supported by the people."

40. Kinzer, *op. cit.*

41. CIA archives., V, p. 37. See Wilber, Appendix B for planned anti-Mossadeq propaganda. It was to "hammer out the following themes: (a) Mossadeq favors the Tudeh Party and the USSR. (This will be supported by black documents.) (b) Mossadeq is an enemy of Islam since he associates with Tudeh . . . etc."



Jimmy Carter Library

*Jimmy Carter and Shah Mohammad Reza Pahlavi in November 1977. The Shah's increasing demands for a greater Iranian share in its own riches, and for greater independence from the oil multinationals, led Western financial-political interests, especially under the Carter Administration, to support forces seeking to overthrow him in 1979.*

Aug. 15, to arrest him, he himself was taken prisoner by the pro-Mossadeq military, while Zahedi managed to flee.

The coup had failed, and the word spread fast. That night, spontaneous demonstrations filled the streets, supporting Mossadeq and denouncing the Shah. Seeing the situation compromised, the Shah quickly left, first for Baghdad, then for Rome, with his wife.

The CIA, informed of the fiasco, alerted its top agent, Kermit Roosevelt, that he should leave the country, for his own safety. But he had another idea. He believed the coup could work, and determined simply to try it again after a few days. On Aug. 19, thousands of demonstrators moved obediently into the streets, chanting "Death to Mossadeq" and carrying symbols of loyalty to the Shah. The demonstrations were impressive, the result of outlays of much larger sums of money. Thousands of dollars went to individual protesters, as well as to larger groups organized through the sport clubs and circles of rowdies. Ten thousand dollars was made available to Ahmad Aramash, an assistant to Ayatollah Kashani, although whether or not it reached its destination, has been a matter of dispute. Not only did demonstrators fill the streets, but violence was high, and the organized thugs stormed eight government buildings.

What proved decisive was the publication of the *firmons*. The royal decrees, signed by the Shah, appeared in the press that day, and radio news announced that Zahedi was Prime Minister, Mossadeq had been ousted, and the Shah would return soon. General Zahedi himself appeared on radio soon thereafter, to read out the texts of the two *firmons*.

Military units were dispatched to Mossadeq's home,

where fighting ensued for two hours. His residence was besieged, and in a vicious firefight, 50 people died. He put up a principled resistance; when a colonel of the opposition tried to secure his surrender, he had to report that "The old man was adamant in his resistance, claiming that he was still the lawful head of the government and was not to be bullied by a handful of rioting hooligans."<sup>45</sup> As his house was being destroyed by gunfire and tanks, Mossadeq managed to escape.

Zahedi ordered that all demonstrations be banned, the borders closed, and pro-Mossadeq military be arrested. Mossadeq later turned himself in to the authorities, while news had it, that the Shah was returning from Rome.

The coup had worked. Zahedi was rewarded his \$5 million for the successful operation, and got \$1 million more, as pocket money.

Now, the enormously popular Mossadeq had to be dealt with politically. After a

ten-week stint in a military prison, he was tried on charges of treason, because he had allegedly mobilized for a rebellion and had contradicted the Shah. He was promptly found guilty and sentenced to death, later commuted to three years in prison, followed by house arrest. Mossadeq's defense was a mere statement of fact. "My only crime," he stated, "is that I nationalized the oil industry and removed from this land the network of colonialism and the political and economic influence of the greatest empire on Earth."<sup>46</sup>

Members of his government were also arrested, as were the leading military who remained loyal to him. Six hundred of the 6,000 of them were executed.

Despite his defeat, his illness, and his imprisonment, Mossadeq remained a compelling figure. Even in death, his influence could not be cut off. He died on March 5, 1967. For fear that his grave might become the site of political manifestations, he was allowed no funeral, and was buried underneath the floorboards of a room in his house.

## The 'Settlement'

And the oil? The British, eager to maintain an aura of legitimacy, did not take over everything, but moved, with others, into an international "consortium," which was designated as the contract agent for NIOC. In the consortium, British Petroleum had 40%, five American oil companies made up another 40%, and the rest was divided up among the Com-

45. Zabih, *op. cit.*, p. 122.

46. Kinzer, *op. cit.*, p. 193

pagnie Française des Petroles and Royal Dutch/Shell. The negotiations, led by the United States, since the British had been so discredited, were handled by Herbert Hoover, then a special U.S. representative within the State Department.<sup>47</sup>

The agreement, reached in August 1954, then ratified by the Majlis and okayed by the Shah, gave the consortium power over operations and exports, through trading companies set up by the single members. Formally speaking, the assets were said to belong to Iran, although that turned out to be an empty formula.

