

National Interests and International Concerns: Anglo-American Relations and the Iranian Oil Crisis

Mary Ann Heiss
Kent State University

Between 1951 and 1953, Iran struggled to gain control of its oil industry--and the considerable wealth it generated--from the British-owned Anglo-Iranian Oil Company (AIOC).¹ The AIOC and its predecessor, the Anglo-Persian Oil Company (APOC), had run the oil industry since the first decades of the twentieth century. During the First World War, the British government had purchased a large amount of APOC stock, and by the time of the nationalization crisis it held slightly more than half--or a controlling interest--in that company's successor. The relationship between the Iranian government and the company was never particularly harmonious. In the early 1930s, the Iranian government had canceled the APOC's concession and forced renegotiation of the company's contract.² Although the new arrangements did prove beneficial for Iran, long-term satisfaction was difficult to achieve. In 1949, Iran again forced renegotiation. At the head of the extensive list of Iranian grievances against the AIOC were discontent with the relatively low level of royalties the company paid to Iran, the almost total absence of high-ranking Iranians in the company, and the overall aura of secrecy that pervaded the company's operations. The new agreement that resulted from these negotiations, informally dubbed the Supplemental Agreement but officially named the Gass-Golshayan Agreement, met with opposition from Iranian nationalists, who objected not only to the practical provisions of the pact but also to the AIOC's continued domination of Iran's oil industry. Dissatisfaction with the Supplemental Agreement doomed its ratification by the Iranian Majlis and led finally to Iran's nationalization of the AIOC's Iranian operations in the spring of 1951.³ The next two years would witness repeated negotiations toward a mutually acceptable settlement, but that sort of settlement seemed always just out of reach.

The inability of the British and the Iranians to resolve the oil dispute on their own ultimately brought the United States into the conflict. U.S. involvement in the search for an oil settlement was good news to officials in the British government, who expected that Washington would back their determination to oppose Iranian nationalization no matter what the consequences. As this essay will make clear, however, the course of Anglo-American relations during the Iranian oil imbroglio was hardly what the British expected. Rather than lining up behind London's policy in Iran, American policymakers held different ideas and advanced different solutions to the dispute than their British counterparts. They viewed the oil dispute from a more global perspective than the British, and consequently

they were concerned about more than just the property of the AIOC. These differences led to rather spirited Anglo-American encounters over the course of the Iranian nationalization dispute, and although in the end the two nations joined forces to thwart Iran's nationalization efforts and preserve Western control of Iranian oil, this cooperation was not at all certain or obvious throughout much of the oil crisis.

The British position in the oil dispute, advanced by both a succession of governments and the leadership of the AIOC, sought to protect the considerable British financial stake in Iranian oil. Between 1945 and 1950, the AIOC earned £250 million from its Iranian operations. Iran's oil fields provided Britain with twenty-two million tons of oil products and seven million tons of crude oil annually, including 85 percent of the fuel needed by the British Admiralty. The company's operations generated £110 million annually in foreign exchange, a contribution that grew in importance during Britain's 1951 balance-of-payments crisis. Finally, the company's position in Iran was important as a "bargaining weapon" and because of the "power it gave [the British government] to control the movement of raw materials."⁴ In other words, the British position stressed the company's value as an economic asset of great importance and the contribution that the AIOC made to Britain's overall Middle Eastern and world position.

Beyond the tangible value of the AIOC's Iranian operations, British officials were also concerned about intangible factors, such as prestige and national pride. As Britain's largest overseas investment, the refinery at Abadan and the AIOC's operations in Iran symbolized British power in the Middle East. Losing control of these assets would be a deadly blow to British prestige the world over, especially considering Britain's recent withdrawals from India and Palestine. It might also imperil other British holdings around the world, foremost among them the Suez Canal. At a time when British policymakers were keenly aware of their diminishing status as a great power, it is not surprising that they were sensitive to anything that might undermine their position in Iran, particularly surrendering control of the nation's oil industry to the Iranians. Accordingly, from the very beginning of the oil dispute, British officials expressed their frustration at what they termed the "growing Near East practice of twisting the lion's tail." The Iranian nationalization campaign, they believed, struck at the foundations of British pride and "efforts to re-establish themselves as equal partner[s]" with the Americans around the world.⁵ It was based simply on "emotion and prejudice," not on any reasonable grievances against the AIOC, and had to be opposed before it inspired similar moves against other British holdings and dashed British hopes of remaining a great world power.⁶ "Oil is important," British officials implied during a discussion with U.S. officials in the autumn of 1951, "but [our] position in the Middle East is vital."⁷

