



## *Oil Crisis in Iran*

Focusing on the turbulent twenty-eight months between April 1951 and August 1953, this book, based on recently declassified CIA and US State Department documents from the Mossadeq administration, tells the story of the Iranian oil crisis, which would culminate in the coup of August 1953. Throwing fresh light on US involvement in Iran, Ervand Abrahamian reveals exactly how immersed the USA was in internal Iranian politics long before the 1953 coup, in parliamentary politics, and even in saving the monarchy in 1952. By weighing rival explanations for the coup, from internal discontent, a fear of communism, and oil nationalization, Abrahamian shows how the Truman and Eisenhower administrations did not differ significantly in their policies towards Mossadeq, and how the surprising main obstacle to an earlier coup was the shah himself. In tracing the key involvement of the USA and the CIA in Iran, this study shows how the 1953 coup would eventually pave the way to the 1979 Iranian revolution, two of the most significant and widely studied episodes of modern Iranian history.

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# Oil Crisis in Iran

From Nationalism to Coup d'Etat

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*For Ali and Heda*

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## *Preface*

People will say, or even write, the most fantastic nonsense about their own thoughts and intentions, to say nothing of deliberate lies.

Lewis Namier on Diplomatic Documents

This book was prompted by the recent publication of US government documents on Iran for the Mossadeq period – the turbulent twenty-eight months from April 1951 to August 1953. Declassified in November 2017 – long beyond the thirty-year rule, these documents were published in the annual State Department series entitled *Foreign Relations of the United States* – better known as the *FRUS*. Even as late as 1978, the UK had sought US assurances that such documents would not implicate Britain in the “removal of Musaddiq in 1953.” “In the current situation,” the British warned, “there is a good chance that public opinion will once again focus on that chapter of Iranian history. We hope therefore that the US administration would agree on a joint approach to minimize the damage which could be done to our interests by the release of US records.”<sup>1</sup>

This new *FRUS* volume contains 375 documents totaling some 1,000 pages. It includes extensive cables, reports, notes, minutes, and memoranda not only from the State Department and the US Embassy, but also from the US Cabinet, the Central Intelligence Agency (CIA), and the National Security Council (NSC) – especially its annual and periodic National Intelligence Estimates (NIEs). Not surprisingly, the volume provides a wealth of information on the politics of this period – especially on the US involvement in Iran.

<sup>1</sup> R. Graham, Letter to R. Muir (16 and 19 November 1978), and Mr. R. Muir, Iran: Release of Confidential Records (22 December 1978), *FOC* 8/3216.

The book, therefore, focuses primarily on what these documents reveal about American policies in Iran during these controversial months. It will not digress either into the role of the oil crisis in the Cold War nor into the details of the August 1953 coup d'état. The former has been examined extensively elsewhere; nothing new on the subject is likely to be uncovered until Soviet archives are opened up. The coup has also been examined in detail by historians of Iran. Instead of rehashing the narrative of the coup and the Cold War, the book will focus on what new information the recent documents reveal about US policies in Iran leading to the eventual coup. In doing so, the book will keep in mind Lewis Namier's advice that diplomatic papers should be taken with a pinch of salt and "what is unsaid or unexplained" may often be more important than what is written down.<sup>2</sup>

Transliteration requires some explanation since few agree on a standard system. The name Mossadeq is a case in point. The State Department tended to spell his name sometimes as Mossadeq, sometimes as Mossadegh, sometimes as Musaddiq, and sometimes as Mosadeq. The British Foreign Office preferred Musaddiq; the *New York Times* Mossadegh; *Time* Mosadeq; and the London *Times* Moussadek. They were not always consistent. Throughout the book I have modified the systems developed by the Library of Congress and the International Journal of Middle East Studies. I have dispensed with diacritical marks; substituted o and e for equivalent sounds in English; used the backwards apostrophe (‘) for the letter *eyn*, and *-e* rather than *-i* for *ezafeh*; and, most important, adopted spelling that has become standardized through the mainstream media – Tehran, rather than Teheran, Mashed rather than Mashhad, Isfahan rather than Esfahan, Hussein rather than Husayn; and Khomeini rather Khomeyni. Hopefully, readers will read this preface before nit picking.

I would like to thank Alice Stoakley for editing the manuscript, as well as Maria Marsh, Daniel Brown, Natasha Whelan, Atifa Jiwa, and Raghavi Govindane for guiding it through the production process at Cambridge University Press.

<sup>2</sup> D. Hayton, *Conservative Revolutionary: The Lives of Lewis Namier* (Manchester: Manchester University Press, 2019), 289.