Two Iranians were allowed to be directors of two operating companies. The NIOC, which still existed in name, as the Iranian entity, was allowed access to financial and technical information, and Iranian personnel were to receive training.

The revenues Iran was to receive were much greater than earlier: The profits were to be divided 50:50, as was the norm by that time in the oil business. The British came out on top, although their monopoly had been whittled down to 40%; BP was paid for losses, by both Iran and the other consortium members, and was compensated by the British government through tax breaks.

Over the years, the Shah began to demand a greater share in his own country's riches. Through the Iran Petroleum Act of 1957, the country established the right to open up new kinds of contracts with foreign companies, including joint ventures, and contracts for explorations done by the foreign entity. Later, Iran entered state-to-state deals, often on a complicated barter basis, whereby it gained increasing independence from the international oil companies. It was in response to this move toward independence that key financial-political interests in the West, especially under the Carter Administration, moved to support forces seeking to overthrow the Shah.<sup>48</sup>

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47. The participants in the Consortium in 1955 were BP, Royal Dutch Shell, Exxon, Socal, Texaco, Mobil, Gulf, CFP, and Iricon Group. It is not coincidental that official profiles of BP report that it was "Founded 1908 (as the Anglo-Persian Oil Company), 1954 (as the British Petroleum Company)." See The British Petroleum Company, wikipedia.org.

It is interesting to note how the pro-Shah, pro-British accounts of the 1953 events gloss over the coup completely. For example, Stobaugh writes: "When the Shah appointed a new prime minister, General Fazlollah Zahedi, Mosaddegh refused to recognize him and took control of the army, which had traditionally been under the direct control of the Shah. The Shah then left the country. The internal dispute reached a climax. After riots, Mosaddegh was ousted and General Zahedi assumed control. The Shah returned, having been out of Iran only a few days." Further: "The settlement. By the time Mossadeq had fallen, the British had begun to realize that they could no longer retain the monopoly on Iranian oil that they had enjoyed for forty years. In the meantime, U.S. leaders also concluded that any solution satisfactory to Iran must involve non-British companies. Iranian resentment against the British was too strong and the future security of Iran rested more with the Americans than the British." *Op. cit.*, pp. 212-213.

48. The most revolutionary contract made in this context, was with the Italian oil company ENI, Ente Nazionale Idrocarburi, founded by Enrico Mattei in 1953. Mattei, who was a Christian humanist, was committed to helping oil-producing countries develop into modern industrial nations. Therefore, he pioneered agreements whereby Iran would receive not 50%, but a full 75%

When, in 1979, revolution again swept Iran, it was as if the Furies had returned. Masses of Iranians who took to the streets against the Pahlavi dynasty carried posters with the picture of Mossadeq, their symbol of national sovereignty and independence from foreign colonial powers. In the first post-Shah government of Prime Minister Mehdi Barzagan, Foreign Minister Ibrahim Yazdi, under President Abolhassan Bani-Sadr, it was Mossadeq's spirit and policy outlook which prevailed. On the 12th anniversary of Mossadeq's death, in 1979, an estimated 1 million political pilgrims filed to his home in Ahmad Abad, to pay homage.

This first layer of revolutionary leaders fought to adopt a Mossadeq platform. They failed, were politically defeated, and went into exile. Nonetheless, after the establishment of the Islamic Republic, the NIOC was nationalized again.

### Can Tragedy Be Averted?

In the current fight over Iran's right to master nuclear energy technology, the "Mossadeq reflex" is strong. Although his name and person are not evoked explicitly, the spirited fight for national sovereignty and independence, which he embodied, is shared by all layers of the population, all political parties and factions.

The question thus must be posed: Could the Anglo-American heirs to the Churchill-Dulles combination succeed today, in a re-enactment of the 1953 coup? No doubt, the intent is there, as well as the basic ingredients for an attempted regime change. The propaganda campaign against Iran has moved into high gear. The young Shah, as yet outside the country, has made known his candidacy to rule. And the violent mob already has its organizers in the form of the Mujahideen-e-Qalq (MKO/MEK) terrorist organization. At a recent forum in Washington, D.C., of the Iran Policy Committee, led by ex-general Paul Vallely, the MKO publicly announced its commitment to an overthrow of the Iranian government, and proposed that the United States send in hit squads to target nuclear installations.