Given their concerns about losing control of Iranian oil, and more importantly about what that loss of control would mean for their larger position in the Middle East, the British adopted a stubborn policy that always seemed one concession short of the kind of settlement the Iranians would find acceptable. This was true of their reluctance throughout 1950 to renegotiate the Supplemental Agreement, despite signs of certain rejection by the Iranian Majlis.⁸ It was true concerning Britain's firmness in the wake of the December 1950

agreement between the Arabian-American Oil Company (ARAMCO) and Saudi Arabia, which introduced the fifty-fifty profit-sharing principle to the Middle East and made it unlikely that the Iranians would accept anything less from the AIOC.⁹ And it was true concerning the Jackson and Stokes proposals of 1951 and the Truman-Churchill proposals of 1952, all of which would have perpetuated the AIOC's traditional dominance of the Iranian oil industry. As the British maintained steadfastly throughout the oil dispute, any settlement that conceded actual Iranian control of the oil industry was unthinkable.¹⁰

British policy throughout the oil crisis rested on the firm conviction that Iran had abrogated its right to terminate the AIOC's concession when it renegotiated the company's concession agreement in 1933. Consequently, nationalization was illegal. The British government worked hard to sway international opinion around to this way of thinking, though unfortunately for Whitehall and the AIOC, none of these appeals succeeded. In what was widely considered a victory for Iran because it declared the oil dispute an internal Iranian problem, the International Court of Justice ultimately ruled that it lacked the authority to even consider the matter.¹¹ Britain's appeal to the UN Security Council in the fall of 1951 had yielded much the same result, with little council support for Britain's position and lukewarm support from the U.S. government.¹² It was obvious that the court of world opinion was not on Britain's side regarding the purported lawlessness of Iran's efforts at nationalization, a fact that rendered Britain's claims in this regard highly suspect and generated British discontent at the lack of U.S. support for their position.

British policymakers throughout the oil crisis made clear their disappointment that the United States was not lining up solidly behind their position in Iran. For officials in the Foreign Office, Anglo-American solidarity was the only solution to Iranian efforts to "play us one against the other."¹³ They objected to "being lectured by the United States" rather than receiving the backing to be expected from a true ally; at one point Foreign Minister Herbert Morrison even launched into a "tirade" about the United States only providing Britain with 20 percent cooperation on Iran when he expected 100 percent. The British were clearly put off by American assertions that they should share the blame for the ongoing crisis in Iran, denouncing attempts to place them "in the dock together with [Iranian Prime Minister] Dr. [Mohammad] Musaddiq" and railing that Mossadeq had "been the naughty boy" while they had "been the saints."¹⁴ Prime Minister Winston Churchill believed that an Anglo-American partnership in the Middle East "would divide [Britain's] difficulties [in that region] by ten." Such a "unified" front was essential to reconcile Britain's declining resources with its worldwide responsibilities and to preserve some remnant of its former position in Iran and throughout the Middle East.¹⁵ The lack of U.S. support in Iran was especially galling given the fact that the British "were helping all [they could] in Korea." It seemed only fair to expect a quid pro quo in Iran.¹⁶ When the United States failed to support their position in Iran, British policymakers drew the conclusion that Washington considered the British presence in Iran and throughout the Middle East expendable. They accused U.S. officials of scuttling the traditional Anglo-American special relationship and even harbored thoughts that the long-range U.S. plan for Iran was the replacement of London's influence and control with Washington's.¹⁷

American policymakers definitely questioned British handling and characterizations of the oil dispute. Officials in the State Department repeatedly condemned what they saw as "too little 'give'" in Britain's position, pushed the British toward greater flexibility, and encouraged concessions during the early days of the dispute that might have forestalled the drive for nationalization.¹⁸ At the heart of the U.S. critique of London's position was the belief that the AIOC and the British government seriously misread the strength of Iranian nationalism. They failed to see the lengths to which the Iranians were willing to go to rid their nation of a company many Iranians saw as an insidious force that had acted as a law unto itself throughout the country, and one many American policymakers saw as pursuing "anachronistic policies" and possessing a "colonial attitude."¹⁹ The shortsighted British policy in Iran ultimately led Dean Acheson, secretary of state during the Truman administration, to quip that "never had so few lost so much so stupidly and so fast."²⁰ To the U.S. way of thinking, British arrogance, stubbornness, and lack of vision cost them the AIOC's holdings in Iran and led finally to Britain's loss of stature in the Middle East and beyond.