## *Chronology*

### 1951

April 27	Majles elects Mossadeq premier
April 30	National Iranian Oil Company (NIOC) established
May 1	Oil Nationalization Law finalized
May 9	Allen Dulles recommends Mossadeq's removal
May 25	UK submits case to The Hague
June 10	AIOC delegation in Tehran
June 15	Iranian flag raised over AIOC's Khorramshahr offices
June 26	British oil technicians resign
July 14	Harriman arrives in Tehran
	Street clashes in Tehran
July 26	Harriman leaves for London
August 3–23	British delegation in Tehran
August 22	Majles gives Mossadeq vote of confidence
September 9	Bank of England restricts Iran transactions
September 21	Henderson arrives as ambassador
September 24	Mossadeq declares, "True Majles resides in the People"
September 27	UK submits case to UN Security Council
October 3	Last British oil technicians leave
October 6	Mossadeq leaves for UN
October 15–19	Mossadeq at UN
October 23	Mossadeq at White House
October 25	General Elections in UK
November 22	Mossadeq returns
November 25	Majles gives Mossadeq vote of confidence
December 5	Street clashes in Tehran



December 18	Seventeenth Majles elections start
December 23	World Bank delegation in Tehran
<b>1952</b>	
January 21	British consulates closed
January 27	Ambassador Shepherd leaves
February 11	World Bank delegation arrives
February 14	Fatemi shot
February 18	Sixteenth Majles ends
April 27	Seventeenth Majles opens
May 1	Italian tanker <i>Rose Marie</i> in Abadan
May 9	Henderson reports oil problem cannot be solved with Mossadeq
May 16	Washington meeting to replace Mossadeq
May 19	Majles elections stopped
May 24	Henderson repeats problem cannot be solved with Mossadeq
May 28–24 June	Mossadeq at The Hague
June 6–10	Henderson sees Qavam twice
June 17	Italian tanker <i>Rose Marie</i> impounded in Aden
July 6	Majles reelects Mossadeq premier
July 16	Mossadeq resigns
July 17	Majles elects Qavam premier
July 20–21	July Uprising
	Majles reelects Mossadeq premier
July 22	Hague issues verdict
July 29	US asks UK for joint action to replace Mossadeq
August 3	Majles votes Mossadeq Special Powers
August 27	Truman-Churchill Proposal
September 9	Schacht arrives in Tehran
September 19	CIA meets with US Joints Chiefs on Iran “War-Game Plans”
October 16	Iran breaks diplomatic relations with UK
October 23	Senate dissolved
<b>1953</b>	
February 17–25	Bakhtiyari revolt
February 20	Eisenhower-Churchill Proposal

*Chronology*

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- February 24 CIA and MI6 meet in Cyrus  
Mossadeq threatens to resign
- February 28 Protest outside Mossadeq's residence
- March 1 White House requests "more imaginative" ways  
of solving oil issue  
CIA preliminary coup plan
- March 3 Negotiations with Italian and German oil  
companies
- March 5 Committee of Eight formed
- March 9 Mossadeq asks Henderson sum AIOC wants as  
compensation
- March 21 Mossadeq addresses nation and offers "fair  
compensation"
- April 5 Lack of Majles quorum to discuss report of  
Committee of Eight
- April 11 Soviet-Iran negotiations start
- April 15 Government organizes demonstration for  
Committee of Eight
- April 16 CIA presents detailed coup plan
- April 21 Committee of Eight completes report
- April 22 General Afshartous kidnapped
- April 23 Amini replaces Ala as court minister
- April 25 Afshartous' body found
- May 3 Zahedi, Baqai, and Qonatabadi take sanctuary in  
Majles
- May 5 Kashani visits Zahedi in majles
- May 6 Wilber flies to Nicosia
- May 10 Fist fights in majles
- May 24 Government requests majles discuss report of  
Committee of Eight
- June 4 More fistfights in majles
- June 10 Henderson takes extended vacation  
Henderson announces that USA has exhausted  
negotiations Kermit Roosevelt arrives in Tehran
- June 20 General Ashrafi appointed Tehran Military  
Governor
- July 1 Moazemi elected majles president  
UK approves CIA coup plan

- July 14 Government deputies announce intention to resign  
 Government calls for referendum and new electoral law
- July 16 Fifty-two deputies resign
- July 21 Rallies on anniversary of July Uprising
- July 25 Princess Ashraf returns to Tehran
- July 27 Mossadeq addresses nation on need for referendum
- July 28 Foster Dulles expresses concern about Tudeh
- August 1 Schwarzkopf arrives in Tehran
- August 3 Referendum in Tehran
- August 4 Kashani supports dissolving majles
- August 5 Eisenhower expresses concern on Tudeh
- August 9 Shah-Roosevelt secret meeting
- August 10 Allen Dulles expresses open concern on Tudeh  
 Referendum in the provinces
- August 11 Pan-Iranists demonstrate outside Kashani's home
- August 13 Soviet delegation in Tehran
- August 15 Nasseri tries to remove Mossadeq
- August 16 Shah flees to Bagdad  
 Government dissolves Seventeenth Majles  
 Government rallies in Tehran
- August 17 Anti-Shah demonstrations  
 Henderson returns to Tehran  
 Shah in Rome
- August 18 Government calls for Regency Council  
 Henderson sees Mossadeq  
 Street clashes
- August 19
- 8:15 a.m. Crowd gathers in southern Tehran
- 9:40 Crowd moves into central Tehran
- 10:10 Offices of Iran Party attacked
- 10:30 Offices of Pan-Iranist Party and Third Force pillages
- 10:35 Offices of *Shabaz and Shuresh* burnt down
- 10:45 Offices of *Bakhtar-e Emruz* burnt down
- 11:30 Tanks in Tehran