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of profits. See Stobaugh, *op. cit.*, p. 216, for the mechanism whereby half went to the Iranian government, half to the joint venture, of which half of that to NIOC, i.e., 75%. The agreement did not sit well with the members of the consortium, especially the "majors," who labelled it "blackmail." The ground-breaking ENI deal was followed by others, made with independent foreign oil companies, like Standard Oil of Indiana, as well as Japanese, Italian, French, and Indian companies. Through these arrangements, Iran gradually gained more control over operations, and rendered activities subject to Iranian law.

The other type of agreement pursuant to the 1957 Act, was the service contract, whereby a foreign company would work as a contractor for NIOC, and be paid in oil for its work. These contracts were made with state-owned companies, like the French ERAP (1966), and later ENI, as well as other European state-owned companies.

In 1973 Iran pushed for more control, and, in an agreement with the Consortium, the NIOC got control over operations, while the Consortium held onto exploration and drilling for five years. Iranian personnel gradually started taking over management of the industry, but the Consortium continued to handle the lion's share of Iran's gas and oil exports.

Iranians will point out correctly that the situation in the country is very different today from that of 1953. True enough. Yet, the regime is vulnerable. Despite unconditional massive public support for the nuclear program, in the name of national sovereignty, there is popular dissent, fueled by the economic crisis which has produced masses of unemployed, especially among youth. During eight years of his reformist administration, former President Mohammad Khatami was unable to satisfy popular demands for effective social and economic improvement, largely because of the internal checks of the Islamic system introduced in 1979. Unless such palpable progress toward economic and social justice can be made, under the new government of President Mahmoud Ahmadinejad, the vulnerability will remain.

The overthrow of Mossadeq had all the makings of a classical tragedy. There were the evil manipulators and schemers—the Iagos and Edmunds—and those characteristically related by family ties, the Dulles brothers, the Rashidian brothers, as well as leading plotters Truman, Churchill, et al. There was the tragic figure of the Shah, aware of the nature of the intrigues being orchestrated around him, but incapable of responding to Mossadeq’s challenge, to place himself on the side of the national cause. There is the sublime figure of Mossadeq himself, who led a principled struggle for freedom, and the inalienable right of his nation to technological devel-

opment. Mossadeq, though plagued by serious illness for most of his life, never capitulated, and was ready to die for his cause. Although he could have fled the country, escaped prosecution, and lived abroad, he chose to remain in his beloved homeland.

But tragedy is not made up only of such leading individuals. As Lyndon LaRouche has elaborated in several locations, it is not only at the level of political leadership that tragedy unfolds, but fundamentally at the level of the common people. The events of 1953 would have been unthinkable without the corruption and corruptibility of the masses, as well as of crucial social institutions. Not only was General Zahedi bought off by foreign *golpisti*, but scores of military officers; the Majlis was split, as money corrupted members of parliament to betray their political associates; journalists, editors, and publishers spread lies and slander, and whipped up the basest sentiments of the mob, in their daily press coverage. And, finally, the mob itself: Not very different from the plebeians in Shakespeare’s ancient Rome, masses of Iranians allowed themselves to be swayed, first this way and then that, by demagogy and money.

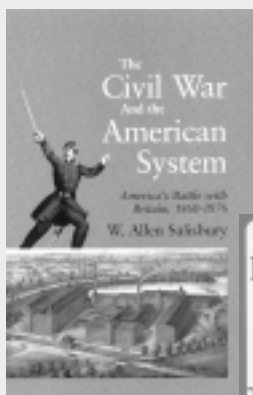
Whether or not a similar tragedy may be averted, a mad war against Iran, as projected by Vice President Cheney, or regime change along the 1953 precedent, will depend on the moral fiber of political leaders, and their people, not only in Iran, but in the United States of America.

# KNOW YOUR HISTORY!

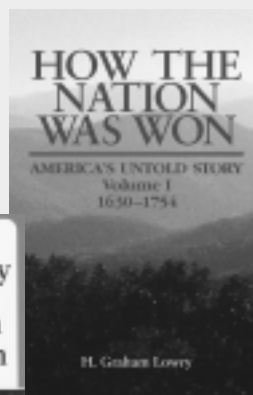
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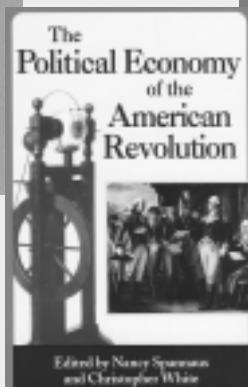
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