For Acheson and other U.S. foreign policymakers, though, much more was at stake in Iran than simply the AIOC's oil operations or British national pride. U.S. officials saw the oil dispute as a potentially destabilizing force in Iran--and perhaps throughout the entire Middle East--that could lead to communist advances and provide the Soviets with an inroad to the oil-rich Persian Gulf. As the only direct land barrier between the Soviet Union and the gulf, Iran served as a vital link in the Western security chain; Soviet control of its territory would make the defense of Greece, Turkey, and the eastern Mediterranean all but impossible. Compounding Iran's importance were its rich oil reserves, which U.S. officials considered vital to the reconstruction and rearmament of Western Europe. Loss of these reserves would have dire consequences. In the short term, it would create serious shortages of aviation gasoline and other fuels needed for the military effort in Korea and raise the specter of civilian rationing in the United States and throughout the West. In the long term, it might compromise the West's ability to fight a protracted war with the Soviets, force augmentation of its military establishments, and result in an expansion of Soviet military bases in the Middle East.²¹

As this delineation of U.S. concerns makes clear, officials in the State Department were concerned first and foremost about the Cold War implications of the oil crisis. Their concerns led gradually to a greater U.S. role in seeking a negotiated oil settlement that would restore oil revenues to the Iranian government before it collapsed internally or surrendered to communism, both eventualities that U.S. officials believed much more likely to occur than was actually the case. U.S. fears about Iran's financial condition stemmed from the boycott instituted by the AIOC to prevent any oil company from trafficking in nationalized, or what the company described as "stolen," Iranian oil. After the international oil giants refused to purchase Iran's oil, Iran's exports had ground to a virtual halt in the summer of 1951, creating revenue and foreign exchange problems for the Mossadeq government and preventing it from reaping the benefits of oil nationalization.²² To restore stability in Iran and thereby prevent the nation's fall to communism, the Truman administration sent Averell Harriman to

Iran in the summer of 1951; it conducted bilateral negotiations with Prime Minister Mossadeq that autumn; and it spearheaded an effort by the International Bank for Reconstruction and Development to reach a settlement in early 1952.²³ None of these efforts succeeded, though all revealed the U.S. determination to reach a settlement before Iran collapsed and the Cold War possibility of Soviet expansion became a reality. What the United States was seeking in all of these initiatives was not a settlement that restored the AIOC to Iran, but one that recognized Iran's right to nationalization, a right U.S. policymakers supported. As U.S. officials tried to make clear, especially early on in the crisis, the AIOC would have to face the reality of Iran's nationalization before a settlement could be reached.²⁴

More than different positions regarding the legality of Iranian nationalization separated the governments in Washington and London. American and British policymakers also butted heads when it came to the legitimacy of Iranian nationalism. As we have seen, British officials discounted the depth and staying power of Iranian nationalism and sought to crush that nationalism through brute economic force, namely through the boycott of Iranian oil sales, which reduced Iran's oil exports to merely a fraction of their former level and forced Mossadeq's government to institute austerity and income generation schemes that did not prove universally acceptable to the Iranian people.²⁵ They sought "to smoke the Persians out," to "let [them] stew" in their own oil while the economic realities of the situation sunk in.²⁶ American policymakers thought differently (at least initially). For them, nationalism, in Iran and throughout the oil-producing world, was a powerful and legitimate force that demanded generous and creative policies if Western access to valuable oil supplies was to be preserved. Iranian calls for higher royalties and other improvements in its contract with the AIOC were legitimate, and British refusal to recognize this legitimacy could lead only to disaster. Recognition of these realities had motivated ARAMCO's fifty-fifty agreement with Saudi Arabia; refusal to see them and adopt a generous policy led to prolonged stalemate in Iran and eventual loss of the AIOC's exclusive control of Iranian oil.²⁷