*Chronology*

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|-----------|--|
| 1:00 p.m. | Two other publishing houses pillaged           |
| 2:30      | Tanks occupy police HQ                         |
| 2:45      | Prisoners released                             |
| 3:00      | Telephone-telegraph HQ occupied                |
| 3:30      | Sherman tanks begin bombarding Mossadeq's home |
| 5:20      | Zahedi speaks on Radio Tehran                  |
| 6:15      | Mossadeq's home pillaged                       |

## *List of Notable Persons*

- Acheson, Dean. US Secretary of State.  
Afshartous, General Mahmud. Chief of Police.  
Akhavi, Ali. Minister of Economy.  
Akhavi, Colonel Hassan. Former head of Iranian G-2.  
Ala, Hussein. Minister of Court and former prime minister.  
Alemi, Ibrahim. Minister of Labor.  
Allen, George. US ambassador.  
Amini, Abdul Qassem. Minister of Court.  
Arfa, General Hassan. Former Chief of Staff.  
Ashrafi, Colonel Hussein. Military Governor of Tehran.  
Azar, Dr. Mehdi. Minister of Education.  
Baqai, Mozaffar. Leader of Toilers Party.  
Behbehani, Ayatollah Mohammad. A cleric close to the royal court.  
Boroujerdi, Hussein Tabatabai. The paramount grand ayatollah.  
Browne, Nicholas. Author of the British postmortem on the 1979 revolution.  
Bullard, Sir Reader. British ambassador.  
Butler, Rohan. Author of British postmortem on the 1951 Oil Crisis.  
Daftari, General Mohammad. Commander of Custom Guards.  
Dulles, Allen. CIA director.  
Dulles, Foster. US Secretary of State.  
Falle, Sam. British Embassy counsellor.  
Faramarzi, Abdul Rahman. Majles deputy.  
Farmanfarmayan, Saber. Minister of Health.  
Fatemi, Hussein. Mossadeq's deputy prime minister.  
Grady, Dr. Henry. US ambassador.  
Haerizadeh, Abdul Hussein. Majles deputy.  
Harriman, Averell. Special US envoy to oil negotiations in Tehran.  
Hassibi, Kazem. Mossadeq's adviser on oil.  
Helms, Richard. Member of CIA's Near East Division.

*List of Notable Persons*

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- Henderson, Loy. US ambassador.  
 Imami, Hassan. Majles president.  
 Kashani, Ayatollah Abul Qassem. Cleric prominent in the nationalization campaign.  
 Kazemi, Baqer. Minister of Foreign Affairs.  
 Lofti, Abdol Ali. Minister of Justice.  
 Makki, Hussein. Prominent spokesman for the National Front.  
 McGhee, George. US Under Secretary of State.  
 Matin-Daftari, Dr. Ahmad. Senator and former prime minister.  
 Middleton, Sir George. British chargé d'affaires.  
 Mir Ashrafi, Mehdi. Cashiered army officer and majles deputy.  
 Moazemi, Abdollah. A leader of the Iran Party.  
 Moazemi, Sheifollah. A leader of the Iran Party and Minister of Post and Telegraph.  
 Nariman, Mahmud. Mossadeq's main adviser on financial matters.  
 Perron, Ernest. Shah's friend and courtier.  
 Polk, William. Consultant to the National Security Council.  
 Pyman, Lancelot. British Embassy counsellor.  
 Qavam, Ahmad. Veteran aristocratic politician.  
 Qonatabadi, Shams al-Din. Majles deputy.  
 Riyahi, General Mohammad Taqi. Mossadeq's military chief of staff.  
 Roosevelt, Kermit. Chief of CIA's Near East Division.  
 Sadeqi, Ghulam-Hussein. Minister of Interior.  
 Saleh, Allayar. Iran's ambassador to the US.  
 Sha'aban Brainless (*Beymogh*). Prominent gang leader in Tehran.  
 Shayegan, Dr. Ali. Majles deputy and Mossadeq's legal adviser.  
 Shepherd, Sir Francis. British ambassador.  
 Tayyeb, Hajj Rezai. The main gang leader in Tehran.  
 Waller, John. Chief of the CIA's Iran Branch.  
 Wilber, Donald. Author of the CIA's 1954 study on the coup.  
 Wisner, Frank. The CIA's Deputy Director of Plans.  
 Zaehner, Robin. Fellow of All Souls and British Embassy counsellor.  
 Zahedi, General Fazlollah. Nominal head of the 1953 coup.  
 Zaheri, Ali. A leader of the Toilers Party and editor of *Shahed*.  
 Zirakzadeh, Ahmad. A leader of the Iran Party.