If the lack of American support for Britain's position in Iran yielded tirades and emotion-laden outbursts, the lack of British flexibility forced much the same response from American policymakers. Early on in the dispute, Assistant Secretary of State for Near Eastern and African Affairs George C. McGhee countered the AIOC's protestations that financial concessions to the Iranians would be too expensive with angry warnings that greed would lead only to disaster. The company, he noted, could protest all it wanted that concessions to the Iranians would leave them with "nothing in the till," but he had read the AIOC's financial reports and knew that the company's "profits were still far from disappearing."²⁸ Secretary of State Acheson came to believe that the new Conservative government of Winston Churchill and Anthony Eden was "out of touch with the world of 1951" and unlikely to advance any constructive ideas on the oil question.²⁹ And he and other U.S. policymakers were deeply concerned about the potentially dire consequences of what they perceived as British intransigence and London's growing insistence on U.S. support for policies Washington believed to be shortsighted and unwise. By "sitting tight" and allowing Iran to drift toward communism, Acheson claimed, the United States and Great

Britain "would be like two people locked in loving embrace in a rowboat about to go over Niagara Falls." To avert disaster, the two nations "should break the embrace and take to the oars." If they remained united behind a rigid, no-compromise policy in Iran, communist collapse was inevitable.³⁰

Despite the rancorous disputes that characterized Anglo-American relations during the Iranian dispute, the two nations ultimately came together in a common policy that sacrificed Iranian nationalism to Western interests and allowed the AIOC to maintain a moderate presence in the Iranian oil industry. For all of the State Department's criticism of the British position in Iran and all of its purported support for the principle of Iranian nationalism, in the end, Cold War considerations took precedence. American policy was initially based on the belief that dealing generously with the Iranians offered the best hope of attaining an oil settlement that preserved Iran's Western orientation and prevented it from falling to communism. As the crisis dragged on, however, Washington's determination to protect Iran from communism, its commitments in other parts of the world (most notably to the reconstruction of Western Europe and to the war effort in Korea), and its growing global partnership with London led it to identify more closely with the British position, even if this meant abandoning Iran's nationalist ambitions in the process.³¹

At the same time, U.S. officials believed by the summer of 1953 that Iran's internal situation was deteriorating to the point of crisis. They feared that the prolonged economic difficulties generated by the British boycott of oil sales had fueled extensive domestic opposition to Prime Minister Mossadeq. Reports from U.S. diplomats in Tehran were a mixed bag, on the one hand lauding the government's success in meeting the challenges posed by the British boycott but on the other warning that Iran could not long survive the economic dislocation caused by the oil crisis. Such information was cause for alarm to high-ranking foreign policymakers, who feared Iran's imminent collapse to communism, not so much as a result of a direct Soviet assault or invasion but due to prolonged economic instability. As Secretary of State Acheson had warned earlier in a sentiment that still held true in the summer of 1953, the situation in Iran "might have been devised by Karl Marx himself," and unless changes were made, disaster was imminent.³² U.S. officials were also worried about what they considered to be Mossadeq's escalating efforts to assume total control over Iran's domestic affairs. In July 1952, he had won Majlis approval of virtually total control over Iran's economic and domestic policies; these powers had been renewed for another year in early 1953. In July 1953 he had effectively dissolved the legislature, which he believed (quite rightly, as it turned out) to contain a number of individuals in the employ of the British government, by securing the resignations of his supporters and thereby leaving the Majlis without a quorum. And the following month, he put his actions to a national referendum--widely recognized as rigged--in which an astonishing 99.9 percent of the voters affirmed his handling of the nation's affairs.³³ Mossadeq may have viewed his assumption of extraordinary economic powers as justified and even necessitated by the nation's domestic difficulties and the referendum, imperfect as it was, as his only way of combating internal enemies and external subversion, particularly by the British, who had been working for years to bring his government down.³⁴ But U.S. policymakers viewed them as proof positive that

Mossadeq was leading Iran down the road to communist totalitarianism. Officials in the Eisenhower administration finally came to see Mossadeq as a threat to Western control over Iran's vital natural resources; to protect those resources, Mossadeq had to be removed from office, a feat that was finally accomplished in August 1953.³⁵ As the unfolding course of U.S. involvement in the Iranian oil dispute makes clear, Washington moved from recognition and support of the validity of Iranian nationalism to abandoning that nationalism in favor of Cold War preoccupations. And in the process, it moved closer to the position advanced consistently by the British--that Iranian efforts to control their own oil industry had to be opposed.

Although the United States and Great Britain ultimately came around to the same policy in Iran, they did so for different reasons. U.S. officials remained primarily concerned with the Cold War implications of the oil crisis. Their concern about preventing a communist takeover in Iran remained constant, even if their preferred strategy for preventing such a takeover changed, moving from assuaging Iranian nationalism through a generous oil policy to suppressing that nationalism through covert action against Mossadeq's government. British policymakers remained firmly opposed to Iranian nationalism throughout, rejected compromise with Mossadeq, and insisted that giving in would only encourage the Iranians and others to move against other Western interests. When faced with what they considered to be the real possibility of a communist takeover in Iran, officials in the Eisenhower administration sided with the British in thwarting Iranian nationalism in the name of anticommunism. They moved full circle from the U.S. position in 1950 of advocating generosity when it came to Iranian demands to a hard-line position of true alliance with the British. However acrimonious Anglo-American relations during the early days of the Iranian nationalization crisis might have been, the differences between London and Washington finally gave way to a unified policy that served both sides' interests--at least in the short term.

Endnotes

¹ The literature on the Iranian nationalization crisis includes Mostafa Elm, *Oil, Power, and Principle: Iran's Oil Nationalization and Its Aftermath* (Syracuse, 1992); James A. Bill and Wm. Roger Louis, eds., *Musaddiq, Iranian Nationalism, and Oil* (Austin, 1988); David S. Painter, *Oil and the American Century: The Political Economy of U.S. Foreign Oil Policy, 1941-1954* (Baltimore, 1986); and Daniel Yergin, *The Prize: The Epic Quest for Oil, Money, and Power* (New York, 1991), chap. 23. See also Mary Ann Heiss, *Empire and Nationhood: The United States, Great Britain, and Iranian Oil, 1950-1954* (New York, 1997), from which this paper is drawn.

² These developments may be followed in J. R. L. Anderson, *East of Suez: A Study of Britain's Greatest Trading Enterprise* (London, 1969), 43-48; "Robert B. Stobaugh, "The Evolution of Iranian Oil Policy, 1925-1975," in *Iran under the Pahlavis*, ed. George Lenczowski (Stanford, 1978), 201-6; Henry Longhurst, *Adventure in Oil: The Story of British Petroleum* (London, 1959), 54-80; Stephen Helmsley Longrigg, *Oil in the Middle East: Its Discovery and Development*, 3d ed. (London, 1968), 48-60; Benjamin Schwadran, *The Middle East and the Great Powers* (New York, 1973), 20-47; Peter Beck, "The Anglo-Persian Oil Dispute of 1932-33," *Journal of Contemporary History* 9 (October 1974): 123-51; and J. H. Bamburg, *The History of the British Petroleum Company*, vol. 2: *The Anglo-Iranian Years, 1928-1954* (Cambridge, England, 1994), 27-62.

³ For basic coverage of the 1949 negotiations and their immediate aftermath see, among other sources, Ronald W. Ferrier, "The Anglo-Iranian Oil Dispute: A Triangular Relationship," in Bill and Louis, eds., *Musaddiq*, 168-74; Mark Hamilton Lytle, *The*

Origins of the Iranian-American Alliance, 1941-1953 (New York, 1987), 193-96; Rouhollah K. Ramazani, Iran's Foreign Policy, 1941-1973: A Study of Foreign Policy in Modernizing Nations (Charlottesville, 1975), 181-86; Schwadran, The Middle East, 89-91; and Heiss, Empire and Nationhood, 13-44.

- ⁴ U.K. record of 9 April 1951 meeting between U.S. and U.K. delegations, 12 April 1951, Foreign Office Political Correspondence, Record Class FO 371, 91471/EP1023/36 (hereafter FO 371, with filing information), British Public Record Office, Kew, England.
- ⁵ Foreign Office tel. 2103 to British embassy, Washington, 18 May 1951, FO 371, 91535/EP1531/354; Walter S. Gifford (U.S. ambassador, London) tel. 5774 to State Department, 5 May 1951, General Records of the Department of State, Record Group 59, 888.2553AIOC/5-2651 (hereafter RG 59, with filing information), National Archives II, College Park, Maryland.
- ⁶ Alan Leavett (Foreign Office, Eastern Department) minute, 11 January 1950, FO 371, 82374/EP1531/1.
- ⁷ Dean Acheson (secretary of state) tel. to State Department, U.S. Department of State, Foreign Relations of the United States, 1952-1954 (Washington, 1989), 10:265 (hereafter FRUS with year and volume number).
- ⁸ See Heiss, Empire and Nationhood, chap. 2, for Iranian efforts to win concessions beyond the Supplemental Agreement.
- ⁹ On the ARAMCO deal see Irvine H. Anderson, "The American Oil Industry and the Fifty-Fifty Agreement of 1950," in Bill and Louis, eds., Musaddiq, 14-63; idem, ARAMCO, the United States, and Saudi Arabia: A Study in the Dynamics of Foreign Oil Policy, 1933-1950 (Princeton, 1980); and Aaron David Miller, Search for Security: Saudi Arabian Oil and American Foreign Policy, 1939-1949 (Chapel Hill, 1980). The British reaction to the ARAMCO deal may be followed in J. C. Holmes (London) tel. 3186 to State Department, 30 November 1950, RG 59, 888.2553/11-3050; Shepherd tel. 626 to Foreign office, 7 December 1950, FO 371, 91521/EP1531/13; Holmes tel. to State Department, 14 December 1950, FRUS, 1950 (Washington, 1978), 5:632-33; and Richards tel. to State Department, 14 December 1950, FRUS, 1950 5:630-32.
- ¹⁰ See Heiss, Empire and Nationhood, 72-73, 88-93, 140-50, for each of these initiatives.
- ¹¹ For the ICJ decision see *ibid.*, 129-34.
- ¹² For the Security Council resolution see *ibid.*, 97-99.
- ¹³ Ernest Bevin record of conversation with Lewis A. Douglas (U.S. ambassador, London), 12 August 1950, FO 371, 82375/EP1531/37.
- ¹⁴ Gifford tel. to State Department, 5 October 1951, FRUS, 1952-1954 10:205-6.
- ¹⁵ State Department paper, "Approach and Objectives for the Churchill Talks," 21 December 1951, FRUS, 1952-1954 (Washington, 1989), 6:709-16; Omar Bradley (chairman, Joint Chiefs of Staff) notes of Anglo-American meeting, 5 January 1952, FRUS, 1952-1954 6:740-41.
- ¹⁶ Acting Secretary of State David K. E. Bruce tel. to U.S. embassy, London, 18 August 1952, FRUS, 1952-1954 10:445-47.
- ¹⁷ For British thinking on this score see, for example, Sir Oliver Franks (British ambassador, Washington) tel. 387 to Foreign Office, 5 February 1952, FO 371, 98685/EP15314/24; Sir Roger Makins (British embassy, Washington) memorandum, 6 February 1952, FO 371, 98675/EP1536/17; Foreign Office tel. 775 to British embassy, Washington, 9 February 1952, FO 371, 98685/EP15314/24; and Franks tel. 273 to Foreign Office, 25 February 1952, FO 371, 98684/EP15314/5.
- ¹⁸ Acting Secretary of State James E. Webb tel. to U.S. embassy, London, 22 May 1950, FRUS, 1950 5:550-51.
- ¹⁹ Crocker (U.S. embassy, Baghdad) tel. to State Department, 29 March 1951, FRUS, 1951 (Washington, 1985), 5:292-93; minutes of undersecretary's meeting, 6 April 1951, RG 59, lot 58 D 609.
- ²⁰ Dean Acheson, Present at the Creation: My Years in the State Department (New York, 1969), 503. For similar sentiments see George C. McGhee oral history interview, Harry S. Truman Library, Independence, Missouri.
- ²¹ Among the numerous U.S. assessments of Iran's importance see Acheson tel. 89 to U.S. embassy, Tehran, 15 July 1950, RG 59, 888.00/7-1550; Grady tel. 164 to State Department, 20 July 1950, RG 59, 888.99/7-2050; McGhee memorandum to Acheson, "The United States Position in the Event of a Soviet Attack on Iran," 21 July 1950, FRUS, 1950 5:572-74; NIE-26, "Key Problems Affecting U.S. Efforts to Strengthen the Near East," 25 April 1951, Truman Papers, Intelligence File, box 253, folder: Intelligence Reports, NIE 21-26, Truman Library; John A. Samford (director of intelligence, USAF) memorandum, "Implications of the Soviet-Communist Threat in Iran," 16 May 1952, Records of the Office of the Secretary of Defense, Record Group 330, CCS 092 Iran (4-23-48) sec. 6, National Archives II; and "Britain's Position in the World and Its Implications for Our Middle East Policy," 3 June 1952, RG 59, Records of the Policy Planning Staff, Country and Area Files, box 30, folder: Near and Middle East, 1952-1953.

-
- ²² Implementation of the British-led boycott may be followed in Arthur L. Richards (counselor, U.S. embassy, Tehran) dispatch 9 to State Department, 2 July 1951, RG 59, 788.13/7-251; Henry Grady (U.S. ambassador, Tehran) tel. 35 to State Department, 3 July 1951, RG 59, 888.2553AIOC/7-351; Gifford tel. 59 to State Department, 4 July 1951, RG 59, 888.2553AIOC/7-451; and D. A. Logan (Foreign Office) minute, 4 July 1951, FO 371, 91560/EP1531/928.
- ²³ For these U.S. efforts to resolve the crisis see Heiss, *Empire and Nationhood*, 81-93, 100-105, 119-24.
- ²⁴ The U.S. belief in Iran's right to nationalize is found in, among other sources, Acheson tel. to U.S. embassy, Tehran, 17 March 1951, *FRUS, 1952-1954* 10:25-56.
- ²⁵ The Mossadeq government's efforts to deal with the consequences of the boycott may be followed in, for example, Homa Katouzian, "Oil Boycott and Political Economy: Musaddiq and the Strategy of Non-Oil Economics," in Louis and Bill, eds., *Musaddiq*, 203-27; Elm, *Oil, Power, and Principle*, 267-75; and Patrick Clawson and Cyrus Sassanpour, "Adjustment to a Foreign Exchange Shock: Iran, 1951-1953," *International Journal of Middle East Studies* 19 (February 1987): 1-23.
- ²⁶ Makins tel. 184 to Foreign Office, 28 January 1953, FO 371, 104610/EP1531/117; Foreign Office tel. 1009 to British embassy, Tehran, 25 August 1951, FO 371, 91581/EP1531/1408.
- ²⁷ See unsigned record of informal U.S.-U.K. discussions, Thursday morning, 21 September 1950, *FRUS, 1950* 5:597; unsigned record of informal U.S.-U.K. discussions, Saturday morning, 23 September 1950, *FRUS, 1950* 5:600-602; and George C. McGhee, *Envoy to the Middle World: Adventures in Diplomacy* (New York, 1983).
- ²⁸ Harlan B. Clark (officer in charge of Lebanon-Syria-Iraq affairs, Bureau of African and Near Eastern Affairs, State Department) memorandum of conversation re discussion with Anglo-Iranian Oil Company officials, 24 January 1950, RG 59, 888.2553AIOC/1-2450.
- ²⁹ Acheson, *Present at the Creation*, 511.
- ³⁰ Acheson memorandum of 5 January 1952 meeting between Truman and Churchill, 6 January 1952, Truman Papers, President's Secretary's File--General File, box 16, folder: Churchill-Truman Meetings, Memos and Minutes.
- ³¹ The shift in U.S. thinking is chronicled in detail in Heiss, *Empire and Nationhood*, chap. 4.
- ³² The economic reports of U.S. diplomats in Tehran may be found in RG 59, 888.00. Acheson memorandum of 5 January 1952 meeting between Truman and Churchill, 6 January 1952, Truman Papers, PSF--General File, box 116, folder: Churchill-Truman Meetings, Memos and Minutes.
- ³³ The best and most accessible source for these developments is Fakhreddin Azimi, *Iran: The Crisis of Democracy, 1941-1953* (London, 1989), 293-95, 311-13, 329-31.
- ³⁴ Mosadeq's thinking may be followed in *ibid.* See also Homa Katouzian, *Musaddiq and the Struggle for Power in Iran* (London, 1990), 126-36, 177-88; and Katouzian, ed., *Musaddiq's Memoirs* (London, 1988), 290-93, 331-36.
- ³⁵ For an account of U.S. thinking see Heiss, *Empire and Nationhood*, 168-85. The best account of the coup is Mark J. Gasiorowski, "The 1953 Coup d'Etat in Iran," *International Journal of Middle East Studies* 19 (August 1987): 261-86. The official CIA history of the coup was recently published on the *New York Times* website: <http://www.nytimes.com/library/review/061800iran-cia-review.html>.